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CVR no. 33039018

6 October 2023  
File no. 1042774

Circular letter no. 7 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, DK-2100 Copenhagen Ø Previously: Østergade 10, 2.-4., DK-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.:	The Danish Maritime 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.*
- *Circular letter no. 5 under section 125(4) of the Danish Bankruptcy Act, which was sent to all known creditors and the bankruptcy court on 7 October 2022.*
- *Circular letter no. 6 under section 125(4) of the Danish Bankruptcy Act, which was sent to all known creditors and the bankruptcy court on 13 April 2023.*

## **1 List of assets and liabilities**

The estate's assets and liabilities have been calculated at 30 June 2023 in EUR with a conversion rate to Danish kroner of 744.74.

The statement of assets and liabilities is associated with considerable uncertainty upwards and downwards 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, and the trustees have identified a number of incorrectly booked receivables. Therefore, the trustees are still in the process of updating and correcting Gefion's bookkeeping records.

## 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 2022, the bankruptcy estate's cash and cash equivalents amounted to EUR 22,984,530 and at 30 June 2023 to EUR 32,679,719. Accordingly, cash and cash equivalents have increased by EUR 9,695,189 since the last circular letter.

The increase in cash and cash equivalents is primarily due to payments from Gefion's reinsurance contracts in the total amount of EUR 10,101,110 as well as interest income, repaid claims payments, recourse payments and exchange adjustments in the total amount of EUR 1,461,482.

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 2022, expenses have been incurred in relation to the continuation of the operations in the total amount of EUR 1,833,762 for salaries to employees and consultants, office supplies, IT operations, claims handling expenses, foreign exchange adjustments and reinsurance premium, by which total cash and cash equivalents have been reduced.

Cash and cash equivalents are included at (calculated at 30 June 2023)	EUR	32,679,719.00
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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. At 31 December 2022, the total reinsurance funds amounted to EUR 129,526,595. At 30 June 2023, the total reinsurance funds amounted to EUR 90,705,941. 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 2022, the expected receivable amounted to EUR 97,965,458. At 30 June 2023, the expected receivable was booked at EUR 88,557,583, equal to a reduction of EUR 9,407,876. The reduction is due to (i) part of the expected receivable maturing as payments are made on fully processed claims from the local guarantee funds for non-life insurers and therefore being included in 1.1.2 and (ii) corrections made to reinsurance shares in the bookkeeping records as further described in paragraph 2.

- (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 2022 to EUR 31,561,137. At 30 June 2023, these receivables amounted to EUR 2,148,359 as a result of the estate's continued claims handling and claims payments made by the local guarantee funds for non-life insurers having realised a part of the expected receivables described in (i) above and as a result of material write-offs made by the trustees as further described in paragraph 2. As previously mentioned, EUR 10,101,110 has been paid to the bankruptcy estate since the last circular letter, which has been included in cash and cash equivalents.

The total expected reinsurance funds are included at the booked value at 30 June 2023 totalling	EUR	90,705,941.00
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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, and at 31 December 2022 to EUR 15,309,224. At 30 June 2023, these booked receivables amounted to EUR 613,906, equal to a

reduction of EUR 14,695,318. The reduction in booked receivables from policyholders is due to write-offs made in connection with a major review of Gefion's booked receivables as further described in paragraph 2 below.

EUR 613,906.00

The receivables are provisionally included at the booked value at 30 June 2023.

### 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 2022 to EUR 11,515,098. At 30 June 2023, these receivables amounted to EUR 3,373,525.

As part of the administration of the estate, the trustees have examined the receivables and identified incorrectly booked receivables, resulting in material write-offs of booked receivables. In connection with the trustees' ongoing collection of the bankruptcy estate's receivables, certain policyholders, agents and brokers have objected to the claims. The trustees are currently assessing the objections and whether further attempts should be made to collect or recover these receivables by filing civil lawsuits. Moreover, the development in the receivables is affected by the commission remuneration of the bankruptcy estate's insurance agents, which is performance-based and, therefore, will develop as the rest of Gefion's claims portfolio is processed. The receivables are provisionally included at the booked value at 30 June 2023.

EUR 3,373,525.00

### Account receivable

At 31 December 2020, Gefion had a small receivable from Gefion GICA ApS of DKK 30,652.85, equal to approx. EUR 4,113.52. 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 and is included at

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 sold at 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 office furniture, fixtures and equipment in storage. 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, equal to EUR 109.26.

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 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 5.7. The trustees had 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. Subsequently, 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). The settlement amount has been included in the bankruptcy estate's cash and cash equivalents as described in paragraph 1.1.1. Moreover, the bankruptcy estate had filed for permission to appeal a decision by a court of second instance in Germany, involving a litigation value of approx.

EUR 26,000,000, which was, however, dismissed. The lawsuit is described in further detail in paragraph 5.7.4. The bankruptcy estate's pending lawsuits are included at a reminder value.

EUR 1.00

**Total assets (preliminary amount)**

**EUR 127,442,521.26**

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, settlement amounts and reimbursements of expenses, and also makes regular payments of costs related to continued operations. The deposits during the bankruptcy will, therefore, change regularly concurrently with such movements.

Cash sufficient for the continued operations is left over in Gefion's bank accounts. Moreover, the trustees have created separate client accounts to secure the estate's funds. These accounts are managed jointly by the trustees and the bankruptcy court.

## 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 ( <i>lov om finansiel virksomhed</i> )	EUR	35,186,948.68
1.2.3	Claims from employees under section 95 of the Danish Bankruptcy Act	EUR	541,787.87
1.2.4	Unsecured claims under section 97 of the Danish Bankruptcy Act	EUR	7,731,462.34
1.2.5	Deferred claims under section 98 of the Danish Bankruptcy Act	EUR	20,417,046.73
	<b>Total liabilities (preliminary amount)</b>	<b>EUR</b>	<b>63,956,217.61</b>

It should be noted that the above list of the bankruptcy estate's liabilities has been calculated at 31 August 2023. 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 claims outstanding provisions (technical reserves). The increase in liabilities is due to a number of claims from employees under section 95 of the Danish Bankruptcy Act filed by the Employees' Guarantee Fund (*Lønmodtagernes Garantifond*). Moreover, the increase in liabilities is due to a large number of insurance claims filed in connection with the bankruptcy estate losing an appeal in Germany with a litigation value of EUR 26,000,000, see paragraph 5.7.4 below. The claims have been included in claims filed under section 234 a(1) of the Danish Financial Business Act. It should be noted in that connection that the trustees are engaged in a dialogue with the creditor about the ranking of the insurance claims and the legal costs in the order of priority of the creditors.



At 31 December 2022, the claims outstanding provisions (technical reserves) amounted to EUR 212,088,288. At 30 June 2023, the technical reserves amounted to EUR 183,238,541. The technical reserves are actuarial calculations 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. The technical reserves 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 reserves, payments on insurance claims from the local guarantee funds for non-life insurers totalling EUR 85,460,579 had been made at 31 December 2022, and at 30 June 2023, payments totalling EUR 104,421,805 had been made, equal to an increase of EUR 18,961,227. The bankruptcy estate has received notifications of subrogation claims from the Danish Guarantee Fund for Non-life Insurers. The claims have been included in insurance claims in the list of liabilities in accordance with section 234 a(1) of the Danish Financial Business Act.

Accordingly, once the claims handling has been completed, the bankruptcy estate's total liabilities are expected to amount to EUR 287,660,256, which means that there will be no dividends for claims from employees, unsecured claims or deferred claims.

## **2 Significant developments since the last circular letter**

Since the last circular letter, material write-offs and corrections have been made to the bankruptcy estate's booked assets and liabilities, resulting in a reduction of the estate's receivables from reinsurers, policyholders and agents and an increase in the estate's liabilities.

As part of the administration of the estate, the trustees have examined the booked receivables to ensure their collection and identified misentries and statute-barred receivables which have not previously been written off.

Moreover, a bookkeeping error was identified in respect of a reinsurance contract. Due to the error, the booked reinsurance share of the technical reserves had been included at a value that was too high as commutations in the reinsurance contract had not been reflected in the bookkeeping records. The correction of this error resulted in a write-off of EUR 7,990,208.

Moreover, the review of the booked matured receivables from reinsurers showed irregularities in respect of the calculated receivables from reinsurers in the amount of EUR 20,044,579, which was also written off in the period.

As described in the last circular letter, the trustees have initiated a major review and examination of booked receivables with policyholders, agents and claims handlers. Going through the underlying documentation for the individual receivables, the trustees identified claims that were incorrectly registered or statute-barred, which means that the receivables may actually be considerably below the booked values. In addition, the application for permission to bring the

judgment mentioned in paragraph 5.7.4 before a court of third instance was dismissed on 11 January 2023. The identified errors and the third-instance dismissal have reduced the booked receivables materially. Accordingly, the trustees have written off EUR 17,455,756, which is reflected in the statement of the bankruptcy estate's assets in paragraph 1.1.3 above.

Moreover, the trustees, the bankruptcy estate's employees and actuary have examined the calculation of the booked reserves, including reserves for claims not yet reported or not yet valued (IBNR). As a result of this work, the estate's reserves have been written up by EUR 19,198,444. However, the reported value of the bankruptcy estate's reserves takes into account discounting, which means that the write-up is not reflected in the statement of liabilities above. The value of the discounting at this time is EUR 35,366,891.47.

### **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 with the national guarantee funds for non-life insurers and green card bureaus, management and negotiations concerning the reinsurance contracts and receivables, and correspondence and discussions with other business partners, 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 a major review and revision of Gefion's bookkeeping records, including the booked insurance-related receivables. 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 2023 to 31 August 2023 is approx. 7,015 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 the winding-up of the remaining claims portfolios and work relating to the general administration of the estate.

The work relating to operational matters may then be divided into six sub-categories concerning i) the overall claims handling, ii) guarantee funds for non-life insurers, iii) GDPR and compliance, iv) audit of claims handling, v) reinsurance and vi) receivables.

The work relating to the general administration of the estate may be divided into ten sub-categories concerning i) investigations of liability, including management liability and auditor's liability, ii) claims for repayment and claims for damages, iii) any criminal offences and notification to the police, iv) investigation of the Danish Commerce and Companies Appeals Board's decision, v) management of employees and consultants, vi) lawsuits, vii) planning of the procedures for filing claims against the bankruptcy estate and handling such claims against the bankruptcy estate, viii) enquiries relating to claims against the bankruptcy estate and other

enquiries, ix) adjudication of claims and x) other administration of the estate, including work relating to the handling of the creditors' committee and drafting of circular letter, etc.

## **4 Handling of operational matters**

### **4.1 Overall claims handling**

As described in the previous circular letters, prior to the bankruptcy, Gefion sold insurance products in several European countries, including Denmark, England, France, Ireland, Italy, Poland and Germany through external agents. The subsequent handling of claims filed under the policies was either undertaken by the external agents or by external claims handlers engaged through the agents or directly by Gefion.

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

In Poland, Germany and Italy, the claims handling has been taken over in part or in full by local, public guarantee funds for non-life insurers 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.

When Gefion entered into liquidation on 13 July 2020 and the 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 finally determined and assessed by a claims handler. However, a far greater number of claims have been filed subsequently than the number of open claims known on 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 31 August 2023, the number of open claims was 8,121. The computation of open claims is subject to some uncertainty due to delayed reporting from claims handlers and guarantee funds as well as inadequate data quality.

In addition, another approx. 18,000 claims have been filed during the bankruptcy proceedings specifically related to the (now) closed lawsuit in Germany, see 5.7.4 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, reporting towards reinsurers and handling of the claims filed and

registered in the bankruptcy estate. The progress and status of the process in the individual jurisdictions are outlined below.

The time spent on managing the claims handling and the local guarantee funds for non-life insurers in the period is approx. 748 lawyer hours, divided between the seven jurisdictions as further described in paragraphs 4.1.1-4.2.7 below.

#### 4.1.1 Denmark

As described in circular letter no. 6, the trustees have regular discussions with the Danish claims handler about the continued claims handling of the open claims in Denmark.

Several of the open claims are still of such size and complexity that the trustees are assisting the Danish claims handler in handling the claims. According to the latest computation of open claims, the number of open claims in Denmark totalled 111 at 31 August 2023.

Over the past period, the trustees have held a physical meeting with the claims handler on the status of the claims handling and have performed an audit of selected open claims.

#### 4.1.2 England

Over the past period, the trustees have had regular discussions with the English claims handlers in relation to the continued claims handling. The discussions have concerned in particular ensuring a correct reporting process, including in relation to the payment of the eligible claims from the English guarantee fund ("FSCS") and ensuring the reporting to the bankruptcy estate. Furthermore, the discussions have concerned the process for claims handling of specific claims and passing on enquiries etc.

As described in circular letter no. 6, the trustees were notified by one of the English claims handlers in November 2022 that the claims handler had entered into liquidation and, therefore, would not be able to continue the ongoing claims handling. The claims handler handled approx. 25% of the bankruptcy estate's open claims in England.

In that connection, the trustees have worked at obtaining all relevant data kept by the claims handler, partly for the purpose of the continued claims handling, but also for the purpose of retaining data on claims already completed. The trustees have been engaged in a dialogue with the system developer of the claims handler's claims management system. The trustees succeeded in obtaining large data volumes, which the trustees have tested on a random basis to ensure data quality. The process was carried out in close collaboration with the English guarantee fund, the FSCS.

In continuation of the above, the trustees have also entered into a dialogue with a number of potential new claims handlers. Following initial discussions with three potential claims handlers,

the trustees received a number of proposals for the continued claims handling. The proposals received are still being evaluated in collaboration with the FSCS.

Moreover, the trustees have received and answered enquiries from policyholders relating to the open claims on an ongoing basis.

According to the latest computation of open claims, the number of open claims in England totalled 2,768 at 31 August 2023. This number is subject to some uncertainty as one of the claims handlers has entered into liquidation.

#### 4.1.3 France

As described in previous circular letters, Gefion's existing claims handlers undertake most of the claims handling of the French claims portfolio. However, the French guarantee fund for non-life insurers, Fonds de Garantie des Assurances Obligatoires de dommages ("FGAO"), handles large claims separately.

The trustees' work to ensure the progress of the claims handling of the remaining open claims and the required reporting from the bankruptcy estate's French claims handlers is still ongoing.

The trustees' discussions with some claims handlers on bordereaux submissions to the bankruptcy estate to secure the reinsurance asset are ongoing, and, in one case, the trustees have engaged local lawyers in order to procure the reporting in question, see also paragraph 4.6.1.2. In the said case, the trustees have found it necessary to file a writ of summons against the claims handler, partly to reduce the risk of limitation of the bankruptcy estate's claims for repayment of commission under the agency agreement with the said claims handler and partly to secure the necessary claims data. The trustees' discussions with this claims handler are being conducted concurrently with the handling of the filed lawsuit. Since the last circular letter, the trustees have participated in a meeting with the claims handler, the claims handler's lawyer, the bankruptcy estate's lawyer and the FGAO to discuss the options with respect to future reporting. Subsequently, the French claims handler and the FGAO have provided the bankruptcy estate with additional data and information and have discussed a potential set-up for the future reporting. At this time, no final agreement has been concluded on this. The trustees have also participated in meetings with another two French claims handlers for the purpose of discussing the future reporting.

According to the latest computation of open claims, the number of open claims in France totalled 3,404 at 31 August 2023. 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 30 June 2022.

## 4.1.4 Ireland

As described in the previous circular letters, 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.

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 in Ireland determined under Irish law. The president of the Supreme Court of Ireland dealt with and approved the bankruptcy estate's first application to the Irish guarantee fund on 10 February 2023. Over the past period, the trustees have mainly worked at ensuring the payment of the approved amounts on fully processed claims and have ensured that the claims reporting reflects the fund's payments.

Over the past period, the bankruptcy estate's employees have initiated an audit of the Irish claims handlers for the purpose of filing a new application for payments from the fund with the Supreme Court of Ireland in the second half of 2023. The trustees expect that the number of fully processed claims which remain unpaid will have been considerably reduced as regards the claims covered by the Irish guarantee fund.

Under Irish law, the bankruptcy estate only has access to submitting an application for coverage by the guarantee fund four times a year.

According to the latest computation of open claims, the number of open claims in Ireland totalled 484 at 31 August 2023.

## 4.1.5 Italy

As described in the previous circular letters, claims handling in Italy is undertaken by two claims handlers. The trustees are engaged in an ongoing dialogue with the claims handlers, particularly about the pending lawsuits.

According to the latest computation of open claims, the number of open claims in Italy totalled 22 at 31 August 2023.

## 4.1.6 Poland

As described in circular letters nos 3-6, the Polish insurance guarantee fund for non-life insurers ("UFG") undertakes the claims handling of the part of the Polish claims portfolio that falls within the scope of cover of the UFG, i.e. primarily uncovered (unpaid) motor third party liability claims. The trustees have regular discussions and correspondence with the UFG about the fund's reporting on the claims handling to the bankruptcy estate, and the bankruptcy estate still receives monthly reports.

Moreover, the trustees are engaged in an ongoing dialogue with the UFG about other exchange of information relating to claims handling, reporting to the reinsurers, payments, the status of pending lawsuits about claims handling and other matters.

As described in previous circular letters, the trustees have concluded an agreement with an external Polish lawyer about the claims handling of the part of the open claims not falling within the scope of cover of the UFG, i.e. essentially comprehensive motor insurance claims and claims from the policyholders for costs relating to lawsuits.

Since the last circular letter, the trustees and the Polish lawyer have planned the detailed process for the individual claims handling. This work included checking miscellaneous reporting forms, required reporting disclosures etc. On top of the claims handling process, the trustees have prepared the adjudication of claims process. The first formal adjudication of claims meeting is expected to be held in late August or in early September 2023. An adjudication of claims meeting is then expected to be held every two months to adjudicate the Polish insurance claims not covered by the UFG, with the participation of a representative of the trustees and the Polish lawyer.

According to the latest computation of open claims, the number of open claims in Poland totalled 806 at 31 August 2023.

#### 4.1.7 Germany

As described in circular letters nos 3-6, the German insurance guarantee fund for non-life insurers ("VOH") took over the claims handling of the part of the German claims portfolio that falls within the scope of cover of the fund, i.e. primarily 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 the VOH's claims handlers or the VOH on their reporting on 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 undertake the claims handling of the claims falling outside the scope of cover of the VOH and the bankruptcy estate's subrogation claims in Germany. The number of claims falling outside the scope of cover of the VOH is very limited. Due to the commutations made on the reinsurance contracts prior to the bankruptcy proceedings, only very limited reinsurance remains on the German portfolio. The trustees have decided that, until further notice, the claims handling should be maintained in order to ensure correct valuation of the German claims and to ensure reporting in respect of the remaining reinsurance.

At this time, the trustees' consultant is handling 128 claims, including subrogation claims and claims falling outside the scope of cover of the VOH, including approx. 78 fully processed claims. The trustees are planning a process for the formal adjudication of the fully processed claims.

Following lengthy negotiations with Gefion's former claims handler of the German claims portfolio, the trustees have received Gefion's claims data. The bankruptcy estate has made a full mirroring of the claims data. However, the claims handling in Germany is still obstructed by general lack of data and poor data quality due to bankruptcy proceedings that were commenced against Gefion's original agent and claims handler in Germany prior to Gefion's bankruptcy.

According to the latest computation of open claims, the number of open claims in Germany totalled 516 at 31 August 2023. The number is subject to material uncertainty as the bankruptcy estate is not receiving any reporting from the German guarantee fund and, therefore, has very 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 in order 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 as further described in paragraphs 4.2.1-4.2.7.

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

### 4.2.1 Denmark

The trustees are still having discussions with the Danish Guarantee Fund for Non-life Insurers about the claims falling within the scope of cover of the fund.

Moreover, the trustees are still having discussions with the DFIM about the process of payment of claims as well as their filing of claims against the bankruptcy estate.

### 4.2.2 England

The joint trustees are still engaged in a close dialogue with the FSCS. Over the past period, discussions primarily concerned the claims handling by one of the English claims handlers who entered into liquidation at the end of 2022. The matter is further described in paragraph 4.1.2 above.

The trustees' weekly meetings with the FSCS have been changed to biweekly meetings. The conference calls still concern the claims within the scope of cover of the FSCS.



## 4.2.3 France

The French guarantee fund for non-life insurers, the 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 concert with the FGAO and some of Gefion's external claims handlers, the trustees have established a procedure for notification of fully processed claims to the FGAO to ensure payment of these claims and a procedure for reporting from the FGAO to the bankruptcy estate on the payment of fully processed claims.

The trustees are still having regular discussions with the FGAO about the lack of reporting from some of the bankruptcy estate's French claims handlers and the challenges this presents to the bankruptcy estate's recovery of reinsurance on the French claims portfolio. The trustees and the bankruptcy estate's employees are engaged in a dialogue with the FGAO about a solution to these challenges and the technical options for improving data quality in connection with the French claims handling.

## 4.2.4 Ireland

The trustees have had regular discussions with the Irish State Claims Agency (SCA) who manages the Irish guarantee fund (ICF) with a view to handling the claims covered by the guarantee fund and the fund's payments on these claims.

The 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 then conducts an audit of the reported claims and underlying documentation. The audited claims are then to be presented to the Supreme Court of Ireland who will make a final decision on the fund cover and payment in relation to the specific 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 Supreme Court of Ireland.

In cooperation with the estate's claims handlers, external lawyer and the SCA, the bankruptcy estate has filed the first application with the Supreme Court of Ireland, which was considered on 10 February 2023. The Supreme Court of Ireland approved the application, and, in the first and second quarters of 2023, the ICF has made payments on the claims comprised by the first application.

As described in 4.1.4 above, the trustees are preparing the next application to the Irish guarantee fund.

## 4.2.5 Italy

As described in the previous circular letters, there are no national guarantee funds in Italy. However, the trustees are engaged in an ongoing dialogue with the Italian Institute for the Supervision of Insurance (IVASS). Over the past period, the IVASS has enquired into the status of the claims handling in Italy and into the trustees' position on a decision by the EFTA Court concerning Gable Insurance AG in bankruptcy as regards the treatment of insurance claims under the provisions of the Solvency II Directive.

## 4.2.6 Poland

As described in circular letters nos 3-6, the trustees are engaged in an ongoing dialogue with the UFG on the claims handling and with the Polish green card bureau the Polish Motor Insurers' Bureau ("PBUK").

The 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. The PBUK handles claims covered by the green card system, i.e. claims with a cross-border element. The 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.

The trustees have regular correspondence and discussions with the 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 the 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.

Discussions with the UFG and the PBUK are ongoing.

## 4.2.7 Germany

As described in circular letters nos 3-6, the German guarantee fund (VOH) has taken over the handling of claims within the scope of cover of the VOH. Consequently, the 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, the 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.

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

#### 4.3 *GDPR and compliance*

As described in paragraph 4.1 above, prior to the bankruptcy, Gefion 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 regularly assess the bankruptcy estate's third-party claims handlers' and the national guarantee funds' data processing, 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 continuously monitor compliance with the agreements concluded with guarantee funds and claims handlers.

The bankruptcy estate regularly audits and updates the internal processes and guidelines, including determination of erasure policy as well as preparing and ensuring relevant GDPR documentation, and also performs a number of GDPR tasks as part of the continued operations. The latter involves notification of the processing of personal data, discussions with the bankruptcy estate's data processors, including with respect to agreements and supervision, the handling of GDPR incidents, etc.

The trustees' above work is expected to continue until the bankruptcy estate has been wound up.

The time spent on this work is approx. 124.5 lawyer hours for the period.

#### 4.4 *Regular audit of claims handlers*

As described in the previous circular letters, the trustees and the bankruptcy estate's employees perform regular audits of the claims handling across jurisdictions, to the extent possible. The audits 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 a professionally acceptable level.

Audits of the bankruptcy estate's English claims handlers are still being performed, and the trustees are engaged in a dialogue with an external audit resource on the planning of audits in France to address language barriers between claims handlers and the bankruptcy estate's English-speaking claims handling team. The bankruptcy estate has performed an audit of the bankruptcy estate's Danish claims handler in concert with the bankruptcy estate's claims handling team in March, see paragraph 4.1.1. Moreover, the bankruptcy estate's employees in concert with the Irish State Claims Agency (SCA) have performed an audit of the claims processed as part of the preparation for the first application for coverage by the Irish guarantee fund. They have also initiated a new audit of the largest Irish claims handlers in connection with the preparation for the bankruptcy estate's second application to the Irish guarantee fund.

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

The time spent on this work is approx. 5.5 lawyer hours for the period.

#### 4.5 *Reinsurance*

The bankruptcy estate's most significant asset is the receivables relating to the bankruptcy estate's reinsurance contracts, see paragraph 1.1.2 (ii).

As a result of the trustees' efforts relating to the collection of reinsurance receivables since the last circular letter no. 6, reinsurance receivables amounting to DKK 75,233,299.62 (approx. EUR 10,101,110) have been paid to the bankruptcy estate in the period from 1 January 2023 to 30 June 2023.

The payments relate primarily to the bankruptcy estate's Quota Share reinsurance business and were received from two of the reinsurers covering the largest share of the bankruptcy estate's Quota Share reinsurance.

The total reinsurance receivable paid to the bankruptcy estate from the date of the bankruptcy order on 7 June 2021 until 30 June 2023 totals DKK 234,580,236.17 (approx. EUR 31,487,280.02).

The trustees are engaged in an ongoing dialogue with the reinsurers to ensure the quality of the regular reporting, the collection of overdue receivables and replies to a number of questions from brokers and reinsurers.

As disclosed in circular letter no. 6, the reporting from the bankruptcy estate to the reinsurers is dependent on the data that the bankruptcy estate receives from its claims handlers and agents. Accordingly, the trustees have regular discussions with claims handlers and agents, both as regards the regular reporting and in other situations in which claims handlers or agents do not

report and/or the reporting from the individual claims handler or agent is inadequate, see in particular paragraphs 4.1.2 (England), 4.1.3 (France) and 4.1.7 (Germany).

In addition to the regular reporting, over the past period, the trustees have worked on a number of major complex issues relating to the collection of the reinsurance receivables. As described in the last circular letter no. 6, one of these issues relates to the fact that a few reinsurers 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. Therefore, the trustees have sent regular reminders to the reinsurers and have held meetings with the relevant brokers to find a solution to the reinsurers' non-payment. Consequently, the reinsurance receivables relating to these reinsurers have increased gradually since the date of the bankruptcy order.

The trustees' work since the last circular letter has been intensified with a view to collecting these major receivables. In that connection, the trustees have held physical meetings with brokers and reinsurers with a view to collecting the overdue receivables and ensuring improved payment flows from the reinsurers in future. Based on the intensified discussions, a large number of the overdue reinsurance receivables have been paid to the bankruptcy estate. It should be mentioned in that connection that a number of major overdue receivables still have not been paid to the bankruptcy estate.

Moreover, the trustees are engaged in an ongoing dialogue with one reinsurer about partly the payment of the estate's receivable relating to paid claims, a share of which is being collected in collaboration with the relevant broker, and partly the payment of claims handling costs. The dialogue has intensified over the past period, and the trustees have been assisted by a lawyer in England. These discussions are still ongoing, partly directly with the reinsurer's broker, and partly with the lawyer in England.

In addition, the trustees have worked on several issues relating to an English broker. These issues also existed prior to the date of the bankruptcy order, but had not been solved. The previous problems with an English broker have now been solved, and the dialogue with the broker is satisfactory. The trustees and the broker hold regular follow-up meetings.

The major complex issues are assessed regularly and are handled in concert with the bankruptcy estate's employees and consultants and by involving brokers in a few cases. If the contractual relationship is governed by foreign law, the trustees are assisted by local lawyers in the relevant jurisdictions.

Moreover, the trustees have issued half-yearly updates to brokers and reinsurers, most recently on 21 March 2023, with updates on the bankruptcy estate's management of the reinsurance, status of the regular claims reporting etc. and encouraging the holding of a follow-up meeting between the trustees and the brokers and the reinsurers, respectively.

In addition, the trustees have answered various enquiries from brokers and reinsurers who wish to review data with a view to reconciliation of the account from time to time. The trustees have also been engaged in a dialogue with one of the company's brokers about a number of questions on some of the reinsurance contracts which were commuted prior to the bankruptcy. The bankruptcy estate considers the discussions with the broker to be closed. Finally, the trustees regularly assess the process of the bankruptcy estate's collection of reinsurance receivables considering the ongoing contractual relationships with the relevant reinsurers.

The time spent on this work is approx. 738 lawyer hours for the period.

#### 4.6 *Receivables/potential receivables*

At the commencement of the bankruptcy, Gefion had receivables from various contracting parties of EUR 36,785,105 according to the bookkeeping records. Gefion's receivables comprise partly the debtor receivables mentioned above in the list of assets in paragraph 1.1.3, and partly receivables from agents, claims handlers and other business partners as well as receivables from liable persons having caused the losses (subrogation claims) etc.

Over the past period, the trustees have reviewed Gefion's booked receivables for collection purposes. The trustees have checked the bookkeeping records to the available source data in the form of premium and claims bordereaux from Gefion's external claims handlers, available vouchers and email archives. In addition, the trustees have approached agents and claims handlers on several occasions to clarify certain matters. The trustees have also reviewed agency and claims handling agreements to identify whether Gefion could have a potential receivable.

So far, the work has identified several inconsistencies in Gefion's bookkeeping records, and it cannot be estimated at this time whether all receivables exist in full or in part and at what value. Several of the receivables have been incorrectly booked or booked twice, have been contested or are awaiting the outcome of pending lawsuits or negotiations and 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 bookkeeping records.

As described in the statement of assets in paragraph 1.1.3 above, the trustees have made material write-downs and write-offs in connection with the review of the booked receivables.

The work of estimating receivables is still ongoing, and the time spent on this work is approx. 278 lawyer hours for the period.

Certain of the known receivables/potential receivables and the work related thereto are described in paragraphs 4.6.1-4.6.3 below.

## 4.6.1 Receivables from agents, claims handlers etc.

A number of the 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 4.6.1.1 for further details, a receivable from a French agent and claims handler of approx. EUR 113,000, see paragraph 4.6.1.2, and receivables from a German agent and claims handler, see paragraph 4.6.1.3.

Furthermore, the bankruptcy estate has a receivable from a former agent based in Gibraltar 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 the agent pays a total of GBP 1,052,270 (approx. EUR 1,185,906) to the bankruptcy estate. The payment of the settlement amount of GBP 817,270 (approx. EUR 921,062) will be made over 60 months. The first instalment was due for payment on or before 1 October 2023.

### 4.6.1.1 Receivable from Polish agent

As stated in circular letters nos 3-6, the trustees have been unable to establish contact with a former Polish agent who wrote insurance for Gefion 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 (approx. EUR 854,387) which the agent has wrongfully withheld. Against that background, the bankruptcy estate has filed a lawsuit against the agent. Since the last circular letter, the legal proceedings have been awaiting service abroad on the Polish agent and the determination of a deadline for the Polish agent's filing of a defence. The deadline for the filing of the defence has now been exceeded. Subsequently, the court delivered its judgment finding for the bankruptcy estate. The trustees have obtained a copy of the proof of service from the court and have contacted their local, Polish lawyer about the possibility and process of enforcing the judgment in Poland. The work is ongoing.

The trustees' work included obtaining a translation of relevant documents of the lawsuit for service purposes and continuous follow-up on deadlines of the lawsuit, investigations relating to proof of service, reading of judgment, investigations relating to service and enforcement of decisions and correspondence with the bankruptcy estate's local, Polish lawyer as well as enquiries of the court in respect of original transcript of the judgment.

### 4.6.1.2 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. Moreover, one of the claims handlers, who was also Gefion's insurance agent, has refused to pay a receivable 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.

The bankruptcy estate has attempted to collect the receivable and to ensure the necessary reporting from the claims handler to the bankruptcy estate with the assistance of a French lawyer. At this time, the bankruptcy estate has not been successful in its attempts and has filed a writ of summons against the claims handler at the end of December 2022 to reduce the risk of limitation of the bankruptcy estate's receivable. The claims handler has denied the existence of the receivable but has entered into a dialogue with the bankruptcy estate on reporting. At this time, the bankruptcy estate has received supplementary data from the claims handler and is engaged in a dialogue with the bankruptcy estate's insurance broker and the French guarantee fund, the FGAO, about the supplementary data to clarify the adequacy and completeness of the information.

Since the last circular letter, the trustees' work has consisted in regular discussions and exchange of information with their French lawyer, participation in meetings with the French agent, the agent's lawyer and the French guarantee fund, the FGAO, with a view to achieving an extra-judicial resolution of the matter and regular correspondence with the same parties, review of draft pleadings from the French lawyer to correct facts, obtaining additional information and documentation from the bankruptcy estate's employees and insurance broker about the calculated amount, coordination of and participation in internal strategic meetings on the matter, actuarial calculations of the receivable etc. and correspondence on potential, extra-judicial solutions.

#### 4.6.1.3 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 had been commenced in Germany prior to Gefion's bankruptcy. The receivable consists of top-up funds of EUR 2,100,000 paid into a separate account with AIS Wild for the purpose of claims payments. 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. The bankruptcy estate is still engaged in a dialogue with the insolvency administrator about the release of the amount.

Moreover, the trustees have identified a receivable against AIS Wild in the form of an outstanding commission fee of EUR 323,860, of which the trustees have now notified the insolvency administrator of AIS Wild.



The trustees' investigations into the possibilities of raising a claim for damages against AIS Wild in connection with the terminated agency relationship are still ongoing.

#### 4.6.1.4 Receivables from former agent in bankruptcy

The bankruptcy estate has filed a number of claims against a former agent of Gefion who is in liquidation (insolvency proceedings) in England. The claims filed amount to approx. GBP 17,891,254 in total and concern non-payment of commission and a claim for compensation for inefficient claims handling. Based on the latest report from the liquidator, dividends are not expected to be paid to the bankruptcy estate.

#### 4.6.2 Receivables from premiums

The trustees have reviewed the outstanding premium receivables from previous policyholders in Germany which AIS Wild did not collect prior to its bankruptcy. The trustees have engaged external lawyers to assist with the collection of unpaid receivables from premiums, and local lawyers have commenced a number of legal proceedings against policyholders before the German courts. The bankruptcy estate's German lawyers have informed the trustees that, at 26 June 2023, the lawyers are handling and collecting receivables from premiums totalling approx. EUR 4,826,928. Currently, receivables of approx. EUR 195,322.48 have been paid in this respect, which has been deposited in one of the lawyers' client account and will be included in the bankruptcy estate's cash and cash equivalents as the amounts are transferred to the bankruptcy estate.

The trustees' work of going through receivables from premiums in the other jurisdictions is carried out concurrently with the trustees' review of Gefion's booked receivables from claims handlers and agents.

#### 4.6.3 Subrogation in Poland

At the commencement of the bankruptcy proceedings, the estate had a number of existing and potential claims for contributions against liable persons which were handled by an external Polish lawyer. This lawyer still handles the collection of the subrogation claims and regularly informs the trustees of the status of collection, negotiations with debtors etc. The lawyer also makes regular enquiries of the trustees with respect to decisions on the future collection process. The lawyer is handling and collecting subrogation claims totalling approx. PLN 1,770,000 in total. Currently, payments and settlements have been made and/or judgments achieved in the order of PLN 677,812, equal to approx. EUR 151,780. Recovered funds are transferred to the bankruptcy estate on a regular basis and are included in the statement of the bankruptcy estate's cash and cash equivalents.

Since the last circular letter, the trustees have entered into a dialogue with the Polish lawyer with a view to the Polish lawyer acquiring minor subrogation claims, for reasons relating to cost. No final agreement has been concluded on this, but the discussions are still ongoing.

## **5 General administration of estate**

Since the last circular letter, the trustees' work has consisted in keeping the register of debts and claims, processing physical mail, management of the bankruptcy estate's email inboxes, management of digital mail, correspondence with creditors and public authorities, investigations of liability, investigations of potential claims for repayment and/or criminal offences and management of the bankruptcy estate's continuing agreements.

### *5.1 Investigations of liability*

Initially, it should be noted that the investigations detailed in the following paragraphs 5.2-5.4 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.

### *5.2 Management liability and auditor's liability*

#### **5.2.1 Lawsuit concerning operations after the point of no return**

As described in the previous circular letters, early in the administration of the estate, trustee Boris Frederiksen identified several issues which gave rise to further investigations. The trustees have worked continuously 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 the former external auditor.

As described in circular letter no. 6, trustee Boris Frederiksen has ascertained that unwarrantable and incorrect recognition and valuation have been made of a number of assets, which has had a decisive effect on Gefion's financial ratios and solvency ratio.

As previously stated, it is trustee Boris Frederiksen's assessment that Gefion continued operating after the point of no return, resulting in additional losses to the creditors.

The work consisted in a number of investigations to establish which of the former members of Gefion's management may be held liable for Gefion's operations continuing after the point of no return.

Moreover, trustee Boris Frederiksen has thoroughly investigated whether Gefion's former external auditor failed to comply with generally accepted auditing practices and, therefore, has engaged in actionable conduct in relation to the auditor's report on and the audit of Gefion's annual reports, including in particular the annual report for 2018.

It is trustee Boris Frederiksen's assessment that one of the former members of Gefion's management may be held liable for Gefion's operations continuing after the point of no return. Moreover, it is trustee Boris Frederiksen's assessment that Gefion's external auditor failed to comply with generally accepted auditing practices in connection with the audit of the annual report for 2018 and, therefore, may also be held liable for Gefion's operations continuing after the point of no return.

Based on the above, trustee Boris Frederiksen decided on 11 July 2023 to issue a writ of summons against one of the former members of Gefion's management and against Gefion's external auditor, claiming that the member of Gefion's management pay DKK 420,177,000 to the bankruptcy estate and that DKK 138,686,000 of that amount be repaid to the bankruptcy estate by the auditor jointly and severally.

Moreover, trustee Boris Frederiksen has issued a number of third-party notices concerning this lawsuit to seven former members of Gefion's management reserving the right to raise claims against them.

## 5.2.2 Lawsuit concerning withdrawal of capital through English company

As described in circular letter no. 6, by way of a demand of 27 October 2022, trustee Boris Frederiksen raised a claim for damages of approx. DKK 13,500,000 against three individuals and a claim for damages of approx. DKK 39,100,000 against a fourth individual who have all been members of Gefion's former management and/or ultimate owners.

As the calculated claims for damages have not been paid despite the demand to this effect, trustee Boris Frederiksen issued writs of summons against these four individuals and an English company on 12 July 2023, claiming repayment of DKK 10,429,842.21 (excl. interest), equal to the amount of approx. DKK 13,500,000 incl. interest. As the fourth individual is unable to pay, the bankruptcy estate has decided not to further pursue the claim for damages of up to DKK 39,100,000.

## 5.2.3 Lawsuit concerning withdrawal of capital through reinsurance broker

The bankruptcy estate has ascertained that Gefion has paid GBP 200,000 to a reinsurance broker for the reinsurance broker's consulting services to Gefion in connection with the conclusion of Capital Relief reinsurance contracts. It appears from the contractual basis that half of the amount was to be transferred to a former member of Gefion's management.

It is trustee Boris Frederiksen's assessment that, by asking the reinsurance broker to transfer 50% of the total payment of GBP 200,000, i.e. GBP 100,000, to himself and his company, the said former member of Gefion's management has breached sections 127, 179 and 210 of the Danish Companies Act (*seleksloven*) as this constitutes an illegal withdrawal of capital in the

form of disguised distribution, causing Gefion (now the bankruptcy estate) a loss of GBP 100,000.

It is also trustee Boris Frederiksen's assessment that the reinsurance broker has actively contributed and enabled the said former member of Gefion's management to make this disguised distribution contrary to the rules of the Danish Companies Act as the reinsurance broker chose to comply with the instructions from the member of Gefion's management to transfer half of the payment of the amount of GBP 200,000 to accounts belonging to that member of management.

Based on the above investigations, trustee Boris Frederiksen issued a writ of summons solely against the reinsurance broker on 7 July 2023, claiming repayment of GBP 100,000 (equal to approx. DKK 842,180) as the said former member of Gefion's management is unable to pay.

Due to the complexity and scope of the issues, a considerable number of lawyer hours was spent on the investigations of management liability and auditor's liability.

The time spent on this work is approx. 1,934 lawyer hours for the period.

### 5.3 *Claims for repayment and claims for damages concerning travels*

As described in circular letter no. 6, trustee Boris Frederiksen has identified a number of potential claims for repayment against third parties and some of Gefion's former members of management and family members. For example, Gefion has paid several expenses of a sizeable amount for travels made by the said individuals which, in the trustee's opinion, appear to be private expenses. Moreover, the trustee ascertained that several former members of Gefion's management used their company MasterCard for purposes which, in the trustee's opinion, appear to be private expenses.

As these expenses have not been repaid to the bankruptcy estate, trustee Boris Frederiksen issued writs of summons against a number of Gefion's former members of management, their family members and the travel agency previously used by Gefion on 13 July 2023. The subject-matter is DKK 8,165,081 (excl. interest).

The time spent on this work is approx. 341 lawyer hours for the period.

### 5.4 *Criminal offences, if applicable, and notification to the police*

On 23 June 2023, trustee Boris Frederiksen notified the Danish Special Crime Unit (NSK) under section 110(4) of the Danish Bankruptcy Act.

The comprehensive notification contains 37 pages describing the potential offences identified.

The time spent on this work is approx. 42 lawyer hours for the period.

## 5.5 *Danish Commerce and Companies Appeals Board's decision*

On 10 July 2019, the Danish Financial Supervisory Authority issued an order imposing on Gefion a capital add-on of DKK 39,200,000 to the Company's solvency capital requirement (SCR) under section 350 b(1)(ii) of the Danish Financial Business Act ("Capital Add-on Order"). Moreover, Gefion was ordered not to expand its business volume as, due to the Capital Add-on Order, Gefion's solvency ratio decreased, which meant that Gefion's capital base was no longer adequate to meet the SCR calculated for Gefion.

The two orders of 10 July 2019 were issued immediately after another order by the Danish Financial Supervisory Authority on 5 July 2019 imposing several enforcement actions (*tilsynsreaktioner*) on Gefion to establish sufficiently efficient compliance, risk management and internal audit functions, which should have been implemented or complied with no later than on 1 September 2019 ("Governance Order").

On 11 July 2019, Gefion appealed the Capital Add-on Order to the Danish Commerce and Companies Appeals Board. The Danish Commerce and Companies Appeals Board's partial ruling of 23 September 2019 granted a stay of execution on the appeal, which meant that Gefion should not comply with the Capital Add-on Order until the Danish Commerce and Companies Appeals Board had decided on the appeal.

On 3 February 2022, the Danish Commerce and Companies Appeals Board ruled on the appeal, and the Capital Add-on Order was repealed. The Danish Commerce and Companies Appeals Board found that, in the specific circumstances of the case, the Danish Financial Supervisory Authority did not have the required authority to make the Capital Add-on Order.

Following the Danish Commerce and Companies Appeals Board's ruling, trustee Søren Aamann Jensen has investigated the Danish Financial Supervisory Authority's actions and supervision of Gefion and the orders made by the Danish Financial Supervisory Authority in Gefion's lifetime to determine whether the Danish Financial Supervisory Authority has engaged in actionable conduct in connection with the regular supervision and the Capital Add-on Order made.

Since the last circular letter, the trustee has reviewed considerable volumes of material, including email archives, orders and draft orders by the Danish Financial Supervisory Authority, responses to consultation procedures and regular correspondence with agents, claims handlers and other business partners. In addition, the trustee has made comprehensive investigations and analyses of the potential basis of liability and causal connection with any losses.

Based on the comprehensive investigations and analyses and the trustee's review of the substantial and comprehensive material, the trustee did not find sufficient basis for raising any claim for damages against the Danish Financial Supervisory Authority, neither due to inadequate regular supervision nor in connection with the Capital Add-on Order, or otherwise.

The trustee's conclusions have been presented to and discussed internally by the trustees and have been submitted to the Danish Financial Supervisory Authority at a meeting on the matter.

The time spent on this work is approx. 1,089 lawyer hours for the period.

## 5.6 *Management of employees and consultants*

The bankruptcy estate still employs five employees and external consultants in Denmark and England. 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.

Over the past period, the trustees have taken on an extra resource to assist with the bankruptcy estate's finance and accounting function.

In addition, the trustees regularly participate in meetings with the employees and consultants to ensure the progress and status of the work.

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

## 5.7 *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 Gefion 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, France and Poland in particular. In other jurisdictions, the lawsuits are primarily 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 the rejected claims, two lawsuits were pending against Gefion on the date of the bankruptcy order 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 submitted a counterclaim in the form of premium claims. The lawsuits are/have been litigated by external lawyers in Germany where the lawsuits are also pending. One of the two lawsuits is still pending in Germany, see paragraph 5.7.5 for further details. The other lawsuit has been closed as the bankruptcy estate's application for permission to appeal to a third instance has been dismissed, see paragraph 5.7.4 for further details.

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. 44.5 lawyer hours for the period.

## 5.7.1 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 estate's external lawyers.

However, after the commencement of the bankruptcy proceedings, the trustees have regularly received information about a considerable number of 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 Polish lawyers have informed the trustees that approx. 180 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. 500 lawsuits against Gefion are still pending in Poland. It should be noted with respect to the statement of pending lawsuits that, in certain cases, the 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 provisions of Polish law of procedure. 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 connection with the 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. On this basis, the trustees will 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 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.

A few of the pending lawsuits are, wrongly, brought against the trustees personally. In these cases, the bankruptcy estate's Polish lawyer either notifies the court of rectification of the matter and/or claims dismissal of the case due to incorrect defendant's name.

The time spent on this work is approx. 132 lawyer hours for the period.

#### 5.7.2 Lawsuits in France

The lawsuits in France concerning French insurance claims are still being handled by the bankruptcy estate's external claims handlers in France and, for a minor part, by the bankruptcy estate's local, French lawyer.

Since the last circular letter, the bankruptcy estate has been summoned to appear as defendant in an additional case handled by the French lawyer. Consequently, the bankruptcy estate is the defendant in a total of 19 lawsuits in France handled by the bankruptcy estate's French lawyer. These lawsuits are handled directly by the trustees as they have been brought against and served directly on Gefion under konkurs (*in bankruptcy*) without involving the local insurance agent/claims handler, or as the lawsuits have been brought against both Gefion under konkurs (*in bankruptcy*) and the local insurance agent/claims handler.



The trustees have regular correspondence and discussions with the French lawyer on the lawsuits and the management thereof. The trustees review and revise submissions in the lawsuits on a regular basis adding supplementary factual information and accounting for Danish competition law, and regularly consider whether the bankruptcy estate should intervene in pending lawsuits. Moreover, the trustees correspond with the bankruptcy estate's employees about claims and about the hearing and status of the lawsuits, including in connection with their handling of reporting from/to claims handlers and reinsurance.

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. Moreover, the trustees are noting that lawsuits are still being filed against Gefion's claims handlers after the date of the bankruptcy order. In these lawsuits, the trustees are engaged in an ongoing dialogue with the claims handlers about the implications of Danish competition law and the application of the Solvency II Directive.

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

### 5.7.3 Lawsuits in Germany

The lawsuits concerning German insurance claims are handled by the trustees in concert with a local lawyer engaged by the trustees to represent the bankruptcy estate in Germany. A number of lawsuits have been suspended. However, the trustees regularly receive mail and information about lawsuits from the German courts and/or other parties to the lawsuits for the purpose of the bankruptcy estate's consideration of further steps in the lawsuits. In that connection, the trustees have regular correspondence and discussions with the German lawyer about the lawsuits and how they should be handled, including about information received on the lawsuits, about the trustees' considerations of whether the bankruptcy estate should intervene in the lawsuits and of possible settlements and potential waivers of reimbursement of costs, etc.

Prior to the bankruptcy, the majority of the lawsuits brought against Gefion prior to the bankruptcy were handled by a German law office. This law office is now being wound up. A substantial number of these lawsuits have been suspended with reference to the provisions of German law of procedure. The trustees have previously been informed that, at the time of commencement of the bankruptcy proceedings, the said law office held a portfolio of approx. 160 individual claims, which had all been suspended. The trustees have been engaged in an ongoing dialogue with the law office about the lawsuits through the bankruptcy estate's local, German lawyer, including about the transfer of the claims portfolio to another law office. This dialogue is now handled through the administrator of the law office for the purpose of reaching a solution on the future handling of the lawsuits and the handing over of case files and documents.

The time spent on this work is approx. 118 lawyer hours for the period.

## 5.7.4 Charterline

On 11 January 2023, the German Bundesgerichtshof dismissed the bankruptcy estate's application for permission to bring Oberlandsgerichts Koblenz's judgment of 19 May 2021 before the Bundesgerichtshof. Consequently, the judgment of 19 May 2021 is final. As a result of the judgment, a considerable number of claims, approx. 18,000 claims, may potentially be asserted against the bankruptcy estate for a total double-digit million EUR amount not yet calculated. Moreover, the bankruptcy estate will have to pay the legal costs determined on the basis of the litigation value of the case.

During the hearing of the case at the court of first instance, it was submitted that the indirect discretionary value of the case was EUR 32,779,137.36. In connection with the ruling of 11 January 2023, the Bundesgerichtshof (court of second instance) determined the indirect discretionary value at EUR 20,450,000.

Since the last circular letter, the trustees have requested a reduction of the legal costs to the effect that they be determined on the basis of the indirect discretionary value of EUR 20,450,000 of the case as determined by the court of second instance, instead of EUR 32,779,137.36 as determined by the court of first instance.

The trustees' request was allowed at the end of July 2023.

Furthermore, the trustees have initiated investigations for the purpose of determining the scope of implications of the judgment and of establishing an approach to and a process for handling the claims filed against the bankruptcy estate after the judgment was passed.

The time spent on this work is approx. 49 lawyer hours for the period.

## 5.7.5 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. The matter is now awaiting the submission of the expert opinion to the German court, which is the applicant.

The time spent on this work is approx. 0.5 lawyer hours for the period.

## 5.7.6 Hermes Concept GmbH

As stated in circular letter no. 5, 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 5,900,000.

Subsequently, the trustees in concert 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 the trustees are considering potential further legal steps with local assistance.

The case has not yet been closed as the opposing party has firstly attempted to have the decision reversed (and the case reopened) and secondly attempted to set up a counterclaim against the bankruptcy estate. 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 about 0.5 lawyer hours for the period as the work is primarily performed by the bankruptcy estate's local lawyer in Germany.

## 5.8 *Planning of the process for proving claims*

The trustees continued working on developing the bankruptcy estate's semi-automated register of debts and claims and the related reporting process in concert with external consultants.

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

Moreover, the trustees have been engaged in an ongoing dialogue with the claims handlers engaged by the trustees to ensure uniform filing of claims against the bankruptcy estate by using the reporting format prepared by the bankruptcy estate and to ensure that the documentation enclosed is adequate for the purpose of the trustees' adjudication of the claims, if any.

The trustees have also had discussions with a few of the bankruptcy estate's major creditors about the filing of claims flow.

The time spent on this work is approx. 198 lawyer hours for the period.

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

The trustees still receive a large number of 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, pending lawsuits, etc. In addition, the trustees still regularly receive notification of new claims and regularly record filings of claims received from other creditors.

Finally, 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 from courts in Poland, England, Germany and France.

The trustees have created separate email inboxes for the purpose of such enquiries. 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 trustees expect this work to continue to the same extent until the claims handling of the open claims portfolios has been finalised.

The time spent on this work is approx. 93 lawyer hours for the period.

## 5.10 *Adjudication of claims*

For the purpose of the adjudication of claims against the bankruptcy estate, the trustees have made 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 above-mentioned 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 also performed investigations into the claims filed or expected to be filed by the guarantee funds against the bankruptcy estate in order to assess the ranking of such claims in the order of priority and to assess how an insurance claim filed by others than the injured third party is to be treated under the Danish Bankruptcy Act.

The time spent on this work is approx. 191 lawyer hours for the period.

### 5.10.1 Adjudication of claims filed under section 93 of the Danish Bankruptcy Act

Since the last circular letter, the trustees have adjudicated two claims filed by the same creditor under section 93 of the Danish Bankruptcy Act. The filed claims had been calculated at EUR 64,455.79 (equal to DKK 479,351) and GBP 330 (equal to DKK 2,915) and relate to claims handling after the date of the bankruptcy order.

At an adjudication of claims meeting on 10 July 2023, the trustees rejected EUR 42,098.2 (equal to DKK 313,080) of one of the claims, whereas they admitted the claim for GBP 330.

No objection was made against the trustees' recommendation before or during the adjudication of claims meeting. Therefore, the partial rejection is final.

## 5.10.2 Adjudication of Polish policyholders' claims

Since the last circular letter, the trustees have initiated a process for claims handling and subsequent adjudication of the claims from Polish policyholders not covered by the Polish guarantee fund (UFG) as described in 4.1.6.

The first adjudication of claims meeting will be held during October 2023. After that, adjudication of claims meetings will be held approx. every two months to adjudicate the insurance claims processed in the intervening period.

## 5.11 *Handling of tax and VAT matters*

The trustees have begun investigating the possibility of reopening the bankruptcy estate's VAT and payroll tax returns in collaboration with an accounting firm. Since the last circular letter, the accounting firm has begun preparing a request to the Danish Tax Agency (*Skattestyrelsen*) for a binding assessment notice for the purpose of reopening the bankruptcy estate's VAT and payroll tax returns after the commencement of the bankruptcy proceedings. In that connection, the trustees are engaged in an ongoing dialogue with the accounting firm and the bankruptcy estate's employees to answer questions on specific costs paid by the bankruptcy estate. Accordingly, the work and discussions to that effect are still ongoing.

The time spent on this work is approx. 32 lawyer hours for the period.

### 5.11.1 Handling of tax on insurance premiums

Moreover, the trustees have handled a major claim from the English tax authorities concerning a preliminary assessment of tax on insurance premiums. The trustees in concert with the bankruptcy estate's employees and English lawyers have looked into the background to this claim and have ensured that the amount was not imposed on the bankruptcy estate as tax payable.

Due to the English tax authorities' claim, the trustees in concert with external lawyers in France and Poland have initiated investigations into whether the reporting of tax on insurance premiums on policies written in the respective jurisdictions should rightly be reported at the time of writing of the insurance or at the time of collection of the insurance premium. Based on the investigations, the trustees are assessing whether the respective tax authorities could have a latent claim against the bankruptcy estate crystallising on the bankruptcy estate's collection of overdue insurance premiums as further described in paragraph 4.6.2.

Based on these investigations, the trustees have ascertained that there is no insurance tax in Poland which must be handled by the bankruptcy estate going forward, while the trustees' work is still ongoing in France and Germany.

Alongside the trustees' investigations into the English tax authorities' potential claims against the bankruptcy estate relating to tax on insurance premiums, the trustees have looked into a potential receivable from the English tax authorities arisen as a result of Gefion's prior reporting and payment of insurance premium taxes. At this time, the trustees have been informed by the English tax authorities that the bankruptcy estate has a potential receivable of approx. GBP 188,000. In order for the receivable to be released, the bankruptcy estate must reply to a number of financial and practical questions. The work of investigating and collecting this potential receivable is ongoing.

The time spent on this work is approx. 59 lawyer hours for the period.

## 5.12 *The bankruptcy estate's IT and operation of website and establishment of data warehouse*

The trustees regularly update the bankruptcy estate's website to keep the bankruptcy estate's creditors up to date on the bankruptcy proceedings. Moreover, the trustees regularly assess the bankruptcy estate's IT requirements to optimise the bankruptcy estate's IT solutions and the extent thereof as much as possible. Over the past period, the trustees have collaborated with the bankruptcy estate's employees and IT supplier on a data conversion on certain servers, adapting Gefion's IT solutions to the current needs. Over the past period, work relating to data management in a partly new data warehouse was intensified. The work relates to, e.g., adjustments of the bankruptcy estate's data requirements and the maintenance and protection of Gefion's data, including in connection with the transfer and handling of new data. Moreover, the trustees have ensured the maintenance of an SSL certificate for Gefion's website.

Since circular letter no. 6, the trustees have worked on further developing an existing IT system in Gefion, which will imply that a number of processes relating to the validation of claims, the calculation of reinsurance and the preparation of bookkeeping records and financial statements may be automated. In that connection, weekly status meetings are held between the external consultant who has been engaged to develop the IT system, the trustee and the bankruptcy estate's employees concerning updating of data input to the system, changes to the system configuration and discussion of project status as well as discussions about requested and required functions. The development of the IT system is phased, meaning that the new functions are finalised one at a time. In connection with the development, the bankruptcy estate's employees are examining agency, claims handling and reinsurance agreements as well as required calculations to ensure that the data input constitutes the correct contractual basis.

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

The time spent on this work is approx. 90.5 lawyer hours for the period.

## 5.13 *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, creation and management of separate client accounts of the bankruptcy estate, ongoing payments and maintenance of bookkeeping records and financial reporting of the bankruptcy estate, preparation of statement of receipts and payments and recommendation of fees paid on account, trustees' meetings, handling of correspondence and dialogue about/with the creditors' committee, etc.

The time spent on this work is approx. 261 hours for the period.

## 6 **Next circular letter**

Circular letter no. 8 will be sent to the bankruptcy court and uploaded on the company's website on 7 April 2024.

The time spent on preparing circular letter no. 6 and translating it for the estate's English creditors and on preparing this circular letter no. 7 is approx. 173 lawyer hours.

## 7 **Communications concerning 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](mailto:clo@accura.dk) or to the estate administrator, Jeanette Hansen, on +45 3945 3954 or by email to [jhn@accura.dk](mailto:jhn@accura.dk) or to the trustee, attorney Boris Frederiksen and attorney Mathias Juul Holter, Poul Schmith, Kalvebod Brygge 32, DK-1560 Copenhagen V, by email to [bor@poulschmith.dk](mailto:bor@poulschmith.dk) or [mho@poulschmith.dk](mailto:mho@poulschmith.dk).

Enquiries relating to the filing of claims must be made to [gefion-claims@poulschmith.dk](mailto:gefion-claims@poulschmith.dk).

Yours faithfully

Boris Frederiksen  
Partner, Poul Schmith

Søren Aamann Jensen  
Partner, Accura Advokatpartnerselskab