JZ CAPITAL PARTNERS LIMITED

Annual Report and Financial Statements
For the year ended 28 February 2022

Contents

Numbers in the Annual Report and Financial Statements are quoted in US dollar ("$") unless otherwise stated.

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 Year

During the year from 1 March to 28 February 2022, the Company completed the following realisations:

Assets	Portfolio	Proceeds ($ million)
Salter Labs	U.S.	41.1
George Industries	U.S.	9.5
Orangewood Fund	U.S.	6.2
Igloo	U.S.	3.8
EMC 2010 distribution	European	2.2
Vitalyst	U.S.	1.9
Fund III distributions	European	1.1
		65.8

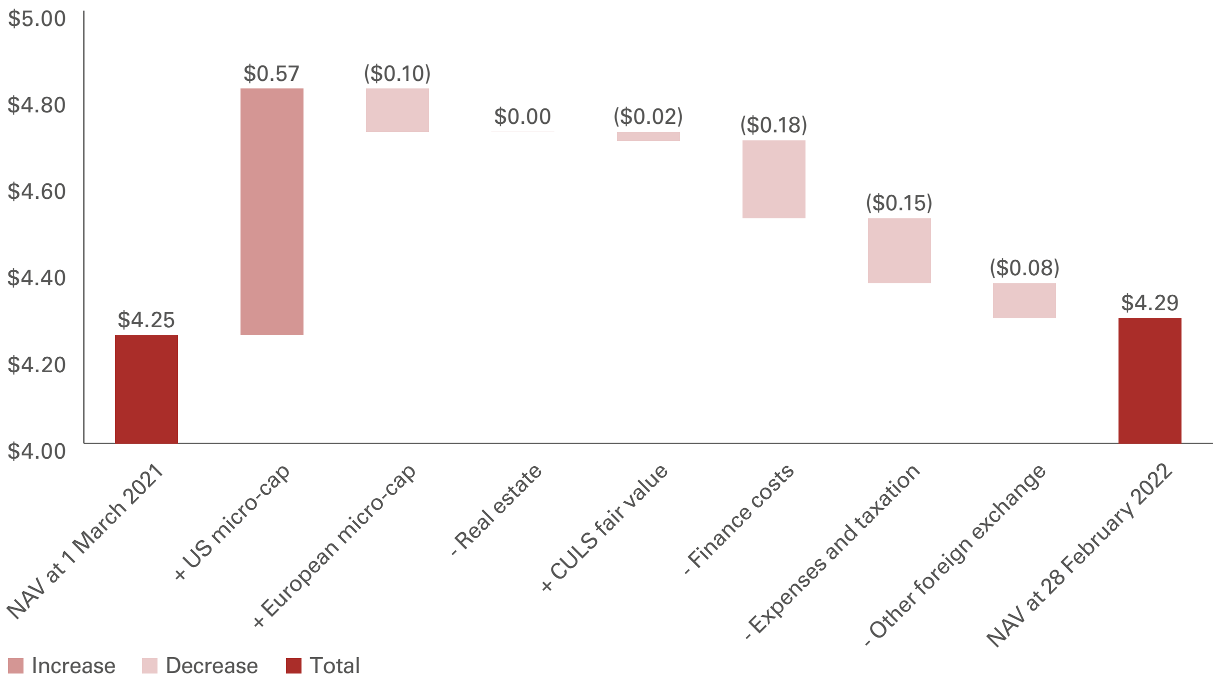
Net Asset Value ("NAV") per Share and Total NAV Returns

NAV per share at 28 February 2022 was **$4.29** (28 February 2021: $4.25).

	1 Year	3 Year	5 Year	7 Year
Total NAV return	0.9%	-57.3%	-57.6%	-57.9%

Following table presents the Company's annual NAV performance by sector:

NAV Attribution Per Ordinary Share



NAV returns above are presented in US Dollar terms and on a dividend reinvested basis and for periods ended 28 February 2022.

Shareholder Returns

JZCP's share price at 28 February 2022 was £1.05 (28 February 2021: £0.78).

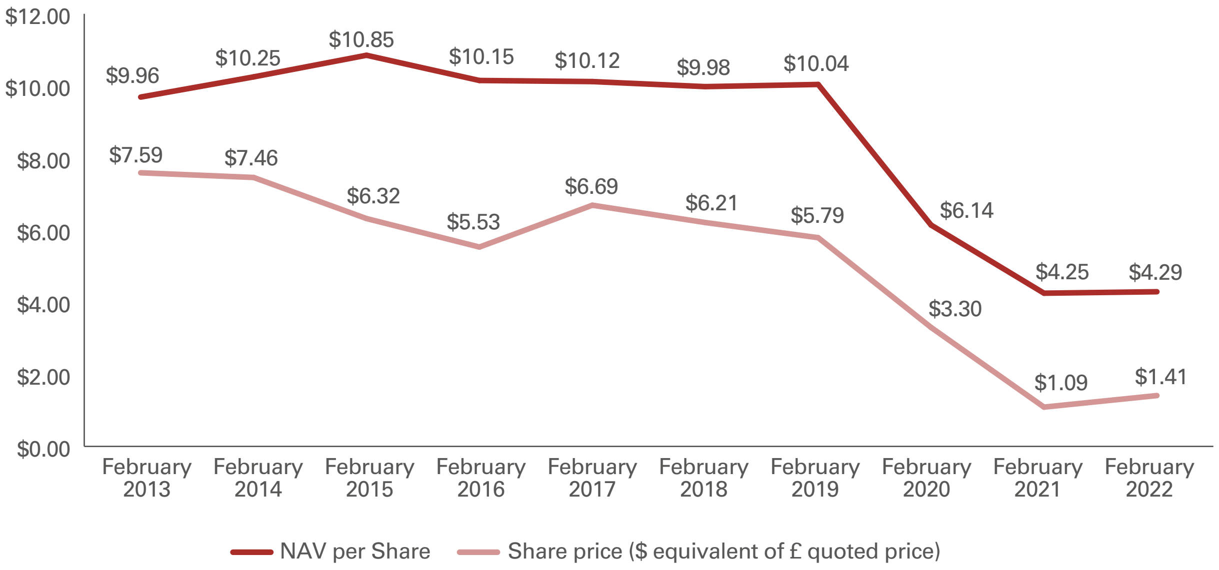
	1 Year	3 Year	5 Year	7 Year
Total Shareholder return	34.6%	-75.9%	-80.5%	-71.6%

NAV to Market Price Discount

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

	28.2.2015	29.2.2017	28.2.2019	29.2.2021	**28.2.2022**
Discount	41.7%	33.8%	42.4%	74.3%	**67.2%**

NAV per share versus Share price



Total NAV return, Total Shareholder returns, NAV to Market Price discount, are classified as Alternative Performance Measurements under European Securities and Market Authority guidelines and are further explained on page 92 under Useful Information for Shareholders.

Chairman's Statement

David Macfarlane

We present the results of the Company for the financial year ended 28 February 2022, which show that the NAV of the Company increased from $4.25 per share at 28 February 2021 to $4.29 per share at 28 February 2022 ($4.08 at 31 August 2021). This modest increase is primarily attributable to strong performance of JZHL Secondary Fund LP (the "Secondary Fund") and the realisations of Salter Labs and Igloo above NAV, offset by finance and administration costs as well as write-downs at two US micro-cap investments, Deflecto and Vitalyst, and net write downs in the European portfolio at JZI Fund III, L.P and our direct loan to Xacom.

Investment Policy and Liquidity

The Company's objective remains to realise the maximum value from its investment portfolio and, after repaying its debt obligations (which includes the £57.6 million of Zero Dividend Preference Shares ("ZDPs") due 1 October 2022), to return capital to shareholders.

The following are the key events affecting the Company's liquidity over the past year:

- The Company realised its investment in Salter Labs above NAV, receiving net proceeds of approximately $41 million.
- The Company drew down $31.5 million of Subordinated Notes (payable on 11 September 2022) under a facility made available by affiliates of Jay Jordan and David Zalaznick (as approved by shareholders).
- The Company redeemed approximately £38.8 million (approximately $54.1 million) of Convertible Unsecured Loan Stock on its maturity date of 30 July 2021.
- The Company repaid its previous senior facility (the "Previous Senior Facility") which was provided by clients and funds managed by Cohanzick Management, LLC and CrossingBridge Advisors, LLC in an amount of approximately $52.9 million, prior to such facility's maturity date of 12 June 2022.
- On 26 January 2022, the Company entered into a new five-year term senior secured loan facility (the "New Senior Facility") with WhiteHorse Capital Management LLC. The New Senior facility consists of a $45.0 million first lien term loan (which was drawn at close) and up to an additional $25.0 million in first lien delayed draw term loan (which remains undrawn). The terms of the New Senior Facility represent a substantial improvement to those of the Previous Senior Facility, including as to interest cost and maturity – the New Senior Facility is due on 26 January 2027.
- In March 2022 (post-period), the Secondary Fund, in which the Company has a Special Limited Partnership ("LP") Interest, sold its interest in Flow Control Holdings LLC ("Flow Control") for a consideration of approximately $77.7 million. Whilst reflected in the Company's valuation of its Special LP Interest as at 28 February 2022, this transaction conferred no immediate cash benefit to the Company, as the other investors in the Secondary Fund (the "Secondary Investors") have an entitlement to a priority return of 1.4x invested capital prior to any distributions being made to the Company. However, as a result of the distribution made to the Secondary Investors from the Flow Control realization (as well as other smaller transactions) the balance outstanding on the Secondary Investors' priority return was significantly reduced from approximately $132.6 million to approximately $35.5 million. Once the remaining balance on the priority return has been distributed to the Secondary Investors, the Company will be entitled to receive 95% of all subsequent distributions until the Company has received $67.6 million in proceeds. Thereafter, the Company will receive 37.5% of all further distributions.
- As announced in a press release dated 23 May 2022, a portfolio company of the Secondary Fund executed an agreement to sell certain of its interests, with the Secondary Fund expecting to receive a distribution from such portfolio company of net proceeds it receives in such sale of approximately $165-$180 million. Pursuant to the Secondary Fund's waterfall, in which JZCP has a Special LP Interest, such portfolio company sale is expected to result in JZCP receiving a distribution from the Secondary Fund of approximately $89-$94 million, which would correspond to a NAV uplift to JZCP in the range of approximately 56-63 cents per ordinary share. It is hoped that closing of this transaction is imminent but at the moment it remains conditional. Such uplift has not been reflected in the Company's valuation of its Special LP Interest in the Secondary Fund as at 28 February 2022.

In summary, the Company's key outstanding debt obligations are (i) $45.0 million outstanding on the New Senior Facility due 26 January 2027, (ii) approximately £57.6 million of ZDPs due 1 October 2022 and (iii) $31.5 million of Subordinated Notes due 11 September 2022.

Subject to compliance with its financial covenants, the New Senior Facility permits, and, in fact, requires, the repayment of the Subordinated Notes and ZDPs on their respective maturities. While the Company's ability to repay its Subordinated Notes and ZDPs remains dependent upon the Company achieving sufficient realisations in due time, the Board is confident that following the Company's receipt of its expected distribution from the Secondary Fund, the Company will have sufficient cash to redeem its ZDPs. As noted in the press release dated 23 May 2022, the redemption of the ZDPs remains subject to compliance with the New Senior Facility's financial covenants and the extension of the maturity of the Subordinated Notes. It has been indicated that when the Company has sufficient cash to redeem the ZDPs such an extension will be negotiated.

In consequence of the conditionality of the portfolio company sale referred to above, uncertainty remains regarding the Company's ability to redeem the ZDPs on their maturity date as well as the Company's expected ability to extend the Subordinated Notes. Accordingly, the Report of the Directors accompanying these results discloses a material uncertainty as to the Company's ability to continue as a going concern.

US and European Micro-Cap Portfolios

Our US and European micro-cap portfolios have generally performed well, and we are working towards several realisations in both portfolios. The Board looks forward to reporting on further potential realisations at the interim period.

In a press release dated 21 March 2022, the Company announced that it had come to the Board's attention that allegations of fraudulent conduct had been made against two individuals who were members of the management team that manages JZCP's investments in European micro-cap companies. A claim has been made in respect thereof in the New York State Supreme Court. The claimants are a fund in which JZCP has only an approximate 1% interest (carried at approximately $0.75 million) as well as a fund in which JZCP has no interest.

The Board understands that the investigation into the allegations has concluded; the information available to the Board at this time indicates that the Company has no reason to believe that the alleged conduct will have a material adverse effect on the Company's investments held through JZI Fund III, L.P.

The Board will however make further announcements as and when appropriate should any further information concerning the investigation and any potential impact on the Company become available.

No allegations of fraudulent conduct were made against employees of the Company's investment adviser, Jordan/Zalaznick Advisers, Inc.

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.

Based on newly received appraisals at the calendar year-end, both assets were written up from their values at the interim period (31 August 2021). However, the real estate portfolio remained flat as compared to the previous year-end (28 February 2021).

Outlook

The Board believes that the Company's outlook has improved dramatically. On the back of the expected substantial distribution from the Secondary Fund, the Board is very optimistic that all the Company's obligations will be repaid in full and that a significant amount of capital will be returned to shareholders.

David Macfarlane
Chairman
14 June 2022

Investment Adviser's Report

David Zalaznick and Jay Jordan

Dear Fellow Shareholders,

We are very pleased to announce that the Company has completed the fiscal year in a stronger financial position than in recent years. Several major realizations (both during the year and post-period), combined with our successful efforts to fortify JZCP's balance sheet, have strengthened the Company's position.

As announced in a press release dated May 23, 2022, a portfolio company of JZHL Secondary Fund LP, the ("Secondary Fund") executed an agreement to sell certain of its interests, with the Secondary Fund expecting to receive a distribution from such portfolio company of net proceeds it receives in such sale of approximately $165-$180 million. Pursuant to the Secondary Fund's waterfall, in which JZCP has a Special LP Interest, such portfolio company sale is expected to result in JZCP receiving a distribution from the Secondary Fund of approximately $89-$94 million, which would correspond to a NAV uplift to JZCP in the range of approximately 56-63 cents per ordinary share.

Including this expected distribution from such portfolio company (anticipated imminently), the Company would have cash on hand today of more than $125 million.

With regards to our efforts to reinforce JZCP's balance sheet, we successfully executed the following transactions, among others, during the year:

- We agreed to personally provide a $31.5 million liquidity facility at 6.0% interest to JZCP (i.e., at the same rate as the CULS), which was approved by shareholders.
- JZCP paid off its CULS (£38.8 million) in full and on their stated due date while at the same time maintaining a cash cushion.
- The Company repaid its previous senior facility (the "Previous Senior Facility") with clients and funds managed by Cohanzick Management, LLC and CrossingBridge Advisors, LLC in an amount of approximately $52.9 million, prior to such facility's maturity date of 12 June 2022.
- On 26 January 2022, the Company entered into a new five-year term senior secured loan facility (the "New Senior Facility") with WhiteHorse Capital Management LLC. The New Senior facility consists of a $45.0 million first lien term loan (which was drawn at close) and up to an additional $25.0 million in first lien delayed draw term loan (which remains undrawn). The terms of the New Senior Facility represent a substantial improvement to those of the Previous Senior Facility, including a lower interest cost and longer maturity – the New Senior Facility is due on 26 January 2027.

Our US and European micro-cap portfolios have generally performed well. We are working towards several realizations in both portfolios.

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. Both assets were written up at the year-end based on newly received appraisals. We look forward to reporting on our progress at both properties in the coming months.

As of 28 February 2022, our US micro-cap portfolio consisted of 14 businesses, which includes four 'verticals' and six 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 increased 4 cents, or 0.9%, during the twelve-month period:

NAV per Ordinary share as of 1 March 2021	**$4.25**
Change in NAV due to capital gains and accrued income	
+ US micro-cap	0.57
– European micro-cap	(0.10)
Other decreases in NAV	
– Change in CULS fair value	(0.02)
– Foreign exchange effect	(0.08)
– Finance costs	(0.18)
– Expenses	(0.15)
NAV per Ordinary share as of 28 February 2022	**$4.29**

The US micro-cap portfolio continued to perform well during the year, delivering a net increase of 57 cents per share. This was primarily due to net accrued income of 6 cents and write-ups at co-investments Salter Labs (4 cents) and Igloo (4 cents) and the JZHL Secondary Fund portfolio (58 cents).

Offsetting these increases were decreases at co-investments George Industries, New Vitality, Deflecto and Vitalyst (1 cent, 1 cent, 6 cents and 6 cents respectively) and Avante (2 cents).

Our European portfolio decreased 10 cents during the year, due to net write downs at European portfolio companies.

The real estate portfolio was flat for the year; after a one-time write-down at the interim period at Esperante, the property was written-up at the year-end based on a newly received appraisal.

Returns

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

	28.2.2022	31.8.2021	28.2.2021	28.2.2019	28.2.2017
Share price (in GBP)	**£1.05**	£1.20	£0.78	£4.35	£5.38
Share price (in USD)[1]	**$1.41**	$1.65	$1.09	$5.79	$6.69
NAV per share (in USD)	**$4.29**	$4.08	$4.25	$10.04	$10.12
NAV to market price discount	**67.2%**	59.5%	74.3%	42.4%	33.8%

	6 month return	1 year return	3 year return	5 year return
Total Shareholders' return (GBP)	(12.5%)	(34.6%)	(75.9%)	(80.5%)
Total NAV return per share (USD)	(5.1%)	(0.9%)	(57.3%)	(57.6%)

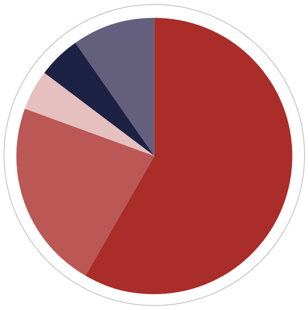
[1] Translated at the relevant year end exchange rate.

Investment Adviser's Report continued

Portfolio Summary

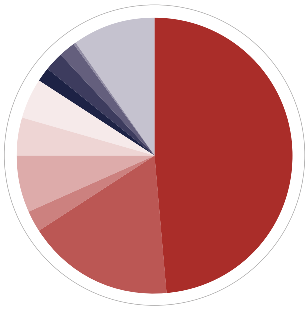
Our portfolio is well-diversified by asset type and geography, with 31 US and European micro-cap investments across eleven industries. The European portfolio itself is well-diversified geographically across Spain, Italy, Portugal, Luxembourg, Scandinavia and the UK.

Portfolio by Investment Type



US micro-cap	58.5%
European micro-cap	22.1%
Real estate	4.9%
Other investments	4.8%
Cash and cash equivalents	9.7%

Portfolio by Industry



Industrial	48.7%
Financial Services	17.2%
Healthcare	2.6%
Real estate	6.6%
Consumer	4.6%
Service	4.6%
Telecom	1.7%
Transportation/ Logistics	2.2%
Energy	2.0%
Other	0.1%
Cash and cash equivalents	9.7%

Below is a summary of JZCP's assets and liabilities at 28 February 2022 as compared to 28 February 2021. An explanation of the changes in the portfolio follows:

	28.2.2022 US$'000	28.2.2021 US$'000
US micro-cap portfolio	**284,162**	299,339
European micro-cap portfolio	**105,475**	117,781
Real estate portfolio	**23,597**	23,376
Other investments	**23,533**	23,147
Total Private Investments	**436,767**	463,643
Treasury bills	**3,394**	3,394
Cash and cash equivalents	**43,656**	59,784
Total Listed Investments and Cash	**47,050**	63,178
Other assets	**70**	22
Total Assets	**483,887**	526,843
Senior debt facility	**42,573**	68,694
Zero Dividend Preferred shares	**75,038**	74,303
Loan Notes	**32,293**	–
Convertible Unsecured Loan Stock	**–**	52,430
Other liabilities	**1,719**	1,857
Total Liabilities	**151,623**	197,284
Total Net Assets	**332,264**	329,559

US Micro-Cap 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 allows 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 year, delivering a net increase of 57 cents per share. This was primarily due to net accrued income of 6 cents and write-ups at co-investments Salter Labs (4 cents) and Igloo (4 cents) and the JZHL Secondary Fund portfolio (58 cents).

Offsetting these increases were decreases at co-investments George Industries, New Vitality, Deflecto and Vitalyst (1 cent, 1 cent, 6 cents and 6 cents respectively) and Avante (2 cents).

European Micro-Cap Portfolio

Our European portfolio decreased 10 cents during the year, due to net write downs at European portfolio companies.

JZCP invests in the European micro-cap sector through its approximately 18.8% ownership of Fund III. As of 28 February 2022, 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 three companies in Spain: Docout, Xacom and Toro Finance.

JZAI has offices in London and Madrid and an experienced team with over fifteen years of investing together in European micro-cap deals.

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.

Both assets were written up at the year-end based on newly received appraisals. We look forward to reporting on our progress at both properties in the coming months.

Investment Adviser's Report continued

Other Investments

Our asset management business in the US, Spruceview Capital Partners, has continued to make encouraging progress since our last report 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's mandate for a portfolio of alternative investments for a Mexican trust (or "CERPI") was increased by $177 million, bringing total assets to $1 billion, with the potential to further increase the size of the CERPI to $1.5 billion, pending regulatory approvals, over the coming year. In addition, Spruceview won an advisory mandate for a global equity portfolio sponsored by a Mexican mutual fund administrator.

Spruceview's third private markets fund, focused on co-investment opportunities in the US, ended the period with commitments of over $77 million. The firm also received additional commitments to its second private markets fund, bringing total commitments to $86 million, as well as over $90 million in additional contributions to the pension plans to which it provides advisory services.

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 20 investment, business and product development, legal and operations professionals.

Realisations

Orangewood Fund

In May 2021 and June 2021, JZCP received approximately $6.2 million in proceeds from selling down the "funded portion" of its commitment to the Orangewood Fund as well as from investor re-allocations from the final close of the Orangewood Fund. JZCP has sold down its entire commitment to the Orangewood Fund.

Salter Labs

In June 2021, JZCP received a $41 million distribution from the sale of Salter. In November 2021, JZCP received an escrow distribution from Salter in the amount of approximately $0.5 million.

George

In April 2021, JZCP sold its investment in George, receiving approximately $9.5 million in sale proceeds.

New Vitality

In May 2021 and December 2021, JZCP received distributions from New Vitality totaling approximately $0.5 million.

Igloo

In October 2021, JZCP sold its investment in Igloo, receiving approximately $3.8 million in sale proceeds.

EuroMicrocap Fund 2010, L.P.

In October 2021, JZCP received a distribution from EuroMicrocap Fund 2010, L.P. in the amount of $2.2 million.

Vitalyst

In February 2022, JZCP sold its investment in Vitalyst, receiving approximately $1.9 million in sale proceeds.

JZHL Secondary Fund LP

In December 2021, the Secondary Fund, in which the Company has a Special LP Interest, received a distribution of approximately $2.2 million from Peaceable.

In February 2022, the Secondary Fund received a distribution of approximately $17.2 million from TierPoint, the result of a partial sale of the Secondary Fund's interest in TierPoint.

In March 2022 (post-period), the Secondary Fund sold its interest in Flow Control Holdings LLC ("Flow Control") for consideration of approximately $77.7 million.

These three transactions conferred no immediate cash benefit to the Company, as the other investors in the Secondary Fund (the "Secondary Investors") have an entitlement to a priority return of 1.4x invested capital prior to any distributions being made to the Company. However, as a result of the above distributions made to the Secondary Investors, the balance outstanding on the Secondary Investors' priority return was significantly reduced from approximately $132.6 million to approximately $35.5 million.

Once this remaining balance on the priority return has been distributed to the Secondary Investors, the Company is entitled to receive 95% of all subsequent distributions until the Company receives $67.6 million in proceeds. Thereafter, the Company receives 37.5% of all further distributions.

In May 2022 (post-period), a portfolio company of the Secondary Fund executed an agreement to sell certain of its interests, with the Secondary Fund expecting to receive a distribution from such portfolio company of net proceeds it receives in such sale of approximately $165-$180 million. Pursuant to the Secondary Fund's waterfall, in which JZCP has a Special LP Interest, such portfolio company sale is expected to result in JZCP receiving a distribution from the Secondary Fund of approximately $89-$94 million, which would correspond to a NAV uplift to JZCP in the range of approximately 56-63 cents per ordinary share.

Outlook

We believe that JZCP's outlook has dramatically improved. Once the Company receives the above-mentioned distribution from the Secondary Fund (expected imminently), JZCP expects to have cash on hand of more than $125 million.

As detailed above, we have restructured JZCP's liabilities and believe that our current balance sheet is in a much stronger position than previously reported. In summary, the Company's key outstanding debt obligations are (i) $45.0 million outstanding on the New Senior Facility due 26 January 2027, (ii) approximately £57.6 million of ZDPs due 1 October 2022 and (iii) $31.5 million of Subordinated Notes due 11 September 2022. Subject to compliance with its financial covenants, the New Senior Facility allows for the repayment of the ZDPs on their maturity date.

We see significant value to be realized from our US and European microcap portfolios and will continue to selectively invest in the underlying companies in each portfolio, in accordance with the new investment policy, to maximize their values. We believe this is the most effective way for us to be able to return significant capital to our ordinary shareholders. We continue to pursue several realizations and look forward to making further announcements regarding potentially significant liquidity events in the near future.

Thank you again for your continued support through a difficult period; we firmly believe that we are now on the other side. As always, we remain dedicated to maximizing value for our fellow shareholders.

Yours faithfully,

Jordan/Zalaznick Advisers, Inc.
14 June 2022

Investment Portfolio

	28 February 2022 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.			
Invested in six companies in the US micro-cap sector:			
(See pages 14-15 for further information)			
Total JZHL Secondary Fund L.P. valuation	40,965	117,339	26.7
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	48,250	95,889	21.8
US Micro-Cap (Co-investments)			
DEFLECTO			
Deflecto designs, manufactures and sells innovative plastic products to multiple industry segments	45,010	42,119	9.6
NEW VITALITY[3]			
Direct-to-consumer provider of nutritional supplements and personal care products	3,354	11,301	2.5
ORIZON			
Manufacturer of high precision machine parts and tools for aerospace and defence industries	3,899	7,000	1.6
Total US Micro-Cap (Co-investments)	***52,263***	***60,420***	***13.7***
US Micro-Cap (Other)			
AVANTE HEALTH SOLUTIONS			
Provider of new and professionally refurbished healthcare equipment	7,823	9,514	2.2
HEALTHCARE PRODUCTS HOLDINGS			
Designer and manufacturer of motorised vehicles	17,636	–	–
NATIONWIDE STUDIOS			
Processor of digital photos for pre-schoolers	26,324	1,000	0.2
Total US Micro-Cap (Other)	***51,783***	***10,514***	***2.4***
Total US Micro-Cap portfolio	***193,261***	***284,162***	***64.6***

	28 February 2022 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	1	596	0.1
JZI FUND III, L.P.			
At 28 February 2022, was invested in thirteen companies in the European micro-cap sector: (See page 16 for further information)	55,185	76,286	17.4
Total European Micro-Cap (measured at Fair Value)	***55,186***	***76,882***	***17.5***
Debt Investments			
DOCOUT			
Provider of digitalisation, document processing and storage services	2,777	3,913	0.9
TORO FINANCE			
Provides short term receivables finance to the suppliers of major Spanish companies	21,619	24,680	5.6
XACOM			
Supplier of telecom products and technologies	2,055	–	–
Debt Investments (classified at amortised cost)	***26,451***	***28,593***	***6.5***
Total European Micro-Cap portfolio	***81,637***	***105,475***	***24.0***
Real Estate portfolio			
247 BEDFORD AVENUE			
Prime retail asset in northern Brooklyn, NY	17,717	8,913	2.0
ESPERANTE			
An iconic building on the downtown, West Palm Beach skyline	14.158	14,684	3.3
JZCP REALTY			
Other Properties held – no equity value	39,178	–	–
Total Real Estate portfolio	***71,053***	***23,597***	***5.3***
Other investments			
BSM ENGENHARIA			
Brazilian-based provider of supply chain logistics, infrastructure services and equipment rental	6,115	459	0.1
JZ INTERNATIONAL			
Fund of European LBO investments	–	750	0.2
SPRUCEVIEW CAPITAL			
Asset management company focusing primarily on managing endowments and pension funds	32,355	22,324	5.0
Total Other investments	***38,470***	***23,533***	***5.3***
Listed investments			
US Treasury Bill – Maturity 21 April 2022	3,395	3,394	0.8
Total Listed investments	***3,395***	***3,394***	***0.8***
Total – portfolio	***387,816***	***440,161***	***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 being $40.965 million which is calculated in accordance with IFRS, and represents the fair value of the Company's LP interest on recognition.
3 Co-investment with Fund A, a Related Party (Note 24).

Investment Portfolio continued

JZHL Secondary Fund LP

In December 2020, the Company completed the sale its of its interests in certain US microcap portfolio companies (the "Secondary Sale") to a secondary fund led by Hamilton Lane Advisors, L.L.C. ("Hamilton Lane"), one of the world's largest allocators and managers of private markets capital. The Secondary Sale was structured as a sale to a newly formed fund, JZHL Secondary Fund LP (the "Secondary Fund"), managed by an affiliate of JZAI.

The US microcap assets (detailed below) were sold to the Secondary Fund at their agreed valuation. In return, the Company received cash consideration and a Special LP Interest in the Secondary Fund entitling the Company to certain distributions from the Secondary Fund.

The Company's limited partner interest in the Secondary Fund's year-end valuation is $117.3 million and is valued by considering the valuation of the underlying investments and the order of returning capital to investors being:

i) First, 100 per cent. will be distributed to Hamilton Lane and various members of the Fund's management team (the "Other Investors") pro rata in accordance with their respective contributions until each Other Investor has received distributions equal to its total aggregate contributions to the Secondary Fund (amounting in total to US$90 million plus any further contributions made thereafter, expected to be in the aggregate of up to an additional US$20 million);
ii) Second, 100 per cent. to the Other Investors pro rata in accordance with their respective contributions until each other investor has realised the greater of a 15 per cent. net internal rate of return on its total aggregate contributions or an amount equal to 140 per cent. of its total aggregate contributions.
iii) Third, 95 per cent. to the Company (in its capacity as the special limited partner of the Secondary Fund) and 5 per cent. to the Other Investors until the Company has received distributions equal to US$67.6 million; and
iv) Fourth, 62.5 per cent. to the Other Investors (pro rata in accordance with their respective contributions) and 37.5 per cent. to the Company.

In April 2022 (post year end), JZHL realised its investment in Flow Control, LLC receiving proceeds of $77.7 million. The sale of Flow Control resulted in the Secondary Investors receiving a distribution from the Secondary Fund, together with other distributions so far made and received, totalling approximately $97.1 million for the benefit of the Secondary Investors. The Secondary Investors are therefore still entitled to receive further distributions from the Secondary Fund totalling approximately $35.5 million before JZCP becomes entitled to any distributions as a result of its Special LP Interest and in accordance with the distribution waterfall as described above.

In May 2022 (post-period), a portfolio company of the Secondary Fund executed an agreement to sell certain of its interests, with the Secondary Fund expecting to receive a distribution from such portfolio company of approximately $165-$180 million. Pursuant to the Secondary Fund's waterfall, JZCP is expected to receive a distribution from the anticipated sale of approximately $89-$94 million resulting in an uplift in NAV. Such uplift has not been reflected in the Company's valuation of its Special LP Interest in the Secondary Fund as at 28 February 2022 (below), as the closing of this transaction remains subject to conditions.

JZCP's valuation of Special LP Interest in JZHL Secondary Fund.

	JZHL Cost[1] As at 28.2.2022 $'000s	JZHL Valuation AS at 28.2.2022 $'000s
ACW Flex Pack, LLC	13,955	12,750
Flow Control, LLC	15,115	77,723
Testing Services Holdings	23,426	49,385
Felix Storch	24,500	111,000
Peaceable Street Capital	34,321	36,541
Tierpoint	29,632	29,632
	140,949	317,031
Less interest of Hamilton Lane and other secondary investments		(199,692)
JZCP's interest in JZHL Secondary Fund		**117,339**

1 The cost of the JZHL's investments represent the agreed transfer value from JZCP to JZHL plus additional contributions from secondary investors less distributions made.

JZHL Secondary Fund LP includes investments in the following companies:

ACW Flex Pack, LLC
Flex Pack is a provider of a variety of custom flexible packaging solutions to converters and end-users. Further information can be found at www.flex-pack.com.

Felix Storch
Felix Storch is a leading provider of specialty refrigeration and custom appliances to residential small kitchen, professional, life sciences, food service and hospitality markets. Felix Storch is a second generation family business, founded in 1969 and based in The Bronx, NY. Felix Storch's products now include a wide range of major appliances sold both nationally and internationally. Further information can be found at www.felixstorchinc.com.

Flow Control, LLC
Flow Controls is incorporated in Delaware and is a manufacturer and distributor of high-performance, mission-critical flow handling products and components utilised to connect processing line equipment. Further information can be found at www.flowcontrolinc.com.

Peaceable Street Capital
Peaceable is a specialty finance platform focused on making structured investments in small and mid-sized income producing commercial real estate. The company is built on a foundation of know-how, creatively structuring preferred equity to provide senior equity in complex situations. With extensive investment experience throughout the United States and Canada, Peaceable's underwriting and decision making process is designed to deliver creative, flexible and dependable solutions quickly. Peaceable focuses on a diverse portfolio of property types including multi-family, office, self-storage, industrial, retail, RV parks, mobile home parks, parking health care and hotels. Further information can be found at www.peaceablestreet.com.

Testing Services Holdings
Testing Services is a provider of safety focused solutions for the industrial, environmental and life science related markets, and testing, certification and validation services for cleanroom, critical environments and containment systems. Further information can be found at www.techholdings.com.

Tierpoint
TierPoint is incorporated in Delaware and is a leading provider of information technology and data centre services, including colocation, cloud computing, disaster recovery and managed IT services. TierPoint's hybrid IT solutions help clients increase business agility, drive performance and manage risk. TierPoint operates via a network of 43 data centres in 20 markets across the United States. Further information can be found at www.tierpoint.com.

Investment Portfolio continued

Summary of JZCP's investments in JZI Fund III's Investment Portfolio at 28 February 2022

Company	Country	JZCP Cost (Euro)[1] As at 28.2.2022 €'000s	JZCP Value (Euro)[1] As at 28.2.2022 €'000s	JZCP Value (USD) 28.2.2022 US$'000s
ALIANZAS EN ACEROS Steel service centre	Spain	4,267	4,619	5,188
BLUESITES Build-up in cell tower land leases	Portugal	3,615	5,512	6,191
COLLINGWOOD Niche UK motor insurer	UK	3,015	3,094	3,475
ERSI Reinforced steel modules	Lux	8,541	1,882	2,114
FACTOR ENERGIA Electricity supplier	Spain	4,028	8,437	9,476
FINCONTINUO Niche consumer lender	Italy	4,715	6,240	7,009
GUANCHE Build-up of petrol stations	Spain	4,375	4,750	5,335
KARIUM Personal care consumer brands	UK	4,321	9,900	11,120
LUXIDA Build-up in electricity distribution	Spain	3,315	4,969	5,581
MY LENDER Niche consumer lender	Finland	4,863	2,067	2,322
S.A.C Operational van leasing	Denmark	3,497	8,100	9,098
TREEE e-waste recycling	Italy	3,255	9,019	10,130
UFASA Niche consumer lender	Spain	5,119	6,803	7,641
Other net liabilities				(8,394)
Total valuation				**76,286**

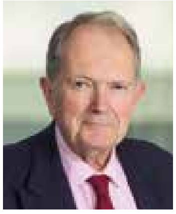
[1] Represents JZCP's 18.75% of Fund III's investment portfolio.

JZCP's Top Ten investments

	Portfolio	Value US$'000	Percentage of Portfolio
1. INDUSTRIAL SERVICES SOLUTIONS ("ISS")	U.S. micro-cap	95,889	21.8%
2. DEFLECTO	U.S. micro-cap	42,119	9.6%
3. FELIX STORCH[1]	U.S. micro-cap	41,083	9.3%
4. FLOW CONTROL[1]	U.S. micro-cap	28,767	6.5%
5. TORO FINANCE	Euro debt investment	24,680	5.6%
6. SPRUCEVIEW CAPITAL	Other	22,324	5.1%
7. TESTING SERVICES HOLDINGS[1]	U.S. micro-cap	18,278	4.2%
8. ESPERANTE	Real estate	14,684	3.3%
9. PEACEABLE STREET CAPITAL[1]	U.S. micro-cap	13,524	3.1%
10. KARIUM	Euro micro-cap	11,120	2.5%
Other investments		127,693	29.0%
		440,161	100.0%

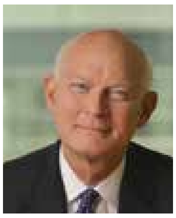
[1] JZCP value calculated net of JZHL secondary investors valuation.

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, and of Alpha Andromeda Investment Trust Company, S.A. 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. He is an Overseer of the Gennadius Library of the American School of Classical Studies in Athens, and a Director of Pro Natura de Yucatan.

Sharon Parr[2]

Mrs Parr was appointed to the Board of JZCP in June 2018. In 2003, she completed a private equity backed MBO of the trust and fund administration division of Deloitte and Touche, called Walbrook, selling it to Barclays Wealth in 2007. As a Managing Director of Barclays, she ultimately became global head of their trust and fund administration businesses, comprising over 450 staff in 10 countries. She stepped down from her executive roles in 2011 to focus on other areas and interests but has maintained directorships in several companies. She 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

The Directors present their annual report together with the audited financial statements of JZ Capital Partners ("JZCP" or the "Company") for the year ended 28 February 2022.

Principal Activities

JZ Capital Partners Limited is a closed-ended investment company with limited liability which was incorporated in Guernsey on 14 April 2008 under the Companies (Guernsey) Law, 1994. The Company is subject to the Companies (Guernsey) Law, 2008. The Company's Capital consists of Ordinary shares and Zero Dividend Preference ("ZDP") shares. The Company's Convertible Unsecured Loan Stock ("CULS") were redeemed on 30 July 2021. The Company's Ordinary shares and ZDP Shares are traded on the London Stock Exchange's Specialist Fund Segment.

The Company's debt structure consists of a Senior debt facility and subordinated, second lien loan notes (the "Loan notes").

The Company's Investment Policy has been to target predominantly private investments, seeking to back exceptional management teams to deliver on attractive investment propositions. In executing its strategy, the Company takes a long term view.

The Company focused on investing in the following areas, and is now focused on supporting these investments:

(i) small or micro-cap buyouts in the form of debt and equity and preferred stock in both the US and Europe; and

(ii) US real estate.

The Company's shareholders agreed changes to the Company's investment policy on 12 August 2020. In line with the new investment policy, the Company will make no further investments except in respect of which it has existing obligations or to the extent that investment is required to support existing investments. The intention is to realise the maximum value of its investments and, after repayment of all debt, to return capital to shareholders.

Business Review

The total comprehensive profit attributable to Ordinary shareholders for the year ended 28 February 2022 was $2,680,000 (year ended 28 February 2021: loss of $146,175,000). The net asset value ("NAV") of the Company at the year end was $332,264,000 (28 February 2021: $329,559,000) equal to $4.29 (28 February 2021: $4.25) per Ordinary share. The losses recorded during the comparative year ended 28 February 2021 were predominantly attributable to valuation write downs in the Company's real estate portfolio.

A review of the Company's activities and performance is detailed in the Chairman's Statement on pages 4-5 and the Investment Adviser's Report on pages 6-11. The valuations of the unlisted investments are detailed on pages 12-13.

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 Debt Facility, Loan Notes and Zero Dividend Preference ("ZDP") shares. 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.

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 2021: 25%) of the Company's investments are denominated in non-US dollar currencies, primarily the euro. Also, the Company's ZDP shares are denominated in sterling. Fluctuations to these exchange rates will affect the NAV of the Company.

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

(i) COVID-19

Whilst reporting its interim results for the year ended 28 February 2022, the Board disclosed in its Going Concern Assessment, that the encouraging performance of the micro-cap portfolios in the face of unprecedented circumstances gave the Board confidence in the valuation of the portfolios and the potential for growth and future valuation uplifts. The Board has confidence that the micro-cap portfolios are continuing to perform robustly but is mindful that market conditions mean that realisations may be delayed or become more difficult.

(ii) War in Ukraine

The Board has been shocked to witness the devastating events unfold since Russia's unprovoked invasion of Ukraine and strongly condemn the actions of the Russian government.

JZCP's investments are focused in the U.S. and Western Europe as such the portfolio has no direct exposure to the affected regions. However, certain portfolio companies have exposure to the rising energy costs resulting from the conflict. The Board continue to receive reports from the Investment Adviser on the impact of these increased costs. To the best of its knowledge, the Board is not aware that the Company, has had Russian investors, either today or historically.

(iii) Global Warming

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 Advisor, on portfolio companies and properties will include potential risk factors pertaining to climate change and how/if able these risks are to be mitigated.

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

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.

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.

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

- The Board recognises the Company will have an increased exposure to liquidity risk as future debt obligations near maturity;
- Gearing and the finance costs within the real estate portfolio have become less of a future risk to the Company as the current valuation of $23.6 million (28 February 2021: $23.4 million) now reflects the majority of write downs that could be generated by the gearing structure and costs incurred; and
- The effect 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 be delayed. The Board deem the risks posed by COVID-19 to the Company's investment portfolio, in terms of valuation and ability to complete realisations are lessening as economies learn to live and adapt to the virus.

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 financial statements, which contemplates continuity of operations and the realisation of assets and settlement of liabilities occurring in the ordinary course of business.

Due to the uncertainty that the Company will not have sufficient liquidity to repay its Loan notes (due 11 September 2022) and redeem its ZDP shares (due 1 October 2022), there is a material uncertainty which casts significant doubt on the ability of the Company to continue as a going concern. However, the Financial Statements for the year ended 28 February 2022 have been prepared on a going concern basis given the Board's assessment of future realisations and likelihood that, should it be necessary, agreement would be able to be reached with debt providers which would allow the timely repayment of its obligations, including the redemption of its ZDP shares. The Board, with recommendation from the Audit Committee, has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

In reaching its conclusion, the Board has considered the risks that could impact the Company's liquidity over the period from 14 June 2022 to 30 June 2023 (the "going concern period") being approximately 12 months from the signing of the Financial Statements.

As part of their assessment the Audit Committee highlighted the following key consideration:
Whether the Company can generate sufficient cash through realisations of its underlying investments to discharge its liabilities over the period to 30 June 2023 or failing to do so can agree terms with its debt providers to repay its obligations, including the redemption of its ZDP shares, over an extended timeframe.

In summary, the Company's key outstanding debt obligations during the going concern period are:
(i) $31.5 million of Subordinated Notes due 11 September 2022; and
(ii) Approximately $77.3 million of ZDP shares due 1 October 2022, being £57.6 million translated at the year end exchange rate.

The Company needs to generate realisation proceeds of approximately $90 million during the going concern period of which $70 million is required before 1 October 2022 to enable the settlement of the debt obligations on their due date.

Key financing activities during the year:
On 30 July 2021, the Company redeemed its CULS totalling £38.9 million ($54 million) on their maturity and entered into a note purchase agreement with the founders and principals of the Company's investment adviser, for the Company to issue subordinated, second lien loan notes (the "Loan Notes") of additional financing totalling $31.5 million.

On 26 January 2022, the Company entered into an agreement with a New Senior Lender replacing the Company's previous senior debt facility. The key highlights of the new facility are as follows:
- Extended maturity date on five year term (26 January 2027 previously 12 June 2022);
- Lower interest rate reducing future finance costs;
- Allowance for the repayment of the Loan notes and ZDP shares assuming the required asset coverage is maintained; and
- Ability to draw down a further $25 million from time to time in its discretion, provided certain conditions are met, in the 24 month period following the closing date.

Update on material liabilities due for settlement

The table below shows the Company's net debt position at the year end and the previous two year ends:

	28.2.2022 $'000s	28.2.2021 $'000s	29.2.2020 $'000s
Senior Debt Facility – extended maturity date 26 January 2027	42,573	68,694	150,362
ZDP shares – maturity date 1 October 2022[1]	77,281	80,527	73,569
Loan notes – maturity date 11 September 2022	32,293	–	–
CULS (£38.9 million) – maturity date 30 July 2021	–	54,332	49,637
	152,147	203,553	273,568
Cash and cash equivalents held	47,050	63,178	56,298
Net debt position	105,097	140,375	217,270

1 Forecast ZDP maturity Dollar amount is the total redemption amount of £57.6 million translated using the 28.2.2022 year end rate being £1/$1.34175.

Realisations

The Company's ability to repay the above debt obligations remains dependent upon the Company achieving sufficient realisations of its assets within the relevant timeframes. During the year ended 28 February 2022, the Company had realisations of investments totalling $65.8 million (2021: $139.5 million and 2020: $148.2 million).

Realisations and refinancings during the last three fiscal years are as follows:

		Year end 28.2.2022 $ million			Year end 28.2.2021 $ million			Year end 28.2.2020 $ million
Salter Labs	U.S.	41.1	Secondary Sale	U.S.	87.7	Avante	U.S.	37.5
George Industries	U.S.	9.5	Real estate		13.6	Orizon	U.S.	28.0
Orangewood Fund	U.S.	6.2	ABTA	U.S.	9.4	Waterline Renewal	U.S.	23.3
Igloo	U.S.	3.8	Eliantus	Euro	9.4	Priority Express	U.S.	18.5
Vitalyst	U.S.	1.9	K2 Towers II	Euro	9.2	Felix Storch	U.S.	14.0
EMC 2010	Euro	2.2	Other	U.S.	9.0	Other	U.S.	8.7
Fund III	Euro	1.1	Cerpi	Other	1.2	Fund III	Euro	13.6
						Real estate		4.6
		65.8			139.5			148.2

Considering the Company's projected cash position, including the Company's ongoing operating costs and the anticipated further investment required to support the Company's portfolio, the Board anticipates further proceeds of approximately $90 million are required from the realisation of investments during the going concern period, to enable the Company to settle its debts as they fall due. Of this amount approximately $70 million is required before 1 October 2022 to enable settlement of the ZDP shares. The required amounts from realisations assumes the drawdown of the further $25 million available under the terms of the senior debt facility.

The Company's Investment Adviser, JZAI, is currently pursuing various opportunities to realise value, and these forecast realisations include several anticipated sales of micro-cap companies.

The Board continues to consider the levels of realisation proceeds historically generated by the Company's micro-cap portfolios as well as the accuracy of previous forecasts whilst concluding on the predicted accuracy of forecasts presented.

Report of the Directors continued

Going Concern continued

Realisations continued

The Board recognises that, the raising of the required total realisation amount is a considerable task but remains confident in the value of its underlying micro-cap investments. This is supported by the completed post year end realisation, above NAV, of Flow Control LLC (JZHL Secondary Fund's portfolio company) and the agreement of a further sale of a portfolio company of the Secondary Fund as announced on 23 May 2022. This sale, is anticipated to result in the receipt of approximately $89-$94 million from the Secondary Fund. However, the Board notes that the completion of the sale remains subject to certain conditions, and at the time of signing there can be no assurance that these conditions will be satisfied and accordingly, that completion of the sale and subsequent distribution will occur.

Other than the realisation of Flow Control LLC, which did not result in a cash distribution to JZCP from the Secondary Fund, there were no further completed realisations post year end to the date of this report.

The restructuring of the Company's debt structure during the year affords the Company time to realise its remaining investments within a timeframe that will help maximise the portfolio's value. Should sufficient realisations proceeds not be raised, within the going concern period to meet the Company's debt liabilities, the Board is confident the Company can work with its lenders to ensure alternative financing plans are in place to extend the timeframe over which its debt obligations are repaid.

Going Concern Conclusion

After careful consideration and based on the reasons outlined above, the Board is satisfied, as at the date of the signing of the Annual Report and Financial Statements, that it is appropriate to adopt the going concern basis in preparing the financial statements and it has a reasonable expectation that the Company will continue in existence as a going concern for the period ending 30 June 2023.

However, the Board has concluded that the following consideration creates a material uncertainty which casts significant doubt over the ability of the Company to continue as a Going Concern, being:

Whether the Company can generate sufficient cash through realisations of its underlying investments to discharge its liabilities over the period to 30 June 2023 or failing to do so can agree terms with its debt providers to repay its obligations, including the redemption of its ZDP shares, over an extended timeframe.

The Financial Statements do not include any adjustments that might result from the outcome of this uncertainty.

Viability Statement

In accordance with the UK Corporate Governance Code (the "UK Code"), the Board has assessed the expectations that the Company will be able to continue in operation and meet ongoing debt obligations. In order to make the assessment, as noted above, the Board has carried out a robust review of the principal risks and uncertainties, to which the Company is exposed and that potentially threaten future performance and liquidity and has assessed the Company's current position and prospects as detailed in the Chairman's Statement and Investment Adviser's Report. The period covered by the viability statement is the next three financial years to 28 February 2025.

As set out in the going concern statement, the viability of the Company is dependent on actions that are being and will be taken over the course of the going concern period ended 30 June 2023. However, there is a material uncertainty which casts significant doubt over the ability of the Company to continue as a going concern and its longer-term viability, being:

Whether the Company can generate sufficient cash through realisations of its underlying investments to discharge its liabilities over the period to 30 June 2023 or failing to do so can agree terms with its debt providers to repay its obligations, including the redemption of its ZDP shares, over an extended timeframe.

The Board has continued to use the period of three years to assess viability that has been used historically. This period is considered appropriate as the actions will be directed at achieving liquidity from sales of investments at a level that will reasonably ensure the longer-term viability of the operations of the Company. It is also considered the three year period is consistent with the Company's investment policy to make no further investments except in respect of which it has existing obligations and to continue selectively to support the existing portfolio. The Board will continue to review the period of assessment on an annual basis and may in future adjust if considered appropriate.

In reaching its conclusion on the Company's viability, the Directors have considered the following:

(i) Stability in Company's Net Asset Value

During the February 2022 fiscal year, the Company's investment portfolio contributed to NAV growth this follows two fiscal years of material valuation losses. The Board has confidence in the valuation of the Company's micro-cap portfolios, which is backed up by historic realisations and current performance.

In order to stabilise the Company's balance sheet, the Board is focused on repaying debt. Investment is being curtailed to commitments and what is necessary to maximise the value of the existing portfolio. No repayment of capital will be made to shareholders until debt obligations have been met.

(ii) New senior debt facility terms

During the year, the Company successfully restructured its senior debt facility. The new facility has greatly improved terms being;

- Extended maturity date (January 2027);
- Lower interest rate reducing future finance costs;
- New facility allows for the repayment of the Loan Notes and ZDP shares assuming the required asset coverage is maintained; and
- The Company can draw down a further $25 million from time to time in its discretion in the 24 month period following the closing date.

(iii) Financing obligations

Loan Notes – Maturity date 11 September 2022

During the year ended 28 February 2022, the Company entered into a note purchase agreement with David W. Zalaznick and John (Jay) Jordan II, the founders and principals of the Company's Investment Adviser, Jordan/Zalaznick Advisers, Inc., pursuant to which they purchased directly or through their affiliates, Loan notes in the amount of $31.5 million, with an interest rate of 6 per cent. per annum and maturing on 11 September 2022. It is expected the Loan notes will be repaid from the proceeds of realisations and/or refinancing of investments.

Zero Dividend Preference (2022) shares – Maturity date 1 October 2022

JZCP is due to redeem £57.6 million (approximately $77.3 million at year end exchange rate) of ZDP shares on 1 October 2022, again it is expected the redemption of the ZDPs will be met from the proceeds of realisations and/or refinancing of investments.

Senior debt facility

The new senior debt facility has a maturity date of January 2027, the balance outstanding at 28 February 2022 was approximately $42.6 million. It is expected the extended debt facility will be repaid from the proceeds of realisations and/or refinancing of investments.

Commitments

At 28 February 2022, JZCP had financial commitments of $16.2 million (28 February 2021: $31.9 million) outstanding in relation to fund investments.

Convertible Unsecured Loan Stock – Matured date 30 July 2021

On 30 July 2021, JZCP successfully redeemed 3,884,279 £10 CULS.

(iv) Investment performance and portfolio liquidity

The Board reviews, on a quarterly basis, the valuation and prospects of all underlying investee companies. The performance of JZCP's real estate portfolio has limited the potential to realise liquidity from this portfolio and therefore increased the risk to both liquidity and therefore viability. However, the Board is satisfied in large with the performance of the JZCP's micro-cap portfolios and believe there will be suitable realisation opportunities and proceeds in order for the Company to meet its debt and other obligations. JZCP's micro-cap portfolio has averaged annual realisations of $121 million over the five years ending 28 February 2022. JZAI is currently pursuing various opportunities to realise value, the Board has concluded that there is a reasonable expectation that forecast realisations will be completed.

(v) Loan covenants

A covenant on the senior debt facility states the fair value of collateral must be 4x the loan value (which equates to approximately $170.3 million at the year end) and the Company is also required to hold a minimum cash balance of $12.5 million. At 28 February 2022, investments and cash valued at $471.09 million were held as collateral on the senior debt facility. The collateral value used in the asset coverage ratio of $351.9 million is after adjustments to the collateral value including a ceiling value on any one investment. The Board are confident the loan covenants will not be breached.

Report of the Directors continued

Viability Statement continued

(vi) Mitigation of other risks as outlined in the Principal Risks and Uncertainties (detailed on pages 18-19).

Viability Conclusion

In concluding on the viability of the Company, the Board has concluded that there is a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the three year period ended 28 February 2025, being the period of the assessment. The Board considers the going concern assumptions, material uncertainties and conclusion set out above to be relevant.

Dividends

No dividends were paid or proposed for the years ended 28 February 2022 and 28 February 2021.

Ongoing Charges

Ongoing charges for the years ended 28 February 2022 and 28 February 2021 have been prepared consistently with the methodology used in the previous year. The ongoing charges ratio represents annualised recurring operational expenses as a percentage of the average net asset value. The Ongoing charges for the year ended 28 February 2022 were 3.31% (28 February 2021: 3.52%).

Directors

The Directors listed below, who served on the Board during the year and are all deemed independent and non-executive, were in office at the end of the year and subsequent to the date of this report. The biographical details of the Directors are shown on page 17.

David Macfarlane (Chairman)
James Jordan
Sharon Parr
Ashley Paxton

Substantial Shareholders

As at 14 June 2022, the Company has been notified in accordance with the Disclosure Guidance and Transparency Rules of the following interests of 5% or more of the total Ordinary share capital of the Company. The number and percentage of Ordinary shares relate to the number informed by shareholders on the relevant notification rather than the current share register. The number and percentage of Ordinary shares set out below for each substantial shareholder will therefore not take account of any Ordinary shares bought or sold by them or the effect of any share buy backs undertaken by the Company on their shareholdings, in each case, not so notified as required by, or in accordance with, the Disclosure Guidance and Transparency Rules. For the avoidance of doubt, the number and percentage of Ordinary shares set out below should not therefore be used for the purposes determining if the Company is or is to become a controlled foreign corporation within the meaning of The United States Internal Revenue Code of 1986, as amended (further information on the Company's controlled foreign corporation status can be found at page 96 and 97 under the section Useful Information for Shareholders). Shareholders and prospective shareholders must consult their own tax advisers concerning US tax laws.

	Ordinary shares	% of Ordinary shares
Edgewater Growth Capital Partners L.P.	18,335,944	23.7%
David W. Zalaznick	10,550,294	13.6%
John W. Jordan II & Affiliates	10,550,294	13.6%
Jefferies Financial Group	8,021,552	10.4%
Abrams Capital Management L.P.	7,744,366	10.0%
Arnhold, LLC	4,573,007	5.9%
Finepoint Capital L.P.	4,413,067	5.7%

The percentage of Ordinary shares shown above represents the ownership of voting rights at the date of this report, before weighting for votes on Directors.

It is the responsibility of the shareholders to notify the Company of any change to their shareholdings when it reaches 5% of shares in issue and any subsequent change when the shareholding increases or decreases by a further 5% (up to 30% of shares in issue i.e. 10%, 15%, 20%, 25% and 30%) and thereafter 50% and 75%.

Share Capital, Purchase of Own Shares and Convertible Unsecured Loan Stock "CULS"

The beneficial interests of the Directors in the Ordinary shares of the Company are shown below:

	Number of Ordinary shares at 1 March 2021	Purchased in year	Sold in year	Number of Ordinary shares at 28 February 2022
David Macfarlane	71,550	–	–	71,550
James Jordan	39,124	–	–	39,124
Sharon Parr	–	10,000	–	10,000
Ashley Paxton	–	12,250	–	12,250
	110,674	22,250	–	132,924

The beneficial interests of the Directors in the ZDP shares of the Company are shown below:

	Number of ZDP shares at 1 March 2021	Purchased in year	Sold in year	Number of ZDP shares at 28 February 2022
David Macfarlane	–	–	–	–
James Jordan	–	–	–	–
Sharon Parr	–	–	–	–
Ashley Paxton	–	4,250	–	4,250
	–	4,250	–	4,250

David Macfarlane held 734 CULS which were redeemed on 30 July 2021. No Directors hold Loan notes issued on 30 July 2021. There have been no changes in the Directors' interests of any share class between 28 February 2022 and the date of this report.

Details of the ZDP shares and the Ordinary shares can be found in Notes 15 and 19 on pages 76-77. Details of the CULS can be found in Note 17 on pages 76-77.

Report of the Directors continued

Annual General Meeting

The Company's Annual General Meeting is due to be held on 3 August 2022.

Engaging with Stakeholders

In line with best practice, the Board is required to ensure effective engagement with, and participation from, its shareholders and stakeholders. The Board should also understand the views of the Company's key stakeholders and describe in the annual report how their interests and the matters set out in Section 172 of the Companies Act 2006 have been considered in board discussions and decision-making.

The Board identifies its key stakeholders as the following:

- Shareholders and prospective investors;
- JZAI, the Investment Adviser of its portfolio investments and other service providers.

The Company has no employees.

Engaging with Shareholders

The Board believes that the maintenance of good relations with both institutional and retail shareholders is important for the prospects of the Company. It therefore seeks active engagement with investors, bearing in mind the duties regarding equal treatment of shareholders and the dissemination of inside information. The Board receives feedback on shareholder views from its Corporate Broker and Investment Adviser, and is circulated with Broker reports on the Company.

The Board considers that the Annual General Meeting, a meeting for all shareholders, is the key point in the year when the Board of Directors accounts to all shareholders for the performance of the Company. In usual circumstances the Directors encourage all shareholders to attend where Directors will be present and available to engage with shareholders. In light of the COVID-19 pandemic, the Company will continue to closely monitor the situation in the lead up to the Annual General Meeting and will make any further updates as required about the Meeting on its website at www.jzcp.com.

The Board believes that the Company policy of reporting to shareholders as soon as possible after the Company's year end and the holding of the Annual General Meeting at the earliest opportunity is valuable.

The Company, provides an Interim Report and Accounts in accordance with IAS 34 and will aim to issue monthly NAV announcements within 21 day of the month end, these announcements will be posted on JZCP's website at the same time, or soon thereafter.

Engaging with Service Providers

In usual 'non-COVID-19' circumstances, the Board visits the Investment Adviser at least annually for a comprehensive review of the portfolio, its valuation methodology and general strategy. The Board is also in regular communication with the Investment Adviser to discuss the Company's strategy as well as being kept up to date with portfolio matters.

A Management Engagement Committee, was established in 2018, to review the performance and contractual arrangements of the Company's service providers. The Board looks to engage with service providers and encourage communication of any concerns of matters arising and deal with them appropriately.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and Financial Statements in accordance with applicable laws and regulations. Guernsey Company Law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss for that year.

In preparing Financial Statements the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business;
- confirm that there is no relevant audit information of which the Company's Auditor is unaware; and
- confirm that they have taken all reasonable steps which they ought to have taken as Directors to make themselves aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the Financial Statements have been properly prepared in accordance with the Companies (Guernsey) Law, 2008 and International Financial Reporting Standards as adopted by the European Union ("IFRS"). They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors confirm that they have complied with these requirements in preparing the Financial Statements.

Responsibility Statement of the Directors in respect of the Financial Statements

The Directors confirm that to the best of their knowledge:

- the Financial Statements have been prepared in accordance with IFRS and give a true and fair view of the assets, liabilities and financial position, and profit or loss of the Company;
- the Annual Report includes a fair review of the development and performance of the business and position of the Company together with the description of the principal risks and uncertainties that the Company faces, as required by the Disclosure Guidance and Transparency Rules of the UK Listing Authority; and
- the Directors confirm that the Annual Report and Financial Statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for Shareholders to assess the Company's performance and strategy.

Directors' Statement

So far as each of the Directors is aware, there is no relevant audit information of which the Company's auditor is unaware, and each Director has taken all the steps they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Approved by the Board of Directors and signed on behalf of the Board on 14 June 2022.

David Macfarlane
Chairman

Sharon Parr
Director

Corporate Governance

Introduction

As a Guernsey incorporated company with a UK listing, JZCP's governance policies and procedures are based on the principles of the UK Corporate Governance Code (the "UK Code") as required under the Disclosure Guidance and Transparency Rules. The UK Code is available on the Financial Reporting Council's website, www.frc.org.uk. The Company is subject to the GFSC Code, which applies to all companies registered as collective investment schemes in Guernsey. The GFSC has also confirmed that companies that report against the UK Code are deemed to meet the GFSC Code. In prior years the Company reported against the AIC Code of Corporate Governance (the "AIC Code"), which addresses all the principles set out in the UK Code, as well as setting out additional principles and recommendations on issues that are of specific relevance to investment companies. The Company resigned its membership from the AIC in 2020.

Throughout the accounting period the Company has complied with the recommendations of the UK Code and thus the relevant provisions of the UK Corporate Governance Code, except as set out below.

- the tenure of the Chairman (see page 29).
- the Chairman serving as a member of the Audit Committee.

The Board considers the following UK Code provisions are not relevant to the position of JZ Capital Partners Limited, being an externally managed investment company. The Company has therefore not reported further in respect of these provisions.

- the role of the chief executive;
- executive directors remuneration; and
- appointment of a senior independent director.

There have been no other instances of non-compliance, other than those noted above.

Guernsey Code of Corporate Governance

The Guernsey Financial Services Commission's (the "GFSC") "Finance Sector Code of Corporate Governance" (the "Guernsey Code") came into effect on 1 January 2012 and was subsequently amended on 18 February 2016. The introduction to the Guernsey Code states that companies which report against the UK Corporate Governance Code or the AIC's Code of Corporate Governance are deemed to meet the Guernsey Code.

The Board

Corporate Governance of JZCP is monitored by the Board which at the end of the year comprised four Directors, all of whom are non-executive. Biographical details of the Board members at the date of signing these Financial Statements are shown on page 17 and their interests in the shares of JZCP are shown in the Report of the Directors on page 25. The Directors' biographies highlight their wide range of relevant financial and sector experience.

Directors' Independence

The Board continually considers the independence of the Directors, including in light of the circumstances which are set out in the UK Code as likely to impair a director's independence.

There are no circumstances that exist, including those under the UK Code, which the Board considers likely to impair the independence of any of the Directors.

Two Board members (David Macfarlane and James Jordan) have, however, served on the Board for a period of longer than nine years which is one of those circumstances set out in the UK Code. The conclusion the Board has reached is that despite having served on the Board for more than nine years, this has not impacted the independence of such Directors. However, the Board will continue to assess on an annual basis how length of service could impair judgement and decision making both on the basis of an individual Director and the Board as a whole.

Previously, each Director having served longer than nine years was subject to annual re-election and each Director having served less than nine years was subject to re-election at the third annual general meeting after appointment or (as the case may be) the general meeting at which he or she was last appointed. In line with best practice, all Directors are now subject to annual re-election.

Further details on the Board's processes and criteria for the appointment of directors can be found under the section of this Annual Report detailing the work of the Nomination Committee (page 30).

Succession Planning

The Board acknowledges that the Board and its Committees should have a combination of skills, experience and knowledge and that membership should be regularly refreshed. The Board annually evaluates its composition, diversity and how effectively each member contributes and how they work together to achieve objectives. Further details on the evaluation of the Board and its Committees can be found below in this section of the Annual Report.

Chairman Tenure

The UK Code, states the Chairman should not remain in post beyond nine years from the date of their first appointment to the Board. However, to facilitate effective succession planning and the development of a diverse board, this period can be extended for a limited time.

The Board's policy on the Chairman's tenure is that continuity and experience are considered to add significantly to the strength of the Board and as such these attributes need to be weighed against any advantages that a new appointment may bring. Therefore, no limit on the overall length of service of the Chairman is imposed.

The Chairman has served on the Board since the Company's inception (April 2008) and the Board therefore acknowledges that succession to the role needs to be anticipated in line with effective succession planning. A substantial refreshment of the board was planned to take place in 2021, including the appointment of a new Chairman. However, in the light of the events which saw a material decline in the Company's Net Asset Value, it was decided the Chairman would continue to oversee the stabilisation of the Company and implementation of the new investment policy. The Chairman will therefore continue to seek re-election to the Board annually.

Proceedings of the Board

The Board has overall responsibility for the Company's activities and the determination of its investment policy and strategy. The Company has entered into an investment advisory and management agreement with its Investment Adviser, JZAI, pursuant to which, subject to the overall supervision of the Directors, the Investment Adviser acts as the investment manager to the Company and manages the investment and reinvestment of the assets of the Company in pursuit of the investment objective of the Company and in accordance with the investment policies and investment guidelines from time to time of the Company and any investment limits and restrictions notified by the Directors (following consultation with the Investment Adviser). Within its strategic responsibilities, the Board regularly considers corporate strategy as well as dividend policy, the policy on share buy backs and corporate governance issues.

The Directors meet at least quarterly to direct and supervise the Company's affairs. This includes reviewing the investment strategy, risk profile, gearing strategy and performance of the Company and the performance of the Company's functionaries, and monitoring compliance with the Company's objectives.

In usual circumstances, the Directors visit the Investment Adviser at least annually for a comprehensive review of the portfolio, its valuation methodology and general strategy. The Directors deem it appropriate to review the valuations of the investment portfolio on a quarterly basis. The schedule of Board and Committee meetings is shown on page 31.

Continuing terms of Investment Adviser agreement

In the opinion of the Directors, the continuing appointment of the Investment Adviser on the terms agreed continues to be in the interests of Shareholders. In reaching its conclusion the Board considers the Investment Adviser's performance, expertise and ability in effectively assisting the management of portfolio companies.

Supply of information

The Chairman ensures that all Directors are properly briefed on issues arising at, and when necessary in advance of, Board meetings. The Company's advisers provide the Board with appropriate and timely information in order that the Board may reach proper decisions. Directors can, if necessary, obtain independent professional advice at the Company's expense.

Directors' training

The Board is provided with information concerning changes to the regulatory or statutory regimes as they may affect the Company, and the Directors are offered the opportunity to attend courses or seminars on such changes, or other relevant matters. An induction programme is available for any new Director appointments. The induction programme offers training about the Company, its managers, their legal responsibilities and investment company industry matters.

Corporate Governance continued

Chairman and Senior Independent Director

The Chairman is a non-executive Director, together with the rest of the Board. There is no executive Director position within the Company. Day-to-day management of the Company's affairs has been delegated to third party service providers. Currently there is no appointment of a Senior Independent Director.

Board diversity

The Board has also given careful consideration to the recommendations of the Davies Review and the findings of the Hampton-Alexander Review on the evolving gender diversity debate. The Board continues to review its composition in terms of diversity, appropriate range of skills and experience and the Board is committed to ensuring that diversity is considered when appointments to the Board are under consideration – as indeed has always been its practice.

The Board's evaluation

The Board, Audit Committee, and Nomination Committee undertake an evaluation of their own performance and that of individual Directors on an annual basis. In order to review their effectiveness, the Board and its Committees carry out a process of formal self-appraisal. The Board and Committees consider how they function as a whole and also review the individual performance of its members. This process is conducted by the Chairman reviewing each member's performance, contribution and their commitment to the Company. The Board, as a whole, reviews the performance of the Chairman. Each Board member is also required to submit details of training they have undertaken on an annual basis. Currently, no third party evaluation of the Directors effectiveness is undertaken. The results of the evaluation process concluded the Board was functioning effectively and the Board and its committees provided a suitable mix of skills and experience.

Board Committees

In accordance with the UK Code, the Board has established an Audit Committee and a Nomination Committee, in each case with formally delegated duties and responsibilities within written terms of reference. The identity of each of the Chairmen of the committees referred to below is reviewed on an annual basis. The Board, consisting of all non-executive Directors, has decided that the entire Board should fulfil the role of the Audit and Nomination Committees. The terms of reference of the committees are kept under review and can be viewed on the Company's website www.jzcp.com.

Nomination Committee

In accordance with the Code, the Company has established a Nomination Committee. The Nomination Committee leads the process for all board appointments, oversees the development of and reports on, amongst other things, its approach to a diverse pipeline for succession.

The Nomination Committee takes into consideration the Code's rules on independence of the Board in relation to the Company, its senior management and major shareholders. The Nomination Committee is chaired by David Macfarlane, and each of the other Directors is also a member. The members of the committee are independent of the Investment Adviser. The Nomination Committee has responsibility for considering the size, structure and composition of the Board, retirements and appointments of additional and replacement Directors and making appropriate recommendations to the Board.

Due to the nature of the Company being a listed investment company investing in private equity with an international shareholder base, the Company needs Directors with a broad range of financial experience. For this reason, Directors use external consultants as well as using their own contacts to identify suitable candidates.

The final decision with regard to appointments always rests with the Board and all such appointments are subject to confirmation by shareholders.

Audit Committee

The Audit Committee is chaired by Sharon Parr and all other Directors are members. Contrary to the recommendations of the UK Code, the Board consider it is appropriate for the Company's Chairman to serve as a member of the Audit Committee due to his considered independence and the skills/experience contributed. The Board also notes the AIC Code, previously followed by the Company, permits a chairman to be a member of an audit committee if independent on appointment. Members of the Committee are independent of the Company's external auditors and the Investment Adviser. All members have the necessary financial and sector experience to contribute effectively to the Committee. The Audit Committee meets at least twice a year and meets the external auditors at least twice a year. The Audit Committee is responsible for overseeing the Company's relationship with the external auditors, including making recommendations to the Board on the appointment of the external auditors and their remuneration. The Committee also considers the nature, scope and results of the auditors' work and reviews, and develops and implements policies on the supply of any non-audit services that are to be provided by the external auditors.

Post year end, the Audit Committee has re-considered whether the Company is able to continue as a going concern for the period ending 30 June 2023 and whether it considers it appropriate to adopt the going concern basis of accounting in preparing them, and identify any material uncertainties to the company's ability to continue to do so. Also, the Audit Committee, has considered the Company's current position and principal risks, and assessed the prospects of the Company, over the viability period of three years to 28 February 2025.

The activities and responsibilities of the Audit Committee are further described on pages 34-36 of the Audit Committee Report and the recommendations to the Board made by the Audit Committee, regarding the going concern and viability of the Company are detailed in the Report of the Directors (pages 18-27).

Management Engagement Committee

The Management Engagement Committee is chaired by David Macfarlane and comprises the entire Board. Responsibilities include reviewing the performance and contractual arrangements of the Company's service providers.

Remuneration Committee

In view of its non-executive and independent nature, the Board considers that it is not appropriate for there to be a separate Remuneration Committee as prescribed by the UK Code. The process for agreeing the non-executive Directors' fees is set out in the Directors' Remuneration Report on page 33.

Board and Committee meeting attendance

The number of formal meetings of the Board and its committees held during the fiscal year and the attendance of individual Directors at these meetings was as follows:

			Number of meetings			
	Board Main	**AGM**	Ad Hoc Meetings	Audit Committee	EGM	Management Engagement Committee
Total number of meetings	**4**	**1**	**21**	**5**	**1**	**1**
David Macfarlane	**4**	**1**	21	5	1	1
James Jordan	**4**	**1**	20	4	1	1
Sharon Parr	**4**	**1**	21	5	1	1
Ashley Paxton	**4**	**1**	21	5	1	1

The main Board meetings are held to agree the Company's valuation of its investments, agree the Company's financial statements and discuss and agree other strategic issues. Other meetings are held when required to agree board decisions on ad-hoc issues.

UK Criminal Finances Act 2017

In respect of the UK Criminal Finances Act 2017 which has introduced a new Corporate Criminal Offence of 'failing to take reasonable steps to prevent the facilitation of tax evasion', the Board confirms that it is committed to zero tolerance towards the criminal facilitation of tax evasion.

The Board also keeps under review developments involving other social and environmental issues, such as Modern Slavery and General Data Protection Regulation, and will report on those to the extent they are considered relevant to the Company's operations.

Internal Controls

The Board is ultimately responsible for establishing and maintaining the Company's system of internal financial and operating control and for maintaining and reviewing its effectiveness on an annual basis. The Company's risk matrix continues to be the core element of the Company's risk management process in establishing the Company's system of internal financial and reporting control. The risk matrix is prepared and maintained by the Board which initially identifies the risks facing the Company and then collectively assesses the likelihood of each risk, the impact of those risks and the strength of the controls operating over each risk. The system of internal financial and operating control is designed to manage rather than to eliminate the risk of failure to achieve business objectives and by their nature can only provide reasonable and not absolute assurance against misstatement and loss.

Corporate Governance continued

Internal Controls continued

These controls aim to ensure that assets of the Company are safeguarded, proper accounting records are maintained and the financial information for publication is reliable. The Board confirms that there is an ongoing process for identifying, evaluating and managing the principal risks faced by the Company.

This process has been in place for the year under review and up to the date of approval of this Annual Report and Financial Statements and is reviewed by the Board and is in accordance with the Internal controls: Guidance on Risk Management, Internal Control and Related Financial and Business Reporting.

The Board has evaluated the systems of internal controls of the Company. In particular, it has prepared a process for identifying and evaluating the principal risks affecting the Company and the policies by which these risks are managed.

The Board has delegated the day to day responsibilities for the management of the Company's investment portfolio, the provision of depositary services and administration, registrar and corporate secretarial functions including the independent calculation of the Company's NAV and the production of the Annual Report and Financial Statements which are independently audited.

Formal contractual agreements have been put in place between the Company and providers of these services.

Even though the Board has delegated responsibility, it retains accountability for these functions and is responsible for the systems of internal control. At each quarterly board meeting, compliance reports are provided by the Administrator, Company Secretary and Investment Adviser. The Board also receives confirmation from the Administrator of its accreditation under its Service Organisation Controls 1 report.

The Company's risk exposure and the effectiveness of its risk management and internal control systems are reviewed by the Audit Committee at its quarterly meetings and annually by the Board.

The Board believes that the Company has adequate and effective systems in place to identify, mitigate and manage the risks to which it is exposed.

Whistle Blowing Policy

The Directors are non-executive and the Company does not have employees, hence no whistle blowing policy is required. However, the Directors have satisfied themselves that the Company's service providers have appropriate whistle blowing policies and procedures and have received confirmation from the service providers that nothing has arisen under those policies and procedures which should be brought to the attention of the Board.

International Tax Reporting

For purposes of the US Foreign Account Tax Compliance Act ("FATCA"), the Company registered with the US Internal Revenue Services ("IRS") as a Guernsey reporting Foreign Financial Institution ("FFI"), received a Global Intermediary Identification Number CAVBUD.999999.SL.831, and can be found on the IRS FFI list.

The Common Reporting Standard ("CRS") is a global standard for the automatic exchange of financial account information developed by the Organisation for Economic Co-operation and Development ("OECD"), which has been adopted by Guernsey and which came into effect on 1 January 2016. The CRS replaced the intergovernmental agreement between the UK and Guernsey to improve international tax compliance that had previously applied.

The Board will take necessary actions to ensure that the Company is compliant with Guernsey regulations and guidance in this regard.

Directors' Remuneration Report

The Company's policy in regard to Directors' remuneration is to ensure that the Company maintains a competitive fee structure in order to recruit, retain and motivate non-executive Directors of excellent quality in the overall interests of shareholders.

Remuneration Policy

The Directors do not consider it necessary for the Company to establish a separate Remuneration Committee. All of the matters recommended by the Code that would be delegated to such a committee are considered by the Board as a whole.

It is the responsibility of the Board to determine and approve the Directors' fees, following a recommendation from the Chairman who will have given the matter proper consideration, having regard to the level of fees payable to non-executive Directors in the industry generally, the role that individual Directors fulfil in respect of Board and Committee responsibilities and the time committed to the Company's affairs. The Chairman's remuneration is decided separately and is approved by the Board.

The Company's Articles state that Directors' remuneration payable in any accounting year shall not exceed in the aggregate an annual sum of $650,000. Each Director is also entitled to reimbursement of their reasonable expenses. There are no commission or profit sharing arrangements between the Company and the Directors. Similarly, none of the Directors is entitled to pension, retirement or similar benefits. No element of the Directors' remuneration is performance related.

The remuneration policy set out above is the one applied for the year ended 28 February 2022 and is not expected to change in the foreseeable future.

Directors' and Officers' liability insurance cover is maintained by the Company on behalf of the Directors.

Remuneration for Services to the Company as Non-Executive Directors

	Year Ended 28 February 2022 US$	Year Ended 28 February 2021 US$
David Macfarlane (Chairman)	**120,000**	120,000
James Jordan	**50,000**	50,000
Sharon Parr	**70,000**	95,000
Ashley Paxton (appointed 12 August 2020)	**50,000**	27,000
Tanja Tibaldi (resigned 12 August 2020)	–	27,000
	290,000	319,000

Fees payable to the Chairman and Directors are $120,000 per annum and $50,000 per annum respectively. The Chairman of the Audit Committee will receive an additional amount of $20,000 per annum and in the prior year received a further fee of $25,000 for additional work relating to events in the 2020 financial year.

No Director has a service contract with the Company, nor are any such contracts proposed.

Directors' Term of Appointment

In line with the UK Code of Corporate Governance, all Directors seeking re-election to the Board will do so on an annual basis regardless of their tenure not yet exceeding nine years.

The Directors were appointed as non-executive Directors by letters issued in April 2008, June 2018 and August 2020 which state that their appointment and any subsequent termination or retirement shall be subject to three-months' notice from either party in accordance with the Articles. Each Director's appointment letter provides that, upon the termination of his/her appointment, that he/she must resign in writing and all records remain the property of the Company. The Directors' appointments can be terminated in accordance with the Articles and without compensation. There is no notice period specified in the Articles for the removal of Directors. The Articles provide that the office of director shall be terminated by, among other things: (a) written resignation; (b) unauthorised absences from board meetings for six months or more; (c) unanimous written request of the other directors; and (d) an ordinary resolution of the Company.

Signed on behalf of the Board of Directors on 14 June 2022 by:

David Macfarlane
Chairman

Sharon Parr
Director

Audit Committee Report

Dear Shareholder,

On the following pages, we present the Audit Committee's Report, setting out the responsibilities of the Audit Committee and its key activities during the year ended 28 February 2022. The Audit Committee has reviewed the Company's financial reporting, the independence and effectiveness of the external auditor and the internal control and risk management systems of the Company's service providers. In order to assist the Audit Committee in discharging these responsibilities, regular reports are received and reviewed from the Investment Manager, Administrator and external auditor.

A member of the Audit Committee will continue to be available at each Annual General Meeting to respond to any shareholder questions on the activities of the Audit Committee.

Responsibilities

The terms of reference of the Audit Committee include the requirement to:

- monitor the integrity of the published Financial Statements of the Company;
- review and report to the Board on the significant issues and judgements made in the preparation of the Company's published Financial Statements, (having regard to matters communicated by the external Auditors) and other financial information;
- monitor and review the quality and effectiveness of the external Auditors and their independence;
- consider and make recommendations to the Board on the appointment, reappointment, replacement and remuneration of the Company's external Auditor;
- advise the Board that the annual report and accounts, taken as a whole, is fair, balanced and understandable;
- review and consider the Company's Principal risks and uncertainties;
- consider the long-term viability of the Company;
- review the Company's procedures for prevention, detection and reporting of fraud, bribery and corruption; and
- monitor and review the internal control and risk management systems of the service providers.

The Audit Committee's full terms of reference can be viewed on the Company's website www.jzcp.com.

Key Activities of the Audit Committee

The following sections discuss the assessments made by the Audit Committee during the year:

Financial Reporting

The Audit Committee's review of the Annual Financial Statements focused on the following significant areas:

- **Assessment of Going Concern and Viability**
  The Audit Committee has considered the ability of the Company to continue as a going concern over the period ending 30 June 2023. After careful consideration the Committee have recommended to the Board that it is satisfied that it is appropriate to adopt the going concern basis in preparing these Financial Statements and they have a reasonable expectation that the Company will continue in existence as a going concern for the period. The reasons for reaching this judgement are detailed in the Report of the Directors on page 22. However, there is a material uncertainty which casts significant doubt over the ability of the Company to continue as a Going Concern, being:

  Whether the Company can generate sufficient cash through realisations of its underlying investments to discharge its liabilities over the period to 30 June 2023 or failing to do so can agree terms with its debt providers to repay its obligations, including the redemption of its ZDP shares, over an extended timeframe.

  For the viability assessment, the Audit Committee has assessed the expectations that the Company will be able to continue in operation and meet ongoing debt obligations over the period ending 28 February 2025. In making its recommendation to the Board the Committee has carried out a robust review of the Company's principal risks and uncertainties to which the Company is exposed and that potentially threaten future performance and liquidity and has assessed the Company's current position and prospects as detailed in the Chairman's Statement and Investment Adviser's Report.

  The key factors considered by the Committee are detailed in the Report of the Directors on pages 22-24.

  The Committee have concluded that they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of the assessment. They consider the going concern assumptions, material uncertainty and conclusion set out above to be relevant.

The Audit Committee was also satisfied that the disclosures in the basis of preparation note and the viability statement, relating to the going concern assessment of the Company, were appropriately clear and transparent. In particular that the material uncertainty prevalent in the going concern basis of preparation is disclosed in a fair, balanced and understandable manner.

- **Valuation of Unquoted Investment Fair Values including the impact on management fees**
  The fair value of the Company's unquoted securities at 28 February 2022, which are valued using techniques detailed in Note 5 of the financial statements, was $408,174,000 accounting for 92.3% of the Company's investment portfolio. The Committee has concentrated on ensuring the Investment Manager has applied appropriate valuation methodologies to these investments in producing the net asset value of the Company.

  Members of the Audit Committee, discuss the valuation process with the Investment Adviser on a quarterly basis. The Audit Committee gains comfort in the valuations produced by reviewing the methodologies used and challenging the recommendations of the Investment Adviser. The Audit Committee are thus satisfied that the valuation techniques are appropriate and represent fair value.

  The valuation of the unquoted investments is the key driver of the Company's gross asset value and the basis of the management fees payable to the Investment Adviser and therefore the management fees payable could potentially be misstated if there were to be an error in the calculation of the gross assets. However, as each monthly NAV calculation is approved by the Investment Adviser and the year-end NAV has been audited, the Audit Committee is satisfied that the fees have been correctly calculated as stated in the Annual Report and Financial Statements.

- **Impairment of Direct Loans Measured at Amortised Cost**
  Risk that the carrying value of the direct loans might be misstated due to application of inappropriate methodologies, inputs and/or judgemental factors determining the expected credit loss in accordance with IFRS 9 – "Financial Instruments".

Risk Management

The Audit Committee continued to consider the process for managing the risk of the Company and its service providers. Risk management procedures for the Company, as detailed in the Company's risk assessment matrix, were reviewed and approved by the Audit Committee. New risks are added to the matrix when deemed appropriate.

Fraud, Bribery and Corruption

The Audit Committee continues to monitor the fraud, bribery and corruption policies of the Company. The Board receives a confirmation from all service providers that there have been no instances of fraud, bribery or corruption.

In a press release dated 21 March 2022, the Company announced that it had come to the Board's attention that allegations of fraudulent conduct had been made against two individuals who were members of the management team that manages JZCP's investments in European micro-cap companies. A claim has been made in respect thereof in the New York State Supreme Court. The claimants are a fund in which JZCP has only an approximate 1% interest (carried at approximately $0.75 million) as well as a fund in which JZCP has no interest. The information available to the Board at the date of this report indicates that the Company has no reason to believe that the alleged conduct will have a material adverse effect on the Company's investments held through JZI Fund III.

The External Auditor

Ernst & Young LLP have acted as external auditor since the Company's inception in April 2008. This is the fourth year of Andrew Dann's anticipated five year tenure as audit partner. A full tender process was undertaken during December 2018 and January 2019 resulting in Ernst & Young LLP being reappointed.

Audit Committee Report continued

Independence, Objectivity and Fees

The independence and objectivity of the external auditor is reviewed by the Audit Committee which also reviews the terms under which the external auditor is appointed to perform non-audit services.

In line with the historic policies, the Audit Committee does not consider that the provision of non-audit services, to have been a threat to the objectivity and independence of the external auditor. However, following the introduction of the UK FRC Revised Ethical Standard (effective on 15 March 2020), the Audit Committee has introduced a general prohibition on the external auditor providing non-audit services to the Company. This general prohibition will not extend to an interim review report providing the fee for such interim review is subject to a 70% fee cap when compared to the audit fee.

The following table summarises the remuneration paid and payable by the Company to Ernst & Young LLP and to other Ernst & Young LLP member firms for audit and other services during the years ended 28 February 2022 and 28 February 2021.

	Year ended 28.2.2022	**$ Equivalent Year ended 28.2.2022**	Year ended 29.2.2021	$ Equivalent Year ended 29.2.2021
Ernst & Young LLP				
– Annual audit	**£256,000**	**$343,000**	£275,000	$384,478
– Auditor's interim review	**£53,000**	**$71,000**	£50,000	$69,000

PFIC services for the years ended 28 February 2022 and 2021 are now provided by PricewaterhouseCoopers LLP.

Performance and Effectiveness

During the year, when considering the effectiveness of the external auditor, the Audit Committee has taken into account the following factors:

- the audit plan presented to them before each audit;
- the post audit report including variations from the original plan;
- changes in audit personnel;
- the external auditor's own internal procedures to identify threats to independence; and
- feedback received from both the Investment Adviser and Administrator.

The Audit Committee reviewed and challenged the audit plan and the post audit report of the external auditor and concluded that audit risks had been sufficiently identified and were sufficiently addressed. The Audit Committee considered reports from the external auditor on their procedures to identify threats to independence and concluded that the procedures were sufficient to identify potential threats to independence.

There were no significant adverse findings from this evaluation.

The Audit Committee has examined the scope and results of the audit, its cost effectiveness and the independence and objectivity of the external auditor and considers Ernst & Young LLP, as external auditor, to be independent of the Company.

Internal Control and Risk Management Systems

Additional work performed by the Audit Committee in the areas of internal control and risk management are disclosed on pages 31 and 32.

The Audit Committee has also reviewed the need for an internal audit function. The Audit Committee has decided that the systems and procedures employed by the Investment Adviser and the Administrator, including the Administrator's internal audit function, provide sufficient assurance that a sound system of internal control, which safeguards the Company's assets, is maintained. An internal audit function specific to the Company is therefore considered unnecessary.

In finalising the Annual Report and Accounts for recommendation to the Board for approval, the Audit Committee has also recommended to the Board that the Annual Report and Accounts should be considered fair, balanced and understandable.

Sharon Parr
Chairman, Audit Committee
14 June 2022

Independent Auditor's Report

To The Members of JZ Capital Partners Limited

Opinion

We have audited the financial statements of JZ Capital Partners Limited (the "Company") for the year ended 28 February 2022 which comprise the Statement of Financial Position, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes 1 to 32, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards as adopted by the European Union ("IFRS").

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 28 February 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRS; and
- have been properly prepared in accordance with the requirements of The Companies (Guernsey) Law, 2008.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements, including the UK FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Company and we remain independent of the Company in conducting the audit.

Material Uncertainty Relating to Going Concern

We draw your attention to Note 3 in the financial statements, which indicates that there is a material uncertainty as to whether the Company can generate sufficient cash through realisations of its underlying investments to discharge its liabilities over the period to 30 June 2023 or failing to do so can agree terms with its debt providers to repay its obligations, including the redemption of its ZDP shares, over an extended timeframe, which casts significant doubt over the ability of the Company to continue as a Going Concern. Our opinion is not modified in respect of this matter.

We draw attention to the viability statement in the Annual Report on pages 22 and 23, which indicates that the viability of the Company is dependent entirely on actions that are being and will be taken over the course of the going concern period ending 30 June 2023. The Directors consider that the material uncertainty referred to in respect of going concern may cast significant doubt over the future viability of the Company should these actions not complete. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included;

- The audit engagement partner directed and supervised the audit procedures on going concern;
- We obtained the cash flow forecasts prepared by the Investment Adviser, Jordan/Zalaznick Advisers, Inc ("JZAI") and tested the arithmetical accuracy of the models including reperforming the covenant tests therein;
- We obtained the agreements and enquired of management to understand the WhiteHorse loan facility and associated agreement amendments, including the nature of facilities, repayment terms and covenants.
- We performed a reverse-stress test for covenant compliance to assess the likelihood of a reduction in fair value and/ or cash balance, triggering a covenant breach;
- We challenged the appropriateness of management's forecasts by assessing historical forecasting accuracy, challenging management's consideration of downside sensitivity analysis and applied further stress testing to understand the sensitivity of the assessment to the timing and quantum of asset realisations;

Independent Auditor's Report continued

To The Members of JZ Capital Partners Limited

- We assessed whether available funds are sufficient to cover commitments made to underlying investments and other ongoing commitments including investment adviser and other expenses;
- We held discussions with the Investment Adviser and the Audit Committee in relation to the status of the asset realisations;
- We have reviewed the management provided stock purchase agreement which supported management's cash flow forecast;
- We assessed the likely success and risk factors of the Company's alternative investing and financing plans with its Investment Adviser; and
- We assessed the disclosures in the Annual Report and Financial Statements relating to going concern, including the material uncertainties, to ensure they were fair, balanced and understandable and in compliance with IAS 1.

In relation to the Company's reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

Overview of our Audit Approach

Key audit matters	• Misstatement of unquoted investment fair values, including the impact on management fees: The risk that the fair value of investments might be misstated due to application of inappropriate methodologies or inputs to the valuations and/or inappropriate judgemental factors. This will include the possible impact on the management fees. • Impairment of direct loans measured at amortised cost: The risk that the carrying value of the direct loans might be misstated due to application of inappropriate methodologies or inputs determining the amortised cost and/or inappropriate judgemental factors Expected Credit Loss ("ECL") in accordance with IFRS 9.
Materiality	• Overall materiality of $3.41m (2021: $3.30m) which represents 1% of total equity.

An Overview of the Scope of our Audit

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for the Company. This enables us to form an opinion on the financial statements. We take into account size, risk profile, the organisation of the Company and effectiveness of controls, including controls and changes in the business environment when assessing the level of work to be performed.

All audit work was performed directly by the audit engagement team. The audit was led from Guernsey. In addition, we engaged our Valuation, Modelling, and Economics ("VME") industry valuation specialists from the Brooklyn and Miami offices, who assisted us in auditing the valuation of the real estate investments, and the Montreal office, who assisted us in auditing the valuation of unquoted private equity investments. The scope of their work was consistent with the prior year.

Climate change

The Company has explained climate-related risks in the 'Macroeconomic Risks and Impact on NAV' section of the Report of the Directors and form part of the "Other information", rather than the audited financial statements. Our procedures on these disclosures therefore consisted solely of considering whether these disclosures are materially inconsistent with the Company's financial statements, or our knowledge obtained in the course of the audit, or otherwise appear to be materially misstated.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Misstatement of unquoted investment fair values, including the impact on management fees (2022: $408 million; 2021: $430 million) Refer to the Audit Committee Report (pages 34-36); Accounting policies (pages 53-57); and Note 5 of the financial statements (pages 64-68) 99% (2021: 99%) of the carrying value of investments relates to the Company's holdings in unquoted investments, which are valued using different valuation techniques, as described in note 5 to the financial statements. The valuation is subjective, with a high level of judgement and estimation linked to the determination of the values with limited market information available, as a result of the low level of liquidity in the private equity and real estate markets at the year-end. The Investment Advisory fees are calculated based on NAV, which is driven by investment valuation and is therefore related to this key audit matter. As a result, there is a risk of an inappropriate valuation model being applied, together with the risk of inappropriate inputs to the model/calculation being selected including the possible impact on the management fees. The valuation of the unquoted investments is the key driver of the Company's net asset value and total return. Incorrect valuation could have a significant impact on the net asset value of the Company and therefore the return generated for shareholders.	Our audit procedures consisted of: • Updating and confirming our understanding of the Company's processes and methodologies, including the use of industry specific measures, and policies for valuing unquoted investments held by the Company; • Obtaining and inspecting the valuation decks and supporting data for the private equity investments, to assess whether the data used is appropriate and relevant, and discussing these with the Investment Adviser to evaluate whether the fair value of the Company's private equity investments are reasonably stated, challenging the assumptions made by the Investment Adviser and Board of Directors of the Company; • Obtaining and inspecting the independent appraisals and supporting data regarding the real estate assets, to assess whether the data used is appropriate and relevant, and discussing these with the Investment Adviser to evaluate whether the fair value of the Company's real estate investments are reasonably stated, challenging the assumptions made by the Investment Adviser and Board of Directors of the Company; • Attending fair value discussions in relation to 28 February 2022 valuations, for private equity investments. These included the Investment Adviser, EY Guernsey and EY valuation specialists; • Vouching valuation inputs that do not require specialist knowledge to independent sources and testing the arithmetical accuracy of the Company's calculations for a sample of significant private equity investments selected based on their size/value;	We have no matters to report to the Audit Committee in this regard.

Independent Auditor's Report continued

To The Members of JZ Capital Partners Limited

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Misstatement of Unquoted Investment Fair Values including the impact on management fees (continued)	• Performing back testing on the Level 3 investment sensitivity disclosures to understand the drivers of movements in fair value; • Performing back testing to compare realisation proceeds during the period to the previously reported fair values for those disposed assets; • For a sample of significant private equity investments selected based on their size/value, we engaged EY Montreal. It was considered appropriate for EY Montreal to review both US and European assets as the estimation process is common across both geographies. • For the real estate investments, we engaged EY New York and Miami. We engaged the above as valuation specialists to: – use their knowledge of the market to assess and corroborate the Investment Adviser's and the Company's specialist's market related judgements and valuation inputs (in relation to the private equity investments discount rates and EBITDA multiples and in relation to real estate assets discount rates, rental per square foot, selling price per square foot) by reference to comparable transactions, and independently compiled databases/indices; – assist us to determine whether the methodologies used to value private equity investments and real estate assets were consistent with methods usually used by market participants; – perform procedures to assess whether, in light of market data, the fair values of certain recently acquired private equity investments continue to approximate to their consideration paid; and – assist us in determining whether the Company's specialist for the real estate assets, was appropriately qualified and independent. • Agreeing the valuation per the financial statements back to the models per the valuation decks, relating to private equity investments, prepared by the Investment Adviser and agreeing the proposed values per the valuation decks to the investment portfolio report prepared by the Administrator; • Reviewing the waterfall calculations on the flow of valuation through the SPV structures to the Company and reviewing the inputs to, and arithmetic accuracy of, the valuation calculations/waterfall;	

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Misstatement of Unquoted investment fair values including the impact on management fees (continued)	• Reviewing the waterfall calculations on the flow of valuation through the SPV structures to the Company and reviewing the inputs to, and arithmetic accuracy of, the valuation calculations/waterfall; • Identifying the significant unobservable inputs to valuations and reviewed and assessed the reasonableness of the sensitivity workings and disclosures, comparing the Investment Adviser's position with EY's range of acceptable inputs; • Challenging management on the appropriateness of their chosen comparable public companies used to compute multiples as well as corroborating those multiples with independent data; • Reporting to the Audit Committee on the calibration of investment valuations against EY's ranges and commenting on any specific movements of valuation marks in those ranges vs prior periods; and • Re-performing the management fee calculations for arithmetical accuracy and consistency with the terms of the investment advisory agreement.	
Impairment of direct loans measured at amortised cost (2022: $29 million; 2021: $34 million) *Refer to the Audit Committee Report (pages 34-36); Accounting policies (pages 53-57); and Note 7 of the Financial Statements (page 69)* *There is a risk that the carrying value of the direct loans might be misstated due to methodologies, inputs, and/or judgmental factors determining the expected credit loss in accordance with IFRS 9.*	For all direct loans we performed the following procedures: • Obtaining copies of the signed loan agreements including any changes to the terms and conditions of the loans; We obtained copies of the signed loan agreements including any changes to the terms and conditions of the loans; • Re-performing the amortised cost calculations for mathematical accuracy and consistency with the terms of the loan agreements; • Obtaining the expected credit loss calculation from the Investment Advisor for each material loan and determining that the estimate and judgements applied by management specific to each loan were in accordance with IFRS 9; • Reviewing the possible default scenarios and credit risk of each loan separately and applying probabilities of default to assess the expected credit loss over the next 12 months; • Assessing the reasonableness of the effective interest rate calculations used to recognise lifetime expected losses, with interest revenue based on the net amount; • Assessing the impact of the potential material uncertainties in respect of going concern might have on the valuation of the expected credit loss; and • Reviewing to ensure that the presentation and disclosure requirements of IFRS 9 are adequate in the financial statements.	We have no matters to report to the Audit Committee in this regard.

Independent Auditor's Report continued

To The Members of JZ Capital Partners Limited

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Company to be $3.41 million (2021: $3.30 million), which is 1% (2021: 1%) of Total Equity. We believe that Total Equity provides a basis for determining the nature, timing and extent of risk assessment procedures, identifying and assessing the risk of material misstatement and determining the nature, timing and extent of further audit procedures. We believe that Total Equity provides us with the best measure of planning materiality as the Company's primary performance measures for internal and external reporting are based on Total Equity.

During the course of our audit, we reassessed initial materiality and updated its calculation to align with the year-end Total Equity figure.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Company's overall control environment, our judgement was that performance materiality was 50% (2021: 50%) of our planning materiality, namely $1.70m (2021: $1.65m). We have set performance materiality at this percentage to ensure that the total uncorrected and undetected audit differences in the financial statements did not exceed our materiality level.

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of $0.17m (2021: $0.16m), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the annual report set out on pages 1-36 and pages 91-97 other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on Which We Are Required to Report by Exception

We have nothing to report in respect of the following matters in relation to which The Companies (Guernsey) Law, 2008 requires us to report to you if, in our opinion:

- proper accounting records have not been kept by the Company; or
- the financial statements are not in agreement with the Company's accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Corporate Governance Statement

The Listing Rules require us to review the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

- Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on pages 20-22;
- Directors' explanation as to its assessment of the company's prospects, the period this assessment covers and why the period is appropriate set out on pages 22-24;
- Directors' statement on fair, balanced and understandable set out on page 27;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on pages 18-19;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on pages 31-32; and;
- The section describing the work of the audit committee set out on pages 34-36.

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 27, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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 Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to What Extent the Audit Was Considered Capable of Detecting Irregularities, Including Fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Independent Auditor's Report continued

To The Members of JZ Capital Partners Limited

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Company and the Investment Adviser. Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are the Companies (Guernsey) Law, 2008, the 2018 UK Corporate Governance Code and the listing requirements of London Stock Exchange and the Disclosure Guidance and Transparency Rules of the UK Listing Authority;
- We understood how the Company is complying with those frameworks by making enquiries of the Investment Adviser and those charged with governance regarding:
  - their knowledge of any non-compliance or potential non-compliance with laws and regulations that could affect the financial statements;
  - the Company's methods of enforcing and monitoring non-compliance with such policies;
  - management's process for identifying and responding to fraud risks, including programs and controls the Company has established to address risks identified by the entity, or that otherwise prevent, deter and detect fraud; and
  - how management monitors those programs and controls;
- Administration and maintenance of the Company's books and records is performed by Northern Trust International Fund Administration Services (Guernsey) Limited which is a regulated firm, independent of the Investment Adviser. We corroborated our enquiries through our review of Board minutes and any correspondence received from regulatory bodies. We also obtained their SOC1 controls report and reviewed it for findings relevant to the Company. We noted no contradictory evidence during these procedures;
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by:
  - obtaining an understanding of entity-level controls and considering the influence of the control environment;
  - obtaining management's assessment of fraud risks including an understanding of the nature, extent and frequency of such assessment documented in the Board's risk matrix;
  - making inquiries with those charged with governance as to how they exercise oversight of management's processes for identifying and responding to fraud risks and the controls established by management to mitigate specifically those risks the entity has identified, or that otherwise help to prevent, deter and detect fraud;
  - making inquiries with management and those charged with governance regarding how they identify related parties including circumstances related to the existence of a related party with dominant influence; and
  - making inquiries with management and those charged with governance regarding their knowledge of any actual or suspected fraud or allegations of fraudulent financial reporting affecting the Company.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations identified above. Our procedures involved a review of Board minutes and inquiries of the Investment Adviser and those charged with governance including:
  - Through discussion, gaining an understanding of how those charged with governance, the Investment Adviser and Administrator identify instances of non-compliance by the Company with relevant laws and regulations;
  - Inspecting the relevant policies, processes and procedures to further our understanding;
  - Reviewing Board minutes and internal compliance reporting;
  - Inspecting correspondence with regulators; and
  - Obtaining relevant written representations from the Board of Directors.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters we are required to address

- Following the recommendation from the audit committee, we were appointed by the Company to audit the financial statements for the year ended 28 February 2009 and subsequent financial periods. We signed an engagement letter on 27 November 2008.
- The period of total uninterrupted engagement including previous renewals and reappointments is 14 years, covering the years ended 28 February 2009 to 28 February 2022.
- The audit opinion is consistent with the additional report to the audit committee.

Use of Our Report

This report is made solely to the Company's members, as a body, in accordance with Section 262 of The Companies (Guernsey) Law 2008. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Andrew Jonathan Dann, FCA
for and on behalf of Ernst & Young LLP
Guernsey, Channel Islands

14 June 2022

1 The maintenance and integrity of the JZ Capital Partners Limited website is the responsibility of the Directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the Financial Statements since they were initially presented on the website.
2 Legislation in Guernsey governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

Independent Auditor's Report continued

Independent Auditor's Report For Audit Conducted In Accordance With Auditing Standards Generally Accepted In The United States[1]

Opinion

We have audited the Financial Statements of JZ Capital Limited (the "Company"), which comprise the Statement of Financial Position as of 28 February 2022 and 2021, and the related Statements of Comprehensive Income, the Statements of Changes in Equity, the Statements of Cash Flows for the years then ended, and the related notes (collectively referred to as the "Financial Statements").

In our opinion, the accompanying Financial Statements present fairly, in all material respects, the financial position of the Company as of 28 February 2022 and 2021, and the results of its operations, changes in equity, and its cash flows for the years then ended, in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS").

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Substantial Doubt About the Company's Ability to Continue as a Going Concern

As discussed in Note 3 and 31 to the financial statements, the Company has stated that there is a material uncertainty relating to whether the Company can generate sufficient cash through realisations of its underlying investments to discharge its liabilities over the period to 30 June 2023 or failing to do so can agree terms with its debt providers to repay its obligations, including the redemption of its ZDP shares, over an extended timeframe, which casts substantial doubt over the ability of the Company to continue as a Going Concern. Management's evaluation of the events and conditions and management's plans regarding these matters are also described in Note 3. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the Financial Statements in accordance with IFRS and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of Financial Statements that are free of material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the Financial Statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the Financial Statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional scepticism throughout the audit.
- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the Financial Statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the Financial Statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report set out on pages 1-36 and pages 91-97, but does not include the Financial Statements and our auditor's report thereon. Our opinion on the Financial Statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the Financial Statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Ernst & Young LLP
Guernsey, Channel Islands

14 June 2022

1 In order to comply with the U.S. Securities and Exchange Commission's custody rule, an audit opinion was requested, by the Company's Investment Adviser, which satisfies the requirements of auditing standards generally accepted in the United States.

Statement of Comprehensive Income

For the Year Ended 28 February 2022

	Notes	**Year Ended 28 February 2022 US$'000**	Year Ended 28 February 2021 US$'000
Income and investment and other gains			
Net gain on investments at fair value through profit or loss	6	**17,530**	–
Investment income	8	**16,770**	22,160
Bank and deposit interest		**174**	220
Realisations from investments held in escrow accounts	28	**597**	1,147
Net foreign currency exchange gains		**84**	–
		35,155	23,527
Expenses and losses			
Net loss on investments at fair value through profit or loss	6	–	(126,386)
Expected credit losses	7	**(5,277)**	(3,062)
Loss on financial liabilities at fair value through profit or loss	17	**(1,869)**	(3,618)
Investment Adviser's base fee	10	**(7,414)**	(9,722)
Administrative expenses	10	**(3,457)**	(4,707)
Directors' remuneration	10	**(290)**	(319)
Net foreign currency exchange loss		–	(4,897)
		(18,307)	(152,711)
Operating profit/(loss)		**16,848**	(129,184)
Finance costs	9	**(13,094)**	(18,191)
Profit/(loss) before taxation		**3,754**	(147,375)
Withholding taxes	11	–	126
Profit/(loss) for the year		**3,754**	(147,249)
Other comprehensive (loss)/income that will not be reclassified to the Income Statement			
(Loss)/Gain on financial liabilities due to change in credit risk	17	**(1,074)**	1,074
Total comprehensive profit/(loss) for the year		**2,680**	(146,175)
Weighted average number of Ordinary shares in issue during the year	25	**77,475,932**	77,474,175
Basic earnings/(loss) per Ordinary share	25	**4.85c**	(190.06)c
Diluted earnings/(loss) per Ordinary share	25	**4.85c**	(190.06)c

All of the profits and losses presented in this statement are from continuing operations.

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

Statement of Financial Position

As at 28 February 2022

	Notes	28 February 2022 US$'000	28 February 2021 US$'000
Assets			
Investments at fair value through profit or loss	12	**411,568**	433,224
Loans at amortised cost	12	**28,593**	33,813
Other receivables	13	**70**	22
Cash at bank		**43,656**	59,784
Total Assets		**483,887**	526,843
Liabilities			
Senior debt facility	14	**42,573**	68,694
Zero Dividend Preference (2022) shares	15	**75,038**	74,303
Loan notes	16	**32,293**	–
Investment Adviser's base fee	10	**276**	573
Other payables	18	**1,443**	1,284
Convertible Unsecured Loan Stock	17	**–**	52,430
Total Liabilities		**151,623**	197,284
Equity			
Share capital	19	**216,650**	216,625
Other reserve	21	**353,528**	354,602
Retained deficit	21	**(237,914)**	(241,668)
Total Equity		**332,264**	329,559
Total Liabilities and Equity		**483,887**	526,843
Number of Ordinary shares in issue at year end	19	**77,477,214**	77,474,175
Basic and Diluted Net Asset Value per Ordinary share	27	**$4.29**	$4.25

These Audited Financial Statements on pages 48-90 were approved by the Board of Directors and authorised for issuance on 14 June 2022. They were signed on its behalf by:

David Macfarlane
Chairman

Sharon Parr
Director

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

Statement of Changes in Equity

For the Year Ended 28 February 2022

	Notes	Share Capital US$'000	Other Reserve US$'000	Retained Deficit US$'000	Total US$'000
Balance as at 1 March 2021		**216,625**	**354,602**	**(241,668)**	**329,559**
Profit for the year		**–**	**–**	**3,754**	**3,754**
Loss on financial liabilities due to change in credit risk	17	**–**	**(1,074)**	**–**	**(1,074)**
Issue of Ordinary shares	19	**25**	**–**	**–**	**25**
Balance at 28 February 2022		**216,650**	**353,528**	**(237,914)**	**332,264**

Comparative for the Year ended 28 February 2021

	Notes	Share Capital US$'000	Other Reserve US$'000	Retained Deficit US$'000	Total US$'000
Balance as at 1 March 2020		216,625	353,528	(94,419)	475,734
Loss for the year		–	–	(147,249)	(147,249)
Gain on financial liabilities due to change in credit risk	17	–	1,074	–	1,074
Balance at 28 February 2021		216,625	354,602	(241,668)	329,559

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

Statement of Cash Flows

For the Year Ended 28 February 2022

	Notes	28 February 2022 US$'000	28 February 2021 US$'000
Cash flows from operating activities			
Cash inflows			
Realisation of investments	12	**65,799**	138,336
Maturity of treasury bills	12	**3,395**	6,790
Escrow receipts received	28	**597**	1,147
Interest received from unlisted investments		**–**	361
Income distributions received from investments		**520**	379
Bank Interest received		**174**	220
Cash outflows			
Direct investments and capital calls	12	**(13,008)**	(17,966)
Purchase of treasury bills	12	**(3,395)**	(6,787)
Investment Adviser's base fee paid	10	**(7,711)**	(10,328)
Other operating expenses paid		**(3,637)**	(4,744)
Investment Adviser's incentive fee paid		**–**	(2,307)
Net cash inflow from operating activities		**42,734**	105,101
Cash flows from financing activities			
Advance of Loan notes	16	**31,500**	–
Advance of Senior debt facility	14	**16,000**	–
Repayment of Senior debt facility	14	**(40,585)**	(82,912)
Repayment of Convertible Unsecured Loan Stock	17	**(54,401)**	–
Finance costs paid:			
• Convertible Unsecured Loan Stock		**(2,677)**	(2,953)
• Senior debt facility		**(8,379)**	(12,331)
• Loan notes		**(315)**	–
Net cash outflow from financing activities		**(58,857)**	(98,196)
(Decrease)/increase in cash and cash equivalents		**(16,123)**	6,905

Reconciliation of Net Cash Flow to Movements in Cash and Cash Equivalents

	US$'000	US$'000
Cash at bank at beginning of year	**59,784**	52,912
(Decrease)/increase in cash and cash equivalents as above	**(16,123)**	6,905
Foreign exchange movements on cash balance	**(5)**	(33)
Cash at bank at year end	**43,656**	59,784

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

Index to Notes to the Financial Statements

Notes to the Financial Statements

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. The Company's Capital consists of Ordinary shares and Zero Dividend Preference ("ZDP") shares. The Company had issued Convertible Unsecured Loan Stock ("CULS"), which were redeemed on 30 July 2021. The Company's shares trade on the London Stock Exchange's Specialist Fund Segment ("SFS").

The Company's debt structure consists of a Senior debt facility and subordinated, second lien loan notes (the "Loan notes").

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) US real estate.

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

2. Basis of Accounting and Significant Accounting Policies

Statement of compliance

The Financial Statements have been prepared in accordance with the International Financial Reporting Standards as adopted by the European Union ("IFRS"), which comprise standards and interpretations approved by the International Accounting Standards Board ("IASB") together with applicable legal and regulatory requirements of Guernsey Law, and the SFS.

Basis of preparation

The Financial Statements of the Company have been prepared in accordance with IFRS. The Financial Statements have been prepared on a historical-cost basis, except for financial assets and financial liabilities held at fair value through profit or loss ("FVTPL").

The Financial Statements are presented in US dollars and all values are presented to the nearest thousand dollars ($000), except where otherwise indicated. The functional currency of the Company as determined in accordance with IFRS is the US Dollar because this is the currency that best reflects the economic substance of the underlying events and circumstances of the Company.

The Company presents its Statement of Cash Flows statement on a direct-basis.

The Company's Statement of Financial Position's is presented in order of liquidity, which provides information in a format that is deemed relevant to the Company.

Notes to the Financial Statements continued

2. Basis of Accounting and Significant Accounting Policies continued

New and amended standards and interpretations

There were no new standards or amendments to existing standard and interpretations, effective for annual periods beginning on or after 1 January 2021, that had significant effect on the Company's Financial Statements. The new standards or amendments to existing standards and interpretations, effective from 1 March 2021, did not have a material impact of the Company's Financial Statements. The Company has assessed the impact of standards issued but not yet applicable, and have concluded that they will not have a material impact on the Financial Statements.

Changes in accounting policy and disclosure

The accounting policies adopted in the preparation of these Audited Annual Financial Statements have been consistently applied during the year and are consistent with those of the previous year, unless otherwise stated.

Significant Accounting Policies

Financial instruments

In accordance with IFRS 9 – "Financial Instruments", the Company classifies its financial assets and financial liabilities at initial recognition into the categories of financial assets and financial liabilities discussed below.

Financial assets

The Company classifies its financial assets as subsequently measured at amortised cost or measured at FVTPL on the basis of both:

- The entity's business model for managing the financial assets; and
- The contractual cash flow characteristics of the financial asset.

i) Financial assets measured at amortised cost

A debt instrument is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company includes in this category loans at amortised cost, short-term non-financing receivables and other receivables.

ii) Financial assets measured at FVTPL

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

ii a) Classification

Financial assets classified at FVTPL are those that are managed and their performance evaluated on a fair value basis in accordance with the Company's investment strategy as documented in its prospectus.

The Company includes in this category:
Investments in the equity and preferred stock of micro cap, real estate and other investments;

Investments in subsidiaries and associates:

- Investment in subsidiaries: In accordance with the exception under IFRS 10 – "Consolidated Financial Statements", the Company does not consolidate subsidiaries in the financial statements unless the subsidiary is not itself an investment entity and its main purpose and activities are providing services that relate to the Company's investment activities. The Company has no consolidated subsidiaries.
- Investment in associates: In accordance with the exemption in IAS 28 – "Investments in Associates and Joint Ventures", the Company does not account for its investments in associates using the equity method. Instead, the Company has elected to measure its investments in associates at FVTPL.
- Investments in debt instruments which include investments that are held under a business model to manage them on a fair value basis for investment income and fair value gains.

ii b) Measurement
Investments made by the Company are measured initially and subsequently at fair value, with changes in fair value taken to the Statement of Comprehensive Income. Transaction costs are expensed in the year in which they arise for those financial instruments classified at FVTPL.

ii c) Fair value estimate
The fair value of financial assets traded in active markets (such as publicly traded securities) is based on quoted market prices at the Statement of Financial Position date. The quoted market price used for financial assets held by the Company is the bid price.

Unquoted preferred shares, micro cap loans, unquoted equities and equity related securities 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 Directors 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 the International Private Equity and Venture Capital Association ("IPEVCA") valuation guidelines, a marketability discount is applied which reflects the discount that in the opinion of the Directors, market participants would apply in a transaction in the investment in question.

The valuation techniques to derive the fair value of real estate interests and other investments are detailed in Note 5 (pages 65-66).

iii) Other receivables
Other receivables do not carry any interest and are short-term in nature and are accordingly stated at their carrying value as reduced by appropriate allowances for expected credit losses.

iv) Cash on deposit and cash and cash equivalents
Cash on deposit comprises bank deposits with an original maturity of three months or more. Cash and cash equivalents comprise bank balances and cash held by the Company, including short-term bank deposits with a maturity of three months or less. Cash also includes amounts held in interest-bearing overnight accounts.

Financial liabilities
For financial liabilities designated as FVTPL using the fair value option ("FVO"), the amount of change in the fair value of such financial liabilities that is attributable to changes in the Company's credit risk must be presented in Other Comprehensive Income ("OCI"). The remainder of the change in fair value is presented in profit or loss, unless presentation in OCI of the fair value change in respect of the liability's credit risk would create or enlarge an accounting mismatch in profit or loss.

Financial liabilities are classified according to the substance of the contractual arrangements entered into. Financial liabilities, other than CULS (see below) are recorded at the amount of proceeds received, net of issue costs.

Financial liabilities may be designated at fair value through profit or loss rather than stated at amortised cost, when the Board have considered the appropriate accounting treatment for the specific liability.

Notes to the Financial Statements continued

2. Basis of Accounting and Significant Accounting Policies continued

i) Financial liabilities measured at FVTPL

Convertible Unsecured Loan Stock ("CULS")

The CULS issued by the Company were denominated in a currency (GBP) other than the Company's functional currency and hence fails the 'fixed-for-fixed' criteria for equity classification. Rather than account for the host debt and embedded conversion element separately, the Company elected to account for the CULS in its entirety in accordance with the IFRS 9 'Fair Value Option'.

The CULS' fair value was deemed to be the listed offer price at the year end. CULS were translated at the exchange rate at the reporting date and both differences in fair value due to the listed offer price and exchange rates were recognised in the Statement of Comprehensive Income. Changes in fair value due to changes in credit risk were presented as Other Comprehensive Income.

ii) Financial liabilities measured at amortised cost

This category includes all financial liabilities, other than those measured at fair value through profit or loss. The Company includes in this category, Zero Dividend Preference ("ZDP") shares, senior debt facility, Loan notes and other short-term payables.

a) Zero Dividend Preference ("ZDP") shares

ZDP shares meet the definition of a financial liability in accordance with IAS 32 – "Financial Instruments: Presentation", as the shares are redeemable at a fixed date and holders are entitled to a fixed return. ZDP shares are recorded at amortised cost using the effective interest rate method.

b) Senior debt facility

The loan is recorded at amortised cost using the effective interest rate method.

c) Loan notes

Loan Notes are recorded at amortised cost using the effective interest rate method.

d) Other payables

Other payables (include the accrual of Investment Adviser's fees) are classified as financial liabilities at amortised cost. Other payables are not interest-bearing and are stated at their nominal value.

Equity

Equity is classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity are recorded at the amount of proceeds received, net of issue costs. Ordinary Shares are classified as equity in accordance with IAS 32 – "Financial Instruments: Presentation" as these instruments include no contractual obligation to deliver cash and the redemption mechanism is not mandatory.

Interest revenue

Interest revenues are recognised in the Statement of Comprehensive Income for all interest-bearing financial instruments using the effective interest method.

Dividend income

Dividend income is recognised when the Company's right to receive payment is established. When there is reasonable doubt that income due to be received will actually be received, such income is not accrued until it is clear that its receipt is probable. Where, following an accrual of income, receipt becomes doubtful, the accrual is either fully or partly written off until the reasonable doubt is removed.

Expenses

All expenses are recognised in the Statement of Comprehensive Income on an accruals basis.

Finance costs
Finance costs are interest expenses in respect of the ZDP shares, Senior debt facility and Loan Notes, and are recognised in the Statement of Comprehensive Income using the effective interest rate method.

Escrow accounts
Where investments are disposed of, the consideration given may include contractual terms requiring that a percentage of the consideration is held in an escrow account pending resolution of any indemnifiable claims that may arise and as such the value of these escrow amounts is not immediately known. The Company records gains realised on investments held in escrow in the Statement of Comprehensive Income following confirmation that any such indemnifiable claims have been resolved and none is expected in the future.

Taxation
The Company has been granted Guernsey tax exempt status in accordance with The Income Tax (Exempt Bodies) (Guernsey) Ordinance 1989 (as amended). However, in some jurisdictions, investment income and capital gains are subject to withholding tax deducted at the source of the income. The Company presents the withholding tax separately from the gross investment income in the Statement of Comprehensive Income.

3. Estimates and Judgements
The preparation of the Company's financial statements requires management to make estimates, judgements, and assumptions that affect the reported amounts recognised in the financial statements. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The following are the key judgements and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Estimates
Fair Value of Investments at Fair Value Through Profit or Loss

Certain investments are classified as FVTPL, and valued accordingly, as disclosed in Note 2. The key source of estimation uncertainty is on the valuation of unquoted equities, equity-related securities and real estate investments.

In reaching its valuation of the unquoted equities, equity-related securities and real estate investments, the key estimates management has to make are those relating to the multiples, discount factors and real estate valuation factors (Note 5) used in the valuation models.

Expected Credit Losses ("ECL")

Certain financial assets are classified as Loans at Amortised cost, and valued accordingly as disclosed in Note 2. The key source of estimation uncertainty is on the various default scenarios for prescribed future periods and the probability of each scenario occurring which are considered when estimating the ECLs.

Judgements
Assessment as an Investment Entity

Entities that meet the definition of an investment entity within IFRS 10 are required to measure their subsidiaries at fair value through profit or loss rather than consolidate them. The criteria which define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

Notes to the Financial Statements continued

3. Estimates and Judgements continued

The Company has a wide range of investors; through its Investment Adviser management services it enables investors to access private equity, real estate and similar investments.

The Company's objective to provide a "significant capital appreciation" is consistent with that of an investment entity. The Company has clearly defined exit strategies for each of its investment classes, these strategies are again consistent with an investment entity.

The management of JZCP, measure and evaluate the performance of its investments on a fair value basis.

The Board has also concluded that the Company meets the additional characteristics of an investment entity, in that it has more than one investment; the investments are predominantly in the form of equities and similar securities and it has more than one investor.

Investment in Associates

An associate is an entity over which the Company has significant influence. An entity is regarded as a subsidiary only if the Company has control over its strategic, operating and financial policies and intends to hold the investment on a long-term basis for the purpose of securing a contribution to the Company's activities. The Directors have determined that although the Company has over 50% economic interest in EuroMicrocap Fund 2010, L.P. and JZI Fund III GP, L.P.[1], it does not have the power to govern the financial and operating policies of the entities, but does have significant influence over the strategic, operating and financial policies. The Company also has significant influence over the strategic, operating and financial policies of Spruceview Capital Partners, LLC and JZHL Secondary Fund.

In accordance with the exemption within IAS 28 – "Investments in Associates and Joint Ventures", the Company does not account for its investment in EuroMicrocap Fund 2010, L.P., JZHL Secondary Fund, JZI Fund III GP, L.P. and Spruceview Capital Partners, LLC using the equity method. Instead, the Company has elected to measure its investment in its associates at FVTPL.

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 financial statements, which contemplates continuity of operations and the realisation of assets and settlement of liabilities occurring in the ordinary course of business.

Due to the uncertainty that the Company will not have sufficient liquidity to repay its Loan notes (due 11 September 2022) and redeem its ZDP shares (due 1 October 2022), there is a material uncertainty which casts significant doubt on the ability of the Company to continue as a going concern. However, the Financial Statements for the year ended 28 February 2022 have been prepared on a going concern basis given the Board's assessment of future realisations and likelihood that, should it be necessary, agreement would be able to be reached with debt providers which would allow the timely repayment of its obligations, including the redemption of its ZDP shares. The Board, with recommendation from the Audit Committee, has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

In reaching its conclusion, the Board has considered the risks that could impact the Company's liquidity over the period from 14 June 2022 to 30 June 2023 (the "going concern period") being approximately 12 months from the signing of the Financial Statements.

1 JZCP holds indirectly a 18.75% partnership interest in JZI Fund III, L.P. through its interest in JZI Fund III GP, L.P.

As part of their assessment the Audit Committee highlighted the following key consideration:
Whether the Company can generate sufficient cash through realisations of its underlying investments to discharge its liabilities over the period to 30 June 2023 or failing to do so can agree terms with its debt providers to repay its obligations, including the redemption of its ZDP shares, over an extended timeframe.

In summary, the Company's key outstanding debt obligations during the going concern period are:
(i) $31.5 million of Subordinated Notes due 11 September 2022; and
(ii) Approximately $77.3 million of ZDP shares due 1 October 2022, being £57.6 million translated at the year end exchange rate.

The Company needs to generate realisation proceeds of approximately $90 million during the going concern period of which $70 million is required before 1 October 2022 to enable the settlement of the debt obligations on their due date.

Key financing activities during the year
On 30 July 2021, the Company redeemed its CULS totalling £38.9 million ($54 million) on their maturity and entered into a note purchase agreement with the founders and principals of the Company's investment adviser, for the Company to issue subordinated, second lien loan notes (the "Loan Notes") of additional financing totalling $31.5 million.

On 26 January 2022, the Company entered into an agreement with a New Senior Lender replacing the Company's previous senior debt facility. The key highlights of the new facility are as follows:
- Extended maturity date on five year term (26 January 2027 previously 12 June 2022);
- Lower interest rate reducing future finance costs;
- Allowance for the repayment of the Loan notes and ZDP shares assuming the required asset coverage is maintained; and
- Ability to draw down a further $25 million from time to time in its discretion, provided certain conditions are met, in the 24 month period following the closing date.

Update on material liabilities due for settlement
The below table shows the Company's net debt position at the year end and the previous two year ends:

	28.2.2022 $'000	28.2.2021 $'000	29.2.2020 $'000
Senior Debt Facility – extended maturity date 26 January 2027	42,573	68,694	150,362
ZDP shares – maturity date 1 October 2022[1]	77,281	80,527	73,569
Loan notes – maturity date 11 September 2022	32,293	–	–
CULS (£38.9 million) – maturity date 30 July 2021	–	54,332	49,637
	152,147	203,553	273,568
Cash and cash equivalents held	47,050	63,178	56,298
Net debt position	105,097	140,375	217,270

1 Forecast ZDP maturity Dollar amount is the total redemption amount of £57.6 million translated using the 28.2.2022 year end rate being £1/$1.34175.

Notes to the Financial Statements continued

3. Estimates and Judgements continued

Realisations

The Company's ability to repay the above debt obligations remains dependent upon the Company achieving sufficient realisations of its assets within the relevant timeframes. During the year ended 28 February 2022, the Company had realisations of investments totalling $65.8 million (2021:$139.5 million and 2020: $148.2 million).

Realisations and refinancings during the last three fiscal years are as follows:

		Year End 28.2.2022 $ million			Year End 28.2.2021 $ million			Year End 29.2.2020 $ million
Salter Labs	U.S.	41.1	Secondary Sale	U.S.	87.7	Avante	U.S.	37.5
George Industries	U.S.	9.5	Real estate		13.6	Orizon	U.S.	28.0
Orangewood Fund	U.S.	6.2	ABTA	U.S.	9.4	Waterline Renewal	U.S.	23.3
Igloo	U.S.	3.8	Eliantus	Euro	9.4	Priority Express	U.S.	18.5
Vitalyst	U.S.	1.9	K2 Towers II	Euro	9.2	Felix Storch	U.S.	14.0
EMC 2010	Euro	2.2	Other	U.S.	9.0	Other	U.S.	8.7
Fund III	Euro	1.1	Cerpi	Other	1.2	Fund III	Euro	13.6
						Real estate		4.6
		65.8			139.5			148.2

Considering the Company's projected cash position, including the Company's ongoing operating costs and the anticipated further investment required to support the Company's portfolio, the Board anticipates further proceeds of approximately $90 million are required from the realisation of investments during the going concern period, to enable the Company to settle its debts as they fall due. Of this amount approximately $70 million is required before 1 October 2022 to enable settlement of the ZDP shares. The required amounts from realisations assumes the drawdown of the further $25 million available under the terms of the senior debt facility.

The Company's investment adviser, JZAI, is currently pursuing various opportunities to realise value, and these forecast realisations include several anticipated sales of micro-cap companies.

The Board continues to consider the levels of realisation proceeds historically generated by the Company's micro-cap portfolios as well as the accuracy of previous forecasts whilst concluding on the predicted accuracy of forecasts presented.

The Board recognises that, the raising of the required total realisation amount is a considerable task but remains confident in the value of its underlying micro-cap investments. This is supported by the completed post year end realisation, above NAV, of Flow Control LLC (JZHL Secondary Fund's portfolio company) and the agreement of a further sale of a portfolio company of the Secondary Fund as announced on 23 May 2022. This sale, is anticipated to result in the receipt of approximately $89-$94 million from the Secondary Fund. However, the Board notes that the completion of the sale remains subject to certain conditions, and at the time of signing there can be no assurance that these conditions will be satisfied and accordingly, that completion of the sale and subsequent distribution will occur.

Other than the realisation of Flow Control LLC, which did not result in a cash distribution to JZCP from the Secondary Fund, there were no further completed realisations post year end to the date of these Financial Statements were approved.

The restructuring of the Company's debt structure during the year affords the Company time to realise its remaining investments within a timeframe that will help maximise the portfolio's value. Should sufficient realisations proceeds not be raised, within the going concern period to meet the Company's debt liabilities, the Board is confident the Company can work with its lenders to ensure alternative financing plans are in place to extend the timeframe over which its debt obligations are repaid.

Going Concern Conclusion
After careful consideration and based on the reasons outlined above, the Board is satisfied, as at the date of the signing of the Annual Report and Financial Statements, that it is appropriate to adopt the going concern basis in preparing the financial statements and they have a reasonable expectation that the Company will continue in existence as a going concern for the period ending 30 June 2023.

However, the Board has concluded that the following consideration creates a material uncertainty which casts significant doubt over the ability of the Company to continue as a Going Concern, being:

Whether the Company can generate sufficient cash through realisations of its underlying investments to discharge its liabilities over the period to 30 June 2023 or failing to do so can agree terms with its debt providers to repay its obligations, including the redemption of its ZDP shares, over an extended timeframe.

The Financial Statements do not include any adjustments that might result from the outcome of this uncertainty.

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)

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.

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

Segmental Profit/(Loss)

For the year ended 28 February 2022

	US Micro-Cap US$'000	European Micro-Cap US$'000	Real Estate US$'000	Other Investments US$'000	Total US$'000
Interest revenue	13,667	2,583	–	–	16,250
Other portfolio income	520	–	–	–	520
Total segmental income	14,187	2,583	–	–	16,770
Net gain/(loss) on investments at FVTPL	28,723	(11,400)	221	(14)	17,530
Expected credit losses	–	(5,277)	–	–	(5,277)
Realisations from investments held in Escrow	597	–	–	–	597
Investment Adviser's base fee	(4,106)	(1,742)	(317)	(348)	(6,513)
Total segmental operating profit/(loss)	39,401	(15,836)	(96)	(362)	23,107

Notes to the Financial Statements continued

4. Segment Information continued

For the year ended 28 February 2021

	US Micro-Cap US$'000	European Micro-Cap US$'000	Real Estate US$'000	Other Investments US$'000	Total US$'000
Interest revenue	19,132	2,638	–	–	21,770
Other portfolio income	379	–	–	–	379
Total segmental income	19,511	2,638	–	–	22,149
Net (loss)/gain on investments at FVTPL	(13,772)	11,819	(124,420)	(13)	(126,386)
Expected credit losses	–	(3,062)	–	–	(3,062)
Realisations from investments held in Escrow	1,147	–	–	–	1,147
Withholding tax	126	–	–	–	126
Investment Adviser's base fee	(5,839)	(1,642)	(1,187)	(346)	(9,014)
Total segmental operating profit/(loss)	1,173	9,753	(125,607)	(359)	(115,040)

Certain income and expenditure is not considered part of the performance of an individual segment. This includes net foreign exchange gain/(loss), gain/(loss) on financial liabilities at fair value through profit or loss, interest on cash, finance costs, and expenses other than the Investment Adviser fees which can be allocated to an individual segment.

The following table provides a reconciliation between total segmental operating profit/(loss) and operating profit/(loss) less withholding tax.

	28.2.2022 US$'000	28.2.2021 US$'000
Total Segmental Operating Profit/(Loss)	**23,107**	(115,040)
Loss on financial liabilities at fair value through profit or loss	**(1,869)**	(3,618)
Net foreign exchange gain/(loss)	**84**	(4,897)
Fees payable to Investment Adviser based on non-segmental assets	**(901)**	(708)
Expenses not attributable to segments	**(3,747)**	(5,026)
Interest on cash	**174**	220
Interest on treasury notes and corporate bonds	**–**	11
Operating profit/(loss) less withholding tax	**16,848**	(129,058)

The following table provides a reconciliation between total segmental income and total income which comprises the Company's income from investments and bank deposits.

	28.2.2022 US$'000	28.2.2021 US$'000
Total segmental income	**16,770**	22,149
Non-segmental income		
Interest on treasury bills	**–**	11
Bank and deposit interest	**174**	220
Total income	**16,944**	22,380

Segmental Net Assets

The Company's segmental net assets at the year end are as follows:

At 28 February 2022

	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	**284,162**	**76,882**	**23,597**	**23,533**	**408,174**
Loans at amortised cost	**–**	**28,593**	**–**	**–**	**28,593**
Total segmental assets	**284,162**	**105,475**	**23,597**	**23,533**	**436,767**
Segmental liabilities					
Payables and accrued expenses	**(551)**	**(72)**	**(11)**	**(14)**	**(648)**
Total segmental liabilities	**(551)**	**(72)**	**(11)**	**(14)**	**(648)**
Total segmental net assets	**283,611**	**105,403**	**23,586**	**23,519**	**436,119**

At 28 February 2021

	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	299,339	83,968	23,376	23,147	429,830
Loans at amortised cost	–	33,813	–	–	33,813
Total segmental assets	299,339	117,781	23,376	23,147	463,643
Segmental liabilities					
Payables and accrued expenses	(771)	(101)	(43)	(21)	(936)
Total segmental liabilities	(771)	(101)	(43)	(21)	(936)
Total segmental net assets	298,568	117,680	23,333	23,126	462,707

Treasury Bills, Cash at bank and cash equivalents and prepayments 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.

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

	28.2.2022 US$'000	28.2.2021 US$'000
Total Segmental Assets	**436,767**	463,643
Non Segmental Assets		
Cash at bank	**43,656**	59,784
Treasury bills	**3,394**	3,394
Other receivables	**70**	22
Total Assets	**483,887**	526,843
Total Segmental Liabilities	**(648)**	(936)
Non Segmental Liabilities		
Senior debt facility	**(42,573)**	(68,694)
Zero Dividend Preference (2022) shares	**(75,038)**	(74,303)
Loan notes	**(32,293)**	–
Convertible Unsecured Loan Stock	**–**	(52,430)
Other payables	**(1,071)**	(921)
Total Liabilities	**(151,623)**	(197,284)
Total Net Assets	**332,264**	329,559

Notes to the Financial Statements continued

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 assets 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 67) 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.

The following table shows the financial instruments at FVTPL by fair value hierarchy category:

Financial assets at 28 February 2022

	Level 1 US$'000	**Level 2 US$'000**	**Level 3 US$'000**	**Total US$'000**
US micro-cap	–	–	**284,162**	**284,162**
European micro-cap	–	–	**76,882**	**76,882**
Real estate	–	–	**23,597**	**23,597**
Other investments	–	–	**23,533**	**23,533**
Listed investments	**3,394**	–	–	**3,394**
	3,394	–	**408,174**	**411,568**

Financial assets at 28 February 2021

	Level 1 US$'000	Level 2 US$'000	Level 3 US$'000	Total US$'000
US micro-cap	–	–	299,339	299,339
European micro-cap	–	–	83,968	83,968
Real estate	–	–	23,376	23,376
Other investments	–	–	23,147	23,147
Listed investments	3,394	–	–	3,394
	3,394	–	429,830	433,224

Financial liabilities designated at fair value through profit or loss at inception

Financial liabilities at 28 February 2022

	Level 1 US$'000	Level 2 US$'000	Level 3 US$'000	Total US$'000
Convertible Unsecured Loan Stock	–	–	–	–
	–	–	–	–

Financial liabilities at 28 February 2021

	Level 1 US$'000	Level 2 US$'000	Level 3 US$'000	Total US$'000
Convertible Unsecured Loan Stock	–	52,430	–	52,430
	–	52,430	–	52,430

It was concluded that market transactions for the CULS did not take place with sufficient frequency and volume to provide adequate pricing information on an ongoing basis and therefore did not justify a Level 1 categorisation. Therefore, it was considered the CULS were not traded in an active market and were therefore categorised at Level 2 as defined by IFRS. The CULS were valued at fair value being the listed offer price at the year end. Given the illiquid nature of the instruments, the Company considered the potential need to apply an adjustment to the listed offer price.

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 makes its real estate investments through a wholly-owned subsidiary, which in turn owns interests in various residential, commercial, and development 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.
- Discounted Cash Flow ("DCF") analysis, using the relevant rental stream, less expenses, for future periods, discounted at a Market Capitalisation ("MC") rate, or interest rate.
- Relevant rental stream less expenses divided by the market capitalization rate; this method approximates the enterprise value construct used for non-real estate assets.
- Income capital approach using the relevant sell out analysis, less expenses and costs.

Notes to the Financial Statements continued

5. Fair Value of Financial Instruments continued

For each of the above 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 2021. Subsequent discussions with appraisers indicate there would be no significant change in property values between 31 December 2021 and 28 February 2022. 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. Previously, Spruceview was valued using a valuation model which considers both current assets under management ("AUM") and the potential for new AUM. The Board considers the new approach to be more consistent with the valuation methods used by peer companies.

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 28 February 2022 and 28 February 2021 are shown below:

	Value 28.2.2022 US$'000	Valuation Technique	Unobservable input	Range (weighted average)	Sensitivity used	Effect on Fair Value US$'000	
US micro-cap investments	284,162	EBITDA Multiple	Average EBITDA Multiple of Peers	7.0x – 13.5x (9.0x)	-0.5x/+0.5x	(23,876)	23,998
			Discount to Average Multiple	5% – 30% (14.7%)	+5%/-5%	(32,217)	31,887
European micro-cap investments	76,286	EBITDA Multiple	Average EBITDA Multiple of Peers	5.5x – 14.2x (9.4x)	-0.5x/+0.5x	(5,293)	5,293
			Discount to Average Multiple	2% – 50% (23%)	+5%/-5%	(4,533)	4,533
Real estate[1,2]	23,597	Cap Rate/ Income Approach	Capitalisation Rate	5.25% – 5.75% (5.56%)	+50bps/ -50bps	(5,338)	6,552
Other investments[3]	22,324	Forward looking Revenue Approach	Revenue	$8.3 million	-10%/+10%	(2,187)	1,824
			Multiple	5.3x	-10%/+10%	(2,206)	1,809

	Value 28.2.2021 US$'000	Valuation Technique	Unobservable input	Range (weighted average)	Sensitivity used	Effect on Fair Value US$'000	
US micro-cap investments	299,339	EBITDA Multiple	Average EBITDA Multiple of Peers	7.5x – 13.5x (9.6x)	-0.5x/+0.5x	(26,888)	22,859
			Discount to Average Multiple	10% – 30% (17%)	+5%/-5%	(36,420)	35,604
European micro-cap investments	80,689	EBITDA Multiple	Average EBITDA Multiple of Peers	7.4x – 14.0x (10.0x)	-0.5x/+0.5x	(4,615)	4,597
			Discount to Average Multiple	11% – 69% (29%)	+5%/-5%	(4,225)	4,205
Real estate[1,2]	23,376	Cap Rate/ Income Approach	Capitalisation Rate	5.25% – 6.25% (5.94%)	+50bps/ -50bps	(7,925)	9,834
Other investments[3]	21,938	AUM Approach	AUM	$3.8 Bn	-10%/+10%	(4,989)	4,989
			% Applied to AUM	2.3%	-10%/+10%	(2,194)	2,194

1 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.

2 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 relatively greater impact at JZCP's equity level.

3 JZCP's investment in Spruceview.

Notes to the Financial Statements continued

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 year.

Year ended 28 February 2022

	US Micro-Cap US$'000	European Micro-Cap US$'000	Real Estate US$'000	Other Investments US$'000	Total US$'000
At 1 March 2021	**299,339**	**83,968**	**23,376**	**23,147**	**429,830**
Investments in year including capital calls	**4,898**	**7,647**	**–**	**400**	**12,945**
Payment In Kind ("PIK")	**14,190**	**–**	**–**	**–**	**14,190**
Proceeds from investments realised	**(62,466)**	**(3,333)**	**–**	**–**	**(65,799)**
Net gains/(losses) on investments	**28,723**	**(11,400)**	**221**	**(14)**	**17,530**
Movement in accrued interest	**(522)**	**–**	**–**	**–**	**(522)**
At 28 February 2022	**284,162**	**76,882**	**23,597**	**23,533**	**408,174**

Year ended 28 February 2021

	US Micro-Cap US$'000	European Micro-Cap US$'000	Real Estate US$'000	Other Investments US$'000	Total US$'000
At 1 March 2020	404,880	71,619	158,712	22,603	657,814
Investments in year including capital calls	3,629	9,858	2,639	1,840	17,966
Payment In Kind ("PIK")	20,027	–	–	–	20,027
Proceeds from investments realised	(114,170)	(9,328)	(13,555)	(1,283)	(138,336)
Net (losses)/gains on investments	(13,772)	11,819	(124,420)	(13)	(126,386)
Movement in accrued interest	(1,255)	–	–	–	(1,255)
At 28 February 2021	299,339	83,968	23,376	23,147	429,830

Fair value of Zero Dividend Preference ("ZDP") shares

The fair value of the ZDP shares is deemed to be their quoted market price. As at 28 February 2022, the offer price for the ZDP (2022) shares was £4.74 (28 February 2021: £3.80) and the total fair value of the ZDP shares was $75,732,000 (28 February 2021: $63,263,000) which is $694,000 higher (28 February 2021: $11,040,000 lower) than the liability recorded in the Statement of Financial Position.

ZDP shares are recorded at amortised cost and would fall in to the Level 2 hierarchy if valued at FVTPL.

6. Net Gain/(Loss) on Investments at Fair Value Through Profit or Loss

	Year Ended 28.2.2022 US$'000	Year Ended 28.2.2021 US$'000
Net gain/(loss) on investments held in investment portfolio at year end		
Net movement in unrealised gains/(loss) positions during the year	**71,242**	199,715
Net unrealised loss in prior years now realised	**(54,048)**	(215,285)
Net unrealised gain/(loss) on investments held at the year end	**17,194**	(15,570)
Gains/(loss) on investments realised in the year		
Proceeds from investments realised	**65,799**	179,301
Cost of investments realised	**(119,511)**	(505,402)
Net realised loss	**(53,712)**	(326,101)
Net unrealised loss in prior years now realised	**54,048**	215,285
Total gain/(loss) in the year on investments realised	**336**	(110,816)
Net gain/(loss) on investments during the year	**17,530**	(126,386)

The losses recorded for the year ended 28 February 2021 are predominantly attributable to valuation write downs in the Company's real estate portfolio.

7. Expected Credit Losses

	Year Ended 28.2.2022 US$'000	Year Ended 28.2.2021 US$'000
Impairments on loans during the year	**5,277**	3,062

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.

	Year Ended 28.2.2022 US$'000	Year Ended 28.2.2021 US$'000
Impairment on loans classified as Stage 1	**1,892**	815
Impairment on loans classified as Stage 2	**–**	2,247
Impairment on loans classified as Stage 3	**3,385**	–
Total impairment on loans during the year	**5,277**	3,062

8. Investment Income

	Year Ended 28.2.2022 US$'000	Year Ended 28.2.2021 US$'000
Interest revenue calculated using the effective interest method	**2,583**	2,987
Other interest and similar income	**14,187**	19,173
	16,770	22,160

Income for the year ended 28 February 2022

	Dividends US$'000	**Preferred Dividends US$'000**	**Loan note PIK US$'000**	**Loan note Cash US$'000**	**Other Income US$'000**	**Total US$'000**
US micro-cap portfolio	**520**	**13,667**	**–**	**–**	**–**	**14,187**
European micro-cap portfolio	**–**	**–**	**2,583**	**–**	**–**	**2,583**
	520	**13,667**	**2,583**	**–**	**–**	**16,770**

Income for the year ended 28 February 2021

	Dividends US$'000	Preferred Dividends US$'000	Loan note PIK US$'000	Loan note Cash US$'000	Other Income US$'000	Total US$'000
US micro-cap portfolio	379	18,783	70	279	–	19,511
European micro-cap portfolio	–	–	2,638	–	–	2,638
Treasury bills		–	–	–	11	11
	379	18,783	2,708	279	11	22,160

Notes to the Financial Statements continued

9. Finance Costs

	Year Ended 28.2.2022 US$'000	Year Ended 28.2.2021 US$'000
Interest expense calculated using the effective interest method		
Senior debt facility (note 14)	**6,843**	11,797
ZDP shares (note 15)	**3,807**	3,441
Loan notes (note 16)	**1,108**	–
	11,758	15,238
Other interest and similar expense		
CULS finance costs paid (note 17)	**1,336**	2,953
	13,094	18,191

10. Expenses

	Year Ended 28.2.2022 US$'000	Year Ended 28.2.2021 US$'000
Investment Adviser's base fee	**7,414**	9,722
Directors' remuneration	**290**	319
	7,704	10,041
Administrative expenses:		
Legal fees	**1,675**	2,934
Other professional fees	**432**	565
Accounting, secretarial and administration fees	**350**	350
Auditors' remuneration	**350**	500
Auditors' remuneration – non-audit fees	**71**	134
Directors' insurance	**226**	59
Custodian fees	**24**	17
Other expenses	**329**	148
	3,457	4,707
Total expenses	**11,161**	14,748

Directors' Remuneration

For the year ended 28 February 2022 total Directors' fees included in the Statement of Comprehensive Income were $290,000 (year ended 28 February 2021: $319,000), of this amount $47,000 was outstanding at the year end (28 February 2021: $46,000). The Directors' remuneration report in the annual report provides further details of the remuneration paid.

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 excluded assets as defined under the terms of the Advisory 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 year ended 28 February 2022, total investment advisory and management expenses, based on the average total assets of the Company, were included in the Statement of Comprehensive Income of $7,414,000 (year ended 28 February 2021: $9,722,000). Of this amount $276,000 (28 February 2021: $573,000) was due and payable at the year end.

The incentive fee has two parts. The first part is calculated by reference to the net investment income of the Company ("Income Incentive fee") and the second part of the incentive fee is calculated by reference to the net realised capital gains ("Capital Gains Incentive Fee", or "CGIF").

In December 2019 following significant losses reported in the Company's real estate portfolio, the Investment Adviser agreed to waive fees payable by the Company of $14.5 million relating to realised gains in the year ended 28 February 2019. Further fees payable for realised gains in the year ended 29 February 2020 of $10.1 million were also waived. No further incentive fees will be paid to the Investment Adviser until the Company and Investment Adviser have mutually agreed to reinstate such payments.

The Advisory Agreement may be terminated by the Company or the Investment Adviser upon not less than two and one-half years' (i.e. 913 days') prior notice (or such lesser period as may be agreed by the Company and Investment Adviser).

Administration Fees

Northern Trust International Fund Administration Services (Guernsey) Limited was appointed as Administrator to the Company on 1 September 2012. The Administrator is entitled to an annual fee of $350,000 (28 February 2021: $350,000) payable quarterly in arrears. Fees payable to the Administrator are subject to an annual fee review.

Custodian Fees

HSBC Bank (USA) N.A, (the "Custodian") was appointed on 12 May 2008 under a custodian agreement. The Custodian is entitled to receive an annual fee of $2,000 and a transaction fee of $50 per transaction. For the year ended 28 February 2022, total Custodian expenses of $24,000 (28 February 2021: $17,000) were included in the Statement of Comprehensive Income of which $10,000 (28 February 2021: $10,000) was outstanding at the year end and is included within Other Payables.

Auditors' Remuneration

During the year ended 28 February 2022, the Company incurred fees for audit services of $350,000 (28 February 2021: $500,000). Fees were are also payable to Ernst & Young for non-audit services including taxation services in relation to the Company's status as a Passive Foreign Investment Company ("PFIC"). PFIC services payable in the year ended 28 February 2022 were provided by PricewaterhouseCoopers LLP and are classified as other professional fees.

Audit Fees	**28.2.2022 US$'000**	28.2.2021 US$'000
Audit fees – 2022 (based on estimate received: £256,000)	**343**	–
Audit fees – 2021 (based on estimate received: £275,000)	**7**	385
Audit fees – 2020: additional fees	**–**	115
Total audit fees	**350**	500

Non-audit Fees Paid to Ernst & Young	**US$'000**	US$'000
Interim Review – £53,000 (2021: £50,000)	**71**	69
Taxation services	**–**	65
Total non-audit fees	**71**	134

11. Taxation

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

During the current year, there were no provisions or deductions of withholding taxes. During the prior year, a withholding tax provision of $126,000 provided for on receipt of a dividend from an unlisted investment was reversed. At 28 February 2022, the Company has provided for $398,000 (28 February 2021: $398,000 of potential withholding tax).

Notes to the Financial Statements continued

12. Investments

	Category of financial instruments			
	Listed FVTPL 28.2.2022 US$'000	Unlisted FVTPL 28.2.2022 US$'000	Unlisted Loans 28.2.2022 US$'000	Carrying Value Total 28.2.2022 US$'000
Book cost at 1 March 2021	3,393	543,740	74,651	621,784
Investments in year including capital calls	3,395	12,945	–	16,340
Payment in kind ("PIK")[1]	–	14,190	2,877	17,067
Proceeds from investments matured/realised	(3,395)	(65,799)	–	(69,194)
Interest received on maturity	2	–	–	2
Net realised loss	–	(53,712)	–	(53,712)
Realised impairment loss[2]	–	–	(31,757)	(31,757)
Realised currency loss[2]	–	–	(2,674)	(2,674)
Book cost at 28 February 2022	3,395	451,364	43,097	497,856
Unrealised net investment and foreign exchange loss	–	(45,192)	(4,664)	(49,856)
Impairment on loans at amortised cost	–	–	(10,148)	(10,148)
Accrued interest	(1)	2,002	308	2,309
Carrying value at 28 February 2022	3,394	408,174	28,593	440,161

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.
2 Realised impairment loss is due to the Company's direct loan in Ombuds (European micro-cap). The loss was recognised in prior periods and was included within the comparative number for Impairment on loans at amortised cost.

Comparative reconciliation for the year ended 28 February 2021

	Category of financial instruments			
	Listed FVTPL 28.2.2021 US$'000	Unlisted FVTPL 28.2.2021 US$'000	Unlisted Loans 28.2.2021 US$'000	Carrying Value Total 28.2.2021 US$'000
Book cost at 1 March 2020	3,385	970,184	71,939	1,045,508
Investments in year including capital calls	6,787	58,931	–	65,718
Payment in kind ("PIK")[1]	–	20,027	2,712	22,739
Proceeds from realisation and repayment of investments	(6,790)	(179,301)	–	(186,091)
Interest received on maturity	11	–	–	11
Net realised investment and foreign exchange loss	–	(326,101)	–	(326,101)
Book cost at 28 February 2021	3,393	543,740	74,651	621,784
Unrealised net investment and foreign exchange loss	–	(116,434)	(7,973)	(124,407)
Impairment on loans at amortised cost[2]	–	–	(33,323)	(33,323)
Accrued interest	1	2,524	458	2,983
Carrying value at 28 February 2021	3,394	429,830	33,813	467,037

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.
2 Includes unrealised impairment loss of the Company's direct loan in Ombuds (European micro-cap) which has been realised during the current year.

Loans at amortised cost

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

Interest on the loans accrues at the following rates:

	As At 28 February 2022				As At 28 February 2021			
	8%	10%	14%	Total	8%	10%	14%	Total
Loans at amortised cost	**26,357**	**2,236**	**–**	**28,593**	28,652	2,247	2,914	33,813

Maturity dates are as follows:

	As At 28 February 2022				As At 28 February 2021			
	0-6 months $'000	7-12 months $'000	1-2 years $'000	Total $'000	0-6 months $'000	7-12 months $'000	1-2 years $'000	Total $'000
Loans at amortised cost	**–**	**28,593**	**–**	**28,593**	–	–	33,813	33,813

The Company agreed to extend the maturity date of all loans to European micro-cap companies to 31 December 2022.

Investment in Associates

An associate is an entity over which the Company has significant influence. An entity is regarded as a subsidiary only if the Company has control over its strategic, operating and financial policies and intends to hold the investment on a long-term basis for the purpose of securing a contribution to the Company's activities. The Company has elected for an exemption from 'equity accounting' for associates and instead classifies its associates as Investments at fair value through profit or loss.

Entity		% Interest	28.2.2022 US$'000	28.2.2021 US$'000
JZI Fund III GP, L.P. (has 25% partnership interest in JZI Fund III, L.P.)[1]	*Cayman*	75%	**76,286**	80,689
JZHL Secondary Fund L.P.	*Delaware*	n/a	**117,339**	72,154
Spruceview Capital Partners, LLC	*Delaware*	49%	**22,324**	21,938
EuroMicrocap Fund 2010, L.P.	*Cayman*	75%	**596**	3,279
Orangewood Partners Platform LLC	*Delaware*	79%	**–**	10,876
			216,545	188,936

1 JZCP holds indirectly a 18.75% partnership interest in JZI Fund III, L.P.

The principal activity of all the JZI Fund III, JZHL Secondary Fund, EuroMicrocap Fund 2010, L.P. and Orangewood Partners Platform LLC is the acquisition of micro-cap companies. The principal activity of Spruceview Capital Partners, LLC is that of an asset management company. There are no significant restrictions on the ability of associates to transfer funds to the Company in the form of dividends or repayment of loans or advances.

The Company's maximum exposure to losses from the associates (shown below) equates to the carrying value plus outstanding commitments:

Entity	28.2.2022 US$'000	28.2.2021 US$'000
JZI Fund III GP, L.P.	**91,974**	104,514
JZHL Secondary Fund L.P.	**117,339**	72,154
Spruceview Capital Partners, LLC	**22,824**	22,838
EuroMicrocap Fund 2010, L.P.	**596**	3,279
Orangewood Partners Platform LLC	**–**	25,980
	232,733	228,765

Notes to the Financial Statements continued

12. Investments continued

Investment in Subsidiaries

The principal place of business for subsidiaries is the USA. The Company meets the definition of an Investment Entity in accordance with IFRS 10. Therefore, it does not consolidate its subsidiaries but rather recognises them as investments at fair value through profit or loss.

Entity	Place of incorporation	% Interest	**28.2.2022 US$'000**	28.2.2021 US$'000
JZCP Realty, Ltd	Cayman	100%	**23,597**	23,376
Investments in subsidiaries at fair value			**23,597**	23,376

There are no significant restrictions on the ability of subsidiaries to transfer funds to the Company. The Company has no contractual commitments to provide any financial or other support to its unconsolidated subsidiaries.

JZCP Realty Ltd has a 100% interest in the following Delaware incorporated entities: JZCP Loan 1 Corp, JZCP Loan Fulton Corp, JZCP Loan Flatbush Corp, JZCP Loan Flatbush Portfolio Corp, JZCP Loan Design Corp and JZCP Loan Esperante Corp.

JZCP Realty Ltd has a 99% interest in the following Delaware incorporated entities: JZBC, Inc., JZ REIT Fund 1, LLC, JZ REIT Fund Fulton, LLC, JZ REIT Fund Flatbush, LLC, JZ REIT Fund Flatbush Portfolio, LLC, JZ REIT Fund Design LLC and JZ REIT Fund Esperante LLC.

13. Other Receivables

	28.2.2022 US$'000	28.2.2021 US$'000
Prepayments	**70**	22
	70	22

14. Senior Debt Facility

New Senior Secured Loan Facility

On 26 January 2022, JZCP entered into an agreement with WhiteHorse Capital Management, LLC (the "New Senior Lender") providing for a new five year term senior secured loan facility (the "New Senior Debt Facility"). The New Senior Debt 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 New Senior Debt 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 year 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.

The interest rate charged to The New Senior Facility at the year end is the LIBOR Rate plus 7.00[1] per cent., or if the Company elects for a portion of the interest to be paid in kind, the LIBOR Rate plus 9.00 per cent., of which 4.00 per cent. would be charged as payment-in kind (PIK) interest. The Closing Date Term Loans are subject to a prepayment penalty if they are repaid before yielding an aggregate 15 per cent. The prepayment penalty ranges from 3.00 per cent. to 1.00 per cent. depending on whether it is repaid within 1 year, 2 years or 3 years of funding.

1 There is an interest rate floor that stipulates LIBOR will not be lower than 1%. In this agreement, the presence of the floor does not significantly alter the amortised cost of the instrument, therefore separation is not required and the loan is valued at amortised cost using the effective interest rate method. During the year, the relevant 3 month LIBOR rates were below 1%. LIBOR regulators (including the UK Financial Conduct Authority and the US Commodity Futures Trading Commission) have announced a transition away from LIBOR, however it is expected that the 3 month USD LIBOR which is relevant to the Company will continue to be available until the end of June 2023.

The New Senior Debt 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. As at 28 February 2022, eligible assets of $471.0 million adjusted to $351.9 were held as collateral. The New Senior Facility allows for the repayment of the Company's other debt obligations assuming the above covenants are not breached as a result of repayment.

Previous Senior Secured Loan Facility

On 12 June 2015, JZCP entered into a Senior Secured Debt Facility agreement with Guggenheim Partners Limited (the "Original Senior Lenders"). The original facility was structured as $80 million and €18 million and increased by a further $50 million in April 2017. The facility, before the extension noted below, was due to mature on 12 June 2021 (6-year term). During the year ended 28 February 2021 and following a repayment of $82.9 million, the outstanding principal was assigned from the Original Senior Lenders to the Previous Senior Lenders.

On 14 May 2021, the Company entered into an amendment agreement with its Previous Senior Lenders to further amend the terms of its senior debt facility, which extended the maturity date of the senior debt facility by one year until 12 June 2022 and amended the interest rate charged for the First Out Loans from a rate of LIBOR + 5.75 per cent. to a rate of LIBOR + 9.75 per cent. (with a 1 per cent. floor). The interest rate charged under the amended agreement for the Last Out Loans was amended from a rate of LIBOR + 11 per cent. to a rate of LIBOR + 15 per cent. (with a 1 per cent. floor), of which 4 per cent. were charged as payment-in-kind interest. At this juncture, the modified terms of the loan were not deemed to be substantially different from the original terms. Therefore, as per IFRS-9, the senior debt facility was accounted for as a continuation of the original facility rather than an extinguishment of the original facility and the recognition of a new facility.

On 18 June 2021, the Company repaid a further $33.3 million of the outstanding principal amount following a material investment realisation. On 7 October 2021, the Company received a further drawdown of $16 million on the terms of the First Out facility. On 26 January 2022, the Company repaid a further $7.3 million on the repayment of the facility and the transfer of $45 million to the New Senior Secured Loan Facility.

New Senior Secured Loan Facility

	28.2.2022 US$'000	28.2.2021 US$'000
Principal – drawdown 26 January 2022	**45,000**	–
Issue costs	**(2,787)**	–
Amortised cost – 26 January 2022	**42,213**	–
Finance costs charged to Statement of Comprehensive Income	**360**	–
Amortised cost at year end	**42,573**	–

Previous Senior Secured Loan Facility

	28.2.2022 US$'000	28.2.2021 US$'000
Amortised cost (Dollar drawdown) – 1 March	**68,694**	130,523
Amortised cost (Euro drawdown) – 1 March	**–**	19,839
Loan advance	**16,000**	–
Loan repayments[1]	**(85,585)**	(82,912)
Finance costs charged to Statement of Comprehensive Income	**6,483**	11,797
Interest and finance costs paid	**(5,592)**	(12,331)
Unrealised currency gain on translation of Euro drawdown	**–**	1,778
Amortised cost at year end	**–**	68,694

The carrying value of the loans approximates to fair value.

1 Total principal repaid during the year includes cash payments of $43.041 million and the transfer to the New Senior Lender of $45.0 million principal less expenses deducted of $2.456 million.

Notes to the Financial Statements continued

15. Zero Dividend Preference ("ZDP") Shares

On 1 October 2015, the Company rolled over 11,907,720 existing ZDP (2016) shares in to new ZDP shares with a 2022 maturity date. The ZDP (2022) shares have a gross redemption yield of 4.75% and a total redemption value of £57,597,000 (approximately $77,281,000 using the exchange rate at year end).

ZDP shares are designed to provide a pre-determined final capital entitlement which ranks behind the Company's creditors but in priority to the capital entitlements of the Ordinary shares. The ZDP shares carry no entitlement to income and the whole of their return will therefore take the form of capital. In certain circumstances, ZDP shares carry the right to vote at general meetings of the Company as detailed in the Company's Memorandum of Articles and Incorporation. Issue costs are deducted from the cost of the liability and allocated to the Statement of Comprehensive Income over the life of the ZDP shares.

ZDP (2022) Shares	28.2.2022 US$'000	28.2.2021 US$'000
Amortised cost at 1 March	**74,303**	64,510
Finance costs allocated to Statement of Comprehensive Income	**3,807**	3,441
Unrealised currency (gain)/loss to the Company on translation during the year	**(3,072)**	6,352
Amortised cost at year end	**75,038**	74,303
Total number of ZDP (2022) shares in issue	**11,907,720**	11,907,720

16. Loan Notes

During the period, the Company entered into a note purchase agreement with David Zalaznick and John (Jay) Jordan, the founders and principals of the Company's investment adviser, Jordan/Zalaznick Advisers, Inc. ("JZAI"), pursuant to which they purchased on 31 July 2021, directly or through their affiliates, subordinated, second lien loan notes totalling $31.5 million, with a maturity date of 11 September 2022 (the "Loan notes").

The interest rate on the Loan notes will be 6 per cent. per annum payable semi-annually on each of 31 March and 30 September of each year, commencing on the first such date to occur after the issuance of the Loan Notes.

	28.2.2022 US$'000	28.2.2021 US$'000
Loan notes issued in period	**31,500**	–
Finance costs charged to Statement of Comprehensive Income	**1,108**	–
Interest and finance costs paid	**(315)**	–
Amortised cost at year end	**32,293**	–

17. Convertible Unsecured Loan Stock ("CULS")

On 30 July 2021, JZCP redeemed 3,884,279 £10 CULS and converted on request, 1,835 £10 CULS into 3,039 Ordinary Shares at the agreed conversion price.

JZCP issued £38,861,140 6% CULS on 30 July 2014. The holders of the CULS had the option to convert the whole or part (being an integral multiple of £10 in nominal amount) of their CULS into Ordinary Shares at the agreed conversion price of £6.0373 per Ordinary Share, which was subject to adjustment to deal with certain events which would otherwise dilute the conversion of the CULS.

CULS bore interest on their nominal amount at the rate of 6.00 per cent. per annum, payable semi-annually in arrears. During the year ended 28 February 2022: $2,679,000 (28 February 2021: $2,953,000) of interest was paid to holders of CULS and $1,336,000 (28 February 2021: $2,953,000) is shown as a finance cost in the Statement of Comprehensive Income.

In accordance with IFRS, the Company has calculated the movement in fair value due to the change in the credit risk of the CULS which is allocated as Other Comprehensive Income in the Statement of Comprehensive Income. The loss on financial liabilities at fair value through profit or loss comprises the movement in the fair value attributable to the change in the benchmark interest rate and the movement attributable to foreign exchange gain/loss on translation.

	28.2.2022 US$'000	28.2.2021 US$'000
Fair Value of CULS at 1 March	**52,430**	49,886
Interest expense	**1,336**	2,953
Coupon paid	**(2,679)**	(2,953)
Unrealised movement in value of CULS due to change in Company's Credit Risk	**1,074**	(1,074)
Unrealised movement in fair value of CULS	**2,170**	(912)
Unrealised currency (gain)/loss on translation during the year	**(301)**	4,530
Loss on financial liabilities at fair value through profit or loss	**1,869**	3,618
Redemption of CULS	**(54,005)**	2,953
Conversion of CULS into Ordinary Shares	**(25)**	–
Fair Value of CULS based on offer price	**–**	52,430

18. Other Payables

	28.2.2022 US$'000	28.2.2021 US$'000
Provision for tax on dividends received not withheld at source	**398**	398
Legal fee provision	**505**	250
Audit fees	**325**	363
Directors' remuneration	**47**	48
Other expenses	**168**	225
	1,443	1,284

19. Share Capital

Authorised Capital

Unlimited number of ordinary shares of no par value.

Ordinary shares – Issued Capital

	28.2.2022 Number of shares	28.2.2021 Number of shares
Balance at 1 March	**77,474,175**	77,474,175
Ordinary shares issued during the year	**3,039**	–
Total Ordinary shares in issue	**77,477,214**	77,474,175

On 2 August 2021, the Company issued 3,039 Ordinary shares resulting from the conversion of 1,835 CULS. The conversion price was £6.0373 per Ordinary Share, resulting in a credit to the Share capital account of £18,000 ($25,000).

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

The Ordinary shares carry a right to receive the profits of the Company available for distribution by dividend and resolved to be distributed by way of dividend to be made at such time as determined by the Directors.

In addition to receiving the income distributed, the Ordinary shares are entitled to the net assets of the Company on a winding up, after all liabilities have been settled and the entitlement of the ZDP shares have been met. In addition, holders of Ordinary shares will be entitled on a winding up to receive any accumulated but unpaid revenue reserves of the Company, subject to all creditors having been paid out in full but in priority to the entitlements of the ZDP shares. Any distribution of revenue reserves on a winding up is currently expected to be made by way of a final special dividend prior to the Company's eventual liquidation.

Holders of Ordinary shares have the rights to receive notice of, to attend and to vote at all general meetings of the Company.

Notes to the Financial Statements continued

19. Share Capital continued

Ordinary shares – Issued Capital continued

Capital raised on issue of new shares and capital repaid on buy back of shares

Subsequent amounts raised by the issue of new shares (net of issue costs) and amounts paid to buy back Ordinary shares, are credited/debited to the share capital account.

Share Capital

	28.2.2022 US$'000	28.2.2021 US$'000
At beginning of year	**216,625**	216,625
Issue of Ordinary shares	**25**	–
At year end	**216,650**	216,625

20. Capital Management

The Company's capital is represented by the Ordinary shares, ZDP shares and CULS.

As a result of the ability to issue, repurchase and resell shares, the capital of the Company can vary. The Company is not subject to externally imposed capital requirements and has no restrictions on the issue, repurchase or resale of its shares.

The Company's objectives for managing capital are:

- To invest the capital in investments meeting the description, risk exposure and expected return indicated in its prospectus;
- To achieve consistent returns while safeguarding capital by investing in a diversified portfolio;
- To maintain sufficient liquidity to meet the expenses of the Company; and
- To maintain sufficient size to make the operation of the Company cost-efficient.

The Company's current focus is on realising the maximum value of the Company's investments and repaying debt. Once this has been achieved, and after the repayment of all debt, the Company intends to return capital to shareholders and will at this point keep under review opportunities to buy back Ordinary shares or ZDP shares. The Company will be seeking shareholder approval for the return of capital to shareholders, should the Company be in a position to do so.

The Company monitors capital by analysing the NAV per share over time and tracking the discount to the Company's share price.

21. Reserves

Summary of reserves attributable to Ordinary shareholders

	28.2.2022 US$'000	28.2.2021 US$'000
Share capital	**216,650**	216,625
Other reserve	**353,528**	354,602
Retained deficit	**(237,914)**	(241,668)
	332,264	329,559

Other reserve

On formation of the Company, the Royal Court of Guernsey granted that on the admission of the Company's shares to the Official List and to trading on the London Stock Exchange's market, the amount credited to the share premium account of the Company immediately following the admission of such shares be cancelled and any surplus thereby created accrue to the Company's distributable reserves to be used for all purposes permitted by The Companies (Guernsey) Law, 2008, including the purchase of shares and the payment of dividends. This distributable reserve was subsequently renamed 'Other reserve'.

The movement in the Other reserve during the year was the Gain on financial liabilities due to reversal of the previously recorded losses of $1,074,000 due to the changes in the Company's credit risk, calculated in accordance with IFRS.

Subject to satisfaction of the solvency test, all of the Company's capital and reserves are distributable in accordance with The Companies (Guernsey) Law, 2008.

Retained deficit

	28.2.2022 US$'000	28.2.2021 US$'000
At beginning of year	**(241,668)**	(94,419)
Profit/(loss) for the year	**3,754**	(147,249)
At year end	**(237,914)**	(241,668)

22. Financial Risk Management Objectives and Policies

Introduction

The Company's objective in managing risk is the creation and protection of shareholder value. Risk is inherent in the Company's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The process of risk management is critical to the Company's continuing profitability. The Company is exposed to market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk arising from the financial instruments it holds.

Risk management structure and Risk mitigation

The Company's Investment Adviser is responsible for identifying and controlling risks. The Directors supervise the Investment Adviser and are ultimately responsible for the overall risk management approach within the Company. The Company's prospectus sets out its overall business strategies, its tolerance for risk and its general risk management philosophy. The Company may use derivatives and other instruments for trading purposes and in connection with its risk management activities.

Market risk

Market risk is defined as "the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in variables such as equity price, interest rate and foreign currency rate".

The Company's investments are subject to normal market fluctuations and there can be no assurance that no depreciation in the value of those investments will occur. There can be no guarantee that any realisation of an investment will be on a basis which necessarily reflects the Company's valuation of that investment for the purposes of calculating the NAV of the Company.

Changes in industry conditions, competition, political and diplomatic events, tax, environmental and other laws and other factors, whether affecting the United States alone or other countries and regions more widely, can substantially and either adversely or favourably affect the value of the securities in which the Company invests and, therefore, the Company's performance and prospects.

Notes to the Financial Statements continued

22. Financial Risk Management Objectives and Policies continued

Market risk continued

The Company's market price risk is managed through diversification of the investment portfolio across various sectors. The Investment Adviser considers each investment purchase to ensure that an acquisition will enable the Company to continue to have an appropriate spread of market risk and that an appropriate risk/reward profile is maintained.

Equity price risk

Equity price risk is the risk of unfavourable changes in the fair values of equity investments as a result of changes in the value of individual shares. The equity price risk exposure arose from the Company's investments in equity securities.

The Company does not generally invest in liquid equity investments and the previous portfolio of listed equity investments resulted from the successful flotation of unlisted investments.

For unlisted equity and non-equity shares the market risk is deemed to be inherent in the appropriate valuation methodology (earnings, multiples, capitalisation rates etc). The impact on fair value and subsequent profit or loss, due to movements in these variables, is set out in Note 5 on page 67.

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. It has not been the Company's policy to use derivative instruments to mitigate interest rate risk, as the Investment Adviser believes that the effectiveness of such instruments does not justify the costs involved.

The table below summarises the Company's exposure to interest rate risks:

	Interest bearing			
	Fixed rate 28.2.2022 US$'000	**Floating rate 28.2.2022 US$'000**	**Non interest bearing 28.2.2022 US$'000**	**Total 28.2.2022 US$'000**
Investments at FVTPL	**139,543**	**–**	**272,025**	**411,568**
Loan at amortised cost	**28,593**	**–**	**–**	**28,593**
Cash and cash equivalents	**–**	**43,656**	**–**	**43,656**
Other receivables and prepayments	**–**	**–**	**70**	**70**
Senior debt facility	**–**	**(42,573)**	**–**	**(42,573)**
ZDP shares (2022)	**(75,038)**	**–**	**–**	**(75,038)**
Loan notes	**(32,293)**	**–**	**–**	**(32,293)**
Other payables	**–**	**–**	**(1,719)**	**(1,719)**
	60,805	**1,083**	**270,376**	**332,264**

The table below summarises the Company's exposure to interest rate risks:

	Interest bearing			
	Fixed rate 28.2.2021 US$'000	Floating rate 28.2.2021 US$'000	Non interest bearing 28.2.2021 US$'000	Total 28.2.2021 US$'000
Investments at FVTPL	174,433	–	258,791	433,224
Loan at amortised cost	33,813	–	–	33,813
Cash and cash equivalents	–	59,784	–	59,784
Other receivables and prepayments	–	–	22	22
Loan payable	–	(68,694)	–	(68,694)
ZDP shares (2022)	(74,303)	–	–	(74,303)
CULS	(52,430)	–	–	(52,430)
Other payables	–	–	(1,857)	(1,857)
	81,513	(8,910)	256,956	329,559

The following table analyses the Company's exposure in terms of the interest bearing assets and liabilities maturity dates. The Company's assets and liabilities are included at their carrying value.

As at 28 February 2022

	0-3 months US$'000	**4-12 months US$'000**	**1-<3 years US$'000**	**3-<5 years US$'000**	**Past due US$'000**	**No maturity date US$'000**	**Total US$'000**
Investments at FVTPL	**3,394**	**–**	**–**	**–**	**1,000**	**141,258**	**145,652**
Loans at amortised cost	**–**	**28,593**	**–**	**–**	**–**	**–**	**28,593**
Cash and cash equivalents	**–**	**–**	**–**	**–**	**–**	**43,656**	**43,656**
Senior debt facility	**–**	**–**		**(42,573)**	**–**	**–**	**(42,573)**
ZDP shares (2022)	**–**	**(75,038)**	**–**	**–**	**–**	**–**	**(75,038)**
Loan notes	**–**	**(32,293)**		**–**	**–**	**–**	**(32,293)**
	3,394	**(78,738)**	**–**	**(42,573)**	**1,000**	**184,914**	**67,997**

As at 28 February 2021

	0-3 months US$'000	4-12 months US$'000	1-<3 years US$'000	3-<5 years US$'000	<5 years US$'000	No maturity date US$'000	Total US$'000
Investments at FVTPL	–	3,394	–	–	1,000	173,433	177,827
Loans at amortised cost	–	33,813	–	–	–	–	33,813
Cash and cash equivalents	–	–	–	–	–	59,784	59,784
Senior debt facility	–	(68,694)	–	–	–	–	(68,694)
ZDP shares (2022)	–	–	(74,303)	–	–	–	(74,303)
CULS	–	(52,430)	–	–	–	–	(52,430)
	–	(83,917)	(74,303)	–	1,000	233,217	75,997

The income receivable by the Company is not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates. However, whilst the income received from fixed rate securities is unaffected by changes in interest rates, the investments are subject to risk in the movement of fair value. The Investment Adviser considers the risk in the movement of fair value as a result of changes in the market interest rate for fixed rate securities to be insignificant, hence no sensitivity analysis is provided.

The Company valued the CULS issued at fair value, being the quoted offer price. As the stock has a fixed interest rate of 6% an increase/decrease of prevailing interest rates will potentially have an effect on the demand for the CULS and the subsequent fair value. Other factors such as the Company's ordinary share price and credit rating will also determine the quoted offer price. The overall risk to the Company due to the impact of interest rate changes to the CULS' fair value was deemed immaterial. Therefore no sensitivity analysis is presented.

Of the cash and cash equivalents held, $43,656,000 (28 February 2021: $59,784,000) earns interest at variable rates and the income may rise and fall depending on changes to interest rates.

The Investment Adviser monitors the Company's overall interest sensitivity on a regular basis by reference to the current market rate and the level of the Company's cash balances. The Company has not used derivatives to mitigate the impact of changes in interest rates.

Notes to the Financial Statements continued

22. Financial Risk Management Objectives and Policies continued

The table below demonstrates the sensitivity of the Company's profit/(loss) for the year to a reasonably possible change in interest rates. The Company has cash at bank and loans payable for which interest receivable and payable are sensitive to a fluctuation to rates. The below sensitivity analysis assumes year end balances and interest rates are constant through the year.

	Interest Receivable[1,3]		Interest Payable[2,3]	
Change in basis points increase/decrease	**28.2.2022 US$'000**	28.2.2021 US$'000	**28.2.2022 US$'000**	28.2.2021 US$'000
+100/-100	**350/(175)**	503/(252)	**(230)/nil**	(137)/nil
+300/-300	**1,051/(175)**	1,510/(252)	**(1,130)/nil**	(1,511)/nil

1 Sensitivity applied to money market account balance and applying the year end rate of 0.5%
2 Sensitivity applied to year end balances at relevant rates being $40 million at 12% and $28.7 million at 6.75%
3 The reduction in interest receivable and interest payable is floored as the sensitivity applied reduces the interest rate to zero

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

Changes in exchange rates are considered to impact the fair value of the Company's investments denominated in Euros and Sterling. However, under IFRS the foreign currency risk on these investments is deemed to be part of the market price risk associated with holding such non-monetary investments. As the information relating to the non-monetary investments is significant, the Company also provides the total exposure and sensitivity changes on non-monetary investments on a voluntary basis. The following tables set out the Company's exposure by currency to foreign currency risk.

Exposure to Monetary Assets/Liabilities (held in foreign currencies)

	Euro 28.2.2022 US$'000	**Sterling 28.2.2022 US$'000**	**Total 28.2.2022 US$'000**	Euro 28.2.2021 US$'000	Sterling 28.2.2021 US$'000	Total 28.2.2021 US$'000
Loans at Amortised Cost	**28,593**	**–**	**28,593**	33,813	–	33,813
Cash at Bank	**507**	**38**	**545**	406	44	450
Other Receivables	**–**	**70**	**70**	–	22	22
Liabilities						
ZDP (2022) shares	**–**	**(75,038)**	**(75,038)**	–	(74,303)	(74,303)
CULS	**–**	**–**	**–**	–	(52,430)	(52,430)
Other payables	**–**	**(415)**	**(415)**	–	(528)	(528)
Net Currency Exposure	**29,100**	**(75,345)**	**(46,245)**	34,219	(127,195)	(92,976)

The sensitivity analysis for monetary and non-monetary net assets calculates the effect of a reasonably possible movement of the currency rate against the US dollar on an increase or decrease in net assets attributable to shareholders with all other variables held constant. An equivalent decrease in each of the aforementioned currencies against the US dollar would have resulted in an equivalent but opposite impact.

		Effect on net assets attributable to shareholders (relates to monetary financial assets and liabilities)	
Currency	Change in Currency Rate	**28.2.2022 US$'000**	28.2.2021 US$'000
Euro	+10%	**2,910**	3,422
GBP	+10%	**(7,535)**	(12,722)

Exposure to Non-Monetary Assets (held in foreign currencies)

	Euro 28.2.2022 US$'000	**Sterling 28.2.2022 US$'000**	**Total 28.2.2022 US$'000**	Euro 28.2.2021 US$'000	Sterling 28.2.2021 US$'000	Total 28.2.2021 US$'000
Financial assets at FVTPL	**62,287**	**14,595**	**76,882**	69,956	14,762	84,718
Net Currency Exposure	**62,287**	**14,595**	**76,882**	69,956	14,762	84,718

		Effect on net assets attributable to shareholders (relates to non-monetary financial assets)	
Currency	Change in Currency Rate	**28.2.2022 US$'000**	28.2.2021 US$'000
Euro	+10%	**6,229**	6,996
GBP	+10%	**1,460**	1,476

Credit risk

The Company takes on exposures to credit risk, which is the risk that a counterparty to a financial instrument will cause a financial loss to the Company by failing to discharge an obligation. These credit exposures exist within debt instruments and cash & cash equivalents. They may arise, for example, from a decline in the financial condition of a counterparty or from entering into derivative contracts under which counterparties have obligations to make payments to the Company. As the Company's credit exposure increases, it could have an adverse effect on the Company's business and profitability if material unexpected credit losses were to occur. In the event of any default on the Company's loan investments by a counterparty, the Company will bear a risk of loss of principal and accrued interest of the investment, which could have a material adverse effect on the Company's income and ability to meet financial obligations.

In accordance with the Company's policy, the Investment Adviser regularly monitors the Company's exposure to credit risk in its investment portfolio, by reviewing the financial statements, budgets and forecasts of underlying investee companies. Agency credit ratings do not apply to the Company's investment in investee company debt. The 'credit quality' of the debt is deemed to be reflected in the fair value valuation of the investee company. The Company's investment in accumulated preferred stock is excluded from below analysis as the instruments are deemed to be more closely associated with the investment in the portfolio companies' equity than its debt.

The table below analyses the Company's maximum exposure to credit risk.

	Total 28.2.2022 US$'000	Total 28.2.2021 US$'000
US micro-cap debt	**1,000**	1,000
European micro-cap debt	**28,593**	33,813
US Treasury Bills	**3,394**	3,394
Cash and cash equivalents	**43,656**	59,784
	76,643	97,991

A proportion of micro-cap debt held does not entitle the Company to interest payment in cash. This interest is capitalised (PIK) and as a result there is a credit risk to the Company, as there is no return until the loan plus all the interest, is repaid in full.

Notes to the Financial Statements continued

22. Financial Risk Management Objectives and Policies continued

The following table analyses the concentration of credit risk in the company's debt portfolio by industrial distribution.

	28.2.2022 US$'000	28.2.2021 US$'000
Financial General	**84%**	77%
Document Processing	**13%**	12%
House, Leisure & Personal Goods	**3%**	3%
Telecom	**–**	8%
	100%	100%

Loans at Amortised Cost and Expected Credit Losses ("ECL")

The Company's loans to European micro-cap companies are classified as loans at amortised cost. The credit risk in these investments is deemed to be reflected in the performance and valuation of the investee company. Using IFRS 9's "expected credit loss" model, the Company calculates the allowance for credit losses by considering the cash shortfalls it would incur in various default scenarios for prescribed future periods and multiplying the shortfalls by the probability of each scenario occurring. The allowance is the sum of these probability weighted outcomes. The IFRS ECL model assumes all loans and receivables carries with it some risk of default, every such asset has an expected loss attached to it from the moment of its origination or acquisition. At the reporting date, the credit risk on the loans to Docout and Toro Finance are deemed low-risk and therefore the ECL are considered over the future 12 months or maturity if sooner. The credit risk on the loan to Xacom was deemed to have increased significantly during the year. On assessment of the recoverability of the Xacom loan post year end, it was concluded there would not be proceeds from Xacom, to pay any portion of JZCP's loan hence a provision has been made to bring the carrying value to $nil. ECL realised is due to the Company's direct loan in Ombuds being written off during the year, a loss provision to recognise the carrying value of the Ombuds' loans at $nil, were previously recognised when the company entered bankruptcy (July 2019).

	Year ended 28 February 2022				Year ended 28 February 2021			
ECL Provision	**Stage 1 $'000**	**Stage 2 $'000**	**Stage 3 $'000**	**Total $'000**	Stage 1 $'000	Stage 2 $'000	Stage 3 $'000	Total $'000
ECL at 1 March	**1,370**	**3,177**	**32,559**	**37,106**	905	–	29,356	30,261
Provision during the year	**1,892**	**3,385**	**–**	**5,277**	815	2,247	–	3,062
Level transfer	**–**	**(6,318)**	**6,318**	**–**	(749)	749	–	–
ECL realized	**–**	**–**	**(31,664)**	**(31,664)**	–	–	–	–
Foreign exchange movement	**(110)**	**(244)**	**(895)**	**(1,249)**	399	181	3,203	3,783
ECL at year end	**3,152**	**–**	**6,318**	**9,470**	1,370	3,177	32,559	37,106

Information on the three stages on which ECLs are recognised is provided within Note 7.

The table below analyses the Company's cash and cash equivalents by rating agency category.

Credit ratings	Outlook	LT Issuer Default Rating	**28.2.2022 $'000**
HSBC Bank USA NA	S&P Stable (2021: Stable)	S&P A+ (2021: A+)	**40,588**
City National Bank	S&P Stable (2021: Stable)	S&P AA- (2021: A+)	**2,500**
Raymond James Bank	S&P Positive (2021: Stable)	S&P BBB+ (2021: BBB+)	**4**
Northern Trust (Guernsey) Limited	S&P Stable (2021: Stable)	S&P AA- (2021: AA-)	**564**
			43,656

Bankruptcy or insolvency of the Banks may cause the Company's rights with respect to these assets to be delayed or limited. The Investment Adviser monitors risk by reviewing the credit rating of the Bank. If credit quality deteriorates, the Investment Adviser may move the holdings to another bank.

Liquidity risk

Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected. There has been no change during the year in the Company's processes and arrangements for managing liquidity.

The Company's investments are predominately private equity, real estate and other unlisted investments. By their nature, these investments will generally be of a long term and illiquid nature and there may be no readily available market for sale of these investments. None of the Company's assets/liabilities are subject to special arrangement due to their illiquid nature.

The Company has capital requirements to repay Loan Notes and ZDP shareholders in 2022. At the year end the Company has outstanding investment commitments of $16,188,000 (28 February 2021: $31,897,000) see Note 23.

The Company manages liquidity risk and the ability to meet its obligations by monitoring current and expected cash balances from forecasted investment activity.

The table below analyses JZCP's financial liabilities into relevant maturity groups based on the remaining period at the reporting date to the contractual maturity date. Amounts attributed to the Senior debt facility, ZDP shares and Loan Notes include future contractual interest payments. Financial commitments are contractual outflows of cash and are included within the liquidity statement.

At 28 February 2022

	Less than 1 year US$'000	>1 year – 3 years US$'000	>3 years – 5 years US$'000	>5 years US$'000	No stated maturity US$'000
Senior debt facility	–	–	**63,000**	–	–
ZDP (2022) shares	**77,281**	–	–	–	–
Loan notes	**33,075**	–	–	–	–
Other payables	**1,299**	–	–	–	**398**
Financial commitments (see note 23)	**5,729**	**10,459**	–	–	–
	117,384	**10,459**	**63,000**	–	**398**

At 28 February 2021

	Less than 1 year US$'000	>1 year – 3 years US$'000	>3 years – 5 years US$'000	>5 years US$'000	No stated maturity US$'000
ZDP (2022) shares	–	80,527	–	–	–
CULS	57,048	–	–	–	–
Senior debt facility	70,639	–	–	–	–
Other payables	1,459	–	–	–	398
Financial commitments (see note 23)	12,832	18,825	240	–	–
	141,978	99,352	240	–	398

Notes to the Financial Statements continued

23. Commitments

At 28 February 2022 and 28 February 2021, JZCP had the following financial commitments outstanding in relation to fund investments:

	Expected date of Call	**28.2.2022 US$'000**	28.2.2021 US$'000
JZI Fund III GP, L.P. €13,967,295 (28.2.2021: €19,628,404)	over 3 years	**15,688**	23,825
Spruceview Capital Partners, LLC[1]	over 1 year	**500**	900
Orangewood Partners II-A LP[2]		**–**	6,932
Igloo Products Corp		**–**	240
		16,188	31,897

1 As approved by a shareholder vote on 12 August 2020, JZCP has the option to increase further commitments to Spruceview up to approximately $4.1 million, above the $0.5 million unfunded commitments as at 28 February 2022.

2 During the period, the Company received shareholder approval for Jay Jordan and David Zalaznick to relieve the Company of all of its remaining commitments to the Orangewood Fund being $12.35 million, of which approximately $3 million of this commitment was "funded" and $9.35 million "unfunded" (following the Orangewood Fund's final close in April 2021 which resulted in a reallocation of unfunded commitments).

24. Related Party Transactions

JZAI is a US based company founded by David Zalaznick and John ("Jay") Jordan II, 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 28 February 2022, JZCP's investment in Fund III was valued at $76.3 million (28 February 2021: $80.7 million). JZCP's investment in EMC 2010 was valued at $0.6 million (28 February 2021: $3.3 million).

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 by JZCP to this investment at 28 February 2022, was $33.5 million with $0.5 million of this amount remaining unfunded and outstanding. As approved by a shareholder vote on 12 August 2020, JZCP has the option to increase further commitments to Spruceview by approximately $4.1 million, above the $33.5 million committed as of 28 February 2022. Should this approved capital be committed to Spruceview, it would be committed on the same 50:50 basis with Jay Jordan and David Zalaznick (or their respective affiliates).

During the year ended 28 February 2021, the Company announced that it had agreed and received shareholder approval to sell 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 28 February 2022, JZCP's investment in Fund III was valued at $99.2 million (28 February 2021: $72.2 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 28 February 2022, these co-investments, with Fund A, were in the following portfolio companies: Industrial Services Solutions and New Vitality. Fund A and its parallel funds are also co-investors alongside JZHL Secondary Fund LP in Testing Services Holdings and TierPoint.

During the year, following shareholder approval, JZAI Founders Jay Jordan and David Zalaznick relieved the Company of $12.35 million of its remaining commitments to the Orangewood Fund (approximately $3 million of this commitment being "funded" and $9.35 million "unfunded").

During the year, the Company entered into a note purchase agreement with David Zalaznick and Jay Jordan, pursuant to which they have purchased directly or through their affiliates, subordinated, second lien loan notes in the amount of $31.5 million, with an interest rate of 6 per cent. per annum and maturing on 11 September 2022 (the "Loan Notes"). The issuance of the Loan Notes was subject to a number of conditions, including shareholder approval.

Total Directors' remuneration for the year ended 28 February 2022 was $290,000 (28 February 2021: $319,000).

25. Basic and Diluted Earnings/(Loss) Per Share

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

For the year ended 28 February 2022, the weighted average number of Ordinary shares outstanding during the year was 77,475,932 (Year ended 28 February 2021: 77,474,175).

The diluted earnings/(loss) per share is calculated by considering adjustments required to the earnings/(loss) and weighted average number of shares for the effects of potential dilutive Ordinary shares. The weighted average of the number of Ordinary shares is adjusted assuming the conversion of the CULS ("If-converted method"). The Company's CULS have now been repaid and therefore the Company no longer holds financial instruments that have the potential to dilute the holdings of Ordinary shares. Therefore, for the year ended 28 February 2022 the diluted earnings per share was presented as per the basic earnings per share calculation. The adjusted weighted average of the number of Ordinary shares for the year ended 28 February 2021 was 83,911,016. Conversion was assumed even though at 28 February 2021 the exercise price of the CULS is higher than the market price of the Company's Ordinary shares and are therefore deemed 'out of the money'. Losses for the year ended 28 February 2021 were adjusted to remove the fair value loss of $3,618,000, unrealised movement in value due to credit risk being a gain of $1,074,000 and finance costs attributable to CULS of $2,953,000. For the year ended 28 February 2021, the potential conversion of the CULS would have been anti-dilutive to the total loss per share, therefore the diluted loss per share was presented as per the basic loss per share calculation.

26. Controlling Party

The issued shares of the Company are owned by a number of parties, and therefore, in the opinion of the Directors, there is no ultimate controlling party of the Company, as defined by IAS 24 – Related Party Disclosures.

27. Net Asset Value Per Share

The net asset value per Ordinary share of $4.29 (28 February 2021: $4.25) is based on the net assets at the year end of $332,264,000 (28 February 2021: $329,559,000) and on 77,477,214 (28 February 2021: 77,474,175) Ordinary shares, being the number of Ordinary shares in issue at the year end.

Notes to the Financial Statements continued

28. 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 28 February 2022 and 28 February 2021, the Company has assessed that the likelihood of the recovery of these escrow accounts cannot be determined and has therefore classified the escrow accounts as a contingent asset.

As at 28 February 2022 and 28 February 2021, the Company had the following contingent assets held in escrow accounts which had not been recognised as assets of the Company:

Company

	Amount in Escrow	
	28.2.2022 US$'000	28.2.2021 US$'000
Salter Labs	**536**	–
Southern Petroleum Laboratories (received March 2022)	**509**	–
JZHL Secondary Fund (being 37.5% of the total amount held in escrow)	**202**	–
Igloo	**49**	–
Triwater Holdings	**–**	309
Xpress Logistics (AKA Priority Express)	**–**	19
	1,296	328

During the year ended 28 February 2022 proceeds of $597,000 (28 February 2021: $1,147,000) were realised during the year and recorded in the Statement of Comprehensive Income.

	Year Ended 28.2.2022 US$'000	Year Ended 28.2.2021 US$'000
Escrows at beginning of year	**328**	1,140
Escrows added on realisation of investments	**1,321**	–
Potential escrows at prior year end no longer recorded	**(265)**	–
Escrow receipts during the year	**(597)**	(1,147)
Additional escrows recognised in year not reflected in opening position	**509**	335
Escrows at year end	**1,296**	328

29. Notes to the Statement of Cash Flows

Investment income and interest received during the year

	Year Ended 28.2.2022 US$'000	Year Ended 28.2.2021 US$'000
Interest on investments	**–**	279
Dividends on unlisted investments	**520**	379
Bank interest	**174**	220
Treasury interest	**–**	11
	694	889

Purchases and sales of investments are considered to be operating activities of the Company, given its purpose, rather than investing activities. The cash flows arising from these activities are shown in the Statement of Cash Flows.

Changes in financing liabilities arising from both cash flow and non-cash flow items

	1.3.2021 US$'000	Cash flows US$'000	Non-cash changes Fair Value US$'000	Non-cash changes Finance Costs US$'000	Non-cash changes Foreign Exchange US$'000	**28.2.2022 US$'000**
Senior debt facility	68,694	(32,964)	–	6,843	–	**42,573**
Zero Dividend Preference (2022) shares	74,303	–	–	3,807	(3,072)	**75,038**
Loan notes	–	31,185	–	1,108	–	**32,293**
Convertible Unsecured Loan Stock	52,430	(54,030)	565	1,336	(301)	**–**
	195,427	(55,809)	565	13,094	(3,373)	**149,904**

	1.3.2020 US$'000	Cash flows US$'000	Non-cash changes Fair Value US$'000	Non-cash changes Finance Costs US$'000	Non-cash changes Foreign Exchange US$'000	28.2.2021 US$'000
Zero Dividend Preference (2022) shares	64,510	–	–	3,441	6,352	74,303
Convertible Unsecured Loan Stock	49,886	(2,953)	(1,986)	2,953	4,530	52,430
Senior debt facility	150,362	(95,243)	–	11,797	1,778	68,694
	264,758	(98,196)	(1,986)	18,191	12,660	195,427

30. Dividends Paid and Proposed
No dividends were paid or proposed for the years ended 28 February 2022 and 28 February 2021.

31. IFRS to US GAAP Reconciliation
The Company's Financial Statements are prepared in accordance with IFRS, which in certain respects differ from US GAAP. These differences are not material and therefore no reconciliation between IFRS and US GAAP has been presented. For reference, please see below for a summary of the key judgments and estimates taken into account with regards to the Company as of 28 February 2022, as well as the Shareholders' financial highlights required under US GAAP.

Assessment as an Investment Entity
As stated in Note 2, the Company meets the definition of an investment entity under IFRS 10 and is therefore required to measure its subsidiaries at fair value through profit or loss rather ("FVTPL") than consolidate them. Per US GAAP (Financial Services – Investment Companies (Topic 946): Amendments to the Scope, Measurement, and Disclosure Requirements or "ASC 946"), the Company meets the definition of an investment company, and as required by ASC 946, JZCP measures its investment in Subsidiaries at FVTPL.

Fair Value Measurement of Investments
The fair value of the underlying investments held by the Company are determined in accordance with US GAAP and IFRS based on valuation techniques and inputs that are observable in the market which market participants have access to and will use to determine the exit price or selling price of the investments.

Consideration of going concern
As described in Note 3, there are indicators of substantial doubt about the Company's ability to continue as a going concern. For the purposes of the US GAAP Going concern assessment, the Directors considered that the period to 14 June 2023 was covered by the assessment to 30 June 2023 as described in note 3.

Notes to the Financial Statements continued

31. IFRS to US GAAP Reconciliation continued

Measurement of Liabilities

The Company's Senior debt facility, Loan Notes and ZDP shares are recorded at amortised cost using the effective interest rate method in accordance with US GAAP and IFRS. The CULS' fair value is deemed to be the listed offer price at the year end.

The following table presents performance information derived from the Financial Statements.

	28.2.2022 US$	28.2.2021 US$
Net asset value per share at the beginning of the year	**4.25**	6.14
Performance during the year (per share):		
Net investment income	**0.22**	0.29
Net realised and unrealised loss	**0.13**	(1.76)
Operating expenses	**(0.14)**	(0.19)
Finance costs	**(0.17)**	(0.23)
Total return	**0.04**	(1.89)
Net asset value per share at the end of the year	**4.29**	4.25
Total Return	**0.83%**	(30.78%)
Net investment income to average net assets excluding incentive fee	**5.23%**	5.72%
Operating expenses to average net assets	**(3.45%)**	(3.75%)
Finance costs to average net assets	**(4.04%)**	(4.54%)

32. Subsequent Events

These financial statements were approved by the Board on 14 June 2022. Subsequent events have been evaluated until this date.

In April 2022, the Company announced JZHL Secondary Fund LP (the "Secondary Fund") had sold its interest in Flow Control Holdings LLC for consideration of approximately $77.7 million. This transaction confers no immediate cash benefit to JZCP because the other investors in the Secondary Fund have an entitlement to a priority return before any distribution may be made to JZCP.

In May 2022, the Company announced that a portfolio company of the Secondary Fund executed an agreement to sell certain of its interests, with the Secondary Fund expecting to receive a distribution of approximately $165-$180 million. Accordingly, this sale is expected to result in JZCP receiving a distribution from the Secondary Fund of approximately $89-$94 million, which would correspond to a NAV uplift to JZCP in the range of approximately 56-63 cents per ordinary share. This uplift is not reflected in the year end valuation of the Secondary Fund as the closure of this deal remains subject to certain conditions.

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.
9 West, 57th Street
New York NY 10019

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

JZ Capital Partners Limited is registered in Guernsey
Number 48761

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

UK Transfer and Paying Agent
Equiniti Limited
Aspect House
Spencer Road
Lancing
West Sussex BN99 6DA

US Bankers
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).

City National Bank
100 SE 2nd Street, 13th Floor
Miami, FL 33131

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

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

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

US Lawyers
Monge Law Firm, PLLC
435 South Tryon Street
Charlotte, NC 28202

Mayer Brown LLP
214 North Tryon Street
Suite 3800
Charlotte NC 28202

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

Guernsey Lawyer
Mourant Ozannes (Guernsey) LLP
Royal Chambers
St Julian's Avenue
St Peter Port
Guernsey GY1 4HP

Financial Adviser and Broker
J.P. Morgan Securities plc
25 Bank Street
London E14 5JP

Useful Information for Shareholders

Listing

JZCP Ordinary and Zero Dividend Preference ("ZDP") 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 are 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
ZDP (2022) shares	JZCZ	GG00BZ0RY036	BZ0RY03

Key Information Documents

JZCP produces Key Information Documents to assist investors' understanding of the Company's securities and to enable comparison with other investment products. These documents are 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 annual 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 Annual 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. The Total NAV Return for the year ended 28 February 2022 was 0.9% (2021:-30.8%), which only reflects the change in NAV ($) as no dividends were paid during the year.

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 six-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 year ended 28 February 2022 was 34.6%, 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 2021 was -69.8%.

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 28 February 2022, JZCP's Ordinary shares traded at £1.05 (28 February 2021: £0.78) or $1.41 (28 February 2021: $1.09) being the dollar equivalent using the year end exchange rate of £1: $1.34 (28 February 2021 £1: $1.39). The shares traded at a 67.2% (28 February 2021: 74.3%) discount to the NAV per share of $4.29 (2021: $4.25).

Ongoing Charges calculation

A measure expressing the Ongoing annualised expenses as a percentage of the Company's average annualised net assets over the year 3.31% (2021: 3.52%). Ongoing charges, or annualised recurring operating expenses, are those expenses of a type which are likely to recur in the foreseeable future, whether charged to capital or revenue, and which relate to the operation of the company, excluding the Investment Adviser's Incentive fee, financing charges and gains/losses arising on investments.

Ongoing expenses for the year are $10,809,000 (2021: $13,747,000) comprising of the IA base fee $7,414,000 (2021: $9,722,000), administrative fees $3,105,000 (2021: $3,706,000) and directors fees $290,000 (2021: $319,000). Average net assets for the year are calculated using quarterly NAVs $323,723,000 (2021: $390,244,000).

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

Annual General Meeting	3 August 2022
Interim report for the six months ended 31 August 2022	November 2022 (date to be confirmed)
Results for the year ended 28 February 2023	May 2023 (date to be confirmed)

JZCP, will aim to issue monthly NAV announcements within 21 day of the month end, these announcements will be posted on JZCP's website at the same time, or soon thereafter.

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) 121 415 7047.

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 0871 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 overseas +44 (0) 121 415 7047 or access their website at www.equiniti.com. Changes of name or address must be notified in writing to the Transfer and Paying Agent.

Useful Information for Shareholders continued

Nominee Share Code

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

Documents Available for Inspection

The following documents will be available at the registered office of the Company during usual business hours on any weekday until the date of the Annual General Meeting and at the place of the meeting for a period of fifteen minutes prior to and during the meeting:
(a) the Register of Directors' Interests in the stated capital of the Company;
(b) the Articles of Incorporation of the Company; and
(c) the terms of appointment of the Directors.

Warning to Shareholders – Boiler Room Scams

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

- Make sure you get the correct name of the person or organisation
- Check that they are properly authorised by the FCA before getting involved by visiting https://www.fca.org.uk/firms/financial-services-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 pages 96 and 97).

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).

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;

Useful Information for Shareholders continued

(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 year ended February 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 2022 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

Notice of Annual General Meeting

THIS DOCUMENT AND THE ACCOMPANYING FORM OF PROXY ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take or the contents of this document, you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000, as amended, if you are a resident in the United Kingdom or, if not, from another appropriately authorised financial adviser without delay.

If you sell or have sold or otherwise transferred all of your registered holding of shares, please send this document, together in the case of holders of Ordinary Shares with the accompanying Form of Proxy, as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. However, such documents should not be sent in or into any jurisdiction if to do so would constitute a violation of the relevant laws of such jurisdiction.

JZ CAPITAL PARTNERS LIMITED (Company No. 48761) (the "Company")

Notice is hereby given that the Fourteenth Annual General Meeting of the Company will be held at the offices of Northern Trust International Fund Administration Services (Guernsey) Limited, Trafalgar Court, Les Banques, St Peter Port, Guernsey GY1 3QL, Channel Islands on 3 August 2022 at 13:00 BST to consider and, if thought fit, pass the following resolutions.

Shareholders are strongly encouraged to exercise their voting rights by completing and submitting a Form of Proxy. It is highly recommended that Shareholders submit their Form of Proxy as early as possible to ensure that their votes are counted at the Annual General Meeting.

In light of the Covid-19 pandemic, the Company will continue to closely monitor the situation in the lead up to the Annual General Meeting and will make any updates as required about the Meeting on its website at www.jzcp.com.

All resolutions are intended to be proposed as ordinary resolutions (being in each case a resolution passed by a majority of more than 50 per cent. of the votes cast, whether in person or by proxy).

Only the holders of ordinary shares in the capital of the Company are entitled to vote on each of the resolutions proposed at the Annual General Meeting.

Resolution on Form of Proxy	Agenda
	To elect a Chairman of the meeting.
Ordinary Resolution 1	**1** To consider and approve the Annual Report and Financial Statements of the Company for the Year ended 28 February 2022.
Ordinary Resolution 2	**2** To re-elect Ernst & Young LLP as Auditor of the Company until the conclusion of the 2023 Annual General Meeting.
Ordinary Resolution 3	**3** To authorise the Board of Directors to determine the Auditor's remuneration.
Ordinary Resolution 4	**4** To receive and adopt the Directors' remuneration report for the year ended 28 February 2022.
Ordinary Resolution 5 (see Note 1)	**5** To re-elect Mr David Macfarlane as a Director of the Company.
Ordinary Resolution 6 (see Note 1)	**6** To re-elect Mr James Jordan as a Director of the Company.
Ordinary Resolution 7 (see Note 1)	**7** To re-elect Ms Sharon Parr as a Director of the Company.
Ordinary Resolution 8 (see Note 1)	**8** To re-elect Mr Ashley Paxton as a Director of the Company.

Resolution on Form of Proxy	Agenda
Ordinary Resolution 9 (see Note 2)	**9** To authorise the Company, generally and unconditionally, for the purposes of The Companies (Guernsey) Law 2008 (as amended) (the "Companies Law"), to make market acquisitions (as defined in the Companies Law) of any of its shares in the capital of the Company on such terms and in such manner as the Directors may from time to time determine provided that: a. the maximum number of shares in each class of shares in the capital of the Company which may be purchased is 11,613,834 ordinary shares and 1,784,967 zero dividend preference shares representing approximately 14.99 per cent. of each class of the shares in the capital of the Company in issue as at 13 June 2022 (being the latest practicable date prior to publication of this document); b. the minimum price that may be paid for each share of any class is 1 pence which amount shall be exclusive of expenses; c. the maximum price (exclusive of expenses) that may be paid for each share of any class is an amount equal to the higher of: (i) 105 per cent. of the average of the middle market quotations for a share of that class as derived from the daily Official List of the London Stock Exchange plc for the five business days immediately preceding the day on which such share is contracted to be purchased; and (ii) the higher of the price of the last independent trade of a share of that class and the highest current independent bid for a share of that class on the trading venues where the purchase is carried out; d. unless previously renewed, revoked or varied, this authority shall expire at the conclusion of the 2023 Annual General Meeting of the Company or on 31 August 2023, whichever is the earlier; and e. the Company may, before this authority expires, make a contract to purchase shares of any class that would or might be executed wholly or partly after the expiry of this authority, and may make purchases of shares of that class pursuant to it as if this authority had not expired.
Ordinary Resolution 10 (see Note 2)	**10** To authorise pursuant to section 314(2) of The Companies (Guernsey) Law 2008 (as amended) (the "Companies Law") the terms of a contract included in the Articles of Incorporation of the Company as prescribed by the CFC Buy Back Arrangement (as defined in the circular dated 20 April 2017 and published by the Company (the "2017 Circular")) included therein for the Company to make acquisitions other than under a market acquisition (as defined in the Companies Law) of ordinary shares in the capital of the Company in pursuance of the terms of that contract provided that: a. the price that may be paid for each ordinary share is an amount equal to the CFC Buy Back Arrangement Price (as defined in the 2017 Circular); and b. unless previously renewed, revoked or varied, this authority shall expire at the conclusion of the 2023 Annual General Meeting of the Company or on 31 August 2023, whichever is the earlier.

Notice of Annual General Meeting continued

Resolution on Form of Proxy	Agenda
Ordinary Resolution 11 (see Note 3)	**11** To authorise the Directors in accordance with Article 4(8) of the Articles of Incorporation of the Company (the "Articles") to: (a) allot equity securities (as defined in the Articles) of the Company for cash; and (b) sell ordinary shares (as defined in the Articles) held by the Company as treasury shares for cash, as if Article 4(8) of the Articles did not apply to any such allotment or sale, provided that this power shall be limited to the allotment of equity securities for cash and the sale of treasury shares up to an aggregate amount of 7,747,721 ordinary shares, such authority to expire at the conclusion of the 2023 Annual General Meeting of the Company or on 31 August 2023, whichever is the earlier, save that the Company may before such expiry make any offer or agreement that would or might require equity securities to be allotted, or treasury shares to be sold, after such expiry and the Directors may allot equity securities, or sell treasury shares in pursuance of any such offer or agreement as if the power conferred hereby had not expired.
	Any other business.

By Order of the Board

For and on behalf of ***Northern Trust International Fund Administration Services (Guernsey) Limited***
Secretary

14 June 2022

Information note 1
Election and re-election of Directors
Resolutions 5, 6, 7 and 8 relate to the proposed re-election of Mr David Macfarlane, Mr James Jordan, Ms Sharon Parr and Mr Ashley Paxton as Directors of the Company. Biographical details of Mr Macfarlane, Mr Jordan, Ms Parr and Mr Paxton, the Directors standing for re-election, appear on page 17 of the Annual Report and Accounts of the Company for the year ended 28 February 2022. In accordance with the 2018 UK Corporate Governance Code, all directors should be subject to annual re-election. Accordingly, Mr Macfarlane, Mr Jordan, Ms Parr and Mr Paxton submit themselves for re-election as Directors of the Company. The Board has considered the skills and experience of all of the Directors standing for re-election and is satisfied that, following individual formal performance evaluations, each is suitable for re-election. The Board considers that the composition of the Board is well balanced and therefore recommends the re-election of each of the Directors. The Board is satisfied that the performance of each such Director continues to be effective and that each such Director is important to the Company's long-term sustainable success. Biographies of the Directors are given on page 17 of the Annual Report and Accounts of the Company for the year ended 28 February 2022 and, in the Board's view, these illustrate why each Director's contribution is important to that success.

Information note 2
Acquisition of own shares
Resolutions 9 and 10 will give the Company authority to make acquisitions of its own shares in the capital of the Company.

The original authorities in respect of the Company's acquisition of own shares were granted at an extraordinary general meeting of the Company held on 16 May 2017 and were the subject of a separate circular dated 20 April 2017 published by the Company (the "2017 Circular"). The 2017 Circular provides further details of the acquisition of own shares authorities which are intended to be renewed annually by the Company at its annual general meetings each year. The authorities granted at the Company's 2021 Annual General Meeting are due to expire at this year's Annual General Meeting and, accordingly, resolutions 9 and 10 will be proposed to renew and grant such authorities for this year.

Resolution 9 will give the Company authority to make market acquisitions (as defined in The Companies (Guernsey) Law 2008 (as amended) (the "Companies Law")) ("market acquisitions") of any of its own shares in the capital of the Company. The maximum number of shares in each class of shares in the capital of the Company which may be purchased is 11,613,834 Ordinary Shares and 1,784,967 Zero Dividend Preference Shares representing approximately 14.99 per cent. of each class of the shares of the Company in issue as at 13 June 2022 (being the latest practicable date prior to publication of this document). The maximum and minimum prices are stated in resolution 9. If given, this authority will expire at the conclusion of the 2023 Annual General Meeting of the Company or on 31 August 2023, whichever is the earlier.

Resolution 10 will give the Company authority to make acquisitions other than under a market acquisition ("off-market acquisitions") of Ordinary Shares in pursuance of the terms of a contract included in the Articles of Incorporation of the Company (the "Articles") and as prescribed by an arrangement referred to as the CFC Buy Back Arrangement (as defined in the 2017 Circular). The purpose of any off-market acquisitions and the CFC Buy Back Arrangement is to allow the Company to make acquisitions of its own Ordinary Shares in a way that reduces the risk of the Company being or becoming a controlled foreign corporation within the meaning of The United States Internal Revenue Code of 1986, as amended.

The CFC Buy Back Arrangement applies in circumstances where the Company makes acquisitions of its own Ordinary Shares pursuant to a market acquisition authority. As such, any acquisitions by the Company of its own Ordinary Shares will be made pursuant to a market acquisition authority and as a consequence of that then in pursuance of the terms of the contract included in the Articles as prescribed by the CFC Buy Back Arrangement and pursuant to an off-market acquisition authority. The CFC Buy Back Arrangement applies to certain large US shareholders including David W. Zalaznick, John (Jay) W. Jordan II and Edgewater Growth Capital Partners (each an "Exceeding Shareholder") and certain other US shareholders who the Board determines might otherwise constructively own more than 9.9 per cent. of the Company's Ordinary Shares in issue after the Company has made an acquisition of its own Ordinary Shares pursuant to a market acquisition authority (each a "9.9% Shareholder"). In the event that the Company makes an acquisition of its own Ordinary Shares pursuant to a market acquisition authority, the CFC Buy Back Arrangement will require (unless the Board determines otherwise) those large US shareholders to whom the arrangement applies to sell to the Company (and the Company to buy from those shareholders) such number of Ordinary Shares that the Board determines would be necessary or desirable in order to prevent any such market acquisitions from resulting in: (i) for each Exceeding Shareholder, that shareholder increasing its percentage holding of Ordinary Shares, and (ii) for each 9.9% Shareholder, that shareholder exceeding the 9.9 per cent. limit. Shareholders are reminded that any related party transactions resulting from the Company acquiring its own Ordinary Shares from an Exceeding Shareholder (as a related party of the Company) on the terms of the CFC Buy Back Arrangement were approved as part of the authorities granted at the extraordinary general meeting of the Company held on 16 May 2017. The price that each large US shareholder to whom the CFC Buy Back Arrangement applies will be entitled to receive (and that will be paid by the Company) for each Ordinary Share acquired by the Company under the arrangement is the CFC Buy Back Arrangement Price (as defined in the 2017 Circular) as stated in resolution 10. The CFC Buy Back Arrangement Price is the volume weighted average price payable per Ordinary Share agreed to be purchased by the Company on the relevant trading day pursuant to a market acquisition authority. If given, this authority will expire at the conclusion of the 2023 Annual General Meeting of the Company or on 31 August 2023, whichever is the earlier.

In accordance with the Companies Law, an Exceeding Shareholder whose Ordinary Shares are to be acquired in the manner contemplated above is excluded from exercising the voting rights attaching to those Ordinary Shares in connection with resolution 10 and any vote of an Exceeding Shareholder in relation to resolution 10 shall be excluded.

Whilst the Company is requesting approval from shareholders for the acquisition of own shares authorities, the Company is not obliged to carry out acquisitions of its own shares in the capital of the Company although it does retain the power to do so, and as such, the Company may undertake acquisitions of its own shares when it so chooses including as and when opportunities in the market permit and as its cash resources allow at the time.

Notice of Annual General Meeting continued

In addition, any decision by the Company to undertake an acquisition of the Company's own Ordinary Shares so authorised by the relevant acquisition of own share authorities will be a matter determined by the Board with the consent of the Company's investment adviser, Jordan/Zalaznick Advisers, Inc.

In the event that the Company's shares are acquired, they may either be cancelled (and the number of shares in issue would be reduced accordingly) or be retained as treasury shares.

There are no warrants or options over shares outstanding as at 13 June 2022 (being the latest practicable date prior to publication of this document).

Information note 3

Disapplication of pre-emption rights

Resolution 11 will grant the Directors a power to allot equity securities (as defined in the Articles of Incorporation of the Company) or sell Ordinary Shares held by the Company as treasury shares for cash and otherwise than to existing shareholders pro rata to their holdings. The powers granted at the 2021 Annual General Meeting of the Company are due to expire at this year's Annual General Meeting. Accordingly, resolution 11 will be proposed to grant such a power. Apart from offers or invitations in proportion to the respective number of shares held, the power will be limited to the allotment of equity securities and sales of Ordinary Shares held by the Company as treasury shares for cash up to an aggregate amount of 7,747,721 Ordinary Shares (being ten per cent. of the Company's issued Ordinary Share capital at 13 June 2022 (being the latest practicable date prior to publication of this document)). If given, this power will expire at the conclusion of the 2023 Annual General Meeting of the Company or on 31 August 2023, whichever is the earlier. The Board has no present intention to use the powers granted in relation to Resolution 11.

Recommendation

The Board considers all of the resolutions at the Annual General Meeting as set out in this document to be in the best interests of holders of Ordinary Shares as a whole and accordingly the Board unanimously recommends that holders of Ordinary Shares vote in favour of the resolutions, as the Directors intend to do in respect of their own beneficial holdings.

Notes re your Form of Proxy and voting at the Annual General Meeting

When considering what action you should take, you should seek your own financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000, as amended, if you are a resident in the United Kingdom or, if not, from another appropriately authorised financial adviser without delay.

If you sell or have sold or otherwise transferred all of your registered holding of shares, please send this document, together in the case of holders of Ordinary Shares with the accompanying Form of Proxy, as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. However, such documents should not be sent in or into any jurisdiction if to do so would constitute a violation of the relevant laws of such jurisdiction.

Please refer to the introduction of the Notice of Annual General Meeting for information on attendance at this year's meeting.

Shareholders may ask questions in advance of the meeting and are strongly encouraged to vote by proxy, in each case using the methods set out below.

Rights to vote

In accordance with the Articles of Incorporation, only the holders of Ordinary Shares are entitled to vote on all matters at the Annual General Meeting. The holders of the Zero Dividend Preference Shares are not entitled to vote at the Annual General Meeting.

Subject to the Articles of Incorporation, a holder of Ordinary Shares shall have one vote in respect of each Ordinary Share held by him or her. For the purposes of the resolutions at the Annual General Meeting, this means that the votes in respect of Ordinary Shares that are cast in relation to resolutions 5, 6, 7 and 8 concerning the appointment or removal of Directors will be counted in accordance with Article 14(17) of the Articles of Incorporation.

The Company specifies that, in order to have the right to vote at the Annual General Meeting (and also for the purpose of determining how many votes a person entitled to vote may cast), a person must be entered on the register of members of the Company by no later than 18.30 BST on 1 August 2022 or in the event that the meeting is adjourned, by no later than 18.30 BST on the date two days before the date of the adjourned meeting. Changes to entries on the register of members after this time shall be disregarded in determining the rights of any person to vote at the Annual General Meeting.

Proxies

A member entitled to vote may appoint a proxy or proxies who need not be a member of the Company to vote instead of him or her. A member may appoint more than one proxy in relation to the Annual General Meeting, provided that each proxy is appointed to exercise the rights attached to different Ordinary Shares held by him or her.

To appoint a proxy or proxies, the name(s) of the proxy or proxies desired must be inserted in the space provided on the Form of Proxy. If no name(s) is entered, the return of the Form of Proxy duly signed will authorise the Chairman of the Annual General Meeting or the Company Secretary to act as your proxy.

Shareholders are strongly encouraged to appoint the Chairman of the Annual General Meeting or the Company Secretary as their proxy.

Please indicate with an "X" in the appropriate box on the Form of Proxy how you wish your vote to be cast in respect of each resolution at the Annual General Meeting. If you do not insert an "X" in the appropriate box on the Form of Proxy your proxy will vote or abstain at his or her discretion.

If the proxy is being appointed in relation to less than your full voting entitlement, please enter in the appropriate box on the Form of Proxy the number of Ordinary Shares in relation to which they are authorised to act as your proxy. If the box is left blank, your proxy will be deemed to be authorised in respect of your full voting entitlement (or if the Form of Proxy has been issued in respect of a designated account for a member, the full voting entitlement for that designated account). To appoint more than one proxy (an) additional proxy form(s) may be obtained by contacting Equiniti Limited by telephone on 0371 384 2265 or +44 121 415 7047 if calling from outside the United Kingdom (Lines are open 08.30 BST to 17.30 BST, Monday to Friday) or you may photocopy the Form of Proxy. Please insert in the space provided and in the appropriate box on the Form of Proxy (see above) the proxy holder's name and the number of Ordinary Shares in relation to which they are authorised to act as your proxy. Please also indicate with an "X" in the appropriate box on the Form of Proxy if the proxy instruction is one of the multiple instructions being given. All Forms of Proxy must be signed and should be returned together in the same envelope.

For the purpose of resolutions 5, 6, 7 and 8 concerning the appointment or removal of Directors, please certify (by indicating with an "X" in the appropriate box on the Form of Proxy) that at the time of the Annual General Meeting, and in the event that the meeting is adjourned, at the adjourned meeting: (i) you will **NOT** be a US resident; and/or (ii) to the extent you hold Ordinary Shares for the account or benefit of any other person, such person will NOT be a US resident (a **"Certifying Shareholder"**). If you are unable to make those certifications you must leave the box blank. If the box is left blank, you will (unless you are otherwise determined by the Board to meet the criteria for being a Certifying Shareholder) be deemed to be a Non-Certifying Shareholder (as defined in the Articles of Incorporation) and your votes on those resolutions in respect of your Ordinary Shares will be counted in accordance with Article 14(17) of the Articles of Incorporation.

Notice of Annual General Meeting continued

For the purposes of the certifications, "US resident" has the meaning contemplated by Rule 3b-4 under the US Securities Exchange Act of 1934, as amended.

If you are a nominee holding Ordinary Shares on behalf of multiple holders of Ordinary Shares, for each of the resolutions 5, 6, 7 and 8 concerning the appointment or removal of Directors, please insert in the appropriate boxes on the Form of Proxy the number of votes in respect of Ordinary Shares that are cast in respect of each such resolution by Certifying Shareholders and the number of votes in respect of Ordinary Shares that are cast in respect of each such resolution by Non-Certifying Shareholders. In order to cast votes on behalf of Certifying Shareholders, you must have received in writing from the Certifying Shareholders the certifications set forth above establishing them as Certifying Shareholders. If boxes are left blank in respect of a resolution(s), the votes in respect of Ordinary Shares that are cast in respect of that resolution(s) will (unless you are otherwise determined by the Board to meet the criteria for being a Certifying Shareholder) be deemed to be cast by Non-Certifying Shareholders and the votes in respect of the relevant Ordinary Shares will be counted in accordance with Article 14(17) of the Articles of Incorporation.

The instrument appointing a proxy must be in writing under the hand of the appointor or of his attorney duly authorised in writing or if the appointor is a corporation under its common seal or under the hand of an officer or attorney duly authorised.

The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority must be deposited with Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, United Kingdom not less than 48 hours (excluding any part of a day that is not a working day) before the time for holding the Annual General Meeting, or in the event that the meeting is adjourned, not less than 48 hours (excluding any part of a day that is not a working day) before the time for holding the adjourned meeting and in default unless the Board directs otherwise the instrument of proxy shall not be treated as valid.

The Form of Proxy may be sent by post or transmitted to Equiniti Limited. "By post" means by registered post, recorded delivery service or ordinary letter post and "transmitted" means transmitted by electronic communication. Accordingly, you may send the Form of Proxy by post to Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, United Kingdom or transmit it by email to proxy.votes@equiniti.com (and in the case of email with the original to follow by post to Equiniti Limited). In the case of email, should the original Form of Proxy not be received by post the electronic version shall still be treated as valid (provided it is returned before the proxy cut off as detailed above).

If you are sending the Form of Proxy by post from outside the United Kingdom, you will need to place the Form of Proxy in a reply paid envelope and post the envelope to Equiniti Limited. In order to ensure that the Form of Proxy is received before the proxy cut-off date as detailed above, you should also transmit the Form of Proxy by email.

To change your proxy instructions, simply submit a new proxy appointment using the method set out above. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence. Please note that the cut-off time for receipt of proxy appointments also applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

Joint Holders

All joint holders of Ordinary Shares should be named but the signature of any one is sufficient. In all cases, names must be entered as they appear on the register of members of the Company.

Where there are joint registered holders of any Ordinary Shares such persons shall not have the right of voting individually in respect of such Ordinary Share but shall elect one of their number to represent them and to vote whether in person or by proxy in their name. In default of such election the person whose name stands first on the register of members shall alone be entitled to vote.

Crest

CREST members will not be able to appoint a proxy or proxies through the CREST electronic proxy appointment service.

Corporate representatives

Any corporation which is a holder of Ordinary Shares may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at the Annual General Meeting and the person so authorised shall be entitled to exercise on behalf of the corporation he or she represents the same powers (other than to appoint a proxy) as that corporation could exercise if it were an individual member.

Representatives of holders of Ordinary Shares that are corporations will have to produce evidence of their proper appointment when attending the Annual General Meeting. Please contact Equiniti Limited if you need any further guidance on this.

Please refer to the introduction of the Notice of Annual General Meeting for information on attendance at this year's meeting.

Questions

If shareholders have any questions about the formal business of the Annual General Meeting, questions may be submitted in advance of the Annual General Meeting by email to GSY_Board_Relationship_Team@ntrs.com. All questions must be submitted by email not less than 48 hours (excluding any part of a day that is not a working day) before the time for holding the Annual General Meeting and answers will be published on the website.

Limitations of electronic addresses

You may not use any electronic address provided in either this Notice of Annual General Meeting or any related documents (including the Form of Proxy) to communicate with the Company for any purposes other than those expressly stated.

The address of the website where certain Annual General Meeting information is available

A copy of this Notice of Annual General Meeting can be found on the Company's website at www.jzcp.com.

Form of Proxy

JZ Capital Partners Limited (Company No. 48761) (the "Company")

I/We, ____________________

Please insert Ordinary Shareholder/Shareholders name using block capitals. Please note if the shareholder(s) name is not inserted the Form of Proxy cannot be used.

of ____________________ being an Ordinary Shareholder/Shareholders of JZ Capital Partners Limited HEREBY APPOINT

(full name) of ____________________

(address)

or failing him (or if no name(s) is entered above), the Chairman of the Annual General Meeting or the Company Secretary as my/our proxy to attend and vote on my/our behalf at the Fourteenth Annual General Meeting of the Company to be held at the offices of Northern Trust International Fund Administration Services (Guernsey) Limited, Trafalgar Court, Les Banques, St Peter Port, Guernsey GY1 3QL, Channel Islands on 3 August 2022 at 13:00 BST, and at any adjournment thereof, and in respect of the resolutions set out in the Notice of Annual General Meeting dated 14 June 2022 to vote as indicated below.

Given the limitations on attendance in person at this year's meeting, further information on which is set out in the Notice of Annual General Meeting, shareholders are strongly encouraged to appoint the Chairman of the Annual General Meeting or the Company Secretary as their proxy rather than a named person who may not be able to attend the meeting.

If the proxy is being appointed in relation to less than your full voting entitlement, please insert in the first box below the number of Ordinary Shares in relation to which the proxy is authorised to act. If the box is left blank, the proxy will be deemed to be authorised in respect of your full voting entitlement or, if applicable, your full voting entitlement of a designated account.

Please also indicate with an "X" in the second box below if the proxy instruction is one of the multiple instructions.

Number of Ordinary Shares authorised:

Please mark the voting boxes below with an "X" to indicate your instruction 'For', 'Against' or 'Abstain'

	Ordinary Resolutions	For	Against	Abstain
1	To consider and approve the Annual Report and Financial Statements of the Company for the Year ended 28 February 2022.			
2	To re-elect Ernst & Young LLP as Auditor of the Company until the conclusion of the next Annual General Meeting.			
3	To authorise the Board of Directors to determine the Auditor's remuneration.			
4	To receive and adopt the Directors' remuneration report for the year ended 28 February 2022.			
5	To re-elect Mr David Macfarlane as a Director of the Company.			
6	To re-elect Mr James Jordan as a Director of the Company.			
7	To re-elect Ms Sharon Parr as a Director of the Company.			
8	To re-elect Mr Ashley Paxton as a Director of the Company.			
9	To authorise the Company, generally and unconditionally, for the purposes of The Companies (Guernsey) Law 2008 (as amended) (the "Companies Law"), to make market acquisitions (as defined in the Companies Law) of any of its shares in the capital of the Company on such terms and in such manner as the Directors may from time to time determine provided that: a. the maximum number of shares in each class of shares in the capital of the Company which may be purchased is 11,613,834 ordinary shares and 1,784,967 zero dividend preference shares representing approximately 14.99 per cent. of each class of the shares in the capital of the Company in issue as at 13 June 2022 (being the latest practicable date prior to publication of the Notice of Annual General Meeting dated 14 June 2022); b. the minimum price that may be paid for each share of any class is 1 pence which amount shall be exclusive of expenses; c. the maximum price (exclusive of expenses) that may be paid for each share of any class is an amount equal to the higher of: (i) 105 per cent. of the average of the middle market quotations for a share of that class as derived from the daily Official List of the London Stock Exchange plc for the five business days immediately preceding the day on which such share is contracted to be purchased; and (ii) the higher of the price of the last independent trade of a share of that class and the highest current independent bid for a share of that class on the trading venues where the purchase is carried out; d. unless previously renewed, revoked or varied, this authority shall expire at the conclusion of the 2023 Annual General Meeting of the Company or on 31 August 2023, whichever is the earlier; and e. the Company may, before this authority expires, make a contract to purchase shares of any class that would or might be executed wholly or partly after the expiry of this authority, and may make purchases of shares of that class pursuant to it as if this authority had not expired.			

Form of Proxy continued

	Extraordinary resolution	For	Against	Abstain
10	To authorise pursuant to section 314(2) of The Companies (Guernsey) Law 2008 (as amended) (the "Companies Law") the terms of a contract included in the Articles of Incorporation of the Company as prescribed by the CFC Buy Back Arrangement (as defined in the circular dated 20 April 2017 and published by the Company (the "2017 Circular") included therein for the Company to make acquisitions other than under a market acquisition (as defined in the Companies Law) of ordinary shares in the capital of the Company in pursuance of the terms of that contract provided that: a. the price that may be paid for each ordinary share is an amount equal to the CFC Buy Back Arrangement Price (as defined in the 2017 Circular); and b. unless previously renewed, revoked or varied, this authority shall expire at the conclusion of the 2023 Annual General Meeting of the Company or on 31 August 2023, whichever is the earlier.			
	Special business by ordinary resolution			
11	To authorise the Directors in accordance with Article 4(8) of the Articles of Incorporation of the Company (the "Articles") to: (a) allot equity securities (as defined in the Articles) of the Company for cash; and (b) sell ordinary shares (as defined in the Articles) held by the Company as treasury shares for cash, as if Article 4(8) of the Articles did not apply to any such allotment or sale, provided that this power shall be limited to the allotment of equity securities for cash and the sale of treasury shares up to an aggregate amount of 7,747,721 ordinary shares, such authority to expire at the conclusion of the 2023 Annual General Meeting of the Company or on 31 August 2023, whichever is the earlier, save that the Company may before such expiry make any offer or agreement that would or might require equity securities to be allotted, or treasury shares to be sold, after such expiry and the Directors may allot equity securities, or sell treasury shares in pursuance of any such offer or agreement as if the power conferred hereby had not expired.			

For the purpose of resolutions 5, 6, 7 and 8 please certify (by indicating with an "X" in the first box below) that at the time of the Annual General Meeting, and at any adjournment thereof: (i) you will NOT be a US resident; and/or (ii) to the extent you hold Ordinary Shares for the account or benefit of any other person, such person will NOT be a US resident (a "Certifying Shareholder"). If you are unable to make those certifications you must leave the box blank. If the box is left blank, you will be deemed to be a Non-Certifying Shareholder (as defined in the Articles of Incorporation).

If you are a nominee holding Ordinary Shares on behalf of multiple holders of Ordinary Shares, please leave the first box below blank and instead for each of the resolutions 5, 6, 7 and 8, please insert in the second group of boxes below the number of votes in respect of Ordinary Shares that are cast in respect of each such resolution by Certifying Shareholders and Non-Certifying Shareholders. In order to cast votes on behalf of Certifying Shareholders, you must have received in writing from the Certifying Shareholders the certifications required to establish them as Certifying Shareholders. If boxes are left blank in respect of a resolution(s), the votes in respect of Ordinary Shares that are cast in respect of that resolution(s) will be deemed to be cast by Non-Certifying Shareholders.

By inserting an "X" in the box opposite, I/we certify that at the time of the Annual General Meeting, and at any adjournment thereof: (i) I/we will NOT be a US resident; and/or (ii) to the extent I/we hold Ordinary Shares for the account or benefit of any other person, such person will NOT be a US resident

To be completed by Nominees Only

Resolution	Number of votes in respect of Ordinary shares cast by Certifying Shareholders			Number of votes in respect of Ordinary shares cast by Non-Certifying Shareholders		
	For	Against	Abstain	For	Against	Abstain
5						
6						
7						
8						

Signature(s)

Dated

In order to be valid at the above meeting this proxy must be completed and returned to arrive no later than 13:00 BST on 1 August 2022 or in the event that the Annual General Meeting is adjourned, not less than 48 hours (excluding any part of a day that is not a working day) before the time for holding the adjourned meeting. You may return the form of proxy by post to Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, United Kingdom or by email to proxyvotes@equiniti.com (and in the case of email with the original to follow by post to Equiniti Limited). In the case of email, should the original form of proxy not be received by post the electronic version shall still be treated as valid (provided it is returned before the proxy cut-off date as detailed above).

If you are returning this proxy by post from outside the United Kingdom, you will need to place the Form of Proxy in a reply paid envelope and post the envelope to Equiniti Limited. In order to ensure that this proxy is received before the proxy cut-off date detailed above, you should also return the Form of Proxy by email.

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