

JZ CAPITAL PARTNERS LIMITED

(a closed-end collective investment scheme incorporated with limited liability under the laws of Guernsey with registered number 48761)
LEI: 549300TZCK08Q16HHU44

Real Estate Valuations

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF THE MARKET ABUSE REGULATION (EU) NO. 596/2014 ("MAR").

17 September 2020

JZ Capital Partners Limited ("JZCP" or the "Company"), the London listed fund that invests in US and European micro-cap companies and US real estate, today announces that it has now received appraisals for most of its real estate portfolio assets as at 31 August 2020. The Board and the Company's investment adviser had, as previously announced in the Company's annual results for the year ended 29 February 2020, commissioned these further appraisals to establish an updated value of its real estate investments in light of the effects of the Covid-19 pandemic, believing its impact to be potentially significant and adverse though its quantum could not be estimated at the time.

Whilst the Company has not yet received all of the appraisals and is still in the process of reviewing those that it has received, the newly received appraisals do, in line with the Company's previously announced expectation in its annual results, indicate materially lower valuations. As a consequence, the Company expects it will likely experience further net write downs; based on the information at the Company's disposal at this time, the Company currently believes the mark down to its net asset value could be in the approximate range of between \$80 to \$100 million, subject to receiving and reviewing all of the appraisals. The Company will make further announcements regarding the appraisals and related write downs as required.

As a consequence of the aforementioned write downs, the Company currently expects that it will require a waiver under its senior facility with Guggenheim Partners, as the Company will breach its minimum asset coverage ratio by the end of September 2020. The Company is working towards and expects to receive such a waiver. Absent this waiver (or otherwise obtaining consent), the Company will be prohibited from making an interest payment due on 30 September 2020 to the holders of its Convertible Unsecured Loan Stock due 2021 ("CULS"). Any interest not paid under the CULS in accordance with the terms of the subordination agreement to which the CULS are subject will not constitute a default under the CULS. Again, as mentioned above, the Company does expect to receive a waiver (or to otherwise obtain consent) to allow for the payment of the upcoming interest payment under the CULS.

Moreover, the Company and its lenders have made significant progress in their ongoing discussions to amend the current lending arrangements in a favourable way to the Company. As is the case for the real estate valuations, the Company will make further announcements as required in relation to the status of discussions with its lenders including their impact on the CULS as matters progress. Separately, the Company is pleased to report that its US micro-cap portfolio is performing quite well and positive progress is being made in relation to the previously announced secondary sale of certain of its US micro-cap assets. It is anticipated that the Company will reach an agreement in the near term on the secondary sale and an announcement will follow. The secondary sale if completed will provide the Company with the needed liquidity to repay a substantial portion of its senior debt. The Company remains committed to its strategy of realising value from its investment portfolio, and to paying down debt in the first order.

Market Abuse Regulation:

The information contained within this announcement is inside information as stipulated under MAR. Upon the publication of this announcement, this inside information is now considered to be in the public domain. The person responsible for arranging for the release of this announcement on behalf of JZCP is David Macfarlane, Chairman of JZCP.

For further information:

Ed Berry FTI Consulting	+44 (0) 20 3727 1046
David Zalaznick Jordan/Zalaznick Advisers, Inc.	+1 (212) 485 9410
Sam Walden Northern Trust International Fund Administration Services (Guernsey) Limited	+44 (0)1481 745385

Important Notice

This announcement includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements relate to matters that are not historical facts. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. The Company's actual investment performance, results of operations, financial condition, liquidity, policies and the development of its strategies may differ materially from the impression created by the forward-looking statements contained in this announcement. In addition, even if the investment performance, result of operations, financial condition, liquidity and policies of the Company and development of its strategies, are consistent with the forward-looking statements contained in this announcement, those results or developments may not be indicative of results or developments in subsequent periods. These forward-looking statements speak only as at the date of this announcement. Subject to their legal and regulatory obligations, each of the Company, the Investment Adviser and their respective affiliates expressly disclaims any obligations to update, review or revise any forward-looking

statement contained herein whether to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based or as a result of new information, future developments or otherwise.