



JZ CAPITAL PARTNERS LTD

**FURTHER ANNOUNCEMENT IN RELATION TO  
THE SALE OF TWH WATER TREATMENT INDUSTRIES**

*~ US\$32 million in initial gross proceeds expected to be received  
with up to US\$5 million in additional gross earn-out proceeds possible,  
representing a 3.1x MOIC and 25% IRR ~*

07 September 2018

JZ Capital Partners Limited (LSE:JZCP.L or “JZCP”), the London listed fund that invests in US and European microcap companies and US real estate, refers to its announcement made on 3 September 2018 in which it was pleased to announce the proposed disposal of its ownership interest in TWH Water Treatment Industries, Inc. (“TWH”).

As previously announced and subject to closing of the transaction, JZCP expects to realise approximately US\$32 million in initial gross proceeds from the sale (subject to post-closing adjustments), plus potentially up to US\$5 million of additional gross proceeds from an earn-out based on certain revenue targets of TWH. Including gross proceeds from a dividend recapitalization in November 2016, the transaction is expected to represent a gross multiple of invested capital (“MOIC”) of approximately 3.1x, and a gross internal rate of return (“IRR”) of approximately 25%, in each case taking into account the receipt of full post-closing adjustments and earn-out proceeds. Additionally, the sale of TWH represents an uplift to JZCP’s NAV at July 31, 2018 of approximately 2.7%, again taking into account the receipt of full post-closing adjustments and earn-out proceeds.

**David Zalaznick, JZCP’s Founder and Investment Adviser, commented:** “We are delighted to realise our investment in TWH. This further demonstrates our commitment to building liquidity in order to make new investments, pay down debt and buy back stock. We wish the TWH management team every success in the future.”

The transaction follows the announcement earlier this year on 14 March 2018 that JZCP sold Paragon Water Systems, Inc. (“Paragon”) to Culligan Water, the world leader in residential, office, commercial and industrial water treatment. JZCP realized US\$16.1 million in gross proceeds and expects remaining escrows of approximately US\$0.1 million in connection with the Paragon sale.

Completion of the TWH transaction is subject to a number of conditions customary for US-style mergers as well as obtaining shareholder approval from JZCP shareholders at an extraordinary general meeting of the company to be held on 25 September 2018 and as announced on 4 September 2018.

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*Unless otherwise defined, defined terms in this announcement shall have the same meaning as in the announcement of 3 September 2018. This announcement should also be read in conjunction with the announcements of 3 and 4 September 2018 together with the shareholder circular being distributed to shareholders in connection with the TWH transaction.*

Ends

**For further information:**

Ed Berry / Kit Dunford

+44 (0) 20 3727 1046 / 1143

FTI Consulting

David Zalaznick  
Jordan/Zalaznick Advisers, Inc.

+1 212 485 9410

Samuel Walden  
Northern Trust International Fund Administration  
Services (Guernsey) Limited

+44 (0) 1481 745385

### **About JZCP**

JZ Capital Partners (“JZCP”) is one of the oldest closed-end investment companies listed on the London Stock Exchange. It seeks to provide shareholders with a return by investing selectively in US and European microcap companies and US real estate. JZCP receives investment advice from Jordan/Zalaznick Advisers, Inc. (“JZAI”) which is led by David Zalaznick and Jay Jordan. They have worked together for more than 35 years and are supported by teams of investment professionals in New York, Chicago, London and Madrid. JZAI’s experts work with the existing management of microcap companies to help build better businesses, create value and deliver strong returns for investors. For more information please visit [www.jzcp.com](http://www.jzcp.com).