JZ CAPITAL PARTNERS LIMITED

Interim Report and Financial Statements

For the period from 1 March 2023 to 31 August 2023

Contents

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, to repay debt and 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, after repayment of all debt, to return capital to shareholders.

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 2023 to 31 August 2023, the Company received distributions and realisation proceeds of $9.9 million[1]. Since the Company adopted its new investment policy in August 2020, the Company has achieved realisations in excess of $395 million and repaid approximately $225 million of debt.

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

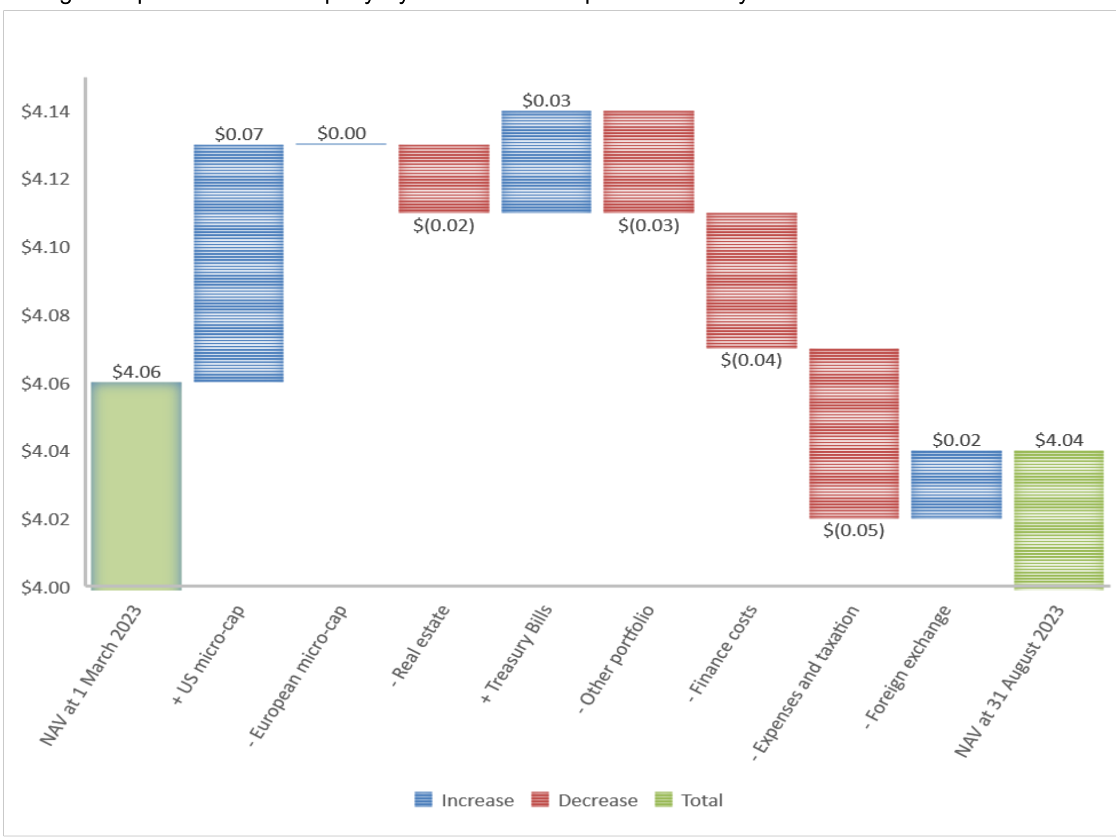
	Proceeds $ million
K2 Towers II & ABTB sold in October 2020	18.6
Greenpoint property sold in October 2020	13.6
Secondary Sale of U.S micro-cap companies to JZHL Secondary Fund in December 2020	87.7
George Industries sold in April 2021	9.5
Proceeds from Salter Labs realisation completed in November 2021	45.8
Distributions from JZHL Secondary Fund in June and August 2022	97.4
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	29.8
Distributions and interest received from the European micro-cap portfolio	13.1
Other realisations and distributions	18.3
Total	395.5

Net Asset Value ("NAV") per Share

NAV per share at 31 August 2023 was $4.04 (28 February 2023: $4.06).

NAV Attribution per Share

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



[1]Current period realisations and distributions include $7.9 million from investments at fair value through profit or loss and $2.0 million from loans at amortised cost and exclude proceeds from the maturity of treasuries.

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 2023. The one year NAV return performance below reflects the restated NAV per share at 31 August 2022 of $4.45[1] due a prior period correction. Based on the previous reported NAV per share at 31 August 2022, of $4.71, the Total NAV return was -14.2%.

	6 Months	1 Year	3 Year	5 Year	7 Year	10 Year
Total NAV return	-0.5%	-9.2%	-12.2%	-58.9%	-60.6%	-54.4%

Shareholder Returns

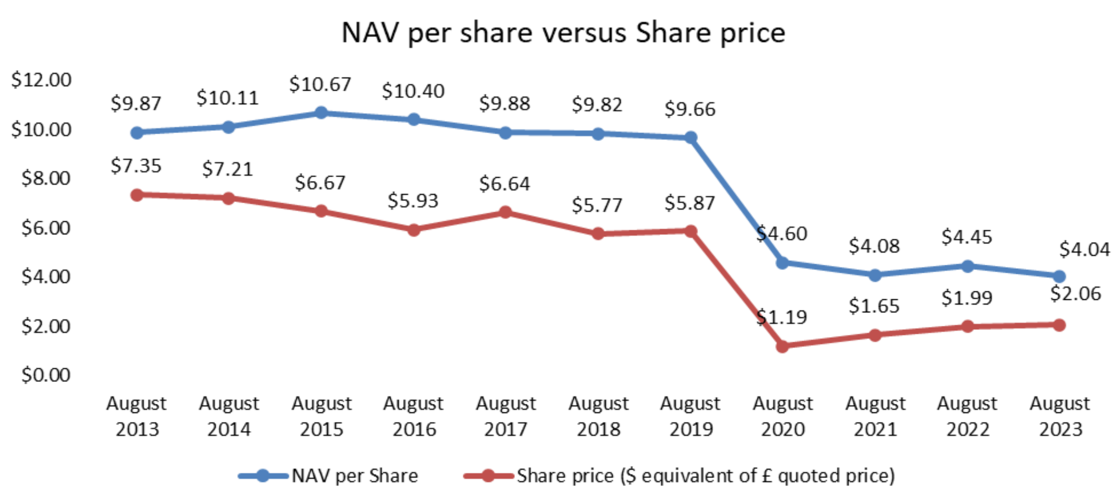
JZCP's share price at 31 August 2023 was **£1.625** (28 February 2023: £1.575).

	6 Months	1 Year	3 Year	5 Year	7 Year	10 Year
Total Shareholder return	3.2%	-5.0%	82.6%	-63.4%	-63.2%	-59.6%

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.

	31.8.2016	31.8.2018	31.8.2020	31.8.2022	31.8.2023
Discount	-43.0%	-41.2%	-74.1%	-55.3%	-49.0%



[1]Unless otherwise specified, the annual NAV return and performance data throughout this Interim Report and Financial Statements assumes the restated NAV per share at 31 August 2022. Further details on this prior year correction can be found in Note 2 to the Financial Statements.

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 40 under Useful Information for Shareholders.

Chairman's Statement

The Directors present the results for the Company for the six-month period ended 31 August 2023. The NAV per share of the Company has declined from $4.06 as at 28 February 2023 to $4.04 as at 31 August 2023.

This decline results mainly from a modest excess of finance and administrative costs over net write-ups of some investments during the period.

Investment Policy and Liquidity

The financial position of the Company is stable and strong as at 31 August 2023; cash and treasuries were approximately $103.7 million while the Company’s outstanding debt is limited to its $45 million senior credit facility (the “Senior Credit Facility”) due 26 January 2027 (which may be repaid early without penalty at any time).

The Board and the Investment Adviser remain focused on the implementation of the new investment policy (the “New Investment Policy”) to realise maximum value from the Company’s investments and, after the repayment of all debt, to return capital to shareholders. Under the New Investment Policy, the Company will limit further investment to where it has existing obligations or selectively to support the existing portfolio.

As we said upon the publication of the results for the year-end, although the Investment Adviser had achieved several significant realisations in the portfolio over the previous two years, the Board believed that in the current climate, it might be difficult to maintain that pace. So in the period under review it has proved to be the case, no significant new realisations having been achieved. However, the Board anticipates potential near-term realisations that would enable the Company to repay its Senior Credit Facility and, subject to retaining sufficient funds to cover existing obligations and support certain existing investments to maximise their value, to plan to commence to make distributions to shareholders.

US and European Micro-cap Portfolios

While our US micro-cap portfolio has overall performed well, with several material realisations in the US portfolio over the past 18 months, our European portfolio continues to be challenged by the economic headwinds in Europe and wars in Ukraine and the Middle East. We continue to work towards several realisations in both portfolios.

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.

Outlook

Our view of the outlook for the Company remains substantially unchanged to that reported at year-end. The Company is committed to delivering on the New Investment Policy and is well-positioned to weather potential financial pressures from an economic downturn or period of volatility in the financial markets. The stability of the Company’s balance sheet should allow the Investment Adviser the time needed to maximise the value of the portfolio and implement the New Investment Policy in an orderly manner. The Board continues to expect that in due course a significant amount of capital will be returned to shareholders.

David Macfarlane
Chairman
8 November 2023

Investment Adviser's Report

Dear Fellow Shareholders,

JZCP is in a strong financial position, having achieved several successful realizations over the past eighteen months. The proceeds from the realizations were used to repay the ZDPs, CULS and Subordinated Notes, leaving the Company with a healthy cash balance. We need a significant amount of cash to support our existing portfolio – as all our investments are illiquid assets, it is crucial to have a strong cash position, especially after the Senior Credit Facility is repaid. As we have further realizations, we will prioritize repaying remaining debt and returning capital to shareholders.

While our remaining US micro-cap portfolio showed a gain for the past six months, our European portfolio continues to be challenged by high interest rates and a gathering recession in Europe. Notwithstanding these challenges, we are pursuing several significant realizations in our European portfolio which, if consummated, will return capital to JZCP.

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.

As of 31 August 2023, our US micro-cap portfolio consisted of 12 businesses, which includes three 'verticals' and five co-investments, across nine industries. Our European micro-cap portfolio consisted of 17 companies across six industries and seven countries.

Net Asset Value ("NAV")

JZCP's NAV per share decreased 2 cents, or approximately 0.5%, during the six-month period.

NAV per Ordinary share as of 28 February 2023	**$4.06**
Change in NAV due to capital gains and accrued income	
+ US micro-cap	0.07
+ European micro-cap	-
- Real estate	(0.02)
- Other investments	(0.03)
+ Income from treasuries	0.03
Other decreases in NAV	
+ Net foreign exchange effect	0.02
- Finance costs	(0.04)
- Expenses and taxation	(0.05)
NAV per Ordinary share as of 31 August 2023	**$4.04**

The US micro-cap portfolio continued to perform well during the six-month period, delivering a net increase of 7 cents per share. This was primarily due to net accrued income of 2 cents and write-ups at ISS (4 cents) and co-investment Deflecto (3 cents). Offsetting these increases was a decrease at US micro-cap portfolio company Avante (2 cents).

Our European portfolio was flat for the six-month period.

Our real estate portfolio experienced a net write-down of 2 cents per share.

Investment Adviser's Report (continued)

Returns

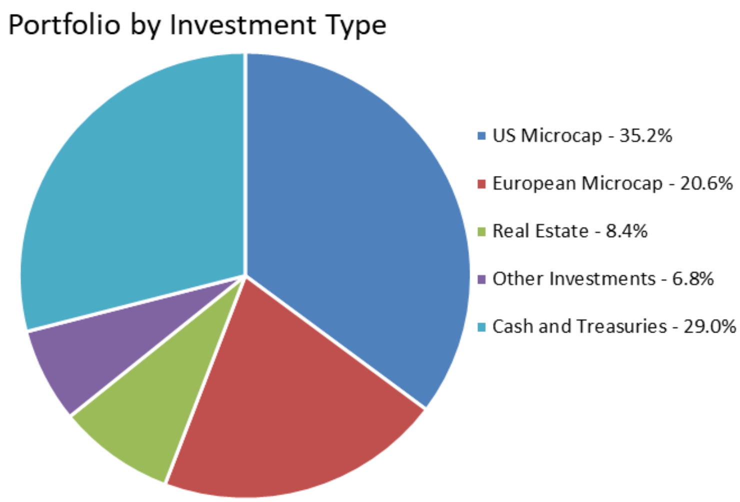
The chart below summarises cumulative total shareholder returns and total NAV returns for the most recent six-month, one-year, three-year and five-year periods.

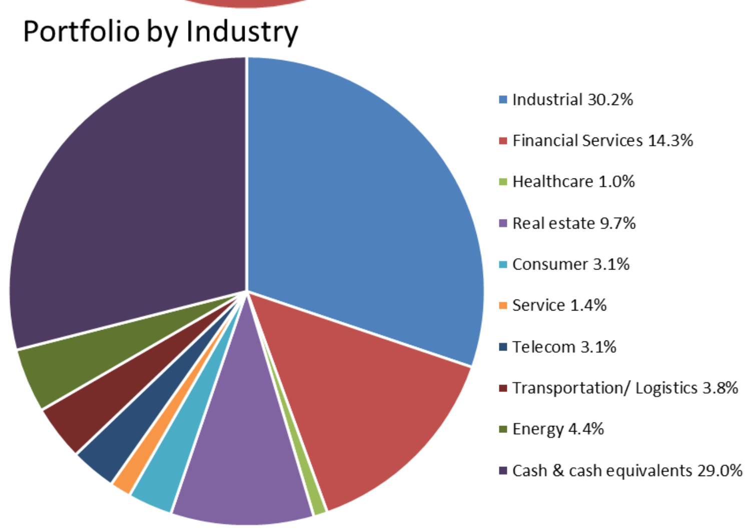
	31.8.2023	28.2.2023	31.8.2022[1]	31.8.2020	31.8.2018
Share price (in GBP)	£1.63	£1.58	£1.71	£0.89	£4.44
NAV per share (in USD)	$4.04	$4.06	$4.45	$4.60	$9.82
NAV to market price discount	49.0%	53.0%	55.3%	74.1%	41.2%
		6 month return	1 year return	3 year return	5 year return
Total Shareholders' return (GBP)		3.2%	-5.0%	82.6%	-63.4%
Total NAV return per share (USD)		-0.5%	-9.2%	-12.2%	-58.9%

[1] The NAV per share at 31 August 2022, after a prior period adjustment was restated from $4.71 per share to $4.45 per share and the respective total NAV return per share for the 12-month period ended 31 August 2023 from -14.2% to -9.2%.

Portfolio Summary

Our portfolio is well-diversified by asset type and geography, with 29 US and European micro-cap investments across eleven industries. The European portfolio itself is well-diversified geographically across Spain, Italy, Portugal, Luxembourg, Scandinavia and the UK.





Investment Adviser's Report (continued)

Portfolio Summary (continued)

Below is a summary of JZCP's assets and liabilities at 31 August 2023 as compared to 28 February 2023. An explanation of the changes in the portfolio follows:

	31.8.2023 US$'000	28.2.2023 US$'000
US micro-cap portfolio	125,881	127,811
European micro-cap portfolio	73,472	71,966
Real estate portfolio	29,865	31,156
Other investments	24,403	25,683
Total Private Investments	253,621	256,616
Treasury bills	58,540	90,600
Cash	45,193	11,059
Total cash and cash equivalents	103,733	101,659
Other assets	24	168
Total Assets	357,378	358,443
Senior Credit Facility	43,539	43,181
Other liabilities	1,179	764
Total Liabilities	44,718	43,945
Total Net Assets	312,660	314,498

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 7 cents per share. This was primarily due to net accrued income of 2 cents and write-ups at ISS (4 cents) and co-investment Deflecto (3 cents). Offsetting these increases was a decrease at US micro-cap portfolio company Avante (2 cents).

European microcap portfolio

Our European portfolio remained flat for the six-month period ended 31 August 2023. As stated in the Investment Adviser's Report as of 28 February 2023, our European portfolio continues to be challenged by the ongoing economic difficulties in Europe. We expect further write downs in the European portfolio if the current trend continues.

JZCP invests in the European micro-cap sector through its approximately 18.8% ownership of JZI Fund III, L.P. As of 28 February 2023, Fund III held 13 investments: five in Spain, two in Scandinavia, two in Italy, two in the UK and one each in Portugal and Luxembourg. JZCP held direct loans to a further two companies in Spain: Docout and Toro Finance.

Investment Adviser's Report (continued)

Portfolio Summary (continued)

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 2 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. Discussions with appraisers indicate there would be no significant change in property values between 31 December 2022 and 31 August 2023.

Other investments

Our asset management business in the US, Spruceview Capital Partners, has continued to grow since we last reported to you. Spruceview addresses the growing demand from corporate pensions, endowments, family offices and foundations for fiduciary management services through an Outsourced Chief Investment Officer (“OCIO”) model as well as customized products/solutions per asset class.

During the period, Spruceview undertook the development of its fifth private markets fund, which is focused on growth buyout co-investments in the U.S. The fund is expected to begin receiving commitments in the fourth quarter of 2023. 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 23 investment, business and product development, legal and operations professionals.

Outlook

Our priority now is to realize current investments and finish building the portfolio that is not yet ready for sale. Our goal is to repay the Company’s remaining debt and then return capital to shareholders.

Thank you for your continued support.

Yours faithfully,

Jordan/Zalaznick Advisers, Inc.

8 November 2023

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 Parr[2]

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.

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

[2]Chairman 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 2023 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 obligations, whether committed investments or the repayment of the Senior Credit Facility. 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. The Directors review the share price in relation to Net Asset Value on a regular basis and determine whether to take any action to manage the discount. The Directors, with the support of the Investment Adviser, work with brokers to maintain interest in the Company's shares through market contact and research reports.

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 24% (28 February 2023: 21%) 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.

Principal Risks and Uncertainties (continued)

Macroeconomic Risks and Impact on NAV (continued)
Uncertainties in today's world that influence economic factors include:

(i) War in Ukraine and resulting energy crisis

The Board strongly condemns the actions of the Russian government and the devastating events that have unfolded since Russia's unprovoked invasion of 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 volatility in energy costs resulting from the conflict. The Board continue to receive reports from the Investment Adviser on the impact of these increased costs. The Board is not aware that the Company has any Russian investors.

(ii) Conflict in the Middle East

The Board does not consider the Israel-Hamas conflict will directly impact its investment portfolio. However, the Board notes an escalation of the conflict in the Middle East could further increase volatility in energy cost and financial markets.

(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 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 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.
- The World Health Organization has now declared that COVID-19 no longer represents a "global health emergency". The Board no longer considers COVID-19 a principal risk.

Report of the Directors (continued)

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 8 November 2023 to 30 November 2024 (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

In June 2023, the Company reported on its much-improved liquidity following a period of material realisations and the subsequent repayment of the Company's Subordinated Notes and ZDP shares.

During the six-month period ended 31 August 2023, the Company received approximately $9.9 million from realisations and distributions and had cash outflows relating to follow-on investments, expenses and finance costs of $10.1 million. Therefore, there has been no material change to the Company's liquidity position since 28 February 2023 of approximately $100 million, comprising cash of $45 million (28 February 2023: $11 million) and treasuries of $58 million (28 February 2023: $91 million). There has been no material change in liquidity subsequent to 31 August 2023.

The Company's remaining material debt obligation is its $45 million Senior Credit Facility (28 February 2023: $45 million) which matures in January 2027. The Company continues to comply with the covenants attached to the Senior Credit Facility and the Board expect full compliance throughout the going concern period.

As reported in the Chairman's Statement and the Investment Advisors report, the Company anticipates potential near-term realisations that would enable the Company to repay its Senior Credit Facility.

The Board takes account of the levels of realisation proceeds historically generated by the Company's micro-cap portfolios, the level 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 repay debt 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 2024.

Approved by the Board of Directors and agreed on behalf of the Board on 8 November 2023.

David Macfarlane	*Sharon Parr*
Chairman	**Director**

Investment Portfolio

	31 August 2023 Cost[1] US$'000	Value US$'000	Percentage of Portfolio %
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 15			
Total JZHL Secondary Fund L.P. valuation	34,876	80,548	25.8
US Micro-cap (Vertical)			
Industrial Services Solutions[3]			
INDUSTRIAL SERVICES SOLUTIONS ("ISS") Provider of aftermarket maintenance, repair, and field services for critical process equipment throughout the US			
Total Industrial Services Solutions valuation	21,139	22,348	7.2
US Micro-cap (Co-investments)			
DEFLECTO Deflecto designs, manufactures and sells innovative plastic products to multiple industry segments	12,174	14,777	4.7
ORIZON Manufacturer of high precision machine parts and tools for aerospace and defence industries	3,899	3,840	1.2
Total US Micro-cap (Co-investments)	*16,073*	*18,617*	*5.9*
US Micro-cap (Other)			
AVANTE HEALTH SOLUTIONS Provider of new and professionally refurbished healthcare equipment	8,750	3,368	1.1
NATIONWIDE STUDIOS Processor of digital photos for pre-schoolers	26,324	1,000	0.3
Total US Micro-cap (Other)	*35,074*	*4,368*	*1.4*
Total US Micro-cap portfolio	***107,162***	***125,881***	***40.3***

Investment Portfolio (continued)

	31 August 2023 Cost [(1)] US$'000	Value US$'000	Percentage of Portfolio %
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 15	63,854	70,120	22.4
Total European Micro-cap	64,679	70,120	*22.4*
Debt Investments			
DOCOUT[4] Provider of digitalisation, document processing and storage services	2,777	1,833	0.6
TORO FINANCE Provides short term receivables finance to the suppliers of major Spanish companies	21,619	1,519	0.5
XACOM[4] Supplier of telecom products and technologies	2,055	-	-
Debt Investments (loans to European micro-cap companies)	26,451	3,352	*1.1*
Total European Micro-cap portfolio	***91,130***	***73,472***	***23.5***
Real Estate portfolio			
247 BEDFORD AVENUE Prime retail asset in northern Brooklyn, NY	17,717	6,298	2.0
ESPERANTE An iconic building on the downtown, West Palm Beach skyline	14,983	23,567	7.6
Total Real Estate portfolio	***32,700***	***29,865***	***9.6***
Other investments			
BSM ENGENHARIA Brazilian-based provider of supply chain logistics, infrastructure services and equipment rental	6,115	50	-
JZ INTERNATIONAL Fund of European LBO investments	-	750	0.2
SPRUCEVIEW CAPITAL Asset management company focusing primarily on managing endowments and pension funds	34,255	23,603	7.6
Total Other investments	***40,370***	***24,403***	***7.8***
Listed investments			
U.S. Treasury Bills - Maturity 21 September 2023	23,691	23,930	7.7
U.S. Treasury Bills - Maturity 16 November 2023	34,537	34,610	11.1
Total Listed investments	***58,228***	***58,540***	***18.8***
Total - portfolio	**329,590**	**312,161**	**100.0**

[1] Original book cost incurred by JZCP adjusted for subsequent transactions. Other than JZHL Secondary Fund (see foot note 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 18).

[4] Classified as loan at amortised cost.

Investment Portfolio (continued)

Summary of JZCP's investments in JZHL Secondary Fund

	JZHL Valuation[1] As at 31.8.2023 $'000s
US Micro-cap investments	
ACW FLEX PACK, LLC Provider of a variety of custom flexible packaging solutions to converters and end-users	4,483
FLOW CONTROL, LLC Manufacturer and distributor of high-performance, mission-critical flow handling products and components utilized to connect processing line equipment	17
SAFETY SOLUTIONS HOLDINGS Provider of safety focused solutions for the industrial, environmental and life science related markets	3,305
FELIX STORCH Supplier of specialty, professional, commercial, and medical refrigerators and freezers, and cooking appliances	48,000
PEACEABLE STREET CAPITAL Specialty finance platform focused on commercial real estate	13,703
TIERPOINT Provider of cloud computing and colocation data centre services	11,112
	80,620
Hurdle amount due to Secondary Investors	(72)
JZCP's interest in JZHL Secondary Fund	**80,548**

[1]JZCP's valuation being the 37.5% 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] As at 31.8.2023 €'000s	JZCP Value (EURO)[1] As at 31.8.2023 €'000s	JZCP Value (USD) As at 31.8.2023 $'000s
ALIANZAS EN ACEROS Steel service center	Spain	4,468	3,472	3,768
BLUESITES Build-up in cell tower land leases	Portugal	1,372	4,802	5,212
COLLINGWOOD Niche UK motor insurer	UK	3,015	2,513	2,727
ERSI Reinforced steel modules	Lux	8,482	1,675	1,818
FACTOR ENERGIA Electricity supplier	Spain	3,989	9,263	10,053
FINCONTINUO Niche consumer lender	Italy	4,859	426	462
GUANCHE Build-up of petrol stations	Spain	7,486	10,571	11,474
KARIUM Personal care consumer brands	UK	4,879	9,731	10,562
LUXIDA Build-up in electricity distribution	Spain	3,315	4,969	5,393
MY LENDER Niche consumer lender	Finland	4,321	192	209
S.A.C Operational van leasing	Denmark	3,392	9,000	9,768
TREEE e-waste recycling	Italy	6,141	4,313	4,681
UFASA Niche consumer lender	Spain	6,318	8,122	8,816
Other net Liabilities				(4,823)
Total valuation				**70,120**

[1]Represents 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 2023 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 23. 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 2023 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 have 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 the 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 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
8 November 2023

Notes

1. The Interim Report and Financial Statements are published on websites maintained by the Investment Adviser.
2. The maintenance and integrity of these websites are the responsibility of the Investment Adviser; the work carried out by the Auditors does not involve consideration of these matters and, accordingly, the Auditor accepts no responsibility for any changes that may have occurred to the Condensed Interim Financial Statements since they were initially presented on the website.
3. Legislation in Guernsey governing the preparation and dissemination of Condensed Interim Financial Statements may differ from legislation in other jurisdictions.

Statement of Comprehensive Income (Unaudited)

For the Period from 1 March 2023 to 31 August 2023

	Note	Six Month Period Ended 31 August 2023 US$'000	Six Month Period Ended 31 August 2022 (Restated) US$'000
Income, investment and other gains			
Net profit on investments at fair value through profit or loss	6	1,630	24,911
Investment income	8	3,967	7,920
Bank and deposit interest		42	85
Net foreign currency exchange gains		109	8,693
Realisations from investments held in escrow accounts	21	-	999
		5,748	42,608
Expenses and losses			
Expected credit losses	7	(259)	(229)
Investment Adviser's base fee	10	(2,696)	(3,872)
Administrative expenses		(1,280)	(1,331)
Directors' remuneration		(145)	(145)
		(4,380)	(5,577)
Operating profit		1,368	37,031
Finance costs	9	(3,206)	(4,806)
Other income		-	398
(Loss)/profit before taxation		*(1,838)*	*32,623*
Taxation	22	-	-
(Loss)/profit for the period		(1,838)	32,623
Weighted average number of Ordinary shares in issue during the period	20	77,477,214	77,477,214
Basic and diluted (loss)/earnings per Ordinary share	20	(2.37)c	42.10c

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

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

Prior period balances have been restated to present an investment which has been reclassified to fair value through profit or loss from amortised cost as at 31 August 2022 and 1 March 2022, leading to the loan being remeasured on these dates (see Note 2 to the Financial Statements).

Statement of Financial Position (Unaudited)

As at 31 August 2023

	Note	31 August 2023 US$'000	28 February 2023 US$'000
Assets			
Investments at fair value through profit or loss	11	310,328	343,521
Loans at amortised cost	11	1,833	3,695
Other receivables		24	168
Cash at bank		45,193	11,059
Total assets		357,378	358,443
Liabilities			
Senior Credit Facility	12	43,539	43,181
Other payables	15	829	764
Investment Adviser's base fee	10	350	-
Total liabilities		44,718	43,945
Equity			
Share capital		216,650	216,650
Other reserve		353,528	353,528
Retained deficit		(257,518)	(255,680)
Total equity		312,660	314,498
Total liabilities and equity		357,378	358,443
Number of Ordinary shares in issue at period/year end	16	77,477,214	77,477,214
Net asset value per Ordinary share		$4.04	$4.06

These Interim Financial Statements on pages 18 to 38 were approved by the Board of Directors and authorised for issuance on 8 November 2023. 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 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	216,650	353,528	(257,518)	312,660

Restated comparative for the period from 1 March 2022 to 31 August 2022

	Note	Share Capital US$'000	Other Reserve US$'000	Retained Deficit US$'000	Total US$'000
Balance as at 1 March 2022		216,650	353,528	(237,914)	332,264
Restatement to correct historical error[1]	2	-	-	(20,412)	(20,412)
Balance as at 1 March 2022 (restated)		216,650	353,528	(258,326)	311,852
Profit for the period (restated)[1]		-	-	32,623	32,623
Balance at 31 August 2022 (restated)		216,650	353,528	(225,703)	344,475

[1]Prior period balances have been restated to present an investment which has been reclassified to fair value through profit or loss from amortised cost as at 31 August 2022 and 1 March 2022, leading to the loan being remeasured on these dates (see Note 2 to the Financial Statements).

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

Statement of Cash Flows (Unaudited)

For the Period from 1 March 2023 to 31 August 2023

	Note	Six Month Period Ended 31 August 2023 US$'000	Six Month Period Ended 31 August 2022 US$'000
Cash flows from operating activities			
Cash inflows			
Realisation of investments	11	9,880	105,024
Maturity of treasury bills	11	215,850	3,395
Bank interest received		42	85
Escrow receipts received	21	-	999
Income distributions received from investments		-	372
Cash outflows			
Direct investments and capital calls	11	(3,659)	(4,945)
Purchase of Treasury Bills and UK Gilts	11	(181,566)	(123,132)
Investment Adviser's base fee paid	10	(2,281)	(3,691)
Other operating expenses paid		(1,281)	(2,048)
Net cash inflow/(outflow) before financing activities		36,985	(23,941)
Financing activities			
Finance costs paid:			
• Senior Credit Facility	12	(2,848)	(1,834)
• Subordinated Notes	14	-	(945)
Net cash outflow from financing activities		(2,848)	(2,779)
Increase/(decrease) in cash at bank		34,137	(26,720)
Reconciliation of net cash flow to movements in cash at bank			
		US$'000	**US$'000**
Cash and cash equivalents at 1 March		11,059	43,656
Increase/(decrease) in cash at bank		34,137	(26,720)
Foreign exchange movements on cash at bank		(3)	(983)
Cash and cash equivalents at period end		45,193	15,953

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 now 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 2023, the Company's capital consisted of Ordinary shares which are traded on the London Stock Exchange's Specialist Fund Segment ("SFS").

The Company's new 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 is to realise the maximum value of the Company's investments and, after repayment of all debt, to return capital to shareholders. 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; and
(b) real estate interests.

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 Significant Accounting Policies**

Statement of compliance

The Unaudited Condensed Interim Financial Statements (the "Interim Financial Statements") of the Company for the period 1 March 2023 to 31 August 2023 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 28 February 2023.

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 principal 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 28 February 2023. 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 Unaudited Condensed Interim Financial Statements (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 2023, but do not have material impact on the Company's interim financial position or on the presentation of the Company's statements.

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.

Restatement to correct historical error in classification and associated measurement of asset

In reporting the Company's results for the year ended 28 February 2023, a restatement was made to correct a historical error in classification and associated measurement of an investment. These Interim Financial Statements have also been restated to reflect the correction of the same historical error (detailed below), which has impacted the prior period's statement of comprehensive income and statement of changes in equity. This restatement has not impacted the Company's previously reported statement of financial position as at 28 February 2023.

An investment in a direct loan to a European micro-cap company has been reclassified to fair value through profit or loss from amortised cost as at 31 August 2022 and 1 March 2022 to reflect its contractual terms, leading to the loan being remeasured on these dates. The reclassification is required as the contractual terms of the loan do not give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount of the loan outstanding and are therefore not consistent with an amortised cost classification. The affected financial statement line items for the prior periods have been restated, as follows:

Impact on the statement of changes in equity

	1.3.2022[1]	**Reclassification and remeasurement**	**1.3.2022 (restated)**	**31.8.2022[1]**	**Reclassification and remeasurement[2]**	**31.8.2022 (restated)**
	US$ '000	**US$ '000**	**US$ '000**	**US$ '000**	**US$ '000**	**US$ '000**
Retained deficit	(237,914)	(20,412)	(258,326)	(205,116)	(20,587)	(225,703)

[1]The retained deficit as recorded in the prior year financial statements before restatement.

[2]Assumes the reclassification and remeasurement occurred on 31 August 2022 rather than 1 March 2022. The effect of the remeasurement for the six month period ended 31 August 2022 is a reduction in profits of $0.175 million (see below), being the decrease in value at this date being $20.587 million less the decrease in value recognised at 1 March 2022 of $20.412 million.

NAV per share as at 31.8.2022 of $4.71 per share has been restated to $4.45.

Impact on statement of comprehensive income

	31.8.2022
	US$ '000
Investment income	(687)
Net foreign currency exchange gains	2,585
Net gain on investments at fair value	(2,760)
Expected credit losses	687
Net impact on profit for the period	(175)

Impact on basic and diluted earnings (Cents per Ordinary share)

	31.8.2022
Basic and diluted earnings per Ordinary share (cents per share)	42.33c
Impact from correction	(0.23)c
Basic and diluted earnings per Ordinary share (restated)	42.10c

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 28 February 2023.

Directors' assessment of 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 8 November 2023 to 30 November 2024 (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.

In June 2023, the Company reported on its much-improved liquidity following a period of material realisations and the subsequent repayment of the Company's Subordinated Notes and ZDP shares.

During the six-month period ended 31 August 2023, the Company received approximately $9.9 million from realisations and distributions and had cash outflows relating to follow-on investments, expenses and finance costs of $10.1million. Therefore, there has been no material change to the Company's liquidity position since 28 February 2023 of approximately $100 million, comprising cash of $45 million (28 February 2023: $11 million) and treasuries of $58 million (28 February 2023: $91 million). There has been no material change in liquidity subsequent to 31 August 2023.

The Company's remaining material debt obligation is its $45 million Senior Credit Facility (28 February 2023: $45 million) which matures in January 2027. The Company continues to comply with the covenants attached to the Senior Credit Facility and the Board expect full compliance throughout the going concern period.

As reported in the Chairman's Statement and the Investment Advisors report, the Company anticipates potential near-term realisations that would enable the Company to repay its Senior Credit Facility.

The Board takes account of the levels of realisation proceeds historically generated by the Company's micro-cap portfolios, the level 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 repay debt 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 2024.

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 achieve consistent medium-term returns from the investments in each segment while safeguarding capital by investing in a diversified portfolio.

4. **Segment Information (continued)**

Segmental operating profit/(loss)

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
Dividend revenue	-	-	-	-	-
Total segmental 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)
Realisations from investments held in Escrow	-	-	-	-	-
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

For the period from 1 March 2022 to 31 August 2022 (restated[1])

	US Micro-cap US$ '000	European Micro-cap US$ '000	Real Estate US$ '000	Other Investments US$ '000	Total US$ '000
Interest revenue	7,081	229	-	-	7,310
Dividend revenue	372	-	-	-	372
Total segmental revenue	7,453	229	-	-	7,682
Net gain/(loss) on investments at FVTPL	41,604	(12,748)	(522)	(504)	27,830
Expected credit losses	-	(229)	-	-	(229)
Realisations from investments held in Escrow	999	-	-	-	999
Other income	-	398	-	-	398
Investment Adviser's base fee	(2,237)	(776)	(179)	(178)	(3,370)
Total segmental operating profit/(loss)	47,819	(13,126)	(701)	(682)	33,310

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 (loss)/profit:

	31.8.2023 US$ '000	31.8.2022 (restated[1]) US$ '000
Total segmental operating profit	1,181	33,310
Net foreign exchange gain/(loss)	109	8,693
Bank and deposit interest	42	85
Other interest	2,224	238
Expenses not attributable to segments	(1,425)	(1,476)
Fees payable to investment adviser based on non-segmental assets	(763)	(502)
Finance costs	(3,206)	(4,806)
Net loss on non-segmental investments at FVTPL	-	(2,919)
(Loss)/profit for the period	(1,838)	32,623

[1]See Note 2

Notes to the Interim Financial Statements (Unaudited)

4. **Segment Information (continued)**

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

	31.8.2023 US$ '000	31.8.2022 (restated[1]) US$ '000
Total segmental revenue	1,743	7,682
Non-segmental revenue		
Bank and deposit interest	42	85
Other interest	2,224	238
Total revenue	4,009	8,005

[1]See Note 2

Segmental Net Assets

At 31 August 2023

	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	125,881	71,639	29,865	24,403	251,788
Loans at amortised cost	-	1,833	-	-	1,833
Total segmental assets	125,881	73,472	29,865	24,403	253,621
Segmental liabilities					
Payables and accrued expenses	(123)	(72)	(29)	(24)	(248)
Total segmental liabilities	(123)	(72)	(29)	(24)	(248)
Total segmental net assets	125,758	73,400	29,836	24,379	253,373

At 28 February 2023

	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	127,811	68,271	31,156	25,683	252,921
Loans at amortised cost	-	3,695	-	-	3,695
Prepaid expenses	29	12	3	3	47
Total segmental assets	127,840	71,978	31,159	25,686	256,663
Segmental liabilities					
Total segmental liabilities	-	-	-	-	-
Total segmental net assets	127,840	71,978	31,159	25,686	256,663

4. **Segment Information (continued)**

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

	31.8.2023 US$ '000	28.2.2023 US$ '000
Total segmental assets	253,621	256,663
Non segmental assets		
Cash at bank	45,193	11,059
Treasury bills	58,540	90,600
Other receivables	24	121
Total assets	357,378	358,443
Total segmental liabilities	(248)	-
Non segmental liabilities		
Senior Credit Facility	(43,539)	(43,181)
Other payables	(931)	(764)
Total liabilities	(44,718)	(43,945)
Total net assets	312,660	314,498

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). For example, investments which are valued based on quotes from brokers (intermediary market participants) are generally indicative of Level 2 when the quotes are executable and do not contain any waiver notices indicating that they are not necessarily tradeable. Another example would be when assets/liabilities with quoted prices, that would normally meet the criteria of Level 1, do not meet the definition of being traded on an active market.

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.

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 2023

	Level 1 US$ '000	Level 2 US$ '000	Level 3 US$ '000	Total US$ '000
US micro-cap	-	-	125,881	125,881
European micro-cap	-	-	71,639	71,639
Real estate	-	-	29,865	29,865
Other investments	-	-	24,403	24,403
Treasury bills	58,540	-	-	58,540
	58,540	-	251,788	310,328

Financial assets at 28 February 2023

	Level 1 US$ '000	Level 2 US$ '000	Level 3 US$ '000	Total US$ '000
US micro-cap	-	-	127,811	127,811
European micro-cap	-	-	68,271	68,271
Real estate	-	-	31,156	31,156
Other investments	-	-	25,683	25,683
Treasury bills	90,600	-	-	90,600
	90,600	-	252,921	343,521

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 capitalization rate.

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 2022. Subsequent discussions with appraisers indicate there would be no significant change in property values between 31 December 2022 and 31 August 2023. 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 (Note 2). The carrying value at amortised cost is considered to approximate to fair value.

Other Investments

Other investments at year end, comprise of mainly the Company's investment in the asset management business -Spruceview Capital Partners ("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.

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 2023 and 28 February 2023 are shown below:

	Value 31.8.2023 US$'000	Valuation Technique	Unobservable input	Range (weighted average)	Sensitivity used	Effect on Fair Value US$'000	
US micro-cap investments	125,881	EBITDA Multiple	Average EBITDA Multiple of Peers	5.0x - 14.0x (8.5x)	-0.5x /+0.5x	(11,456)	11,434
			Discount to Average Multiple	5% - 35% (14%)	+5% /-5%	(13,569)	13,521
European micro-cap investments[1]	70,120	EBITDA Multiple	Average EBITDA Multiple of Peers	4.8x - 17.2x (9.3x)	-0.5x /+0.5x	(4,844)	4,844
			Discount to Average Multiple	4% - 64% (34%)	+5% /-5%	(3,875)	3,875
Real estate [2,3]	29,865	Cap Rate/ Income Approach	Capitalisation Rate	5.25%-6.255% (5.9%)	+50bps/ -50bps	(6,918)	8,061
Other investments[4]	23,603	Forward looking Revenue Approach	Revenue Multiple	$8.8 million	-10%/+10%	(2,342)	2,342
				5.3x	-10%/+10%	(2,342)	2,342

	Value 28.2.2023 US$'000	Valuation Technique	Unobservable input	Range (weighted average)	Sensitivity used	Effect on Fair Value US$'000	
US micro-cap investments	127,811	EBITDA Multiple	Average EBITDA Multiple of Peers	7.0x - 13.5x (8.3x)	-0.5x /+0.5x	(10,326)	10,092
			Discount to Average Multiple	5% - 35% (14.3%)	+5% /-5%	(12,303)	11,955
European micro-cap investments[1]	66,786	EBITDA Multiple	Average EBITDA Multiple of Peers	5.0x - 15.7x (8.6x)	-0.5x /+0.5x	(4,693)	4,705
			Discount to Average Multiple	4% - 61% (26%)	+5% /-5%	(3,542)	3,554
Real estate[2,3]	31,156	Cap Rate/ Income Approach	Capitalisation Rate	5.25%-5.75% (5.65%)	+50bps/ -50bps	(6,918)	8,061
Other investments[4]	24,474	Forward looking Revenue Approach	Revenue Multiple	$9.5 million	-10%/+10%	(1,722)	2,613
				5.3x	-10%/+10%	(1,722)	2,613

[1]Excludes the Company's investment in Toro Finance. The fair value of the loan is impaired and is therefore assessed based on the balance that is recoverable from the ongoing sale of Toro Finance.

[2]The 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.

[3]Sensitivity 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.

[4]JZCP's investment in Spruceview.

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 2023	**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	610	2,249	-	800	3,659
Payment in kind ("PIK")	431	-	-	-	431
Proceeds from investments realised	(7,439)	(467)	-	-	(7,906)
Net gains/(losses) on investments	3,415	1,586	(1,291)	(2,080)	1,630
Movement in accrued interest	1,053	-	-	-	1,053
At 31 August 2023	125,881	71,639	29,865	24,403	251,788

Year ended 28 February 2023

	US Micro-Cap US$ '000	**European Micro-Cap US$ '000**	**Real Estate US$ '000**	**Other Investments US$ '000**	**Total US$ '000**
At 1 March 2022	284,162	81,150	23,597	23,533	412,442
Investments including capital calls	317	8,628	825	1,100	10,870
Payment in kind ("PIK")	11,810	-	-	-	11,810
Proceeds from investments realised	(181,629)	(911)	-	-	(182,540)
Net gains/(losses) on investments	14,626	(20,596)	6,734	1,050	1,814
Movement in accrued interest	(1,475)	-	-	-	(1,475)
At 28 February 2023	127,811	68,271	31,156	25,683	252,921

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

	Period ended 31.8.2023 US$ '000	**Period ended 31.8.2022 (restated[1]) US$ '000**
Loss on investments held in investment portfolio at period end		
Net movement in period end unrealised gain position	2,606	(34,497)
Unrealised net loss in prior periods now realised	(4,247)	(15,265)
Net unrealised loss in the period	(1,641)	(49,762)
Net profit on investments realised in the period		
Proceeds from investments realised	7,906	108,419
Cost of investments realised	(8,882)	(49,011)
Unrealised net loss in prior periods now realised	4,247	15,265
Total net profit in the period on investments realised in the period	3,271	74,673
Net profit on investments in the period	1,630	24,911

[1]See Note 2

7. **Expected Credit Losses**

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.

	Period ended 31.8.2023 US$ '000	**Period ended 31.8.2022 (restated[1]) US$ '000**
Impairment on loans classified as Stage 1	-	229
Impairment on loans classified as Stage 3	259	-
Total impairment on loans during period	259	229

[1]See Note 2

8. **Investment Income**

	Period ended 31.8.2023 US$ '000	**Period ended 31.8.2022 (restated[1]) US$ '000**
Interest calculated using the effective interest rate method	259	229
Other interest and similar income	3,708	7,691
	3,967	7,920

Income for the period ended 31 August 2023

	Preferred Interest US$ '000	**Loan note Interest PIK US$ '000**	**Loan note Interest Cash US$ '000**	**Dividend US$ '000**	**Other Interest US$ '000**	**Total US$ '000**
US micro-cap	1,484	-	-	-	-	1,484
European micro-cap	-	259	-	-	-	259
Treasury bills	-	-	-	-	2,224	2,224
	1,484	259	-	-	2,224	3,967

Income for the period ended 31 August 2022 (restated[1])

Portfolio	**Preferred Interest US$ '000**	**Loan note Interest PIK US$ '000**	**Loan note Interest Cash US$ '000**	**Dividend US$ '000**	**Other Interest US$ '000**	**Total US$ '000**
US micro-cap	7,081	-	-	372	-	7,453
European micro-cap	-	229	-	-	-	229
Treasury bills	-	-	-	-	238	238
	7,081	229	-	372	238	7,920

[1]See Note 2

9. **Finance Costs**

	Period ended 31.8.2023 US$ '000	Period ended 31.8.2022 US$ '000
Interest expense calculated using the effective interest method		
Senior Credit Facility (Note 12)	3,206	2,065
ZDP shares (Note 13)	-	1,793
Subordinated Notes (Note 14)	-	948
	3,206	4,806

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 less those assets identified by the Company as being excluded from the base management fee, under the terms of the agreement. 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 2023, total investment advisory and management expenses, based on the average total assets of the Company, were included in the Statement of Comprehensive Income of $2,696,000 (period ended 31 August 2022: $3,872,000). Of this amount, $350,000 was due and payable at the period end (28 February 2023: $65,000 was prepaid to the Investment Adviser).

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 31.8.2023 US$ '000	Unlisted FVTPL 31.8.2023 US$ '000	Unlisted Loans 31.8.2023 US$ '000	Carrying Value Total 31.8.2023 US$ '000
Book cost at 1 March 2023	90,032	280,766	13,283	384,081
Investments in period including capital calls	181,566	3,659	-	185,225
Payment in kind ("PIK")[1]	-	431	253	684
Proceeds from investments matured/realised	(215,850)	(7,906)	(1,974)	(225,730)
Interest received on maturity	2,480	-	-	2,480
Net realised loss	-	(976)	-	(976)
Book cost at 31 August 2023	58,228	275,974	11,562	345,764
Unrealised investment and foreign exchange loss	-	(25,766)	(783)	(26,549)
Impairment on loans at amortised cost	-	-	(9,034)	(9,034)
Accrued interest	312	1,580	88	1,980
Carrying value at 31 August 2023	58,540	251,788	1,833	312,161

[1]The 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.

11. **Investments (continued)**

	Listed FVTPL 28.2.2023 US$ '000	Unlisted FVTPL 28.2.2023 US$ '000	Unlisted Loans 28.2.2023 US$ '000	Carrying Value Total 28.2.2023 US$ '000
Book cost at 1 March 2022	3,395	472,983	12,828	489,206
Investments in year including capital calls	213,164	32,009	-	245,173
Payment in kind ("PIK")[1]	-	11,810	455	12,265
Proceeds from investments matured/realised	(123,357)	(203,679)	-	(327,036)
Interest received on maturity	689	-	-	689
Net realised loss	-	(32,357)	-	(32,357)
Realised currency loss	(3,859)	-	-	(3,859)
Book cost at 28 February 2023	90,032	280,766	13,283	384,081
Unrealised investment and foreign exchange loss	-	(28,372)	(895)	(29,267)
Impairment on loans at amortised cost	-	-	(8,775)	(8,775)
Accrued interest	568	527	82	1,177
Carrying value at 28 February 2023	90,600	252,921	3,695	347,216

[1]The 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.

Loans at amortised cost

Loans to European micro-cap companies are classified and measured as Loans at amortised cost under IFRS 9.

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

Interest on the loans accrues at the following rates:

	As At 31 August 2023			As At 28 February 2023		
	8%	**10%**	**Total**	8%	10%	Total
	$'000	**$'000**	**$'000**	$'000	$'000	$'000
Loans at amortised cost	**1,833**	**-**	**1,833**	1,447	2,248	3,695

The Company has not recognised interest on the loans classified as being credit impaired (Stage 3 see Note 7).

Maturity dates are as follows:

	As At 31 August 2023		As At 28 February 2023	
	Past due	**Total**	0-6 months	Total
	$'000	**$'000**	$'000	$'000
Loans at amortised cost	**1,833**	**1,833**	3,695	3,695

During the period, the maturity date of a loan with a carrying value of $1.833 million (28 February 2023: $3.695 million) became past due. The Company still anticipates the repayment of the loan when the underlying investee company exits the investment. In April 2023, JZCP received $1.974 million as part-repayment of the loan.

12. **Senior Credit Facility**

On 26 January 2022, JZCP entered into an agreement with WhiteHorse Capital Management, LLC (the "Senior Lender") providing for a new five year term senior secured loan facility (the "Senior Credit Facility"). The Senior Credit Facility matures on 26 January 2027 and replaced the Company's Previous Senior Secured Loan Facility with clients and funds advised and sub-advised by Cohanzick Management, LLC and CrossingBridge Advisors, LLC (the "Previous Senior Lenders").

The Senior Credit Facility consists of a $45.0 million first lien term loan (the "Closing Date Term Loan"), fully funded as of the closing date (being 26 January 2022), and up to $25.0 million in first lien delayed draw term loans (the "DDT Loans"), which remain undrawn as of the closing date and the period end. The Company can draw down the DDT Loans from time to time in its discretion in the 24 month period following the closing date. Customary fees and expenses were payable upon the drawing of the Closing Date Term Loan. The proceeds of the Closing Date Term Loan, together with cash at hand, were used by the Company to repay the Previous Senior Secured Facility of approximately $52.9 million due 12 June 2022 and for the payment of fees and expenses related to the New Senior Facility.

During the period, no election was made for a portion of the interest to be paid in kind. The average interest rate paid by the Company was 12.2 per cent being the applicable LIBOR/SOFR[1] rate plus 7.0 per cent. The rate payable at the year end was 12.5 per cent (28 February 2023: 11.8 per cent).

The Senior Credit Facility Agreement includes covenants from the Company customary for an agreement of this nature, including (a) maintaining a minimum asset coverage ratio (calculated by reference to eligible assets, subject to customary ineligibility criteria and concentration limits, plus unrestricted cash) of not less than 4.00 to 1.00, and (b) ensuring the Company retains an aggregate amount of unrestricted cash and cash equivalents of not less than $12.5 million. At 31 August 2023, investments and cash valued at $351.4 million (28 February 2023: $352.0 million) were held as collateral on the senior debt facility. The collateral value used in the asset coverage ratio of $255.1 million (28 February 2023: $252.1 million) is after adjustments to the collateral value including a ceiling value on any one investment. The Senior Credit Facility allowed for the repayment of the Company's other debt obligations assuming the above covenants were not breached as a result of repayment.

There is an interest rate floor that stipulates LIBOR/SOFR will not be lower than 1%. In this agreement, the presence of the floor is considered to be clearly and closely related to the facility, therefore separation is not required and the loan is valued at amortised cost using the effective interest rate method.

[1]In June 2023, Secured Overnight Financing Rate (SOFR) replaced LIBOR as the benchmark interest rate for the Senior Credit Facility.

Senior Credit Facility

	31.8.2023 **US$ '000**	**28.2.2023** **US$ '000**
Amortised cost at 1 March	43,181	42,573
Finance costs charged to Statement of Comprehensive Income	3,206	5,163
Interest and finance costs paid	(2,848)	(4,555)
Amortised cost at period/year end	43,539	43,181

The carrying value of the Senior Credit Facility approximates to fair value.

13. **Zero Dividend Preference ("ZDP") shares**

On 3 October 2022, the Company redeemed and cancelled its 11,907,720 ZDP shares on their maturity date. The ZDP shares had a gross redemption yield of 4.75% and a total redemption value of £57,597,000 ($64,296,000 using the exchange rate on the redemption date).

	31.8.2023 **US$ '000**	**28.2.2023** **US$ '000**
Amortised cost at 1 March	-	75,038
Finance costs allocated to Statement of Comprehensive Income	-	2,067
Unrealised currency gain on translation	-	(12,809)
Redemption	-	(64,296)
Amortised cost at period/year end	-	-

Notes to the Interim Financial Statements (Unaudited)

14. **Subordinated Notes**

On 14 February 2023, the Company undertook an early voluntary redemption in full of the Subordinated Notes.

	31.8.2023 US$ '000	28.2.2023 US$ '000
Amortised cost at 1 March	-	32,293
Finance costs charged to Statement of Comprehensive Income	-	1,800
Interest and finance costs paid	-	(2,593)
Redemption	-	(31,500)
Amortised cost at period/year end	-	-

15. **Other Payables**

	31.8.2023 US$ '000	28.2.2023 US$ '000
Audit fees	211	268
Legal fees provision	200	200
Directors' remuneration	49	47
Other expenses	369	249
	829	764

16. **Ordinary shares - Issued Capital**

	31.8.2023 Number of shares	28.2.2023 Number of shares
Total Ordinary shares in issue	77,477,214	77,477,214

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

17. **Commitments**

At 31 August 2023 and 28 February 2023, JZCP had the following financial commitments outstanding in relation to fund investments:

	Expected date of Call	31.8.2023 US$ '000	28.2.2023 US$ '000
JZI Fund III GP, L.P. €10,160,906 (28.2.2023: €6,661,066)	over 3 years	5,687	7,064
Spruceview Capital Partners, LLC[1]	over 1 year	-	-
		5,687	7,064

[1]Following a capital call of $0.8 million in April 2023, JZCP has the option to increase further commitments to Spruceview up to approximately $2.7 million.

18. **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 2023, JZCP's investment in Fund III was valued at $70.1 million (28 February 2023: $67.6 million). JZCP's investment in EMC 2010 was valued at $nil (28 February 2023: $nil).

18. **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 2023, was $34.9 million (28 February 2023: $34.1 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 $2.7 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 2023, JZCP's investment in JZHL Secondary Fund LP was valued at $80.5 million (28 February 2023: $80.4 million).

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 2023, 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 2023 was $145,000 (31 August 2022: $145,000).

19. **Net Asset Value Per Share**

The net asset value per Ordinary share of $4.04 (28 February 2023: $4.06) is based on the net assets at the period end of $312,660,000 (28 February 2023: $314,498,000) and on 77,477,214 (28 February 2023: 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 22 September 2023 to the final reported NAV.

	31.8.2023
	US$
Estimated NAV per share - per Stock Exchange announcement on 22 September 2023	4.05
Valuation change	(0.01)
Reported NAV per share	4.04

20. **Basic and Diluted (Loss)/Earnings per Share**

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

For the period ended 31 August 2023, the weighted average number of Ordinary shares outstanding during the period was 77,477,214 (31 August 2022: 77,477,214).

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

21. **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 2023 and 28 February 2023, 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 2023 and 28 February 2023, the Company had the following contingent assets held in escrow accounts which had not been recognised as assets of the Company:

	Amount in Escrow	
	31.8.2023	**28.2.2023**
	US$'000	**US$'000**
Industrial Services Solutions (ISS)[1]	2,090	3,044
Deflecto Holdings	553	-
Igloo	49	49
	2,692	3,093

During the period ended 31 August 2023, escrow proceeds of $nil (31 August 2022: $999,000) were realised and recorded in the Statement of Comprehensive Income.

[1]In December 2022, following the partial sale of the Company's interest in Industrial Services Solutions (ISS), approximately $8.3 million was placed in an escrow account payable to the Company post-closing pursuant to an escrow arrangement that is subject to customary final closing adjustments. Included in this escrow amount was approximately $5.3 million held back for the scenario of the estimated net working capital on closing exceeding the final agreed amount. This amount was included within the year end valuation of Industrial Service Solutions WC, L.P. rather than as an contingent asset, due to the likelihood that this portion of the total escrow would be released imminently (received June 2023). The Company received further proceeds in the period of $2.0 million from the closing of the ISS partial sale based on the agreed final working capital of ISS. The Company still has the potential to receive further proceeds from the closing of the ISS partial sale based on the final working capital of ISS, as well as the other standard escrows highlighted in table.

22. **Taxation**

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

23. **Subsequent Events**

These Interim Financial Statements were approved by the Board on 8 November 2023. Events subsequent to the period end 31 August 2023 have been evaluated until this date.

There are no subsequent events to report.

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.
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New York NY 10019

Registered Office
PO Box 255
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Les Banques
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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
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St Peter Port
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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).

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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 Specialist Fund Segment for listed securities.

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 along with the prices of the ZDP shares.

ISIN/SEDOL numbers

	Ticker Symbol	ISIN Code	Sedol Number
Ordinary shares	JZCP	GG00B403HK58	B403HK5

Key Information Documents

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

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 2023 was -0.5%, which only reflects the change in NAV as no dividends were paid during the year. The Total NAV Return for the year ended 28 February 2023 was 0.7%.

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 dividends paid to shareholders are reinvested in the shares at the time the shares are quoted ex-dividend. The Shareholder Return for the period ended 31 August 2023, in Sterling terms, was 3.2%, which only reflects the change in share price as no dividends were paid during the year. The Shareholder Return for the year ended 28 February 2023 was 50.0%.

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 2023, JZCP's Ordinary shares traded at £1.625 (28 February 2023: £1.575) or $2.06 (28 February 2023: $1.91) being the dollar equivalent using the period end exchange rate of £1:$1.27 (28 February 2023 £1: $1.21). The shares traded at a 49.0% (28 February 2023: 53.0%) discount to the NAV per share of $4.04 (28 February 2023: $4.06).

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 29 February 2024	May/June 2024 (date to be confirmed)
Annual General Meeting	June/July 2024 (date to be confirmed)
Interim report for the six months ended 31 August 2024	November 2024 (date to be confirmed)

Payment of Dividends

In the event of a cash dividend being paid, the dividend will be sent by cheque to the first-named shareholder on the register of members at their registered address, together with a tax voucher. At shareholders' request, where they have elected to receive dividend proceeds in Sterling, the dividend may instead be paid direct into the shareholder's bank account through the Bankers' Automated Clearing System. Payments will be paid in US dollars unless the shareholder elects to receive the dividend in Sterling. Existing elections can be changed by contacting the Company's Transfer and Paying Agent, Equiniti Limited on +44 (0)371-384-2265.

Share Dealing

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

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").

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.

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.

Useful Information for Shareholders (continued)

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.moneyadviceservice.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 page 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.

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).

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

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;

(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. 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 is be treated as a "passive foreign investment company" ("PFIC") for the fiscal years ended February 2022 and 2021. The Company's treatment as a PFIC is likely to have adverse tax consequences for US taxpayers. Previously, for the fiscal year ended February 2020 the Company was found NOT to be a PFIC. An analysis for the financial year ended 28 February 2023 will be undertaken this year.

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