

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

Updates in relation to Senior Facility, Real Estate Valuations and Secondary Sale

Recommencement of NAV announcements

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

8 October 2020

On 25 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, announced that it had received consent from Guggenheim Partners to make the relevant interest payment due on 30 September 2020 to the holders of its Convertible Unsecured Loan Stock due 2021 ("CULS"). The Company subsequently made the CULS interest payment in full on that date.

It was also noted in that announcement that the Company expected to breach its minimum asset coverage ratio under its senior facility with Guggenheim Partners at the end of September 2020, and that the aforementioned consent to make the CULS interest payment required the Company to have entered into amendments to its senior facility by 7 October 2020; the failure to do so would have also constituted an event of default under the facility. The Company today confirms that, whilst it has not yet reached final agreement with its lenders as to the amended terms of the facility and is therefore in breach of its minimum asset coverage ratio and in default under the facility, the Company remains in discussions and considers that it is close to procuring the necessary waivers from and securing agreement with its lenders as to the amended facility terms. The Company expects to make a further announcement shortly.

For completeness, the Company also notes that, if the existing or any other event of default under the senior facility were to continue on any subsequent CULS interest payment date, the Company would be prohibited from making payments to the holders of the CULS, absent a waiver, a further consent or the amended terms of the facility allowing for such payments to be made.

Separately, the Company refers to its earlier announcement made on 17 September 2020 in relation to anticipated write downs to its real estate investments including on account of the Covid-19 pandemic. The Company can today provide a further update on this matter and accordingly confirms that it expects to experience net write downs to its real estate investments that may result in a mark down to its net asset value of approximately \$110 million (revised upwards from the range of between \$80 to \$100 million announced previously). Having now provided this further update (and the Company considering that it will, at the time of release of its upcoming half year results, be better placed to make informed judgements as to the impact on value resulting from Covid-19), the Company can confirm that it intends to recommence its monthly NAV announcements following the publication of those results for the six-month period ended 31 August 2020.

Finally, the Company also wishes to provide an update in relation to the proposed secondary sale of certain of its US micro-cap assets. The secondary sale, like the Company's discussions with its lenders, has continued to progress in a positive manner and an agreement is expected to be reached and announced shortly.

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.

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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.