



 To all known creditors

Joint Administrators' Progress Report For the period from 29 December 2023 to 28 June 2024

LumiraDx Group Limited and LumiraDx International Ltd
(Both in Administration)

Report pursuant to Rule 18.6 of the Insolvency (England and Wales)
Rules 2016

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Glossary – Case Specific References

Case Specific References	Meaning
Administrations	The Administrations of the Companies
AFA	Administration Funding Agreement
Appointment date	29 December 2023
Administrators / Joint Administrators / we / our / us	Andrew James Johnson, Lisa Jane Rickelton and Lindsay Kate Hallam
Covington	Covington Associates LLC
CMA	Competition and Markets Authority
EY	Ernst & Young LLP
Fried Frank	Fried, Frank, Harris, Shriver & Jacobson (London) LLP
Gowling	Gowling WLG (UK) LLP
GS	Goldman Sachs & Co. LLC
LDx Benelux	LumiraDx BV (Netherlands)
LDx Brazil Holdings	LumiraDx Brazil Holdings Limited – in Creditors Voluntary Liquidation (England & Wales)
LDx Cayman	LumiraDx Limited (Cayman)
LDx Colombia Holdings	LumiraDx Colombia Holdings Ltd (England & Wales)
LDx Denmark	LumiraDx A/S (Denmark)
LDx Finland	LumiraDx Oy
LDx Group	LumiraDx Group Limited (England & Wales)
LDx Inc	LumiraDx Inc. (Delaware, USA)

Case Specific References	Meaning
LDx India	LumiraDx Healthcare Private Limited
LDx International	LumiraDx International Ltd (England & Wales)
LDx Investment	LumiraDx Investment Ltd (England & Wales)
LDx Ireland	LumiraDx Limited (Ireland)
LDx Ltd	LumiraDx Limited – In Creditors Voluntary Liquidation (England & Wales)
LDx Norway	LumiraDx AS (Norway)
LDx Spain	LumiraDx Healthcare SL (Spain)
LDx UK	LumiraDx UK Limited
The Companies	LumiraDx Group Limited (in administration) and LumiraDx International Ltd (in administration)
The Group	LDx Cayman and its direct and indirect subsidiaries
The Period	From 29 December 2023 to 28 June 2024
The Proposals	The Joint Administrators' Statement of Proposals dated 29 December 2023
The Purchaser	Roche Diagnostics Limited
Transaction	The pre-packaged sale of certain of the Companies' assets to the Purchaser, as described in the Proposals and SIP16 Statement
Transaction Conditions	The conditions for the Transaction to complete.
Secured Creditors / Lenders	Creditors with security in respect of their debt in accordance with Section 248 IA86. In this case, the Secured Creditors are Biopharma Credit Plc, in its capacity as qualifying floating charge holder in respect of the Companies, acting as security trustee for itself, BPCR Limited Partnership and BioPharma Credit Investments V (Master) LP.
Secured Debt	The Group has borrowed c.\$379m from the Secured Creditors. LDx Group and LDx International are obligors of this borrowing.

Glossary – Commonly Used Terms

Commonly Used Terms	Definition
Act / IA86	Insolvency Act 1986 (as amended)
c.	Approximately
CDDA	Company Directors Disqualification Act 1986
CT	Corporation Tax
CVL	Creditor's Voluntary Liquidation
DBT	Department for Business and Trade
FDI	Foreign Direct Investment
FTI	FTI Consulting and FTI FS
FTI Consulting	FTI Consulting LLP
FTI FS	FTI Financial Services Limited
HMRC	HM Revenue & Customs
ICAEW	Institute of Chartered Accountants in England & Wales
IR16 / the Rules	Insolvency (England and Wales) Rules 2016 (as amended)
Preferential creditors	First ranking: Principally employee claims for unpaid wages (max £800 per employee), holiday pay and certain unpaid pension contributions. Second ranking: HMRC in respect of certain specified debts.
Pre-packaged sale / Pre-pack	A sale agreed pre-administration which is completed immediately after a company is placed into administration
Prescribed Part	Amount set aside for unsecured creditors from floating charge net realisations in accordance with Section 176A IA86
RPS	Redundancy Payments Service
Sch B1 / Schedule B1	Schedule B1 IA86
SIP	Statement of Insolvency Practice
SIP 2	Investigations by office holders in administration and insolvent liquidations
SIP 16	Pre-packaged sales in administrations
SPA	Share Purchase Agreement
Unsecured creditors	Principally trade creditors, landlords, utility providers and HMRC
VAT	Value Added Tax



Purpose of this report

Purpose of this report

- Andrew James Johnson, Lisa Jane Rickelton and Lindsay Kate Hallam were appointed as joint administrators of LumiraDx Group Limited and LumiraDx International Ltd (the “Companies”) on 29 December 2023.
- The Companies operated together with LDx Cayman and its other subsidiaries (all together the “Group”) to provide a range of point of care testing and diagnostic services internationally.
- Pursuant to Rule 18.6 IR16, we are required to provide creditors with a report setting out what has happened in the Administrations during the six-month period since our appointment.
- This report covers the period from 29 December 2023 to 28 June 2024 and contains:
 - An explanation of the work we have done in the Period and how the Administrations have progressed;
 - An update on the estimated outcome for each class of creditor;
 - Details of the work we still need to do before the Administrations can be concluded;
 - A statement of our receipts and payments and details of expenses we have incurred;
 - An update on our remuneration for acting as joint administrators; and
 - Further information required by statute regarding our appointment as administrators.
- Background information on the Companies and events leading up to the Administrations can be found in our Proposals, which continue to be available online (see How to Contact Us).
- If you are unfamiliar with insolvency, we have included as an appendix a brief overview that you may wish to read before continuing to read this report.
- Certain legal notices regarding this report, our appointment and creditors’ rights are also included as an appendix.
- If you have any questions regarding this report or the Administrations generally, please contact us.



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 Andrew James Johnson
 Joint Administrator

The affairs, business and property of the Companies are being managed by the Joint Administrators, who act as agents of the Companies and without personal liability. The Joint Administrators are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales, under Section 390A(2)(a) IA86. The Joint Administrators are bound by the Insolvency Code of Ethics which can be found at: <https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics>.

How to Contact Us

- Creditors can contact us using the preferred methods below:

Email: Lumira@fticonsulting.com

Post: The Joint Administrators of LumiraDx Group Limited and LumiraDx International Ltd
 c/o FTI Consulting LLP, 200 Aldersgate, Aldersgate Street, London, EC1A 4HD

Tel: 020 3077 0200

- Previous documents and further information can be found online at:
<https://www.fticonsulting.com/uk/creditors-portal/lumira-dx>

Actions Required by Creditors

- No action is required by creditors at this time. This report is for information purposes only.



Progress of the Administration

Background to the Administrations

The Group's cumulative losses and cash burn led to a breach in the facility's covenants and a necessary review of strategic options. No solvent solution could be found and hence, the directors placed the Companies into Administration in order for an insolvent asset sale to be completed.

Background to the Companies and the Administrations

- A background on the Companies and the events leading up to the appointment of administrators were included in our Proposals and SIP16 Statement and are not repeated here for the purposes of this report unless considered necessary or beneficial to do so. Therefore, creditors may wish to review this report in conjunction with our Proposals and SIP 16 statement.
- In summary, the Group provided point of care testing and diagnostic services to community-based healthcare and had not made an operating profit in recent years.

Events leading up to Administration

- Despite significant investment funded by debt and equity, the Group remained unprofitable and accumulated significant losses. This eventually led to a breach of borrowing covenants and the Group had insufficient liquidity to service debts.
- Therefore, the Group explored strategic options for the Companies, and it was concluded that no solvent solution could be found. The Companies were placed into administration in order to progress and complete a pre-packaged sale of certain of the Companies' assets to the Purchaser, as described in our Proposals and SIP16 Statement.
- A reminder of the terms of the Transaction and the reasons for pursuing it, are set out in the next section.

Our initial strategy

- Once appointed, our strategy was principally to manage the Companies, including funding their solvent subsidiaries, until all conditions of the Transaction had been satisfied and the sale could complete. We also intended to take steps to realise all assets excluded from the Transaction.
- In order to support continued operations of the Group's business, the Secured Creditors provided funding, of which up to \$69m would be reimbursed by the Purchaser to the extent that it related to entities included in the Transaction, subject to certain conditionality.

- Whilst we entered into a sale of the business and assets, there would remain a significant amount of work to do in the Administrations. In broad terms, this included:
 - Providing oversight of, and funding to, the Group's business until the Transaction can be completed.
 - Ensuring that the Transaction perimeter entities complied with their statutory obligations, including submission of financial statements and tax returns.
 - Progressing the Transaction conditions to completion, including liaising with various international regulatory bodies.
 - Pursue any potential further realisable assets, including shareholdings in entities not included in the Transaction and any debtor balances.
 - Complying with our statutory obligations, including completing our initial assessment of the Companies' affairs and the conduct of their Directors.
 - Agreeing claims of secured and unsecured creditors and distributing any available funds.

Pre-pack administration (pre-packaged sale)

- The term 'pre-pack administration' refers to an insolvency process, in which the sale of all or part of a company's business or assets is negotiated with a purchaser prior to the appointment of an administrator and the administrator effects the transaction or transactions immediately on or shortly after appointment.
- The administrator must provide creditors with sufficient information (a SIP16 Statement) such that a reasonable and informed third party would conclude that the pre-pack sale was appropriate, and that the administrator has acted with due regard for the creditors' interests.

Realising the Assets – The Transaction

An agreement has been executed for the sale of the majority of the Group’s assets to an unconnected third party for \$295m. Work continues in relation to certain transaction conditions and managing the ongoing funding from the Secured Creditors until the Transaction completes.

Overview of the Transaction

- The Companies operated together with LDx Cayman and its other subsidiaries (all together the “Group”) to provide a range of point of care testing and diagnostic services internationally.
- Immediately following our appointment as joint administrators of the Companies on 29 December 2023, we executed a sale of the majority of the Group’s business and assets to the Purchaser, for headline consideration of \$295m, dependent on certain conditions (the “Transaction Conditions”).
- We detailed in our Proposals and SIP16 Statement the reasons for concluding that the sale would be in the best interest of creditors and would assist in the purpose of the Administrations being achieved.
- The assets acquired in the Transaction are the shares in the entities shown to the right, together with all trademarks owned by LDx International and LDx Group.
- Our work during the Period on the Transaction Conditions and management of the ongoing funding, is explained in more detail on the next page. We also give an estimate for when these matters are expected to be resolved.

SIP13 Transactions

- In accordance with SIP 13, we are required to disclose any known connected party transactions that occurred in the Period. We confirm that no such transactions have occurred.

Allocation of Consideration	\$	Security
LDx Group (in administration)		
Trademarks	1	Floating
LumiraDx UK Ltd (UK)	248,397,203	Floating
LumiraDx Inc. (USA)	25,445,657	Fixed
Biomedical Services Srl (Italy)	12,501,605	Floating
LumiraDx GmbH (Austria)	2,088,174	Floating
LumiraDx Japan Co Ltd (Japan)	2,055,405	Floating
LumiraDx AB (Sweden)	1,356,432	Floating
LumiraDx B.V. (Netherlands)	1,213,020	Floating
LKM Innovations Limited (Scotland)	733,455	Floating
Lumira Dx (Pty) Ltd (South Africa)	289,736	Floating
LumiraDx SAS (France)	273,647	Floating
LDx Group Consideration	294,354,335	
LDx International (in administration)		
Trademarks	499,998	Floating
LumiraDx GmbH (Germany)	145,666	Floating
LDx International Consideration	645,664	
Total Consideration	295,000,000	

Realising the Assets – Transaction Conditions

An extension of the SPA and funding agreements was required in order to give sufficient time for regulatory clearances to be received. These are substantially resolved, and completion of the Transaction is expected shortly.

Satisfaction of Transaction Conditions

- Following signing of contracts to the Transaction on 29 December 2023, final completion was dependent on certain conditions being met, primarily the Transaction receiving all applicable antitrust and other regulatory clearances in certain jurisdictions.
- The Purchaser is primarily responsible for procuring the Regulatory approvals; however, this process has required our support and that of the Companies' management team. We engaged Gowling to provide legal advice with respect to the preparation of the relevant notifications and filings to the applicable antitrust and regulatory authorities and responding to all requests and enquiries received from these authorities on behalf of the Companies.
- All of the required Foreign Direct Investment ("FDI") submissions have been filed and approved. This includes FDI submissions made in Italy, France and Sweden which were approved on 14 March, 27 February and 10 February 2024 respectively.
- The Secretary of State in the Cabinet Office confirmed on 8 March 2024, that he would take no further action in relation to the Transaction under the National Security and Investment Act 2021.
- On 20 February 2024, the UK's Competition and Markets Authority ("CMA") requested that the Parties submit a formal Phase 1 Merger Notice in respect of the Transaction. The CMA commenced its Phase 1 investigation on 23 May 2024.
- A significant amount of time and expense has been incurred responding to the CMA's queries, including liaising with the Purchaser, the Group's management, the Secured Creditors and the Companies' former advisors including GS.
- As a result of the CMA's investigation, the Transaction SPA and supporting funding agreements were required to be renegotiated and extended beyond the initial back stop date of 30 June 2024, to 31 August 2024.
- The European Commission screened the transaction under Article 22 of the EU Merger Regulation. On 1 July 2024, the European Commission confirmed to the Parties that it had no further questions in relation to the Transaction, thereby concluding its review.
- On 19 July 2024, the CMA announced its decision to unconditionally clear the Transaction at Phase 1 stage. We will now take steps to complete the Transaction.
- Details of the CMA's investigation and its outcome can be found at: www.gov.uk/cma-cases/roche-slash-lumiradx-merger-inquiry#cma-clearance-decision

Realising the Assets – Intercompany Lending

In order to facilitate and ensure a successful transaction, LDx Group has lent funds (received from the Secured Creditors) to ensure that the Transaction entities remain solvent until regulatory approval has been given.

Administration Funding and Intercompany Lending

- As previously stated, the Secured Creditors agreed to provide funding to the Administrators and Companies, to allow the entities included within the Transaction perimeter to continue to trade solvently during the period until completion.
 - The initial funding agreement committed to provide funds of up to \$59.2m. This funding was used to cover expenses of the Administrations (including our remuneration), in addition to the ongoing working capital requirements of the Group's subsidiaries.
 - As a result of the backstop date for Transaction completion being extended to 31 August 2024, an additional \$20m of funding, (\$10m committed per month) was made available by the Secured Creditors.
 - It had been agreed with the Purchaser that on completion of the Transaction, they will reimburse the Companies up to \$55m to repay the borrowings under the initial funding agreement. Up to a further \$14m will be reimbursed for the extended funding to 31 August 2024 (\$7m per month).
 - The funding reimbursement is incremental to the Purchaser's proposed c\$295m sale consideration.
 - During the Period, we have reviewed weekly cashflow reports and overseen the Group's cash position to ensure there is sufficient liquidity for ongoing trading.
 - LDx Group has lent down \$52.4m to Group entities, of which c.\$55k of the principal lent has been repaid to date. Where amounts remain unpaid, the relevant principal and corresponding interest will continue to accrue, with repayment upon completion of the Transaction.
- Enclosed in Appendix B alongside our receipts and payments account, is a separate statement relating to the intercompany activity in the Period. This is prepared on a cash basis and therefore does not yet represent the final position on intercompany lending.

Future work post completion

- Per the terms of the sale agreement, following completion of the Transaction, \$15m of Consideration will be held back by the Purchaser for a 90-day period, until final reconciliations have been completed. We will work with the Purchasers to secure the final tranche of consideration.

Realising the Assets – Excluded Group Entities

Several Group entities were excluded from the Transaction. We have explored the realisable value of these investments and continue to market LDx Colombia Holdings for sale, whilst finding solutions for the rest.

- The Companies hold equity investments in several entities which were excluded from the Transaction perimeter. We have taken steps to review the potential realisable value of these assets and concluded that, with the exception of LDx Colombia Holdings, the investments have no material value.
- We identified that LDx Colombia Holdings may have equity value as it owns a profitable independent trading subsidiary. We engaged Covington to undertake a marketing exercise which is currently ongoing. A number of parties have expressed an interest; however, no formal offers have been received to date. We will provide a further update on this sale process in our next report.
- With the support of the Secured Creditors, we have invested time finding solutions to remove the remaining non-Transaction entities from the Group, by way of either liquidation due to insolvency or via sales to local management teams for nominal value, where an interest has been expressed.
- Four subsidiaries have been sold to date for nominal value. Our investigations identified that these entities had no break-up or equity value but offers were received from local management which were executed. Transitional Service Agreements were agreed as part of these disposals, which will benefit the Purchaser and ensure continuation of services post completion.
- Five subsidiaries have been identified as requiring a wind down strategy, with both LDx Brazil Holdings and LDx Ltd being placed into CVL on 21 June 2024. A further three subsidiaries have been identified by their directors as entities which are no longer required by the Group and a wind down strategy is expected to be formalised in due course.
- Together with our legal advisors, we have spent a material amount of time dealing with non-Transaction entities, which has not directly led to significant asset realisations. This work was undertaken in managing the affairs of the Companies, including as part of their orderly wind-down, to assist the directors with solutions for Group entities not required by the Purchaser and with the support and funding of the Secured Creditors, who have the economic interest in Administrations.

Non-Transaction – Direct Group Subsidiaries					
Entities identified for wind down / liquidation					
Subsidiary	Registered	Entity Type	Shareholder	Date of liquidation	Consideration
LDx Brazil Holdings	UK	Holding Company	LDx International - (100%)	21-Jun-24	N/A
LDx Ltd	UK	Distributor	LDx Group (100%)	21-Jun-24	N/A
LDx Investment	UK	Holding Company	LDx Group (100%)	N/A	N/A
LDx Ireland	Ireland	Distributor	LDx Group (100%)	N/A	N/A
LDx India	India	Distributor	LDx Group (99%)	N/A	N/A

Entities being marketed for value / sold for nominal value					
Subsidiary	Registered	Entity Type	Shareholder	Date of Disposal	Consideration
LDx Colombia Holdings	UK	Holding Company	LDx International (81%)	N/A	Uncertain
LDx Spain	Spain	Distributor	LDx Group (100%)	12-Apr-24	€1
LDx Norway	Norway	Distributor	LDx Group (100%)	15-Apr-24	€1
LDx Finland	Finland	Distributor	LDx Group (100%)	15-Apr-24	€1
LDx Denmark	Denmark	Distributor	LDx Group (100%)	15-Apr-24	€1
LDx Benelux	Netherlands	Distributor	LDx Group (100%)	N/A	Uncertain

Realising the Assets – Other Assets

In addition to the Transaction, there were other potential asset realisations with some still to be realised by the Joint Administrators.

Pre-Administration Accounts (cash at bank)

- According to the director’s SoA, LDx Group held cash balances in various currency dominations totalling an estimated \$8,105.27 at the time of our appointment. LDx International held cash balances in various currency accounts totalling \$12,629.14.
- These balances have been recovered in the amount of \$6,281.13 and \$9,809.21 for LDx Group and LDx International respectively. Both amounts were received on 5 July 2024, which is after the end of the Period and therefore not shown on the enclosed receipts and payments account. The differences between the amounts received and stated on the SoA currently being investigated and we will provide a further update in our next progress report.
- We do not anticipate any other recoveries or realisations from this source.

Intercompany Claims

- The director’s SoA for LDx International included an intercompany unsecured loan of c.\$6.5m due from LDx Colombia Holdings, a subsidiary which remains solvent, was excluded from the Transaction and is currently being marketed for sale on going concern basis.
- The recoverable value of this intercompany debt is uncertain and will be subject to any future deal structuring for LDx International’s equity investment in LDx Colombia Holdings.
- The director’s SoA for LDx Group included an unsecured intercompany receivable of \$31m due from LDx International. A claim for this amount has been lodged in the Administration of LDx International in order to participate in any dividend to creditors. Any such dividend from LDx International is likely to be only via a Prescribed Part fund, the timing and quantum of which is uncertain and subject to the level of asset realisations in the Administration of LDx International, in particular relating to its intercompany lending and/or equity investment in Colombia Holdings.

Dividends from group investments

- LDx Group is expecting to receive a future dividend from LDx Benelux in the region of \$600k, prior to a sale of equity for nominal value. We have attended meetings on behalf of LDx Group as sole shareholder of LDx Benelux to approve this dividend, in addition to undertaking a review of the tax treatment to confirm that it will be not subject to withholding tax. We expect the dividend to be paid by the end of August 2024.

VAT Refund

- There was a pre-appointment VAT refund due to LDx Group of c.\$1.1m as shown on the director’s SoA. LDx Group was part of a pre-appointment VAT Group with other members of the Group. In the Period, we have recovered c.\$1.1m from LDx UK, which initially received the refund as representative member of the VAT Group. The receipt is shown on the enclosed receipts and payments account.
- We do not anticipate any other recoveries in relation to pre-appointment VAT.

Dealing with Creditors and other Stakeholders

We have reported regularly to the Secured Creditors and taken steps to assess the level of the Companies' liabilities, including responding to queries received from creditors, to the extent possible.

- We set out below the work done in the Period relating to each class of creditor and other stakeholders.
- The current estimates for amounts owed to the various classes of creditors, the anticipated recovery in each case and (where appropriate) the likely timing of distributions; are set out later in this report.

Secured Creditors

- We are corresponding with the Secured Creditors on a regular basis and report on a weekly basis to ensure that there is sufficient progress on the Transaction and the Administrations.
- As part of this reporting process, we are monitoring the Group's liquidity and its requirements. Where appropriate, we are making the relevant drawdown requests as agreed with the Secured Creditors in the AFA.
- In the Period, we asked the Secured Creditors for approval to the basis of our remuneration. This was received on 5 February 2024 and further details are provided later.

Preferential creditors

- Preferential creditors are described in the highlighted box opposite.
- As stated in our Proposals and SIP 16 statement, there are no known employees of the Companies. Therefore, we do not anticipate there being any first-ranking preferential creditors.
- Whilst the Companies are members of the UK VAT group, the Group is generally in a net reclaim position and we are not aware of any outstanding balances owed to HMRC. As such, we do not anticipate there being any secondary preferential creditors.

Unsecured creditors

- In preparation for our appointment, we set up a dedicated email address and helpline number in order for creditors to contact us, other than by post.
- We have invited creditors to submit their claims to us as there is a reasonable prospect of a dividend becoming available, as explained later.

Other stakeholders

- As previously explained, the completion of the Transaction is subject to regulatory approval.
- In order to obtain the required regulatory approval, we have liaised with our lawyers to respond to any queries that the CMA have had alongside the Purchaser and the directors of the Companies.

Preferential creditors

- Preferential creditors are certain categories of unsecured creditors that have preferential status under insolvency legislation.
- They are typically employee-related debts in relation to arrears of wages and unpaid holiday pay, subject to statutory limits. The RPS becomes a preferential creditor in place of the employees once it has paid their statutory entitlements.
- Since December 2020, HMRC is also a preferential creditor for certain specified debts but ranks behind the preferential debts described above.

Managing the Companies' affairs

Until such time as the Companies are dissolved, they must continue to fulfil many of their usual obligations. Whilst appointed to manage the affairs of the Companies, we are responsible for ensuring these obligations are met.

VAT

- Following our appointment, we notified HMRC (for both VAT and tax purposes) that the Companies had been placed into Administration, a consequence of which is the creation of a new period for both tax and VAT reporting that commences on the date of Administration.
- During the Period, we received confirmation that the Companies have been registered for VAT, effective from 29 December 2023.
- Our internal VAT and tax specialists performed a review of the Companies VAT and tax affairs to understand the position in relation to the filing of returns and whether any tax assets may exist.
- The first VAT return is for the period from 29 December 2023 ending 30 June 2024 (due 31 July 2024) and returns will continue to be prepared and filed until such time as the Companies are deregistered for VAT purposes.

Tax

- The Companies' prior tax advisors (EY) have been engaged to prepare the pre-Administration tax returns. As such we have been liaising with EY and the Companies to provide the required information for these to be prepared and lodged with HMRC.
- EY have also been engaged to assist with the tax affairs for transaction structuring of the pre-packaged transaction. This was required due to the intercompany loan positions which were created as part of the Companies funding of the Group during the Administrations, which need to be extinguished prior to completion of the Transaction.
- We will continue to be prepared and filed tax returns until no further taxable income is expected to arise.

Employees

- On the date of our appointment, the Companies did not have any employees.

Treasury and accounting

- An account of receipts and payments for the period covered by this report is provided at Appendix B for each of the Companies.
- A separate statement is provided in relation to matters related to the trading and funding activity of the business following our appointment.

Books and records

- As part of our statutory duties, we have secured statutory books and records, including the Companies' financial records, Tax and VAT records, bank statements and Board Minutes.

Fulfilling our Statutory Duties

As a consequence of the Companies' insolvency, we have a number of responsibilities that do not necessarily or directly have a financial benefit for creditors but are required by insolvency legislation.

Statutory investigations

- As required by Section 7A CDDA, we have submitted information in regard to the conduct of the Companies' directors to the DBT. The content of our investigatory findings is confidential however, it was concluded that there were no recovery actions that could be pursued.
- Our investigation work was performed in accordance with SIP 2 and included a review of:
 - Questionnaires submitted by the directors of the Companies who held office in the three-year period prior to the Administrations;
 - The Statements of Affairs prepared by the directors of the Companies;
 - The Companies' Board Minutes in the 12 months leading up to appointment;
 - Correspondence received from creditors (who had been invited to bring any matters to our attention); and
 - Certain of the Companies' financial information.

Investigations and submission of conduct reports

- An administrator has a duty to investigate what assets there are (including potential claims against third parties including the directors) and what recoveries can be made. This gives rise to the need for an administrators to carry out appropriate investigations, in order to satisfy their specific duties and to allay, if possible, the legitimate concerns of creditors and other interested parties.
- An administrator also has a duty to report to the Department for Business and Trade on the conduct of those that formerly controlled the company.



Other statutory matters

- During the Period, our other statutory work included:
 - Issuing various letters and notices to third parties regarding our appointments as joint administrators of the Companies. These included notices to the Companies' creditors and an invitation to lodge claims in the Administration proceedings.
 - Preparing and issuing our statement of Proposals (including our SIP 16 Statement); and seeking their approval. The Proposals were deemed approved on 16 January 2024 and the relevant notices were filed with Companies House and on our website.
 - Conducting periodic case reviews on the Administrations to ensure the strategy remains appropriate and the Administrations are progressing on a timely and cost-effective basis.

Objective of the Administration

- As set out in our Proposals, the statutory objective of the Administration is to continue to trade the Companies' business until the Transaction Conditions are met and the Transaction can be completed, alongside the orderly disposal of the Companies' other assets (objective b).
- We continue to believe the objective of the Administration will be achieved by virtue of completing the Transaction.

Joint Administrators' Remuneration

- In Appendix C, we have provided an update on matters relating to our remuneration and expenses, including the costs that have been incurred, what creditors have approved and how much has been drawn to date.

Fulfilling our Statutory Duties

The Administrations will likely come to an end by moving the Companies to dissolution when our work is complete. We will seek our discharge from liability before that time.

Exit route from Administration

- In our Proposals we explained the manner in which we anticipated the Administrations would be brought to an end once their purpose had been achieved and our work had been completed.
- The Administrations may end at different times and in different ways, however at the present time, we expect the exit routes for the Administrations are unchanged from our Proposals and thus, will end via one of the following:
 - The Administrations will end by filing notice of dissolution with the Registrar of Companies. The Companies will then automatically be dissolved by the Registrar of Companies three months after the notice is registered; or
 - If there are matters remaining that require the attention of a liquidator, the Administration may end by an application to the Court, including an order for the compulsory liquidation of the Company. We may propose that Andrew James Johnson, Lisa Jane Rickelton and Lindsay Kate Hallam (and/or any subsequent or replacement administrator holding office at that time) be appointed joint liquidators of the Company by the Court.

Discharge from liability

- Pursuant to Paragraph 98 of Schedule B1, our discharge from liability (in respect of our actions as joint administrators) takes effect at a time determined by the relevant class of creditors, or the Court. In the circumstances of this case, it is for the Secured Creditors to make that determination.
- We are likely to propose that discharge should take effect at the time our appointment ceases to have effect. We will seek approval to this at the appropriate time.

Future reporting

- We are required to provide a further progress report to all creditors within one month of the end of the period ending 28 December 2024, or when the Administrations come to an end, whichever is sooner.
- All documents will be retained on the website and will remain available until at least two months after the conclusion of the proceedings. If you require any hard copy documents, please contact us using the details provided earlier, and you will be provided (free of charge) a hard copy of documents posted to the website either now or in the future.



Estimated Outcomes for Creditors

Secured and Unsecured Creditors

The Secured Creditors are expected to make a recovery of c.77% recovery should the Transaction complete. A small Prescribed Part distribution will be available to unsecured creditors of LDx Group, and potential LDx International.

Secured Creditors

- The Secured Creditors' lending to the Companies as at the date of Administration was c.\$379m and is secured by (among other things) a debenture dated 29 March 2021 containing fixed and floating charges over all of the Companies' assets. The validity of the security was confirmed by Fried Frank, an independent law firm engaged by us.
- If the Transaction completes, we expect to make a total distribution to the Secured Creditors of c.\$295m, which provides a c.77% return on the \$379m outstanding at the date of appointment. This is expected to be done prior to the first anniversary of our appointment as joint administrators.
- Additionally, the Purchaser will reimburse up to \$69m of the Administration funding facility provided by the Secured Creditors of \$79.2m.
- To date, no distributions have been made to the Secured Creditors.

Preferential Creditors

- Preferential claims are paid from the realisation of assets subject to a floating charge after the costs of the Administration have been paid or provided for. However, in their Statements of Affairs for the Companies, the directors estimated that there would be no preferential claims. This is consistent with our expectations.

Unsecured creditors

- In an administration, dividends may become available for unsecured creditors from two sources: 1) the statutory (ring-fenced) Prescribed Part fund; and/or 2) the surplus remaining after any secured and preferential creditors have been repaid in full.
- In this case, there will be insufficient funds to repay the Secured Creditors in full in the Administrations and as such a distribution to unsecured creditors will only arise by virtue of the Prescribed Part.

Creditor claims

- In their Statement of Affairs, the directors estimated that non-preferential unsecured claims against LDx Group and LDx International would be \$378m and \$31m respectively.

Prescribed Part fund

- Due to the ongoing marketing of LDx Colombia Holdings and uncertainty over the realisable value of LDx International's intercompany receivable and equity investment, we are unable to reasonably estimate the value and timing of any potential Prescribed Part dividend for unsecured creditors.
- We anticipate that there will be a Prescribed Part distribution to the unsecured creditors of LDx Group. Should the Transaction complete as expected, LDx Group's net property will be in excess of c.\$250m and therefore, the Prescribed Part will be at the maximum amount of £800k (c.\$1.013m).
- We do not intend to apply to court under Section 176A(5) IA86 to disapply the net property provisions in either case.

Dividends and timing

- We estimate that the Prescribed Part will provide unsecured creditors of LDx Group a return of c.0.21% and this will be declared and paid before 28 December 2024. As noted above, the prospect of a Prescribed Part dividend paid by LDx International is uncertain.
- There is not expected to be any return to unsecured creditors other than by virtue of the Prescribed Part.
- Please note that this guidance is only an indication and should not be used as the main basis of any bad debt provision. The amount distributed will be determined by the final level of admitted claims and the value of the Prescribed Part fund.

Shareholders





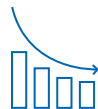
- There will be no return to the Companies shareholders as there will be a material shortfall to the Companies' creditors.



Key Matters Remaining

Work We Still Need To Do

The remaining steps that need to be taken ahead of concluding the Administrations are shown below, in addition to certain periodic statutory duties we must fulfil whilst we remain appointed.

Area	<p>The Transaction</p> 	<p>Other assets</p> 	<p>Tax / VAT</p> 	<p>Creditors</p> 	<p>Winding-down</p> 
Work Required	<ul style="list-style-type: none"> Complete the Transaction with the Purchaser following satisfaction of all the Transaction conditions. Recover the reimbursable element of the Purchaser's contribution towards the administration funding. 	<ul style="list-style-type: none"> Explore options to realise value for LDx International's equity investment in and intercompany loan from LDx Colombia Holdings. Recover value from LDx Group's unsecured claim against LDx International, should a Prescribed Part dividend become available. 	<ul style="list-style-type: none"> Liaise with Management and EY so that the relevant tax workstreams in relation to the Transaction and corporation tax returns can be completed. Prepare and lodge periodic VAT returns that fall due during the Administrations. 	<ul style="list-style-type: none"> Continue to update and respond to any queries from the Secured Creditors on the progress of the Transaction and Administration. Issue the relevant notices and make a distribution to the Secured Creditors and by way of the Prescribed Part to unsecured creditors. 	<ul style="list-style-type: none"> Progress any other matters required to wind-down the Companies' affairs generally prior to the Administrations concluding and the Companies being dissolved.
Timing	<ul style="list-style-type: none"> Next five months and prior to the end of the Administrations 	<ul style="list-style-type: none"> Next five months and prior to the end of the Administrations 	<ul style="list-style-type: none"> Next two months and ongoing until the end of the Administration 	<ul style="list-style-type: none"> Next five months and prior to the end of the Administrations 	<ul style="list-style-type: none"> Next five months and prior to the end of the Administrations



Appendices

Appendix A: Statutory Information

Company Name: LumiraDx Group Limited

Previous Name(s)	Lumira Holdings Ltd Aegle Care (Holdings) Ltd	Administrators' Address	FTI Consulting LLP, 200 Aldersgate, Aldersgate Street, London EC1A 4HD
Trading Names(s)	N/A	Administrators' Recognised Professional Body	ICAEW
Registered Number	09198288	Functions of Administrators	For the purposes of paragraph 100(2) of Sch B1 IA86 the administrators may exercise any of the powers conferred on them by the IA86 jointly or individually.
Date of Incorporation	1 September 2014	Appointment Date	29 December 2023
Registered Office	c/o FTI Consulting LLP, 200 Aldersgate Street, London EC1A 4HD	Appointer / Applicant	The Director of the Company, pursuant to Paragraph 22 of Sch B1
Former Registered Office	3 More London Riverside, London, SE1 2AQ, England	Objective being pursued	To achieve the best available outcome for the Company's creditors as a whole in the circumstances.
Court Name / Address	High Court of Justice, Business and Property Courts of England and Wales, Insolvency and Companies List (ChD)	EC Regulation	(i.) The company's centre of main interests is in England, within the United Kingdom; and (ii.) The company's registered office was 3 More London Riverside, London, England, SE1 2AQ which was the same as its centre of main interests and had been in the United Kingdom since its incorporation in 2014.
Court Reference	CR-2023-007307	Changes in Administrator	N/A
Administrators' Names	Andrew James Johnson, Lisa Jane Rickelton, Lindsay Kate Hallam	Current Administration End Date	28 December 2024

Appendix A: Statutory Information

Company Name: LumiraDx International Limited

Previous Name(s)	Lumira Diagnostics Ltd Aegle Technology Ltd Aegle Care Ltd	Administrators' Address	FTI Consulting LLP, 200 Aldersgate, Aldersgate Street, London EC1A 4HD
Trading Names(s)	N/A	Administrators' Recognised Professional Body	ICAEW
Registered Number	09124383	Functions of Administrators	For the purposes of paragraph 100(2) of Sch B1 IA86 the administrators may exercise any of the powers conferred on them by the IA86 jointly or individually.
Date of Incorporation	10 July 2014	Appointment Date	29 December 2023
Registered Office	c/o FTI Consulting LLP, 200 Aldersgate Street, London EC1A 4HD	Appointer / Applicant	The Director of the Company, pursuant to Paragraph 22 of Sch B1
Former Registered Office	3 More London Riverside, London, SE1 2AQ, England	Objective being pursued	To achieve the best available outcome for the Company's creditors as a whole in the circumstances.
Court Name / Address	High Court of Justice, Business and Property Courts of England and Wales, Insolvency and Companies List (ChD)	EC Regulation	(i.) The company's centre of main interests is in England, within the United Kingdom; and (ii.) The company's registered office was 3 More London Riverside, London, England, SE1 2AQ which was the same as its centre of main interests and had been in the United Kingdom since its incorporation in 2014.
Court Reference	CR-2023-007308	Changes in Administrator	N/A
Administrators' Names	Andrew James Johnson, Lisa Jane Rickelton, Lindsay Kate Hallam	Current Administration End Date	28 December 2024

Appendix B: Receipts and Payments Accounts – LDx Group

Intercompany Lending Statement for the period from 29 December 2023 to 28 June 2024

Intercompany Lending			
	Statement of Affairs	Notes	From 29 December 2023 To 28 June 2024
Administration Funding			
Third Party Funds Received		3	56,900,000.00
Group Lending			
LDx UK		4	(43,050,000.00)
LDx Inc		4	(9,295,000.00)
LDx Spain		5	(55,000.00)
Total Lending			(52,400,000.00)
Group Repayments			
LDx UK			-
LDx Inc			-
LDx Spain		5	55,427.67
Total Repayments			55,427.67
Net Administration Funding Held			4,555,427.67

Notes to the Intercompany Lending Statement

1. Due to the post-appointment nature of this funding statement, there are no comparisons to make with the director's Statement of Affairs ("SoA").
2. All amounts are stated in USD and exclusive of VAT (unless otherwise stated).
3. Interest accrued on funds lent from the Secured Creditors has not been included in this table. The interest will crystallise upon completion of the Transaction and therefore, the amount outlined relates only to the Principal amount lent by the Secured Creditors.
4. The Company has lent down funds in line with the Group funding agreement. The amounts shown in the table do not include any accrued interest on lent amounts which will crystallise upon completion of the Transaction. Therefore, the amounts only relate to principal amounts lent to the specified subsidiaries which are owed to LDx Group.
5. LDx Spain has repaid the principal amount borrowed of \$55k alongside the relevant interest in two instalments in January and February 2024. As such, no further amounts are owed or expected in relation to this entity.

Appendix B: Receipts and Payments Accounts – LDx Group

For the period from 29 December 2023 to 28 June 2024

	Statement of Affairs	Notes	From 29 December 2023 to 28 June 2024
VAT refund	1,158,090.22	2	1,136,315.38
Cash at Bank	8,105.27		-
Investment in Subsidiaries	294,354,334.00	3	4.00
Intellectual Property	1.00		-
Intercompany Receivables	134,659.03		-
Other Refunds		4	112,929.05
Bank Interest		5	22.74
Net Administration Funding Held			4,555,427.67
Total Receipts	295,655,189.52		5,804,698.84
Bank Charges			(116.42)
External Counsel Fees			(12,594.40)
Fried Frank Legal Fees			(920,208.66)
Fried Frank Disbursements			(2,880.97)
Gowling Legal Fees			(682,484.67)
Gowling Disbursements			(24,641.57)
Office Holders Fees		6	(1,333,678.50)
Office Holders Expenses		6	(411.60)
Sundry Expenses		7	(924.05)
Liquidation Costs		8	(15,832.47)
Irrecoverable VAT		9	(595,533.02)
Total Payments			(3,589,306.59)
Net Receipts and Payments			2,215,392.25
Represented by			
Cash at Bank		10	2,229,416.30
VAT Payable			(14,024.05)
			2,215,392.25

Notes to the Receipts and Payments Account

- The SoA amounts have been taken from the director's SoA dated 29 December 2023. Asset values represent the directors' estimated to realise value (not book value).
- The refund of c.\$1.1m relates to a pre-appointment VAT refund due to LDx Group. The difference between the amount received and the SoA amount can be attributed to foreign currency changes and adjustments made by HMRC relating to prior periods.
- SoA value represents the investments subject to fixed charges (c.\$25.5m) and floating charges (c.\$268.9m).
- This comprises refunds from Fried Frank in relation to the overpayment of pre-appointment legal fees with the full amount of c.\$113k received during the Period.
- Funds are held with Barclays Bank Plc and all accounts were interest bearing during the Period.
- In line with the approved basis of our remuneration, invoices for time incurred and disbursements to 31 May 2024 were paid during the Period. Further details are set out later.
- Sundry Expenses comprise of a payment to Prism in relation to the analysis of LDx Group's pre-appointment bank account and transactions.
- Liquidation costs of c.\$16k were paid during the Period and relate to office-holders pre-liquidation fees and costs for the wind down of the Company's subsidiary, LDx India.
- We continue to liaise with our internal FTI tax team to determine if any VAT paid during the Administration is recoverable. For prudence, we have assumed that all VAT is irrecoverable.
- All bank accounts have been reconciled as at the end of the Period.
- All amounts are stated in USD and exclusive of VAT (unless otherwise stated).
- Realisations to date are all subject to floating charge security. Future realisations will include assets subject to fixed and floating charge security. Therefore, certain of the costs incurred to date will be apportioned as appropriate between the fixed and floating charge in due course.

Appendix B: Receipts and Payments Account – LDx International

For the period from 29 December 2023 to 28 June 2024

	Statement of Affairs	Notes	From 29 December 2023 to 28 June 2024
Administration Funding		3	2,300,000.00
Cash at Bank	12,629.14		-
Intellectual Property	499,998.00		-
Investment in Subsidiaries	145,666.00		-
Third Party Receipts		4	320,000.00
Total Receipts	658,293.14		2,620,000.00
Bank Charges			(15.23)
Office Holders Expenses		5	(411.60)
Office Holders Fees		5	(184,755.40)
Legal Fees			(40,496.40)
Sundry Expenses		6	(512.60)
Third Party Expenses		4	(265,600.00)
Irrecoverable VAT		7	(45,235.20)
Total Payments			(537,026.43)
Net Receipts and Payments			2,082,973.57
Represented by			
Cash at Bank		8	2,082,973.57
			2,082,973.57

Notes to the Receipts and Payments Account

1. The SoA amounts have been taken from the directors' SoA dated 29 December 2023. Asset values represent the directors' estimated to realise value (not book value).
2. All amounts are stated in USD and exclusive of VAT (unless otherwise stated).
3. Interest accrued on funds lent from the Secured Creditors has not been included in this table. The interest will crystallise upon completion of the Transaction and therefore, the amount outlined relates only to the Principal amount lent by the Secured Creditors.
4. \$320k was received on behalf of LDx Brazil (now in CVL) in relation to the sale of its subsidiary. As LDx Brazil did not operate a bank account, the net sale proceeds were held by LDx International, its parent entity, on trust. The Liquidators of LDx Brazil are currently taking steps to open an estate bank account into which the third-party funds (net of related payments) of c.\$54k can be paid.
5. In line with the basis of our remuneration, invoices for time incurred and disbursements to 31 May 2024 were paid during the Period. Further details are set out later.
6. Sundry Expenses comprises of a payment to Prism in relation to an analysis of LDx International's pre-appointment bank account and transactions.
7. We continue to liaise with our internal FTI tax team to determine if any VAT paid during the administration is recoverable. For prudence, we have assumed that all VAT is irrecoverable.
8. All bank accounts have been reconciled as at the end of the Period.
9. Funds are held with Barclays Bank Plc and all accounts were not interest bearing during the Period.

Appendix C: Joint Administrators' Remuneration and Expenses

The basis of our remuneration has been approved by the Secured Creditors on a time cost basis for each of the Companies. We do not anticipate seeking further approval to draw fees in excess of what has been approved.

Basis of our remuneration

- In our Proposals, we provided all creditors with the information required to be disclosed by insolvency law before the basis of our remuneration could be determined.
- In respect of both Administrations, we explained that we intended to seek approval that our remuneration should be fixed by reference to the time properly given by the Joint Administrators and our staff in attending to matters arising in the Administrations (a "time cost basis").
- Furthermore, our fees estimates for LDx Group and LDx International were \$2,441,273 and \$1,217,685 respectively .
- As explained in our Proposals and in the absence of a creditors' committee, in the circumstances of these Administrations, the determination of our remuneration would be the responsibility of the Secured Creditors.
- Therefore, during the Period we sought approval from the Secured Creditors that the basis of our remuneration (for each of the Companies) be fixed on a time cost basis and capped at the fees estimates stated above. The Secured Creditors gave their consent on 5 February 2024.
- There are no business or personal relationships with parties responsible for approving remuneration or who provide services where the relationship could give rise to a conflict of interest.
- Earlier in this report and later in this Appendix, we have given a description of the things done by us and our staff during the Period.
- Later in this Appendix, we also set out a comparison of the fees estimates and our time costs to date; and explain whether further approval will be sought to exceed the fees estimates in these Administrations.
- The enclosed receipts and payments accounts show what fees have been drawn in the Period for each of the Companies.

Pre-Administration costs

- In our Proposals we made a statement of the pre-Administration costs incurred by each of the Companies. That statement confirmed that there were no unpaid pre-Administration costs at the time of our appointments and therefore, it would not be necessary to seek any approvals during the Administrations for any unpaid costs to be paid as an expense of the Administrations.

Fees estimate

- The tables on the following page show the time expected to be required in each area of each Administration and the estimated cost based on the charge-out rates set-out later in this Appendix.
- The tables compare the fees estimates with the time and costs incurred to the end of the Period. Later in this Appendix, we provide further analysis and details of the work undertaken in the Period.
- The tables also include an approximation of the cost of our future work based on information currently available to us, our experience in these matters and certain assumptions regarding the time likely to be required.
- In particular, we have assumed that the Administrations do not require an extension to go beyond the 12-month anniversary of our appointment.
- We cannot draw remuneration in excess of the total amount set out in the fees estimates without approval.

Further approval

- We have around five months to conclude the Administrations (where no extension is sought) and therefore our fees are considered to be in line with the estimates provided in our Proposals.
- Therefore, we do not anticipate exceeding our fees estimates and further approval will not need to be sought.

Appendix C: Joint Administrators' Remuneration and Expenses

Prior to the determination of the basis of our remuneration, we provided all creditors with details of our fees estimates. We do not anticipate exceeding these estimates for LDx Group or LDx International.

LDx Group

Category of work	Fee Estimate Hours	Fee Estimate Cost (\$)	Hours Incurred	Cost Incurred (\$)	Estimated Future Hours	Estimated Future Cost (\$)	Average Rate (\$)	Estimated Total Hours	Estimated Total Cost	Average Rate Estimate (\$)
Controlling our Appointment	374	359,306	392	308,013	232	188,843	785	624	496,855	796
Realising the Assets	294	282,096	611	577,552	361	354,097	945	973	931,649	958
Supervising Trading	976	806,852	519	361,889	307	221,874	697	826	583,763	707
Dealing with Creditors	448	343,788	50	45,983	30	28,192	914	80	74,175	927
Managing the Company's Affairs	350	275,411	158	112,777	93	69,144	716	251	181,921	726
Fulfilling Statutory Duties	559	373,820	156	107,191	92	65,719	687	248	172,910	696
Total	3,001	2,441,273	1,887	1,513,404	1,115	927,869	802	3,001	2,441,273	813

LDx International

Category of work	Fee Estimate Hours	Fee Estimate Cost (\$)	Hours Incurred	Cost Incurred (\$)	Estimated Future Hours	Estimated Future Cost (\$)	Average Rate (\$)	Estimated Total Hours	Estimated Total Cost	Average Rate Estimate (\$)
Controlling our Appointment	146	141,714	125	81,442	190	139,861	651	315	221,303	701
Realising the Assets	423	320,981	216	193,280	329	331,921	895	544	525,200	965
Supervising Trading	186	284,450	134	88,496	204	151,974	661	337	240,470	713
Dealing with Creditors	197	165,081	12	10,827	19	18,593	887	31	29,421	956
Managing the Company's Affairs	176	141,346	31	16,629	46	28,558	545	77	45,187	587
Fulfilling Statutory Duties	396	164,113	87	57,448	132	98,656	662	219	156,104	713
Total	1,524	1,217,685	604	448,122	920	769,563	742	1,524	1,217,685	799

Appendix C: Joint Administrators' Remuneration and Expenses

As our remuneration is on a time cost basis, the manner in which we allocate staff, charge our time and the hourly rates we use, are all important factors

Staff allocation and time charging policy

- Our general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case. The constitution of the case team at any point in time will usually consist of one or more of the grades shown in the table opposite, depending on the anticipated size and complexity of the assignment.
- Work is delegated to suitable grades of staff, taking into account their experience and any specialist knowledge that is needed and they are supervised accordingly to maximise the cost effectiveness of the work done. Complex issues or important matters of exceptional responsibility are handled by more experienced senior staff or the office-holders themselves.
- All of our staff who work on the case charge time directly to it and are included in any analysis of time charged. Only if there is a large block of time incurred by a member of the secretarial team, e.g. report compilation and distribution, do we seek to charge and recover our time in this regard. Time is charged in six-minute units. We don't charge general overhead costs.
- During the administration of the insolvency, will also utilise the services of specialist teams within FTI Consulting LLP, principally in relation to VAT and tax matters and the costs of which are included within our fees estimates. We consider that the rates chargeable for these services are in line with general market practice and that the service is at least comparable to similar firms of professional advisors. In addition, by working closely with our internal teams, we believe a more coordinated and efficient approach to the relevant workstreams is possible.

Hourly charge-out rates

- In the table below, we set out the hourly charge-out rates for the various grades of staff who may work on the Administrations. In common with many professional firms, these rates may be subject to change periodically, for example to cover annual inflationary cost increases.

Grade of staff	Rate (\$/hour)
Senior Managing Director	1,049.00
Managing Director	976.00
Senior Director	919.00
Director	815.00
Senior Consultant	780.00
Consultant	549.00
Associate	403.00

Appendix C: Joint Administrators' Remuneration and Expenses - LDx Group

For the period from 29 December 2023 to 28 June 2024

Category of work	Senior Managing Director	Managing Director	Senior Director	Director	Senior Consultant	Consultant	Associate	Total Time (Period)	Total Cost (Period) (\$)	Average Rate (\$)
Controlling our Appointment										
Strategy & Planning	90.80	39.50	39.90	-	60.00	-	63.10	293.30	242,699	827
Appointee & Manager Reviews	25.70	0.10	-	-	4.60	-	11.20	41.60	35,159	845
Budgets, Fee Approval & Remuneration	4.40	1.40	1.00	-	7.70	-	42.80	57.30	30,155	526
Sub-Total	120.90	41.00	40.90	-	72.30	-	117.10	392.20	308,013	785
Realising the Assets										
Sale of Business	139.20	156.20	108.90	-	62.90	-	8.60	475.80	451,079	948
Book Debt Realisations	-	-	-	-	0.40	-	1.30	1.70	836	492
Intercompany Debtors	1.80	-	2.30	-	5.10	-	2.50	11.70	8,987	768
Group & Subsidiaries	55.00	11.20	36.30	-	13.10	-	1.30	116.90	112,728	964
Other Assets	0.80	-	-	-	2.70	-	-	3.50	2,945	841
Insurance & Bonding	0.30	0.10	-	-	-	-	1.40	1.80	977	543
Sub-Total	197.10	167.50	147.50	-	84.20	-	15.10	611.40	577,552	945
Supervising Trading										
Trading (Cash Management)	44.86	31.60	100.00	-	143.40	-	199.10	518.96	361,889	697
Sub-Total	44.86	31.60	100.00	-	143.40	-	199.10	518.96	361,889	697
Dealing with Creditors										
Secured creditors	19.20	13.80	1.70	-	11.50	-	3.10	49.30	45,391	921
Creditor Queries	-	-	-	-	0.50	-	0.50	1.00	592	592
Sub-Total	19.20	13.80	1.70	-	12.00	-	3.60	50.30	45,983	914
Managing the Company's Affairs										
Tax	14.80	6.50	19.80	-	3.10	-	-	44.20	42,483	961
VAT	4.80	0.20	13.30	-	20.10	-	6.60	45.00	35,791	795
Books & Records	-	-	-	-	-	-	3.50	3.50	1,411	403
Bank Account Management	-	0.10	-	-	0.20	-	15.10	15.40	6,339	412
Receipts, Payments & Journals	3.40	6.60	-	-	2.30	-	37.10	49.40	26,754	542
Sub-Total	23.00	13.40	33.10	-	25.70	-	62.30	157.50	112,777	716
Fulfilling Statutory Duties										
Initial Letters & Notices	4.50	1.00	2.50	-	4.00	-	11.10	23.10	15,587	675
Statement of Affairs	-	-	1.20	-	-	-	-	1.20	1,103	919
Proposals	-	1.20	-	-	-	-	2.20	3.40	2,058	605
Progress Reports	-	0.30	-	-	-	-	-	0.30	293	976
CDDA & SIP2 Assessment	4.00	1.20	-	-	14.90	-	18.80	38.90	24,566	632
Other Statutory Matters	9.84	0.20	-	-	56.10	-	23.10	89.24	63,585	713
Sub-Total	18.34	3.90	3.70	-	75.00	-	55.20	156.14	107,191	687
Totals	423.40	271.20	326.90	-	412.60	-	452.40	1,886.50	1,513,404	802

Appendix C: Joint Administrators' Remuneration and Expenses - LDx International

For the period from 29 December 2023 to 28 June 2024

Category of work	Senior Managing Director	Managing Director	Senior Director	Director	Senior Consultant	Consultant	Associate	Total Time (Period)	Total Cost (Period) (\$)	Average Rate (\$)
Controlling our Appointment										
Strategy & Planning	15.0	9.1	6.0	-	23.4	-	26.8	80.30	59,183	737
Appointee & Manager Reviews	0.7	0.1	-	-	0.3	-	15.2	16.30	7,192	441
Budgets, Fee Approval & Remuneration	2.3	0.5	-	-	4.8	-	20.9	28.50	15,067	529
Sub-Total	18.0	9.7	6.0	-	28.5	-	62.9	125.10	81,442	651
Realising the Assets										
Sale of Business	46.5	33.9	61.2	7.0	18.1	8.5	10.4	185.60	166,788	899
Intercompany Debtors	2.0	-	-	-	3.6	-	-	5.60	4,906	876
Group & Subsidiaries	9.0	1.0	3.3	-	8.9	0.5	0.9	23.60	21,029	891
Other Assets	-	-	-	-	0.3	-	-	0.30	234	780
Insurance & Bonding	-	-	-	-	-	-	0.8	0.80	322	403
Sub-Total	57.5	34.9	64.5	7.0	30.9	9.0	12.1	215.90	193,280	895
Supervising Trading										
Trading (Cash Management)	15.8	20.3	8.9	-	21.6	-	67.2	133.80	88,496	661
Sub-Total	15.8	20.3	8.9	-	21.6	-	67.2	133.80	88,496	661
Dealing with Creditors										
Secured creditors	3.5	3.1	1.0	-	3.6	-	1.0	12.20	10,827	887
Sub-Total	3.5	3.1	1.0	-	3.6	-	1.0	12.20	10,827	887
Managing the Company's Affairs										
Tax	2.3	0.1	-	-	0.2	-	-	2.60	2,666	1,026
VAT	-	-	1.3	-	3.0	-	2.0	6.30	4,341	689
Books & Records	-	-	-	-	-	-	2.4	2.40	967	403
Bank Account Management	-	0.1	-	-	0.4	-	4.9	5.40	2,384	442
Receipts, Payments & Journals	0.3	0.9	-	-	-	-	12.6	13.80	6,271	454
Sub-Total	2.6	1.1	1.3	-	3.6	-	21.9	30.50	16,629	545
Fulfilling Statutory Duties										
Initial Letters & Notices	1.0	0.4	-	-	0.4	-	6.5	8.30	4,371	527
Statement of Affairs	-	-	-	-	-	-	0.5	0.50	202	403
Proposals	-	0.9	-	-	-	-	0.8	1.70	1,201	706
CDDA & SIP2 Assessment	2.0	0.6	-	-	8.8	-	6.8	18.20	12,288	675
Other Statutory Matters	5.0	-	-	-	33.8	-	19.3	58.10	39,387	678
Sub-Total	8.0	1.9	-	-	43.0	-	33.9	86.80	57,448	662
Totals	105.40	71.00	81.70	7.00	131.20	9.00	199.00	604.30	448,122	742

Appendix C: Joint Administrators' Remuneration and Expenses

In broad terms our work includes realising the Company's assets, quantifying its liabilities and returning funds to creditors, managing the Company's affairs and fulfilling our statutory obligations as joint administrators.

Earlier in this report, we described the main areas of our work in the Administration during the Period covered by this report. The table below provides more detail but is not an exhaustive list of all work performed. Also provided is an indicated of whether the work provided a financial benefit for creditors or whether (for example) it was required by statute.

Area of work	Description of work	Reason and benefit for creditors
Controlling the appointment	<ul style="list-style-type: none"> ■ Strategy and planning: devised and maintained appropriate strategies for achieving the purpose of the Administrations, team meetings and documenting key decisions. ■ Case reviews: periodic reviews of the Administrations, typically every six-months. ■ Financial Management: prepared and maintained cost budgets, estimated outcome statements etc, as appropriate for the case. ■ Remuneration: provided information to creditors, seeking fee approval in accordance with insolvency legislation requirements, maintaining budgets and drawing fees when approved. 	<ul style="list-style-type: none"> ■ We have a duty to perform our functions as quickly and efficiently as reasonably practicable in the best interests of the creditors as a whole. ■ Whilst not necessarily generating a direct financial benefit for creditors, these areas of our work ensure that our strategies to maximise realisations and minimise costs (and liabilities where possible), are kept under review and amended as appropriate.
Realising the Assets	<ul style="list-style-type: none"> ■ Sale of business: we have been working towards the completion of the Transaction which has included liaising with the Purchaser and relevant regulatory authorities. Not only does this include ensuring that there is the required ongoing funding to ensure that the Transaction Conditions are met, but as a result of going beyond the long-stop date, in the period, we have also been required to amend and extend the SPA and AFA. ■ Where the sale of any non-perimeter entities have completed, we have fulfilled any post-sale obligations and undertake the reasonable work required to support the transfer of assets to the purchaser, such as novation of contracts or leases, communications as necessary with counter-parties, completion of transfer documentation etc. ■ Insurance: worked with our insurance brokers to agree the scope of any ongoing insurance requirements and confirmed that no open insurance required for the case. ■ Bonding: arranged specific penalty bonding for each of the joint administrators following their appointment, paying premiums and cancelling the bonds once the appointment comes to an end. 	<ul style="list-style-type: none"> ■ The sale of business provides a direct financial benefit for creditors and includes the work required after completion pursuant to the terms of the sale agreement, or otherwise. ■ Bonding provides financial protection for preferential and unsecured creditors in respect of the actions of the insolvency practitioners and up to the value of the Companies assets estimated to be available for those classes of creditors. Bonding is a statutory requirement for all insolvency practitioners.

Appendix C: Joint Administrators' Remuneration and Expenses

In broad terms our work includes realising the Company's assets, quantifying its liabilities and returning funds to creditors, managing the Company's affairs and fulfilling our statutory obligations as joint administrators.

Area of work	Description of work	Reason and benefit for creditors
Dealing with Creditors	<ul style="list-style-type: none"> ■ Secured creditors: liaised with and reported periodically to the Secured Creditors. This includes providing updates on the progress of the Administrations and the Transaction and making relevant funding drawdown requests to the Secured Creditors as required. ■ Where required, maintain our systems to record and maintain creditor details, claims received, the determination thereon and the payment of dividends. ■ Creditor queries: for all classes of creditors, shareholders and other third parties: responding to inbound queries received to the extent possible and necessary. 	<ul style="list-style-type: none"> ■ Where available, distributions and dividends represent a repayment to creditors in respect of the amounts owed to them by the Company and therefore is a tangible financial benefit from the insolvency proceedings. ■ Responding to general inbound queries can take considerable time and does not have a direct financial benefit for creditors, except for example (for individual creditors) where it is to provide debt confirmations for the purpose of credit insurance claims. To the extent possible, we encourage creditors to review information already available on our website.
Supervising Trading	<ul style="list-style-type: none"> ■ Cash Management: liaised with management on the cash requirements of the Group to ensure that the entities within the Transaction perimeter are kept solvent so that value is preserved. ■ As part of this process, we conducted weekly reviews and forecasts of the cash position of the Administrations and where appropriate, made the relevant drawdown funding requests to the Secured Creditors so that there was sufficient cash in the Group to meet its working capital needs. 	<ul style="list-style-type: none"> ■ By ensuring the Group remains solvent, this facilitates and enables for the Transaction to complete, which is the main asset to be realised in the Administrations. ■ This has a direct benefit to creditors as this will reduce the level and quantum of inbound claims to the Group and ensures value is preserved in the Transaction.

Appendix C: Joint Administrators' Remuneration and Expenses

In broad terms our work includes realising the Company's assets, quantifying its liabilities and returning funds to creditors, managing the Company's affairs and fulfilling our statutory obligations as joint administrators.

Area of work	Description of work	Reason and benefit for creditors
Managing the Company's Affairs	<ul style="list-style-type: none"> ■ Corporation Tax: provided the relevant information to EY so that they can prepare and submit the necessary and periodic tax returns falling due during the Administrations. ■ VAT: In the period, we have registered the Companies for VAT and prepared the necessary and periodic VAT returns falling due during the Administrations. This work has included maintaining adequate VAT accounts as well as having the relevant discussions on whether VAT is recoverable. ■ To facilitate the above work, an initial review was performed by our internal Tax and VAT specialists; and all the information likely to be required has been obtained from the Company's records and HMRC. ■ Books and records: agreed the strategy for the safeguarding and destruction (when required) of the Company's records. In the period we have obtained a data capture of certain of the Company's electronic records, secured possession of the statutory books and other records likely to be required for the purpose of the Administration; including in respect of our duties to review the conduct of the directors. ■ Bank account management: opened fixed and floating charge bank accounts (under our control) for the purpose of depositing sale proceeds and other receipts, paying expenses and making distributions to creditors. Accounts are closed when no longer required and before we cease to act; and are reconciled on a monthly basis. ■ Receipts, payments and accounting journals: maintained adequate accounting records for the period of the Administration, including the payment of costs and expenses. 	<ul style="list-style-type: none"> ■ We have a statutory responsibility to complete and submit post-insolvency tax and VAT returns and account for any tax due. ■ As circumstances can often be complex, the involvement of our VAT and tax specialists ensures that the Company pays the correct amount of tax, to avoid adversely impacting any amounts available for creditors. ■ Dealing with the Company's books and records does not necessarily give a financial benefit to creditors, although they are essential when any defending actions against the Company's from third parties and when adjudicating creditor claims. ■ Opening bank accounts for the Administration avoids the costs and logistics of taking control of the Company's existing accounts (which are usually closed shortly after appointment). Regular reconciliations of the new accounts assist in maintaining accurate records for the Administration.

Appendix C: Joint Administrators' Remuneration and Expenses

In broad terms our work includes realising the Company's assets, quantifying its liabilities and returning funds to creditors, managing the Company's affairs and fulfilling our statutory obligations as joint administrators.

Area of work	Description of work	Reason and benefit for creditors
Fulfilling our Statutory Duties	<ul style="list-style-type: none"> ■ Initial letters and notices: issued all necessary correspondence following our appointment to creditors, directors, Companies House, HMRC and others. As a pre-pack transaction was executed, we issued our SIP 16 Statement to creditors and our regulatory body. ■ Statement of affairs: requested statements from the directors and responded to queries from the directors and filed signed statements with Companies House. ■ Proposals: prepared and issued our statement of proposals (for achieving the purpose of the Administrations) to creditors, members and filing with Companies House. Giving notice of the approval of the proposals to the above parties and the Court. ■ Progress reports: prepared first six-monthly progress reports to creditors, including receipts and payments accounts. ■ CDDA and SIP2 Assessment: gathered information from the directors and other sources, conducted an initial assessment of the Company's affairs and the conduct of its current and former directors; and submitted information to the Insolvency Service (acting for the Secretary of State). 	<ul style="list-style-type: none"> ■ Due to the impact of insolvency on a company's creditors and members, there are statutory requirements to give notice of the appointment of administrators to affected parties. There is no financial benefit to creditors. ■ The various other workstreams arise from statutory requirements due to the Company being in an insolvency process and similarly do not have any direct financial benefit for creditors. Many requirements are for the purpose of keeping creditors informed about the Administration and to protect their interests generally.

Appendix C: Joint Administrators' Remuneration and Expenses

An overview of the types of expenses incurred.

Definition of expenses

- Expenses are any payments from the estate which are neither office-holders' remuneration nor a distribution to a creditor or a member. Expenses also include disbursements. Disbursements are payments which are first met by the office-holder and then reimbursed to the office-holder from the estate.
- Expenses are divided into those that do not need approval before they are charged to the estate (category 1) and those that do (category 2):
 - Category 1 expenses: These are payments to persons providing the service to which the expense relates who are not an associate of the office-holder. Category 1 expenses can be paid without prior approval.
 - Category 2 expenses: These are payments to associates or which have an element of shared costs. Before being paid, category 2 expenses require approval in the same manner as an office-holder's remuneration. Category 2 expenses require approval whether paid directly from the estate or as a disbursement.
- The types of disbursements categorised as Category 1 expenses typically include external supplies of incidental services specifically identifiable to the case such as postage, statutory case advertising, bonding, invoiced travel and external services such as printing, room hire and document storage. Also included would be any properly reimbursed expenses incurred by personnel in connection with the case.
- The types of disbursements categorised as Category 2 expenses typically include mileage, in-house printing and electronic data storage.

Professional advisors and subcontractors

- The table on the next page provides details of professional advisors and subcontractors that we have engaged on this project. The use of subcontractors is in relation to work that we could have done (subject to the exceptions detailed below), but that we have outsourced.
- Our choice of professional advisors and subcontractors was based on our perception of their experience and ability to perform this type of work and the complexity and nature of the assignment.
- We also considered that the basis on which they will charge their fees is appropriate in the circumstances. Other than the legal advice and insurance services, the work could have been undertaken by our teams, but we have outsourced it as we consider it to be more cost effective and the providers have relevant specialist experience. We have reviewed the fees they have charged and are satisfied that they are reasonable in the circumstances of this case.
- Details of the expenses incurred in the Period with these third parties (whether paid or not) are set out later in this Appendix. This amounts paid are shown in the Receipts and Payments account at Appendix B.
- Also shown is our current estimate of total expenses and a comparison to our initial estimate (the details given to creditors prior to the determination of the basis of our remuneration).
- We have also utilised the services of other teams within FTI Consulting LLP to assist with the Administration process. The fees of our Tax and Technology teams have been included within the basis of our remuneration. We consider that the rates chargeable for these services are in line with general market practice and that the service is at least comparable to similar firms of professional advisors. In addition, by working closely with our internal teams, we believe a more coordinated and cost-effective approach to the Administration workstreams has been possible

Appendix C: Joint Administrators' Remuneration and Expenses

The table shows the professional advisors and subcontractors engaged on the Administration.

Payee / firm	Service provided	Reason selected	Basis of fees/costs
Covington	<ul style="list-style-type: none"> Lead advisor for the marketing and sales process for LDx Brazil Holdings, LDx Colombia Holdings and their respective operating subsidiaries. 	Experienced investment bankers with familiarity and knowledge of the subsidiaries.	Agreed fixed contingent fee upon sale completion
Fried Frank	<ul style="list-style-type: none"> Legal advice on the appointment and the sale agreement. 	Experienced legal advisors in insolvency, including cross-border. Familiarity with the Companies (as incumbent legal advisors) and the Transaction from pre-appointment involvement.	Time costs and expenses
Gowling	<ul style="list-style-type: none"> Legal advice in relation to CMA submissions and queries. 	Experienced provider to insolvency practitioners and specialists in competition regulation.	Time costs and expenses
EPE Reynell	<ul style="list-style-type: none"> Gazette Notices 	Experienced provider to insolvency practitioners.	Agreed tariff for Gazette notices
Aon UK Limited	<ul style="list-style-type: none"> Insurance Risk Services 	Experienced provider of insurance broking services to insolvency practitioners, with an approved facility in place for appointments taken by insolvency practitioners at FTI.	Insurance premiums
EY	<ul style="list-style-type: none"> Tax advice and preparation of the Companies Corporation Tax returns 	Experienced tax advisors and familiarity with the Companies (as incumbent tax advisors) and the Transaction from pre-appointment involvement.	Agreed fixed fee
Nexdigm Private Limited	<ul style="list-style-type: none"> Advisor for the wind down and proposed future voluntary liquidation of LDx India 	Experienced insolvency advisors in India, selected by the directors of LDx India as professional advisors	Agreed blended fee basis, with both fixed, time and materials basis subject to work undertaken
Prism	<ul style="list-style-type: none"> Analysis of the Companies' pre-administration bank accounts and transactions 	Specialist supplier familiar with insolvency processes and administrators' investigation obligations.	Agreed fixed fee

Appendix C: Joint Administrators' Remuneration and Expenses

The tables show our firm's policy for the recovery of disbursements and the amounts incurred in the Period. Amounts paid are shown on the enclosed receipts and payments accounts.

Disbursements (LDx Group)

Category	Policy	Incurred in the Period (\$)
1	All other disbursements reimbursed at cost:	279
	■ Specific bonding	122
	■ Statutory Advertising	10
	■ Taxis	
		411

Disbursements (LDx International)

Category	Policy	Incurred in the Period (\$)
1	All other disbursements reimbursed at cost:	279
	■ Specific bonding	122
	■ Statutory Advertising	10
	■ Taxis	28
	■ Registration Fees	
		439

Appendix C: Joint Administrators' Remuneration and Expenses – LDx Group

The table below should be read in conjunction with the receipts and payments account which shows expenses actually paid during the Period and the total paid to date.

Category (all amounts shown in USD)	Notes	Incurred in the Period	Estimated future	Estimated total	Expenses estimate ¹	Variance
Interest accrued on administration funding	1	2,209,891.83	Uncertain	Uncertain	Nil	Uncertain
Legal fees	2	1,642,806.27	504,355.50	2,147,161.77	321,945.00	(1,825,216.77)
Officeholders' expenses	3	411.60	400.00	811.60	2,500.00	1,688.40
Bank charges	4	116.42	120.00	236.42	-	(236.42)
Totals	5	3,853,226.12	504,875.50	2,148,209.79	324,445.00	(1,823,764.79)

- As part of the AFA, the administrators have agreed a fixed annual interest rate on borrowing. LDx Group has accrued interest expenses of \$2.21m during the Period, on borrowing of \$56.9m. This will be off-set by future interest received on LDx Group's lending to Group subsidiaries, which is also accruing at the same interest rate. Total lending to Group entities in the Period was \$52.4m, with interest due of \$1.73m.
- In relation to legal fees, at the time of issuing our Proposals and SIP 16 statement, we did not have any provisions in relation to the CMA conducting an investigation, nor this going beyond the initial agreed date in the AFA and SPA. As such, we have since engaged Gowling, who are legal specialists in competition regulation as well as incurring unanticipated time costs and expenses with Fried Frank due to the delay in completing the Transaction.
- Detail was provided on the previous page in relation to officeholders' expenses and this includes statutory advertising and specific bonding, which were separate estimates in our Proposals. Therefore, these amounts have been consolidated within the expenses estimate previously provided.
- No initial estimate was made for bank charges as these only occur on certain types of transactions.
- The expenses estimate was provided to creditors in our Proposals and SIP 16 statement on 29 December 2023. The expenses estimate does not represent a cap on the amount of expenses that can be paid, and approval for payment is only required for those that are Category 2 expenses, as previously defined. We do not anticipate incurring any Category 2 expenses.

Appendix C: Joint Administrators' Remuneration and Expenses – LDx International

The table below should be read in conjunction with the receipts and payments account which shows expenses actually paid during the Period and the total paid to date.

Category (all amounts shown in USD)	Notes	Incurred in the Period	Estimate future	Estimated total	Expenses estimate ¹	Variance
Interest accrued on administration funding	1	144,038.06	Uncertain	Uncertain	Nil	Uncertain
Legal fees	2	40,496.40	7,398.33	47,894.73	173,355.00	125,460.27
Officeholders' expenses	3	411.60	400.00	811.60	2,500.00	1,688.40
Bank Charges	4	15.23	50.00	65.23	-	(65.23)
Totals	5	184,961.29	7,848.33	48,771.56	175,855.00	127,083.44

1. As part of the AFA, the administrators have agreed a fixed annual interest rate on borrowing. LDx International has accrued interest expenses of \$144k during the Period, on borrowing of \$2.3m.
2. In relation to legal fees, at the time of issuing our Proposals and SIP 16 statement, we did not estimate going beyond the initial agreed longstop date for the AFA and SPA. As such, we have incurred some unanticipated time costs and expenses with Fried Frank.
3. Detail was provided on the previous page in relation to officeholders' expenses and this includes statutory advertising and specific bonding, which were separate estimates in our Proposals. Therefore, these amounts have been consolidated within the expenses estimate previously provided.
4. No initial estimate was made for bank charges as these only occur on certain types of transactions.
5. The expenses estimate was provided to creditors in our Proposals and SIP 16 statement on 29 December 2023. The expenses estimate does not represent a cap on the amount of expenses that can be paid, and approval for payment is only required for those that are Category 2 expenses, as previously defined. We do not anticipate incurring any Category 2 expenses.

Appendix D: An introduction to insolvency

If you are unfamiliar with an insolvency process, please read this page which describes the typical work and role of an insolvency practitioner. This is only a general overview and does not necessarily reflect our work in this case.

What is an insolvency process?

There are several types of insolvency process, but all are intended to achieve the same basic objective: to realise assets that the company owns and repay (to the extent possible) what it owes to creditors.

The type of process depends on the circumstances and the amount distributable to creditors (in accordance with statutory priorities) depends on the value of assets, the costs of the process and level of claims received.

What is an insolvency practitioner?

Commonly referred to as an 'IP', an insolvency practitioner is an experienced and qualified individual who is licensed and authorised to act in relation to an insolvent company, partnership or person.

IPs typically use the staff and resources of their own firm to complete the work, supported by third party professionals and other specialists as required.

IPs are routinely monitored by their professional body to ensure continued adherence to standards.

Realising the Assets

The IP evaluates possible options and pursues the best route for maximising value for creditors. Options could include an immediate sale of the business, a period of ongoing trading (prior to a sale) or a closure/wind-down of operations.

The costs of realising the assets can vary significantly, so an IP is looking to maximise the net value (after costs). Securing the ongoing employment of the workforce can materially reduce claims against the company.

Work done on realising the assets has a direct financial benefit for creditors.

Managing the Company's Affairs

Until such time as the company is dissolved, it must continue to fulfil many of its usual obligations, such as submitting VAT/tax returns and keeping adequate accounting records.

Whilst appointed to manage the affairs of the company, the IP is responsible for ensuring these obligations are met. Support from VAT/tax specialists in insolvency situations helps to ensure accuracy and minimise liabilities.

Other work might include complying with any licensing or regulatory requirements.

Dealing With Creditors

It can take several months, often longer, but if and when funds become available, the IP will distribute these to creditors once their claims have been received and agreed.

As secured creditors usually have priority rights over the assets, the amount left over for other non-preferential unsecured creditors can often be very small.

IPs keep creditors updated on their work, either through periodic reports or responding to their queries and correspondence.

Fulfilling our Statutory Duties

The impact of an insolvency can be wide ranging, so IPs are required to issue notices and periodic reports to notify those affected parties and keep them updated.

The company's affairs and conduct its directors must also be investigated to see whether any asset recovery (or other actions) need to be taken.

Whilst this work does not have any direct financial benefit for creditors, the purpose of insolvency law is to protect the interests of creditors.

Regular internal case reviews ensure the process progresses cost effectively and on a timely basis.

Appendix E: Legal Notices

We have set out below some important notices regarding this report and the appointment of administrators.

About this report

- This report has been prepared by the Joint Administrators solely to comply with their statutory duty to report to creditors under the Insolvency (England and Wales) Rules 2016 on the progress of the insolvency proceedings.
- It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.
- This report has not been prepared in contemplation of it being used, and is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in the Company or Companies subject to these insolvency proceedings.
- Any person that chooses to rely on this report for any purpose or in any context other than under the Insolvency (England and Wales) Rules 2016 does so at its own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of this report to any such person.
- Any estimated outcomes for creditors included in this report are illustrative only and cannot be relied upon as guidance as to the actual outcome for creditors.

Provision of Services Regulations

- To comply with the Provision of Services Regulations, some general information about FTI Consulting LLP, including about our complaints policy and Professional Indemnity Insurance, can be found online at: <https://www.fticonsulting.com/uk/creditors-portal>.

Information on creditors' rights

- A creditors' guide to administrations can be found on our website below. It includes information to help creditors understand their rights and describes how best these rights can be exercised.
<https://www.fticonsulting.com/uk/creditors-portal/forms-and-information>
- The website also has a creditors' guide to administrators' fees which is intended to help creditors be aware of their rights under legislation to approve and monitor fees; and explains the basis on which fees are fixed and how creditors can seek information about expenses incurred by the administrator and challenge those they consider to be excessive.
- The above documents on our website are called:
 - Creditors Guide to Administration (E&W, February 2023)
 - Guide to Administrators Fees April 2021 England Wales
- Details of the above rights are also set out on the right.

Data Protection

- FTI Consulting LLP ("FTI") uses personal information in order to fulfil the legal obligations of its insolvency practitioners under the Insolvency Act and other relevant legislation, and also to fulfil the legitimate interests of keeping creditors and others informed about the insolvency proceedings. You can find more information on how FTI uses your personal information in our Data Privacy statement on our website at <https://www.fticonsulting.com/uk/creditors-portal>.

Creditors' Right to Challenge Remuneration and/or Expenses

- Any secured creditor, or unsecured creditor with the support of at least 10% in value of the unsecured creditors, or with the leave of the Court, may apply to the Court for one or more orders (in accordance with Rule 18.36 or 18.37 IR16), challenging the amount or the basis of the remuneration which the Joint Administrators are entitled to charge or otherwise challenging some or all of the expenses incurred.
- Such application must be made within eight weeks of receipt by the applicant(s) of the report detailing the remuneration and/or expenses in question, in accordance with Rule 18.34 IR16.

Creditors Right to Request Information

- Any secured creditor or unsecured creditor with the support of at least 5% in value of the unsecured creditors, or with the leave of the Court, may, in writing, request the Joint Administrators of the Company to provide additional information regarding remuneration or expenses to that already supplied within this document. Such requests must be made within 21 days of receipt of this report, in accordance with Rule 18.9 IR16.



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