

JZ CAPITAL PARTNERS LIMITED

Interim Report and Financial Statements
For the period from 1 March 2024 to 31 August 2024

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Who We Are

Corporate Objective

JZ Capital Partners Limited ("JZCP" or the "Company") seeks to maximise the value of its investments in its US and European micro-cap companies and US real estate, and having repaid all debt, to return capital to shareholders.

About Us

JZCP has investments in US and European micro-cap companies, as well as real estate properties in the US.

JZCP's Investment Adviser is Jordan/Zalaznick Advisers, Inc. ("JZAI") which was founded by David Zalaznick and Jay Jordan in 1986. JZAI has investment professionals in New York, Chicago, London and Madrid.

In August 2020, the Company's shareholders approved changes to the Company's investment policy. Under the new policy, the Company will make no further investments except in respect of which it has existing obligations and to continue selectively to support the existing portfolio. The intention is to realise the maximum value of the Company's investments and, having repaid all debt, to return capital to shareholders. In July 2024, the Company obtained shareholder approval to amend the Company's Articles to permit redemptions of the Ordinary Shares by changing the rights of the Ordinary shares to enable them to be redeemable at the option of the Company.

JZCP is a Guernsey domiciled closed-ended investment company authorised by the Guernsey Financial Services Commission. JZCP's shares trade on the Specialist Fund Segment of the London Stock Exchange.

Performance and Results Highlights

Realisations

During the period from 1 March 2024 to 31 August 2024, the Company received proceeds of \$16.7 million and post period-end a further \$27.5 million from realised investments. During the period the Company invested \$22.8 million in order to support and maximise the value of the existing portfolio. Since the Company adopted its new investment policy in August 2020, the Company has achieved realisations in excess of \$500 million, repaid approximately \$270 million of debt and returned \$40 million of capital to shareholders.

Realisations and refinancings - Post implementation of the Company's New Investment Policy in August 2020

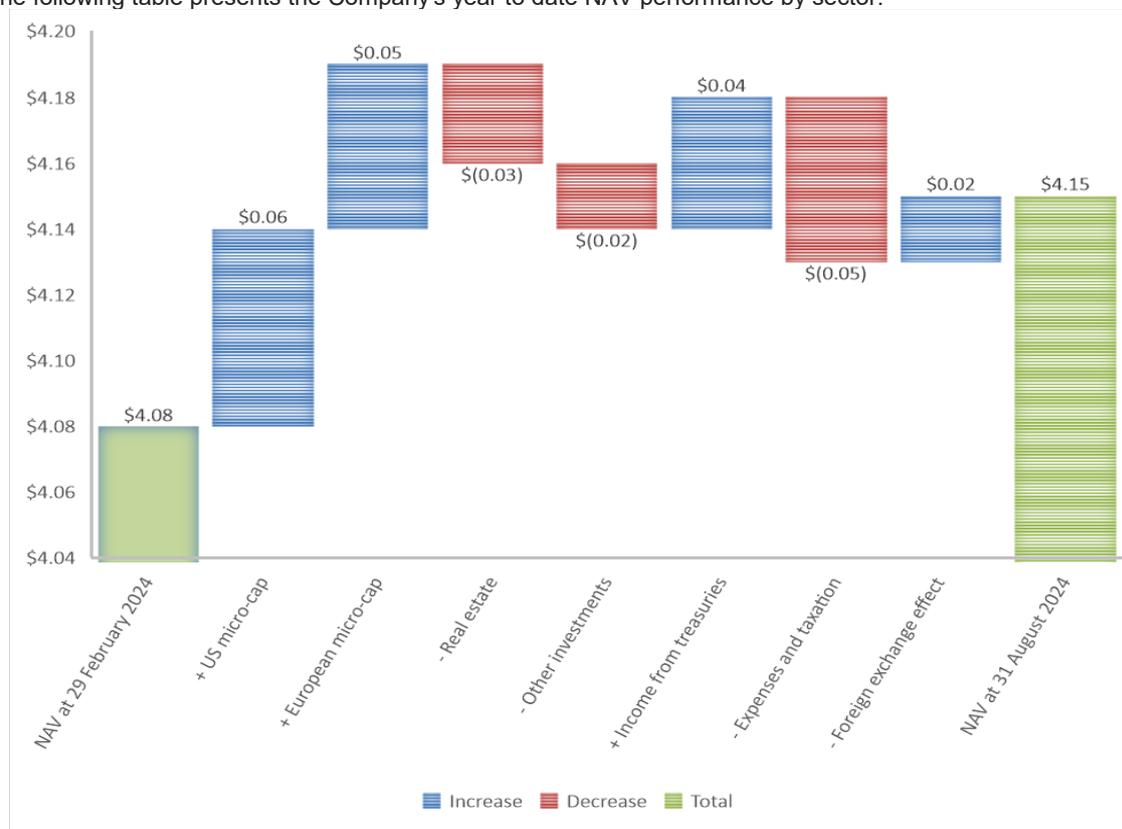
	Proceeds \$ million
K2 Towers II & ABTB sold in October 2020	18.6
Greenpoint property sold in October 2020	13.6
Secondary sale of U.S micro-cap companies to JZHL Secondary Fund in December 2020	87.7
George Industries sold in April 2021	9.5
Proceeds from Salter Labs realisation completed in November 2021	45.8
Distributions from JZHL Secondary Fund in 2023 and 2024	160.5
New Vitality sold in July 2022	7.4
Proceeds from realisation of Evriholder a subsidiary of Deflecto Holdings in January 2023	54.3
Proceeds from the partial sale of ISS in December 2022 and subsequent escrow receipts	32.6
Proceeds from realisation of Deflecto Holdings in October 2024	20.7
Distributions and loan repayments from the European micro-cap portfolio	33.8
Other realisations and distributions	21.7
Total	506.2

Net Asset Value ("NAV") per Share

NAV per share at 31 August 2024 was **\$4.15** (29 February 2024: \$4.08).

NAV Attribution per Share

The following table presents the Company's year to date NAV performance by sector:



Performance and Results Highlights (continued)

Total NAV Returns

NAV returns below are presented in US Dollar terms and on a dividend reinvested basis and for periods ended 31 August 2024.

	<u>6 Months</u>	<u>1 Year</u>	<u>3 Year</u>	<u>5 Year</u>	<u>7 Year</u>	<u>10 Year</u>
Total NAV return	1.7%	2.7%	1.7%	-57.0%	-58.0%	-55.6%

Shareholder Returns

JZCP's share price at 31 August 2024 was **£1.96** (29 February 2024: £1.99).

Shareholder returns below are presented in Sterling and on the basis returns of capital and dividends are reinvested and are for periods ended 31 August 2024.

	<u>6 Months</u>	<u>1 Year</u>	<u>3 Year</u>	<u>5 Year</u>	<u>7 Year</u>	<u>10 Year</u>
Total Shareholder return	4.3%	27.7%	72.9%	-56.9%	-59.7%	-45.9%

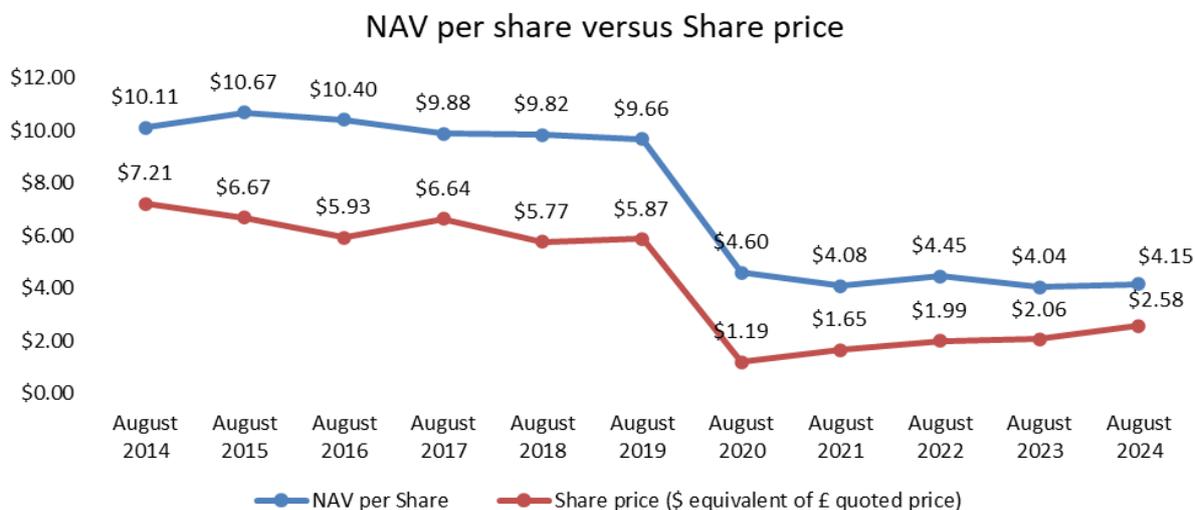
In July 2024, the Company returned approximately \$40 million of capital to shareholders.

Following the compulsory redemption of Ordinary shares during the period, shareholder returns include the excess of the return of capital at NAV (\$4.08/£3.16 per share) versus the prevailing share price (\$2.79/£2.16 per share). This calculated return to shareholders has been adjusted to reflect the number of shares returned to shareholders being approximately 12.65% of the shares in issue prior to the redemption.

NAV to Market Price Discount

The data below shows the theoretical discount of the period end share price and the period end NAV per share and does not factor in the timing delay in announcing the period end NAV to the market.

	<u>31.8.2017</u>	<u>31.8.2019</u>	<u>31.8.2021</u>	<u>31.8.2023</u>	<u>31.8.2024</u>
Discount	-32.8%	-39.2%	-59.6%	-49.0%	-37.9%



Total NAV return, Total Shareholder returns and NAV to Market Price discount are classified as Alternative Performance Measurements under European Securities and Market Authority guidelines and are further explained on page 39 under Useful Information for Shareholders.

Chairman's Statement

The Directors present the results of the Company for the six-month period ended 31 August 2024. The NAV per share has increased from \$4.08 at 29 February 2024 to \$4.15 at 31 August 2024.

Investment Policy and Liquidity

Following post-period realisations, the Company has cash and cash equivalent balances of approximately \$106 million. This follows the repayment of all its debt and after returning approximately \$40 million of capital to shareholders in July 2024.

During the period under review, the Company received approximately \$14.7 million from JZI Fund III, L.P., following a distribution of proceeds from the realisations of Karium and My Lender. Following the end of the period, amongst other smaller realisations, the Company realised its interest in Deflecto, receiving approximately \$20.7 million in proceeds, (an uplift of approximately \$3.9 million from Deflecto's carrying value at 29 February 2024).

As of today's date, the Company still has a substantial investment portfolio of approximately \$175 million. The Directors are determined to maintain a substantial cash cushion in support of this portfolio for the reasons referred to below and out of caution whilst the investment portfolio remains of a significant size. Nevertheless, following these recent realisations the Directors intend to make a second return of capital to shareholders in an amount of approximately \$30 million, which is expected to be implemented in the first calendar quarter of 2025, in accordance with the Company's investment policy.

Also in accordance with that policy, and as already announced, existing investments will be supported where there are continuing obligations to do so or otherwise for the maximisation of their value. For this purpose, \$20.5 million was reserved for Follow-on Flex Pack, of which \$12.3 million has been invested; \$12.5 million for Esperante, the office tower in West Palm Beach in Florida, of which \$7.8 million has been invested; \$15 million for Spruceview; and \$20 million for capital calls from JZI Fund III, L.P.

Further returns of capital are dependent on further realisations. Some degree of further realisations may be anticipated in the relatively near term; however, substantially all of the investment portfolio should be realised over the course of the next three years. These include investments which the Company does not control.

The reduction in the size of the gross fund resulting from the repayment of all debt of \$270 million and the return of capital, paid and proposed of \$70.0 million substantially reduces the base fee payable to the Investment Adviser. This inhibits the ability of the Investment Adviser to maintain its operation and to retain and incentivise the management team; without the continuity of personnel, JZCP's ability to realise investments in an orderly manner will in the opinion of the Directors be diminished.

Accordingly, as I anticipated would be necessary in my statement accompanying the 29 February 2024 year-end results, discussions are taking place for appropriate adjustments to be made to the arrangements for compensating and incentivising the Investment Adviser's team. Jay Jordan and David Zalaznick will not themselves draw any compensation from the revised Investment Adviser's fee under any such arrangements.

US and European Micro-cap Portfolios

Both our US micro-cap and European portfolios showed small gains for the six-month period (six cents and five cents, respectively), and we continue working towards further realizations in both portfolios. As stated above, we completed the sale of Deflecto post-period; JZCP received \$20.7 million in net proceeds, an uplift of approximately \$3.9 million versus its carrying value at 29 February 2024.

Chairman's Statement (continued)

Real Estate Portfolio

The Company has two remaining properties with equity value: Esperante, an office building in West Palm Beach, Florida, and 247 Bedford Avenue, a retail building with Apple as the primary tenant, in Williamsburg, Brooklyn.

The real estate portfolio experienced a net write-down of three cents per share, largely due to small balance sheet changes at the two properties from the year-end. Consistent with prior years, the Company will be engaging an appraisal firm to value the two properties again at the year-end.

Outlook

The Company is in a strong financial position, and the Board is pleased to have returned approximately \$40 million to shareholders in July. Additionally, the Board is now proposing a further capital return of approximately \$30 million in the first calendar quarter of 2025. Consistent with its investment policy, the Company will strive to maximise the value of its remaining investment portfolio and proceed with an orderly realisation of these assets. When cash is not needed to support this process, the Company intends to return further capital to shareholders.

David Macfarlane
Chairman
6 November 2024

Investment Adviser's Report

Dear Fellow Shareholders,

Since we reported to you at the end of our fiscal year ended 29 February 2024, we have continued to realize investments and made our first distribution (\$40 million) to shareholders in July 2024. Now, we are currently anticipating making a second distribution of capital (\$30 million) in the first calendar quarter of 2025. However, we also require a significant amount of cash to support and maximize the value of our existing portfolio. We will continue to evaluate the Company's ability to make further distributions of capital to shareholders as we realize assets.

Both our US micro-cap and European portfolios showed small gains for the six-month period, and we continue working towards further realizations in both portfolios. During the period, the Company received approximately \$14.7 million from JZI Fund III, L.P., from the realizations of Karium and My Lender. Post-period, we completed the sale of Deflecto; JZCP received \$20.7 million in net proceeds, an uplift of approximately \$3.9 million versus its carrying value at 29 February 2024. Also, post-period, JZCP received approximately \$2.0 million from the sale of one of the two divisions comprising our Testing Products vertical and approximately \$2.7 million from the realization of one of the divisions of our Industrial Services Solutions vertical. Just prior to issuing this report, we realized the second division comprising our Testing Products vertical; JZCP expects to receive a further approximate \$2.5 million in the coming days.

Net Asset Value ("NAV")

JZCP's NAV per share increased 7 cents, or approximately 1.7%, during the period.

NAV per Ordinary share as of 29 February 2024	\$4.08
<i>Change in NAV due to capital gains and accrued income</i>	
+ US micro-cap	0.06
+ European micro-cap	0.05
- Real estate	(0.03)
- Other investments	(0.02)
+ Income from treasuries	0.04
<i>Other changes in NAV</i>	
+ Net foreign exchange effect	0.02
- Expenses and taxation	(0.05)
NAV per Ordinary share as of 31 August 2024	\$4.15

The US micro-cap portfolio continued to perform well during the six-month period, delivering a net increase of six cents per share. This was primarily due to net accrued income of two cents and the uplift of Deflecto upon realization (four cents). One additional cent of uplift from Felix Storch was offset by a one cent write-down at Avante.

Our European portfolio was written up by five cents during the period and our real estate portfolio was written down by three cents during the period.

Investment Adviser's Report (continued)

Returns

The chart below summarises cumulative total shareholder returns and total NAV returns for the most recent six-month, one-year, three-year and five-year periods.

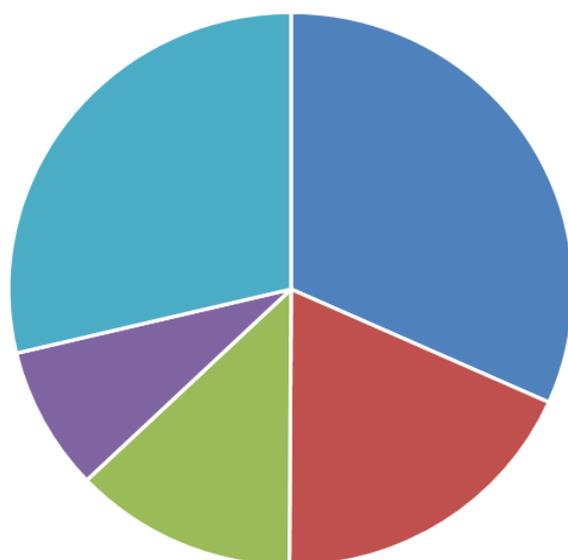
	<u>31.8.2024</u>	<u>29.2.2024</u>	<u>31.8.2023</u>	<u>31.8.2021</u>	<u>31.8.2019</u>
Share price (in GBP)	£1.96	£1.99	£1.63	£1.20	£4.82
NAV per share (in USD)	\$4.15	\$4.08	\$4.04	\$4.08	\$9.66
NAV to market price discount	37.9%	38.2%	49.0%	59.6%	39.2%
		<u>6 month</u>	<u>1 year</u>	<u>3 year</u>	<u>5 year</u>
		<u>return</u>	<u>return</u>	<u>return</u>	<u>return</u>
Total Shareholders' return (GBP) ¹		4.3%	27.7%	72.9%	-56.9%
Total NAV return per share (USD)		1.7%	2.7%	1.7%	-57.0%

¹Following the compulsory redemption of Ordinary shares during the period, shareholder returns include the excess of the return of capital at NAV (\$4.08/£3.16 per share) versus the prevailing share price (\$2.79/£2.16 per share). This calculated return to shareholders has been adjusted to reflect the number of shares returned to shareholders being approximately 12.65% of the shares in issue prior to the redemption.

Portfolio Summary

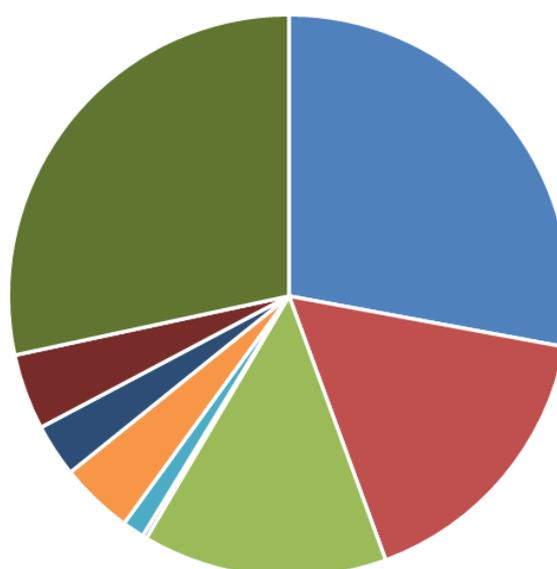
Our portfolio is well-diversified by asset type and geography, with 27 US and European micro-cap investments across eleven industries. The European portfolio, consisting of twelve companies, itself is well-diversified geographically across Spain, Italy, Portugal, Luxembourg, Scandinavia and the UK.

Portfolio by Investment Type



- US microcap - 31.7%
- European microcap - 18.4%
- Real estate - 12.8%
- Other investments - 8.4%
- Cash and treasuries - 28.7%

Portfolio by Industry



- Industrial 27.0%
- Financial Services 16.7%
- Real estate 14.3%
- Consumer 0.2%
- Service 1.3%
- Telecom 4.3%
- Transportation/ Logistics 3.1%
- Energy 4.4%
- Cash & cash equivalents 28.7%

Investment Adviser's Report (continued)

Portfolio Summary (continued)

Below is a summary of JZCP's assets and liabilities at 31 August 2024 as compared to 29 February 2024. An explanation of the changes in the portfolio follows:

	31.8.2024	29.2.2024
	US\$'000	US\$'000
US micro-cap portfolio	91,484	74,948
European micro-cap portfolio	51,163	61,025
Real estate portfolio	35,556	28,815
Other investments	23,373	24,670
Total Private Investments	201,576	189,458
Treasuries	53,899	110,076
Cash	25,959	13,368
Total Treasuries and Cash	79,858	123,444
Other assets	71	4,249
Total Assets	281,505	317,151
Other liabilities	839	1,042
Total Liabilities	839	1,042
Total Net Assets	280,666	316,109

US microcap portfolio

As you know from previous reports, our US portfolio is grouped into industry 'verticals' and co-investments. As of December 4, 2020, certain of our verticals and co-investments are now grouped under JZHL Secondary Fund, LP ("JZHL" or the "Secondary Fund"). JZCP has a continuing interest in the Secondary Fund through a Special LP Interest, which entitles JZCP to certain distributions from the Secondary Fund.

Our 'verticals' strategy focuses on consolidating businesses under industry executives who can add value via organic growth and cross company synergies. Our co-investments strategy has allowed for greater diversification of our portfolio by investing in larger companies alongside well-known private equity groups.

The US micro-cap portfolio continued to perform well during the six-month period, delivering a net increase of six cents per share. This was primarily due to net accrued income of two cents and the uplift of Deflecto upon realization (four cents). One additional cent of uplift from Felix Storch was offset by a one cent write-down at Avante.

European microcap portfolio

Our European portfolio was written up 5 cents during the period.

JZCP invests in the European micro-cap sector through its approximately 18.8% ownership of JZI Fund III, L.P. As of 31 August 2024, Fund III held 12 investments: five in Spain, two in Scandinavia, two in Italy, one in the UK and one each in Portugal and Luxembourg.

Real estate portfolio

The Company's two remaining real estate assets that have equity value are 247 Bedford Avenue in Brooklyn, New York (where Apple is the principal tenant), and the Esperante office building in West Palm Beach, Florida.

The real estate portfolio experienced a net write-down of 3 cents per share.

Investment Adviser's Report (continued)

Portfolio Summary (continued)

Other investments

Our asset management business in the US and Latin America, Spruceview Capital Partners, has continued to grow since we last reported to you. During the period, Spruceview continued to seek commitments to its fourth and fifth private markets funds, with additional closings for those funds anticipated in the fourth quarter of 2024. Including post-period, the firm received over \$150 million in additional commitments to the corporate pension and savings plans to which it provides advisory services. We expect Spruceview assets under management to continue to grow with increasing indications of investor interest.

Spruceview also maintained a pipeline of potential client opportunities and continued to provide investment management oversight to the pension funds of the Mexican and Canadian subsidiaries of an international packaged foods company, as well as portfolios for family office clients, and a growing series of private market funds.

As previously reported, Richard Sabo, former Chief Investment Officer of Global Pension and Retirement Plans at JPMorgan and a member of that firm's executive committee, is leading a team of 22 investment, business and product development, legal and operations professionals.

Outlook

Our priority remains to realize current investments and finish building the portfolio that is not yet ready for sale. We made our first distribution of capital to shareholders in the amount of \$40 million in July 2024 and look forward to making our next distribution of \$30.0 million in the first calendar quarter of 2025.

Thank you for your continued support.

Yours faithfully,

Jordan/Zalaznick Advisers, Inc.

6 November 2024

Board of Directors

David Macfarlane (Chairman)¹

Mr Macfarlane was appointed to the Board of JZCP in 2008 as Chairman and a non-executive Director. Until 2002, he was a Senior Corporate Partner at Ashurst. He was a non-executive director of the Platinum Investment Trust Plc from 2002 until January 2007.

James Jordan

Mr Jordan is a private investor who was appointed to the Board of JZCP in 2008. He is a director of the First Eagle family of mutual funds. Until 30 June 2005, he was the managing director of Arnhold and S. Bleichroeder Advisers, LLC, a privately owned investment bank and asset management firm; and until 25 July 2013, he was a non-executive director of Leucadia National Corporation.

Sharon Parr²

Ms Parr was appointed to the Board of JZCP in June 2018. She has over 35 years in the finance industry and spent a significant portion of her professional career with Deloitte and Touche in a number of different countries. After a number of years in the audit department, on relocating to Guernsey in 1999 she transferred into their fiduciary and fund management business and, after completing a management buyout and subsequently selling to Barclays Wealth in 2007, she ultimately retired from her role there as Global Head of Wealth Structuring in 2011. Ms Parr holds a number of Non-Executive Directorships across the financial services sector including in other listed funds. Ms Parr is a Fellow of the Institute of Chartered Accountants in England and Wales and a member of the Society of Trust and Estate Practitioners, and is a resident of Guernsey.

Ashley Paxton

Mr Paxton was appointed to the Board in August 2020. He has more than 25 years of funds and financial services industry experience, with a demonstrable track record in advising closed-ended London listed boards and their audit committees on IPOs, capital market transactions, audit and other corporate governance matters. He was previously C.I. Head of Advisory for KPMG in the Channel Islands, a position he held from 2008 through to his retirement from the firm in 2019. He is a Fellow of the Institute of Chartered Accountants in England and Wales and a resident of Guernsey. Amongst other appointments he is Chairman of the Youth Commission for Guernsey & Alderney, a locally based charity whose vision is that all children and young people in the Guernsey Bailiwick are ambitious to reach their full potential.

¹Chairman of the nominations committee of which all Directors are members.

²Chairman of the audit committee of which all Directors are members.

Report of the Directors

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Interim Report and Financial Statements comprising the Half-yearly Interim Report (the "Interim Report") and the Unaudited Condensed Interim Financial Statements (the "Interim Financial Statements") in accordance with applicable law and regulations.

The Directors confirm that to the best of their knowledge:

- the Interim Financial Statements have been prepared in accordance with IAS 34, "Interim Financial Reporting" as adopted in the European Union and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and
- the Chairman's Statement and Investment Adviser's Report include a fair review of the information required by:
 - (i) DTR 4.2.7R of the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority, being an indication of important events that have occurred during the first six months of the financial year and their impact on the Interim Financial Statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
 - (ii) DTR 4.2.8R of the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority, being related party transactions that have taken place in the first six months of the financial year and that have materially affected the financial position or the performance of the entity during that period; and any changes in the related party transactions described in the 2024 Annual Report and Financial Statements that could do so.

Principal Risks and Uncertainties

The Company's Board believes the principal risks and uncertainties that relate to an investment in JZCP are as follows:

Portfolio Liquidity

The Company invests predominantly in unquoted companies and real estate. Therefore, this potential illiquidity means there can be no assurance investments will be realised at their latest valuation or on the timing of such realisations. The Board considers this illiquidity when planning to meet its future financial obligations or potential future returns of capital to shareholders. On a quarterly basis, the Board reviews a working capital model produced by the Investment Adviser which highlights the Company's projected liquidity and financial commitments.

Investment Performance and Impact on NAV

The Company is reliant on the Investment Adviser to support the Company's investment portfolio by executing suitable investment decisions. The Investment Adviser provides the Board with an explanation of all investment decisions and also provides quarterly investment reports and valuation proposals of investee companies. The Board reviews investment performance quarterly and investment decisions are checked to ensure they are consistent with the agreed investment strategy.

Operational and Personnel

Although the Company has no direct employees, the Company considers what dependence there is on key individuals within the Investment Adviser and service providers that are key to the Company meeting its operational and control requirements.

Share Price Trading at Discount to NAV

JZCP's share price is subject to market sentiment and will also reflect any periods of illiquidity when it may be difficult for shareholders to realise shares without having a negative impact on share price.

Report of the Directors (continued)

Principal Risks and Uncertainties (continued)

Macroeconomic Risks and Impact on NAV

The Company's performance, and underlying NAV, is influenced by economic factors that affect the demand for products or services supplied by investee companies and the valuation of Real Estate interests held. Economic factors will also influence the Company's ability to invest and realise investments and the level of realised returns. Approximately 20% (29 February 2024: 20%) of the Company's investments are denominated in non-US dollar currencies, primarily the euro and also sterling. Fluctuations to these exchange rates will affect the NAV of the Company.

Uncertainties in today's world that influence economic factors include:

(i) Conflict in the Middle East

The Board does not consider that the heightened-tensions in the Middle East will directly impact its investment portfolio. However, the Board notes further escalations could further increase volatility in energy cost and financial markets.

(ii) War in Ukraine

JZCP's investments are predominantly focused in the U.S. and Western Europe, and as such, the portfolio has no direct exposure to the affected regions. However, certain portfolio companies have exposure to the energy costs fluctuations resulting from the conflict. The Board is not aware that the Company has any Russian investors.

The Board continues to receive reports from the Investment Adviser on the impact of any fluctuations of energy costs on its investment portfolio.

(iii) Climate Change

JZCP does not have a sustainability-driven investment strategy, nor is its intention to do so, but the Board believes that considering the principle of being environmentally responsible is important in realising the maximum value of the Company's investments.

JZCP only invests where it has existing obligations or to continue selectively to support the existing portfolio. JZAI where possible plans to use its influence as an investor to ensure investee businesses and funds have a cautious and responsible approach to environmental management of their business operations. JZCP invests across a wide range of businesses but has limited exposure to those that create high levels of emissions.

The Board considers the impact of climate change on the firm's business strategy and risk profile and, where appropriate will make timely climate change related disclosures. Regular updates, given by the Investment Adviser on portfolio companies and properties will include potential risk factors pertaining to climate change and how/if these risks are to be mitigated. The Board receives a report from the Investment Adviser categorising the Company's investments according to their level of exposure to climate-related risks. These climate-related risks can be categorised as either physical (impact of extreme weather, rising sea levels) or transitional (impact of the transition to a lower-carbon economy).

The Board also has regard to the impact of the Company's own operations on the environment and other stakeholders. There are expectations that portfolio companies operate in a manner that contributes to sustainability by considering the social, environmental, and economic impacts of doing business. The Board requests the Investment Adviser Report on any circumstances where expected standards are not met.

The Board has assessed the impact of climate change and has judged that the Company's immediate exposure to the associated risks are low and therefore there is no material impact on the fair value of investments and the financial performance reported in these Interim Financial Statements.

The Board considers the principal risks and uncertainties above are broadly consistent with those reported at the prior year end, but wish to note the following:

- The effect of the uncertainty, primarily as a result of the war in Ukraine, on market conditions means that there are challenges to completing corporate transactions within the European micro-cap portfolio and planned realisations may take longer than initially anticipated. The potential escalation of the conflict in the Middle East could further increase volatility in financial markets.

Report of the Directors (continued)

Going Concern

A fundamental principle of the preparation of financial statements in accordance with International Financial Reporting Standards ("IFRS") is the judgement that an entity will continue in existence as a going concern for a period of at least 12 months from signing of the Interim Financial Statements, which contemplates continuity of operations and the realisation of assets and settlement of liabilities occurring in the ordinary course of business.

In reaching its conclusion, the Board has considered the risks that could impact the Company's liquidity over the period from 6 November 2024 to 30 November 2025 (the "Going Concern Period"). There were no events or conditions identified beyond this period which may cast significant doubt on the Company's ability to continue as a going concern.

Going Concern Assessment

During the prior year ended 29 February 2024, the Company repaid its Senior Credit Facility following the successful realisation of Felix Storch and subsequent distribution from the JZHL Secondary Fund. The Company has now repaid all its outstanding debt.

In July 2024, the Company returned \$40 million of capital to shareholders and is proposing a further return of capital to shareholders in an amount of \$30.0 million, which will be implemented in the first calendar quarter of 2025. Further returns of capital in accordance with the Company's investment policy will be made to shareholders as circumstances allow.

At 31 August 2024, the Company's liquidity position was approximately \$79.9 million (29 February 2024: \$123.4 million), comprising cash of \$26.0 million (29 February 2024: \$13.4 million) and treasuries of \$53.9 million (29 February 2024: \$110.0 million). During the six-month period ended 31 August 2024, the Company received approximately \$14.7 million from realisations and distributions, \$4.7 million from escrows and \$2.9 million interest from treasury bills and cash. The Company had cash outflows relating to follow-on investments and expenses of approximately \$25.7 million and returned \$40.0 million of capital to shareholders. Post period-end, the Company has received a further \$27.5 million in realisation proceeds and at the date of this report holds cash and treasuries of approximately \$106 million.

As at 6 November 2024, the Company's financial obligations included \$8.2 million committed to Follow-on Flex Pack (through JZHL Secondary Fund LP). In addition, the Company anticipates it will require the following amounts to support certain other existing assets: approximately \$4.7 million for Esperante, \$15 million for Spruceview and \$20 million for JZI Fund III. The expected timeframe for these further investments is over a three-year period.

The Board takes account of the levels of funding obligations the Company could be called on through capital calls on existing investments, as well as the accuracy of previous forecasts to assess the predicted accuracy of forecasts presented. The Company continues to work on the realisation of various investments within a timeframe that will enable the Company to maximise the value of its investment portfolio. Due to the Company's strong liquidity, the timeframe to realise investments is not determined by the need to meet financial obligations and the Company is able to mitigate any downturn in the wider economy which might influence the ability to exit investments.

Going Concern Conclusion

After careful consideration and based on the reasons outlined above, the Board have not identified any material uncertainties which may cast significant doubt on the Company's ability to continue as a going concern for the duration of the going concern period. As such the Board is satisfied that it is appropriate to adopt the going concern basis in preparing the interim financial statements and they have a reasonable expectation that the Company will continue in existence as a going concern for the period to 30 November 2025.

Approved by the Board of Directors and agreed on behalf of the Board on 6 November 2024.

David Macfarlane
Chairman

Sharon Parr
Director

Investment Portfolio

	31 August 2024		Percentage
	Cost ¹	Value	of Portfolio
	US\$'000	US\$'000	%
US Micro-cap portfolio			
US Micro-cap Fund			
JZHL Secondary Fund L.P.²			
JZHL Secondary Fund L.P.			
JZCP's investment in the JZHL Secondary Fund is further detailed on page 16			
<i>Total JZHL Secondary Fund L.P. valuation</i>	36,832	42,085	16.5
US Micro-cap (Vertical)			
Industrial Services Solutions³			
INDUSTRIAL SERVICES SOLUTIONS ("ISS")			
Provider of aftermarket maintenance, repair, and field services for critical process equipment throughout the US			
<i>Total Industrial Services Solutions valuation</i>	21,139	24,184	9.5
US Micro-cap (Co-investments)			
DEFLECTO			
Deflecto designs, manufactures and sells innovative plastic products to multiple industry segments			
	12,174	20,675	8.1
ORIZON			
Manufacturer of high precision machine parts and tools for aerospace and defence industries			
	3,899	3,840	1.5
Total US Micro-cap (Co-investments)	16,073	24,515	9.6
US Micro-cap (Other)			
AVANTE HEALTH SOLUTIONS			
Provider of new and professionally refurbished healthcare equipment			
	8,763	-	-
NATIONWIDE STUDIOS			
Processor of digital photos for pre-schoolers			
	26,324	700	0.3
Total US Micro-cap (Other)	35,087	700	0.3
Total US Micro-cap portfolio	109,131	91,484	35.9

Investment Portfolio (continued)

	31 August 2024		Percentage of Portfolio %
	Cost ¹ US\$'000	Value US\$'000	
European Micro-cap portfolio			
EUROMICROCAP FUND 2010, L.P. Invested in European Micro-cap entities	825	-	-
JZI FUND III, L.P. JZCP's investment in JZI Fund III is further detailed on page 16	58,051	51,163	20.0
Total European Micro-cap	58,876	51,163	20.0
Debt Investments			
TORO FINANCE Provides short term receivables finance to the suppliers of major Spanish companies	21,619	-	-
XACOM ⁴ Supplier of telecom products and technologies	2,055	-	-
Debt Investments (loans to European micro-cap companies)	23,674	-	0.0
Total European Micro-cap portfolio	82,550	51,163	20.0
Real Estate portfolio			
247 BEDFORD AVENUE Prime retail asset in northern Brooklyn, NY	18,848	6,051	2.4
ESPERANTE An iconic building on the downtown, West Palm Beach skyline	22,741	29,505	11.5
Total Real Estate portfolio	41,589	35,556	13.9
Other investments			
BSM ENGENHARIA Brazilian-based provider of supply chain logistics, infrastructure services and equipment rental	6,115	-	-
JZ INTERNATIONAL Fund of European LBO investments	-	335	0.1
SPRUCEVIEW CAPITAL Asset management company focusing primarily on managing endowments and pension funds	34,855	23,038	9.0
Total Other investments	40,970	23,373	9.1
Listed investments			
U.S. Treasury Bills - Maturity 5 September 2024	15,001	15,385	6.0
U.S. Treasury Bills - Maturity 10 October 2024	38,227	38,514	15.1
Total Listed investments	53,228	53,899	21.1
Total - portfolio	327,468	255,475	100.0

¹ Original book cost incurred by JZCP adjusted for subsequent transactions. Other than JZHL Secondary Fund (see footnote 2), the book cost represents cash outflows and excludes PIK investments.

² Notional cost of the Company's interest in JZHL Secondary Fund is calculated in accordance with IFRS, and represents the fair value of the Company's LP interest on recognition adjusted for subsequent distributions.

³ Co-investment with Fund A, a Related Party (Note 16).

⁴ Classified as loan at amortised cost.

Investment Portfolio (continued)

Summary of JZCP's investments in JZHL Secondary Fund

	JZHL Valuation ¹ As at 31.8.2024 \$'000s
US Micro-cap investments	
ACW FLEX PACK, LLC ¹ Provider of a variety of custom flexible packaging solutions to converters and end-users	602
THE ROBINETTE COMPANY ² Provider of flexible packaging	12,348
SAFETY SOLUTIONS HOLDINGS ¹ Provider of safety focused solutions for the industrial, environmental and life science	3,570
PEACEABLE STREET CAPITAL ¹ Specialty finance platform focused on commercial real estate	13,703
TIERPOINT ¹ Provider of cloud computing and colocation data centre services	11,862
JZCP's interest in JZHL Secondary Fund	42,085

¹JZCP's valuation being 37.5% Special L.P. interest in the underlying investment in JZHL Secondary Fund.

²JZCP's valuation being 61.5% Special L.P. interest in the underlying investment in JZHL Secondary Fund.

Summary of JZCP's investments in JZI Fund III

	Country	JZCP Cost (EURO) ¹	JZCP Value (EURO) ¹	JZCP Value (USD)
		As at 31.8.2024 €'000s	As at 31.8.2024 €'000s	As at 31.8.2024 \$'000s
ALIANZAS EN ACEROS Steel service center	Spain	4,753	2,390	2,646
BLUESITES Build-up in cell tower land leases	Portugal	504	3,244	3,591
CANARY GREEN CORNER Build-up of petrol stations	Spain	3,938	4,725	5,230
COLLINGWOOD Niche UK motor insurer	UK	3,020	2,531	2,802
ERSI Reinforced steel modules	Lux	8,502	1,660	1,838
FACTOR ENERGIA Electricity supplier	Spain	3,650	9,263	10,253
FINCONTINUO Niche consumer lender	Italy	4,960	239	264
LUXIDA Build-up in electricity distribution	Spain	3,315	4,650	5,147
MY LENDER Niche consumer lender	Finland	3,799	-	-
S.A.C Operational van leasing	Denmark	3,377	6,450	7,140
TREEE e-waste recycling	Italy	6,927	319	353
UFASA Niche consumer lender	Spain	3,975	4,350	4,815
Other net assets				7,084
Total valuation				51,163

¹Represents JZCP's 18.75% of Fund III's investment portfolio.

Independent Review Report to JZ Capital Partners Limited

Conclusion

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 31 August 2024 which comprises the Statement of Comprehensive Income (Unaudited), Statement of Financial Position (Unaudited), Statement of Changes in Equity (Unaudited), Statement of Cash Flows (Unaudited) and related Notes 1 to 21. We have read the other information contained in the half yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 31 August 2024 are not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting", as adopted by the European Union ("IAS 34"), and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements 2410 (UK) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" (ISRE) issued by the Financial Reporting Council. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in Note 2, the annual financial statements of the Company are prepared in accordance with IFRS as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the European Union.

Conclusion relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for Conclusion section of this report, nothing has come to our attention to suggest that management have inappropriately adopted the going concern basis of accounting or that management have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with this ISRE, however future events or conditions may cause the entity to cease to continue as a going concern.

Responsibilities of the Directors

The Directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

In preparing the half-yearly financial report, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the review of the financial information

In reviewing the half-yearly report, we are responsible for expressing to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report. Our conclusion, including our Conclusions Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

Independent Review Report to JZ Capital Partners Limited (continued)

Use of our report

This report is made solely to the company in accordance with guidance contained in International Standard on Review Engagements 2410 (UK) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the conclusions we have formed.

Ernst & Young LLP
Guernsey, Channel Islands
6 November 2024

Statement of Comprehensive Income (Unaudited)

For the period from 1 March 2024 to 31 August 2024

	Note	Six Month Period Ended 31 August 2024 US\$'000	Six Month Period Ended 31 August 2023 US\$'000
Income, investment and other gains			
Net profit on investments at fair value through profit or loss	6	3,714	1,630
Investment income	8	3,776	3,967
Bank and deposit interest		434	42
Net foreign currency exchange gains		191	109
Realisations from investments held in escrow accounts	19	658	-
		<u>8,773</u>	<u>5,748</u>
Expenses and losses			
Expected credit losses	7	-	(259)
Investment Adviser's base fee	10	(2,327)	(2,696)
Administrative expenses		(1,743)	(1,280)
Directors' remuneration		(146)	(145)
		<u>(4,216)</u>	<u>(4,380)</u>
Operating profit		4,557	1,368
Finance costs	9	-	(3,206)
Profit/(loss) before taxation		<u>4,557</u>	<u>(1,838)</u>
Taxation	20	-	-
Profit/(loss) for the period		<u><u>4,557</u></u>	<u><u>(1,838)</u></u>
Weighted average number of Ordinary shares in issue during the period	18	75,452,491	77,477,214
Basic and diluted earnings/(loss) per Ordinary share	18	6.04c	(2.37)c

The profit/(loss) for the period all derive from continuing operations.

The accompanying notes form an integral part of the Interim Financial Statements.

Statement of Financial Position (Unaudited)

As at 31 August 2024

		31 August 2024	29 February 2024
	Note	US\$'000	US\$'000
Assets			
Investments at fair value through profit or loss	11	255,475	299,534
Other receivables		71	4,249
Cash at bank		25,959	13,368
Total assets		<u>281,505</u>	<u>317,151</u>
Liabilities			
Other payables	13	711	773
Investment Adviser's base fee	10	128	269
Total liabilities		<u>839</u>	<u>1,042</u>
Equity			
Share capital		176,650	216,650
Other reserve		353,528	353,528
Retained deficit		(249,512)	(254,069)
Total equity		<u>280,666</u>	<u>316,109</u>
Total liabilities and equity		<u>281,505</u>	<u>317,151</u>
Number of Ordinary shares in issue at period/year end	14	67,673,293	77,477,214
Net asset value per Ordinary share	17	\$4.15	\$4.08

These Interim Financial Statements on pages 19 to 37 were approved by the Board of Directors and authorised for issuance on 6 November 2024. They were signed on its behalf by:

David Macfarlane
Chairman

Sharon Parr
Director

The accompanying notes form an integral part of the Interim Financial Statements.

Statement of Changes in Equity (Unaudited)

For the period from 1 March 2024 to 31 August 2024

	Note	Share Capital US\$'000	Other Reserve US\$'000	Retained Deficit US\$'000	Total US\$'000
Balance as at 1 March 2024		216,650	353,528	(254,069)	316,109
Profit for the period		-	-	4,557	4,557
Repurchase of Ordinary shares	14	(40,000)	-	-	(40,000)
Balance at 31 August 2024		<u>176,650</u>	<u>353,528</u>	<u>(249,512)</u>	<u>280,666</u>

Comparative for the period from 1 March 2023 to 31 August 2023

		Share Capital US\$'000	Other Reserve US\$'000	Retained Deficit US\$'000	Total US\$'000
Balance as at 1 March 2023		216,650	353,528	(255,680)	314,498
Loss for the period		-	-	(1,838)	(1,838)
Balance at 31 August 2023		<u>216,650</u>	<u>353,528</u>	<u>(257,518)</u>	<u>312,660</u>

The accompanying notes form an integral part of the Interim Financial Statements.

Statement of Cash Flows (Unaudited)

For the period from 1 March 2024 to 31 August 2024

		Six Month Period Ended 31 August 2024	Six Month Period Ended 31 August 2023
	Note	US\$'000	US\$'000
Cash flows from operating activities			
<i>Cash inflows</i>			
Realisation of investments	11	14,710 ¹	9,880
Maturity of treasury bills	11	271,429	215,850
Bank interest received		434	42
Escrow receipts received	19	4,662	-
<i>Cash outflows</i>			
Direct investments and capital calls	11	(21,442) ¹	(3,659)
Purchase of treasury bills	11	(213,147)	(181,566)
Investment Adviser's base fee paid	10	(2,469)	(2,281)
Other operating expenses paid		(1,777)	(1,281)
Net cash inflow from operating activities		<u>52,400</u>	<u>36,985</u>
Cash flows from financing activities			
Repurchase of Ordinary shares	14	(40,000)	-
Senior Credit Facility Finance costs paid	12	-	(2,848)
Net cash outflow from financing activities		<u>(40,000)</u>	<u>(2,848)</u>
Increase in cash at bank		<u>12,400</u>	<u>34,137</u>
Reconciliation of net cash flow to movements in cash at bank			
		US\$'000	US\$'000
Cash at bank at beginning of period		13,368	11,059
Increase in cash at bank		12,400	34,137
Foreign exchange movements on cash at bank		191	(3)
Cash at bank at period end		<u>25,959</u>	<u>45,193</u>

¹During the period, the Company received a net distribution from Fund III totalling \$14.7 million. The distribution comprised realisation proceeds of \$16.1 million less \$1.4 million set aside for anticipated obligations and commitments. Cash inflows from the realisation of investments are quoted net of the amount set aside and cash outflows from direct investments exclude this amount. The amounts recorded in Note 11 to the Interim Financial Statements are recorded gross of the amount set aside in 'Proceeds from investments realised' and is included in 'Investments in period including capital calls'.

The accompanying notes form an integral part of the Interim Financial Statements.

Notes to the Interim Financial Statements (Unaudited)

1. General Information

JZ Capital Partners Limited ("JZCP" or the "Company") is a Guernsey domiciled closed-ended investment company which was incorporated in Guernsey on 14 April 2008 under the Companies (Guernsey) Law, 1994. The Company is subject to the Companies (Guernsey) Law, 2008. The Company is classified as an authorised fund under the Protection of Investors (Bailiwick of Guernsey) Law 2020. As at 31 August 2024, the Company's capital consisted of Ordinary shares which are traded on the London Stock Exchange.

The Company's current investment policy, adopted in August 2020, is for the Company to make no further investments outside of its existing obligations or to the extent that investment may be made to support selected existing portfolio investments. The intention being to realise the maximum value of the Company's investments and, after repayment of all debt (which it has now done), to return capital to shareholders. The Company has made an initial return of capital and a further return is proposed. The Company still remains committed to its investment strategy of realising the maximum value of its investments. The Company will continue to assess its ability to make further returns of capital to Shareholders and will seek to do so as and when it has sufficient cash reserves that are not otherwise required to support its existing investments to maximise value and/or to meet its existing obligations such as operational expenses.

The Company's previous investment policy was to target predominantly private investments and back management teams to deliver on attractive investment propositions. In executing this strategy, the Company took a long-term view. The Company looked to invest directly in its target investments and was able to invest globally but with a particular focus on opportunities in the United States and Europe.

The Company is currently mainly focused on supporting its investments in the following areas:

- (a) small or micro-cap buyouts in the form of debt and equity and preferred stock in both the US and Europe;
- (b) Spruceview Capital Partners the Company's asset management business based in the US; and
- (c) US real estate.

The Company has no direct employees. For its services, the Investment Adviser receives a management fee as described in Note 10. The Company has no ownership interest in the Investment Adviser. During the period under review, the Company was administered by Northern Trust International Fund Administration Services (Guernsey) Limited.

2. Basis of Accounting and Material Accounting Policies

Statement of compliance

The Unaudited Condensed Interim Financial Statements (the "Interim Financial Statements") of the Company for the period 1 March 2024 to 31 August 2024 have been prepared in accordance with IAS 34, "Interim Financial Reporting" as adopted in the European Union, together with applicable legal and regulatory requirements of the Companies (Guernsey) Law, 2008 and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority. The Interim Financial Statements do not include all the information and disclosure required in the Annual Audited Financial Statements and should be read in conjunction with the Annual Report and Financial Statements for the year ended 29 February 2024.

Basis of preparation

The Interim Financial Statements have been prepared under the historical cost basis, except for financial assets and financial liabilities held at fair value through profit or loss ("FVTPL"). The material accounting policies adopted in the preparation of these Interim Financial Statements are consistent with the accounting policies stated in Note 2 of the Annual Financial Statements for the year ended 29 February 2024. The preparation of these Interim Financial Statements is in conformity with IAS 34, "Interim Financial Reporting" as adopted in the European Union, and requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the Interim Financial Statements and the reported amounts of revenues and expenses during the reporting period.

The Interim Financial Statements are presented in US\$'000 except where otherwise indicated.

New standards, interpretations and amendments adopted by the Company

There has been no early adoption, by the Company, of any other standard, interpretation or amendment that has been issued but is not yet effective. Several amendments apply for the first time in 2024, but do not have material impact on the Company's interim financial position or on the presentation of the Company's statements.

Notes to the Interim Financial Statements (Unaudited)

2. Basis of Accounting and Significant Accounting Policies (continued)

Changes in accounting policy and disclosure

The accounting policies adopted in the preparation of these Interim Financial Statements have been consistently applied during the period, unless otherwise stated.

Climate change

The Board has assessed the impact of climate change and has judged that the Company's immediate exposure to the associated risks are low and therefore there is no material impact on the fair value of investments and the financial performance reported in these Interim Financial Statements.

3. Estimates and Judgements

The estimates and judgements made by the Board of Directors are consistent with those made in the Audited Financial Statements for the year ended 29 February 2024.

Going concern

A fundamental principle of the preparation of financial statements in accordance with IFRS is the judgement that an entity will continue in existence as a going concern for a period of at least 12 months from signing of the Interim Financial Statements, which contemplates continuity of operations and the realisation of assets and settlement of liabilities occurring in the ordinary course of business.

In reaching its conclusion, the Board has considered the risks that could impact the Company's liquidity over the period from 6 November 2024 to 30 November 2025 (the "Going Concern Period"). There were no events or conditions identified beyond this period which may cast significant doubt on the Company's ability to continue as a going concern.

Going concern assessment

During the prior year ended 29 February 2024, the Company repaid its Senior Credit Facility following the successful realisation of Felix Storch and subsequent distribution from the JZHL Secondary Fund. The Company has now repaid all its outstanding debt.

In July 2024, the Company returned \$40 million of capital to shareholders and is proposing a further return of capital to shareholders in an amount of \$30.0 million, which will be implemented in the first calendar quarter of 2025. Further returns of capital in accordance with the Company's investment policy will be made to shareholders as circumstances allow.

At 31 August 2024, the Company's liquidity position was approximately \$79.9 million (29 February 2024: \$123.4 million), comprising cash of \$26.0 million (29 February 2024: \$13.4 million) and treasuries of \$53.9 million (29 February 2024: \$110.0 million). During the six-month period ended 31 August 2024, the Company received approximately \$14.7 million from realisations and distributions, \$4.7 million from escrows and \$2.9 million interest from treasury bills and cash. The Company had cash outflows relating to follow-on investments and expenses of approximately \$25.7 million and returned \$40.0 million of capital to shareholders. Post period-end, the Company has received a further \$27.5 million in realisation proceeds and at the date of this report holds cash and treasuries of approximately \$106 million.

As at 6 November 2024, the Company's financial obligations included \$8.2 million committed to Follow-on Flex Pack (through JZHL Secondary Fund LP). In addition, the Company anticipates it will require the following amounts to support certain other existing assets: approximately \$4.7 million for Esperante, \$15 million for Spruceview and \$20 million for JZI Fund III. The expected timeframe for these further investments is over a three-year period.

The Board takes account of the levels of funding obligations the Company could be called on through capital calls on existing investments, as well as the accuracy of previous forecasts to assess the predicted accuracy of forecasts presented. The Company continues to work on the realisation of various investments within a timeframe that will enable the Company to maximise the value of its investment portfolio. Due to the Company's strong liquidity, the timeframe to realise investments is not determined by the need to meet financial obligations and the Company is able to mitigate any downturn in the wider economy which might influence the ability to exit investments.

Going concern conclusion

After careful consideration and based on the reasons outlined above, the Board have not identified any material uncertainties which may cast significant doubt on the Company's ability to continue as a going concern for the duration of the going concern period. As such the Board is satisfied that it is appropriate to adopt the going concern basis in preparing the interim financial statements and they have a reasonable expectation that the Company will continue in existence as a going concern for the period to 30 November 2025.

Notes to the Interim Financial Statements (Unaudited)

4. Segment Information

The Investment Manager is responsible for allocating resources available to the Company in accordance with the overall business strategies as set out in the Investment Guidelines of the Company. The Company is organised into the following segments:

- Portfolio of US Micro-cap investments
- Portfolio of European Micro-cap investments
- Portfolio of Real Estate investments
- Portfolio of Other Investments - (not falling into above categories)

Investments in treasury bills are not considered as part of the investment strategy and are therefore excluded from this segmental analysis.

The investment objective of each segment is to maximize the value of the remaining portfolio.

Segmental operating profit/(loss)

For the period from 1 March 2024 to 31 August 2024

	US Micro-cap US\$ '000	European Micro-cap US\$ '000	Real Estate US\$ '000	Other Investments US\$ '000	Total US\$ '000
Interest revenue	1,671	-	-	-	1,671
Total segmental interest revenue	1,671	-	-	-	1,671
Net gain/(loss) on investments at FVTPL	2,611	4,848	(2,148)	(1,597)	3,714
Realisations from investments held in Escrow	658	-	-	-	658
Investment Adviser's base fee	(644)	(442)	(256)	(183)	(1,525)
Total segmental operating profit/(loss)	4,296	4,406	(2,404)	(1,780)	4,518

For the period from 1 March 2023 to 31 August 2023

	US Micro-cap US\$ '000	European Micro-cap US\$ '000	Real Estate US\$ '000	Other Investments US\$ '000	Total US\$ '000
Interest revenue	1,484	259	-	-	1,743
Total segmental interest revenue	1,484	259	-	-	1,743
Net gain/(loss) on investments at FVTPL	3,415	1,586	(1,291)	(2,080)	1,630
Expected credit losses	-	(259)	-	-	(259)
Investment Adviser's base fee	(959)	(548)	(234)	(192)	(1,933)
Total segmental operating profit/(loss)	3,940	1,038	(1,525)	(2,272)	1,181

Certain income and expenditure are not considered part of the performance of an individual segment. This includes net foreign exchange gains, interest on cash, finance costs, management fees, custodian and administration fees, directors' fees and other general expenses. The segmental allocation is consistent with that of the previous year end.

The following table provides a reconciliation between total segmental operating profit and operating profit/(loss):

	31.8.2024 US\$ '000	31.8.2023 US\$ '000
Total segmental operating profit	4,518	1,181
Net foreign exchange gain	191	109
Bank and deposit interest	434	42
Treasury bill interest	2,105	2,224
Expenses not attributable to segments	(1,889)	(1,425)
Fees payable to investment adviser based on non-segmental assets	(802)	(763)
Finance costs	-	(3,206)
Profit/(loss) for the period	4,557	(1,838)

Notes to the Interim Financial Statements (Unaudited)

4. Segment Information (continued)

The following table provides a reconciliation between total segmental interest revenue and Company revenue:

	31.8.2024	31.8.2023
	US\$ '000	US\$ '000
Total segmental interest revenue	1,671	1,743
<i>Non-segmental interest revenue</i>		
Bank and deposit interest	434	42
Treasury Bill interest	2,105	2,224
Total interest revenue	<u>4,210</u>	<u>4,009</u>

Segmental Net Assets

At 31 August 2024

	US Micro-cap US\$ '000	European Micro-cap US\$ '000	Real Estate US\$ '000	Other Investments US\$ '000	Total US\$ '000
Segmental assets					
Investments at FVTPL	91,484	51,163	35,556	23,373	201,576
Total segmental assets	<u>91,484</u>	<u>51,163</u>	<u>35,556</u>	<u>23,373</u>	<u>201,576</u>
Segmental liabilities					
Payables and accrued expenses	(42)	(23)	(16)	(11)	(92)
Total segmental liabilities	<u>(42)</u>	<u>(23)</u>	<u>(16)</u>	<u>(11)</u>	<u>(92)</u>
Total segmental net assets	<u>91,442</u>	<u>51,140</u>	<u>35,540</u>	<u>23,362</u>	<u>201,484</u>

At 29 February 2024

	US Micro-cap US\$ '000	European Micro-cap US\$ '000	Real Estate US\$ '000	Other Investments US\$ '000	Total US\$ '000
Segmental assets					
Investments at FVTPL	74,948	61,025	28,815	24,670	189,458
Loans at amortised cost	-	-	-	-	-
Prepaid expenses	-	-	-	-	-
Total segmental assets	<u>74,948</u>	<u>61,025</u>	<u>28,815</u>	<u>24,670</u>	<u>189,458</u>
Segmental liabilities					
Payables and accrued expenses	(96)	(55)	(22)	(18)	(191)
Total segmental liabilities	<u>(96)</u>	<u>(55)</u>	<u>(22)</u>	<u>(18)</u>	<u>(191)</u>
Total segmental net assets	<u>74,852</u>	<u>60,970</u>	<u>28,793</u>	<u>24,652</u>	<u>189,267</u>

Notes to the Interim Financial Statements (Unaudited)

4. Segment Information (continued)

The following table provides a reconciliation between total segmental assets and total assets and total segmental liabilities and total liabilities:

	31.8.2024	29.2.2024
	US\$ '000	US\$ '000
Total segmental assets	201,576	189,458
Non segmental assets		
Cash at bank	25,959	13,368
Treasury bills	53,899	110,076
Other receivables	71	4,249
Total assets	<u>281,505</u>	<u>317,151</u>
Total segmental liabilities	(92)	(191)
Non segmental liabilities		
Other payables	(747)	(851)
Total liabilities	<u>(839)</u>	<u>(1,042)</u>
Total net assets	<u>280,666</u>	<u>316,109</u>

Other receivables (other than the Investment Adviser fee prepayment) are not considered to be part of individual segment assets. Certain liabilities are not considered to be part of the net assets of an individual segment. These include custodian and administration fees payable, directors' fees payable and other payables and accrued expenses.

5. Fair Value of Financial Instruments

The Company classifies fair value measurements of its financial instruments at FVTPL using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The financial instruments valued at FVTPL are analysed in a fair value hierarchy based on the following levels:

Level 1

Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2

Those involving inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). The Company did not hold any investments which were classified as a Level 2 investment as at 31 August 2024 and 29 February 2024.

Level 3

Those involving inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs). Investments in JZCP's portfolio valued using unobservable inputs such as multiples, capitalisation rates, discount rates (see page 30) fall within Level 3.

Differentiating between Level 2 and Level 3 fair value measurements i.e., assessing whether inputs are observable and whether the unobservable inputs are significant, may require judgement and a careful analysis of the inputs used to measure fair value including consideration of factors specific to the asset or liability.

Notes to the Interim Financial Statements (Unaudited)

5. Fair Value of Financial Instruments (continued)

The following table shows financial instruments recognised at fair value, analysed by the hierarchy level that the fair value is based on:

Financial assets at 31 August 2024

	Level 1 US\$ '000	Level 2 US\$ '000	Level 3 US\$ '000	Total US\$ '000
US micro-cap	-	-	91,484	91,484
European micro-cap	-	-	51,163	51,163
Real estate	-	-	35,556	35,556
Other investments	-	-	23,373	23,373
Treasury bills	53,899	-	-	53,899
	53,899	-	201,576	255,475

Financial assets at 29 February 2024

	Level 1 US\$ '000	Level 2 US\$ '000	Level 3 US\$ '000	Total US\$ '000
US micro-cap	-	-	74,948	74,948
European micro-cap	-	-	61,025	61,025
Real estate	-	-	28,815	28,815
Other investments	-	-	24,670	24,670
Treasury bills	110,076	-	-	110,076
	110,076	-	189,458	299,534

Valuation techniques

In valuing investments in accordance with IFRS, the Board follows the principles as detailed in the IPEVCA guidelines.

When fair values of listed equity and debt securities at the reporting date are based on quoted market prices or binding dealer price quotations (bid prices for long positions), without any deduction for transaction costs, the instruments are included within Level 1 of the hierarchy.

Investments for which there are no active markets are valued according to one of the following methods:

Real estate

JZCP owns its real estate investments through a wholly-owned subsidiary, which in turn owns interests in real estate properties. The net asset value of the subsidiary is used for the measurement of fair value. The underlying fair value of JZCP's Real Estate holdings, however, is represented by the properties themselves. The Company's Investment Adviser and Board review the fair value methods and measurement of the underlying properties on a quarterly basis. Where available, the Company will use third party appraisals on the subject property, to assist the fair value measurement of the underlying property. Third-party appraisals are prepared in accordance with the Appraisal and Valuation Standards (6th edition) issued by the Royal Institution of Chartered Surveyors. Fair value techniques used in the underlying valuations are:

- Use of comparable market values per square foot of properties in recent transactions in the vicinity in which the property is located, and in similar condition, of the relevant property, multiplied by the property's square footage.
- Income capitalisation approach using the property's net operating income and a capitalisation rate.

Notes to the Interim Financial Statements (Unaudited)

5. Fair Value of Financial Instruments (continued)

Valuation techniques (continued)

Real estate (continued)

For each of the techniques third party debt is deducted to arrive at fair value.

The valuations obtained in relation to the real estate portfolio are dated 31 December 2023. Subsequent discussions with appraisers indicate there would be no significant change in property values between 31 December 2023 and 31 August 2024. Due to the inherent uncertainties of real estate valuation, the values reflected in the financial statements may differ significantly from the values that would be determined by negotiation between parties in a sales transaction and those differences could be material.

Unquoted preferred shares, unquoted equities and equity related securities

Unquoted equities and equity related securities investments are classified in the Statement of Financial Position as Investments at fair value through profit or loss. These investments are typically valued by reference to their enterprise value, which is generally calculated by applying an appropriate multiple to the last twelve months' earnings before interest, tax, depreciation and amortisation ("EBITDA"). In determining the multiple, the Board consider inter alia, where practical, the multiples used in recent transactions in comparable unquoted companies, previous valuation multiples used and where appropriate, multiples of comparable publicly traded companies. In accordance with IPEVCA guidelines, a marketability discount is applied which reflects the discount that in the opinion of the Board, market participants would apply in a transaction in the investment in question. The increase of the fair value of the aggregate investment is reflected through the unquoted equity component of the investment and a decrease in the fair value is reflected across all financial instruments invested in an underlying company.

In respect of unquoted preferred shares the Company values these investments at fair value by reference to the attributable enterprise value as the exit strategy in respect to these investments would be a one tranche disposal together with the equity component. The fair value of the investment is determined by reference to the attributable enterprise value reduced by senior debt and marketability discount.

Micro-cap loans

Investments in micro-cap debt are valued at fair value by reference to the attributable enterprise value when the Company also holds an equity position in the investee company.

When the Company invests in micro-cap loans and does not hold an equity position in the underlying investee company these loans are valued at amortised cost in accordance with IFRS 9. The carrying value at amortised cost is considered to approximate to fair value.

Other Investments

Other investments at the period end, comprise mainly of the Company's investment in the asset management business - Spruceview Capital Partners LLC ("Spruceview"). Spruceview is valued using a valuation model which considers a forward looking revenue approach which the Board considers to be consistent with the valuation methods used by peer companies.

Notes to the Interim Financial Statements (Unaudited)

5. Fair Value of Financial Instruments (continued)

Quantitative information of significant unobservable inputs and sensitivity analysis to significant changes in unobservable inputs within Level 3 hierarchy

The significant unobservable inputs used in fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity as at 31 August 2024 and 29 February 2024 are shown below:

	Value 31.8.2024 US\$'000	Valuation Technique	Unobservable input	Range (weighted average)	Sensitivity used	Effect on Fair Value US\$'000	
US micro-cap investments	91,484	EBITDA Multiple	Average EBITDA Multiple of Peers	7.0x - 14.0x (8.9x)	-0.5x /+0.5x	(8,234)	8,215
			Discount to Average Multiple	5% - 25% (18%)	+5% /-5%	(9,205)	9,367
European micro-cap investments	51,163	EBITDA Multiple	Average EBITDA Multiple of Peers	5.0x - 13.4x (8.2x)	-0.5x /+0.5x	(2,262)	2,262
			Discount to Average Multiple	10% - 44% (30%)	+5% /-5%	(2,143)	2,143
Real estate ^{1,2}	35,556	Cap Rate/ Income Approach	Capitalisation Rate	6.0%-6.75% (6.60%)	+50bps/ -50bps	(6,016)	7,340
Other investments ³	23,038	Forward looking Revenue Approach	Revenue Multiple	\$8.8 million 5.3x	-10%/+10% -10%/+10%	(2,273)	2,273

	Value 29.2.2024 US\$'000	Valuation Technique	Unobservable input	Range (weighted average)	Sensitivity used	Effect on Fair Value US\$'000	
US micro-cap investments	74,948	EBITDA Multiple	Average EBITDA Multiple of Peers	5.0x - 14.0x (9.5x)	-0.5x /+0.5x	(8,246)	8,335
			Discount to Average Multiple	20% - 35% (21.0%)	+5% /-5%	(9,360)	9,818
European micro-cap investments	61,025	EBITDA Multiple	Average EBITDA Multiple of Peers	3.8x - 15.0x (8.7x)	-0.5x /+0.5x	(4,132)	4,121
			Discount to Average Multiple	10% - 67% (27.0%)	+5% /-5%	(2,683)	2,683
Real estate ^{1,2}	28,815	Cap Rate/ Income Approach	Capitalisation Rate	6.0%-6.75% (6.60%)	+50bps/ -50bps	(7,547)	7,432
Other investments ³	24,245	Forward looking Revenue Approach	Revenue Multiple	\$12.0 million 4.0x	-10%/+10% -10%/+10%	(2,408)	2,408

¹The Fair Value of JZCP's investment in financial interests in Real Estate is measured as JZCP's percentage interest in the value of the underlying properties.

²Sensitivity is applied to the property value and then the debt associated to the property is deducted before the impact to JZCP's equity value is calculated. Due to gearing levels in the property structures, an increase in the sensitivity of measurement metrics at property level will result in a significantly greater impact at JZCP's equity level.

³JZCP's investment in Spruceview.

Notes to the Interim Financial Statements (Unaudited)

5. Fair Value of Financial Instruments (continued)

The following table shows a reconciliation of all movements in the fair value of financial instruments categorised within Level 3 between the beginning and the end of the reporting period/year.

Period ended 31 August 2024	US Micro-Cap US\$ '000	European Micro-Cap US\$ '000	Real Estate US\$ '000	Other Investments US\$ '000	Total US\$ '000
At 1 March 2024	74,948	61,025	28,815	24,670	189,458
Investments including capital calls	12,253	1,379	8,889	300	22,821
Payment in kind ("PIK")	536	-	-	-	536
Proceeds from investments realised	-	(16,089)	-	-	(16,089)
Net gain/(loss) on investments	2,611	4,848	(2,148)	(1,597)	3,714
Movement in accrued interest	1,136	-	-	-	1,136
At 31 August 2024	91,484	51,163	35,556	23,373	201,576

Year ended 29 February 2024

	US Micro-Cap US\$ '000	European Micro-Cap US\$ '000	Real Estate US\$ '000	Other Investments US\$ '000	Total US\$ '000
At 1 March 2023	127,811	68,271	31,156	25,683	252,921
Investments including capital calls	623	2,249	-	1,100	3,972
Payment in kind ("PIK")	3,004	-	-	-	3,004
Proceeds from investments realised	(69,984)	(1,779)	-	-	(71,763)
Net gain/(loss) on investments	13,495	(7,716)	(2,341)	(2,113)	1,325
Movement in accrued interest	(1)	-	-	-	(1)
At 29 February 2024	74,948	61,025	28,815	24,670	189,458

6. Net Profit on Investments at Fair Value Through Profit or Loss

	Period ended 31.8.2024 US\$ '000	Period ended 31.8.2023 US\$ '000
<i>Loss on investments held in investment portfolio at period end</i>		
Net movement in period end unrealised (loss)/gain position	(6,499)	2,606
Unrealised net gain/(loss) in prior periods now realised	5,581	(4,247)
Net unrealised loss in the period	(918)	(1,641)
<i>Net profit on investments realised in the period</i>		
Proceeds from investments realised	16,089	7,906
Cost of investments realised	(5,876)	(8,882)
Unrealised net (gain)/loss in prior periods now realised	(5,581)	4,247
Total net profit in the period on investments realised in the period	4,632	3,271
Net profit on investments in the period	3,714	1,630

Notes to the Interim Financial Statements (Unaudited)

7. Expected Credit Losses

	Period ended 31.8.2024 US\$ '000	Period ended 31.8.2023 US\$ '000
Impairment on loans classified as Stage 1	-	-
Impairment on loans classified as Stage 3	-	259
Total impairment on loans during period	<u>-</u>	<u>259</u>

At 31 August 2024, the Company has valued the loans held at amortised cost at \$nil (31 August 2023: \$1.833 million - Stage 3).

Expected Credit Losses ("ECLs") are recognised in three stages:

- Stage one being for credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL).
- Stage two being for those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).
- Stage three being credit exposures which are considered credit-impaired, interest revenue is calculated based on the amortised cost (i.e., the gross carrying amount less the loss allowance). Financial assets in this stage will generally be assessed individually. Lifetime expected credit losses are recognised on these financial assets.

8. Investment Income

	Period ended 31.8.2024 US\$ '000	Period ended 31.8.2023 US\$ '000
Interest calculated using the effective interest rate method	-	259
Other interest and similar income	3,776	3,708
	<u>3,776</u>	<u>3,967</u>

Income for the period ended 31 August 2024

Portfolio	Preferred	Loan note Interest		Dividend	Other	Total
	Interest	PIK	Cash		Interest	
	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000
US micro-cap	1,671	-	-	-	-	1,671
Treasury bills	-	-	-	-	2,105	2,105
	<u>1,671</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,105</u>	<u>3,776</u>

Income for the period ended 31 August 2023

Portfolio	Preferred	Loan note Interest		Dividend	Other	Total
	Interest	PIK	Cash		Interest	
	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000
US micro-cap	1,484	-	-	-	-	1,484
European micro-cap	-	259	-	-	-	259
Treasury bills	-	-	-	-	2,224	2,224
	<u>1,484</u>	<u>259</u>	<u>-</u>	<u>-</u>	<u>2,224</u>	<u>3,967</u>

Notes to the Interim Financial Statements (Unaudited)

9. Finance Costs

	Period ended 31.8.2024 US\$ '000	Period ended 31.8.2023 US\$ '000
<i>Interest expense calculated using the effective interest method</i>		
Senior Credit Facility (Note 12)	-	3,206
	<u>-</u>	<u>3,206</u>

10. Fees Payable to the Investment Adviser

Investment Advisory and Performance fees

The Company entered into the amended and restated investment advisory and management agreement with Jordan/Zalaznick Advisers, Inc. (the "Investment Adviser") on 23 December 2010 (the "Advisory Agreement").

Pursuant to the Advisory Agreement, the Investment Adviser is entitled to a base management fee and to an incentive fee. The base management fee is an amount equal to 1.5 per cent per annum of the average total assets under management of the Company. The base management fee is payable quarterly in arrears; the agreement provides that payments in advance on account of the base management fee will be made.

For the six-month period ended 31 August 2024, total investment advisory and management expenses, based on the average total assets of the Company, were included in the Statement of Comprehensive Income of \$2,327,000 (period ended 31 August 2023: \$2,696,000). Of this amount, \$128,000 was due and payable to the Investment Adviser at the period end (29 February 2024: \$269,000).

No incentive fees will be paid to the Investment Adviser until the Company and Investment Adviser have mutually agreed to reinstate such payments.

11. Investments

	Listed FVTPL 31.8.2024 US\$ '000	Unlisted FVTPL 31.8.2024 US\$ '000	Unlisted Loans 31.8.2024 US\$ '000	Carrying Value Total 31.8.2024 US\$ '000
Book cost at 1 March 2024	109,024	271,186	6,971	387,181
Investments in period including capital calls	213,147	22,821	-	235,968
Payment in kind ("PIK") ¹	-	536	-	536
Proceeds from investments matured/realised	(271,429)	(16,089)	-	(287,518)
Interest received on maturity	2,485	-	-	2,485
Net realised gain	-	10,213	-	10,213
Book cost at 31 August 2024	<u>53,227</u>	<u>288,667</u>	<u>6,971</u>	<u>348,865</u>
Unrealised net investment loss	-	(88,753)	-	(88,753)
Impairment on loans at amortised cost	-	-	(6,971)	(6,971)
Accrued interest	672	1,662	-	2,334
Carrying value at 31 August 2024	<u><u>53,899</u></u>	<u><u>201,576</u></u>	<u><u>-</u></u>	<u><u>255,475</u></u>

¹The cost of PIK investments is deemed to be interest not received in cash but settled by the issue of further securities when that interest has been recognised in the Statement of Comprehensive Income.

Notes to the Interim Financial Statements (Unaudited)

11. Investments (continued)

	Listed FVTPL 29.2.2024 US\$ '000	Unlisted FVTPL 29.2.2024 US\$ '000	Unlisted Loans 29.2.2024 US\$ '000	Carrying Value Total 29.2.2024 US\$ '000
Book cost at 1 March 2023	90,032	280,766	13,283	384,081
Investments in year including capital calls	452,923	3,972	-	456,895
Payment in kind ("PIK") ¹	-	3,004	560	3,564
Proceeds from investments matured/realised	(438,290)	(71,763)	(5,336)	(515,389)
Interest received on maturity	4,359	-	-	4,359
Realised credit loss	-	-	(763)	(763)
Realised currency loss	-	-	(773)	(773)
Net realised gain	-	55,207	-	55,207
Book cost at 29 February 2024	109,024	271,186	6,971	387,181
Unrealised net investment loss	-	(82,254)	-	(82,254)
Impairment on loans at amortised cost	-	-	(6,971)	(6,971)
Accrued interest	1,052	526	-	1,578
Carrying value at 29 February 2024	<u>110,076</u>	<u>189,458</u>	<u>-</u>	<u>299,534</u>

¹The cost of PIK investments is deemed to be interest not received in cash but settled by the issue of further securities when that interest has been recognised in the Statement of Comprehensive Income.

Unlisted Loans

Loans to European micro-cap companies are classified and measured as Loans at amortised cost under IFRS 9 if the loan is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The repayment of the loans will occur when the underlying investee company issuing the debt redeems on ownership change or due date.

The Company has two remaining loans to European micro-cap companies; a loan to the parent company of Xacom has been written off as the company has entered into bankruptcy and a loan to Toro Finance which has been classified and valued at FVTPL. The loan to Toro Finance has been valued at \$nil (29 February 2024: \$nil) due to the lack of information available to enable management to assess its recoverability.

12. Senior Credit Facility

On 18 December 2023, JZCP repaid in full its Senior Credit Facility with WhiteHorse Capital Management, LLC. The Senior Credit Facility had a maturity date of 26 January 2027 but allowed for early repayment without penalty as the aggregate yield to the lender had exceeded 15 per cent. The Senior Credit Facility consisted of a \$45.0 million first lien term loan, and up to \$25.0 million in first lien delayed draw term loans, which remained undrawn.

Notes to the Interim Financial Statements (Unaudited)

13. Other Payables

	31.8.2024	29.2.2024
	US\$ '000	US\$ '000
Legal fee provision	175	175
Audit fees	229	287
Other expenses	258	263
Directors' remuneration	49	48
	711	773

14. Ordinary shares - Issued Capital

	31.8.2024	29.2.2024
	Number of shares	Number of shares
Balance at 1 March	77,477,214	77,477,214
Compulsory redemption of Ordinary shares	(9,803,921)	-
Total Ordinary shares in issue	67,673,293	77,477,214

During the period, the Company obtained shareholder approval to amend the Company's Articles to permit redemptions of the Ordinary Shares by changing the rights of the Ordinary shares to enable them to be redeemable at the option of the Company. This amendment has not impacted the Ordinary shares' classification as equity in accordance with IAS 32- "Financial Instruments: Presentation".

On 25 July 2024, the Company effected a compulsory partial redemption of 9,803,921 Ordinary Shares, which resulted in the return of capital of an aggregate amount of approximately \$40.0 million.

The Company's shares trade on the London Stock Exchange.

15. Commitments

At 31 August 2024 and 29 February 2024, JZCP had the following financial commitments outstanding in relation to fund investments:

	Expected date of Call	31.8.2024 US\$ '000	29.2.2024 US\$ '000
JZI Fund III GP, L.P. €5,240,137 (29.2.2024: €5,240,137)	over 3 years	5,800	5,671
Follow-on Flex Pack ¹	over 3 years	8,224	-
Spruceview Capital Partners, LLC ²		-	-
		14,024	5,671

¹During the period, the Company obtained shareholder approval to invest approximately \$20.5 million, into the Secondary Fund, for an investment into a newly incorporated company that will be incorporated in a parallel structure to, ACW Flex Pack, LLC. Subsequently, the Company contributed approximately \$12.3 million of this \$20.5 million towards the Secondary Fund's Follow-On Flex Pack acquisition of The Robinette Company.

²Following capital calls in the interim period and previous financial year of \$1.4 million, JZCP has the option to increase further commitments to Spruceview up to approximately \$2.1 million.

16. Related Party Transactions

JZAI is a US based company founded by David Zalaznick and Jay Jordan, that provides advisory services to the Company in exchange for management fees, paid quarterly. Fees paid by the Company to the Investment Adviser are detailed in Note 10. JZAI and various affiliates provide services to certain JZCP portfolio companies and may receive fees for providing these services pursuant to the Advisory Agreement.

JZCP invests in European micro-cap companies through JZI Fund III, L.P. ("Fund III"). Previously investments were made via the EuroMicrocap Fund 2010, L.P. ("EMC 2010"). Fund III and EMC 2010 are managed by an affiliate of JZAI. At 31 August 2024, JZCP's investment in Fund III was valued at \$51.2 million (29 February 2024: \$61.0 million). JZCP's investment in EMC 2010 was valued at \$nil (29 February 2024: \$nil).

Notes to the Interim Financial Statements (Unaudited)

16. Related Party Transactions (continued)

JZCP has invested in Spruceview Capital Partners, LLC on a 50:50 basis with Jay Jordan and David Zalaznick (or their respective affiliates). The total amount committed and funded by JZCP to this investment at 31 August 2024, was \$35.5 million (29 February 2024: \$35.2 million). As approved by a shareholder vote on 12 August 2020, JZCP has the ability to make up to approximately \$4.1 million in further commitments to Spruceview, above the original \$33.5 million committed. Further commitments made would be on the same 50:50 basis with Jay Jordan and David Zalaznick (or their respective affiliates). Following subsequent capital calls, JZCP has a remaining option to increase further commitments to Spruceview up to approximately \$2.1 million.

During the year ended 28 February 2021, the Company sold its interests in certain US microcap portfolio companies (the "Secondary Sale") to a secondary fund led by Hamilton Lane Advisors, L.L.C. The Secondary Sale was structured as a sale and contribution to a newly formed fund, JZHL Secondary Fund LP, managed by an affiliate of JZAI. At 31 August 2024, JZCP's investment in JZHL Secondary Fund LP was valued at \$42.1 million (29 February 2024: \$30.1 million).

On 8 May 2024, the Company received shareholder approval to invest up to \$20.5 million into the Secondary Fund to be used, together with additional amounts invested by other investors into the Secondary Fund, to make an investment into a newly incorporated company ("Follow-on Flex Pack") that is a related company of, and incorporated in a parallel structure to, ACW Flex Pack, LLC. Subsequent to the approval, the Secondary Fund made a Follow-On Flex Pack acquisition being The Robinette Company. JZCP contributed approximately \$12.3 million towards the acquisition.

JZCP has co-invested with Fund A, Fund A Parallel I, II and III Limited Partnerships in a number of US micro-cap buyouts. These Limited Partnerships are managed by an affiliate of JZAI. JZCP invested in a ratio of 82%/18% with the Fund A entities. At 31 August 2024, these co-investments, with the Fund A entities, were in the following portfolio companies: Industrial Service Solutions WC, L.P. and BSM Engenharia. Pursuant to a merger agreement, dated December 14, 2022, JZCP and all of the Fund A Entities transferred their prior investments in ISS #2, LLC rateably in exchange for cash, a rollover investment (Industrial Service Solutions WC, L.P.) and contingent escrow amounts. JZCP previously co-invested with Fund A in Safety Solutions Holdings and Tierpoint which were included in the transfer to JZHL Secondary Fund LP (mentioned above).

Total Directors' remuneration for the six-month period ended 31 August 2024 was \$145,000 (31 August 2023: \$145,000).

17. Net Asset Value Per Share

The net asset value per Ordinary share of \$4.15 (29 February 2024: \$4.08) is based on the net assets at the period end of \$280,666,000 (29 February 2024: \$316,109,000) and on 67,673,293 (29 February 2024: 77,477,214) Ordinary shares, being the number of Ordinary shares in issue at the period end.

The below table reconciles the estimated NAV per share as announced on 23 September 2024 to the final reported NAV.

	31.8.2024
	US\$
Estimated NAV per share - per Stock Exchange announcement on 23 September 2024	4.11
Valuation uplift following realisation of Deflecto (post period-end)	0.05
Minor valuation changes post announcement date	(0.01)
Reported NAV per share	<u>4.15</u>

18. Basic and Diluted Earnings/(Loss) per Share

Basic earnings/(loss) per share is calculated by dividing the earnings/(loss) for the period by the weighted average number of Ordinary shares outstanding during the period.

For the period ended 31 August 2024, the weighted average number of Ordinary shares outstanding during the period was 75,452,491 (31 August 2023: 77,477,214).

The diluted earnings/(loss) per share is calculated by considering adjustments required to the earnings/(loss) and weighted average number of shares for the effects of potential dilutive Ordinary shares. There were no dilutive Ordinary shares during the period.

Notes to the Interim Financial Statements (Unaudited)

19. Contingent Assets

Amounts held in escrow accounts

When investments have been disposed of by the Company, proceeds may reflect contractual terms requiring that a percentage is held in an escrow account pending resolution of any indemnifiable claims that may arise. At 31 August 2024 and 29 February 2024, the Company has assessed that the likelihood of the recovery of these escrow accounts cannot be determined and has therefore disclosed the escrow accounts as a contingent asset.

As at 31 August 2024 and 29 February 2024, the Company had the following contingent assets held in escrow accounts which had not been recognised as assets of the Company:

	Amount in Escrow	
	31.8.2024	29.2.2024
	US\$'000	US\$'000
Industrial Services Solutions (ISS)	2,330	2,533
JZHL Secondary Fund	439	1,097
Igloo	49	49
	<u>2,818</u>	<u>3,679</u>

Realisations from investments held in escrow accounts

During the period ended 31 August 2024, escrow proceeds of \$4.662 million (31 August 2023: \$nil) were realised. Of this amount \$0.658 million was recorded in the Statement of Comprehensive Income and the \$4.004 million was previously recognised in the net profit on investments at fair value through profit or loss and as a receivable as at 29 February 2024.

Post period end, the Company received \$2.138 million of the ISS escrow detailed above.

20. Taxation

The Company had been granted Guernsey tax exempt status in accordance with The Income Tax (Exempt Bodies) (Guernsey) Ordinance 1989 (as amended).

21. Subsequent Events

These Interim Financial Statements were approved by the Board on 6 November 2024. Events subsequent to the period end 31 August 2024 have been evaluated until this date.

In October 2024, the Company received \$20.675 million following the realisation of Deflecto. The fair value of Deflecto at the period-end reflects the realisation proceeds.

Company Advisers

Investment Adviser

The Investment Adviser to JZ Capital Partners Limited ("JZCP") is Jordan/Zalaznick Advisers, Inc., ("JZAI") a company beneficially owned by John (Jay) W Jordan II and David W Zalaznick. The company offers investment advice to the Board of JZCP. JZAI has offices in New York and Chicago.

Jordan/Zalaznick Advisers, Inc.

70 E.55th Street,
15th Floor
New York NY 10022

Registered Office

PO Box 255
Trafalgar Court
Les Banques
St Peter Port
Guernsey GY1 3QL

JZ Capital Partners Limited is registered in Guernsey Number 48761

Administrator, Registrar and Secretary

Northern Trust International Fund Administration Services (Guernsey) Limited
PO Box 255
Trafalgar Court
Les Banques
St Peter Port
Guernsey GY1 3QL

UK Transfer and Paying Agent

Equiniti Limited
Aspect House
Spencer Road
Lancing
West Sussex BN99 6DA

US Banker

HSBC Bank USA NA
452 Fifth Avenue
New York NY 10018
(Also provides custodian services to JZ Capital Partners Limited under the terms of a Custody Agreement).

Guernsey Banker

Northern Trust (Guernsey) Limited
PO Box 71
Trafalgar Court
Les Banques
St Peter Port
Guernsey GY1 3DA

Independent Auditor

Ernst & Young LLP
PO Box 9
Royal Chambers
St Julian's Avenue
St Peter Port
Guernsey GY1 4AF

UK Solicitor

Ashurst LLP
London Fruit & Wool Exchange
1 Duval Square
London E1 6PW

US Lawyers

Monge Law Firm, PLLC
435 South Tyron Street, Suite 711
Charlotte, NC 28202

Winston & Strawn LLP
35 West Wacker Drive
Chicago IL 60601-9703

Guernsey Lawyer

Mourant
Royal Chambers
St Julian's Avenue
St Peter Port
Guernsey GY1 4HP

Financial Adviser and Broker

JP Morgan Cazenove Limited
20 Moorgate
London EC2R 6DA

Useful Information for Shareholders

Listing

JZCP Ordinary shares are listed on the Official List of the Financial Services Authority of the UK, and are admitted to trading on the London Stock Exchange.

The price of the Ordinary shares is shown in the Financial Times under "Conventional Private Equity" and can also be found at <https://markets.ft.com>.

ISIN/SEDOL numbers

	<u>Ticker Symbol</u>	<u>ISIN Code</u>	<u>Sedol Number</u>
Ordinary shares	JZCP	GG00BT3MVL31	BT3MVL3

Key Information Document

JZCP produces Key Information Document to assist investors' understanding of the Company's securities and to enable comparison with other investment products. The document is found on the Company's website - www.jzcp.com/investor-relations/key-information-documents.

On 19 September 2024, HM Treasury and the FCA published statements on reforms to retail disclosure requirements and related FCA forbearance on investment trust disclosure requirements. The Company will continue to monitor these reforms which are expected to impact the information provided within the Key Information Document.

Alternative Performance Measures

In accordance with ESMA Guidelines on Alternative Performance Measures ("APMs"), the Board has considered what APMs are included in the Interim Report and Financial Statements which require further clarification. An APM is defined as a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework. APMs included in the Interim Report and Financial Statements, which are unaudited and outside the scope of IFRS, are deemed to be as follows:

Total NAV Return

The Total NAV Return measures how the net asset value ("NAV") per share has performed over a period of time, taking into account both capital returns and dividends paid to shareholders. JZCP quotes NAV total return as a percentage change from the start of the period (one year) and also three-month, three-year, five-year and seven year periods. It assumes that dividends paid to shareholders are reinvested back into the Company therefore future NAV gains are not diminished by the paying of dividends. JZCP also produces an adjusted Total NAV Return which excludes the effect of the appreciation/dilution per share caused by the buy back/issue of shares at a discount to NAV, the result of the adjusted Total NAV return is to provide a measurement of how the Company's Investment portfolio contributed to NAV growth adjusted for the Company's expenses and finance costs. The Total NAV Return for the six-month period ended 31 August 2024 was 1.7%, which only reflects the change in NAV as no dividends were paid during the year. The Total NAV Return for the year ended 29 February 2024 was 0.5%.

Total Shareholder Return (Ordinary shares)

A measure showing how the share price has performed over a period of time, taking into account both capital returns and dividends paid to shareholders. JZCP quotes shareholder price total return as a percentage change from the start of the period (one year) and also three-month, three-year, five-year and seven-year periods. It assumes that returns of capital and dividends paid to shareholders are reinvested in the shares at the time the shares are quoted ex-dividend. The Shareholder Return for the six-month period ended 31 August 2024, in Sterling terms, was 4.3%, which reflects the change in share price and the return of capital to shareholders at the prevailing NAV per share. The Shareholder Return for the year ended 29 February 2024 was 26.3%.

NAV to market price discount

The NAV per share is the value of all the company's assets, less any liabilities it has, divided by the number of shares. However, because JZCP shares are traded on the London Stock Exchange's Specialist Fund Segment, the share price may be higher or lower than the NAV. The difference is known as a discount or premium. JZCP's discount is calculated by expressing the difference between the period end dollar equivalent share price and the period end NAV per share as a percentage of the NAV per share.

At 31 August 2024, JZCP's Ordinary shares traded at £1.96 (29 February 2024: £1.99) or \$2.58 (29 February 2024: \$2.52) being the dollar equivalent using the period end exchange rate of £1:\$1.31 (29 February 2024 £1:\$1.26). The shares traded at a 37.9% (29 February 2024: 38.30%) discount to the NAV per share of \$4.15 (29 February 2024: \$4.08).

Useful Information for Shareholders (continued)

Criminal Facilitation of Tax Evasion

The Board has approved a policy of zero tolerance towards the criminal facilitation of tax evasion, in compliance with the Criminal Finances Act 2017.

Non-Mainstream Pooled Investments

From 1 January 2014, the FCA rules relating to the restrictions on the retail distribution of unregulated collective investment schemes and close substitutes came into effect. JZCP's Ordinary shares qualify as an 'excluded security' under these rules and will therefore be excluded from the FCA's restrictions which apply to non-mainstream investment products. Therefore, Ordinary shares issued by JZ Capital Partners can continue to be recommended by financial advisers as an investment for UK retail investors.

Internet Address

The Company: www.jzcp.com

Financial Diary

Results for the year ended 28 February 2025	May/June 2025 (date to be confirmed)
Annual General Meeting	June/July 2025 (date to be confirmed)
Interim report for the six months ended 31 August 2025	November 2025 (date to be confirmed)

Payments and issue of share certificates following a Redemption of Ordinary Shares

In the event of a redemption of Ordinary Shares, payments of redemption monies are expected to be effected either through CREST (in the case of Ordinary Shares held in uncertificated form) or by cheque (in the case of Ordinary Shares held in certificated form). Shareholders who hold their Ordinary Shares in certificated form will be paid their Redemption proceeds in US dollars within 10 Business Days of the relevant redemption Date, or as soon as practicable thereafter. The payment will be sent by cheque to the first-named shareholder on the register of members at their registered address. Each Shareholder who holds Ordinary Shares in uncertificated form (that is, in CREST) should ensure that an active US dollar Cash Memorandum Account is in place in CREST by no later than the redemption record date. In the absence of a US dollar Cash Memorandum Account, the payment of the redemption proceeds will not settle, resulting in a delay and the need for settlement of the redemption proceeds to take place outside of CREST.

In the case of Shareholders who hold their Ordinary Shares in certificated form, redemptions will take effect automatically on each redemption Date and the register of members will be updated to reflect the redemption. Certificated Shareholders do not need to return their share certificates to the Company in order to claim their redemption proceeds. Shareholders' existing share certificates for the Ordinary Shares subject to the Redemption will be cancelled and new certificates will be issued for the balance of their holding of Ordinary Shares after each Redemption Date. New share certificates will be dispatched following the completion of a Redemption by 1st class post.

For Shareholders who hold their Ordinary Shares in uncertificated form, redemptions will take effect automatically on each redemption Date and the compulsorily redeemed Ordinary Shares will be cancelled. All Ordinary Shares in issue will be disabled in CREST on the Redemption Record Date and the existing ISIN applicable to such Ordinary Shares will expire. A new ISIN in respect of the remaining issued Ordinary Shares will be enabled and available for transactions from and including the first Business Day following the relevant Redemption Record Date.

Shareholders who have any queries in relation to their shareholding or the settlement procedures described above should contact Equiniti Limited on 0371 384 2050, if calling from within the United Kingdom, or on 44 371 384 2050, if calling from outside the United Kingdom. Calls to the 0371 384 2050 number from outside the United Kingdom will be charged at applicable international rates. Different charges may apply to calls from mobile telephones. Lines are open 8.30 a.m. to 5.30 p.m. (London time) Monday to Friday (excluding public holidays in England and Wales). Please note that Equiniti Limited cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

Share Dealing

Investors wishing to buy or sell shares in the Company may do so through a stockbroker. Most banks also offer this service.

Useful Information for Shareholders (continued)

Share Register Enquiries

The Company's UK Transfer and Paying Agent, Equiniti Limited, maintains the share registers. In event of queries regarding your holding, please contact the Registrar on +44 (0)371-384-2265, calls to this number cost 8p per minute from a BT landline, other providers' costs may vary. Lines are open 8.30 a.m. to 5.30 p.m., Monday to Friday, If calling from outside of the UK, please ensure the country code is used or access their website at www.equiniti.com. Changes of name or address must be notified in writing to the Transfer and Paying Agent.

Foreign Account Tax Compliance Act

The Company is registered (with a Global Intermediary Identification Number CAVBUD.999999.SL.831) under The Foreign Account Tax Compliance Act ("FATCA").

Nominee Share Code

Where notification has been provided in advance, the Company will arrange for copies of shareholder communications to be provided to the operators of nominee accounts. Nominee investors may attend general meetings and speak at meetings when invited to do so by the Chairman.

Documents Available for Inspection

The following documents will be available at the registered office of the Company during usual business hours on any weekday until the date of the Annual General Meeting and at the place of the meeting for a period of fifteen minutes prior to and during the meeting:

- (a) the Register of Directors' Interests in the stated capital of the Company;
- (b) the Articles of Incorporation of the Company; and
- (c) the terms of appointment of the Directors.

Warning to Shareholders – Boiler Room Scams

In recent years, many companies have become aware that their shareholders have been targeted by unauthorised overseas-based brokers selling what turn out to be non-existent or high risk shares, or expressing a wish to buy their shares. If you are offered, for example, unsolicited investment advice, discounted JZCP shares or a premium price for the JZCP shares you own, you should take these steps before handing over any money:

- Make sure you get the correct name of the person or organisation
- Check that they are properly authorised by the FCA before getting involved by visiting <http://www.fca.org.uk/firms/systems-reporting/register>
- Report the matter to the FCA by calling 0800 111 6768
- If the calls persist, hang up
- More detailed information on this can be found on the Money Advice Service website www.moneyadvice.org.uk

US Investors

General

The Company's Articles contain provisions allowing the Directors to decline to register a person as a holder of any class of ordinary shares or other securities of the Company or to require the transfer of those securities (including by way of a disposal effected by the Company itself) if they believe that the person:

(a) is a "US person" (as defined in Regulation S under the US Securities Act of 1933, as amended) and not a "qualified purchaser" (as defined in the US Investment Company Act of 1940, as amended, and the related rules thereunder);

(b) is a "Benefit Plan Investor" (as described under "Prohibition on Benefit Plan Investors and Restrictions on Non-ERISA Plans" below); or

(c) is, or is related to, a citizen or resident of the United States, a US partnership, a US corporation or a certain type of estate or trust and that ownership of any class of ordinary shares or any other equity securities of the Company by the person would materially increase the risk that the Company could be or become a "controlled foreign corporation" (as described under "US Tax Matters" on pages 43 and 44).

In addition, the Directors may require any holder of any class of ordinary shares or other securities of the Company to show to their satisfaction whether or not the holder is a person described in paragraphs (A), (B) or (C) above.

Useful Information for Shareholders (continued)

US Securities Laws

The Company (a) is not subject to the reporting requirements of the US Securities Exchange Act of 1934, as amended (the "Exchange Act"), and does not intend to become subject to such reporting requirements and (b) is not registered as an investment company under the US Investment Company Act of 1940, as amended (the "1940 Act"), and investors in the Company are not entitled to the protections provided by the 1940 Act.

Prohibition on Benefit Plan Investors and Restrictions on Non-ERISA Plans

Investment in the Company by "Benefit Plan Investors" is prohibited so that the assets of the Company will not be deemed to constitute "plan assets" of a "Benefit Plan Investor". The term "Benefit Plan Investor" shall have the meaning contained in 29 C.F.R. Section 2510.3-101, as modified by Section 3(42) of the US Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and includes (a) an "employee benefit plan" as defined in Section 3(3) of ERISA that is subject to Part 4 of Title I of ERISA; (b) a "plan" described in Section 4975(e)(1) of the US Internal Revenue Code of 1986, as amended (the "Code"), that is subject to Section 4975 of the Code; and (c) an entity whose underlying assets include "plan assets" by reason of an employee benefit plan's or a plan's investment in such entity. For purposes of the foregoing, a "Benefit Plan Investor" does not include a governmental plan (as defined in Section 3(32) of ERISA), a non-US plan (as defined in Section 4(b)(4) of ERISA) or a church plan (as defined in Section 3(33) of ERISA) that has not elected to be subject to ERISA.

Each purchaser and subsequent transferee of any class of ordinary shares (or any other class of equity interest in the Company) will be required to represent, warrant and covenant, or will be deemed to have represented, warranted and covenanted, that it is not, and is not acting on behalf of or with the assets of, a Benefit Plan Investor to acquire such ordinary shares (or any other class of equity interest in the Company).

Under the Articles, the directors have the power to require the sale or transfer of the Company's securities in order to avoid the assets of the Company being treated as "plan assets" for the purposes of ERISA.

The fiduciary provisions of laws applicable to governmental plans, non-US plans or other employee benefit plans or retirement arrangements that are not subject to ERISA (collectively, "Non-ERISA Plans") may impose limitations on investment in the Company. Fiduciaries of Non-ERISA Plans, in consultation with their advisers, should consider, to the extent applicable, the impact of such fiduciary rules and regulations on an investment in the Company.

Among other considerations, the fiduciary of a Non-ERISA Plan should take into account the composition of the Non-ERISA Plan's portfolio with respect to diversification; the cash flow needs of the Non-ERISA Plan and the effects thereon of the illiquidity of the investment; the economic terms of the Non-ERISA Plan's investment in the Company; the Non-ERISA Plan's funding objectives; the tax effects of the investment and the tax and other risks associated with the investment; the fact that the investors in the Company are expected to consist of a diverse group of investors (including taxable, tax-exempt, domestic and foreign entities) and the fact that the management of the Company will not take the particular objectives of any investors or class of investors into account.

Non-ERISA Plan fiduciaries should also take into account the fact that, while the Company's board of directors and its investment adviser will have certain general fiduciary duties to the Company, the board and the investment adviser will not have any direct fiduciary relationship with or duty to any investor, either with respect to its investment in Shares or with respect to the management and investment of the assets of the Company. Similarly, it is intended that the assets of the Company will not be considered plan assets of any Non-ERISA Plan or be subject to any fiduciary or investment restrictions that may exist under laws specifically applicable to such Non-ERISA Plans. Each Non-ERISA Plan will be required to acknowledge and agree in connection with its investment in any securities to the foregoing status of the Company, the board and the investment adviser that there is no rule, regulation or requirement applicable to such investor that is inconsistent with the foregoing description of the Company, the board and the investment adviser.

Each purchaser or transferee that is a Non-ERISA Plan will be deemed to have represented, warranted and covenanted as follows:

- (a) The Non-ERISA Plan is not a Benefit Plan Investor;

Useful Information for Shareholders (continued)

Prohibition on Benefit Plan Investors and Restrictions on Non-ERISA Plans (continued)

(b) The decision to commit assets of the Non-ERISA Plan for investment in the Company was made by fiduciaries independent of the Company, the Board, the Investment adviser and any of their respective agents, representatives or affiliates, which fiduciaries (i) are duly authorized to make such investment decision and have not relied on any advice or recommendations of the Company, the Board, the Investment adviser or any of their respective agents, representatives or affiliates and (ii) in consultation with their advisers, have carefully considered the impact of any applicable federal, state or local law on an investment in the Company;

(c) The Non-ERISA Plan's investment in the Company will not result in a non-exempt violation of any applicable federal, state or local law;

(d) None of the Company, the Board, the Investment adviser or any of their respective agents, representatives or affiliates has exercised any discretionary authority or control with respect to the Non-ERISA Plan's investment in the Company, nor has the Company, the Board, the Investment adviser or any of their respective agents, representatives or affiliates rendered individualized investment advice to the Non-ERISA Plan based upon the Non-ERISA Plan's investment policies or strategies, overall portfolio composition or diversification with respect to its commitment to invest in the Company and the investment program thereunder; and

(e) It acknowledges and agrees that it is intended that the Company will not hold plan assets of the Non-ERISA Plan and that none of the Company, the Board, the Investment adviser or any of their respective agents, representatives or affiliates will be acting as a fiduciary to the Non-ERISA Plan under any applicable federal, state or local law governing the Non-ERISA Plan, with respect to either (i) the Non-ERISA Plan's purchase or retention of its investment in the Company or (ii) the management or operation of the business or assets of the Company. It also confirms that there is no rule, regulation, or requirement applicable to such purchaser or transferee that is inconsistent with the foregoing description of the Company, the Board and the Investment adviser.

US Tax Matters

This discussion does not constitute tax advice and is not intended to be a substitute for tax advice and planning. Prospective holders of the Company's securities must consult their own tax advisers concerning the US federal, state and local income tax and estate tax consequences in their particular situations of the acquisition, ownership and disposition of any of the Company's securities, as well as any consequences under the laws of any other taxing jurisdiction.

The Board may decline to register a person as, or to require such person to cease to be, a holder of any class of ordinary shares or other equity securities of the Company because of, among other reasons, certain US ownership and transfer restrictions that relate to "controlled foreign corporations" contained in the Articles of the Company. A Shareholder of the Company may be subject to forced sale provisions contained in the Articles in which case such shareholder could be forced to dispose of its securities if the Company's directors believe that such shareholder is, or is related to, a citizen or resident of the United States, a US partnership, a US corporation or a certain type of estate or trust and that ownership of any class of ordinary shares or any other equity securities of the Company by such shareholder would materially increase the risk that the Company could be or become a "controlled foreign corporation" within the meaning of the Code (a "CFC"). Shareholders of the Company may also be restricted by such provisions with respect to the persons to whom they are permitted to transfer their securities.

In general, a foreign corporation is treated as a CFC if, on any date of its taxable year, its "10% US Shareholders" collectively own (directly, indirectly or constructively within the meaning of Section 958 of the Code) more than 50% of the total combined voting power or total value of the corporation's stock. For this purpose, a "10% US Shareholder" means any US person who owns (directly, indirectly or constructively within the meaning of Section 958 of the Code) 10% or more of the total combined voting power of all classes of stock of a foreign corporation or 10% or more of the total value of shares of all classes of stock of a foreign corporation. The Tax Cuts and Jobs Act (the "Tax Act") eliminated the prohibition on "downward attribution" from non-US persons to US persons under Section 958(b)(4) of the Code for purposes of determining constructive stock ownership under the CFC rules. As a result, the Company's US subsidiary will be deemed to own all of the stock of the Company's non-US subsidiaries held by the Company for purposes of determining such foreign subsidiaries' CFC status.

Useful Information for Shareholders (continued)

US Tax Matters (continued)

The legislative history under the Tax Act indicates that this change was not intended to cause the Company's non-US subsidiaries to be treated as CFCs with respect to a 10% US Shareholder that is not related to the Company's US subsidiary. However, the IRS has not yet issued any guidance confirming this intent and it is not clear whether the IRS or a court would interpret the change made by the Tax Act in a manner consistent with such indicated intent. The Company's treatment as a CFC as well as its foreign subsidiaries' treatment as CFCs could have adverse tax consequences for 10% US Shareholders.

The Company has been advised that it qualified as a "passive foreign investment company" ("PFIC") for the fiscal year ended February 2023. The Company's treatment as a PFIC is likely to have adverse tax consequences for US taxpayers. An analysis for the financial year ended 29 February 2024 will be undertaken this year. An investment in a PFIC will cause US taxpayer to be subject to special tax rules. In general, an entity formed under the laws of a non-US jurisdiction that is classified as a corporation for US federal income tax purposes will be classified as a PFIC if seventy-five percent (75%) or more of its gross income for the taxable year is from passive sources (generally defined to include interest, dividends, rents, royalties and gains from the disposition of passive assets) or fifty percent (50%) or more of the average value of the entity's assets on the last day of each fiscal quarter during a year consist of assets that generate passive income. There are no minimum stock ownership requirements for application of the PFIC rules. Once a corporation is a PFIC with respect to a shareholder, it is generally always treated as a PFIC unless a purging election is made, irrespective of whether the entity ceases to meet the definitional requirements for PFIC classification. Under the PFIC rules, gain attributable to a disposition of the stock of a PFIC, as well as income attributable to certain "excess distributions" with respect to that PFIC stock, is allocated ratably over the shareholder's holding period for the stock. The portion of such gain and excess distribution allocated under such rules to such prior years are subject to tax as ordinary income at the highest rate applicable to such income during each such year during such holding period, and is subject to an interest-like charge on the tax liability attributable to income that is treated as allocated to prior years as if such liability had actually been due in each such prior year.

An investor in a PFIC may generally elect to treat that entity as a qualified electing fund ("QEF") by filing IRS Form 8621. If a QEF election is made with respect to the Company, U.S. holders would generally be required to take into account currently their pro rata share of certain earnings and net capital gain from the Company, in general, without regard to whether the Company makes an actual cash distribution, but would generally not be subject to the tax regime discussed above. The Company shall make available to each investor the PFIC Annual Information Statement with its other tax reporting information for the taxable year upon request. Such statement shall include sufficient information to enable the shareholder to calculate its pro rata share of the PFIC's ordinary earnings and net capital gain for the tax year.

U.S. investors can obtain the Company's PFIC statement for the year ended 28 February 2023 from the Company's website <http://jzcp.com/investor-relations>. Investors will need to calculate its pro rata share of the PFIC's ordinary earnings and net capital gain for the tax year. An analysis for the financial year ended 29 February 2024 is being undertaken.

The taxation of a US taxpayer's investment in the Company's securities is highly complex. Prospective holders of the Company's securities must consult their own tax advisers concerning the US federal, state and local income tax and estate tax consequences in their particular situations of the acquisition, ownership and disposition of any of the Company's securities, as well as any consequences under the laws of any other taxing jurisdiction.

Investment Adviser's ADV Form

Shareholders and state securities authorities wishing to view the Investment Adviser's ADV form can do so by following the link below:

<https://adviserinfo.sec.gov/firm/summary/160932>