

The Montreux Healthcare Fund PLC

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The Montreux Healthcare Fund Plc (“the Fund”) – Notice to Investors – Refinance update

Dear Investor

The Board previously advised investors that the Fund’s underlying investment, The Active Care Group (ACG), had entered into discussions with its lenders with a view to achieve a restructure of its existing debt facilities.

This situation had arisen by virtue of the fact that the maturity date for its various facilities had reached a stage where the repayment dates on the facilities had fallen within the less than 12 month period which under accounting standards meant they were classified as current liabilities. This caused an issue with the auditors issuing a “going concern” opinion in the audited statements thus delaying the completion of the audit.

In tandem with this process Rothschilds & Co. were engaged to attempt to procure a full refinance of the facilities through an alternate debt provider.

Rothschilds & Co. were however unable to procure an alternate debt provider and therefore an agreement had to be reached with existing lenders for an extension to the current facilities.

The Fund also wrote to existing investors with a view to potentially raising £50m through a Preference Share issue. However, whilst sufficient investors approved the issuing of Preference Shares in principle, there were insufficient commitments to subscribe for such shares.

The Board of the Fund, whilst not being a party to the various discussions, were advised that a number of solutions had been identified and presented to the lenders and these were positively received and actively being pursued.

However, on Wednesday evening, the Board were advised that the senior lenders had enforced their rights under the lending agreements and the ownership of ACG had been transferred to a newly established entity, which the Board is working to ascertain details of. The Board are currently trying to assess the impact of this action and have engaged professional advisors to gather as much information as possible and to advise on the possible avenues open to the Fund to attempt to rectify the position. The Fund’s Investment Advisor – Montreux Capital Management (UK) Limited - is also actively engaged in seeking a solution to the situation.

The Board will advise investors when more information is available.

Investors who have any queries should contact the Fund’s Investment Advisor by email to info@montreuxcm.com.

Barry Monks

On behalf of the Fund