

Signing

Elli Finance (UK) Plc (in administration) and Elli Investments Limited (in administration)

2 November 2020

ANNOUNCEMENT

£350,000,000 of 8.750% Senior Secured Notes due 2019

£175,000,000 of 12.250% Senior Notes due 2020

(Collectively referred to as the “Notes”)

(ISIN: XS0794786011 / ISIN: XS0794785633

ISIN: XS0794787415 / ISIN: XS0794787175)

Issued by Elli Finance (UK) Plc (in administration) and Elli Investments Limited (in administration (the “Issuers”, and together with their subsidiaries the “Group”)

The Notes are admitted to the Official List of the Irish Stock Exchange, but remain suspended from trading on the Global Exchange Market.

The Issuers and Richard Fleming, Mark Firmin and Richard Beard of Alvarez & Marsal Europe LLP in their capacity as administrators of the Issuers (the “Joint Administrators”) refer to previous announcements on a sale process for The Huntercombe Group (“THG”).

The Joint Administrators are pleased to announce that a conditional sale and purchase agreement has been entered into with Trident Group OpCo 1 Limited, Trident Group OpCo 2 Limited, Trident Group OpCo 3 Limited and Trident Group Manco Limited, for and on behalf of Montreux Capital Management (UK) Limited (the “Buyer” or “MCM”) relating to the sale of the business and assets of certain sites within the THG business for an aggregate value of £35,000,000 in cash (the “Transaction”). Completion of the Transaction is subject to customary closing conditions including regulatory approvals, with completion anticipated to take place in Q1 of 2021 and further announcements will be made in due course.

As part of the sale the Group will provide transitional services to the Buyer for a limited period.

THG provides hospital and residential care for young people and adults with mental illness, brain injuries which require rehabilitation or ongoing neurological care, or who have learning disabilities or physical disabilities. Patients and residents range from children to young teenagers to adults in their 60s. Services are delivered in specialist hospital registered facilities, or social care registered settings, where complex clinical and social care services are provided.

MCM is a healthcare specialist investment firm focusing specifically on the UK specialist care market. MCM has a strong track record of UK specialist care investments, such as its investment in Active Care Group, which supports over 2,000 patients across 60 locations in England, Scotland and Wales.

The Group’s priority remains the continuity of care for all patients and residents, and the Group will work closely with the Buyer and relevant regulators to ensure that the transition of the THG sites and staff to the Buyer is seamless.

The Transaction represents a key milestone in the Group’s ongoing restructuring process. As part of this process, the Joint Administrators continue to explore all possible options for the

remainder of the Group's organisational and capital structure, including potential portfolio sales of parts of the Group's care home business, with a near-term focus on Northern Ireland.

Costs relating to the Transaction and any sale in respect of the Northern Ireland portfolio are estimated to be in the region of £11m - £13m, including costs in relation to the unwind of negative working capital of £9m – 11m, broker fees of approximately £0.8m and certain legal costs of £1.0m.

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