IN THE DUBAI INTERNATIONAL FINANCIAL CENTRE COURT

IN THE COURT OF FIRST INSTANCE

BETWEEN

QUORTIA LTD

Claimant

and

FRANK IRRLING

Defendant

ORDER WITH REASONS OF H.E. JUSTICE MICHAEL BLACK KC

PENAL NOTICE

IF YOU, FRANK IRRLING, DISOBEY THIS ORDER YOU MAY BE HELD TO BE IN CONTEMPT OF COURT AND MAY BE REFERRED TO THE ATTORNEY GENERAL OF DUBAI, FINED OR HAVE YOUR ASSETS SEIZED.

ANY OTHER PERSON WHO KNOWS OF THIS ORDER AND DOES ANYTHING WHICH HELPS OR PERMITS THE RESPONDENT TO BREACH THE TERMS OF THIS ORDER MAY ALSO BE HELD TO BE IN CONTEMPT OF COURT AND MAY BE REFERRED TO THE ATTORNEY GENERAL OF DUBAI OR FINED.

UPON the Claimant's ex parte Urgent Application No. CFI-117-2025/1 dated 5 December 2025 seeking a domestic freezing injunction over the assets held by the Defendant in Dubai and elsewhere in the United Arab Emirates up to the value of EUR 4,000,000 together with ancillary worldwide disclosure orders (the "Claimant's Application")

AND UPON the Order of H.E. Justice Michael Black KC dated 9 December 2025 (the "Freezing Order")

AND UPON the Order of H.E. Justice Michael Black KC dated 16 December 2025 (the "16 December 2025 Order")

AND UPON the Order of H.E. Justice Michael Black KC dated 22 December 2025 (the "22 December 2025 Order")

AND UPON the Order of H.E. Justice Michael Black KC dated 26 December 2025 (the "26 December 2025 Order")

AND UPON the Defendant's Application No. CFI-0117-2025/4 dated 2 January 2026 seeking to dispute the jurisdiction of the Court (the "Defendant's Jurisdiction Challenge")

AND UPON the Defendant's Application No. CFI-0117-2025/5 dated 2 January 2026 seeking to discharge the freezing order (the "Defendant's Discharge Application")

AND UPON hearing Counsel for the Claimant and Counsel for the Defendant at a further Return hearing held before H.E. Justice Michael Black KC on 9 January 2026 (the "9 January 2026 Return Date hearing")

AND PURSUANT TO the Rules of the DIFC Courts ("RDC")

IT IS HEREBY ORDERED THAT:

1. The Defendant's Jurisdiction Challenge is dismissed.

2. The Defendant's Discharge Application is dismissed.

3. The Injunction granted on 9 December 2025 shall continue until further Order of the Court.

4. The Defendant shall pay the costs of the proceedings to the Claimant in the sum of AED 1,098,601.16.

Issued by:
Delvin Sumo
Assistant Registrar
Date of Issue: 16 January 2026
At: 8am

SCHEDULE OF REASONS

INTRODUCTION

1. On 8 December 2025, I made a freezing order (the **"Injunction"**) without notice at the instance of Quortia Ltd (**"Quortia/ Claimant"**)

against Frank Irrling (**"Mr Irrling/ Defendant"**). The Injunction restrained Mr Irrling from, until after the Return Date (15 December 2025) or further order of the Court, removing from the UAE or in any way disposing of, dealing with or diminishing the value of any of his assets in the UAE, save that: (a) if the total unencumbered value of his assets in the UAE exceeded EUR 3,520,000, he may remove from the UAE and may dispose of, deal with or diminish the value of such part of his assets as exceeded that amount, so long as the total unencumbered value of his assets remaining in the UAE continued to exceed EUR 3,520,000; and (b) he was entitled to spend sums of living and legal expenses.

2. The prohibition included the following bank accounts of Mr Irrling held with Mashreq Bank PSC:

(1) IBAN number (**"A/c 3820"**);

(2) Account / deposit number (**"A/c 5246"**); and

(3) Account / deposit number (**"A/c 3080"**) (collectively, the **"Mashreq Accounts"**).

3. The Injunction was made on the basis that it was in support of legal proceedings instituted by Quortia against Mr Irrling on 24 November 2025 before the District Court of Paphos in the Republic of Cyprus (the **"Cypriot Proceedings"**) bearing Case No. 690/25 for causes of action including breach of contract, unjust enrichment, fraud and extortion. A copy of the proceedings was exhibited to the First Affidavit of Styliana Pavlidou (**"Ms Pavlidou"**), an associate at Frangos & Associates, Quortia's legal counsel in Cyprus, dated 13 December 2025.

4. The dealings between the parties raised the possibility that they may have been designed to circumvent sanctions levied by the Canadian Government. I therefore pressed the Claimant for evidence that this was not the case. While the Government of the United Arab Emirates does not recognise the relevant sanctions regime, this Court would nevertheless hesitate to grant discretionary relief directed to assisting acts that may be considered to breach the laws or regulations of another jurisdiction. In the event, the requested evidence was provided. The history recounted below does bear many of the hallmarks of money-laundering, but in the absence of firm evidence I am prepared to take the various explanations and transactions at their face value. If the question of illegality were to be raised, that would ultimately be a matter for the Cypriot courts and clearly a serious issue to be tried.

5. Quortia's application on 8 December 2025 for a freezing order was supported by the First Affidavit of Artem Gabestro, who is a legal consultant employed by Quortia, who undertook most of the dealings with Mr Irrling on Quortia's behalf. Mr Gabestro subsequently confirmed that he acts only behalf of Quortia and Nelya Levitina (**"Mrs Levitina"**).

6. On 10 December 2025, the Cypriot Proceedings documents were provided to a process server in Cyprus to proceed with service on Mr Irrling at his last known residential address. Ms Pavlidou noted that no other address, including any address of work, was known. On 10 December 2025, the process server attempted to effect service; however, service was not successful as Mr Irrling had vacated his last known address in Cyprus. As at 13 December 2025, Messrs Frangos & Associates were preparing an application requesting permission for service via alternative means.

7. On 15 December 2025, Quortia filed an application to continue the Injunction supported by the Second Affidavit of Mr Gabestro, the First Affidavit of Mrs Levitina and the First Affidavit of Ms Pavlidou.

8. Mr Irrling declined to attend the Return Date hearing on 15 December 2025 on the basis that he had not yet secured representation. Quortia filed a second affidavit from Mr Gabestro providing the information I had requested and applied for the Injunction to be continued. I continued the Injunction and adjourned the Return Date to 22 December 2025.

9. Quortia filed a further application to continue the Injunction on 19 December 2025 supported by a Third Affidavit of Mr Gabestro.

10. On 22 December 2025, Mr Irrling was represented by counsel (Mr Robert Sliwinski) who informed the Court that he had only been instructed the previous Friday (it being a Monday). I accepted that he needed more time to take instructions and I continued the Injunction initially contemplating a further hearing on 2 January 2025 but on reflection I directed that:

(1) The final hearing of the Return Date would take place on 9 January 2026.

(2) In the meantime, the Freezing Order would be amended to continue until further Order of the Court.

(3) The Defendant was to serve and file any application to discharge or vary the Order together with any evidence relied upon not later than 4pm (GST) on 2 January 2026.

(4) The Claimant may serve and file any evidence in reply not later than 4pm (GST) on 6 January 2026.

(5) The Parties shall exchange and file skeleton arguments not later than 12pm (GST) on 8 January 2026.

11. On 2 January 2026, Mr Irrling served an application challenging the jurisdiction of the Court (the **"Defendant's Jurisdiction Challenege"**) and an application seeking to discharge the Injunction supported by his First Affidavit (the **"Defendant's Discharge Application"**)

12. On 6 January 2026, Quortia served its evidence in response - the Fourth Affidavit of Mr Gabestro and the Second Affidavit of Ms Pavlidou.

13. Thus, the matters before the Court on 9 January 2025 were (in logical order):

(1) The Defendant's Jurisdiction Challenge; and

(2) The Claimant's application to continue the injunction and the Defendant's Discharge Application, which are two sides of the same coin.

THE FACTS

14. What follows is taken from the evidence filed by the Claimant. I will indicate where the narrative is contradicted by the Defendant. To say that the transactional history was complicated would be an understatement.

15. Quortia is a limited liability company incorporated in Cyprus on 22 August 2012. Its sole shareholder is Mrs Levitina, a Ukraine-born citizen of Malta. Mrs Levitina is not a sanctioned individual but is married to Leonid Levitin, who is sanctioned by Canada, and is the sister-in-law of Igor Levitin, who was apparently Minister of Transport of the Russian Federation and is an aide to the President of Russia.

16. Until 13 June 2025, Quortia owned 100% of Welfare Invest S.R.O., (**"Welfare"**) a company incorporated in the Czech Republic that owned a retirement home in the town of Cenkov, which primarily provides care for residents with dementia, chronic mental illness and Alzheimer's disease. In his Second Affidavit dated 13 December 2025, Mr Gabestro, in order to reassure the Court that it was a genuine business, gave further details: the care home is a three-storey, 1,760 square-metre building completed in 2015. The website for the care home can be accessed on https://www.domovcenkov.cz/.

17. Welfare was indebted to Quortia in the sum of EUR 3,520,000 plus interest of EUR 582,264.59 as of 1 June 2020 plus interest accruing at 3% per annum.

18. At the same time Quortia was indebted to Mrs Levitina in respect of dividends, the oustanding balance of which is currently approximately USD 5.8 million.

19. Following the outbreak of the Russia-Ukraine war in February 2022, and the subsequent imposition of sanctions by various countries including those in the European Union (**"EU"**), it became increasingly difficult for Mrs Levitina and Russian nationals associated with Quortia and Welfare to manage Welfare's operations, given that the Czech Republic is a member of the EU and Mrs Levitina is resident in Russia and married to a Russian national. Consequently, a decision was made to sell Welfare.

20. I expressed concerns at the without notice hearing as to whether the entire transaction involving Quortia, Welfare, Mr Irrling, and other parties, was genuine or whether it was part of an effort to evade sanctions or launder funds. In his Second Affidavit, Mr Gabestro stated that it was necessitated by the operational challenges caused by the Russia-Ukraine war, which affected Quortia and associated individuals, including its ultimate beneficial owner, Mrs Levitina. He produced the balance sheet in the 2021 audited financial statement of Quortia (prepared in July 2023) which showed a total asset value of approximately USD 282.9 million. Quortia's assets included the following:

(1) Investment properties totalling USD 2.339 million;

(2) Investments in subsidiaries at USD 7.9 million (Welfare was a fully owned subsidiary of Quortia);

(3) Available-for-sale financial assets of USD 6.145million; and

(4) Financial assets at fair value through other comprehensive income at USD 56.3 million.

21. An interim dividend of USD 20 million was declared by Quortia's board to Mrs Levitina on 31 December 2021. The dividend was reflected in the 2021 audited financial accounts. While Quortia had an operating loss in 2021, the dividend was declared utilising the share premium reserve of USD 267,983,382 and by transferring it to retained earnings. Out of the USD 20 million due to Mrs Levitina, Mrs Levitina has been paid approximately USD 14.5 million. This was settled through the sale of assets owned by Quortia:

(1) the sale of Quortia's 60% shareholding in a company named Agricop Limited incorporated in Cyprus for EUR 5,500,000; and

(2) the sale of properties owned by the Claimant for the sale value of EUR 9,000,000.

22. I also expressed concerns as to whether Mrs Levitina was the real owner of Quortia or whether she was acting as nominee for her husband, who was, as noted, a sanctioned individual. In her First Affidavit of 31 December 2025, she explained that in 2016 she and her husband acquired Quortia. Its principal business was to act as a holding company for investments in real estate companies and the provision of finance. The funding of Quortia came from various business enteprises in which the Levitins had been involved since the 1990s. In 2017, Mr Levitin decided to retire and began transferring his shares to Mrs Levitina. By December 2021, Mrs Levitina was the 100% shareholder in Quortia. Between 2017 and 2019, Quortia generated profits from trading in real estate and stocks and shares.

23. Although Mr Levitin had retired, he remained available to assist Mrs Levitina when required. He gave her advice and interacted directly with Mr Irrling as she was not comfortable doing so herself.

24. A prospective purchaser of Welfare was identified in the Czech Republic. Having obtained permission, Mr Gabestro named the purchaser as Czech Investor Company - Bergmanuv mlyn s.r. (the **"Buyer"**); however, the Buyer then informed the Claimant that its financing bank would not approve financing for any transaction perceived as closely connected to Russia or Russian nationals. To address this concern and allow the Buyer to secure financing, it was agreed to introduce additional layers of separation between Welfare and the Russian nationals through a series of agreements relating to Welfare's shareholding structure.

25. Quortia identified Stanislav Andonov, a Bulgarian national, as a potential intermediary purchaser to acquire its shares in Welfare on a nominal basis, with the intention of subsequently transferring those shares to the Buyer. Accordingly, Mrs Levitina entered into a Share Purchase Agreement dated 30 December 2022 with Stanislav Andonov for the sale and purchase of 100% of Quortia's ordinary share capital in Welfare for a consideration of EUR 350,000.

26. Despite this arrangement, the Buyer remained reluctant to purchase the shares from Stanislav Andonov as he was born in Russia.

27. In or around April 2024, Quortia identified the Defendant, Mr Irrling, as a potential nominee shareholder on the basis that he was a German national and not born in Russia. Mr Irrling agreed to the proposal in consideration of EUR 80,500, stating in an email dated 19 April 2024:

"Entering as an (sic) Shareholder in a Cypriot company is not a problem at all and should be discussed in more details and stated in an MOU for all partners involved".

28. Mr Gabestro emailed Mr Irrling on 8 May 2024:

"Thank you for your e-mail and work that you have already started to do.

I just wanted to tell you:

First and the most important, we need to ensure that Czech buyers confirm

that if you are a shareholder of Quortia, (sic) they can proceed with the

deal..

Second, I will prepare the SPA, Pledge agreement for pledge of shares of

Quortia in favour of Nelya and also a call option agreement just to be sure

we do not lose control over the Company at any moment.

Third, after we have transferred the title to Quotria (sic) shares to you, we

can nominate you as an additional director with a right to sign everything

jointly with the other director.

Fourth, you proceed with trustee account with the bank in Germany.

Fifth , we proceed with a deal with Czech buyers."

29. Mr Irrling entered into a Services and Management Agreement with Mrs Levitina dated 6 August 2024, which was subsequently amended on 5 March 2025 (the **"Amended Services Agreement"**). There were terms of the Amended Services Agreement as follows (the Defendant was referred to as "FI" and Mrs Levitina as "NL")

Under the Preamble:

"1. FI is going to receive 100% shares of WELFARE INVEST S.R.O. from QUORTIA LTD for consideration of CZK200,000.

2. Overall Transaction purchase price (the "Sale Price") constitutes EUR 3.500.000,00. The Buyer (Czech Investor) will enter into two (2) separate agreements with the Seller (FI) for sale and purchase of the entire business shares of WELFARE INVEST S.R.O. for (a) up to EUR 10.000,00 for receiving 100% ownership/ shares of WELFARE INVEST S.R.O. (b) QUORTIA Ltd. will assign to the Buyer (Investor) its rights to receive outstanding indebtedness from the business/ WELFRE (sic) INVEST S.R.O. and QUORTIA Ltd. will procure that WELFARE INVEST S.R.O. consents to such assignment. The assignment will be for consideration in the amount of EUR 3.490.000,00 to be paid by the INVESTOR to QUORTIA / ESCROW account in Germany."

Under "Appointment":

"FI, as an Individual based in Cyprus and Germany is going to receive 100% shares of WELFARE INVEST S.R.O. from QUOATIA Ltd. The sales price will be stated in a separate agreement. In addition FI signed financial instruments: call option and share pledge agreement.

FI, shall receive 100% shares and acting as the Shareholder of WELFARE INVEST S.R.O. will arrange the execution of the sale and purchase agreement of 100% WELFARE INVEST S.R.O. to the CZECH INVESTOR for the Sale Price (the "SPA").

FI, under his capacity of the Director and Shareholder of QUORTIA Ltd appointed Professor Dr. Jur. Hans-Christoph Jahr, Lawyer and legal consultant, with office in Hagenstr. 77 B, D-14193 Berlin-Grunewald/ Germany, as the Nominee of QUORTIA Ltd and shall receive the purchase

price in amount of EUR3.5 million Euros. He shall act as a paymaster ON BEHALF OF QUORTA Ltd and FI by means receive and transfer funds received under SPA. He shall receive instructions from FI as the Shareholder by email for unconditional payment orders for initial

funds transfer."

Under *"Fees"*:

"NL hereby agrees to pay a service fee in amount of 80.500,00 EUR (Eighty Thousand Five Hundred Euros) to Fl. This amount is payable as follow and shall cover the following services provided:

securing the financial transaction in amount of circa EUR3,500,000.00 (Three Million Five Hundred Thousand Euro) and shall be finally agreed between the parties of the Transaction to be paid to the TRUSTY (sic) ESCROW account. A Deed of Trust Agreement with Trusty/ Nominee in order to receive funds on behalf of QUORTIA Ltd.

Transfer of the Sale Price from the TRUSTY ESCROW account either to FI personal account with further transfer of it to the bank account designated by NL and reported in a separate letter/ agreement or to the account specially designated by NL."

30. Thus, Mr Irrling was to receive 100% of the shares in Welfare from Quortia. The Buyer was to purchase the shares in Welfare from Mr Irrling and take an assignment from Quortia of the indebtedness of Welfare to Quortia all for the sum of around EUR 3.5 million which would be received by Mr Irrling into an escrow account in Germany. The monies would then ultimately be transferred into a bank account designated by Mrs Levitina. In return for his services, Mr Irrling would receive EUR 80,500. The Defendant has been paid a total of EUR 40,500 to date.

31. Following further discussions with the Buyer, Mr Irrling suggested, and ultimately a decision was taken, that it would be easier to sell Welfare if Mr Irrling became the direct shareholder of both Quortia and Welfare. Mr Irrling became the shareholder of Quortia by a Share Purchase Agreement dated 7 August 2024 (the **"SPA"**) made between Stanislav Andonov and Mr Irrling at a purchase price of EUR 350,000 and an associated Instrument of Transfer of Shares of the same date.

32. The arrangement was secured by the following also dated 7 August 2024:

(1) a Call Option in favour Mrs Levitina whereby at any time before 31 December 2028 she could purchase the shares in Quortia at a price of EUR 350,000; and

(2) a Pledge by Mr Irrling over the shares in Quortia to Mrs Levitina securing due and punctual discharge in full of the *"Secured Obligations"*, which were defined as *"all the obligations of Pledgor to the Pledgee under the SPA including but not limited to the payment obligation of the Pledgor for the amount of ?350.000,00 (Three Hundred and Fifty Thousand Euros) with respect to the transfer of shares by the Pledgee to the Pledgor, as well all the obligations of the Pledgor to the Pledgee under the Call Option."* This is confusing as the SPA is defined as *"the Share Purchase Agreement dated 05/08/2024 (hereinafter the "SPA") (a copy of which is attached hereto as "APPENDIX E"), the Pledgee sold to the Pledgor 1000 ordinary shares of ?1.00 nominal value each constituting 100% of the issued share capital of the Company for the total purchase price of ?350.000,00"*. Appendix E is blank and it appears that it was Stanislav Andonov who sold the shares to Mr Irrling on 7 (not 5) August 2024, not Mr Levitina, although I do note that it is said that Mr Andonov was Mrs Levitina's nominee. It does however appear that Mr Irrling did not have any obligations directly to Mrs Levitina under the SPA that could be secured by the Pledge.

33. By a *"Business Purchase Letter of Intent"* bearing the effective date of 1 November 2024 but signed on behalf of Quortia (by Mr Irrling) and the Buyer and Welfare on 30 April 2025, it was provided that:

"The Purchase Price constitutes EUR 3.500.000,00. The Buyer will enter into an agreement with the Seller for sale and purchase of the entire business share of WELFARE INVESTMENT S.R.O. for EUR 10.000,00 for receiving a 100 % ownership interest in the Business (the "SPA"). Besides the SPA the Seller will assign to the Buyer its rights to receive outstanding indebtedness from the Business to the Buyer and the Seller will procure that WELFARE INVESTMENT S.R.O. consents to such assignment (the "Assignment'). The Assignment will be for consideration in the amount of EUR 3,490,000.00 to be paid by the Buyer to the Seller."

34. It is however to be noted that it was also provided that *"This Letter of Intent will terminate if there has not been Formal agreements signed or a closing within 120 days from the Effective Date"* which meant that it had already expired by the date it was signed. In his Third Affidavit dated 19 December 2025, Mr Gabestro said that this discrepancy was not identified by the parties at the time it was executed, and a new LOI was not executed as no party expressed any concerns.

35. On 3 June 2025, Quortia transferred the shares in Welfare to Mr Irrling. Thus, from that date Mr Irrling was the shareholder of both Quortia and Welfare.

36. The intention was that on the sale of Welfare's shares to the Buyer, the consideration that was due to Quortia would be used in part to pay Quortia's liability to Mr Levitina for dividends.

37. On 16 October 2025, by a Deed of Assignment Quortia assigned the principal debt due from Welfare of EUR 3.52 million to Mr Irrling on the basis that all payments would only be accepted into the escrow and trustee account operated by Prof. Dr. jur. H-C Jahr. By Clause 2.1 of the Deed of Assignment, it was provided:

"The Assignment is made with consideration of EUR 3,520,000 or equivalent in other currency to be paid by Frank Irrling to the account designated by Quortia in a separate letter within I business day after receipt of such letter by e-mail."

38. It is said that there was a delay in the transaction and so a company called Yarkee SFO DMCC (**"Yarkee"**) made an interest-free loan to Mr Irrling of EUR 3.52 million on 20 October 2025 to be repaid from the proceeds of the sale of the Welfare shares to the Buyer ("the Loan"). It is Quortia's case that the purpose of the Loan was to accelerate the payment to Mrs Levitina. It is Mr Irrling's case that the Loan had nothing to do with his dealings with Quortia or Mrs Levitina. In fact, the purpose of the Loan was explained to Mr Irrling by Mr Gabestro in an email dated 8 October 2025:

"The bank of the Purchaser insists that Quortia shall not appear in the sale and purchase of Welfare or assignment of debt of Welfare (circa EUR3 mio, as stated in our management agreement with you). Our idea is to assign this debt to you for consideration to exclude Quortia from the chain.

Furthermore, the bank wishes to see that you paid cash (wire) for the assignment.

My idea is that we sign the deed of assignment with you. Attached is the draft of it under No.1.

Separately, we give you loan from a company not connected with Nelya or Quortia to pay consideration for the assignment. The draft is attached under No.2.

After receipt of the loan you transfer these funds to Nelya as consideration under assignment agreement. Quortia gives letter to pay to her. Draft is attached under No.3.

When Purchaser pays for this debt in the course of the main Transaction, you will return the loan. For you to be on a safe side, Nelya will give personal guarantee to Lender that if you don't pay back, she will settle the loan. We will not show this guarantee anywhere. Draft is also attached under No.4.

For making payments easy and fast, I would like to ask you to open a bank account in Mbank (Al Maryah Community bank). It is easy to do via their mobile app that can be downloaded here: https://www.mbank.ae/ This bank is friendly to us. Other banks will probably not work for such transfers or will have long and supstantial (sic) KYC."

39. Mr Irrling replied on 10 October 2025:

"All received documents (1-4) are with my consent in general, but two (2) must be adjusted and then you may proceed for transaction. In the Deed of Assignment and Loan Agreement I have made some changes.

.

Those documents are to be considered only for our internal use (and Czech Bank ?) to cut off Quortia from this transaction. Furthermore, it's stating our joint interest to conclude the business for each others benefit and to secure the financial transaction in benefit of Nelya.

Now, as far as I understood:

The Deed of Assignment serves as a document for the final decision on transfer Quortia [debt] me in person. Those [debts] are based on loan agreement between Welfare and Quortia and shall to be paid off by the Czech investors bank to the ESCROW account in exchange of share transfer from Welfare to the Investor.

The funds in amount of approx. EUR 3.5 million shall be transferred to the ESCROW account as per our Service and Management Agreement. As agreed in our previous conversations an to follow up the strict strategy of funds transfer it is absolutely necessary that all fund assigned to me shall be transferred to ESCROW account.

Furthermore, I shall draft letter of instruction for payment (based on Deed of Assignment) to the ESCROW account, as the Trusty agreement can not be issued for Czech Bank anymore. Pls, send me the total amount to be transferred from Czech investors bank to the ESCROW account.

.

As far as it concerns all documents are NOT to be show to the Bank in Germany maintaining the ESCROW account.

What documents can be show to the German Bank? What we have and what we need.

1. Trusty Agreement / ok

2. Quortia Certificates / ok

3. Background of business transaction / Share transfer agreement / Frank Irrling to Investor /to be translated into German language

4. letter of confirmation to proof source of funds by the investor's Bank / to be written in German language

.

In regards of opening a Bank account with Mbank in Dubai, it's only be possible if you maintain an Emirates ID. Due to the fact that I am not anymore a Resident in UAE, I do not have an Emirates ID and can not open a bank account.

As we have discussed and agreed, I am holding an personal account with Mashreqbank since more than 10 years and always maintained in a professional manner with with good standing and references.

.

I herewith confirm that total remaining funds in the ESCROW account (by deduction of my fees incl. closing fees, trustee incl. management fees of Prof. Jahr) out of this transaction the remaining amount shall be transferred first to my account with Mashreqbank and further to Nely's account according to the payment Instructions I received.

Please don't worry, I will act in a very professional manner and you should trust me. I finally, I entered into the business with Quortia as a Shareholder, Director and further as an shareholder of Welfare Invest to provide you an instrument of ESCROW account enables you to receive funds from Czech Bank.

All was arranged in a perfect a strategy to save your business in Czechia enables (Nelya) to receive the funds of 3million EUR. I would like to point out and as you are aware of the global international situation concerning Russians involved and sanctioned in Europe business transactions, this transaction is considered concealed and I am acting on behalf Nelya's interest, which she never could conclude under the present global circumstances."

40. The Loan was indeed secured by a Personal Guarantee of the same date given by Mrs Levitina. It was said that Yarkee is a development

company based in the UAE with whom Mrs Levitina has several investment agreements. Yarkee was willing to provide the Loan to Mr Irrling on the strength of its relationship with Mrs Levitina and the comfort provided by her personal guarantee.

41. I queried why a company that was said to be independent of Mrs Levatina should make what was alleged to be in effect an interest-free loan to her, albeit against her personal guarantee. In his Second Affidavit, Mr Gabestro said that Yarkee is a company established in the Dubai Multi Commodities Centre (DMCC), UAE and functions an international family office providing investment advice and opportunities for its clients (https://www.yarkee.com/about-yarkee/). Mrs Levitina has no direct (subsequently clarified to "no") ownership or interest in Yarkee. All dealings with Yarkee have been with Romeo Abdo, Yarkee's legal counsel Wael Abouhabib, and Jcel Cruz (sales manager). Mrs Levitina routinely invests through Yarkee, and has to-date, invested a sum of AED 32,500,000. Mrs Levitina's investments through Yarkee have been in respect of real estate development projects. In or about, 30 July 2025, Mrs Levitina invested in the pre-launch of Phase 1 of a real estate development project named Ardee Al Marjan Island in Ras al Khaimah. This project is being implemented by Yarkee, through its subsidiaries, Ardee Developments FZ-LLC and Ardee Properties FZ-LLC. Yarkee holds funds transferred by Mrs Levitina for further investments.

42. On 21 October 2025, a letter of instruction was sent by Mr Gabestro to Mr Irrling dated 20 October 2025 referring to the Deed of Assignment dated 16 August 2025 (which is said by Mr Gabestro to be an erroneous reference to 20 October 2025) calling and upon him to pay the Loan amount received from Yarkee to Mrs Levitina in satisfaction of his liability to Quortia under the Deed of Assignment. The letter stated:

"By signing this instruction letter, we acknowledge that full payment of the Consideration to NL shall be deemed as full and final settlement of your payment obligations under the Deed."

43. This would have left Mr Irrling in the position that he was owner of the shares in both Quortia and Welfare, he was the assignee of Welfare's debt to Quortia and indebted to Yarkee in the sum of EUR 3.52 million. Thus, when the Buyer paid the consideration for the shares in Welfare, he would be able to transfer the shares to the Buyer and discharge his indebtedness to Yarkee. If the purchase of Welfare did not take place, Mr Irrling could return the money to Yarkee.

44. In his affidavit dated 2 January 2026, (wrongly marked as his First Affidavit - in fact it was his third) Mr Irrling stated:

> *"On 20 October 2025, an instruction letter was issued that the number of Euro 3,520,000 to Ms. Neyla's bank account in UAE, and the transfer shall be in AED, this became very suspicious to me, as this was totally different from what we agreed upon in the deed of assignment and the Service Agreement."*

45. This evidence appears inconsistent with the exchange of emails on 8 and 10 October 2025 where Mr Gabestro explained the rationale for the Loan and provided a draft of the Loan agreement to which Mr Irrling replied that the Loan agreement was *"with my consent in general"*, but he proposed some changes to the document.

46. On 3 November 2025, Yarkee transferred the funds under the Loan to Mr Irrling's Euro bank account number ending 3820 with Mashreq Bank.

47. On 4 November 2025, by a WhatsApp message addressed to Mr Gabestro, Mr Irrling confirmed receipt of EUR 3,419,467.78 into his account with Mashreq bank. He did not receive the full EUR 3,520,000 because he provided his Euro account details instead of his Dirham account details, resulting in the funds being converted to Euros at the bank's exchange rate.

48. All subsequent communications were via WhatsApp unless stated to the contrary.

49. On 5 November 2025, Mr Gabestro asked Mr Irrling if he had sent the funds to Mrs Levitina. He replied on 6 November 2025:

> *"On the advice of my banker, I was informed not to immediately transfer the entire amount back to a third party. This raises suspicions of money laundering, and the bank may initiate an investigation.*
>
> *I am acting as a private individual and have received a loan, which I cannot immediately transfer back to another private individual. This is very questionable for the bank, especially since I have no documentation explaining why I want to transfer the amount to another person immediately.*
>
> *We need to discuss this today. Please call me on BOTIM around 11:00 AM Cyprus time.*
>
> *There are solutions and options we need to discuss. However, that wasn't the purpose of this entire transaction. I came here to transfer Welfare's shares in Prague to an investor.*
>
> *For the Transfer of the shares, including the settlement of the outstanding debt, the investor pays a sum into the escrow account. From the escrow account, the transfer can be made to Nelya in Dubai. That's the plan, is that correct?*
>
> *So, what's happening in Prague, and when will be finally receive solid documents that can be presented to the bank in Germany to justify the financial transaction?"*

50. Later the same day, Mr Gabestro spoke to Mr Irrling and subsequently provided copies of all of the documents he requested (namely the Deed of Assignment and the Loan agreement) via WhatsApp so that he could present them to his bank. The next day, 7 November 2025, Mr Gabestro followed up with Mr Irrling responded, *"I have sent the agreement to my relationship manager from Mashreq Bank to review the case. He will come back to me for clarification."*

51. On 8 November 2025, Mr Gabestro asked Mr Irrling that he simply instruct his bank to return the funds to Yarkee, he said,

> *"I will speak with Yarkee, they can also issue a letter that agreement was canceled, if Mashreq will need it.*

Leonid is worried that money are stuck on (sic) your account:(

May be you can send order to the bank for return right now and I will send him copy, to show that we have started returning, and it will be finished on Monday?

Leonid is afraid that money will be blocked if stay at your account"

52. Mr Irrling replied:

"Pls, don't worrying (sic) I know what I am doing, and the funds are not going to be blocked by the Mashreq Bank.

There's always a solution, we shall talk on Monday.

I am professional and interested in a long-term business relationship with you and Leonid.

He should absolutely not be worried"

53. On 10 November 2025, Mr Gabestro asked Mr Irrling to confirm the value of the funds received in his account and whether his account was a Euro account stating *"[t]he amount shown in transfer is 3.419,457,08 (sic). Is it your Euro account?"* Mr Irrling replied, *"Yes"*.

54. Mr Gabesto says that subsequent conversations with Mr Irrling reinforced the impression that, despite his reassurances to the contrary, he was deliberately delaying the process and evading communication.

55. On 11 November 2025, Mr Gabestro asked Mr Irrling over the telephone to return the funds to Yarkee immediately. Mr Irrling responded via the email that day:

"Hallo Artem,

As discussed the issue with Mashreq bank RM they comment the situation as follow: (sic)

First of all the funds are NOT blocked but even to return to the sender this process requires to look more deeper into the case, why I want to return the funds which I earlier ask to transfer to a Nelya. (sic)

Two days ago I was asking to sent (sic) the full amount to Nelya, now I want to sent (sic) the funds back, which raises more questions by the bank with indication of money laundering.

More and more the transaction comes under suspicious (sic) for the bank and this is not a very good indication on the whole matter and it can affected (sic) my account and good relation with Mashreq bank as well.

If the compliance department will approve to sent (sic) the funds back without any investigation, it will take time any way.

To protect myself on this matter and the more easiest (sic) way on this issue I discussed with the RM is that those funds can be transferred to my company's account with IRRLING HOLDING LIMITED with purpose for commercial investment as it is written in the Loan agreement. It would have been much easier if the loan has been sent directly to my company IRRLING HOLDING LIMITED and not to my personal account.

IHL can do a transfer easily either to YARKEE or to Nelya in amount agreed by presenting the present documents form (sic) Nelya.

Provided that you agree on it, pleas sent (sic) me your draft proposals on funds transfer documentation like Deed of Assignment from Frank to the company IRRLING HOLDING LIMITED.

This is the most easiest (sic) procedure and I hope it will satisfy you and Leonid and I shall go ahead with Mashreq bank on it!" [emphasis added]

56. Mr Gabestro replied the same day by email (11 November 2025), once again asking Mr Irrling to instruct his bank to return the funds to Yarkee. The email contained a draft Deed of Termination and Release to be executed by Mr Irrling and Yarkee terminating the Loan.

57. Mr Gabestro travelled to Dubai in order to meet Mr Irrling and go to Yarkee's offices. Mr Irrling's WhatsApp messages indicate prevarication. It appears he then left Dubai.

58. On 13 November 2025, Mr Gabestro sent Mr Irrling a WhatsApp message requesting a fresh screenshot of his bank account to confirm that the funds remained intact. The screenshot provided indicated a current account balance of *AED 11,330,376.52 (approximately ?2,700,189.70 at the bank's exchange rate) and* a deposit of AED 2,000,000 with Mashreq Bank (bearing No. 019020185246). The screenshot indicated that the deposit was made on 5 November 2025, the day after Mr Irrling received the funds under the Loan. The deposit appeared to carry an interest rate of 3.93% with 20 October 2028 being the maturity date.

59. On 13 November 2025, via a call on BOTIM, Mr Gabestro asked Mr Irrling to explain the shortfall of approximately EUR 200,000 in the funds shown in his account. His reply was that this sum was transferred to his company in order to renew its business licence.

60. Mr Gabestro responded shortly thereafter (the same day) with the following WhatsApp messages referring to the screenshots:

"It looks like deposit until 2028. And if you return it earlier you will not get any %. What is the point to do it, Frank?

Unless you want to keep it until 2028.

And please send transaction by which you have sent money to your company"

61. The same day, 13 November 2025, Mr Irrling addressed an email to Mr Gabestro with a letter attached. The cover email stated that Mr Irrling had already left Dubai for Addis Ababa. The letter stated as follows:

*"As discussed by phone with you and Vladimir, **I herewith resume the conditions under which I shall return the loan of 3,5M Euro to YARKEE**. I also have spoken with my RM from Mashreqbank about the limit to increase for funds transfer. This can be arranged easily online for the repayment of loan at any time I wish.*

You have created the scheme, and with reference to the signed DEED OF ASSIGNMENT dated 20th October 2025, Welfare is obliged to pay Quortia an amount of 3.5M Euro and Quortia has transferred its obligation to me, which I have accepted. Hence, I have the obligation to pay the debts in my personal obligation as the Shareholder of Welfare Invest s.r.o.

It was agreed further that such obligations are going to be settled by selling the shares of Welfare Invest to a Czech Investor, with aim to transfer the amount of 3.5M Euros to the designated account in Germany / Berlin.

Furthermore, it was agreed, that such funds deposited in the trusty account in Germany shall be transferred to Dubai to the designated account with Nelya.

***Now, I have received a personal loan from the company YARKEE to cover the purchase of rights in consideration of the Deed of Assignment and to be transferred to the former shareholder of Quortia Mrs Nelya**. Note further that my obligations are only covered if the sales of shares from Welfare take place!! I am stating that those funds received from YARKEE are to be used for commercial investment, hence purchase the rights transferred to me according to the Deed of Assignment. But this cannot be the same amount as I have overtaken debts to pay to Qourtia [sic]. Both transactions should be executed simultaneously, by means of paying for the rights I received and getting paid for the debts received.*

Please note that the loan I received will be paid off according to the agreement and under terms and conditions to be fulfilled as written herein below:

I consider the loan under present circumstances as a security deposit / or performance bond until the following conditions are met and covering the value of rights, I received in conjunction the deed of assignment till the blow conditions are fulfilled.

1. The sale of shares from Welfare Invest to the Czech Investor and transfer of the agreed amount of 3.5M Euro to the designated trusty account in Berlin / Germany. The sale should take place as soon as possible as we have now discussed the issue for more than one and a half years.

2. Liquidation of the company Quortia Ltd. With proof of dissolvement and striking of from Registar (sic) of Companies in Nicosia. The liquidation report should contain the fully attested financial reports issued by the present accountant involved incl. the years 2023, 2024 and 2025. In this regard I shall draft you a Shareholder Resolution for your first review. The necessary signed financial statements I have sent on Wednesday to Cyprus. In this regard there is more to be discussed under four eyes only with Leonid. I mentioned already something in our last phone conversation.

3. In the unlikely event that the sale of shares from Welfare Invest to a Czech Investor will be terminated and / or shall not take place, then we must discuss the whole strategy under such circumstances and to find a solution retuning a) shares of Welfare and b) of Quortia so far the company is not dissolved and strike off the Registar. (sic)" [emphasis added]

62. In his affidavit of 2 January 2026, Mr Irrling said:

(1) At paragraph 19: *"The loan agreement was concluded with me in my personal capacity, contained no obligation to forward the funds to any third party, and stated that the funds were for commercial investment. My bank in Dubai reviewed the agreement, and its compliance department approved and released the funds."*

(2) At paragraph 20: *"On 5 November 2025, a multiple request to transfer the Euro 3,500,000 to Neyla UAE bank account, however and after consultation with my financial advisor, there was no connection between the deed of assignment and the loan agreement, if the loan amount is transferred to Neyla."*

(3) At paragraph 21: *"After some communication with Atrem, I refused to return the Loan to Yarkee, as this is a personal loan, and has no connection to deed of assignment,"*

(4) At paragraph 23.A: *"The loan agreement is a stand-alone agreement, has no connection to the deed of assignment, I am solely responsible for the obligations outlined in the loan agreement."*

(5) At paragraph 42: *"The Claimant's reliance on the Loan Agreement allegedly concluded with Yarkee as a basis to assert an obligation on my part to transfer funds to Nelya is wholly misconceived and legally untenable. The Loan Agreement is a separate and independent contract, distinct in nature, parties, and legal effect from the Deed of Assignment and the Service Agreement relied upon by the Claimant."*

63. These assertions sit uneasily with the unchallenged correspondence passing between the parties and in particular his statement that *"I have received a personal loan from the company YARKEE to cover the purchase of rights in consideration of the Deed of Assignment and to be transferred to the former shareholder of Quortia Mrs Nelya."*

64. Mr Irrling does not provide any explanation as to why Yarkee should make an interest-free loan to him coincidently in the same amount as due

to Mrs Levitina in relation to the sale of Welfare or why Mrs Levitina would give her personal guarantee in respect of the Loan.

65. Also, on 13 November 2025, a resolution was passed removing Mr Irrling from his role as `director' of Quortia.

66. On or around 14 November 2025, Mrs Levitina took steps to invoke the Call Option in order to claw back Mr Irrling's shares in Quortia. The Call Option and supporting documents have been filed with the Department of Registrar of Companies in Cyprus.

67. Mr Gabestro replied to Mr Irrling's letter of 13 November on15 November 2025:

> *"I am writing to you on my own behalf as a legal advisor. You received the sum of ?3,520,000 (hereinafter - the "Loan") in Dirhams as a loan under Loan Agreement No. YF-2025 with Yarkee SFO DMCC (hereinafter - the "Lender"). These funds were intended as consideration in the amount of ?3,520,000 (hereinafter - the "Consideration") under the Deed of Assignment dated October 16, 2025 (the "Deed of Assignment") conveyed to Nelia Levitina by Quortia Ltd. Pursuant to the Deed of Assignment, you are obligated to pay the consideration within one working day from the date of receipt of the instruction letter from Quortia Ltd. The instruction letter was received by you on October 21, 2025.*
>
> *This condition has not been fulfilled on your part. The funds remain in your personal account at Mashreq Bank. You informed us both via telephone and messenger that due to compliance issues at Mashreq and account limits, there might be problems with paying the consideration to Nelya Levitina. As a result, the Borrower and we have decided to return the Loan and cancel the entire transaction, which you agreed to over the phone. We prepared and sent you a Deed of Termination and Release on November 10, 2025 (the "Deed"), according to which you were required to return the Loan minus the costs of converting Euros into Dirhams. This letter was essentially ignored by you, and the agreed-upon decision was rejected. Instead, you presented your own conditions, which we must fulfill for you to return the Loan to the Lender (your letter dated November 13, 2025).*
>
> *Since fulfilling your proposed conditions is beyond our control, we proposed to terminate our relationship. You agreed to this over the phone, which has been acknowledged. Accordingly, we will take ownership of Quortia Ltd. and Welfare Invest S.R.O. (hereinafter - the "Welfare") and terminate the Service and Management Agreement dated March 5, 2025 (re-signed to extend its term) (the "Agreement"). I remind you that this Agreement was concluded solely for the purpose of enabling you, as the nominee holder, to carry out the sale of Welfare and Welfare's debt to Czech partners.*
>
> *Following our phone discussion, you sent us screenshots from your Mashreq bank client account, showing a current balance of AED 11,330,376.52 (approximately ?2,700,189.70 at the bank's exchange rate) and a deposit of AED 2,000,000 (around ?500,000) opened on November 5 for 1080 days. When I asked why there was a shortfall of about ?200,000, you replied only that the funds were sent to your company to extend its license. Opening the deposit until October 20, 2028, and transferring some funds from your account indicate that the loan funds are being used for purposes other than intended. From a legal perspective, this appears to be fraudulent activity and warrants investigation by the relevant authorities.*
>
> *Furthermore, I am preparing claims in the UAE courts and the Cyprus courts to recover the full sum of the Consideration under the Deed of Assignment, along with interest, court fees, and other expenses.*
>
> ***Additionally, due to your violation of the European Union Law on prevention and countering money laundering and terrorist financing of 2021, specifically regarding the concealment of nominee shareholding in the company, you may face liability within the EU if I proceed with legal actions in Cyprus.***
>
> *We will also retain an international law firm specializing in asset tracing and recovery worldwide. We are prepared to utilize all available resources to restore justice.*
>
> *To avoid all the aforementioned investigative and civil liabilities, I propose*
>
> *the following steps:*
>
> *1. You sign the Deed of Termination and Release dated November 10, 2025 from your side and send it to us for signing by Yarkee SFO DMCC.*
>
> *2. You terminate the deposit at Mashreq Bank, return the funds you claim to have sent to your company, and transfer the entire amount from your account to the Lender directly, to avoid additional fees.*
>
> *3. We shall terminate all our agreements (Deed of Assignment dated October 16, 2025, and the Agreement).*
>
> *4. We will take ownership of Quortia Ltd. and Welfare Invest S.R.O. We suggest implementing all these steps on the same day - Monday, November 17, 2025. We can do everything online via videocall. In my opinion, in the current situation, these are good conditions for you, and if you comply, you have nothing to lose. As of now, you have earned at least 6,466,000 rubles, 30,000 euros, and 38,398 US dollars (recorded in invoices, bank transfers, and your receipts) and I, the Lender, will not initiate legal or investigative proceedings.*
>
> *We are not canceling the meeting in Moscow, but everything must be completed by then." [emphasis added]*

68. Mr Gabestro explained in his Second Affidavit that the emphasized words above were an attempt to exert some pressure on Mr Irrling to return the funds.

69. Mr Gabestro left Dubai for Moscow on 16 November 2025. He spoke to Mr Irrling by telephone on 19 November 2025. He recorded and transcribed the call (*"A"* is Mr Gabestro; *"F"* is Mr Irrling):

".

F: So you found my letter yesterday which I sent you.

A: Yes, I saw it. I saw it. Well, I understand your defending position. I'm here with Leonid, I'm here with Vladimir. I think we can speak English and I will translate to Leonid if needed, okay?

F: Okay, okay

A: Yeah, you know. Just to, we actually try to understand.

F: That's very simple Artem very simple only one simple question. You want the trouble or you want to solve the issue peacefully?

A: Yes, we want of course we want to resolve the issue peacefully and as fast as possible. That is why, as we agreed with you last time, we started the process of taking back Quortia and taking back Welfare because we cannot make, and unfortunately we cannot make the deal as you requested. So we can fine-

.

F: Yes, but this costs money. Every signature for me now costs money. To transfer the shares of Welfare and Quortia costs you money.

A: Okay, how much do you want for each of your signature?

F: I want 5 million Euros to my account

A: How much?

F: 5 million Euros, then I will transfer immediately back the loan. And the other one is for my compensation. This is what I want. And I will sign all the documents which you are requesting to transfer the shares from Quortia and Welfare.

.

F: . I return the loan immediately to Yarkee, and for me I have my compensation for 1.5 million. This is what I want.

A: 1.5 million, right?

F: Yes. I return. 3.5 to return immediately the loan to Yarkee and 1.5 is for my compensation.

A: Listen, this is not our money, yeah, it's money of Yarkee, not ours. You have like 2.7 million right now available that can be sent back. Maybe can we agree with you that you send this money back to Yarkee today?

F: No no.

A: You will still have 700,000. That's a huge amount.

F: No, no, no, no, no, no. No Artem you don't get the point. The loan agreement is something different, we are not discussing. The loan agreement, I have a loan agreement with a grace of one year to return the money back. Or, you wishes to pay back this money immediately, then you have to say.I will sell the shares of Welfare for 3.5 and transfer the money back to to Yarkee. And in addition, you pay the 1.5 million for my compensation. This is the deal.

A: 1.5 million you want?

F: Yes.

.

F: plus.plus.you know the shares of Welfare, you assigned to me, the debts to me, Welfare to Quortia to me personally, the 3.5 million. So in order to release me from this obligation, I request for the transfer 3.5 and 1.5 for my compensation. This is the deal. I can issue.

.

F: No I don't want to argue no discussions. You know, you opened the case that you want to start an allegation against me in Dubai and in Cyprus. This was the wrong way. I'm very .this was the wrong way to approach me. That's why I reacted like this. And now, okay, this is the deal. I don't want to discuss anything. 3.5, I've returned the loan to Yarkee, 1.5 for my compensation. That's the deal. This is what you can think about.

.

A: Ok listen Frank. We propose that you can leave on your account 1.5 million right now. Send us the funds to Yarkee, (inaudible) to almost a million.

F: No, no I will not do this. No. No, I give you my proposal, 3.5, I return the complete loan out of this, what you transferred to me

and 1.5 is for my compensation. This is the conditions. These are the conditions. I will not discuss anything else, no way. I will not do it.

.

F: I will sign such consent only if you are willing to transfer me the 5 million, as I requested.

A: 1.5 you mean, yes, if we send you, if we agree on 1.5, you will do it, right?

F: If you send me 1.5, then I have to transfer.you mean .no, no, no, no, it's wrong. It's wrong. It's wrong. I requesting the full amount for the share transfer of Welfare. This is 3.5 million euros. This is for the share transfer. And for my compensation is 1.5million.

A: No, I mean if we agree on your compensation, we did not agree yet. We need to discuss but if we...

F: Yeah yeah yeah the compensation 1.5 is agreed. It's just now to find the structure for the return of Yarkee.

."

70. As noted above, on 24 November 2025, Quortia commenced the Cypriot Proceedings and Messrs Frangos & Associates were preparing an application requesting permission for service via alternative means. In her Second Affidavit dated 6 January 2026, Ms Pavlidou confirmed that an application for Substituted Service of the Claim Form and Statement of Claim is listed for hearing before the Cyprus Court on 15 January 2026.

THE HEARING OF 9 JANUARY 2026

71. At the Hearing, Quortia was represented by Mr Mark Rainsford KC and Mr Martin Khoshdel, Mr Irrling was represented by Mr Sliwinski.

Jurisdiction Challenge

72. I directed that logically, Mr Irrling's jurisdiction challenge should be heard first. Mr Sliwinski opened by referring to Article 5(A) of the Judicial Authority Law, Dubai Law No. (12) of 2004. I pointed out to him that the Judicial Authority Law had been superseded by the Court Law 2025, Dubai Law No. (2) of 2025. This seemed to come as something of a surprise to Mr Sliwinski notwithstanding that it was stated in terms at paragraph 10 of Quortia's skeleton argument: *"The Jurisdictional Challenge has made numerous references and submissions to Law No 12 of 2004 being the Judicial Authority Law, which has now been repealed and replaced by Dubai Law No 2 of 2025."* He said that the challenge had been drafted by those instructing him. I said that counsel must take responsibility for their submissions made to the Court and I regarded the situation as *"wholly unacceptable"*. I did however allow Mr Sliwinski a break of 10 minutes to gather his thoughts and look at the Court Law which was within the hearing bundle.

73. When the Hearing resumed, Mr Sliwinksi withdrew the jurisdiction challenge. At that point, Mr Sliwinksi said that those instructing him wished to address the Court. I asked if they had rights of audience, he said they did not. I said that they must therefore address the Court through counsel. He reaffirmed that the jurisdiction challenge was withdrawn. It therefore follows that Mr Irrling is to be treated as having accepted that the Court has jurisdiction to try the Claim (see Rules of the DIFC Court ("RDC") Rule 12.5(1)).

Continuation/Discharge Applications

74. Mr Rainsford then opened the application to continue the Freezing Order (Mr Irrling's application to discharge the Order was of course the obverse of the same coin). He referred to the customary tripartite test (as recorded in my decision in *Techteryx v Aria Commodities & Others* [2025] DIFC DEC 001 at [40]-[48]) namely that it was necessary first to show a serious issue to be tried, then, that there was a risk of dissipation of assets with a view to thwarting the satisfaction of any judgment of the Court if the injunction were not granted, and finally, that the balance of convenience favoured the grant of an injunction and that it was just and expedient or convenient and appropriate to grant the injunction.

75. Not only did Mr Sliwikski accept that these were the applicable principles, he conceded that there were serious issues to be tried.

76. Mr Rainsford moved on to the risk of dissipation and suggested that Mr Irrling was guilty of *"unambiguous impropriety"*. The phrase *"unambiguous impropriety"* is generally used in the context of an exception to without prejudice privilege, but I understood Mr Rainsford to be referring to the well-known passage in *Lakatamia Shipping Co Ltd v Morimoto* [2019] EWCA Civ 2203 at [51] where Haddon-Cave LJ said,

"In my view, in the light of the authorities which I consider in detail below,

the correct approach in law should be formulated in the following two propositions:

(1) Where the court accepts that there is a good arguable case that a respondent engaged in wrongdoing against the applicant relevant to the issue of dissipation, that holding will point powerfully in favour of a risk of dissipation.

(2) In such circumstances, it may not be necessary to adduce any significant further evidence in support of a real risk of dissipation; but each case will depend upon its own particular facts and evidence."

77. It is accepted in Quortia's skeleton argument for the without notice hearing that as to risk of dissipation of assets, there must be `solid evidence' in support. It is insufficient to establish a risk of dissipation merely to establish a good arguable case that the respondent had been guilty of dishonesty; the evidence needs to lead to the conclusion that assets are likely to be dissipated in order to thwart enforcement by the Court.

78. *"Mere"* dishonesty is not enough; the dishonesty must be *"relevant to the issue of dissipation"*. Mr Rainsford submitted that it was not sustainable that the Loan had nothing to with the arrangements for the sale of Welfare and that Mr Irrling had misappropriated the funds by paying

them away into his own accounts. This, he said, was evidence that showed dissipation of his assets. He accepted that these were matters for trial, but they amounted to serious issues to be tried.

79. Mr Rainsford submitted there was evidence of the movement of assets after he said Mr Irrling was aware of the Injunction. He went so far as to suggest that the Court might use its power under RDC 52.11 to make an order of committal on its own initiative for breach of the Court's Order. I declined and observed that RDC 52.11 was primarily directed to *"contempt in the face of the Court"* (i.e. as described at Articles 35.A.1-4 of the Court Law). If it is alleged that a person is guilty of contempt as set out at Article 35.A.5 of the Court Law (*"Failing to comply with, or declining to act upon, a judgement, decision or order of the DIFC Courts"*) it is essential that the procedure in RDC Part 52 is followed and due process observed, in particular the claim form or application notice must set out in full the grounds on which the committal application is made and must identify, separately and numerically, each alleged act of contempt including, if known, the date of each of the alleged acts supported by written evidence in affidavit form served personally on the respondent. The respondent must generally be given an opportunity to be heard at a public hearing.

80. Quortia alleges that Mr Irrling was served with notice of the Injunction the dated it was made on 9 December 2025. It says that he was served by email at 12:34pm to: frank_irrling@yahoo.com and irrling_holding@yahoo.com. He was also notified by WhatsApp which apparently showed that the messages had been delivered and read.

81. By email dated 5 January 2026, Mr Irrling's legal representative asserted *"Nothing in the wording of the Order obliges the Respondent to provide explanations, justifications, supporting documents, or transactional histories relating to transfers made prior to service of the Order, which occurred on 12 December 2025 (the "Order Service Date")."* Mr Irrling does not state when he was served in his three affidavits.

82. On the balance of probabilities, on the material currently before me, it appears more likely to me that Mr Irrling did become aware of the Injunction on 9 December 2025.

83. Quortia produced a schedule analysing the documents produced by Mr Irrling. The statement for Mashreq EUR Account No. 3820 showed the payments from Yarkee of EUR 3,419,457.08 on 3 November 2025. I will focus on the larger transactions. On 4 November 2025 Mr Irrling made a number of smaller payments to members of his family amounting to some EUR 80,000.

84. On the same day Mr Irrling's AED Account No. 3080 was credited with AED 50,000 from EUR Account No. 3820 but it not possible for me to reconcile the payments. The opening balance of AED Account No. 3080 had been AED 10.70.

85. On 5 November 2025, Mr Irrling transferred just over half a million Euros to a joint account with his partner. This amounts to around AED 2 million. The sum came into AED Account No. 3080 and went out the same day.

86. On 6 November 2025, Mr Irrling transferred EUR 44,102.19, on 7 November EUR 48,875.14 and on 8 November EUR 18,000 (total EUR 110,977.30) to AED Account No. 3080. This corresponds to three credits received on those dates.

87. On 14 November 2025, Mr Irrling paid away EUR 1.5 million but it was apparently immediately reversed only to be reinstated in the sum EUR 1.55 million payable to Blue Fin Trading Enterprises Limited (**"Blue Fin"**).

88. On 9 December 2025 (possibly after notice of the Injunction) Mr Irrling transferred EUR 1 million to his account with his partner. The sum came into AED Account No. 3080 on the same day as AED 4.14 million. This left a balance of around EUR 100,000 in EUR Account No. 3820 which was reduced to approximately EUR 20,000 by a series of smaller payments.

89. On 9 December 2025, Mr Irrling paid AED 100,000 from AED Account No.3080 to Blue Fin. On 11 December 2025, he made payments of AED 100,000 and AED 50,000 to AB Diamond Manufaktur FZE (**"AB Diamond"**).

90. On 18 December 2025, Mr Irrling paid AED 3.165 million to AB Diamond.

91. There were no credits to AED Account No.3080 save from EUR Account No. 3820.

92. In his First Affidavit dated 19 December 2025, Mr Irrling disclosed:

(1) He held a balance of AED 45,894 in account with Mashreq Bank ending in 4985 and EUR 19,871 in EUR Account No. 3820;

(2) An interest in AB Diamond valued at AED 4 million; and

(3) An interest in Irrling Holdings Limited valued at nil.

93. In his Second Affidavit dated 25 December 2025 Mr Irrling disclosed:

(1) A balance in Account No. 4985 of AED 3,660,794, the EUR 19,871 in EUR Account No. 3820, and AED 2 million in Mashreq Bank Account ending 5246; and

(2) His nil value holding in Irrling Holdings Limited but nothing relating to AB Diamond.

94. It appears that the balance on No. 4985 and the omission of AB Diamond from the Second Affidavit are explained by Mashreq Bank reversing the payments to AB Diamond following the Court's Order. The balance on Account No. 5246 is the deposit maturing in October 2028.

95. It is clear on any view that Mr Irrling acted as if the monies received from Yarkee were his to do with as he pleased.

96. Mr Sliwinski agreed that the evidence favoured Quortia's account but that Mr Irrling was fearful that if he paid the Yarkee Loan monies to Mrs

Levitina he would be *"left in the lurch"* because he would still have a liability to Yarkee after having settled the sum for the assignment of the Welfare indebtedness which could only be repaid if and when the Czech Buyer paid the consideration for the purchase of Welfare and the assignment of Welfare's indebtedness.

97. He accepted (contrary to his client's account in his Third Affidavit set out at paragraph 62 above) that the Loan was part and parcel of the scheme set up to enable Mr Irrling to buy out Welfare to avoid the issues with the Czech bank over Russia and that the Loan was not made to Mr Irrling for personal investment purposes. He said these were serious issues to be tried.

98. When I asked Mr Sliwinski about the telephone conversation in which Mr Gabestro says My Irrling asked for a further EUR 5 million he said that he had no instructions to challenge the evidence about the call.

99. I asked Mr Sliwinski about the allegations of dissipation. Again, he said he had no instructions but then apparently was told that Mr Irrling wanted to give evidence. I pointed out that he had been given ample opportunity to give evidence, but I said that I was willing to allow him to give evidence if Mr Rainsford wished to cross-examine him on his affidavits. Unsurprisingly Mr Rainsford declined.

100. In reply, Mr Rainsford submitted that Mr Irrling's position was completely untenable. He wondered why the hearing was taking place at all given the concessions made - in the light of the telephone call it is hard to say that Mr Irrling was not dishonest; further once it is admitted that the Loan was not for Mr Irrling's personal purposes his conduct was clearly improper.

101. He described as *"nonsense"* the suggestion that if Mr Irrling paid the Yarkee Loan over to Mr Levitina he would be left with a liability to repay Yarkee. On 11 November 2025, Mr Irrling was offered the opportunity to return the Loan and release from any liability. Instead of accompanying Mr Gabestro on a visit to Yarkee's offices to remedy the situation, Mr Irrling left Dubai for Addis Abba.

102. Mr Rainsford asked that the Injunction be continued and that the Claimant be awarded its costs on the indemnity basis. He referred to paragraph 65 of my judgment in *Techteryx* where I followed the guidance of the English Court of Appeal in *Unitel SA v dos Santos* [2025] KB 438, [116]-[120] which stated that unlike other contested interlocutory or procedural applications, subject to any subsequent application to vary or discharge, a freezing injunction remains in place until trial to facilitate enforcement of the judgment. It is therefore won or lost at the interim stage and therefore costs should follow the event.

103. As to costs on the indemnity basis, he referred to Practice Direction No.5 of 2015:

> *"In determining whether costs should be assessed on the indemnity*
>
> *Indemnity basis as opposed to the standard basis (see in this regard RDC (Rules of the DIFC Courts) 38.17), the following factors, inter alia, will be taken into consideration in the exercise of a judge's discretion:*
>
> *(i) circumstances where the facts of the case and/or the conduct of the paying party are/is such as to take the situation away from the norm; for example where the Court has found deliberate misconduct in breach of a direction of the Court or unreasonable conduct to a high degree in connection with the litigation; or*
>
> *(ii) otherwise inappropriate conduct in its wider sense in relation to a paying party's pre-litigation dealings with the receiving party, or in relation to the commencement or conduct of the litigation itself; or*
>
> *(iii) where the Court considers the paying party's conduct to be an abuse of process."*

and submitted that Mr Irrling had acted with dishonesty, flouted Injunction and given the concessions made, the application to continue the Order could not with propriety have been contested.

104. Mr Sliwinsk replied that Mr Irrling had not flouted the Injunction as following the reversal of the payment to AB Daimond the money was safe. Mr Irrling had not been deliberately obstructive. He was not trying to hide anything. It would be wrong to make a costs order at this stage.

CONCLUSIONS

Freezing Order

105. At the close of submissions, I indicated that the Freezing Order would continue until further Order, that I was minded make a costs order in the Claimant's favour and that I would provide my reasons in writing thereafter. Mr Sliwinski said (correctly) that the Defendant had not had an opportunity to consider the Claimant's Statement of Costs which had only been served shortly before the Hearing. I therefore allowed the Defendant until 2pm (GST) on Monday, 12 January 2026 to provide its comments on the reasonableness of the sums sought.

106. What follows are of course findings based on affidavit and documentary evidence. I have not had the opportunity to hear oral evidence nor any cross-examination. My findings are therefore necessarily interlocutory. Further, I will not be the trial judge, the trial will take place in Cyprus and nothing I say is intended to, nor can, bind the Cyprus courts.

107. There is no doubt that this Court has jurisdiction to make a Freezing Order in aid of proceedings before a foreign court that may result in a judgment capable of recognition and enforcement by this Court. It does not matter whether or not there is personal or subject matter jurisdiction; what matters is whether the Court is satisfied that there are serious issues to be tried between the parties, that there is a risk that unless enjoined the party against whom the Order is sought will seek to dissipate their assets in order to thwart execution of any judgment of this Court and that it is just and expedient that the injunction be granted. It is irrelevant whether are not at the time of making the Order that party has assets within the jurisdiction of this Court or that the applicant will seek to use the judgment of this Court to purse remedies elsewhere.

108. The execution of a judgment of this Court through proceedings in a third jurisdiction is still a form of enforcement which this Court will, in appropriate circumstances, protect. This is sometimes referred to as *"conduit jurisdiction"*. While a convenient shorthand that has gained wide

currency it is not entirely accurate. It implies that a claim just passes through the DIFC on its way elsewhere. That is not correct. It is the fact that this Court will enforce a foreign judgment by issuing its own judgment (which may be enforced elsewhere) that confers the jurisdiction on the Court to make the Freezing Order to protect its own judgment (see Techteryx [53]-[59], [69]).

109. The concession that there are serious issues to be tried was unavoidable and properly made. Mr Sliwinski is to be commended for his realism. Subject to the points made at paragraph 106 above, I am satisfied that all the evidence before me is all one way and indicates significant dishonesty on the part of Mr Irrling:

(1) It does not appear credible that the Yarkee Loan was made for any reason other than to facilitate the sale by Quortia of Welfare to the Buyer in a manner that satisfied the Buyer's bank's wishes to avoid dealing directly with Russian nationals. The evidence before me does not indicate that there was anything improper about the arrangements;

(2) It follows that I cannot accept as truthful Mr Irrling's evidence that the Loan was a stand-alone agreement with no connection to the Deed of Assignment;

(3) Mr Irrling's evidence that he was concerned that if he paid the proceeds of the Loan over to Mr Levitina, he would be left with a liability to Yarkee that he would only be able to satisfy if the sale of Welfare actually went through, and conversely, that he would be *"left in the lurch"* if it did not go through, does not withstand scrutiny. First, the Loan was subject to a personal guarantee from Mrs Levitina so if the sale did not go through and Mr Irrling did not pay Yarkee, Mrs Levitina would be obliged to reimburse the monies. Secondly, and more importantly, Mr Irrling was offered the opportunity to reverse the Loan on 11-13 November 2025. He refused to do so, and left Dubai rather than meet Mr Gabestro. The reason is clear - he had already paid away a significant proportion of the sum received from Yarkee for his own benefit (AED 2 million placed on deposit, EUR 200,000 for renewal of his company's business licence and various smaller payments) in breach of the Deed of Assignment and letter of instruction, the intention of which was clearly understood by him as demonstrated by the exchange of emails dated 8 and 10 October 2025;

(4) Mr Irrling's demand on 19 November 2025 for a further EUR 5 million was completely unjustified and would appear only to be explicable on the basis of an attempt at extortion or unjust enrichment as alleged by Quortia. It does not even make internal sense. He was demanding EUR 5 million to pay Yarkee EUR 3.5 million and EUR 1.5 million by way of *"compensation"*. It is not clear for what he was claiming to be compensated, but his *"compensation"* would in fact be the full EUR 5 million. If he received EUR 5 million from Quortia, he could repay Yarkee and pay the Loan monies Mrs Levitina (thereby satisfying his debt of the assignment from Quortia), thus when the Buyer paid him EUR 3.5 million that money would be his. Of course, if he failed to pay Mrs Levitina, he could pay off the Loan, keep the proceeds, receive the payment from the Buyer and have his EUR 1.5 million *"compensation"* - EUR 8.5 million;

(5) In the circumstances, I am satisfied that there is, at the very least, a well arguable case that Mr Irrling has been guilty of breach of contract, unjust enrichment, fraud and extortion as alleged in the Cypriot proceedings.

110. I am satisfied that Mr Irrling's conduct described above amounts to wrongdoing against Quortia relevant to the issue of dissipation. In addition, I am satisfied on a balance of probabilities that the evidence before me indicates that Mr Irrling dealt with assets held by him in the UAE in breach of the terms of the Injunction with knowledge of its terms.

111. I am satisfied that it is just and expedient to extend the Injunction until further order. The evidence indicates that if Mr Irrling is not restrained from removing sufficient assets to satisfy any judgment from the UAE it is highly likely those assets will be removed. I am in no doubt that the balance of irremediable prejudice lies in favour of granting the injunction. It is at least well arguable that Mr Irrling has no right to any of the funds held by him. He has given no evidence of any prejudice that would be suffered by him if the Order were continued. On the other hand, judging by his conduct to date it seems likely that if the Injunction were not continued Mr Irrling would take steps to thwart any judgment of this Court. Further, Quortia appears to possess substantial assents and thus, in what I consider to be an unlikely eventuality, if Quortia were called upon to honour its undertaking in damages, it would be able to do so.

Costs

112. I will make an immediate order rather than reserve costs for the reasons appearing at paragraph 102 above.

113. I am satisfied that the costs should follow the event and Quortia should have its costs of the proceedings to date and that they should be assessed on the indemnity basis for the following reasons, I have found:

(1) Deliberate misconduct in breach of a direction of the Court in Mr Irrling dealing with assets after he was aware of the Injunction;

(2) Unreasonable conduct to a high degree in connection with the litigation. The jurisdiction challenge was made on unsustainable grounds based on repealed legislation and was unceremoniously withdrawn;

(3) Mr Irrling has been guilty of inappropriate conduct in its wider sense in relation to pre-litigation dealings with Quortia in that he appears to have been guilty of significant dishonesty and an attempt to extort unjustified sums from Quortia.

114. The next question is whether I should undertake an immediate assessment or order a detailed assessment of Quortia's costs. RDC 38.30 provides that the general rule is that the Court should make an immediate assessment of the costs at the conclusion of any hearing which has lasted no more than one day, in which case the order will deal with the costs of the application or matters to which the hearing related. If the hearing disposes of the claim, the order may deal with the costs of the whole claim unless there is good reason not to do so e.g. where the paying party shows substantial grounds for disputing the sum claimed for costs that cannot be dealt with on the material available.

115. In his submissions of 12 January 2026, the Defendant contends that there should be detailed assessment of costs in that:

(1) Quortia's Statement of Costs remains materially deficient and does not permit proper assessment under the DIFC Courts Rules;

(2) The schedule contains aggregated hours and rates without meaningful task descriptions, preventing verification of necessity, proportionality, or reasonableness; and

(3) The Claimant has provided no evidence that the sums claimed were incurred or are payable. No invoices, engagement letters, or client-facing time records have been disclosed. In the absence of such proof, the costs are not recoverable.

116. Quortia's Statement of Costs follows the standard form and complies with RDC 38.34 in showing separately in the form of a schedule:

(1) the number of hours to be claimed;

(2) the hourly rate to be claimed;

(3) the qualifications and seniority of fee earner;

(4) the amount and nature of any disbursement to be claimed;

(5) the amount of the legal representative's costs to be claimed for attending or appearing at the hearing; and

(6) any tax to be claimed on these amounts.

117. The DIFC Courts does adhere to the Indemnity Principle, namely that costs should be those actually incurred. That is inherent in the assessment process which considers whether costs have been unreasonably incurred. The Statement of Costs is made and verified by a Statement of Truth signed by a member of the Claimant's legal team proving that the costs have been incurred. There is no obligation under the RDC to produce with a Statement of Costs invoices, engagement letters, or client-facing time records. There is no basis for the statement that in the absence of such proof, the costs are not recoverable.

118. The Defendant goes on to make the following further submissions:

(1) Lack of Dates and Chronology

(a) The Statement of Costs does not identify the dates on which work was carried out.

(b) This omission prevents confirmation that the work relates to recoverable procedural stages.

(2) Attendances on Opponents

(a) Hours are claimed under this heading without identifying the nature, purpose, or necessity of the attendances.

(b) The Respondent objects to these items in full.

(3) Attendances on Others

(a) The 'Attendances on Others' heading is unexplained.

(b) The Respondent objects to these costs as vague and unsubstantiated.

(4) Other Work, Not Covered Above

(a) This category appears to function as a catch-all.

(b) No description is provided to justify recoverability.

(5) Work Done on Documents

(a) Significant hours are claimed for document work without identifying documents or tasks.

(b) The volume of hours required is excessive and disproportionate.

(6) Attendances at Hearing

(a) The Claimant claims attendance by six lawyers in addition to two counsel.

(b) This constitutes over-lawyering and is unreasonable.

(7) Counsel Fees

(a) Counsel fees of AED 475,500 are claimed as a single lump sum.

(b) No breakdown is provided between counsel.

(c) The engagement of King's Counsel was unnecessary.

(8) Court Fees

(a) Court fees are not itemised.

(b) While verifiable by the Court, transparency is still required.

(9) Overall Proportionality

(a) The total claim of AED 1,140,574.49 is excessive.

(10) The costs bear no reasonable relationship to the nature of the proceedings.

119. Where the Court is to assess the amount of costs on the indemnity basis:

(1) By RDC 38.17 the Court will not allow costs which have been unreasonably incurred or are unreasonable in amount;

(2) By RDC 38.19 the Court will resolve any doubt which it may have as to whether costs were reasonably incurred or were reasonable in amount in favour of the receiving party; and

(3) By RDC 38.21

(a) The criterion of proportionality does not apply; and

(b) the burden is on the paying party to show that the costs were unreasonably incurred or unreasonable in amount.

120. In my judgment, the criticisms at paragraphs 118(1) to 118(4) above do not discharge the burden of proof on the Defendant to show that the costs claimed were unreasonably incurred. The same is true of the criticisms at paragraphs 118(5)(a), 118(7)(a), 118(7)(b) and 118(8) above. I do however note that all hourly rates charged are well within the indicative hourly rates in *Registrar's Direction No. 1 Of 2023 - Indicative Hourly Legal Charges*.

121. The criticisms at paragraphs 118(5)(b), 118(7)(c), 118(9) and 118(10) above are misconceived as the criterion of proportionality does not apply in an assessment of the indemnity basis.

122. I do find some force in the criticism at 118(6) above. Mr Fernando appears to be the lead lawyer in instructing counsel. I see no reason why any other lawyers were required in addition to leading and junior counsel. I would therefore deduct AED 41,973.33.

123. Has the Defendant shown that there is good reason not to carry out an immediate assessment, e.g. there are substantial grounds for disputing the sum claimed for costs that cannot be dealt with on the material available? In the light of the foregoing, it is clear that there is available material on which the assess the claim.

124. In the circumstances, I will make an immediate assessment of the Claimant's costs on the indemnity basis in the sum of AED 1,098,601.16.

DISPOSITION

125. The Injunction granted on 9 December 2025 shall continue until further order of the Court.

126. The Defendant shall pay the costs of the proceedings to the Claimant in the sum of AED 1,098,601.16.