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This announcement is an advertisement for the purposes of the Prospectus Regulation Rules of the UK Financial Conduct Authority (the "**FCA**") and not a prospectus and not an offer of securities for sale in any jurisdiction. Neither this announcement nor anything contained herein shall form the basis of, or be relied upon in connection with, any offer or commitment whatsoever in any jurisdiction.

Investors should not purchase or subscribe for any shares referred to in this announcement except on the basis of information in the prospectus published on 24 June 2019 (the "**Prospectus**") and the supplementary prospectuses published on 19 December 2019 and 20 April 2020 (the "**Supplementary Prospectuses**"). Copies of the Prospectus and the Supplementary Prospectuses are available from the Company's website ([www.EJFI.com](http://www.EJFI.com)), subject to applicable securities laws, and at its registered office at IFC 1, The Esplanade, St. Helier, Jersey, JE1 4BP, Channel Islands.

12 June 2020

**EJF Investments Ltd ("EJFI" or the "Company")  
Placing under Placing Programme**

Further to the announcement released by the Company on 14 May 2020, the Company today announces its intention to raise new capital under the Company's placing programme (the "**Placing Programme**") as detailed in the Company's Prospectus and Supplementary Prospectuses. The Company is seeking to raise additional capital via a conditional placing (the "**Placing**") of up to 6.06 million new zero dividend preference shares (the "**2025 ZDP Shares**") at a price of 100 pence per 2025 ZDP Share primarily in order to take advantage of an attractive and unique investment identified by EJF Investments Manager LLC, the Company's investment manager (the "**Manager**").

The 2025 ZDP Shares will have a gross redemption yield of 7.0%, which will result in a final capital entitlement of 140 pence per 2025 ZDP Share on the repayment date of 18 June 2025. The 2025 ZDP Shares will have an initial cover of at least 15 times and a final cover of at least 12 times, assuming at least 6 million 2025 ZDP Shares are issued. The minimum cover amount for the 2025 ZDP Shares will be at least 3.33 times and the dividends minimum cover amount for the 2025 ZDP Shares will be 2 times.

**Background**

The Company's investment objective is to generate attractive risk adjusted returns by investing in opportunities created by regulatory and structural changes impacting the financial services sector. These opportunities are anticipated to include structured debt and equity, loans, bonds, preference shares, convertible notes and private equity, in both cash and synthetic formats issued by entities domiciled in the US, UK and Europe.

The Directors believe that the creation and issue of the 2025 ZDP Shares will be beneficial for the Company by providing greater diversity to the Company's sources of capital and operational flexibility which in turn will enable the Company to grow its portfolio of investments and seek to generate attractive returns for holders of Ordinary Shares.

The Company currently has a capital structure consisting of Ordinary Shares and 2022 ZDP Shares. The Company currently has 61,145,198 Ordinary Shares in issue (exclusive of the Ordinary Shares held in treasury), with a corresponding NAV per Ordinary Share of 162 pence and 15,000,000 2022 ZDP shares in issue, with a final capital entitlement of 132.25 pence per 2022 ZDP Share. As at 30 April 2020, the 2022 ZDP Shares represented gearing of approximately 17 per cent. Assuming that the maximum amount of 2025 ZDP Shares are issued then, in aggregate, the existing 2022 ZDP Shares final capital entitlement and the new 2025 ZDP Shares final capital entitlement will represent gearing of approximately 28.6 per cent., being less than the Company's investment policy cap of 30 per cent. for long-term gearing.

## Investment Opportunity

The opportunity is to invest in mortgage servicing rights ("**MSRs**") generated at the time of mortgage origination in the United States. These assets represent a stream of servicing income throughout the life of the mortgage (the "**MSR Opportunity**").

The Manager believes that the timing of this proposed investment is opportune, given interest rates have fallen and credit standards are very high, noting the Company will only invest in MSRs originally attached to prime mortgages underwritten to Fannie Mae and Freddie Mac standards ("**Agency MSRs**"), of which there were approximately \$4.8 trillion of mortgages held by Fannie Mae and Freddie Mac backed securitisations at Q3 2019. Agency MSRs produce regular and predictable cash-flows in addition to highly attractive risk adjusted returns.

The Manager expects this to be an accretive investment in an area with high barriers to entry, where it has significant experience and a strong competitive advantage. Overall, MSR investments will be a relatively limited but additive part of the portfolio, with securitisations and related investments continuing to represent the primary area of growth and the clear majority of the portfolio.

## Placing under the Placing Programme

The Placing will take place through the Company's broker, Numis Securities Limited ("**Numis**").

The Placing is expected to close at 5.00 p.m. (London time) on 15 June 2020, but may be closed earlier or later at the discretion of the Company and Numis. The final number of 2025 ZDP Shares will be agreed between the Company and Numis following close of the Placing, and announced shortly thereafter.

Numis may choose to accept bids, either in whole or in part, on the basis of allocations determined in agreement with the Company, and may scale down any bids for this purpose on such basis as the Company and Numis may determine. Numis may also, notwithstanding the above and subject to the prior consent of the Company: (i) allocate 2025 ZDP Shares after the time of any initial allocation to any person submitting a bid after that time, and (ii) allocate 2025 ZDP Shares after the book-build has closed to any person submitting a bid after that time. The Company's Board, in consultation with Numis, may also decide not to proceed with the Placing for any reason. In this case, an announcement will be made by the Company.

Applications will be made to the London Stock Exchange for the 2025 ZDP Shares to be admitted to trading on the Specialist Fund Segment of the London Stock Exchange's Main Market ("**Admission**"). It is expected that Admission will become effective on 19 June 2020 and that dealings in the 2025 ZDP Shares will commence at that time.

The Placing is being made pursuant to the terms and conditions set out in Part XIII of the Prospectus. Investors are invited to apply for 2025 ZDP Shares pursuant to the Placing by contacting their usual contact at Numis.

The Placing is conditional upon the creation and issue of the 2025 ZDP Shares being approved by holders of the Company's Ordinary Shares at the extraordinary general meeting of the Company convened for 16 June 2020 (the "**EGM**"), pursuant to the circular published by the Company on 27 May 2020.

## Expected Timetable for the Placing

Each of the times and dates set out below and mentioned elsewhere in this document may be adjusted by the Company and Numis, in which event details of the new times and dates will be announced via a Regulatory Information Service. References to a time of day are to London time.

Event	Date
Placing opens	12 June 2020
Latest time and date for	5.00 p.m. on 15 June 2020

commitments under the Placing	
EGM	9.30 a.m. on 16 June 2020
Results of EGM announced	16 June 2020
Results of Placing announced	16 June 2020
Admission	8.00 a.m. on 19 June 2020

Copies of the Prospectus and the Supplementary Prospectus are available for inspection at: <https://data.fca.org.uk/#/nsm/nationalstoragemechanism>, as well as on the Company's website at [www.EJFI.com](http://www.EJFI.com), subject to applicable securities laws, and at its registered office at IFC 1 The Esplanade St. Helier Jersey JE1 0BP Channel Islands.

Terms used but not defined in this announcement shall have the meanings given to such terms in the Prospectus. The 2025 ZDP Shares constitute New ZDP Shares for the purposes of the Prospectus.

The dealing codes for the 2025 ZDP Shares will be as follows:

ISIN                JE00BK1WV903  
 SEDOL Code    BK1WV90  
 Ticker            EJF0

## ENQUIRIES

### For the Investment Manager

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### For the Broker

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### About EJF Investments Ltd

EJFI is a registered closed-ended limited liability company incorporated in Jersey under the Companies (Jersey) Law 1991, as amended, on 20 October 2016 with registered number 122353. The Company is regulated by the Jersey Financial Services Commission (the "JFSC"). The JFSC is protected by both the Collective Investment Funds (Jersey) Law 1988 and the Financial Services (Jersey) Law 1998, as amended, against liability arising from the discharge of its functions under such laws.

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### Important Notice

This announcement is a financial promotion and is not intended to be investment advice.

The contents of this announcement, which have been prepared by and are the sole responsibility of the Company, have been approved by Numis solely for the purposes of section 21(2)(b) of the Financial Services and Markets Act 2000 (as amended).

The information contained in this announcement is for background purposes only and does not purport to be full or complete. It is also subject to change. Before subscribing for any 2025 ZDP Shares, persons viewing this announcement should ensure that they fully understand and accept the risks which are set out in the Prospectus and the Supplementary Prospectuses. The value of the 2025 ZDP Shares will not be guaranteed and could fall as well as rise due to stock market and currency movements. When you sell your investment you may get back less than you originally invested. The price and value of securities can go down as well as up, and investors may get back less than they invested or nothing at all. There is no guarantee that the gross redemption yield may be achieved. Potential investors should consult an independent financial advisor as to the suitability of the securities referred to in this advertisement for the person concerned.

Neither this announcement nor the information contained herein is for publication, distribution or release, in whole or in part, directly or indirectly, in or into or from the United States (including its territories and possessions), any member state of the European Economic Area (other than the Republic of Ireland), Australia, Canada, South Africa or to any person in any of those jurisdictions or any other jurisdiction where to do so would constitute a violation of the relevant laws of such jurisdiction. The Placing and the distribution of this announcement may be restricted by law in certain jurisdictions and persons into whose possession this announcement or any document or other information referred to herein comes should inform themselves about and observe any such restriction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

This announcement does not contain or constitute an offer of, or the solicitation of an offer to buy or subscribe for, the securities referred to herein to any person in any jurisdiction, including the United States, Australia, Canada or South Africa or in any jurisdiction to whom or in which such offer or solicitation is unlawful.

The securities to which this announcement relates have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") or with any regulating authority or under any applicable securities laws of any state or other jurisdiction of the United States, and may not be offered, sold, pledged or otherwise transferred within the United States or to US persons unless registered under the Securities Act or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable state law. There will be no public offer of the securities in the United States. The securities referred to herein have not been registered under the applicable securities laws of Australia, Canada, South Africa or Japan and, subject to certain exceptions, may not be offered or sold within Australia, Canada, South Africa or Japan or to any national, resident or citizen of Australia, Canada, South Africa or Japan.

This announcement is only addressed to and directed at qualified investors within the meaning of Article 2(1)(e) of the Prospectus Directive (Directive 2003/71/EC as amended, including by Directive 2010/73/EC) ("**Qualified Investors**") (1) in the United Kingdom who (i) are persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**"), (ii) are persons who are high net worth entities falling within Article 49(2)(a) to (d) of the Order and (iii) are persons to whom it may otherwise be lawful to communicate it to (all such persons being referred to as "**relevant persons**") and (2) in the Republic of Ireland who are "professional investors" under the European Union (Alternative Investment Fund Managers) Regulations 2013 (the "**AIFM Regulations**") and the requirements of the Central Bank of Ireland. In accordance with regulation 43 of the AIFM Regulations, the intention to market to Professional Investors in Ireland has been notified to the Central Bank of Ireland. Any investment or investment activity to which this announcement relates is available only to relevant persons in the United Kingdom and "professional investors" in the Republic of Ireland and will be engaged in only with such persons. Other persons should not rely or act upon this announcement or any of its contents.

This announcement is not intended to be an offer or placement for the purposes of the Alternative Investment Fund Managers Directive ("**AIFMD**"), and any "marketing" as defined in AIFMD will, in due course, take place in accordance with the national private placement regimes of the applicable European Economic Area jurisdictions in which the Manager registers under AIFMD for marketing.

This announcement contains statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements may be identified by the use of forward-looking terminology, including the terms "believes", "expects", "anticipates", "intends", "plans", "estimates", "aim", "forecast", "projects", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. Forward-looking statements may and often do differ materially from actual results. The forward-looking statements reflect the Company's, the Manager's and EJV Capital LLC's current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Company's business, results of operations, financial position, liquidity, prospects, growth, strategies and the industry in which the Company operates. The forward-looking statements speak only as of the date they are made and cannot be relied upon as a guide to future performance. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company, the Manager and EJV Capital LLC, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements. As a result, investors are cautioned not to place undue reliance on such forward-looking statements. Forward-looking statements speak only as of their date and the Company, the Manager, EJV Capital LLC, Numis and any of such person's respective directors, officers, employees, agents, affiliates or advisors expressly disclaim any obligation to supplement, amend, update or revise any of the forward-looking statements made herein, except where it would be required to do so under applicable law. It is up to the recipient of this announcement to make its own assessment as to the validity of such forward-looking statements and assumptions. No statement in this announcement is intended as a profit forecast or a profit estimate.

The timetable, including the date of Admission, may be influenced by a range of circumstances such as market conditions. There is no guarantee that the Placing will not be discontinued and you should not base your financial decisions on the Company's intentions in relation to the Placing or Admission. This announcement does not constitute a recommendation concerning the Placing. The Company is not regulated by the FCA and FCA protection does not apply to the Placing.

Numis, which is authorised and regulated by the FCA in the United Kingdom, is acting exclusively for the Company and no one else in connection with the matters described in this announcement. Numis will not regard any other person (whether or not a recipient of this document) as a client in relation thereto and will not be responsible to anyone other than the Company for providing the protections afforded to its clients nor for giving advice in relation to the Placing, the contents of this announcement or any transaction or arrangement or other matter referred to herein.

In connection with the Placing, Numis and any of its affiliates, acting as investors for their own accounts, may subscribe for or purchase 2025 ZDP Shares and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for their own accounts in such 2025 ZDP Shares and other securities of the Company or related investments in connection with the Placing or otherwise. Accordingly, references in the Prospectus and this announcement to the 2025 ZDP Shares being offered, subscribed, issued, acquired, sold, placed or otherwise dealt in should be read as including any offer, subscription, issue, sale, acquisition, placing or dealing in the 2025 ZDP Shares by Numis and any of its affiliates acting as investors for their own accounts. In addition, Numis or its affiliates may enter into financing arrangements and swaps in connection with which it or its affiliates may from time to time acquire, hold or dispose of 2025 ZDP Shares. Neither Numis nor any of its affiliates intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

Apart from the responsibilities and liabilities, if any, which may be imposed on Numis by the FSMA or the regulatory regime established thereunder, or under the regulatory regime of any jurisdiction where exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, neither Numis nor any of its affiliates, directors, officers, employees, advisors or agents accepts any

responsibility or liability whatsoever for, or makes any representation or warranty, express or implied, as to the truth, accuracy, completeness or fairness of the information contained in this announcement (or whether any information has been omitted from the announcement) or any other information relating to the Company, its subsidiaries or associated companies, whether written, oral or in a visual or electronic form, and howsoever transmitted or made available or for any loss howsoever arising from any use of this announcement or its contents or otherwise arising in connection therewith.

### **Information for Distributors**

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures, in the UK being the FCA's Product Intervention and Governance Sourcebook (PROD) (together the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the 2025 ZDP Shares have been subject to a product approval process, which has determined that the 2025 ZDP Shares are: (i) compatible with an end target market of (a) retail investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom and (b) investors who meet the criteria of professional clients and eligible counterparties each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II for each type of investor (the "**Target Market Assessment**").

Notwithstanding the Target Market Assessment, distributors should note that: the price of the 2025 ZDP Shares may decline and investors could lose all or part of their investment; the 2025 ZDP Shares offer no guaranteed income and no capital protection; and an investment in the 2025 ZDP Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risk of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Placing Programme (including the Placing). Furthermore, it is noted that, notwithstanding the Target Market Assessment, Numis will only contact prospective investors through the Placing who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the 2025 ZDP Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the 2025 ZDP Shares and determining appropriate distribution channels.