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CVR no. 33039018

7 October 2022
File no. 1042774

Circular letter no. 5 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.:	DanishMaritime and Commercial High Court, K 2157/21-A

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

- *Circular letter no. 1 under section 124(1) of the Danish 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 Danish 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 Danish Bankruptcy Act, which was sent to all known creditors and the bankruptcy court on 8 October 2021.*
- *Circular letter no. 4 under section 125(4) of the Danish Bankruptcy Act, which was sent to all known creditors and the bankruptcy court on 8 April 2022.*

1 List of assets and liabilities

The estate's assets and liabilities have been calculated at 30 June 2021 in EUR with a conversion rate to Danish kroner of 743.92. 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 remains unknown.

1.1.1 Cash and cash equivalents

On 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). At 31 December 2021, the bankruptcy estate's cash and cash equivalents amounted to EUR 10,957,343. At 30 June 2022, the bankruptcy estate's cash and cash equivalents amounted to EUR 16,426,797.08. The change in cash and cash equivalents since 31 December 2021 amounts to EUR 5,469,454.25.

The increase in cash and cash equivalents is primarily due to payments from Gefion's reinsurance contracts in the total amount of EUR 5,694,650.42 and payments of settlement amounts and court ordered amounts as further described in 1.1.7, as well as release of deposits with foreign courts in the total amount of EUR 1,765,231.18.

Gefion's cash and cash equivalents are affected by the current expenses related to the continuation of the bankruptcy estate's operations and the winding-up of the remaining claims portfolio. Since 31 December 2021, expenses have been incurred in relation to the continuation of the operations in the total amount of EUR 1,795,812.18 for salaries to employees and consultants, office supplies, IT operations and claims handling expenses, by which cash and cash equivalents have been reduced.

Cash and cash equivalents are included at (calculated at 30 June 2022)

EUR 16,426,797.08

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. At 31 December 2021, the total reinsurance funds amounted to EUR 154,603,820.00. At 30 June 2022, the total reinsurance funds amounted to EUR 146,238,472.13. The development in the total reinsurance funds is further described in paragraph 2.

- (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 amounted to EUR 132,173,391. At 30 June 2022, this expected receivable was recognised at EUR 114,669,108.13, equal to a reduction of EUR 17,504,282.87. This reduction is primarily due to the expected receivable maturing as payments are made on processed claims from the local guarantee funds and is therefore included in 1.1.2 (ii). The amount of the final receivable will vary depending on the level of the loss in relation to the claims reported and handled and may develop differently than expected.

(ii) Matured reinsurance receivables

On the date of the bankruptcy order, Gefion's matured receivables from reinsurers amounted to EUR 21,248,064, and at 31 December 2021 to EUR 22,430,429. At 30 June 2022, these receivables amounted to EUR 31,569,364 as a result of the estate's continued claims handling and claim payments made by the local guarantee funds which has matured part of the expected receivables described in (i).

The total expected reinsurance funds are included at the booked value at 30 June 2022 totalling

EUR 146,238,472.13

1.1.3 Receivables

Debtors – policyholders

On the date of the bankruptcy order, Gefion's receivables from policyholders amounted to EUR 11,235,808, and at 31 December 2021 to EUR 14,704,123.

At 30 June 2022, these receivables amounted to EUR 14,698,678.37. The receivables are provisionally included at the booked value at 30 June 2022.

EUR 14,698,678.37

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, and at 31 December 2021 to EUR 10,783,622.

At 30 June 2022, these receivables amounted to EUR 11,098,446.

As part of the administration of the estate, the trustees have examined several of the receivables and identified incorrectly booked and statute-barred receivables resulting in write-offs of EUR 13,100,000 total. Moreover, certain insurance agents/brokers have objected to the claims, and the bankruptcy estate has not yet received payments of any of these receivables. 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. In addition to

these objections, the development in receivables is affected by write-offs made as the individual insurance agents'/brokers' ability to pay is clarified. Moreover, the development in agent receivables is affected by the fact that the commission remuneration of the bankruptcy estate's insurance agents is performance-based.

The receivables are provisionally included at the booked value at 30 June 2022.

EUR 11,098,446.00

Account receivable

At 31 December 2020, Gefion had a small receivable from Gefion GICA ApS of DKK 30,652.85. Gefion GICA ApS was dissolved by liquidation on 5 May 2021 without sufficient funds to pay creditors and/or Gefion as its sole owner. The receivable has been written off as bad debt.

EUR 0.00

1.1.4 Furniture, fixtures and equipment, IT and 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 while the company was in liquidation. During the liquidation, an agreement on the sale was also concluded against payment of DKK 515,500, equal to EUR 69,320, see also paragraph 4.5 of circular letter no 4.

EUR 69,320.00

1.1.5 Furniture, fixtures and equipment in storage

Gefion 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 for the estate of DKK 812.50.

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 of circular letter no. 4 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 5.6. The trustees have chosen, *inter alia*, in concert with the bankruptcy estate of Qudos Insurance A/S to become a party to a major lawsuit involving a litigation value in the order of GBP 8,800,000. The lawsuit has been settled against the defendants' payment of GBP 2,400,000, of which the bankruptcy estate's share amounts to GBP 666,861.32 (approx. EUR 775,439.68). The trustees have also received repayment of GBP 300,145.28 (approx. EUR 351,169.98) which had been paid to the court as security for costs of the hearing of the case, see also paragraph 5.6.6. The settlement amounts received have been included in bankruptcy estate's cash and cash equivalents as described in paragraph 1.1.1. 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 5.6.3. The bankruptcy estate's pending lawsuits are therefore provisionally included at a reminder value.

EUR 1.00

Total assets (preliminary amount)

EUR 188,531,823.84

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

1.2 Liabilities

1.2.1 Pre-preferential claims under section 93 of the Danish 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 the employees and consultants, payments to external lawyers, claims handlers 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 Insurance claims filed under section 234 a(1) of the Danish Financial Business Act (*lov om finansiel virksomhed*)

EUR 912,627.61

1.2.3 Claims from employees under section 95 of the Danish Bankruptcy Act

EUR 60,738.24

1.2.4 Unsecured claims under section 97 of the Danish Bankruptcy Act

EUR 35,622,196.95

1.2.5 Deferred claims under section 98 of the Danish Bankruptcy Act

EUR 20,417,046.73

Total liabilities (preliminary amount)

EUR 57,091,581.51

It should be noted that the above list of the bankruptcy estate's liabilities has been calculated at 31 August 2022. The list is preliminary and subject to significant 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 debts and claims, but which have been reserved as outstanding claims provisions (technical reserves). To this should be added that the expected claims filed under section 234 a(1) of the Danish Financial Business Act cannot yet be estimated. The claims are expected to be significant, and will rank prior to any claims filed under section 95 of the Danish Bankruptcy Act.

In relation to the claims from employees filed under section 95 of the Danish Bankruptcy Act, it should be noted that total claims of EUR 40,339.39 had been filed in circular letter no. 4. The trustees have since received additional notifications of claims, after which the total claims filed from employees amount to EUR 60,738.24.

In relation to the deferred claims under section 98 of the Danish Bankruptcy Act, it was reported in circular letter no. 4 that total claims of EUR 151,839,534.73 had been filed against the estate. By mistake, the total claim had not been converted into EUR but was stated in DKK. In this circular letter, the amount has been converted to EUR 20,417,046.73.

The total claims filed against the bankruptcy estate therefore amount to **EUR 57,091,581.51** at 31 August 2022.

The outstanding claims provisions (technical reserves) at 30 June 2022 amounted to EUR 240,659,770.00. 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. However, the technical provisions are expected to be counterbalanced by corresponding claims against the bankruptcy estate as the estate's claims handling is completed. In addition to the technical provisions, payments on insurance claims from the local guarantee funds totalling EUR 55,899,821.00 had been made at 30 June 2022. The bankruptcy estate has not yet received any notifications of subrogation claims from the guarantee funds, which have therefore not been included in the list of liabilities at this time. Accordingly, once the claims handling has been completed, the bankruptcy estate's total liabilities are expected to amount to EUR 347,651,172.51, meaning that there is no prospect of dividends for claims from employees, unsecured claims or deferred claims.

2 Significant developments from the last circular letter on the bankruptcy estate's assets and liabilities

The primary change in the bankruptcy estate's assets is attributable to, i.a., the bankruptcy estate's reinsurance receivables, which have been reduced by a total of EUR 8,365,347.87.

The reduction is partly due to payments of EUR 5,694,650.42 made on the matured reinsurance receivables and therefore being included in the bankruptcy estate's cash and cash equivalents, and partly due to write-downs of the large loss reserve on a portfolio covered by reinsurance, which were made because these large losses had originally been reserved at a too high value by the external claims handler.

At 31 December 2021, the technical reserves amounted to EUR 273,000,000.00, while, at 30 June 2022, they are booked at EUR 240,659,770.00. The booked value at 30 June 2022 comprises partly a EUR 3,783,106 revaluation of the technical reserve due to a deterioration on certain claims, and partly a reduction due to the payments made on processed claims. However, this reduction is counterbalanced by the guarantee funds' right to file subrogation claims against 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 continued lawsuits. Moreover, the trustees have spent a substantial amount of time on the general administration of the estate, including investigations of liability, and work relating to the appointed creditors' committee. The work has been performed since the date of the bankruptcy order on 7 June 2021.

The total time spent in the period from 1 March 2022 to 31 August 2022 is approx. 5,772 hours. The hours spent have been distributed on the work described in paragraphs 4-6 below.

Generally, the work may be divided into two main categories, i.e. work relating to continued operations and work relating to the general administration of the estate.

The work relating to operational matters primarily relates to i) the overall claims handling, ii) guarantee funds, iii) GDPR and compliance, iv) audit of claims handling, v) reinsurance and vi) receivables.

The work relating to the general administration of the estate primarily concerns i) investigations of liability, ii) investigations of voidable transactions, iii) any criminal offences and notices to the police, iv) disqualification, v) handling of employees and consultants, vi) lawsuits, vii) set up of procedures for filing claims with the estate and handling such claims against the bankruptcy estate, viii) enquiries relating to claims against the bankruptcy estate and other enquiries, ix) examination of claims and x) other administration of the estate, including work relating to the handling of the creditors' committee and drafting of circular letter.

4 Handling of operational matters

4.1 Overall claims handling

As described in the previous circular letters nos 2-4, prior to the bankruptcy, Gefion provided insurance products in several European countries, including Denmark, England, France, Ireland, Italy, Poland and Germany. The insurance products were sold through external agents, and the subsequent handling of claims, i.e. the assessment of the individual insurance claims, was primarily undertaken by these external agents. Accordingly, these agents' services comprised both insurance sales and claims handling. The external claims handlers (who did not also agents) were engaged either directly by the agent or by Gefion claims handler.

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.

claims handler.

In Poland, Germany and Italy, the claims handling has been taken over in part or in full by local, public guarantee funds as a result of national legislation. In these countries, the trustees have concluded, or have attempted to conclude, agreements with the guarantee funds on reporting on their claims handling in order to secure reinsurance cover of the claims and secure the bankruptcy estate's underlying data in relation to claims handled by the guarantee funds.

When Gefion entered into liquidation on 13 July 2020 and winding up of the then existing insurance portfolio began, the company had approx. 425,000 active insurance policies. On the date of the bankruptcy order, 22,611 open claims had been reported across all jurisdictions, i.e. claims which had not yet been assessed by a claims handler. However, a far greater number of claims have been filed subsequently than the number of open claims known at the date of the bankruptcy order. The actual number of open claims on the date of the bankruptcy order was therefore higher than 22,611.

The number of open claims is gradually reduced, and according to the latest computation at 22 August 2022, the number of open claims was 13,760. It should be noted that the computation of open claims at 22 August 2022 is based on information received before 22 August 2022. This is due to missing and/or incomplete reporting by certain claims handlers and guarantee funds.

In addition, another approx. 18,000 claims have been filed during the bankruptcy proceedings specifically related to a pending lawsuit in Germany, see 5.6.3 below.

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 towards the reinsurers. The progress and status of the process in the individual jurisdictions are outlined below.

The time spent on this work in the period is approx. 718.5 lawyer hours, divided between the seven jurisdictions as further described below in paragraphs 4.1.1-4.2.7.

4.1.1 Denmark

Over the past period, the trustees in concert with the Danish Guarantee Fund for Non-life Insurers have continued discussions with the Danish claims handler, including on the process for the payment of eligible claims and reporting of approved claims to the bankruptcy estate.

It should be noted in this respect that several of the open claims are of such size and complexity that the trustees are assisting the Danish claims handler in handling these claims.

Moreover, discussions are ongoing with the Danish claims handler concerning the storage of documentation obtained in connection with the claims handling.

The trustees have also continued discussions with the Danish Motor Insurers' Bureau ("DFIM"), see paragraph 4.2.1 below. According to the latest computation of open claims, the number of open claims in Denmark totalled 131 at 22 August 2022.

4.1.2 England

As described in circular letter no. 4, the trustees have regular general discussions with the English claims handlers in relation to the continued claims handling. The discussions over the past period have concerned in particular ensuring a correct reporting process, including in relation to the payment of the eligible claims from the English guarantee fund and ensuring the reporting to the bankruptcy estate. Furthermore, detailed discussions have been conducted about the process for claims handling of specific claims, passing on enquiries etc.

The trustees have moreover been challenged by one of the English claims handler's reporting to the bankruptcy estate as the claims handler has not provided any reporting in the past six months. The trustees have been in a ongoing dialogue and correspondence with the claims handler who resumed reporting in August 2022 following extensive correspondence.

In addition to the above, the trustees have seen an increase in the number of enquiries from policyholders to the bankruptcy estate. The enquiries relate to claims handled by another English claims handler than the one mentioned above. The enquiries received by the bankruptcy estate have concerned the length of the processing time with this claims handler. The trustees have therefore contacted the claims handler in order to clarifying the matter. The trustees have subsequently ascertained that the claims processing time is back within the expected timeframe.

According to the latest computation of open claims, the number of open claims in England at 22 August 2022 totalled 6,875. Due to the incomplete reporting from one of the claims handlers, this number is partly based on information updated before 22 August 2022.

4.1.3 France

As described in circular letters nos 3-4, Gefion's existing claims handlers undertake most of the claims handling of the French claims portfolio. However, the French guarantee fund, Fonds de Garantie des Assurances Obligatoires de dommages ("FGAO"), handles larger personal injury claims separately.

The trustees are in a regular dialogue with the bankruptcy estate's French claims handlers about the claims handling of the remaining French claims and reporting of processed claims to the FGAO and the bankruptcy estate, respectively, depending on whether the individual claim is covered by the guarantee fund.

The trustees' discussions with the individual claims handlers on bordereaux submission to the bankruptcy estate for reinsurance purposes are still ongoing, and, in one case, the trustees have engaged local lawyers with a view to procuring the reporting in question, see also paragraph 4.6.2.1.

According to the latest computation of open claims, the number of open claims in France totalled 3,434 at 22 August 2022. Due to the incomplete reporting from two of the claims handlers, this number is to some extent based on information updated some time prior to 22 August 2022.

4.1.4 Ireland

Gefion's existing claims handlers and the claims handler engaged by the bankruptcy estate continue to undertake the claims handling of the Irish claims portfolio.

Since circular letter no. 4 was issued, the trustees have been discussing with the Irish claims handlers the procedure for claims handling in Ireland and any changes thereto as a result of the commencement of the bankruptcy proceedings and national procedures and obligations in relation to coverage by the guarantee fund determined under Irish law. The trustees have had discussions in particular with the existing claims handler of the additional workload resulting from the national Irish procedures, which have now been completed.

According to the latest computation of open claims, the number of open claims in Ireland totalled 592 at 22 August 2022.

4.1.5 Italy

Over the past period, the trustees have continued their discussions with the representative of the Italian claims handlers in relation to the future claims handling.

Moreover, the trustees are in a regular dialogue with the Italian supervisory authority, Istituto per la Vigilanza sulle Assicurazioni ("IVASS"), about the few remaining open claims still being processed by claims handlers after the bankruptcy.

The bankruptcy estate has been sued before the court in Trieste in relation to an insurance policy taken out with Gefion prior to the bankruptcy. The bankruptcy estate's external lawyer in Italy is handling the case. The first court hearing of the case has been scheduled for November 2022.

According to the latest computation of open claims, the number of open claims in Italy totalled 35 at 22 August 2022.

4.1.6 Poland

As described in circular letters nos 3-4, 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. primarily for uncovered (unpaid) motor third party liability claims from injured third parties. The trustees have regular discussions and correspondence with the UFG concerning the fund's reporting on the claims handling to the bankruptcy estate, and the bankruptcy estate still receives monthly reports.

Moreover, the trustees have an ongoing dialogue with UFG concerning exchange of information relating to claims handling, reporting to the reinsurance companies, payments and other matters.

Furthermore, the trustees are still in a dialogue with an external Polish lawyer about the claims handling with respect to the part of the open claims not falling within the scope of cover of UFG, i.e. essentially comprehensive motor insurance claims, costs relating to lawsuits concerning claims and claims that are filed by individuals other than the injured third party. The trustees have prepared and sent a draft agreement on the claims handling to the lawyer and have held meetings on the agreement and the claims handling framework, including the process, information exchange, language requirements and reporting on the claims. The agreement is expected to be finally concluded during the fourth quarter of 2022.

In addition, the trustees still have not been able to make contact with the agent who wrote insurance in Poland for Gefion prior to the bankruptcy and are now preparing to take legal steps as further described in paragraph 4.6.2 below.

According to the latest computation of open claims, the number of open claims in Poland totalled 2,132 at 22 August 2022.

4.1.7 Germany

As described in circular letters nos 3-4, the German insurance guarantee fund ("VOH") took over claims handling of the part of the German claims portfolio that falls within the scope of cover of the fund, i.e. 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 still not been able to obtain an agreement with VOH's claims handlers or VOH on their reporting of the claims handling to the bankruptcy estate.

The trustees have engaged one of the bankruptcy estate's existing consultants to handle the registration of claims from Germany and understand the claims handling of the claims falling outside the scope of VOH's cover.

Since circular letter no. 4, the trustees have been in dialogue with the claims handler who undertook the claims handling before the bankruptcy in order to obtain Gefion's claims data. The trustees have received claims data concerning the claims falling outside the scope of cover of the guarantee fund, which are handled by the bankruptcy estate's German consultant, see above. Since the last circular letter was issued, the trustees have reached an agreement with the former claims handler to make a full mirroring of the claims data. In general, the claims handling is still obstructed by lack of data due to bankruptcy proceedings that were commenced against Gefion's original agent and claims handler in Germany prior to Gefion's bankruptcy.

Since the commencement of the bankruptcy proceedings, the bankruptcy estate has received several enquiries from former policyholders concerning the issue of "no-claims bonus" confirmations. This is because the policyholders must prove to their new insurance companies that no claims have been reported under their previous policies with Gefion. The bankruptcy estate is unable to issue these confirmations.

According to the latest computation of open claims, the number of open claims in Germany totalled 516 at 22 August 2022. The number is subject to some uncertainty as the bankruptcy estate is not receiving any reporting from the German guarantee fund and therefore has limited insight into the number of claims handled. The number does not include the approx. 18,000 additional claims mentioned in paragraph 4.1.

4.2 *Guarantee funds*

The trustees have examined the guarantee funds for non-life insurers in the countries in which Gefion has conducted insurance business to determine the field of operation and the scope of cover of the funds. The scope of cover varies from one country to the next and has regularly been addressed on a country-by-country basis. The bankruptcy estate is in a regular dialogue with the individual guarantee funds in connection with the continuous claims handling and cover by the guarantee fund of processed claims.

The time spent on this work has been included above in paragraph 4.1.

4.2.1 Denmark

As described in circular letter no. 4, the trustees have regularly had 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. Discussions are ongoing. The trustees have also had discussions with the DFIM, which operates as a guarantee fund under the green card system

and in case of insolvency. The discussions are ongoing and concern in particular DFIM's status as a creditor of the bankruptcy estate and the process of payment, substantiation and filing claims against the bankruptcy estate. In relation to the process of DFIM's filing of claims against the bankruptcy estate, the discussions have concerned in particular the procedure for filing the claims, including with a view to ensuring the required documentation for a later adjudication of claims.

4.2.2 England

The trustees continue to hold weekly conference calls with the British guarantee fund (FSCS) about handling the claims within the scope of FSCS's cover. The discussions with FSCS still concern the establishment of the procedure and the flow of payments for payment of approved claims as well as FSCS's proof of their subrogation claims against the bankruptcy estate.

4.2.3 France

The French guarantee fund for non-life insurers, FGAO, covers the injured parties' claims in connection with personal injury or property damage under French motor third party liability insurance, except for injury or damage caused to the driver of the insured motor vehicle.

In collaboration with FGAO and some of 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. The trustees have regular discussions with FGAO about the general claims handling in France, FGAO's independent handling of certain major claims and regular reporting to the bankruptcy estate in that connection.

4.2.4 Ireland

The trustees have had regular discussions with the Irish State Claims Agency (SCA) who manages the Irish guarantee fund (ICF) in order to establishing a process for handling the claims covered by the guarantee fund.

ICF's payment of claims is governed by a statutory process under Irish law, meaning 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. The application is expected to be submitted to the court during the second half of 2022.

4.2.5 Italy

As described in circular letter no. 4 and above, the Italian Institute for the Supervision of Insurance (IVASS) has 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. The discussions are ongoing.

4.2.6 Poland

As described in circular letters nos 3-4, the trustees have been engaged in a dialogue with UFG on the claims handling and with the Polish green card bureau, the Polish Motor Insurers' Bureau ("PBUK").

UFG covers and handles all claims filed 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. The trustees have regular 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 externally engaged by the bankruptcy estate. In that connection, the trustees have discussions with the lawyer about whether the bankruptcy estate has any comments to such position.

Moreover, the trustees are in on-going dialogue with UFG to discuss the status of the claims handling, the possibility of performing an audit and reporting requirements from the bankruptcy estate with respect to the filing of claims against the estate.

PBUK handles claims covered by the green card system, i.e. claims with a cross-border element. PBUK is still reporting regularly to the bankruptcy estate's employees on the claims and the approval thereof, which will be included in the bankruptcy estate's further reporting to the reinsurance.

Discussions with UFG and PBUK are ongoing.

4.2.7 Germany

As described in circular letters nos 3-4, the German guarantee fund (VOH) has 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.

However, VOH does not cover claims involving the policyholder sustaining property damage under the insurance policy. These claims are handled by the estate's own consultant, see paragraph 4.1.7 for further details. The number of claims falling outside the scope of VOH's cover is very limited.

Due to a number of commutations made of the reinsurance contracts covering the German portfolios prior to the bankruptcy proceedings, the reinsurance cover is considerably limited. The commutations have primarily been made in respect of Gefion's Quota Share reinsurance (Quota Share reinsurance meaning a proportional cover of the claims, by which one or more reinsurance companies distribute the premium and risk proportionally on the entire portfolio). As regards Gefion's Excess of Loss reinsurance contract covering the German market, commutation was, on the other hand, only made of one reinsurance contract before the bankruptcy proceedings (Excess of Loss reinsurance meaning non-proportional reinsurance which does not take effect until the claim reaches a certain amount). Accordingly, the reinsurance cover on major claims is not materially affected by the commutations.

Based on the above, the trustees have decided that the claims handling should be maintained in order to ensure correct valuation of the German claims and ensuring continued reporting to the reinsurance companies in respect of the remaining reinsurance.

As previously described, the trustees have been in a dialogue with VOH about the possibility of reporting on claims etc. to the bankruptcy estate, which VOH has rejected so far.

4.3 *GDPR and compliance*

As described above in paragraph 4.1, prior to the bankruptcy, Gefion had sold insurance products and conducted insurance business in a large number of countries through local agents and claims handlers. It was therefore the agents and external claims handlers who wrote insurance policies with policyholders and/or handled claims notified under the policies on behalf of Gefion. In connection with these services, the agents/claims handlers have processed personal data and have been independent controllers to a large extent.

The trustees have continued the claims handling and perform regular assessments as to whether the bankruptcy estate's contracting parties are separate controllers or data processors, including whether there is a need for separate data processing agreements.

Furthermore, as a few national guarantee funds perform claims handling independently, the trustees regularly assess the need for separate data processing agreements in connection with the guarantee funds taking over claims data and if necessary, prepare any contract documents required. The trustees have also entered into negotiations of a three-party agreement between a guarantee fund for non-life insurers, the bankruptcy estate and a claims handler. The compliance with this agreement is monitored regularly.

In addition, the trustees have reviewed Gefion's internal processes and guidelines for data processing at Gefion prepared prior to the bankruptcy. In that connection, it has been necessary to make certain changes and updates considering, among other factors, the commencement of the bankruptcy proceedings and the resulting change of circumstances. Audit and updating of the internal processes and guidelines, including determination of erasure policy, autoreply to creditors etc., as well as preparing and ensuring relevant GDPR documentation are ongoing.

Moreover, the trustees have performed a review of all existing agreements with other contracting parties to ensuring that these are in compliance with personal data protection rules and continues to perform the required supervision of the contracting parties who perform work on behalf of the bankruptcy estate. In that connection, the trustees have discussions and negotiations with individual contracting parties on the basis of their data processing and basis for data processing and prepare any required, supplementary and/or new agreements.

The trustees' above work will continue until the bankruptcy estate has been wound up unless otherwise stated.

The time spent on this work is approx. 316 lawyer hours for the period.

4.4 *Regular audit of claims handlers*

As described in circular letter no. 4, the trustees and the bankruptcy estate's employees have initiated audits of the claims handling across jurisdictions, which are performed in addition to the regular checks and validations carried out by the estate's employees as part of the general day-to-day claims handling. The purpose of such audits is to ensure the continued priority to the winding-up of the remaining portfolio and to ensure that the claims handling continues at the lowest possible cost to the bankruptcy estate.

Since circular letter no. 4 was circulated, audits have been performed of the bankruptcy estate's British claims handlers, and the trustees are in a dialogue with an external audit resource on the planning of audits in France and Poland to address language barriers between claims

handlers and the bankruptcy estate's English-speaking claims handling team. In addition, the bankruptcy estate expects to perform audits of the bankruptcy estate's Danish claims handler in collaboration with the bankruptcy estate's claims handling team and to perform audits of the estate's Irish claims handlers in collaboration with SCA in connection with the preparation of the application for cover by the guarantee funds in Ireland.

The trustees expect to perform periodic audits until all claim portfolios have been wound up.

The time spent on this work is approx. 41 lawyer hours for the period.

4.5 *Reinsurance*

The bankruptcy estate's most significant asset continues to be the receivables relating to the bankruptcy estate's reinsurance contracts for the reinsurance part of the provisions for unearned premiums and claims outstanding, respectively, see paragraph 1.1.2 (ii).

As a result of the trustees' efforts to collect reinsurance receivables since circular letter no. 4 was issued, the reinsurance companies have paid insurance receivables amounting to DKK 42,365,024 (approx. EUR 5,694,650.42) to the bankruptcy estate in the period from 31 December 2021 (the cut-off date in the last circular letter) to 30 June 2022 (the cut-off date in this circular letter). A considerable part of the reinsurance receivables paid over the past period has been received from one reinsurance company that had been withholding major overdue receivables for an extended period, see below.

The total reinsurance receivable paid to the bankruptcy estate from the time of the bankruptcy order on 7 June 2021 until 30 June 2022 totals DKK 85,515,581 (approx. EUR 11,500,213).

Since the latest circular letter, the trustees have continued to perform substantial work with reporting to the reinsurance companies, including ensuring the quality of the on-going reporting. The reporting from the bankruptcy estate to the reinsurance companies is dependant on the data that the bankruptcy estate receives from its claims handlers and agents.

Although the trustees have successfully re-established the reporting process following the commencement of the bankruptcy proceedings, the reporting to the reinsurance companies is still complex due to non-reporting by and/or inadequate data from the claims handlers and agents, see specifically paragraphs 4.1.3 and 4.1.7.

To ensure the quality of the on-going reporting to all reinsurance companies, the trustees have daily discussions with employees and consultants attached to the bankruptcy estate, and the trustees have regular discussions with the agents and claims handlers supplying data for the bankruptcy estate.

In addition to the on-going reporting, over the past period, the trustees have intensified their work on a number of major complex issues relating to the collection of the reinsurance receivables. These issues are assessed regularly and are handled in collaboration with the bankruptcy estate's employees and consultants. If the contractual relationship is governed by foreign law, the trustees are assisted by external lawyers in the relevant jurisdictions.

One of these major complex issues relates to the fact that a few reinsurance companies have not replied to the trustees' enquiries for an extended period and/or have been reluctant to pay overdue reinsurance receivables to the bankruptcy estate. The trustees have corresponded extensively with the relevant parties and have held physical meetings. In that connection, the bankruptcy estate has succeeded in collecting several of the major reinsurance receivables. It should be noted that these issues will continue to require considerable work in the period ahead.

As described in circular letter no. 4, the trustees have also had a number of issues with one of the company's UK-based brokers who acts as an intermediary between Gefion and its reinsurance companies relating to a number of issues occurring before the bankruptcy order. Also in this matter, the trustees have intensified their correspondence since the latest circular letter and have held a physical meeting with the broker in London. Discussions are still ongoing with a view to final resolution of the matters outstanding.

In addition, the trustees have issued half-yearly updates to brokers and reinsurance companies, most recently in May 2022, encouraging the holding of physical or digital meetings between the trustees and the brokers and the reinsurance companies, respectively. Most of the brokers and reinsurance companies have opted to meet physically with the trustees. Accordingly, the trustees have held physical meetings in London, and a few meetings on Microsoft Teams, with the brokers and reinsurance companies. At these meetings, the trustees and the respective parties have discussed some of the major complex issues and/or overdue reinsurance receivables due to the bankruptcy estate and the reinsurance companies, respectively. The meetings were very successful.

In addition, the trustees have answered various enquiries from brokers and reinsurance companies who wish to review data with a view to reconciliation with the bankruptcy estate's reinsurance receivable.

Finally, the trustees regularly assess the process of the bankruptcy estate's collection of reinsurance receivables considering the ongoing contractual relationships with the relevant reinsurance companies.

The time spent on this work is approx. 813.5 lawyer hours for the period.

4.6 *Receivables/potential receivables*

At the commencement of the bankruptcy, Gefion had calculated its receivables from various contracting parties at approx. DKK 16,410,000. The trustees have found that, in this respect, the bookkeeping records cannot be considered completely up-to-date.

Receivables comprise partly the debtor receivables mentioned above in the list of assets in paragraph 1.1.3, and partly receivables from the reinsurance companies, agents, claims handlers and business partners in general as well as receivables from liable persons having caused the losses (subrogation claims) etc.

Currently, it cannot be estimated whether all receivables exist in full or in part and at what value as several of the receivables have been contested, are awaiting the outcome of pending lawsuits, outcome of negotiations, information about debtors' ability to pay, etc. Moreover, the trustees have found that certain receivables have previously been closed by settlement or written off without this being reflected in the bookings at the date of the bankruptcy order. This implies certain inconsistencies between the value of receivables at the date of the bankruptcy order as stated in the bookkeeping records and the receivables identified at this time.

Accordingly, the current value of the receivables remains subject to some uncertainty, and therefore the statement hereof cannot be considered final. The work to related to ascertaining the estate's receivables is ongoing.

The time spent on this work is approx. 78 lawyer hours for the period.

Certain of the known receivables/potential receivables and the work related thereto are described below in paragraphs 4.6.1-4.6.4.

4.6.1 Receivables from agents, claims handlers etc.

A number of the estate's receivables are from agents, claims handlers and other contracting parties, including a receivable from an agent in Poland of approx. PLN 4,000,000, see paragraph 4.6.2 for further details, and a receivable from a French agent and claims handler of approx. EUR 113,000, see paragraph 4.6.2.1 for further details.

Furthermore, the bankruptcy estate has a receivable from PUKKA (Gibraltar) Ltd (formerly PUKKA Insure Ltd), who is one of Gefion's (now the bankruptcy estate) 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 pays 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.

4.6.2 Receivable from Polish agent

As stated in circular letters nos 3-4, the trustees have been unable to establish contact with the Polish agent who wrote insurance for Gefion in Poland prior to the commencement of the bankruptcy proceedings. Accordingly, it has not been possible to obtain access to the data which the agent possesses in respect of the insurance written, and the bankruptcy estate also has not received payment of the bankruptcy estate's receivable of approx. PLN 4,000,000 which the agent has wrongfully withheld.

The trustees have made a number of attempts to collect the receivable and to procure the data through an external Polish lawyer.

As the receivable is of a not insignificant amount, and as the lack of insurance and claims data may impact the bankruptcy estate's validation of the claims handling in Poland, audit and reporting to the reinsurance companies, the trustees have assessed that recovery through the courts will be required.

According to the agreement with the Polish agent, any dispute arising out of the agreement is to be brought before the Danish courts. The trustees have started preparing for legal proceedings against the Polish agent.

4.6.2.1 Receivable from French agent/claims handler

Two of the French claims handlers have refused to provide reporting to the bankruptcy estate on the claims handling on an ongoing basis. Moreover, one of the claims handlers, who was also Gefion's insurance agent, has refused to pay a receivable due of approx. EUR 113,000. The claims handler has objected to the calculation of the receivable and has refused to provide reporting to the bankruptcy estate with reference to Gefion's bankruptcy.

Due to the lack of reporting, the bankruptcy estate is unable to report to the reinsurance companies on the claims processed by the claims handler, and, therefore, is unable to secure reinsurance funds for the claims.

The bankruptcy estate has attempted to collect the receivable and to secure the necessary reporting as required to the bankruptcy estate with the assistance of a French lawyer. Currently, the trustees and the external lawyer assess that, on the face of it, additional attempts to achieve an amicable settlement between the two parties alone are linked with severe difficulties. Therefore, the trustees in collaboration with the French lawyer have started looking into the possibility of commencing legal proceedings in respect of payment and reporting and damages for the loss suffered by the bankruptcy estate as a result of the lack of reporting.

4.6.2.2 AIS Wild

At the commencement of the bankruptcy proceedings, Gefion had a receivable from a former agent and claims handler, AIS Wild, against whom insolvency proceedings have been commenced in Germany. The receivable consists in top-up funds of EUR 2,100,000 for the purpose of claims payments paid into a separate account with AIS Wild, which had not yet been paid on to the injured parties and policyholder at the time of AIS Wild's bankruptcy. Currently, the amount has been deposited with a German court as AIS Wild's German insolvency administrator has objected to the bankruptcy estate's receivable. The objections are based partly on an alleged set-off and partly on a tax claim from the German tax authorities concerning tax on insurance premiums collected by AIS Wild on behalf of Gefion prior to the bankruptcy for which Gefion (now in bankruptcy) has secondary liability to the extent that AIS Wild does not pay the tax claim.

Furthermore, the trustees are in the process of clarifying whether the bankruptcy estate may have other receivables or claims for damages against AIS Wild in connection with the terminated agency relationship.

4.6.3 Receivables from premiums

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

The bankruptcy estate also has a number of unpaid premium receivables in Germany, the collection of which is handled by an external German lawyer. The local lawyer has commenced a number of legal proceedings against policyholders before the German courts to this effect. The bankruptcy estate's German lawyer has further informed the trustees that, at 12 September 2022, the lawyer is handling and collecting subrogation claims in the order of EUR 2,118,830. Currently, receivables of approx. EUR 45,000 have been paid in this respect, which has been deposited in the lawyer's client account and will be included in the bankruptcy estate's cash and cash equivalents as the amounts are transferred to the bankruptcy estate.

4.6.4 Subrogation in Poland

At the commencement of the bankruptcy proceedings, the estate had a number of existing and potential subrogation claims against liable persons which were handled by an external Polish lawyer. The trustees have continued collaborating with this lawyer, who regularly informs the trustees of the status of collection, negotiations with debtors etc. According to the Polish lawyer, the lawyer is handling and collecting subrogation claims in the order of PLN 1,770,000 as at 1 July 2022. Currently, payments and settlements have been made and/or judgments achieved in the order of PLN 430,000. Recovered funds are transferred to the bankruptcy estate on a

monthly basis and are included in the statement of the bankruptcy estate's cash and cash equivalents.

5 General administration of estate

Since the last circular letter was issued, the trustees' work has consisted in keeping the register of debts and claims, processing physical mail, management of the bankruptcy estate's email inbox, management of digital mail, correspondence with creditors and public authorities, investigations of liability, investigations of possible voidable transactions or suspicious circumstances in general, management of continuing agreements and investigations and assessment concerning disqualification proceedings.

5.1 *Investigations of liability*

Initially, it should be noted that the investigations detailed in the following paragraphs 5.1.1-5.4 have been divided between the trustees. It is specified below which issues are investigated by attorney Boris Frederiksen, Poul Schmith, and which issues are investigated by attorney Søren Aamann Jensen, Accura Advokatpartnerselskab.

5.1.1 Management liability and auditor's liability

Over the past period, trustee Boris Frederiksen has continued investigating whether the former management and/or the company's external auditor may have engaged in actionable conduct.

As described in the trustees' last circular letter no. 4, Boris Frederiksen had identified several issues which gave rise to further investigations. Since then, the trustees have worked to clarify and describe relevant factual circumstances in order to assess whether the identified issues may result in a claim for damages against the company's former management and/or auditor.

The investigations are complex and comprehensive and relate to a large number of complex transactions.

Based on the above investigations, Boris Frederiksen has sent letters to several of the former members of Gefion's management and the company's former auditor requesting their account of the identified issues. The work in that respect has included regular correspondence and meetings with the former members of management and regular correspondence with the company's former auditor.

The work is ongoing.

Due to the complexity and scope of the issues, a considerable number of lawyer hours was spent on this work.

The time spent on this work is approx. 969 lawyer hours for the period.

5.1.2 The Danish Commerce and Companies Appeals Board's decision

As stated in circular letter no. 4, the Danish Commerce and Companies Appeals Board made a decision on 3 February 2022 on the repeal of the Danish Financial Supervisory Authority's decision of 11 July 2019, which imposed a capital add-on requirement of DKK 39,200,000 on Gefion as a supplement to Gefion's solvency capital requirement. In that connection, the Danish Commerce and Companies Appeals Board found that the Danish Financial Supervisory Authority did not have the required authority to issue such a capital add-on requirement.

On the basis of this, the trustee Søren Aamann Jensen has commenced investigations into the Danish Financial Supervisory Authority's decision and the Authority's regular supervision of Gefion. The investigations are comprehensive and involve a review of extensive material and interviews with former Gefion employees. The work is ongoing.

The time spent on this work is approx. 460 lawyer hours for the period.

5.2 *Investigations of voidable transactions and claims for repayment*

Since circular letter no. 4 was issued, trustee Boris Frederiksen has intensified work relating to the investigation into possible voidable transactions and possible claims for repayment under the rules of the Danish Companies Act (*se/skabsloven*) on illegal withdrawal of capital and financing the purchase of treasury shares, see sections 206, 210 and 215 of the Danish Companies Act.

The investigations into voidable transactions were completed on 7 April 2022, and Boris Frederiksen has not considered it necessary to raise any claims for avoidance.

As regards the investigation of potential claims for recovery, Boris Frederiksen has identified a number of potential claims for recovery against third parties and some of Gefion's former members of management and family members. These potential claims total a sizeable million DKK amount.

Boris Frederiksen, i.e., has found that several family members of Gefion's former members of management have participated on journeys paid by Gefion.

Trustee Boris Frederiksen has prepared and sent letters to the relevant parties concerning the potential claims for repayment. The work relating to the potential claims for repayment has not yet been completed.

The time spent on this work is approx. 323 lawyer hours for the period.

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

In the context of the bankruptcy proceedings, trustee Boris Frederiksen has investigated whether there are any issues that form the basis for the trustee notifying the police under section 110(4) of the Danish Bankruptcy Act. The investigations are still ongoing, and no such notification has been made so far.

The time spent on this work is approx. 162 lawyer hours for the period.

5.4 *Disqualification proceedings*

In connection with the bankruptcy estate's account under section 125(4) of the Danish Bankruptcy Act (circular letter no. 4), the Maritime and Commercial High Court has been separately informed of trustee Boris Frederiksen's investigations and assessment as to whether there is a basis for commencing disqualification proceedings. Boris Frederiksen has recommended that the Maritime and Commercial High Court commence disqualification proceedings against several of the former members of Gefion's management.

The time spent on this work is approx. 187 lawyer hours for the period.

5.5 *Management of employees and consultants*

The bankruptcy estate still has four employees in Denmark and England and six external consultants, one of whom has been engaged by the bankruptcy estate after circular letter no. 4 was issued. In addition, the bankruptcy estate engages a small number of external consultants on an ad hoc basis.

The trustees 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. To this effect the bankruptcy estate has also concluded consultancy agreements with individual employees, who have terminated their employment contracts with the bankruptcy estate following the bankruptcy to ensure that sufficient knowledge of the bankruptcy estate's operations and history is maintained.

The time spent on this work is approx. 39 lawyer hours for the period.

5.6 *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 lawsuits brought 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 regular correspondence and discussions to that effect with the bankruptcy estate's lawyers in Germany and Poland in particular.

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 related to 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, 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 collection of subrogation claims, see 4.6.4, 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 related to inefficient claims handling (known as leakage) (see paragraph 5.6.6).

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 5.6.3.

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 lawsuits is approx. 51 lawyer hours for the period.

5.6.1 Lawsuits in Poland

At the time of commencement of the bankruptcy proceedings, approx. 580 lawsuits against Gefion were pending in Poland concerning insurance claims according to information from the estates' external lawyers.

However, after the commencement of the bankruptcy proceedings, the trustees have regularly received information about additional lawsuits against Gefion which had been brought before the date of the bankruptcy order, but which the former claims handler had not previously referred to a lawyer. Moreover, eight lawsuits have been brought against Gefion (now in bankruptcy) after the date of the bankruptcy order. The trustees have been informed that approx. 50 of the known pending lawsuits have been closed before the court, either by judgment or because the plaintiff has withdrawn the case.

Based on the overall information received from the Polish lawyers and through the continuous mail processing, approx. 630 lawsuits against Gefion are still pending in Poland. It should be noted with respect to the statement of pending lawsuits that, in certain cases, lawsuits are registered under new case numbers with the courts when the courts reopen the hearing of the cases with (now) Gefion under konkurs (*in bankruptcy*) as a party. Therefore, such cases may appear twice in the records of pending lawsuits but will only be heard once before the court.

The trustees receive regular reporting on the lawsuits and their status through the incoming mail and from the Polish lawyers as well as recommendations from the lawyers as to whether there is a basis for objections in the lawsuits. Moreover, the trustees regularly consider whether the bankruptcy estate should intervene in the lawsuits.

A substantial number of the lawsuits brought before the commencement of the bankruptcy proceedings have been suspended with reference to the procedural rules of Polish law. These rules stipulate, that lawsuits concerning claims that are subject to bankruptcy proceedings are suspended until the trustee assigns a specific claim number to the claims and considers the claim in connection with the adjudication of claims. The lawsuit will be reopened before the Polish court only if the trustees reject the claim in adjudication of claims process. This is in conflict with Danish bankruptcy law because, as a main rule, a trustee cannot be ordered to carry out a formal adjudication of claims process in respect of claims which are not yet required to be adjudicated. Moreover, an actual lawsuit related to adjudication of claims may be heard only before the Danish bankruptcy court.

The trustees have had comprehensive correspondence and discussions with the external Polish lawyer on the handling of the matter and the interplay between the Polish civil law rules and Danish bankruptcy law. The trustees will on this basis record in the register of debts and claims the claims comprised by the Polish suspended lawsuits to the extent that the Polish courts so require during the hearing of the lawsuits. In certain cases, the Polish courts have continued their proceedings based on the records and the trustee's account of Danish bankruptcy law, whereas, at this point, other courts maintain their claim that the insurance claim is to be subject to a formal adjudication of claims. The trustees continue to handle the issue on a case-by-case basis depending on the individual Polish court and whether the estate has chosen to intervene in the case.

As regards the lawsuits brought after the date of the bankruptcy order, the trustees are a party to such lawsuits and have asserted claims for dismissal of these cases. Currently, one single lawsuit has been dismissed, whereas the other lawsuits are awaiting decisions by the Polish courts.

The time spent on this work is approx. 114 lawyer hours for the period.

5.6.2 Lawsuits in France

In the period since circular letter no. 4 was issued, the bankruptcy estate has been sued in eight lawsuits in France, whereas, previously, the bankruptcy estate's insurance agents had been the defendant. The trustees have engaged a local lawyer to represent the bankruptcy estate before the French courts and have regular correspondence and discussions with this lawyer on the lawsuits and management hereof.

The lawsuits are handled directly by the trustees as they have been brought against and served directly on Gefion under konkurs (*in bankruptcy*) without involving, or instead of, the local insurance agent/claims handler, and/or as the lawsuits have been brought against both Gefion under konkurs (*in bankruptcy*) and the local insurance agent/claims examiner. A number of the lawsuits have been brought entirely after the date of the bankruptcy order, whereas the others have been brought against either Gefion or the insurance agent/claims handler representing Gefion before the date of the bankruptcy order.

The time spent on this work is approx. 125 lawyer hours for the period.

5.6.3 Charterline

Reference is made to the last circular letter no. 4. Accordingly, any further hearing of the case is still pending leave for a third instance review in Germany.

The time spent on this work is approx. 12 lawyer hours for the period.

5.6.4 SIXT GmbH & Co Autovermietung KG

Over the past period, the trustees have been handling queries from the German court about obtaining an expert opinion on Danish law, on which the trustees and the bankruptcy estate's German lawyer have been collaborating.

The time spent on this work is approx. 9 lawyer hours for the period.

5.6.5 Hermes Concept GmbH

The final hearing of the court case against Hermes Concept GmbH took place in Berlin on 6 May 2022. The bankruptcy estate was successful in its claim for the amount of approx. EUR 5.9 million.

Prior to the final hearing, the trustees prepared for the final hearing in collaboration with the bankruptcy estate's German lawyer. The trustees were also present during the hearing in Berlin, at which the opposing party failed to appear. Consequently, the bankruptcy estate succeeded in its claim by a default judgment.

Subsequently, the trustees in collaboration with the bankruptcy estate's German lawyer have commenced attachment proceedings in Germany in respect of the debtor's (limited) means in a bank account, and attachment proceedings in respect of other assets are still pending.

The case has not yet been closed as the opposing has firstly attempted partly to have the decision reversed (and the case reopened) and secondly set up a counterclaim. It remains uncertain to what extent the bankruptcy estate will be able to recover the full amount claimed.

The time spent on this work is approx. 45 lawyer hours for the period.

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

As described in circular letters nos 3 and 4, 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 said claims handler and lastly 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 insurer. 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, would be apportioned between Qudos and Gefion on the basis of a specifically agreed apportionment key.

The trustees decided to intervene in the case and continue the lawsuit. The lawsuit has subsequently been settled, and, in that connection, the bankruptcy estate received a payment of GBP 666,861.32 representing Gefion's share of the settlement amount. The trustees have also received a repayment of GBP 300,145.28, which had been paid to the court as security for the court costs of the case.

The time spent on this work is approx. 5 lawyer hours for the period.

5.7 *Planning of the process for proving claims*

Over the past period, the trustees continued work on developing the bankruptcy estate's semi-automated register of debts and claims in collaboration with external consultants.

In addition, the trustees have also been working on planning the handling of approved claims for damages to be filed against the estate and complaints concerning rejected claims for damages as well as return of premium claims against the bankruptcy estate.

As regards the filing process for claims in the form of approved claims for damages, complaints concerning rejected claims and return of premium claims from the guarantee funds, claims handlers and policyholders, the trustees have spent time on guidance on the format of filings of claims. Such guidance has primarily been related to the reporting format to be completed by the relevant party when filing claims against the bankruptcy estate.

The time spent on this work is about 107.5 lawyer hours for the period.

5.8 *Handling of enquiries received by the bankruptcy estate concerning claims and other enquiries*

The trustees regularly receive enquiries from public authorities etc., existing and former contracting parties, policyholders and injured parties about the administration of the estate, questions about the termination of insurance policies and questions about the status of injury already sustained, etc. In addition, the trustees regularly receive notification of new claims and regularly record filings of claims received from other creditors. Filings of claims may be received from the respective guarantee funds, from claims handlers and from other policyholders who believe they have a claim against the bankruptcy estate.

Moreover, the trustees receive a large number of enquiries from courts, particularly in Poland, about pending lawsuits and questions about the status of the administration of the estate and Danish bankruptcy law in general. The trustees also receive considerable volumes of physical and electronic mail with documents to be served.

The trustees have created separate email inboxes for the purpose of such enquiries. The trustees regularly receive and handle enquiries from England, Germany, France and Poland, in particular. The enquiries are regularly reviewed and submitted for entry into the register of debts and claims, passed on to the relevant claims handlers or answered directly by the trustees. Furthermore, in order to inform the parties involved as much as possible about the bankruptcy and its legal effects, the trustees update the bankruptcy estate's website regularly with information about the administration of the estate.

The time spent on this work is about 315 lawyer hours for the period.

5.9 *Adjudication of claims*

For the purpose of the examination of claims against the bankruptcy estate, the trustees have made comprehensive investigations into certain claims from policyholders/injured parties, which have been passed on to third parties against payment to the policyholder/injured party. Such claims have subsequently been filed with the bankruptcy estate, and the trustees have carried out the aforementioned investigations in order to clarify the ranking and admissibility of such claim under the Danish Bankruptcy Act and the Danish Financial Business Act.

For the purpose of the later adjudication of claims processes, the trustees have performed investigations into the claims filed or expected to be filed by the guarantee funds against the bankruptcy estate, including with a view to assessing the ranking of such claims in the order of priority.

Moreover, since circular letter no. 4 was issued, the trustees have continuously handled claims filed under section 93 of the Danish Bankruptcy Act. As part hereof, the trustees have initiated the examination of a claim for 482,265.89 filed under section 93 of the Danish Bankruptcy Act.

The time spent on this work is about 88 lawyer hours for the period.

5.10 *Administration of the estate in general*

In addition to the above work, the trustees handle a number of other tasks related to the administration of the estate, including tasks arising on a continuing basis after the date of the bankruptcy order. The work includes regular reporting to public authorities, ongoing payments and maintenance of bookkeeping records and financial reporting of the bankruptcy estate, trustees' meetings, handling of correspondence and dialogue about/with the creditors' committee, etc.

The time spent on this work is about 461 hours for the period.

5.10.1 Handling of tax and VAT matters

Since circular letter no. 4 was issued, the trustees have entered into a dialogue with an accounting firm regarding the trustees' contemplations of reopening the bankruptcy estate's VAT and payroll tax returns. The work in that respect has primarily consisted in obtaining the material required for the reviewing the issue as well as regular discussions and correspondence on this. The trustees are also corresponding with an English tax advisor on reporting to the English tax authorities.

The time spent on this work is approx. 14 lawyer hours for the period.

5.10.2 The bankruptcy estate's IT and operation of website and establishment of data warehouse

The trustees regularly update the bankruptcy estate's website and assess the bankruptcy estate's IT requirements in collaboration with the estate's external IT services suppliers. The work relates to adjustments of the bankruptcy estate's data requirements and specific IT services and has comprised regular correspondence with the bankruptcy estate's external IT suppliers as well as employees and consultants. In addition, the trustees have worked on the set-up of the estate's IT in connection with the estate's relocation to new leased premises as described in circular letter no. 4. The trustees have also launched the establishment of a new data warehouse for the bankruptcy estate.

Moreover, as part of the bankruptcy proceedings, the trustees have ensured the maintenance and protection of Gefion's data on a continuing basis, including in connection with the transfer and handling of new data.

The work relating to the above will be ongoing during the administration of the estate.

The time spent on this work is approx. 105 lawyer hours for the period.

6 Next circular letter

Circular letter no. 6 will be sent to the bankruptcy court and uploaded on the company's website.

The time spent on preparing circular letter no. 4 and translating it for the estate's English creditors and on preparing this circular letter no. 5 is approx. 214 lawyer hours.

7 Enquiries concerning the bankruptcy estate

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 , 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