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

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

LEI: 549300TZCK08Q16HHU44

**Update on Liquidity Plan for JZCP**

2 October 2019

Following the announcement on 8 May 2019, the Board of Directors of JZCP announces that it is planning to convene an extraordinary general meeting of the Company to approve a revised investment policy. In line with this previous announcement, the Board is seeking to enshrine a strategy to look to realise investments, pay down debt and materially reduce commitments to new investments, such that capital may be returned to shareholders.

The Board is pleased to report on the progress made in implementing this plan to generate liquidity for JZCP. On 29 August 2019, the Company completed its first tender offer for approximately \$30 million, part of the previously announced plan to return approximately \$100 million in capital to shareholders. Subject to timing of upcoming realisations, the Company expects to return the balance of approximately \$70 million to shareholders via a series of tender offers, special dividends or opportunistic market buybacks over the next 12-15 months.

Shortly prior to the close of the first tender offer, JZCP finalized the sale of 80% of its interest in portfolio companies Orizon and Avante, 34% above NAV, for \$65.5 million in gross proceeds received by the Company. This transaction brings total gross proceeds realised during the first six months of the fiscal year to more than \$120 million.

The Board has now decided on a more ambitious plan than previously announced, being a plan to raise approximately \$400-500 million in liquidity by the end of the Company's fiscal year ending February 2023. This plan is intended to enable JZCP to pay down a substantial amount of debt and return a substantial amount of capital to shareholders while also meeting the capital requirements of the portfolio in order to achieve NAV growth.

JZCP's plan calls for raising liquidity from realisations, secondary sales of certain asset portfolios, joint venture partnerships and the previously announced US Side-Car Fund. Notwithstanding the fact that the Company's Investment Adviser is aggressively pursuing the realisation strategy outlined herein, shareholders are reminded that JZCP's portfolio of assets is highly illiquid and the sale of which is dependent upon positive market conditions. Shareholders are also reminded that JZCP and its Investment Adviser do not have control over a large portion of the JZCP portfolio and thus the Investment Adviser must seek the cooperation of JZCP's portfolio partners to realise assets. To date, our Investment Adviser has been successful in getting the cooperation of JZCP's investment partners.

Regarding secondary sales, the Company is currently in the market with a portfolio of select US microcap assets; JZCP expects to realise between \$150-170 million in gross proceeds prior to 28 February 2020 from these transactions.

In addition, the Company's Investment Adviser expects to launch the US Side-Car Fund within the next 45 days, targeting approximately \$500 million. As mentioned in the Company's last Annual Report, the bulk of any new US microcap investments will be directed to this new US Side-Car Fund, which will be substantially funded by third-party limited partners. In order to successfully complete the marketing of the US Side-Car Fund, JZCP will be required to invest approximately 5% of the fundraise in order to validate to future LPs that JZCP will continue to support its US microcap buyout program and team. It is anticipated that this investment will be called over a five-year period, thus putting significantly less of a burden on JZCP's future cash flow.

JZCP's real estate assets do require additional investments for debt service and certain pre-development expenses. At the end of last year, the Company's Investment Adviser successfully sold approximately half of one of JZCP's Brooklyn, NY, development sites to HomeFed, a real estate investor and developer of mixed-use projects in the United States. The price was approximately at NAV, which had been marked up from original cost. The Investment Adviser is actively seeking investment partners or outright sales for a number of the Company's other development sites. The

Investment Adviser has indicated that it does not expect to make any new real estate investments, other than in the Company's existing real estate portfolio.

Additionally, other than honouring JZCP's funding commitments and supporting its portfolio of assets, it is anticipated that no meaningful capital will be dedicated to new investments. The Investment Adviser instead intends to dedicate its activities to achieving realisations and working on the Company's current portfolio of assets to enhance values.

The Board expects to publish a circular to all shareholders convening an extraordinary general meeting of the Company to approve this revised investment policy as well as the Company's investment in the US Side-Car Fund as soon as practicable.

#### **For further information:**

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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](http://www.jzcp.com).

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