

JZ CAPITAL PARTNERS LIMITED (the "**Company**")

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

LEI: 549300TZCK08Q16HHU44

**Proposed return of capital to Ordinary Shareholders
of up to US\$30 million by way of Tender Offer and resultant Off-Market Acquisitions
to purchase Ordinary Shares at US\$9.39 per Ordinary Share**

and

**Recommended Proposals to approve:
The Company's proposed disposals of ownership interests in each of
Jordan Health Products, LLC ("Avante"), MERS Holdings, LLC ("MERS") and Tech
Industries, LLP ("Orizon") to Edgewater Growth Capital Partners and related additional
investments in Avante, MERS and Orizon
and**

Amendments to the Articles of Incorporation of the Company

and

Notice of Extraordinary General Meeting

26 July 2019

Unless otherwise defined herein, capitalised terms used in this document have the meanings given to them in the Circular of the Company dated 26 July 2019.

The Company announces today that it is posting a Circular to Shareholders containing details of a Tender Offer pursuant to which the Company proposes to return capital to Ordinary Shareholders of up to US\$30 million by way of Tender Offer and resultant Off-Market Acquisitions to purchase Ordinary Shares at US\$9.39 per Ordinary Share (in each case, such US Dollar amounts to be translated to Pounds Sterling).

In addition to containing details of the Tender Offer, the Circular also convenes an Extraordinary General Meeting of the Company to consider and, if thought fit, approve the following proposals:

- (a) the Company's proposed disposals of ownership interests in Jordan Health Products, LLC ("**Avante**") and MERS Holdings, LLC ("**MERS**") to Edgewater Growth Capital Partners ("**Edgewater**"), and related additional investments in Avante and MERS with Edgewater (the "**Avante-MERS Proposal**");
- (b) the Company's proposed disposal of ownership interest in Tech Industries, LLP ("**Orizon**") to Edgewater, and related additional investments in Orizon with Edgewater (the "**Orizon Proposal**"); and
- (c) certain proposed amendments to the Articles of Incorporation of the Company, and the adoption of new Articles of the Company in substitution for, and to the exclusion of, the Company's existing Articles (the "**Articles Amendments**"),

(together, the "**Proposals**").

Tender Offer and resultant Off-Market Acquisitions

Details of the Tender Offer and resultant Off-Market Acquisitions

As announced by the Company on 8 May 2019, among other strategic initiatives, the Company intends to return, by way of a Tender Offer (or a series of Tender Offers), approximately US\$100 million of capital to Ordinary Shareholders at a maximum discount to NAV of 5 per cent. On 29

May 2019, the Company posted a circular to Shareholders seeking such Shareholder approval for, among other things, a Market Acquisition Authority and an Off-Market Acquisition Authority, being the Buy Back Authorities, in order to carry out a tender offer (or series of tender offers) in relation to the Company's Ordinary Shares and which were subsequently approved at an extraordinary general meeting of the Company held on 27 June 2019.

The Board is now pleased to announce the details of a Tender Offer pursuant to which the Company proposes to return capital to Ordinary Shareholders via the Tender Offer and resultant Off-Market Acquisitions of up to US\$30 million (translated into Pounds Sterling at the Buy Back Exchange Rate), being the Buy Back Amount, by purchasing Ordinary Shares at US\$9.39 per Ordinary Share (also translated into Pounds Sterling at the Buy Back Exchange Rate), being the Tender Price. The maximum number of Ordinary Shares that may be bought back by the Company pursuant to the same will depend on the Buy Back Exchange Rate (being the USD/GBP exchange rate quoted by Bloomberg as at market close on the Tender Closing Date) but will be determined by such number of Ordinary Shares as is equal to the Buy Back Amount divided by the Tender Price, being the Maximum Buy Back Shares.

Tender Offer Price

The Tender Price of US\$9.39 per Ordinary Share is equivalent to 95 per cent. of the Company's nearest monthly NAV publicly available at the time of announcing the Tender Offer, which is in line with the Buy Back Authorities approved by Shareholders and the Company's previously stated intention to undertake tender offers at prices no wider than a five per cent. discount to NAV.

In addition to the Tender Price of US\$9.39 per Ordinary Share representing a discount of five per cent. to the relevant NAV, the Tender Price would also, based on an illustrative Buy Back Exchange Rate as at 25 July 2019, being the the Latest Practicable Date, of 1 USD : 0.80 GBP, represent a premium of 56.17 per cent. to the closing price of GBP 4.81 per Ordinary Share as at the Latest Practicable Date.

Structure and Size of the Tender Offer and resultant Off-Market Acquisitions

The Tender Offer is being made to Eligible Ordinary Shareholders, being holders of Ordinary Shares on the register of members of the Company as at 6.30 p.m. on 23 August 2019, being the Tender Record Date. The Tender Offer will unless extended close at 1.00 p.m. on 23 August 2019, being the Tender Closing Date. Eligible Ordinary Shareholders may participate in the Tender Offer by tendering all or some of their Ordinary Shares at the Tender Price of US\$9.39 per Ordinary Share (translated into Pounds Sterling at the Buy Back Exchange Rate) and tenders may be made at the Tender Price only.

Shareholders should however note that, whilst the Tender Offer is available to all Eligible Ordinary Shareholders, certain US Ordinary Shareholders, being David W. Zalaznick and affiliates, John (Jay) W. Jordan II and affiliates, Edgewater and Leucadia Financial Corporation, have irrevocably undertaken not to participate in the Tender Offer. Those US Ordinary Shareholders will instead have Ordinary Shares bought back from them as a result of the Tender Offer via the resultant Off-Market Acquisitions under the Articles of Incorporation of the Company. Such Off-Market Acquisitions are to be made pursuant to, and as required by, the terms of the Articles (and the arrangement known as the "CFC Buy Back Arrangement" included therein) and are expected to be made at the same Tender Price offered to Eligible Ordinary Shareholders participating in the Tender Offer. Further details of the CFC Buy Back Arrangement are included in the Circular as well as the separate circulars of the Company posted to Shareholders on 29 May 2019 and 20 April 2017.

For those other Eligible Ordinary Shareholders, each such Shareholder will be entitled to sell pursuant to the Tender Offer up to their Tender Offer Entitlement. An Eligible Ordinary Shareholder's Tender Offer Entitlement will depend on the Buy Back Exchange Rate but will be determined by such percentage of the Ordinary Shares registered in his, her or its name at 6.00

p.m. on the Tender Record Date that is equal to approximately the Maximum Buy Back Shares divided by the existing issued Ordinary Share capital of the Company multiplied by one hundred (100), rounded down to the nearest whole number of Ordinary Shares.

Eligible Ordinary Shareholders will also have an opportunity to sell more than their Tender Offer Entitlement to the extent that other Eligible Ordinary Shareholders tender less than their Tender Offer Entitlements, and subject to a cap that the Company has set as the limit for the maximum number of Ordinary Shares that the Company may purchase pursuant to the Tender Offer.

That cap set as the limit for the maximum number of Ordinary Shares that may be purchased by the Company pursuant to the Tender Offer will be such number of Ordinary Shares as is equal to the Maximum Tender Offer Shares, which is to be determined by reference to a proportion of the Buy Back Amount equivalent to an amount of up to **US\$12,930,012** (translated into Pounds Sterling at the Buy Back Exchange Rate) that the Company is proposing to return to Ordinary Shareholders via the Tender Offer, being the Tender Offer Amount. The Maximum Tender Offer Shares will depend on the Buy Back Exchange Rate but will be determined by such number of Ordinary Shares as is equal to the Tender Offer Amount divided by the Tender Price.

The cap has been set by the Company having regard to the fact that the aforementioned US Ordinary Shareholders have irrevocably undertaken not to participate in the Tender Offer. Specifically, the cap has been set by reference to a Tender Offer Amount that would be needed by the Company if all Eligible Ordinary Shareholders (other than those US Ordinary Shareholders) were to sell their Tender Offer Entitlements (or otherwise have them taken up as excess by other Eligible Ordinary Shareholders). As such, the cap of the Maximum Tender Offer Shares is less than the number of Ordinary Shares which would otherwise be purchased by the Company were all Eligible Ordinary Shareholders (including those US Ordinary Shareholders) to sell their full Tender Offer Entitlements.

The rationale for this is because, as mentioned above, the US Ordinary Shareholders who have irrevocably undertaken not to participate in the Tender Offer will instead have Ordinary Shares bought back from them as a result of the Tender Offer via the resultant Off-Market Acquisitions pursuant to, and as required by, the terms of the Company's Articles. As such, the remaining proportion of the Buy Back Amount (referred to below) and the number of Ordinary Shares which would otherwise have been available for repurchase from those US Ordinary Shareholders through the Tender Offer (and were they to have sold their full Tender Offer Entitlements) may instead be made available to them via the resultant Off-Market Acquisitions. As the resultant Off-Market Acquisitions are made in response to the Tender Offer, the ultimate number of Ordinary Shares repurchased by the Company pursuant to such Off-Market Acquisitions (and therefore the amount of the remaining proportion of the Buy Back Amount needed to repurchase such Ordinary Shares) will depend on the number of Ordinary Shares repurchased via the Tender Offer. However, assuming the Maximum Tender Offer Shares are bought back pursuant to the Tender Offer, then the full amount of the remaining proportion of the Buy Back Amount will be used and those US Ordinary Shareholders will have such number of Ordinary Shares repurchased from them pursuant to the resultant Off-Market Acquisitions which would have otherwise been equivalent to their Tender Offer Entitlements.

As a consequence, the resultant Off-Market Acquisitions also have a limit for the maximum number of Ordinary Shares that may be purchased by the Company pursuant to such Off-Market Acquisitions, being such number of Ordinary Shares as is equal to the Maximum Off-Market Acquisition Shares. The Maximum Off-Market Acquisition Shares is to be determined by reference to the remaining proportion of the Buy Back Amount which is equivalent to an amount of up to **US\$17,069,988** (translated into Pounds Sterling at the Buy Back Exchange Rate) that the Company is proposing to return to Ordinary Shareholders via the resultant Off-Market Acquisitions, being the Off-Market Acquisition Amount (and also being the amount that would be needed by the Company for such Off-Market Acquisitions if the Maximum Tender Offer Shares are bought back pursuant to the Tender Offer). The Maximum Off-Market Acquisition Shares will similarly depend

on the Buy Back Exchange Rate but will be determined by such number of Ordinary Shares as is equal to the Off-Market Acquisition Amount divided by the Tender Price.

On the above basis, the overall maximum number of Ordinary Shares that the Company may purchase pursuant to the Tender Offer and resultant Off-Market Acquisitions is the aggregate of the Maximum Tender Offer Shares and the Maximum Off-Market Acquisition Shares (that is, as earlier mentioned, the Maximum Buy Back Shares, being such number of Ordinary Shares as is equal to the Buy Back Amount of US\$30 million divided by the Tender Price of US\$9.39 per Ordinary Share (in each case, such US Dollar amounts translated into Pounds Sterling at the Buy Back Exchange Rate).

If the maximum number of Ordinary Shares is purchased pursuant to the Tender Offer and resultant Off-Market Acquisitions, that will result in an amount equal to the aggregate of the Tender Offer Amount of US\$12,930,012 and the Off-Market Acquisition Amount of US\$17,069,988, being equivalent to the Buy Back Amount of US\$30 million (in each case, such US Dollar amounts translated into Pounds Sterling at the Buy Back Exchange Rate), being returned by the Company to Ordinary Shareholders. The actual number of Ordinary Shares repurchased by the Company pursuant to the Tender Offer and expected resultant Off-Market Acquisitions, together with the amounts to be expended on repurchasing the same is intended to be announced by the Company by way of a Regulatory Information Service on 27 August 2019. It is intended that Ordinary Shares purchased under the Tender Offer and resultant Off-Market Acquisitions will be cancelled.

Currency Election Facility

A Currency Election Facility is also being made available to Eligible Ordinary Shareholders under which Eligible Ordinary Shareholders will be able to elect (subject to the terms and conditions of the Currency Election Facility) to receive the Tender Offer consideration in US Dollars or Pounds Sterling at the Buyback Exchange Rate (after deduction of any transaction or dealings costs associated with the conversion). Further details of the Currency Election Facility are included in the Circular. For those US Ordinary Shareholders having their Ordinary Shares repurchased through the resultant Off-Market Acquisitions, those Shareholders will receive their consideration in US Dollars unless otherwise agreed by the Company to be paid in Pounds Sterling.

Conditions to the Tender Offer and resultant Off-Market Acquisitions

The Tender Offer is conditional on:

- (a) the Board being satisfied on reasonable grounds that the Company will, immediately after completion of the Tender Offer and resultant Off-Market Acquisitions, satisfy the solvency test prescribed by the Guernsey Companies Law; and
- (b) the Tender Offer not having been terminated in accordance with the terms and conditions of the Tender Offer prior to 1.00 p.m. on 23 August 2019, being the Tender Closing Date.

If these conditions are not satisfied, the Tender Offer will lapse and the Company will not purchase any Ordinary Shares pursuant to the Tender Offer. The resultant Off-Market Acquisitions are conditional on completion of the Tender Offer and the Company's purchase of Ordinary Shares thereunder.

Timetable

A timetable of principal events in connection with the Tender Offer and resultant Off Market Acquisitions is set out at the end of this announcement.

Action to be taken by Eligible Ordinary Shareholders

Further details in relation to the action to be taken by Eligible Ordinary Shareholders are also included in the Circular. However Eligible Ordinary Shareholders do not have to tender any of their Ordinary Shares if they do not wish to do so. Eligible Ordinary Shareholders who do not wish to

participate in the Tender Offer do not need to take any action. Shareholders should also note that the Board makes no recommendation to Eligible Ordinary Shareholders as to whether they should tender Ordinary Shares in the Tender Offer or whether they should participate in the Company's proposed return of capital through either the Tender Offer or the resultant Off-Market Acquisitions. Whether Eligible Ordinary Shareholders decide to tender Ordinary Shares or participate in the resultant Off-Market Acquisitions will depend, among other things, on their view of the Company's financial position and prospects and their own individual circumstances, including their tax position. Eligible Ordinary Shareholders who are in any doubt as to the action they should take should consult an appropriate independent professional adviser without delay.

The Proposals

Avante-MERS Proposal and Orizon Proposal

In addition to the Tender Offer and resultant Off-Market Acquisitions, the Board is also seeking Shareholder approval for the Company's proposed disposals of ownership interests in each of Avante, MERS and Orizon to Edgewater, a Related Party of the Company, and related additional investments in each of those entities with Edgewater.

The Avante-MERS Proposal concerns: (i) the Company's proposed disposals to Edgewater of 80 per cent. of its ownership interest in Avante (being equivalent to a 40 per cent. ownership interest in Avante) and 80 per cent. of its ownership interest in MERS (being equivalent to a 20 per cent. ownership interest in MERS); and (ii) the Company making, at its discretion, related additional investments in Avante and MERS jointly with Edgewater in response to calls for capital contributions from Avante and MERS respectively. Shareholders should also note that Avante itself has an ownership interest of 50 per cent. in MERS and accordingly the Company will in effect be disposing of a further 20 per cent indirect ownership interest in MERS through its disposal of ownership interests in Avante. The Company's disposals of ownership interests in each of Avante and MERS form part of the same transaction and accordingly the consideration for the disposals is an aggregate amount of approximately US\$37.5 million.

Similarly, the Orizon Proposal concerns: (i) the Company's proposed disposal to Edgewater of 80 per cent. of its ownership interest in Orizon (being equivalent to a 9.5 per cent. ownership interest in Orizon) for consideration of approximately US\$28 million; and (ii) the Company making, at its discretion, related additional investments in Orizon jointly with Edgewater in response to calls for capital contributions from Orizon.

The Avante-MERS and Orizon Proposals would each be considered Related Party Transactions of the Company under Chapter 11 of the Listing Rules (with which the Company voluntarily complies and insofar as the Listing Rules are applicable to the Company by virtue of its voluntary compliance). Edgewater is a substantial shareholder of the Company as it is entitled to exercise, or exercise the control of, 10 per cent. or more of the votes able to be cast at a general meeting of the Company and, as such, is considered to be a Related Party of the Company. The Company's proposed disposals of ownership interests in Avante, MERS and Orizon to Edgewater, and related additional investments in each of those entities with Edgewater, would each be considered to be transactions between the Company and a Related Party. Accordingly, given Edgewater is a Related Party of the Company, the Avante-MERS and Orizon Proposals as transactions between them would be considered Related Party Transactions under Chapter 11 of the Listing Rules, again, insofar as the Listing Rules are applicable to the Company by virtue of its voluntary compliance with the same.

Shareholders should however also note that with respect to each of the Avante-MERS and Orizon Proposals, whilst the Listing Rules provide for written confirmation to be obtained from a sponsor that the terms of a Related Party Transaction are fair and reasonable as far as shareholders are concerned, such a confirmation has not been received in relation to these Proposals. Shareholders are reminded that the Company also departed from the same requirement in relation to the Deflecto and Water Treatment Proposals undertaken by the Company last year, both of which were approved by Shareholders. The reason for this being the case is because, as was the same for the

Deflecto and Water Treatment Proposals, whilst the Company has sought to obtain a fair and reasonable written confirmation for the Avante-MERS and Orizon Proposals, it has been unable to do so at a cost which can be justified relative to their size and within the time constraints needed to be met in order to transact on and complete the transactions on the terms negotiated. The Company again reiterates its understanding that the costs and time for obtaining such a confirmation can be greater for a Related Party Transaction that concerns an acquisition or disposal, such as the Avante-MERS and Orizon Proposals.

The Company has therefore decided to depart from the requirement to obtain a fair and reasonable written confirmation on this occasion but notwithstanding that, and as was the case with the Deflecto and Water Treatment Proposals, the Company's Investment Adviser, JZAI has instead provided written confirmation to the Company that the terms of the Avante-MERS and Orizon Proposals are fair and reasonable as far as Ordinary Shareholders are concerned. JZAI has a selective and disciplined approach to investing which is applied across all investments including in the case of Avante, MERS and Orizon. In addition, JZAI considers the Avante-MERS and Orizon Proposals to have been negotiated on arm's length terms. Those negotiations have been undertaken on the Company's behalf by JZAI, the founders and principals of which (David W. Zalaznick and (Jay) W. Jordan II, together with their respective affiliates) are also substantial Shareholders of the Company and whose combined shareholding in the Company exceeds that of Edgewater's.

Shareholder approval for the Avante-MERS and Orizon Proposals will be sought at the Extraordinary General Meeting of the Company described in further detail below. The Company notes that it has received irrevocable undertakings to vote in favour of each Resolutions the subject of the Avante-MERS and Orizon Proposals from each of David W. Zalaznick and affiliates, John (Jay) W. Jordan II and affiliates, Leucadia Financial Corporation and Arnhold LLC, in respect of which they are entitled to vote, totalling 40.8 per cent. of the current issued Ordinary Share capital of the Company. The irrevocable undertakings to vote in favour of each of the Resolutions also equate to 52.1 per cent. in aggregate of the voting rights of the Ordinary Shares taking account of the fact that Edgewater, as a Related Party of the Company with respect to the Resolutions, has undertaken not to vote, and has taken all reasonable steps to ensure that its associates will not vote.

Articles Amendments

Lastly, the Board is also seeking Shareholder approval for the Company to amend the existing Articles of Incorporation of the Company by approving and adopting the new Articles of the Company in substitution for, and to the exclusion of, the Company's existing Articles. The Articles Amendments concern amendments to the Articles relating to the methodology for the calculation of eligible votes for the appointment and removal of Directors in order for the Company to remain a "foreign private issuer" for US securities law purposes.

Shareholder approval for the Articles Amendments will also be sought at the Extraordinary General Meeting of the Company described in further detail below. The Company notes that it has received irrevocable undertakings to vote in favour of the Resolution the subject of the Articles Amendments from each of David W. Zalaznick and affiliates, John (Jay) W. Jordan II and affiliates, Edgewater, Leucadia Financial Corporation and Arnhold LLC totalling 62.7 per cent. of the current issued Ordinary Share capital of the Company.

Notice of EGM and Shareholder Circular

Notice is hereby given that the Extraordinary General Meeting of the Company will be held at the offices of Northern Trust International Fund Administration Services (Guernsey) Limited, Trafalgar Court, Les Banques, St Peter Port, Guernsey GY1 3QL, Channel Islands at 12.30 p.m. on 16 August 2019.

A timetable of principal events in connection with the Proposals (being the Avante-MERS and Orizon Proposals and the Articles Amendments) and the Extraordinary General Meeting is set out at the end of this announcement.

Further details of the Proposals are included in the Notice convening the Extraordinary General Meeting and in the Circular.

The Notice convening the Extraordinary General Meeting is being distributed to members of the Company and will shortly be uploaded to the Company's website at www.jzcp.com. Copies of the Circular the Company is posting to Shareholders are available for viewing, during normal business hours, at the registered office of the Company at Trafalgar Court, Les Banques, St Peter Port, Guernsey GY1 3QL and will shortly be available for viewing at www.morningstar.co.uk/uk/nsm. The notice convening the Extraordinary General Meeting is also included within the Circular.

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About JZCP

JZ Capital Partners ("**JZCP**") is one of the oldest closed-end investment companies listed on the London Stock Exchange. It seeks to provide shareholders with a return by investing selectively in US and European microcap companies and US real estate. JZCP receives investment advice from Jordan/Zalaznick Advisers, Inc. ("**JZAI**") which is led by David Zalaznick and Jay Jordan. They have worked together for more than 35 years and are supported by teams of investment professionals in New York, Chicago, London and Madrid. JZAI's experts work with the existing management of microcap companies to help build better businesses, create value and deliver strong returns for investors. For more information please visit www.jzcp.com.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Tender Offer and resultant Off-Market Acquisitions

Publication and posting of this document and the accompanying Tender Form for use by Eligible Ordinary Shareholders who hold their Ordinary Shares in certificated form in connection with the Tender Offer	26 July 2019
Tender Offer opens	
Latest time and date for receipt of the Tender Form and TTE Instructions / the Tender Closing Date	1.00 p.m. on 23 August 2019
Tender Record Date	6.00 p.m. on 23 August 2019
Announcement of the results of the Tender Offer and expected resultant Off-Market Acquisitions	27 August 2019
CREST accounts credited with uncertificated Ordinary	By 28 August 2019 (or as promptly

Shares unsuccessfully tendered	as practicable thereafter)
Purchase of Ordinary Shares successfully tendered pursuant to the Tender Offer	29 August 2019
CREST accounts credited in respect of proceeds for uncertificated Ordinary Shares purchased pursuant to the Tender Offer	By 3 September 2019 (or as promptly as practicable thereafter)
Cheques despatched for certificated Ordinary Shares purchased pursuant to the Tender Offer	By 5 September 2019 (or as promptly as practicable thereafter)
Despatch of balance share certificate(s) and/or other document(s) of title for unsold certificated Ordinary Shares and share certificate(s) and/or other document(s) of title for unsuccessful tenders of certificated Ordinary Shares	By 5 September 2019 (or as promptly as practicable thereafter)
Purchase of Ordinary Shares via resultant Off-Market Acquisitions pursuant to, and as required by, the terms of the Company's Articles of Incorporation as a result of the Tender Offer	Immediately after completion of the Tender Offers (or as promptly as practicable thereafter)
Payments in respect of Ordinary Shares purchased pursuant to the resultant Off-Market Acquisitions	Immediately after completion of the Tender Offers (or as promptly as practicable thereafter)

Proposals and Extraordinary General Meeting

Publication and posting of this document and the accompanying Form of Proxy for use by Ordinary Shareholders in connection with the Extraordinary General Meeting	26 July 2019
Latest time and date for receipt of the Form of Proxy for the Extraordinary General Meeting	12.30 p.m. on 14 August 2019
Extraordinary General Meeting	12.30 p.m. on 16 August 2019
Announcement of the results of the Extraordinary General Meeting	16 August 2019