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CVR no. 33039018

5 April 2024
File no. 1042774

Circular letter no. 8 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. We also refer 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.*
- *Circular letter no. 7 under section 125(4) of the Danish Bankruptcy Act, which was sent to all known creditors and the bankruptcy court on 6 October 2023.*

1 List of assets and liabilities

The bankruptcy estate's assets and liabilities have been calculated at 31 December 2023 in EUR with a conversion rate to Danish kroner of 745.29.

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 computation of reinsurance receivables, the technical reserves and the related discount value. 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 to ensure accurate bookkeeping going forward.

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 30 June 2023, the bankruptcy estate's cash and cash equivalents amounted to EUR 32,679,719, and at 31 December 2023 to EUR 34,524,078. Accordingly, cash and cash equivalents have increased by EUR 1,844,358 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 2,678,142 as well as interest income, subrogation payments and collection of premiums in the total amount of EUR 974,353. The statement of cash and cash equivalents also includes a refund of tax overpayment of GBP 101,752 (equal to DKK 881,508) from the English tax authorities, see paragraph 4.10.1.

Gefion's cash and cash equivalents are also affected by the current expenses relating to the continuation of the bankruptcy estate's operations and the winding-up of the remaining claims portfolio. Since 30 June 2023, expenses have been incurred in relation to the continuation of the operations in the total amount of EUR 1,808,137 for salaries to employees and consultants, office supplies, IT operations, claims handling expenses and foreign exchange adjustments, by which total cash and cash equivalents have been reduced.

Cash and cash equivalents are included at (calculated at 31 December 2023)

EUR 34,524,078

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 30 June 2023, the total reinsurance funds amounted to EUR 90,705,941. At 31 December 2023, the total reinsurance funds amounted to EUR 85,663,434. The development in the total reinsurance funds is further described in paragraph 3.3.

- (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 30 June 2023, the expected receivable amounted to EUR 88,557,583. At 31 December 2023, the expected receivable was booked at EUR 83,174,454, equal to a reduction of EUR 5,383,129. 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 (ii) corrections made to reinsurance shares in the bookkeeping records as further described in paragraph 3.4.

- (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 30 June 2023 to EUR 2,148,359. The difference between reinsurance receivables on the date of the bankruptcy order and the current reinsurance receivables has been described in circular letters no 6 and 7. At 31 December 2023, these receivables amounted to EUR 2,488,980 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 paragraph 1.1.2 (ii) above. As previously mentioned, EUR 2,678,142 has been paid to the bankruptcy estate in the period since the last circular letter. The amount has been included in cash and cash equivalents.

The total expected reinsurance funds are included at the booked value at 31 December 2023

EUR 85,663,434

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 30 June

2023 to EUR 613,906. The difference between receivables on the date of the bankruptcy order and the current receivables has been described in circular letters no 6 and 7. At 31 December 2023, the booked receivables amounted to EUR 437,465, equal to a reduction of EUR 176,441. The reduction is due to the estate's collection of outstanding premium payments, which has resulted in payments to the estate. The amount has been included in cash and cash equivalents.

The receivables are provisionally included at the booked value at 31 December 2023.

EUR 437,465

Receivables from insurance agents/brokers

According to the bookkeeping records, on the date of the bankruptcy order, Gefion's receivables from insurance agents/brokers and claims handlers amounted to EUR 25,549,297, and at 30 June 2023 to EUR 3,373,525. At 31 December 2023, these receivables amounted to EUR 2,349,039, equal to a reduction of EUR 1,024,486.

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 31 December 2023.

EUR 2,349,039

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. The amount has been included in the bankruptcy estate's cash and cash equivalents as described in paragraph 1.1.1.	EUR	0.00
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. The amount has been included in the bankruptcy estate's cash and cash equivalents as described in paragraph 1.1.1.	EUR	0.00
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 4.6. The trustees had chosen, <i>inter alia</i> , 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 amounts have 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 4.6.1. The bankruptcy estate's pending lawsuits are included at a reminder value.

EUR 1.00

Total assets (preliminary amount)

EUR 122,974,017.00

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, *inter alia*, 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 will, therefore, change regularly concurrently with such movements.

Cash sufficient for the continued operations is available 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 1,480,842.78 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 1,480,842.78

1.2.2 Insurance claims filed under section 210(1) of the Danish Insurance Business Act (*lov om forsikringsvirksomhed*)

EUR 38,713,110.70

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	3,205,614.25
1.2.5	Deferred claims under section 98 of the Danish Bankruptcy Act	EUR	20,417,046.73
Total liabilities (preliminary amount)		EUR	64,358,432.32

It should be noted that the above list of the bankruptcy estate's liabilities has been calculated at 29 February 2024. 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 claims filed under section 93 of the Danish Bankruptcy Act and section 210 of the Danish Insurance Business Act is due to the reclassification of a major claim previously filed under section 97 of the Danish Bankruptcy Act to these classes of creditors. Accordingly, the increase is offset by a corresponding decrease in claims filed under section 97 of the Danish Bankruptcy Act.

At 30 June 2023, the technical reserves amounted to EUR 183,238,541. At 31 December 2023, the technical reserves amounted to EUR 174,906,669. The technical reserves are actuarial calculations solely for bookkeeping purposes as Gefion's final claims liabilities will not be 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 104,421,805 had been made at 30 June 2023, and at 31 December 2023, payments totalling EUR 130,194,941 had been made, equal to additional payments from the guarantee funds of EUR 25,773,136. The bankruptcy estate has not yet received any notifications of subrogation claims from the guarantee funds for non-life insurers, which, therefore, have not been included in the list of liabilities above.

Once the claims handling has been completed, the bankruptcy estate's total liabilities are expected to amount to EUR 369,460,042, 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

In the period since the last circular letter (1 July 2023 – 31 December 2023), additional 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 insurance agents/brokers and the reinsurance share of the technical reserve.

As part of the administration of the estate, the trustees have examined the booked receivables further to ensure correct calculation and collection thereof. In that connection, the trustees made additional corrections to the reinsurance share of the technical reserve (expected receivable).

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. Based on the continued work, the trustees have identified additional claims that have been incorrectly booked and have not previously been written off. In addition, liquidation procedures (insolvency procedures) were commenced against one of Gefion's former agents in England in the period without any prospect of dividends on Gefion's booked receivables.

Furthermore, the booked receivables from agents and claims handlers are affected by time differences between data sets from the individual agents/claims handlers and from the local guarantee funds. The trustees have made an additional provision of EUR 2,683,519 to counter these timing differences and the identified misentries and losses.

The bankruptcy estate's technical reserves have been reduced by EUR 8,331,782 in the period. The reduction is primarily the result of claims payments of EUR 25,773,136 made by the local guarantee funds. The discount value included in the technical reserve has been updated to reflect the current dividend expectations, which means that the total claims payments are not reflected in a corresponding reduction of the technical reserve in the statement of liabilities above.

The trustees are investigating whether the discount value should be left out altogether from the technical reserve in light of the bankruptcy proceedings.

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 general administration of the estate, including investigations of liability, and the 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 September 2023 to 29 February 2024 is approx. 6,542 hours. The hours spent have been distributed on the work described in paragraphs 3-6 below.

Generally, the work concerned (i) the estate's operational matters and (ii) the general administration of the estate.

The work in respect of operational matters relates to the overall claims handling and the dialogue with the local guarantee funds for non-life insurers (paragraph 3.1), GDPR and compliance (paragraph 3.2), reinsurance management (paragraph 3.3) and collection of other receivables (paragraph 3.4.1).

The work relating to the general administration of the estate has primarily included investigations of liability, including management liability and auditor's liability, described in paragraphs 4.1-4.2.3, investigation and collection of claims for repayment and claims for damages (paragraph 4.3), investigations of any criminal offences and notification to the police (paragraph 4.4), management of employees and consultants (paragraph 4.5), lawsuits (paragraph 4.6), planning of the procedures for filing claims against the bankruptcy estate and handling such claims against the bankruptcy estate (paragraph 4.7), responding to enquiries relating to insurance claims against the bankruptcy estate and other enquiries (paragraph 4.8), ongoing adjudication of claims filed (paragraph 4.9), management of tax and VAT matters (paragraph 4.10) and other administration of the estate, including work relating to dealings with the creditors' committee, financial reporting, correction of bookkeeping records and drafting of circular letter, etc. (paragraph 4.12).

3.1 *Overall claims handling and dialogue with local guarantee funds*

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.

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. The actual number of open claims on the date of the bankruptcy order was therefore higher.

The number of open claims is gradually reduced, and, at 29 February 2024, the number of open claims was approx. 6,486. The computation of open claims is subject to some uncertainty due to delayed reporting from claims handlers and guarantee funds as well as, in certain cases, inadequate data quality.

In addition, another approx. 20,000 claims have been filed during the bankruptcy proceedings specifically relating to the (now) closed lawsuit in Germany, see 4.6.1 below.

The time spent on claims handling and the dialogue with the local guarantee funds for non-life insurers in the period is approx. 1,132 lawyer hours, divided between the seven jurisdictions. The work is described in further detail in paragraphs 3.1.1-3.1.7.

3.1.1 Denmark

The trustees have regular discussions with the Danish claims handler about the continued claims handling of the open claims in Denmark. According to the latest computation of open claims, the number of open claims in Denmark totalled 35 at 29 February 2024.

Several of the open claims are of such size and complexity that the trustees are assisting the Danish claims handler in handling the claims. The trustees are assisting the claims handler with litigation, the collection of excesses from policyholders and the collection of a major receivable from one single policyholder, etc.

The trustees are having regular discussions with the Danish Guarantee Fund for Non-life Insurers (the "DGF") about the claims falling within the scope of cover of the fund and discussions with the Danish Motor Insurers' Bureau (the "DFIM") about the process of payment of claims and the DFIM's filing of claims against the bankruptcy estate.

3.1.2 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 on a continual basis, including in relation to the payment of the eligible claims from the English guarantee fund (the "FSCS") and the reporting to the bankruptcy estate.

Moreover, the trustees have had regular discussions with the claims handlers about the claims handling of specific claims and have passed on enquiries etc. concerning specific claims.

According to the latest computation of open claims, the number of open claims in England at 29 February 2024 totalled 1,946. This number is subject to some uncertainty as one of the claims handlers ceased operating in November 2022. Therefore, the trustees have spent time on managing the claims portfolios handled by this claims handler. At the time when the claims handler

notified the estate that claims handling would cease, the claims handler was handling approx. 25% of the bankruptcy estate's open claims in England.

Having secured the claims data relating to one of the two claims portfolios handled by the claims handler, the trustees have been directing efforts at finding a solution to processing data in a suitable IT system. The work is still ongoing.

As regards the second claims portfolio handled by the claims handler, the trustees still have access to the active claims portal and have, therefore, been able to ensure continued claims handling. The trustees have examined the relevant data in detail with a view to updating them to the most recent actual information, which included closing claims that have actually been fully processed in the period from December 2022 to October 2023.

In addition, the trustees have completed their discussions with potential new claims handlers, deciding to repatriate the claims handling to Gefion.

Finally, the trustees are still engaged in a dialogue with the FSCS. Over the past period, discussions primarily concerned the handling of the claims previously handled by the claims handler who ceased operating in November 2022. In addition, the trustees still have conference calls with the FSCS.

3.1.3 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 (the "FGAO"), handles large claims separately.

The trustees' work to ensure the progress of the claims handling of the open claims and to ensure the required reporting from the claims handlers is still ongoing to ensure correct registration of the claims and collection of reinsurance on the French claims portfolio. The trustees and the bankruptcy estate's employees are engaged in an ongoing 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. Based on this work, including regular meetings with the claims handlers and the FGAO, the bankruptcy estate has received part of the necessary reporting and has reported to the reinsurers on that basis.

According to the latest computation of open claims, the number of open claims in France at 28 February 2024 totalled 3,220. 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.

3.1.4 Ireland

As described in the previous circular letters, Gefion's former claims handlers and the claims handler engaged by the bankruptcy estate continue to undertake the claims handling of the Irish claims portfolio.

The bankruptcy estate's employees have commenced an audit at the Irish claims handlers, and, on that basis, the trustees have submitted yet another application for fund cover. The Supreme Court of Ireland approved the application on 24 November 2023.

The bankruptcy estate expects to submit additional applications during 2024 in order to reduce the number of open claims in Ireland. 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 426 at 29 February 2024.

3.1.5 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, primarily about the pending lawsuits. According to the latest computation of open claims, the number of open claims in Italy at 29 February 2024 totalled 22.

In addition, the trustees are still engaged in discussions with the Italian Institute for the Supervision of Insurance (the "IVASS") about claims handling in Italy.

3.1.6 Poland

As described in previous circular letters, the Polish insurance guarantee fund for non-life insurers (the "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. 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.

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. primarily comprehensive motor insurance claims and claims from the insured policyholders for costs relating to any lawsuits.

Since the last circular letter, the trustees have held the first adjudication of claims meeting to adjudicate four Polish insurance claims. The adjudication of claims meeting was held on 14 November 2023 and was intended as a final test before upscaling the processes for the Polish

lawyer's claims handling and the subsequent formal adjudication of claims. At the meeting, one claim was admitted, while the other three claims were rejected.

The trustees have asked the Polish lawyer to commence claims handling of additionally 20-25 Polish insurance claims and expect to hold the next adjudication of claims meeting at the end of March 2024.

According to the latest computation of open claims, the number of open claims in Poland totalled 321 at 28 February 2024.

3.1.7 Germany

As described in previous circular letters, the German insurance guarantee fund for non-life insurers (the "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.

The trustees have engaged a consultant to undertake the registration and claims handling of the claims from Germany that fall outside the scope of cover of the VOH and to handle the bankruptcy estate's subrogation claims in Germany. At this time, the bankruptcy estate's consultant is handling 128 claims. 77 of these claims are close to being fully processed and ready for the trustees' adjudication of claims.

The trustees have determined a process for adjudication of the fully processed claims and expect the adjudication of claims to be commenced during this spring.

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 29 February 2024. 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. 20,000 additional claims mentioned in paragraph 4.6.1. See paragraph 4.6.1 for details on these claims.

3.2 *GDPR and compliance*

Over the past period, the trustees have regularly assessed 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. In that connection, the trustees have monitored compliance with the data processing agreements concluded with guarantee funds and claims handlers.

In the period, the trustees have also prepared data processing agreements expected to be concluded with the consultants employed by the bankruptcy estate.

Finally, the trustees have regularly audited and updated the internal processes and guidelines and are performing a number of GDPR tasks as part of the continued operations.

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

The time spent on this work is approx. 326 lawyer hours for the period.

3.3 *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. 7, reinsurance receivables amounting to DKK 19,945,195 (approx. EUR 2,678,142) have been paid to the bankruptcy estate in the period from 1 July 2023 to 31 December 2023. The payments relate to the bankruptcy estate's Quota Share reinsurance business and were primarily received from one of the reinsurers covering the largest share of the bankruptcy estate's activities.

The total reinsurance receivable paid to the bankruptcy estate from the date of the bankruptcy order on 7 June 2021 until 31 December 2023 totals DKK 254,525,431 (approx. EUR 34,165,422).

The management of the bankruptcy estate's reinsurance has been very complex over the past period and continues to be so. The trustees continuously spend a considerable amount of time on collecting receivables relating to reinsurance contracts. This work is of a very long-term nature, but it is necessary to ensure the bankruptcy estate's most significant asset over time.

The trustees' management of the bankruptcy estate's reinsurance still focuses on the computation and collection of the bankruptcy estate's reinsurance receivables. Therefore, 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 reinsurance brokers and reinsurers.

As described in circular letter no. 7, 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 to the bankruptcy estate or the reporting received is inadequate.

As described in the last circular letter, one of the bankruptcy estate's English claims handlers stopped reporting to the bankruptcy estate in the autumn of 2022, which, unfortunately, resulted in the bankruptcy estate being unable to report to reinsurers on the latest development in claims. In consequence of this, the bankruptcy estate has not received any payments on these claims from such reinsurers. As described in paragraph 3.1.2 regarding claims handling in England, over the past period, the trustees decided to repatriate the claims handling obligation. Accordingly, the claims are now handled by the bankruptcy estate's employees. The reinsurers and brokers concerned have been informed of this.

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 previously described, 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. One of these reinsurers has still not made any payments to the bankruptcy estate since the date of the bankruptcy order. The other reinsurer has not made any payments to the bankruptcy estate for the past year.

In that connection, the trustees have continued their reporting, follow-up and enquiries to the respective reinsurance brokers who are the link between the bankruptcy estate and the two reinsurers. Moreover, the trustees have had to seek assistance from local lawyers with a view to investigating and considering which legal measures, if relevant, should be taken to ensure payment from the reinsurer.

Besides the collection of the largest reinsurance receivables, the trustees' work also consisted in the collection of the other minor overdue receivables. In that connection, the trustees have, *inter alia*, held physical meetings with reinsurers and brokers with a view to ensuring improved payment flows from the reinsurers in future.

Moreover, the trustees have launched a major investigation of the bankruptcy estate's Excess of Loss reinsurance with a view to providing an overview of the bankruptcy estate's receivables from major claims. In that connection, the trustees have made enquiries to all Excess of Loss reinsurance brokers for the purpose of reconciling receivables and any outstanding premiums.

The major complex issues are assessed regularly and are handled in concert with the bankruptcy estate's employees and consultants and by involving insurance 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 been issuing half-yearly updates to the reinsurers and brokers with updates on the bankruptcy estate's management of the reinsurance, status of the regular claims reporting etc. and encouraging the holding of regular follow-up meetings between the trustees and the reinsurers and brokers, respectively. In view of the many physical and electronic

meetings regularly held with the reinsurers and brokers on the status of the bankruptcy proceedings, the half-yearly updates have now been changed to annual updates. The trustees expect to issue the next update in March 2024.

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. 866 lawyer hours for the period.

3.4 *Receivables/potential receivables*

Gefion's receivables/potential receivables consist of debtor receivables, 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 continued reviewing 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 bookkeeping records and email archives. In addition, the trustees have approached agents and claims handlers on several occasions to clarify certain matters. The trustees have also drafted and sent demands for payment in connection with the identification of potential claims.

So far, the work has identified several inconsistencies in Gefion's bookkeeping records, and the trustees have found that a number of the receivables have no 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. At this time, it is not possible to finally determine the total value of Gefion's receivables.

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. 335 lawyer hours for the period.

Certain of the known receivables/potential receivables and the work related thereto are further described in paragraphs 3.4.1-3.4.3 below.

3.4.1 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, see paragraph 3.4.1.1 for further details, a receivable from a French agent and claims handler, see paragraph 3.4.1.3, and receivables from a German agent and claims handler, see paragraph 3.4.1.2, which are being collected through local courts.

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 which were not settled with Gefion. On 25 November 2021, the parties settled the claim at a total of GBP 1,052,270 (approx. EUR 1,185,906). According to the settlement agreement, the settlement amount is to be deducted from Gefion's debt to the claims handler who handled claims under insurance policies issued by the agent. Accordingly, the agent effectively has to pay GBP 817,270 (approx. EUR 921,062) to the bankruptcy estate by way of instalments over 60 months. The instalments will be recognised as cash inflow to the bankruptcy estate as they are received. At 31 December 2023, the bankruptcy estate had received a total of EUR 62,998 (equal to approx. DKK 469,519) under the settlement agreement.

3.4.1.1 Receivable from Polish agent

As described in circular letters no 3-7, 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 insurances 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 filed a lawsuit against the agent in Denmark. The court delivered a default judgment in favour of the bankruptcy estate. Since the last circular letter, the trustees have obtained a copy of the proof of service from the court and have been engaged in a dialogue with their local, Polish lawyer about the possibility and process of enforcing the judgment in Poland. At this time, the trustees' Polish lawyer is attempting to collect the receivable in Poland and to obtain access to the data belonging to the estate and expected to be in the agent's possession. The work is ongoing and continually coordinated between the trustees and the Polish lawyer.

3.4.1.2 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. Since the last circular letter, the receivable has been calculated at approx. 128,000. 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 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. The claims handler has entered into a dialogue with the bankruptcy estate and the French guarantee fund, the FGAO, on reporting. At this time, the bankruptcy estate has received supplementary data from the claims handler and expects to receive adequate and complete information about the claims handling by comparing the supplementary data with data received from the FGAO. The lawsuit concerning the estate's receivable is still pending.

3.4.1.3 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 and premium payments of EUR 2,100,000 paid into a separate account with AIS Wild for the purpose of claims payments etc. 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. At this time, dividends are not expected to be paid to the bankruptcy estate.

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

Prior to Gefion's bankruptcy and in the run-up to AIS Wild's financial difficulties, EUR 400,725.58 was transferred from Gefion's separate claims and premium account with AIS Wild's bank. The amount did not exist in AIS Wild at the time of its bankruptcy. The trustees have previously filed a claim for the amount against the bankruptcy estate of AIS Wild. Since the last circular letter, the trustees have instituted legal proceedings before the German courts against AIS Wild's former CEO and owner, claiming a payment of EUR 400,725.58.

3.4.1.4 Receivables from former agent in bankruptcy

The bankruptcy estate has filed a number of claims with the liquidator 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. Based on the latest report from the liquidator, dividends of a

minor amount are expected to be paid to the unsecured creditors. However, the liquidator cannot further estimate the amount of the dividends as it depends on the proceeds from the assets realised, the costs of the insolvency proceedings and the number of creditors entitled to receive dividends from the estate in liquidation.

3.4.2 Receivables from premiums

The trustees have engaged external lawyers to assist with the collection of unpaid premium receivables from previous policyholders in Germany which AIS Wild did not collect prior to its bankruptcy. 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. At this time, receivables of approx. EUR 219,299 have been paid in this respect.

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.

3.4.3 Subrogation in Poland

At the commencement of the bankruptcy proceedings, the estate had a number of existing and potential subrogation claims against liable persons which were handled by an external Polish lawyer. 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. At this time, the estate has received payment of approx. PLN 225,328 (equal to EUR 51,222). 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.

In the summer of 2023, the trustees entered into a dialogue with the Polish lawyer with a view to the Polish lawyer potentially acquiring minor subrogation claims, for reasons relating to cost. The Polish lawyer submitted a bid for acquiring such subrogation claims. The proceeds for the estate in connection with a potential acquisition of the subrogation claims were less than the estimated costs of realising a transfer. Therefore, the trustees decided not to accept the bid.

As the costs relating to the minor subrogation claims, including the costs of the Polish lawyer's collection and the estate's costs of ongoing administration, would exceed the subrogation funds recoverable, the trustees have instructed the Polish lawyer not to pursue minor subrogation claims under a certain threshold amount.

4 General administration of estate

Since the last circular letter, the trustees' work has included 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.

4.1 *Investigations of liability*

Initially, it should be noted that the investigations detailed in paragraph 4.2 are made by attorney Boris Frederiksen, Poul Schmith.

4.2 *Management liability and auditor's liability*

4.2.1 Lawsuit concerning operations after the point of no return

As described in circular letter no. 7, on 11 July 2023, trustee Boris Frederiksen issued 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 paid to the bankruptcy estate by the auditor jointly and severally. The case concerns, *inter alia*, 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 audit of and the auditor's report on Gefion's annual report for 2018.

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.

Over the past period, trustee Boris Frederiksen has continued investigating the above matter.

Over the past period, trustee Boris Frederiksen has also described the actual circumstances of the estate to the estate's creditors' committee and the DFIM and has further explained the approach to and scope of the investigations made.

4.2.2 Lawsuit concerning withdrawal of capital through English company

As described in circular letter no. 7, on 12 July 2023, trustee Boris Frederiksen issued writs of summons against four individuals who were all members of Gefion's former management and/or ultimate owners and an English company, claiming repayment of DKK 10,429,842.21 (excl. interest), equal to an amount of approx. DKK 13,500,000 incl. interest.

The service of the writ of summons on the English company has presented challenges. Trustee Boris Frederiksen has therefore investigated the English rules on serving writs of summons and

has had the writ of summons translated into English to be able to serve it on the English company.

Over the past period, trustee Boris Frederiksen has received and read statements of defence relating to the case. Moreover, trustee Boris Frederiksen filed a reply in the case on 26 January 2024.

4.2.3 Lawsuit concerning withdrawal of capital through reinsurance broker

As described in circular letter no. 7, trustee Boris Frederiksen issued a writ of summons against a reinsurance broker on 7 July 2023, claiming repayment of GBP 100,000 (equal to approx. DKK 842,180). The case concerned whether the reinsurance broker had actively contributed to and enabled a former member of Gefion's management to make a disguised distribution contrary to the rules of the Danish Companies Act (*selskabsloven*).

Trustee Boris Frederiksen has had settlement discussions with the reinsurer's lawyer. On that basis, a court settlement was made on 10 November 2023, according to which the reinsurer committed to paying a total of GBP 75,000 to the bankruptcy estate. The amount has been transferred to the bankruptcy estate's client account.

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 the work described in paragraphs 4.2.1-4.2.3 is about 1,319 lawyer hours for the period.

4.3 *Claims for repayment and claims for damages concerning travels*

As described in circular letter no. 7, on 13 July 2023, trustee Boris Frederiksen issued writs of summons against a third party and a number of former members of Gefion's management and family members, claiming repayment of DKK 8,165,081 (excl. interest).

Over the past period, trustee Boris Frederiksen has received and read statements of defence relating to the case. Trustee Boris Frederiksen filed a reply in the case on 16 January 2024.

Over the past period, trustee Boris Frederiksen commenced the drafting of a separate pleading concerning limitation of claims as several of the defendants have requested that the issue of limitation of claims be listed for separate pre-trial procedure and proceedings under section 253 of the Danish Administration of Justice Act (*retsplejeloven*).

The time spent on this work is approx. 330 lawyer hours for the period.

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

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

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

No time has been spent on this work in the period.

4.5 *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, including the processing of claims data, reporting to the reinsurers and other operational work.

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. 140 lawyer hours for the period.

4.6 *Lawsuits*

The bankruptcy estate has intervened in a number of lawsuits filed against Gefion prior to the date of the bankruptcy order. These cases primarily concern 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 discussions with local lawyers in Germany, France and Poland in particular. In the other jurisdictions, the lawsuits are conducted, mainly, by external lawyers through the respective claims examiners/agents in accordance with the agreements concluded between Gefion and them.

In addition, the bankruptcy estate has been sued in a number of lawsuits brought after the date of the bankruptcy order. The trustees monitor these lawsuits closely and are involved in the proceedings on an ongoing basis to ensure that the claims are rejected by the courts in accordance with Danish bankruptcy law.

Based on the overall information received from the local lawyers and through the continuous mail processing, approx. 470 lawsuits against Gefion/the bankruptcy estate are pending in Poland, 19 lawsuits against Gefion/the bankruptcy estate are pending in France and 187 lawsuits against Gefion/the bankruptcy estate are pending in Germany at this time. We refer to circular

letter no. 7 for further details on the trustees' work relating to lawsuits in Poland, Germany and France.

The time spent on this general work with lawsuits is approx. 661 lawyer hours for the period.

In addition to the lawsuits relating to the rejected claims, two lawsuits were pending against Gefion in Germany on the date of the bankruptcy order in which car rental companies have claimed that Gefion is liable to pay compensation due to the fact Gefion stopped writing insurance policies 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. One of the two lawsuits is still pending in Germany, see paragraph 4.6.2 for further details. The other lawsuit has been closed, see paragraph 4.6.1.

4.6.1 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 may be asserted against the bankruptcy estate. In consequence of this, Charterline has filed claims for a sizeable double-digit million EUR amount against the bankruptcy estate. In addition, the bankruptcy estate must pay the legal costs.

In the period since the last circular letter, the trustees have looked into the scope of the judgment and its implications to the bankruptcy estate. Moreover, the trustees have planned a process for the future handling of the claims filed, which involves that one or more claims handlers must be engaged for claims handling of the claims filed.

In the period to come, the trustees will search for potential claims handlers to assist the bankruptcy estate with claims handling of the claims filed. Claims handling is expected to commence immediately after the bankruptcy estate's engagement of one or more claims handlers to handle the portfolio. Moreover, the trustees expect to commence the adjudication of the individual claims as the claims handling is progressing.

The time spent on this work is approx. 141 lawyer hours for the period.

4.6.2 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 about 2 lawyer hours for the period as the work is primarily performed by the bankruptcy estate's local lawyer in Germany.

4.6.3 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. 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 5 lawyer hours for the period as the work is primarily performed by the bankruptcy estate's local lawyer in Germany.

4.7 *Planning of the process for filing and 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. 73 lawyer hours for the period.

4.8 *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, contracting parties, policyholders and injured parties, etc. 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 expect the work relating to the handling of these enquiries to continue to the same extent as previously until the claims handling of the open claims portfolios has been finalised. Reference is made to circular letter no. 7 for further details on the trustees' work relating to the handling of enquiries.

The time spent on this work is approx. 181 lawyer hours for the period.

4.9 *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 claims under the Danish Bankruptcy Act and the Danish Insurance 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 and admissibility of such claims under the Danish Bankruptcy Act and the Danish Insurance Business Act 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 the work relating to the adjudication of claims, including the work relating to specific claims described in paragraphs 4.9.1 and 4.9.2, is approx. 175 lawyer hours for the period.

4.9.1 Adjudication of claims filed under section 93 of the Danish Bankruptcy Act

In the period since the last circular letter, the trustees have commenced the adjudication of a claim filed by Charterline for legal costs in connection with the lawsuit mentioned in paragraph 4.6.1. The filing party has filed a preliminary claim of EUR 1,393,168 (equal to DKK 10,365,171) under section 93 of the Danish Bankruptcy Act. The filing party has stated that the claim will be updated when the court has made its final decision on the determination of the legal costs.

The trustees have launched initial investigations for the purpose of assessing the claim. Considering that, at this time, the claim has been filed only at a preliminary amount, that it is of a considerable amount and has been filed under section 93 of the Danish Bankruptcy Act, the investigations and the trustees' subsequent adjudication of the claim are not expected to be completed until mid-2024 or late 2024.

4.9.2 Adjudication of Polish policyholders' claims

Since the last circular letter, the trustees have held the first adjudication of claims meeting to adjudicate claims from Polish policyholders not covered by the Polish guarantee fund (the "UFG") as described in 3.1.6.

The first adjudication of claims meeting to adjudicate four claims was held on 11 November 2023. Prior to the meeting, the trustees had recommended one claim for admission and the other three claims for rejection. No objection was made against the trustees' recommendation before or during the adjudication of claims meeting. Therefore, the adjudication of the four claims is final.

The trustees expect to hold the next adjudication of claims meeting at the end of March 2024, and then approx. every two months.

4.10 *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 submitted 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. The request was submitted in September 2023, and the trustees are still awaiting a response.

In preparation for later reopening of the bankruptcy estate's VAT and payroll tax returns, 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 and the computation of the bankruptcy estate's cost base, costs subject to the reverse charge procedure and output VAT. Accordingly, the work and discussions to that effect are still ongoing.

The time spent on this work is approx. 27 lawyer hours for the period.

4.10.1 Handling of tax on insurance premiums

The trustees have handled a major claim from the English tax authorities concerning a preliminary assessment of tax on insurance premiums. Due to the English tax authorities' claim, the

trustees in concert with external lawyers in France, Germany 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.

In that connection, the trustees ascertained before the last circular letter was issued that there was no insurance tax in Poland which must be handled by the bankruptcy estate going forward. Since the last circular letter, the trustees have also ascertained that there is no such tax or the like in France which must be handled by the bankruptcy estate going forward. In Germany, the work is still ongoing.

Alongside the trustees' investigations into the English tax authorities' potential claims against the estate, the trustees have completed their investigation into a potential receivable from the English tax authorities arisen as a result of Gefion's prior reporting and payments of tax on insurance premiums on policies written in England.

In that connection, the trustees have received a payment of GBP 101,752 (DKK 881,508) from the English tax authorities in respect of excess payments of tax on insurance premiums. After receiving the amount, the trustees filed an application with the English tax authorities for deregistration with respect to the future obligation to file quarterly reports on Gefion's tax liability in relation to insurance premiums. The trustees' work in this respect is still ongoing. However, the matter of deregistration is expected to be finally resolved before the next circular letter is issued.

The time spent on this work is approx. 21 lawyer hours for the period.

4.11 *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, work relating to data management in a partly new data warehouse was intensified. The work relates to, *inter alia*, 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.

Since circular letter no. 7, the trustees have continued the further development of 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. The trustees assess that the further development of the IT system will streamline and optimise the administration of the estate.

In that connection, weekly status meetings are held between the external consultant who has been engaged to develop the IT system, the trustees 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. 61 lawyer hours for the period.

4.12 *Administration of the estate in general*

In addition to the above work, the trustees handle a number of other tasks relating 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, maintenance and adjustments of bookkeeping records as needed and financial reporting of the bankruptcy estate in collaboration with an accountant engaged for that purpose, preparation of statement of receipts and payments, handling of correspondence and dialogue about/with the creditors' committee as well as drafting and translation of circular letter, etc.

The time spent on this work is approx. 749 hours for the period.

5 Next circular letter

Circular letter no. 9 will be sent to the bankruptcy court and uploaded on the company's website on 7 October 2024.

6 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, Alexandriagade 8, DK-2150 Nordhavn, on +45 3945 2800 or by email to clo@accura.dk or to the estate administrator, Jeanette Hansen, on +45 3945 3954 or by email to jhn@accura.dk or to the trustee, attorney Boris Frederiksen, and attorney Mathias Juul Holter, Poul Schmith, Kalvebod Brygge 32, DK-1560 Copenhagen V, by email to bor@poulschmith.dk or mho@poulschmith.dk.

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

Poul Schmith

ACCURA



Yours faithfully

Boris Frederiksen
Partner, Poul Schmith

Søren Aamann Jensen
Partner, Accura Advokatpartnerselskab