

FINEX SICAV SIF S.A.
Société anonyme - Société d'investissement à capital variable
Fonds d'investissement spécialisé
25A, boulevard Royal, L-2449 Luxembourg
RCS : Luxembourg B 162428
(the "**Company**")

NOTICE TO INVESTORS
FINEX SICAV SIF S.A. – JC SPECIAL OPPORTUNITY

Luxembourg, 30 August 2022

Dear shareholder,

Reference is made to our previous notice dated 22 November 2021 and 27 January 2022 informing the relevant shareholders on the status of the assessment of the valuation of the relevant assets of the sub-fund of the Company "Finex SICAV SIF S.A. – JC Special Opportunity" (the "**Sub-Fund**"), as well as notices dated 26 April 2021 and 13 July 2021. The board of directors of the Company (the "**Board of Directors**") would like to hereby inform you and all other shareholders of the situation of the Sub-Fund.

As a reminder, the Company is an umbrella fund launched on 21 July 2012 and the Sub-Fund was launched on 30 June 2015.

JC CAPITAL SA, a wholly-owned subsidiary of the Company ("**JC CAPITAL**") through which the Sub-Fund realises its investments, has funded:

- Two Italian companies specialised in the purchase of receivables from the health sector in Italy: TEDA MERCHANT S.p.A for a total nominal amount of EUR 51,8 million and S.O. CAPITAL S.R.L. for a total nominal amount of EUR 21,7 million;
- FARMACIA MARCELLO CONTE in Angri (Italy) for a total nominal amount of EUR 1,5 million.

Please find below the status of these investments:

TEDA MERCHANT S.p.A

At the beginning of 2020, TEDA MERCHANT S.p.A experienced liquidity problems.

These difficulties were mainly due to the COVID 19 crisis and particularly due to the decision of the Italian authorities to freeze the repayment of their debts to the health sector and forbid any legal action from companies to recover payments due by Italian Administrations. As a result, payments to TEDA MERCHANT S.p.A were suspended, leading to the same issue at the level of JC Capital, since May 2020, except for a payment of 3 million in April 2021.

As explained in the notice to investors dated 13 July 2021, the Board of Directors has consequently decided to defer the payment of the redemption proceeds in respect of each application for redemption of shares of the Sub-Fund through a staggered approach.

Further to the suspension of payment by TEDA MERCHANT S.p.A, an injunction to pay the remaining nominal amount of EUR 49 million was sent to the latter by JC Capital on 12 October 2021. On 6 December 2021, a precautionary seizure procedure was initiated against TEDA MERCHANT S.p.A. Despite the fact that JC CAPITAL and the Sub-Fund have tried several times to enter in discussion with TEDA MERCHANT S.p.A to settle this case, TEDA MERCHANT S.p.A never gave any answer and legal proceedings are underway.

TEDA MERCHANT S.p.A has granted several loans to pharmacies in Italy, without appropriate guarantee, and the aforesaid pharmacies refused to reimburse these loans. As a result, the Sub-Fund's external valuation advisor (the "**Advisor**"), appointed by Finexis S.A., acting as alternative investment manager of the Fund (the "**AIFM**"), to assist the AIFM in the valuation of certain assets of the Sub-Fund held through JC CAPITAL, was unable to determine the real value of these loans, which led, *inter alia*, to the suspension the calculation of the net asset value of the Sub-Fund as explained in the notice to investors dated 6 October 2021. These loans have a nominal total of EUR 7,14 million.

Next steps contemplated:

- Introduction of an appeal against the decision of the Judge of SALERNO refusing to statute on the seizure of TEDA MERCHANT S.p.A's assets;
- Introduction of civil proceedings before the Commercial Court of NAPLES further to the declaration of lack of jurisdiction of the Court dated 22 July 2022 pursuant to a hearing held on 15 July 2022; and
- Introduction of criminal proceedings against the directors of TEDA MERCHANT S.p.A.

S.O. CAPITAL S.r.l.

The investment scheme is the same as for TEDA MERCHANT S.p.A with liquidity issues starting during the last quarter of 2020 and suspension of payments to JC Capital.

Discussions are currently still ongoing with S.O. CAPITAL S.r.l and the latter has committed to resume the payments under the facilities granted to it during the 3rd quarter 2022, in line with the Italian State's department in charge of Health System.

Next steps contemplated:

- S.O. CAPITAL S.R.L. has initiated proceedings against different Italian State's departments in charge of Health System to force them to pay within a reasonable period of time; and
- Payments to JC Capital are expected to be made as from October 2022.

FARMACIA MARCELLO CONTE

In May 2021, the AIFM has been informed that the director in charge of the day-to-day management of JC CAPITAL had been convicted by the Italian court of first instance for having granted a loan for a

nominal amount of EUR 1,5 million loan in 2016, to FARMACIA MARCELLO CONTE, without the authorisations required by Italian rules, therefore the facilities granted to FARMACIA MARCELLO CONTE is challenged by the competent authorities and FARMACIA MARCELLO CONTE. As of the date of this notice, no repayment of capital and interest has been made to JC CAPITAL.

Next steps contemplated:

- The competent court of appeal is expected to render its decision in the first quarter of 2023 regarding the qualification of the facilities arrangement.

As of the date of this notice, based on the report prepared by the Advisor, the Board of Directors and the AIFM consider that:

- 50% of the remaining nominal amount of EUR 51.8 million owed by TEDA MERCHANT S.p.A. and 0% of the interest due are recoverable.
- 100% of the remaining nominal amount of EUR 21,750 million owed by S.O. CAPITAL S.R.L. and 100 % of the interest due are recoverable, considering that the underlying and loans made by S.O. CAPITAL S.R.L are concluded with the Italian State,
- 0% of the remaining nominal amount of EUR 1,5 million owed by FARMACIA MARCELLO CONTE and 0% of the interest due are recoverable.

The Board of Directors also anticipates that the possibility of resuming the calculation of net asset value of the Sub-Fund will be reconsidered at latest by 31 October 2022.

We will inform you as soon as we are able to provide you with more information on the situation of the Sub-Fund. If you have any question in respect of the above, please address your query by letter to the Board of Directors at the registered office of the Fund, to the attention of the Board of Directors.

Sincerely yours,

The Board of Directors of **FINEX SICAV SIF SA**