



JZ CAPITAL PARTNERS LIMITED



2017 Annual Results Presentation



JZ CAPITAL PARTNERS LIMITED

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About us

- JZCP is one of the oldest closed-end investment companies listed on the Specialist Fund Segment of the London Stock Exchange
- Approximately \$1.1 billion of gross assets
- Principally invests in US and European micro-cap companies and US real estate
- Guernsey resident — tax efficient vehicle
- Three classes of shares in issue – Ordinary Shares, Zero Dividend Preference Shares (due 2022), and CULS
- Adviser is Jordan/Zalaznick Advisers, Inc. – founded in 1986
 - Led by Jay Jordan and David Zalaznick – invested together for more than 35 years
 - Gordon Nelson (CIO) – worked with Jay and David for more than 25 years
- Three experienced investment teams: US micro-cap, European micro-cap and RedSky Capital (real estate)
- The European team includes Jock Green-Armytage and Miguel Rueda, who have been investing together for more than 15 years in European micro-cap deals (UK, Italy, Holland, Scandinavia and Spain). David Zalaznick works with the European team extensively.
- RedSky Capital, led by Ben Bernstein and Ben Stokes, is highly experienced in acquiring, operating and developing real estate, with special consideration given to the Brooklyn and South Florida markets



Financial highlights

Total NAV return per share of +2.7%*

- NAV of \$848.8 m (29/02/16: \$851.7 m) – after paying \$25.6 million in dividends
- Total NAV return per share of 2.7%* per share

Strong shareholder return

- Strong three-month shareholder return of 6.1%*
- Strong one-year shareholder return of 42.8%*
- Discount narrowed from 46% to 34% over the course of the year; discount at 28% as of 16 May 2017**

Significant investment & realisation activity

- Deployed \$159.5 million in new investments
 - \$62.8 m in US micro-cap, \$89.5 m in real estate and \$7.2 m in other investments
- Realised \$131.4 million primarily through the sale of Medplast and SPL, both co-investments, and European portfolio company Winn

Increasingly diversified portfolio

- 33 micro-cap businesses in total across nine industries
 - 20 US micro-cap businesses (four 'verticals', 12 co-investments and four 'other' US micro-cap investments)
 - 13 European micro-cap businesses
- Four major real estate assemblages (59 properties) in Brooklyn, NY and South Florida

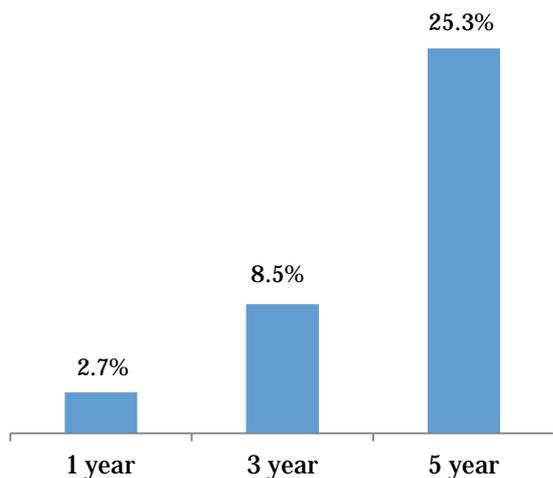
*All performance figures assume re-investment of dividends at NAV or closing share price on the ex-dividend date.

**Calculated using JZCP's NAV as of 28 February 2017 and JZCP's stock price (translated into US dollars) at 16 May 2017

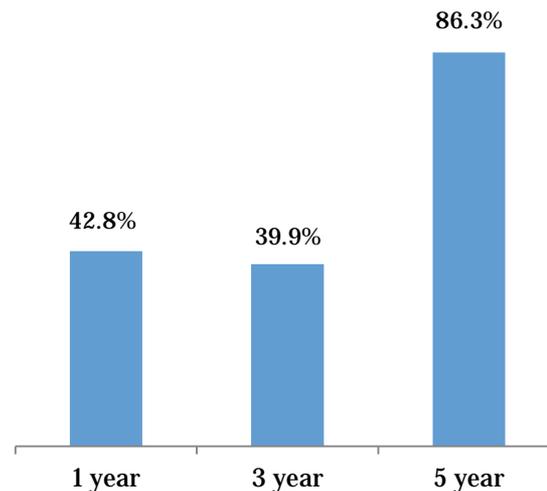


Share price and NAV per share performance

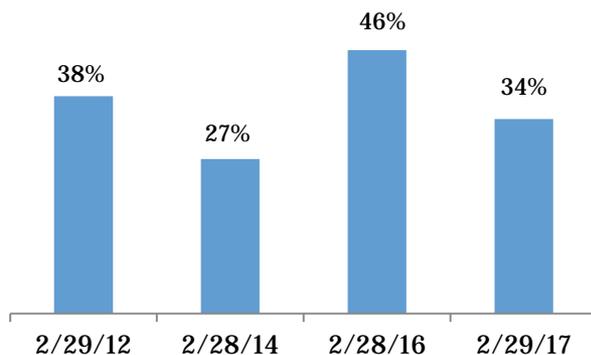
Cumulative NAV total returns*



Cumulative total shareholder returns*



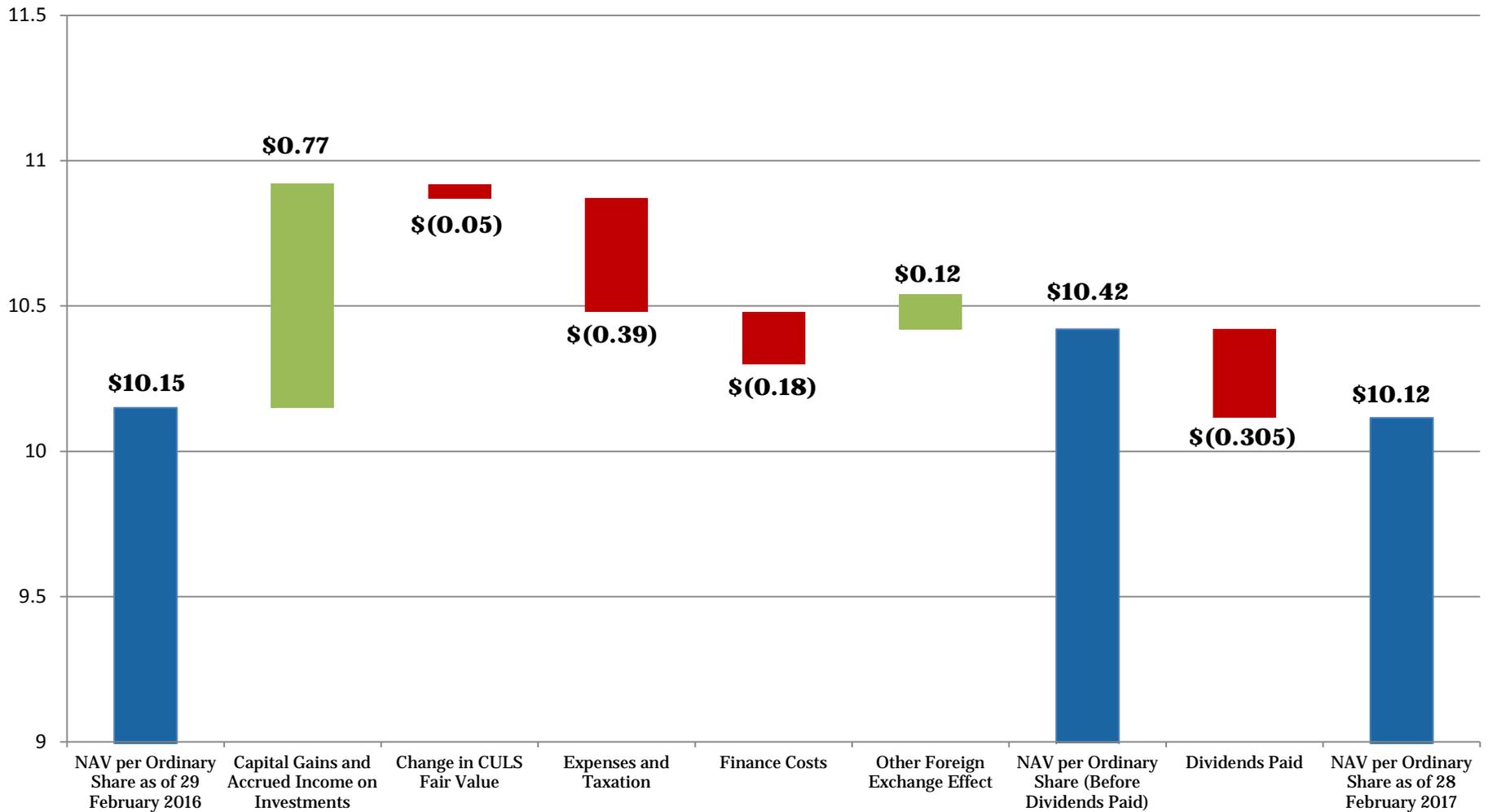
NAV to market price discount



*All performance figures assume re-investment of dividends at NAV or closing share price on the ex-dividend date.



Net asset value



Balance sheet summary

Investments	\$ 000 28/02/17	\$ 000 29/02/16
US Micro-cap Investments	424,502	386,173
European Micro-cap Investments	154,277	168,798
Real Estate Investments	468,599	366,158
Other Investments	22,313	67,871
Cash and Liquid Investments	29,064	150,581
Total Assets	1,098,755	1,139,580

Investments	\$ 000 28/02/17	\$ 000 29/02/16
Total Assets	1,098,755	1,139,580
- Liabilities	(138,913)	(126,198)
- ZDP's	(53,935)	(102,071)
- CULS	(57,063)	(59,573)
Net Assets	848,844	851,739



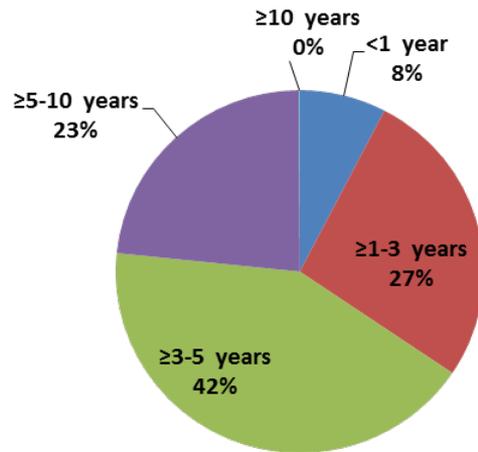
Major holdings

Company	Type	Cost (\$ 000) (28/2/2017)	Value (\$ 000) (28/2/2017)	% of gross assets
Design District	Real estate	91,986	92,628	8.4
Industrial Services Solutions vertical	US micro-cap	33,257	83,754	7.6
Greenpoint	Real estate	37,213	74,275	6.8
Healthcare Revenue Cycle Management vertical	US micro-cap	30,327	67,418	6.1
Williamsburg Retail	Real estate	58,753	67,195	6.1
Fulton	Real estate	44,189	61,819	5.6
EuroMicrocap Fund-C, L.P.**	European micro-cap	13,937	61,482	5.6
TierPoint	US micro-cap	44,313	46,813	4.3
Water vertical	US micro-cap	24,730	31,965	2.9
Roebing	Real estate	7,410	31,603	2.9
Top 10 Holdings*		386,115	618,952	56.3

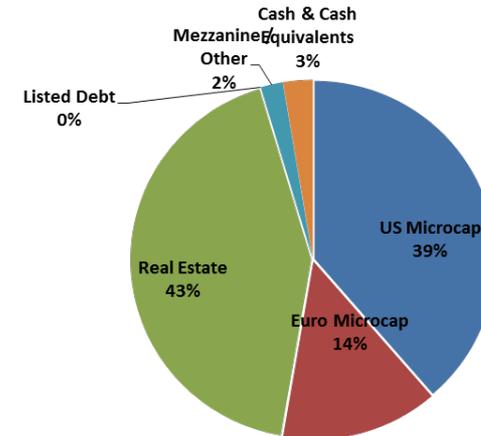


Portfolio breakdown

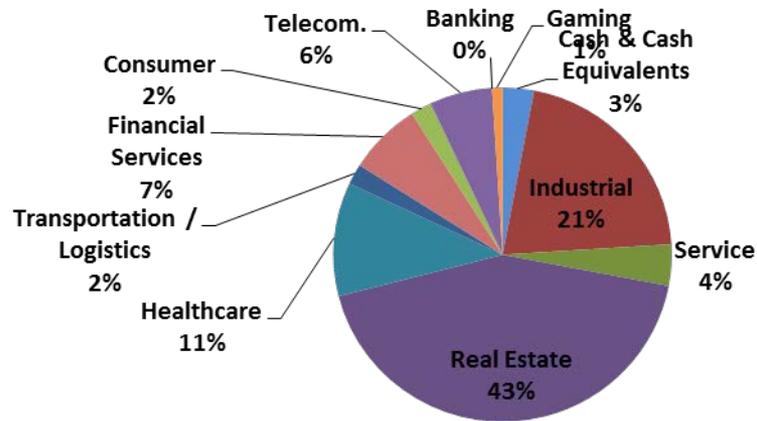
Portfolio by Vintage*



Portfolio by Investment Type



Portfolio by Industry





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Strategic Initiative: New Policy to Allow for the Repurchase of Shares



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New Policy to Allow for the Repurchase of Shares

- **JZCP's board of directors has discontinued the current dividend policy and asked shareholders to authorise a new policy to allow for the repurchase of shares**
 - As of 28 February 2017, our stock was trading at a 34% discount to NAV and had an implied dividend yield of 4.5%
 - Our stated dividend policy of paying out 3% of NAV has not had the desired long-term effect on our stock price
- **The board believes that the interests of shareholders would be better served through a new strategy to allow for the repurchase of shares**
 - JZCP represents a highly attractive investment opportunity and we hope to take advantage of the wide discount
 - If we are able to buy shares at a significant discount, it will increase our NAV per share (the ultimate mark by which our share price will be measured)
 - The board will have the option of implementing the buy-back programme opportunistically and where it would be accretive to shareholder value





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NAV Validation



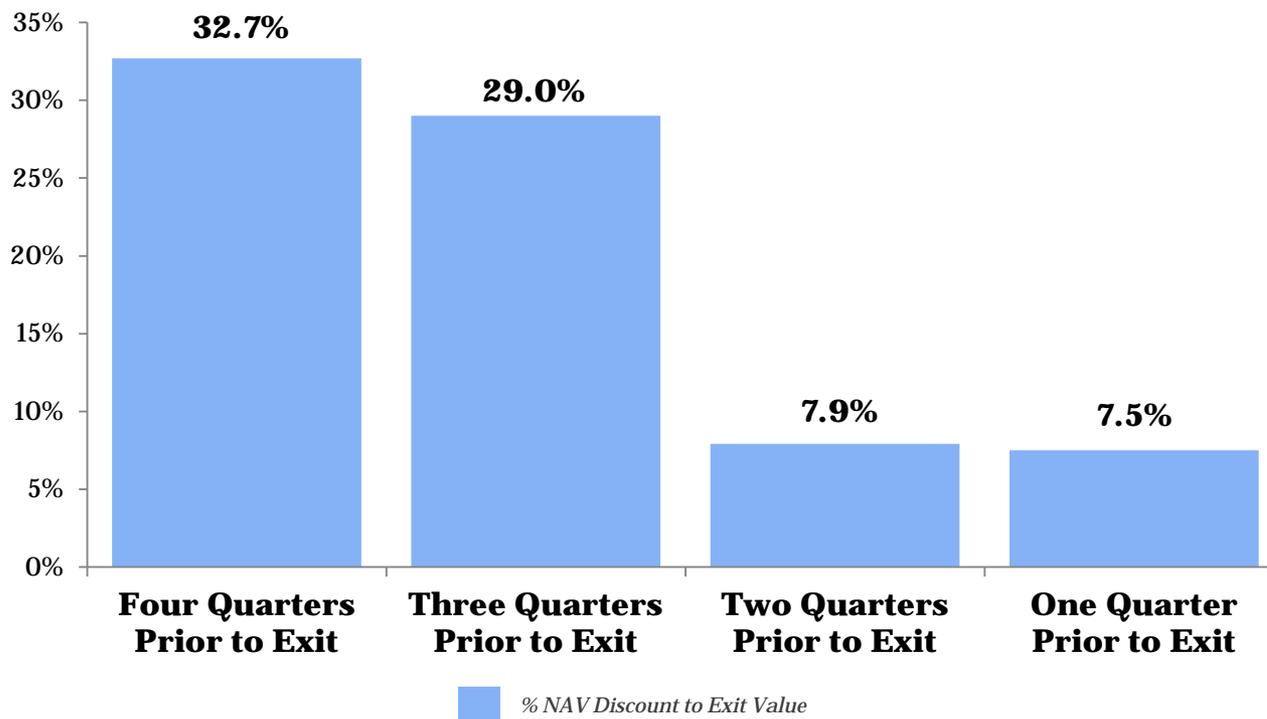
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Discount of NAV Carrying Value to Actual Exit Value

JZCP has seen valuation uplift relative to historical carrying values

Discount of NAV Carrying Value to Actual Exit Value (All US Micro-cap Exits 2014-2017)*

% NAV Discount

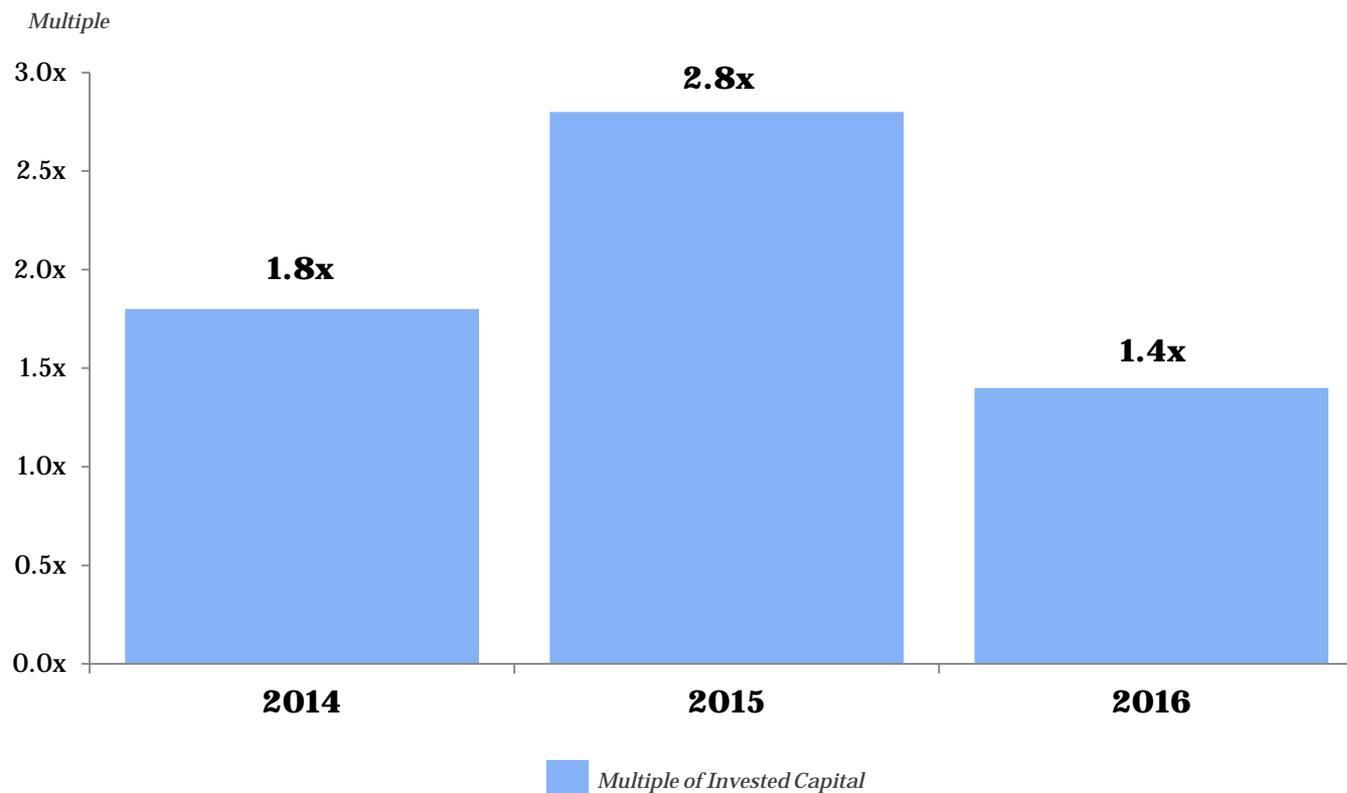


* As of 28 February 2017. Analysis includes full exits of US micro-cap businesses only (eight full exits from 2014-2017). Excludes partial exits and re-capitalisations. Final proceeds include funds released from escrow, but not funds currently in escrow. Returns are presented on a “gross” basis (i.e., they do not reflect the management fees or incentive fees that may be paid by investors, which may be significant and may lower returns).



Gross MOIC on Exits

Gross MOIC on Exits (All US Micro-cap Exits 2014-2017)*



* As of 28 February 2017. Analysis includes full exits of US micro-cap businesses only (eight full exits from 2014-2017). Excludes partial exits and re-capitalisations. Final proceeds include funds released from escrow, but not funds currently in escrow. Returns are presented on a “gross” basis (i.e., they do not reflect the management fees or incentive fees that may be paid by investors, which may be significant and may lower returns).



NAV Validation – European Micro-cap Portfolio

- **JZCP completes the secondary sale of six assets at NAV (announced in Feb. 2016)**
 - In February 2016, JZCP sold its stake in the first five assets (Docout, Ombuds, One World Packaging, Toro Finance and Xacom) at NAV, receiving proceeds of \$81 million
 - In August 2016, JZCP sold its stake in Winn (the sixth asset) following regulatory approval, receiving net proceeds of \$21.9 million
- **JZCP sells its interest in Fidor to French banking conglomerate**
 - JZCP sold its interest in Fidor Bank (“Fidor”) to Groupe BPCE, the second largest banking group in France.
 - The transaction closed in December 2016. JZCP invested a total of \$13.8 million and is expected to receive total gross proceeds of approximately \$25 million from the sale, above its carrying value at 31 August 2016
 - JZCP received its first tranche of proceeds totaling \$12.5 million in March 2017





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Portfolio Review – micro-cap



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US micro-cap

Strategy: Verticals

- Identify and purchase smaller businesses in “verticals” where an industry executive can add value via organic growth and cross company synergies
- Sell vertical platform companies as one entity for a multiple expansion

Strategy: Co-investments

- Co-invest with known private equity groups to leverage our infrastructure
- Allows for greater diversification of portfolio

Portfolio

- Four separate verticals: industrial, testing, water, healthcare revenue cycle management
- 12 separate co-investments alongside seven co-invest partners
- Current portfolio purchased at average of 6.2x EBITDA; valued at average of 8.3x

US micro-cap verticals

Industry sector driven “build-ups” created to add value through operational synergies across businesses and exit multiple expansion

	Industrial Services Solutions (ISS)	Healthcare Revenue Cycle Management	Water Services	Testing Services		
	Industrial equipment maintenance, repair and service	Revenue cycle management for hospitals and doctors' offices	Infrastructure repair, water treatment and filtration	Environmental testing services and equipment		
Companies	<ul style="list-style-type: none"> • 27 companies across five platforms 	<ul style="list-style-type: none"> • MEDS • MedFin • PPMIS • ROI • Avectus 	<ul style="list-style-type: none"> • ACE • PPS • HRP • Bus. Dynamics 	<ul style="list-style-type: none"> • Perma-liner • Nashville Chemical • Paragon • LMK 	<ul style="list-style-type: none"> • APMCS • Klenzoid • Eldon • Chemco • Buckman 	<ul style="list-style-type: none"> • Argus Group • Premier Safety • AJ Abrams • Shannon Safety • Midwest Gas
Manager	Jim Rogers	Mike Shea	Larry Quick	Scott Temple		
Revenues	\$365.0 M	\$141.6 M	\$160.4 M	\$46.2 M		
Adj. EBITDA	\$52.0 M	\$29.4 M	\$24.3 M	\$3.2 M		
Invested	\$33.3 M	\$30.3 M	\$24.7 M	\$11.2 M		



Significant US micro-cap co-investments

George Industries	Peaceable Street Capital	Orizon	K2 Towers
Manufacturer of highly engineered components for aerospace industry	New platform providing preferred equity to commercial real estate	Platform established to invest in aerospace and defence industries	One of the largest private cell phone tower companies in North America
July 2016	January 2016	November 2015	April 2015
Invested: \$12.6M	Invested: \$25.0M	Invested: \$15.8M	Invested: \$20.9M
Partner: Orangewood	Partner: Orangewood	Partner: Tech Industries	Partner: Orangewood
Jordan Health Products	Sloan LED	TierPoint	Suzo Happ
Build-up: healthcare equipment sales, service & installation companies	Designer and manufacturer of LED lights and lighting systems	Provider of IT and data centre colocation services	Manufacturer of parts for the gaming industry
August 2015	April 2015	June 2014	July 2012
Invested: \$31.5M	Invested: \$4.9M	Invested: \$44.3M	Invested: \$2.6M
Partner: JII Healthcare	Partner: Baird Capital	Partner: RedBird Capital	Partner: ACON



European micro-cap

Strategy

- Value-oriented investment approach targeting micro-cap companies
- Investment focus on financial services outsourcing, including non-bank lending

Management

- Strategy coordinated by an experienced management team, which has invested in European micro-cap deals (UK, Italy, Holland, Scandinavia, Germany and Spain) for more than 15 years
- Offices in London and Madrid led by Jock Green-Armytage and Miguel Rueda

Portfolio

- Strategically important region for JZCP
- Portfolio consists of 13 companies* across five industries and six countries
 - Industrial: Factor Energia, Alianzas en Aceros, ERSI
 - Financial Services: Fincontinuo and My Lender
 - Insurance: Collingwood
 - Transportation / Logistics: Petrocorner, S.A.C

*JZCP sold its equity stake (held through EMC 2010) in Xacom, Docout, Ombuds and Toro Finance in February 2016, but still has remaining direct debt investments in each company as of 31 August 2016.



European micro-cap

Recent Events:

- Winn: JZCP completes second step of secondary sale announced in February 2016
 - In February 2016, JZCP sold its stake in Docout, Ombuds, One World Packaging, Toro Finance and Xacom
 - JZCP sold its stake in Winn following regulatory approval: net proceeds of \$21.9 million, approximately a gross 1.5x multiple of invested capital over three years
- Fidor: JZCP sells its interest in Fidor Bank to French banking conglomerate Groupe BPCE
 - JZCP received first tranche of proceeds totaling \$12.5 million in March 2017
 - JZCP expects to receive total gross proceeds of approximately \$25 million from the sale, approximately a gross 1.8x multiple of invested capital over four years

Main Investments:

- Factor Energia: Energy/utility distribution and resale to SMEs and consumers in Spain
 - Revenue €358.4m, EBITDA €14.8m
- Petrocorner: Strategic build-up to acquire 2-3% of Spain's petrol station market
 - Revenue €200m, EBITDA €19.1m
- Collingwood: UK niche motor insurance business
 - Gross Written Premium £61.3m, EBITDA £10.5m, Tangible Book Value £35.2m

Fund III – Portfolio Companies

Petrocorner	Fincontinuo	S.A.C	Collingwood
Strategic build-up to acquire 2-3% of Spain's petrol station market	Independent salary-backed consumer lending platform in Italy	Operational van leasing (lease & service) company in Denmark	Niche UK-based motor insurance company
July 2014	October 2014	March 2015	October 2015
Invested: €6.2M	Invested: €3.7M	Invested: €3.5M	Invested: €3.9M
Partner: Avenue Capital	Partner: Avenue Capital		Partner: CO-investor Group
My Lender	Alianzas en Aceros	ERSI	
Independent consumer lending platform in Finland	Steel transformation business in Spain	Reinforced steel business domiciled in Luxembourg	
November 2015	July 2016	November 2016	
Invested: €2.8M*	Invested: €1.6M*	Invested: €4.9M*	
		Partner: Boar Steel	

- 'Invested' euros above do not incorporate returns of capital or dividends received.
- (*) Fully or partially funded using JZI Fund III, L.P.'s line of credit





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Portfolio Review – Real Estate



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Real estate

Strategy

- Value-added investment strategy analogous to micro-cap investing
- Developing and repositioning retail, residential and office properties in Brooklyn and South Florida neighborhoods with strong growth demographics

Value Add

- *Reposition:* Vacate under-market units through lease workouts/ expirations and tenant buyouts
 - Design, market, renovate and lease properties to best-in-class users
- *Assemble:* Assemble contiguous, separately-owned parcels to increase size and value of development sites and frontage on major thoroughfares

Portfolio

Portfolio	At 12/2012	At 12/2013	At 12/2014	At 12/2015	At 12/2016
Current Residential (sq. ft.)	40,762	72,540	95,340	96,340	99,922
Current Retail & Office (sq. ft.)	66,723	286,315	424,015	523,268	904,938
Additional Buildable (sq. ft.)	107,640	751,602	808,960	1,565,109	2,468,069

- JZCP invested \$89.5 million* in eight new properties during the period
- JZCP has more than \$343.5 million invested in 59 properties valued at \$468.6 million
- Real estate write-ups: 25 cents per share for the period

*Includes follow-on investments in existing properties as well as the eight new properties



JZCP's current real estate portfolio: Brooklyn, NY

What we've purchased:

- **Williamsburg:** Epicenter of positive shifting demographics in North Brooklyn
 - 12 mixed-use properties, located on most trafficked retail corridors
 - 57,000 sq. ft. residential / 157,000 sq. ft. retail
 - Two development sites situated at key neighborhood junctions: 40,000 sq. ft. buildable
 - 127,000 sq. ft. iconic redevelopment project
- **Greenpoint:** Dynamic, waterfront neighborhood with panoramic Manhattan views
 - Top waterfront development site: more than 600,000 sq. ft. buildable
- **Downtown Brooklyn:** Revitalization centered around Barclay's Center and Atlantic Ave. transportation hub
 - Top development site - significant frontage on most highly trafficked retail corridor in Brooklyn
 - 385,000 sq. ft. buildable
 - One of the most iconic retail spaces near Barclay's Center
 - Redeveloped, cash flowing mix-used facility: 24,000 sq. ft. residential/ 20,000 sq. ft. retail
- **Bushwick:** Young, progressive neighborhood just east of Williamsburg
 - Unique, loft building in a prime location: 17,000 sq. ft. residential, 21 residential units



Redbridge Bedford Value Creation (Acquisition Underwriting)

Total Purchase Price	\$64.0m
Total Capitalization at Acquisition	\$83.0m
NOI at Purchase	\$2.1m
Projected NOI at Stabilization	\$6.7m
Projected Exit Cap	4.25%
Projected Value at Stabilization	\$157.0m



- We purchased a prime retail asset in northern Brooklyn in the bottom of the market at a price that enabled us to project a substantial return on the base case
- Our original plans were to build ground floor retail and second floor residential
- We planned to have all current tenants stay through the expiration of their leases

- Second floor retail or basement expansion was not contemplated
- Projected blended rents at the time were \$175 psf for the ground floor retail spaces
- There were a total of 37 loft law units at acquisition



Redbridge Bedford Value Creation (Valuation)

Total Purchase Price	\$64.0m
Closing, Financing & Construction Costs	\$83.7m
Total Costs	\$147.7m
Total Projected NOI	\$11.3m
Total Projected Capitalization	\$147.7m
Stabilized Cap Rate	7.7%
Base Case Exit Cap Rate	4.0%
Base Case Valuation	\$282.5m



- Current market ground floor retail rents are blended upwards of \$350 psf versus \$175 psf projections at acquisition
- Market has risen and cap rates have compressed

JZCP's current real estate portfolio: South Florida

What we've purchased:

- **Wynwood (Miami):** rapidly increasing retail rents amid a thriving arts scene
 - Three prime retail assets
 - Three top development sites with substantial air rights
- **Design District (Miami):** innovative fashion, design and architecture attracting some of the world's most prestigious brands and retailers
 - Completed assemblage comprised of 16 properties making up an entire block of Miami's Design District -- highly visible retail site with significant frontage on the neighborhood's prime retail corridor and substantial air rights
- **West Palm Beach, FL:** market with strong fundamentals poised to welcome influx of hedge funds, private equity firms and family offices relocating from the Northeast
 - Cash-flowing, trophy office building in West Palm Beach's central business district with substantial upside

Esperante Corporate Center (Valuation)

Total Purchase Price	\$125.8m
Reserves, Closing & Financing Costs	\$9.3m
Total Costs	\$135.0m
Stabilized NOI	\$10.5m
Total Projected Capitalization	\$135.0m
Stabilized Cap Rate	7.8%
Base Case Exit Cap Rate	5.50%
Base Case Stabilized Valuation	\$191.7m



- Esperante is one of three trophy office buildings in this market
- We are implementing a capital improvement plan to renovate the lobby, common areas and valet parking
- We've begun signing office leases at what we believe are the highest psf figures achieved in West Palm Beach to date

Summary & Outlook

Strong balance sheet to take advantage of opportunities



- Strong pipeline of opportunities in the US, Europe and real estate portfolios

Long-term track record of NAV growth



- Positive total NAV return per share in 26 of past 32 quarters
 - Authorization of new policy to allow for repurchase of shares

High level of investment activity



- \$159.5 million in new investments for the period

Diversity of investment portfolio



- US micro-cap (39%), European micro-cap (14%), real estate (43%) other* (4%)



Appendix



JZCP investment activity

Since 29 February 2016	(\$ millions)
Real Estate Investments	89.5
Peaceable Street Capital	21.3
Jordan Healthcare Products	13.5
George Industries	12.6
Orizon (f.k.a. Tech Industries)	8.6
PPS (healthcare revenue cycle management vertical)	1.4
Shannon Safety (testing vertical)	0.5
Southern Petroleum Laboratories	0.4
Others	11.7
Total*	159.5



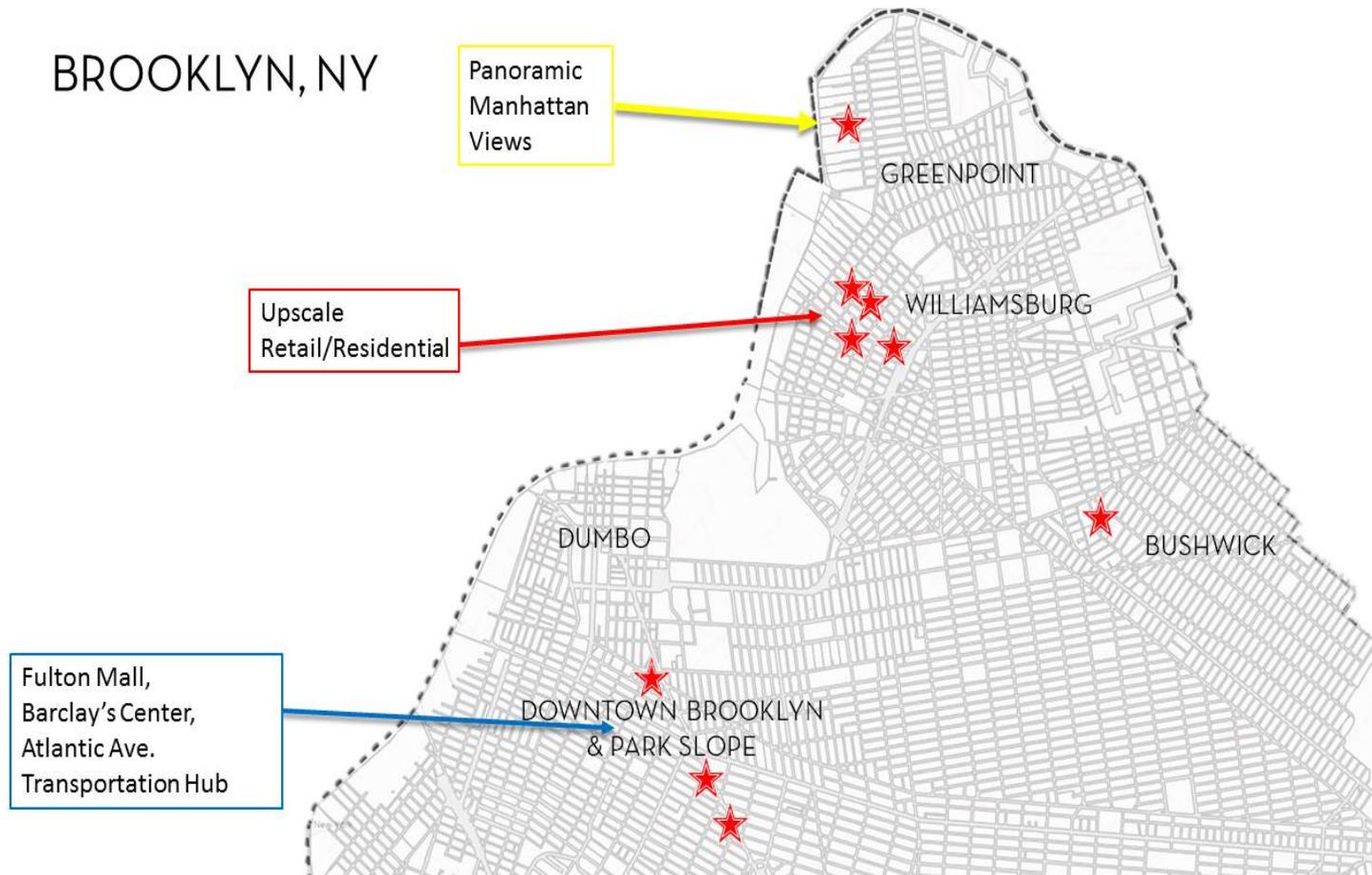
JZCP realisation activity

Since 29 February 2016	Gross Proceeds (\$ millions)
Bright Spruce Fund – Partial Realisation	44.5
Medplast – Sale	25.6
Winn – Sale	21.9
Water Vertical – Refinancing	10.2
Southern Petroleum Laboratories – Sale	8.4
RedBridge Bedford – Refinance	5.3
Metpar – Sale	3.1
Dental Services – Escrow	3.1
Others	9.3
Total*	131.4

(*) Numbers subject to rounding

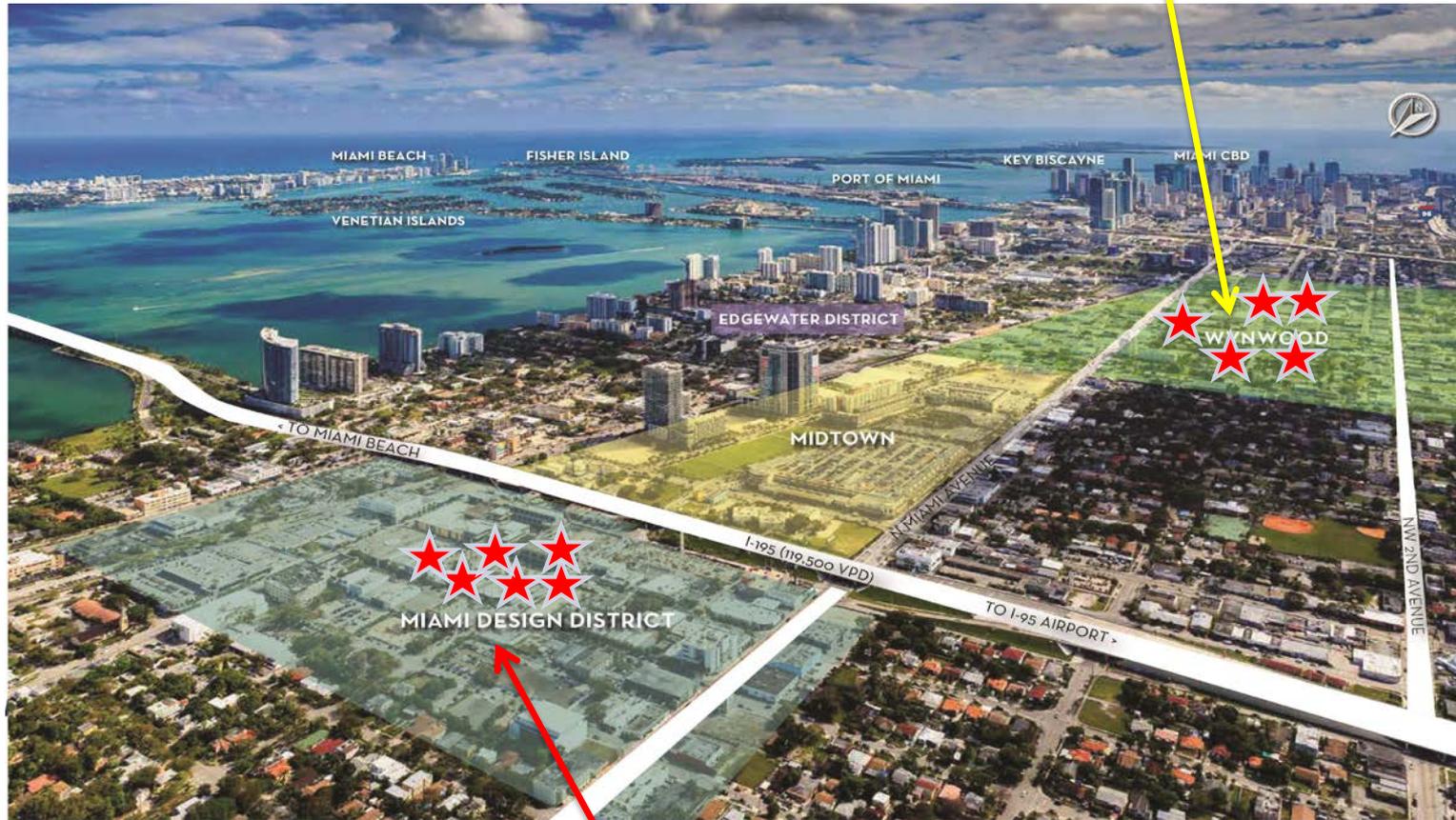


Real estate: portfolio by neighbourhood (Brooklyn)



Real estate: portfolio by neighbourhood (Miami)

Rising retail rents amidst thriving arts scene



Vibrant shopping and cultural scene; home to world's most prestigious brands

Redbridge Bedford Value Creation (Apple Store - Business Plan Execution)

247 Bedford at Acquisition



Apple signs for
247 Bedford



Buyouts of 13 loft
law tenants on the
second floor of 247
Bedford

Negotiated buyout
with retail tenant
Kings Pharmacy to
make room for
Apple

Negotiated new
lease with Corcoran
and relocated them
to a temporary
space for the Apple
buildout

Actual Delivered Apple Space



Opened Summer 2016

Redbridge Bedford Value Creation (N 4th St. - Business Plan Execution)



- Negotiated retail tenant buyout of The Backer Group (see left), making room for retail tenants on N 4th St.
- Negotiated several more loft law tenant buyouts and finalizing negotiations with others to build **second floor retail on Bedford Avenue**
- Plans for below grade expansion to maximize retail potential and value

Signed leases with nationally known tenants: Sweetgreen, Umami Burger, Parm, by CHLOE and Flywheel

North 4th St. businesses connected to the Apple building

Refinanced asset in April 2016, paying off existing debt and returning capital to the partnership

Terminated Foodtown's lease due to major lease term defaults. Tenant currently in the process of being evicted, which will unlock tremendous value by bringing space to market rates.



Esperante Corporate Center (Summary of Opportunity)

- Esperante is a permanent fixture in the Downtown West Palm Beach skyline and one of only three existing trophy office buildings in this market



- Esperante consists of 17 floors, over 250k sq. ft. of office and retail space and an eight story, 250k+ sq. ft. accessory parking structure

Business Plan

- Implement a capital improvement plan to renovate the lobby, common areas and valet parking
- Create unique restaurant and rooftop bar
- Tenants rolling in the next 24 months have below market rents and currently control the premier spaces
- Rental growth is justifiable and sustainable given current market rents are still below peak levels prior to the recession
- So far, we have begun signing office leases at what we believe are the highest per square foot figures achieved in West Palm Beach to date