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The Company has not been and will not be registered under the United States' Investment Company Act of 1940, as amended (the "**US Investment Company Act**") and as such, the Company and its investors will not be entitled to the protections of the US Investment Company Act. There will be no public offer of the Preferred Shares in the United States. Neither the United States Securities and Exchange Commission nor any state securities commission has approved or disapproved of the Preferred Shares or passed upon or endorsed the merits of the offering of the Preferred Shares or the adequacy or accuracy of this document. Any representation to the contrary is a criminal offence in the United States.

The Preferred Shares will be offered and sold in the United States in a transaction not involving a "public offering" subject to an exemption from the registration requirements of Section 5 of the US Securities Act only to persons who are all of the following: (i) qualified purchasers ("**Qualified Purchasers or QPs**") as defined in Section 2(a)(51) of the US Investment Company Act and the rules and regulations promulgated thereunder; and (ii) "accredited investors" ("**Accredited Investors**" or "**AIs**", and persons who are both QPs and AIs, "**Entitled Qualified Purchasers**") as defined in Rule 501(a) of Regulation D under the US Securities Act ("**Regulation D**"). The Preferred Shares will be offered and sold outside the United States to non-US Persons (or to persons who are both US Persons and Entitled Qualified Purchasers) in reliance on Regulation S under the US Securities Act. Prospective investors in the United States are hereby notified that the sellers of any Preferred Shares may be relying on the exemption from the provisions of Section 5 of the US Securities Act provided for a transaction not involving a "public offering".

The Preferred Shares may not be acquired by: (i) investors acting on behalf of or using the assets of: (A) an "employee benefit plan" within the meaning of section 3(3) of the US Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), that is subject to Part 4 of Subtitle B of Title I of ERISA; (B) a "plan" within the meaning of section 4975(e)(1) of the US Internal Revenue Code of 1986, as amended (the "**US Tax Code**"), that is subject to section 4975 of the US Tax Code, including an individual retirement account, a health savings account or a "Keogh" plan; or (C) a person or entity whose underlying assets include "plan assets" under the US Department of Labor regulation at 29 C.F.R § 2510.3-101, as modified by section 3(42) of ERISA (the "**ERISA Plan Asset Regulation**"), by reason of the foregoing (A) or (B) employee benefit plan's or plan's investment in such person or entity or otherwise for the purposes of Part 4 of Subtitle B of Title I of ERISA or section 4975 of the US Tax Code (each of (A)-(C), a "**Benefit Plan Investor**"); and (ii) investors acting on behalf of or using the assets of a "governmental plan" within the meaning of section 3(32) of ERISA, a "church plan" within the meaning of section 3(33) of ERISA that has made no election under section 410(d) of the US Tax Code or a "non-US plan" described in section 4(b)(4) of ERISA (any such plan, a "**Similar Plan**") that is: (X) subject to a US federal, state, local or non-US law or regulation that contains one or more provisions that are similar to the fiduciary responsibility and prohibited transaction provisions of Part 4 of Subtitle B of Title I of ERISA or section 4975 of the US Tax Code (any such law or regulation, an "**Other Plan Law**"); or (Y) subject to a US federal, state, local or non-US law or regulation that is similar to the ERISA Plan Asset Regulation so as to cause the underlying assets of the Company to be treated as assets of an investing entity by virtue of its investment (or any beneficial interest) in the Company and thereby subject the Company or the originator (or other persons responsible for the investment and operation of the Company's assets) to any Other Plan Law (any such law or regulation, a "**Similar Law**"), unless pursuant to this subsection (ii), its purchase, holding and disposition of the Preferred Shares do not and will not constitute or result in a violation of any Other Plan Law.

This document may only be distributed and the Preferred Shares may only be offered or placed in the United Kingdom to persons in the United Kingdom who: (i) are "qualified investors" (within the meaning of paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024 (the "**POATRs**") who are also: (i) 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 (the "**Order**"); (ii) high net worth entities falling within Article 49 (2)(a) to (d) of the Order; or (iii) other persons to whom it can otherwise lawfully be distributed (each a "**Relevant Person**"). This document must not be acted or relied upon by persons other than Relevant Persons in the United Kingdom and any investment or investment activity or controlled investment or controlled activity to which this document relates will only be available to such persons and will be engaged in only with such persons.

The Preferred Shares are subject to restrictions on transferability and resale in certain jurisdictions and may not be transferred or resold except as permitted under applicable securities laws and regulations. Investors may be required to bear the financial risks of their investment in the Preferred Shares for an indefinite period of time. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdictions.

Confirmation of your representation: By accepting electronic delivery of this document, you are deemed to have represented to the Company, the Manager and the Placement Agent that: (i) if you are located within the United States or are acting for the account or benefit of, a US Person, you are (a) an Entitled Qualified Purchaser, (b) acquiring the Preferred Shares for your own account or for the account of one or more Entitled Qualified Purchaser with respect to whom you have the authority to make, and does make, the representations and warranties set forth herein and in the Subscription Agreement, (c) acquiring the Preferred Shares for investment purposes, and not with a view to further distribution of the Preferred Shares; (ii) if you are in the UK, you are a Relevant Person; and (iii) if you are outside the U.S. and UK (and the electronic mail addresses that you gave these parties and to which this document has been delivered are not located in such jurisdictions), you are a person into whose possession this document may lawfully be delivered in accordance with the laws of the jurisdiction in which you are located.

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The Placement Agent is acting exclusively for the Company and no one else in connection with the offer. They will not regard any other person (whether or not a recipient of this document) as their client in relation to the offer and will not be responsible to anyone other than the Company for providing the protections afforded to their clients, nor for giving advice in relation to the offer or any transaction or arrangement referred to herein.

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This private placement memorandum (the "Private Placement Memorandum") relates to EJF Investments Ltd, a registered closed-ended investment company incorporated with limited liability in the Bailiwick of Jersey (the "Company") in connection with the issue of a new class of preferred, non-voting shares of no par-value (the "Preferred Shares") on a private placement basis.

Prospective investors should read the whole of this Private Placement Memorandum when considering an investment in the Preferred Shares and, in particular, their attention is drawn to the section entitled "*Risk Factors*" of this Private Placement Memorandum.

EJF INVESTMENTS LTD

(a closed-ended investment company incorporated with limited liability in the Bailiwick of Jersey with registered number 122353)

Private Placement of up to 1,400,000 Preferred Shares

Manager	*Placement Agent*
EJF Investments Manager LP	**Piper Sandler & Co.**

THIS PRIVATE PLACEMENT MEMORANDUM IS CONFIDENTIAL AND IS BEING FURNISHED ON A CONFIDENTIAL BASIS SOLELY TO A LIMITED NUMBER OF PROSPECTIVE INVESTORS SOLELY FOR THE PURPOSE OF PROVIDING CERTAIN INFORMATION ABOUT THE PREFERRED SHARES AND THE COMPANY. EACH OFFEREE TO WHICH THIS PRIVATE PLACEMENT MEMORANDUM HAS BEEN DELIVERED AGREES TO TREAT THE INFORMATION CONTAINED HEREIN IN A CONFIDENTIAL MANNER. SUCH INFORMATION MAY NOT BE REPRODUCED OR USED IN WHOLE OR IN PART FOR ANY PURPOSE OTHER THAN CONSIDERATION OF AN INVESTMENT IN THE PREFERRED SHARES, NOR MAY IT BE DISCLOSED WITHOUT THE PRIOR WRITTEN CONSENT OF THE COMPANY TO ANYONE OTHER THAN REPRESENTATIVES OF THE OFFEREE DIRECTLY CONCERNED WITH THE DECISION REGARDING SUCH INVESTMENT WHO HAVE AGREED TO ABIDE BY THE FOREGOING RESTRICTIONS.

Piper Sandler & Co. ("**Piper Sandler**" or the "**Placement Agent**") is acting exclusively for the Company and no one else in connection with the proposed offering of up to 1,400,000 Preferred Shares (the "**Offering**") and will not regard any other person (whether or not a recipient of this Private Placement Memorandum) as its client in relation to the Offering and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing any advice in relation to the Offering, the contents of this Private Placement Memorandum or any other transactions or arrangements referred to herein. None of Piper Sandler or any of its affiliates, or any of its or their respective directors, officers, employees, advisers or agents, accepts any responsibility whatsoever for, or makes any representation or warranty, express or implied, as to the accuracy, completeness or verification of the contents of this Private Placement Memorandum or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the Preferred Shares or the Offering, and nothing in this Private Placement Memorandum will be relied upon as a promise or representation in this respect, whether as to the past or the future. Piper Sandler and its affiliates accordingly, to the fullest extent permitted by law, disclaim all and any responsibility or liability, whether arising in tort, contract or otherwise, which they might otherwise have in respect of this Private Placement Memorandum or any such statement.

Piper Sandler and its affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. Piper Sandler and its affiliates may have engaged, and may in the future engage, in investment banking and other commercial dealings in the ordinary course of business with the Company or its affiliates, for which they have received, or may receive, customary fees and commissions. In addition, in the ordinary course of their business activities, Piper Sandler and its affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments for their own account and for the accounts of their customers, which may involve securities and/or instruments of the Company or its affiliates. Piper Sandler does not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

A CUSIP number has been assigned to the Preferred Shares being issued pursuant to the Offering by an independent company not affiliated with the Company and is being provided to each investor of a Preferred Share solely for the convenience of such investor. None of the Company, Piper Sandler or any of their respective affiliates is responsible for the selection or use of such CUSIP number, and no representation is made as to its correctness. The CUSIP number is subject to being changed after the issuance of the Preferred Shares as a result of various subsequent actions, including but not limited to, full redemption of the Preferred Shares by the Company in accordance with their terms.

This Private Placement Memorandum does not constitute or form part of any offer or invitation to sell, or the solicitation of an offer to acquire or subscribe for, any securities other than the securities to which it relates or any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for such securities by any person in any circumstances in which such offer or solicitation is unlawful.

The Preferred Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**US Securities Act**") or under the securities laws or with any securities regulatory authority of any state or other jurisdiction of the United States or under the securities laws or with any securities regulatory authority of Australia, Canada or South Africa. The Preferred Shares may not be offered, sold, exercised, resold, transferred or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, US Persons (as defined in Regulation S under the US Securities Act ("**Regulation S**")), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction in the United States. The Preferred Shares may not be offered or sold into or within Australia, Canada or South Africa or to, or for the account or benefit of any national, resident or citizen of Australia, Canada or South Africa. Subject to certain exceptions as described herein, any offering of the Preferred Shares is only being made outside the United States to non-US Persons in reliance on Regulation S under the US Securities Act.

The Company has not been and will not be registered under the United States' Investment Company Act of 1940, as amended (the "**US Investment Company Act**") and as such, the Company and its investors will not be entitled to the protections of the US Investment Company Act. There will be no public offer of the Preferred Shares in the United States. **Neither the United States Securities and Exchange Commission (the "US SEC") nor any state securities commission has approved or disapproved of the Preferred Shares or passed upon or endorsed the merits of the offering of the Preferred Shares or the adequacy or accuracy of this Private Placement Memorandum. Any representation to the contrary is a criminal offence in the United States.**

The Preferred Shares will be offered and sold in the United States in a transaction not involving a "public offering" subject to an exemption from the registration requirements of Section 5 of the US Securities Act only to persons who are all of the following: (i) qualified purchasers ("**Qualified Purchasers or QPs**") as defined in Section 2(a)(51) of the US Investment Company Act and the rules and regulations promulgated thereunder; and (ii)

"accredited investors" ("**Accredited Investors" or "AIs**", and persons who are both QPs and AIs, "**Entitled Qualified Purchasers**") as defined in Rule 501(a) of Regulation D under the US Securities Act ("**Regulation D**"). The Preferred Shares will be offered and sold outside the United States to non-US Persons (or to persons who are both US Persons and Entitled Qualified Purchasers) in reliance on Regulation S under the US Securities Act. Prospective investors in the United States are hereby notified that the sellers of any Preferred Shares may be relying on the exemption from the provisions of Section 5 of the US Securities Act provided for a transaction not involving a "public offering".

The Preferred Shares may not be acquired by: (i) investors acting on behalf of or using the assets of: (A) an "employee benefit plan" within the meaning of section 3(3) of the US Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), that is subject to Part 4 of Subtitle B of Title I of ERISA; (B) a "plan" within the meaning of section 4975(e)(1) of the US Internal Revenue Code of 1986, as amended (the "**US Tax Code**"), that is subject to section 4975 of the US Tax Code, including an individual retirement account, a health savings account or a "Keogh" plan; or (C) a person or entity whose underlying assets include "plan assets" under the US Department of Labor regulation at 29 C.F.R § 2510.3-101, as modified by section 3(42) of ERISA (the "**ERISA Plan Asset Regulation**"), by reason of the foregoing (A) or (B) employee benefit plan's or plan's investment in such person or entity or otherwise for the purposes of Part 4 of Subtitle B of Title I of ERISA or section 4975 of the US Tax Code (each of (A)-(C), a "**Benefit Plan Investor**"); and (ii) investors acting on behalf of or using the assets of a "governmental plan" within the meaning of section 3(32) of ERISA, a "church plan" within the meaning of section 3(33) of ERISA that has made no election under section 410(d) of the US Tax Code or a "non-US plan" described in section 4(b)(4) of ERISA (any such plan, a "**Similar Plan**") that is: (X) subject to a US federal, state, local or non-US law or regulation that contains one or more provisions that are similar to the fiduciary responsibility and prohibited transaction provisions of Part 4 of Subtitle B of Title I of ERISA or section 4975 of the US Tax Code (any such law or regulation, an "**Other Plan Law**"); or (Y) subject to a US federal, state, local or non-US law or regulation that is similar to the ERISA Plan Asset Regulation so as to cause the underlying assets of the Company to be treated as assets of an investing entity by virtue of its investment (or any beneficial interest) in the Company and thereby subject the Company or the originator (or other persons responsible for the investment and operation of the Company's assets) to any Other Plan Law (any such law or regulation, a "**Similar Law**"), unless pursuant to this subsection (ii), its purchase, holding and disposition of the Preferred Shares do not and will not constitute or result in a violation of any Other Plan Law.

This Private Placement Memorandum may only be distributed and the Preferred Shares may only be offered or placed in the United Kingdom to persons in the United Kingdom who: (i) are "qualified investors" (within the meaning of paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024 (the "**POATRs**") who are also: (i) 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 (the "**Order**"); (ii) high net worth entities falling within Article 49 (2)(a) to (d) of the Order; or (iii) other persons to whom it can otherwise lawfully be distributed (each a "**Relevant Person**"). This Private Placement Memorandum must not be acted or relied upon by persons other than Relevant Persons in the United Kingdom and any investment or investment activity or controlled investment or controlled activity to which this Private Placement Memorandum relates will only be available to such persons and will be engaged in only with such persons.

This Private Placement Memorandum is not a prospectus for the purposes of the POATRs. The Preferred Shares are not intended to be offered, sold or otherwise made available to and should not be offered to the public in the United Kingdom except to any legal entity which is a qualified investor as defined in paragraph 15 of Schedule 1 to POATRs. Consequently, no product summary required by the FCA Product Disclosure Sourcebook ("**DISC**") for offering or selling the Preferred Shares or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Preferred Shares or otherwise making them available to any retail investor in the UK may be unlawful under DISC and the Consumer Composite Investments (Designated Activities) Regulations 2024.

The distribution of this Private Placement Memorandum and the offer of the Preferred Shares in certain jurisdictions may be restricted by law (any such jurisdiction, a "**Restricted Territory**"). No action has been or will be taken to permit the possession, issue or distribution of this Private Placement Memorandum (or any other offering or publicity material relating to the Preferred Shares) in any jurisdiction where action for that purpose may be required or doing so is restricted by law. Accordingly, neither this Private Placement Memorandum, nor any advertisement, nor any other offering material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Private Placement Memorandum comes should inform themselves about and observe any such restrictions. None of the Company, the Manager, Piper Sandler or any of their respective affiliates or advisers accepts any legal responsibility for any breach by any person, whether or not a prospective investor, of any such restrictions.

The Preferred Shares are subject to restrictions on transferability and resale in certain jurisdictions and may not be transferred or resold except as permitted under applicable securities laws and regulations. Investors may be required to bear the financial risks of their investment in the Preferred Shares for an indefinite period of time. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdictions. For further information on restrictions on offers, sales and transfers of the Preferred Shares, please refer to the sections entitled "*Key Terms of the Offering*" and "*Selling Restrictions*" in the Important Notices section of this Private Placement Memorandum.

In making an investment decision relating to the Preferred Shares, each investor must rely on their own examination, analysis and enquiry of the Company and the terms of the Offering, including the merits and risks involved. Investors also acknowledge that: (i) they have not relied on Piper Sandler or any person affiliated with Piper Sandler in connection with any investigation of the accuracy of any information contained in this Private Placement Memorandum or their investment decision; and (ii) they have relied only on the information contained in this Private Placement Memorandum and any supplementary Private Placement Memorandum issued by the Company prior to the respective Initial Closing Date, First Reopening Period and Second Reopening Period (as such terms are used below) and the subscription agreements to be entered into in connection with the Offering (the "**Subscription Agreement**"). No person has been authorised to give any information or make any representations other than those contained in this Private Placement Memorandum and the Subscription Agreement and, if given or made, such information or representations must not be relied on as having been so authorised.

Neither the delivery of this Private Placement Memorandum nor any subscription or sale made under it shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this Private Placement Memorandum or that the information in it is correct as at any subsequent time.

None of the Company, the Manager, Piper Sandler or any of their respective representatives, is making any representation to any prospective investor in respect of the Preferred Shares regarding the legality of an investment in the Preferred Shares by such prospective investor under the laws applicable to such prospective investor. The contents of this Private Placement Memorandum should not be construed as legal, financial or tax advice. Each prospective investor should consult his, her or its own legal, financial or tax adviser for legal, financial or tax advice.

The Company has been established in Jersey as a listed fund. It is suitable therefore only for professional or experienced investors, or those who have taken appropriate professional advice. Regulatory requirements which may be deemed necessary for the protection of retail or inexperienced investors do not apply to listed funds. By investing in the Company, you will be deemed to be acknowledging that you are a professional or experienced investor, or have taken appropriate professional advice, and accept the reduced requirements accordingly. You

are wholly responsible for ensuring that all aspects of the Company and the Manager are acceptable to you. Investment in listed funds may involve special risks that could lead to a loss of all or a substantial portion of such investment. Unless you fully understand and accept the nature of the Company and the potential risks inherent in this Company you should not invest in the Company.

Further information in relation to the regulatory treatment of listed funds domiciled in Jersey may be found on the website of the Jersey Financial Services Commission at www.jerseyfsc.org.

This Private Placement Memorandum is prepared, and a copy of it has been sent to the Jersey Financial Services Commission, in accordance with the Collective Investment Funds (Certified Funds—Prospectuses) (Jersey) Order 2012. The Jersey Financial Services Commission does not take any responsibility for the financial soundness of the Company or for the correctness of any statements made or expressed in this Private Placement Memorandum. The applicant is strongly recommended to read and consider this Private Placement Memorandum before completing an application.

This Private Placement Memorandum is dated 25 November 2026.

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SUMMARY

EJF Investments Ltd (the "Company") is proposing to issue a new class of preferred, non-voting shares of no par value (the "**Preferred Shares**") and to offer up to 1,400,000 Preferred Shares on a private placement basis pursuant to this Private Placement Memorandum, or such additional amount as mutually agreed by the Company and the Placement Agent (the "**Offering**"). The Preferred Shares will not be listed or admitted to trading on any stock exchange at the time of issuance and no application for listing will be made in connection with the initial offering. The Company shall, following the Offering, make commercially reasonable efforts to list, or otherwise provide a liquidity option with respect to the Preferred Shares (for example, on Nasdaq, or on an over-the-counter market if Nasdaq eligibility criteria are not met), but there is no guarantee that any such listing will occur or on what timeframe, and investors should not assume that a market for the Preferred Shares will become available.

1. KEY INFORMATION ON THE COMPANY

1.1 Details of the Company

Domicile and legal form, LEI, applicable legislation and country of incorporation

The issuer of the Preferred Shares is EJF Investments Ltd of IFC 5, St. Helier, Jersey JE1 1ST, Channel Islands and its LEI is 549300XZYEQCLA1ZAT25. It was incorporated as a registered closed-ended investment company incorporated with limited liability in the Bailiwick of Jersey on 20 October 2016 under the provisions of the Companies Law, with registered number 122353.

Principal activities

The Company is a closed-ended fund that seeks to generate attractive risk adjusted returns for its Shareholders 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, FinTech debt securities (including European debt securities) and private equity, in both cash and synthetic formats issued by entities domiciled in the US, UK and Europe (the "**Investment Objective**"). The Company seeks to make (with respect to its Ordinary Shares) quarterly dividend payments of income arising from the Portfolio in addition to targeting Net Asset Value growth.

The Company

The Company's capital currently comprises: (a) non-redeemable ordinary shares of no par value in the share capital of the company; and (b) zero dividend preference shares maturing on 17 December 2029, each of which are admitted to trading on the Specialist Fund Segment (the "**SFS**") of the main market for listed securities of London Stock Exchange plc (the "**LSE**").

The Company is externally managed by EJF Investments Manager LP (formerly EJF Investments Manager LLC) (the "**Manager**") which is responsible for the portfolio and risk management of the Company, including managing the Company's assets and its day-to-day operations.

No interest in the Company's capital or voting rights is notifiable under the Company's national law. None of the Company's Shareholders has or will have voting rights attached to the Shares they hold which are different from the voting rights attached to any other Shares of the same class in the Company and the Shares held by them will rank *pari passu* in all respects with the other Shares of the same class. As at the date of this Private Placement Memorandum, the Company is not aware of any person who, directly or indirectly, jointly or severally, exercises, or could exercise, control over the Company.

Major shareholders

In so far as it is known to the Company as at the Latest Practicable Date, the following persons will be directly or indirectly interested in 5 per cent. or more of the Company's issued share capital:

Name of Shareholder	Number of Ordinary Shares	Percentage of Ordinary Shares
Cheetah Holdings	11,816,558	20.34%
Premier Miton Investors	4,366,857	7.52%
Leon Cooperman	4,000,000	6.89 %
Tradex Insurance Company	3,116,426	5.37%
William E Conway Jr	3,113,415	5.36%
Newton Investment Management	2,994,534	5.16%
Wolfson Equities	2,966,990	5.11%

Directors

The non-executive directors of the Company which comprise the Board are John Kingston III, Bronwyn Curtis, Alan Dunphy, Martin Rowley and Nick Watkins.

Statutory auditors

The statutory auditors to the Company are Ernst & Young LLP ("**EY**") of 25 Churchill Place, London E14 5EY, United Kingdom. EY are members of a chartered accountants' professional body, ICAEW (the Institute of Chartered Accountants in England and Wales), of Chartered Accountants' Hall, Moorgate Place, London EC2R 6EA.

1.2 **Key Financial Information**

Income Statement Information	For the year ended 31 December 2025 (£ millions)	For the six months ended 30 June 2026 (unaudited) (£ millions)	For the six months ended 30 June 2025 (unaudited) (£ millions)
Dividend Income	7.94	3.90	4.50
Net profit or (loss)	4.76	8.3	(2.4)
Investment management fee	(0.80)	(0.40)	(0.40)
Expenses reimbursed by the Manager	-	-	-
Any other material fees (accrued/paid) to service providers	(1.0)	(0.6)	(0.5)
Earnings per Ordinary Share - basic	7.8p	-	-
Earnings per Ordinary Share - diluted	7.8p	-	-

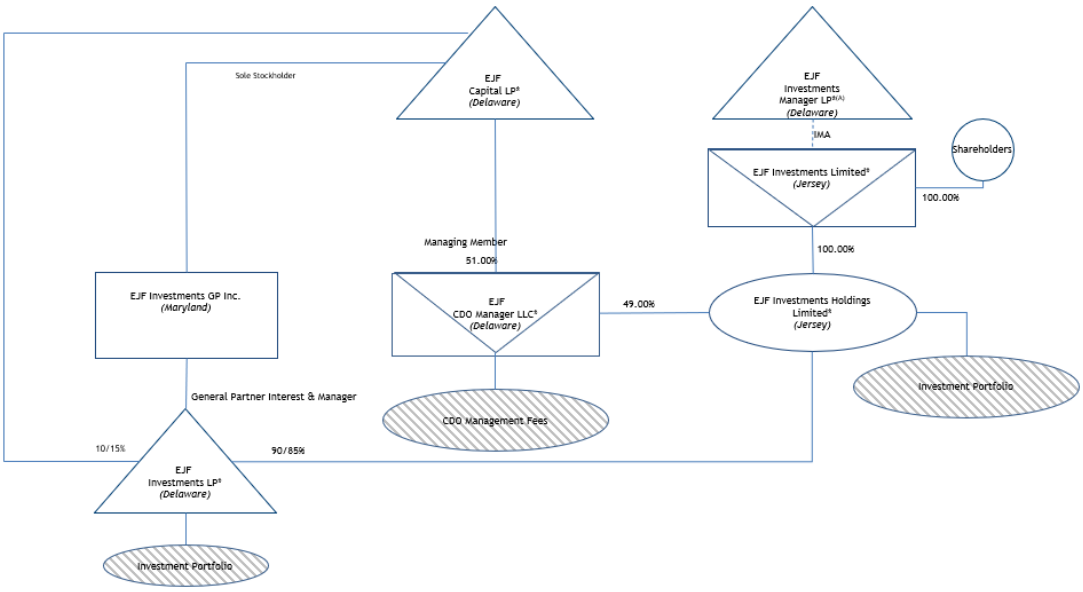
Balance Sheet Information	As at 31 December 2025 (£ millions)	For the six months ended 30 June 2026 (unaudited) (£ millions)	For the six months ended 30 June 2025 (unaudited) (£ millions)
Total net assets	94.50	99.50	95.10
Total equity	94.50	99.50	95.10

1.3 Portfolio

As of 30 September 2026, the Company's Net Asset Value was £101.52 million and its portfolio was comprised of securitisation and related investments, credit risk transfer investments and investment in US bank debt.

2. GROUP STRUCTURE

The diagram below illustrates the Group's structure as at the date of this Private Placement Memorandum:



(1) The Manager is the investment manager of the Company.
(2) In order to comply with guidance with respect to the relevant Securitisation and Risk Retention Regulations, EJF Capital LP will hold a minimum of 10 per cent. of the Partnership Units.

3. RISK FACTORS RELATING TO THE COMPANY

3.1 **Key risks specific to the Company's Business**

The attention of investors is drawn to the risks associated with an investment in the Company which, in particular, include the following:

Key risks relating to the Company's business

- Material changes affecting global debt and equity capital markets may have a negative effect on the Company's business, financial condition, results of operations, net asset value ("**NAV**") and/or the market price of the Shares.
- The Company's NAV (which is only calculated and published in respect to the Ordinary Shares) is calculated based on the NAV of the Portfolio and, as such, is subject to valuation risk and the Company can provide no assurance that the NAV it records from time to time will ultimately be realised.
- The investments are difficult to value accurately and, as a result, the Company may be subject to valuation risk.
- The Company is to a material extent reliant on EJF for the sourcing of its Target Investments and any failure by EJF to structure or source applicable Target Investments for the Company, or any deterioration or termination of the relationship between the Company, the Manager and EJF, could have a material adverse effect on the Company's business, financial condition, results of operations, NAV and/or market price of the Shares.
- The use of leverage will expose the Company to additional levels of risk which could have a material adverse effect on the Company's business, financial condition, results of operations, NAV and/or market price of the Shares.

Key risks related to the Manager and service providers

- The Company's success depends on its continued relationship with the Manager and, in turn, on the Manager's relationship with EJF. If this relationship were to end or key EJF or Manager professionals were to depart, it could have a material adverse effect on the Company's business, investments and results of operations.
- The Company will be reliant on the skill and judgement of the Manager in valuing and determining an appropriate purchase price for its investments. Any determinations of value that differ materially from the values the Company realises at the maturity of the investments or upon their disposal will likely have a negative impact on the Company and the price of its Shares.
- The Manager's compensation structure may encourage the Manager to invest in high-risk investments. Because the Manager's incentive fee is calculated on a basis which includes unrealised appreciation, it may be greater than if such compensation were based solely on realised gains, which, in turn, may result in the Company's inability to pay dividends.

Key risks related to the Company's investment portfolio and its investment strategy

- Market factors may result in the failure of the investment strategy which may adversely affect the performance of the Portfolio and, by extension, the Company's business, financial condition, results of operations, NAV and/ or the market price of the Shares.
- The Company may hold a relatively concentrated portfolio which could adversely affect the value of the portfolio and, by extension, the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares.

4. KEY INFORMATION ON THE PREFERRED SHARES

4.1 What are the main features of the Preferred Shares?

Type and class of the securities

The securities which the Company intends to issue under the Offering are preferred shares of no par value in the Company.

The Preferred Shares will not be listed or admitted to trading on any stock exchange at the time of issuance, and no application for listing will be made in connection with the initial offering. The Company shall, following the Offering, make commercially reasonable efforts to list, or otherwise provide a liquidity option with respect to the Preferred Shares (for example, on Nasdaq, or on an over-the-counter market if Nasdaq eligibility criteria are not met), but there is no guarantee that any such listing will occur or on what timeframe, and investors should not assume that a market for the Preferred Shares will become available.

Currency, denomination, par value, number of securities issued and term of the securities

Currency: US dollars

Par value: no par value

Number of securities: up to 1,400,000 Preferred Shares

Purchase Price per Preferred Share: US$25 per Preferred Share, save for the Preferred Shares issued on the Initial Closing Date which will have a purchase price of US$24.75 per Preferred Share

Term: Perpetual

The Preferred Shares have been assigned the following CUSIP Number: 28261A201

Rights attaching to the Preferred Shares

The Preferred Shares are perpetual in form: there is no fixed maturity or repayment date. All or part of the outstanding Preferred Shares are redeemable only at the Company's option - there is no right for a holder to require redemption at any time - and dividends are non-cumulative, meaning that if the board of directors of EJFI (the

"**Board**") does not declare a dividend for a given period, holders have no right to receive it later, whether on redemption or otherwise.

Preferred Shares do not carry general voting rights, save for class consent rights that protect holders against adverse changes to their rights, amendment of the Board's redemption discretion and the basis for setting the Preferred Share Redemption Amount, material changes to the Company's investment policy that are prejudicial to their Class, and any dividend or buyback on the Ordinary Shares that is paid without a corresponding Preferred Share dividend having been declared.

Further issuances of Preferred Shares (beyond the initial issuance) are subject to the Company maintaining a minimum asset coverage ratio of 2.0x, calculated by reference to the Company's net asset value, the redemption value of its outstanding zero dividend preference shares, and the capital attributable to its outstanding Preferred Shares.

The Preferred Shares will be issued and held in certificated form on the Registrar of the Company's books and records only. Physical certificates will not be issued unless requested.

Relative seniority of the Preferred Shares

The Preferred Shares rank ahead of EJFI's Ordinary Shares for both income and capital, but behind the ZDP Shares, of which the 2029 ZDP Shares are the class currently in issue; this priority extends to any future Classes of ZDP Shares the Company may issue, not only the 2029 ZDP Shares. The Company may not pay any dividend, or carry out any buyback, in respect of the Ordinary Shares unless a dividend has also been declared on the Preferred Shares for the corresponding period.

Furthermore, the Directors may only pay dividends if, immediately following such payment, the Dividends Minimum Cover Amount in respect of each Class of ZDP Shares in issue is met, save where each relevant Class of ZDP Shareholders have approved such payment. The Dividends Minimum Cover Amount in respect of the 2029 ZDP Shares is 2.0x.

Preferred Share Dividends

The Preferred Shares will pay a fixed-rate dividend, set at the time of issuance of each Class, at the discretion of the Board. A Class of Preferred Shares is expected to carry more than one step-up in its dividend rate if not redeemed by the Company - that is, the rate is expected to increase in stages at successive dates, rather than a single one-off increase - with the number of step-up dates, the timing of each, and the resulting rates to be fixed for each Class in its Preferred Share Issuance Terms and set out in the Key Terms of the Offering for that issuance.

While past performance is not a guarantee of the Company's ability to pay dividends on the Ordinary Shares and the Preferred Shares, the Company has a history of making dividend payments and has made no suspension of dividends since the inception of the Company.

Buybacks

No buybacks on Ordinary Shares may be effected until all dividends declared on Ordinary Shares and Preferred Shares have been paid.

4.2 **Key risks that are specific to the Preferred Shares and this Offering**

The attention of investors is drawn to the risks associated with an investment in the Preferred Shares, which, in particular, include the following:

- The Preferred Shares are perpetual and redeemable, in whole or in part, only at the Company's option. There is no right for a holder to require redemption at any time, and holders should be prepared to hold their Preferred Shares for an indefinite period.
- Dividends on the Preferred Shares are discretionary and non-cumulative. If the Board does not declare a dividend for a given period, holders have no right to receive it later, whether on redemption or otherwise.
- The Preferred Shares rank behind EJFI's ZDP Shares as to both capital and priority of return, and Preferred Shareholders will only receive a return after the ZDP Shareholders and the Company's creditors have been paid in full.
- Net proceeds from this Offering may be applied at the discretion of the Directors, and there is no assurance that the application of such proceeds will improve the Company's operating results or enhance the market price of the Shares.
- The Company's ability to redeem the Preferred Shares depends on its future cash flow, which is subject to economic, financial, competitive and regulatory factors beyond the Company's control, and there is no assurance that the Company will have sufficient cash reserves or cash flows to redeem the Preferred Shares in accordance with their terms.
- The Company's credit rating may be downgraded, suspended or withdrawn, which would increase the Preferred Share Dividend Rate and the Company may not have sufficient funds to pay any increased Preferred Share Dividend Rate when due.

Timetable for the Offering

Offering	
Private Placement Memorandum circulated	25 November 2026
Offer Period opens	25 November 2026
Offer Period closes	7 December 2026
Initial Closing Date	17 December 2026
First Reopening Period	To be determined by
Second Reopening Period	mutual agreement between Piper Sandler and the Company

Each of the times and dates set out above is subject to change without further notice. References to times are to London time unless otherwise stated.

Costs and expenses

The costs and expenses to be paid by the Company in connection with the Offering (including the publication of this Private Placement Memorandum), include, without limitation, a placement agency fee payable to Piper Sandler, legal fees, printing, advertising and distribution costs and Jersey Financial Services Commission (the "**JFSC**") fees, and are not expected to exceed £1 million.

No costs or expenses (including those relating to the Offering) will be charged to any subscriber for Preferred Shares pursuant to the Offering by the Company.

Conflicts of interest

Prospective investors should be aware that although EJF, the Manager and the Company (as applicable to their relevant roles) seek to manage any potential conflicts of interest in good faith, there will be occasions when EJF and the Manager and their respective directors or affiliates, as applicable, may encounter conflicts of interest in connection with the Company.

Certain inherent conflicts of interest arise from the fact that EJF and its affiliates and respective employees (collectively, "**EJF Affiliates**") may provide investment management, advisory and support services to EJF Securitisations, the Manager, the CDO Manager, the Company and to other clients, including other securitisation vehicles, other investment funds, and any other investment vehicles that the EJF Affiliates may establish from time to time, as well as client accounts managed by EJF or EJF Affiliates (such other clients, funds and accounts, collectively, the "**Other EJF Accounts**").

KEY TERMS OF THE OFFERING

Term	Description
Company	EJF Investments Ltd, a closed-ended investment company incorporated in Jersey.
CUSIP Number	28261A201
Securities Offered	Preferred shares of no par value, issuable in one or more Classes, each Class denoted according to its applicable Preferred Share Dividend Rate and/or as otherwise determined by the Board. Save as otherwise provided in the Articles, each Class is issued on the same terms and has the same rights, save for the Preferred Share Dividend Rate and Preferred Share Issuance Terms applicable to that Class. For further information in relation to the Preferred Shares, see paragraph 6 "*Articles of Association*" of Part X (*Additional Information*).
Form	Certificated form on the Registrar of the Company's books and records only.
Rating	Egan-Jones Ratings Company has assigned a rating of BBB-/BBB- to the Preferred Shares (and BBB/BBB to EJFI generally).
Maintenance of Rating	The Company will use commercially reasonable efforts to maintain a rating (but, for the avoidance of doubt, not any particular rating) of the Preferred Shares from Egan-Jones Ratings Company or any other "nationally recognized statistical rating organizations" (NRSRO) within the meaning of Section 3(a)(62) of the Exchange Act, that is designated as a "Credit Rating Provider" (or other similar designation) by the National Association of Insurance Commissioners (NAIC) (a "**Designated NRSRO**") while the Preferred Shares remain outstanding.

Term	Description
	If the Company's rating, that has been provided by a Designated NRSRO, changes after the closing of the proposed transaction, the Preferred Share Dividend Rate will adjust as follows: • If the rating is downgraded below investment grade (i.e., BB+ or below), the Preferred Share Dividend Rate will increase by 100bps from the original Preferred Share Dividend Rate. • In the event the rating is upgraded back to investment grade (i.e., BBB- or higher), the Preferred Share Dividend Rate will decrease by 100bps back to the original Preferred Share Dividend Rate. • In the event that the Company is not rated by a Designated NRSRO, the Preferred Share Dividend Rate will step-up 200bps above the original Preferred Share Dividend Rate during the period in which there is no rating.
Currency	US dollars.
Ranking	Senior to the Ordinary Shares and any C Shares; junior to all Classes of ZDP Shares (including future Classes); pari passu across classes of Preferred Shares.
Issuance Test	The Company may only issue further Preferred Shares (other than the initial issuance) if, immediately following that issuance, a minimum 2.0x asset coverage ratio (the "**Issuance Test**") is met. In summary, the ratio is calculated as the aggregate value of the Company's assets and investments, less liabilities (other than liabilities relating to redemption of ZDP Shares), divided by the sum of (i) the full redemption value of all ZDP Shares then in issue and (ii) the share capital then attributable to the Preferred Shares then in

Term	Description
	issue. The Issuance Test does not condition the Company's ability to pay dividends, redeem or repurchase Ordinary Shares, incur borrowings, or reduce its share capital - only further issuances of Preferred Shares.
Dividend Entitlement and Rate	The Board may, in any quarter, declare a dividend at the fixed Preferred Share Dividend Rate (or, after the applicable Preferred Share Step-Up Date(s), the relevant Preferred Share Step-Up Dividend Rate) applicable to the relevant Class, at its sole discretion. Dividends are non-cumulative: if a dividend is not declared for a period, holders have no right to receive it later, whether on redemption or otherwise, and no compensating amount is payable. Preferred Share Dividend Rate for this Class: 9.75% per annum of the Preferred Share Redemption Amount, payable quarterly in arrears if, as and when declared by the Board. While past performance is not a guarantee of the Company's ability to pay dividends on the Ordinary Shares and the Preferred Shares, the Company has a history of making dividend payments and has made no suspension of dividends since the inception of the Company.
Step-Up	The Preferred Share Dividend Rate for this Class will increase in two stages, as follows, unless the Preferred Shares of this Class have been redeemed by the Company beforehand. First Preferred Share Step-Up Date: the date falling 5 years after the date of issuance of this Class (the "**First Step-Up Date**"). From the First Step-Up Date (if the Preferred Shares of this Class have not been redeemed beforehand), the Preferred Share Step-Up Dividend Rate will be 12.50% per annum of the Preferred Share

Term	Description
	Redemption Amount. Second Preferred Share Step-Up Date: the date falling 7 years after the date of issuance of this Class (the "**Second Step-Up Date**"). From the Second Step-Up Date (if the Preferred Shares of this Class have not been redeemed beforehand), the Preferred Share Step-Up Dividend Rate will be 15% per annum of the Preferred Share Redemption Amount.
Buyback	No buyback on the Ordinary Shares may be effected until all dividends declared on Ordinary Shares and Preferred Shares have been paid.
Purchase Price per Preferred Share	US$25 per Preferred Share, save for the Preferred Shares issued on the Initial Closing Date which will have a purchase price of US$24.75 per Preferred Share. The Preferred Share Redemption Amount (i.e. the amount payable on redemption or on a return of capital, in priority to the Ordinary Shares) is US$25 per Preferred Share.
Governing Document	The articles of association of EJF Investments Ltd, as amended and restated with effect from 24 July 2026 (and as further amended and restated from time to time), including Article 18.
Subscription Agreement	Each prospective investor of Preferred Shares will be required to execute and deliver to the Company the form of Subscription Agreement, which sets forth certain representations, warranties and understandings of investor relative both to the Offering and to the status of such investor. A prospective investor should read the Subscription Agreement carefully. Each prospective investor of Preferred Shares will also be required to provide all of the applicable customer due diligence documentation, including an executed source of funds and wealth declaration, required pursuant to Appendix B of the Subscription

Term	Description
	Agreement at the same time as providing their executed copy of their Subscription Agreement. Each prospective investor will agree to be bound by the Articles once the Preferred Shares that such investor has agreed to subscribe for pursuant to a Subscription Agreement have been acquired by such investor. In the event a prospective investor elects not to subscribe for any Preferred Shares or such prospective investor's subscription is rejected in its entirety, such prospective investor, by accepting delivery of this Private Placement Memorandum, agrees to return it, along with any documents or other information supplied in connection with it, upon the request by the Company. Pursuant to the subscription agreements to be entered into in connection with the Offering, the Company will provide certain information and documents relating to the Company and its operations in the Virtual Data Room established in connection with the Offering (the "**Virtual Data Room**"). A copy of the Subscription Agreement will be furnished to prospective investors prior to any final decision by an investor to invest in the Preferred Shares.
Type of Offering	Private placement, without registration under the US Securities Act, or the securities laws of any other jurisdiction, in reliance on available exemptions from registration.
Offering Size	The initial issuance of Preferred Shares is not expected to exceed £26 million (or, approximately US$35 million) in value, based on the ZDP Shares currently outstanding and the Company's most recently published net asset value; any

Term	Description
	further issuance is subject to the Issuance Test.
Investor Eligibility	US investors: must qualify both as "qualified purchasers" as defined in Section 2(a)(51) of the US Investment Company Act of 1940 (and the rules and regulations promulgated thereunder) and as "accredited investors" as defined in Rule 501(a) of Regulation D under the US Securities Act. UK investors: either (i) persons who are "qualified investors" who also fall within an available exemption from the UK financial promotion regime, or (ii) fewer than 150 persons (other than qualified investors) who fall within an available exemption from the UK financial promotion regime. Participation by ERISA "benefit plan investors" ("**Benefit Plan Investors**") is excluded entirely. Swiss investors: must qualify as qualified investors within the meaning of Article 10(3) and (3ter) of the Swiss Collective Investment Schemes Act of 23 June 2006, as amended (the "**CISA**").
Closing	The Company may hold an initial closing for a Class of Preferred Shares on the date determined by the Board (the "**Initial Closing Date**"), and may thereafter hold one or more subsequent closings for the same Class, at the discretion of the Manager and the Board, at any time after the Initial Closing Date, with no outside time limit on the period during which subsequent closings may be held (the "**Reopening Period**"). Preferred Shares issued at a subsequent closing during the Reopening Period will form part of the same Class as those issued at the Initial Closing Date, will be fungible with them, and will carry identical rights (including as to ranking, dividend rate,

Term	Description
	step-up date(s) and rate(s), and redemption terms) from the date of their issuance. The issue price for Preferred Shares issued at a subsequent closing during the Reopening Period will be the Purchase Price per Preferred Share set out above. The Initial Closing Date for the Preferred Shares is 17 December 2026. Each of the First Reopening Period and the Second Reopening Period will be determined by mutual agreement between the Company and Piper Sandler.
Minimum Subscription	US$250,000.00 per investor (or such lesser amount as the Company may accept in its sole discretion), provided, that the Company may, in its sole discretion, waive the minimum investment requirement for any prospective investor, reject any subscription to purchase the Preferred Shares offered hereby in whole or in part, or allocate to any prospective investor in the Preferred Shares less than the number of Preferred Shares subscribed for by such Preferred Investor. Any subscription which is not accompanied by full payment and a properly executed Subscription Agreement will be rejected.
Redemption	All or part of the outstanding Preferred Shares are redeemable only at the Company's option, at the Board's discretion, on or after the date specified in the Preferred Share Issuance Terms for the relevant Class; no investor put right. First call date for this Class: 5 year anniversary of the initial issuance. Preferred Share Redemption Amount for this Class is US$25 per Preferred Share, plus any declared but unpaid dividends.

Term	Description
Put upon a Change of Control	None - no put right of any kind, including on a change of control.
Voting Rights	None, save for specific class consent rights protecting against adverse rights changes, amendment of the Board's redemption discretion under Article 18.4.1, prejudicial investment policy changes, and an Ordinary Share dividend/buyback without a corresponding Preferred Share dividend.
Use of Proceeds	General corporate purposes, including investment in accordance with the Company's investment policy, repayment of indebtedness, and/or working capital purposes.
Placement Agent	Piper Sandler & Co.
Exchange	The Preferred Shares will not be listed or admitted to trading on any stock exchange at the time of issuance, and no application for listing will be made in connection with the initial offering. The Company shall, following the Offering, make commercially reasonable efforts to list, or otherwise provide a liquidity option with respect to the Preferred Shares (for example, on Nasdaq, or on an over-the-counter market if Nasdaq eligibility criteria are not met), but there is no guarantee that any such listing will occur or on what timeframe, and investors should not assume that a market for the Preferred Shares will become available.
Transfer Restrictions	See *PURCHASE AND TRANSFER RESTRICTIONS FOR US PERSONS* of this Private Placement Memorandum.

RISK FACTORS

Investment in the Company should be regarded as long-term in nature and involving a high degree of risk. Accordingly, prospective investors should consider carefully all of the information set out in this Private Placement Memorandum and the risks relating to the Company and the Preferred Shares, including, in particular, the risks described below which is not an exhaustive list or explanation of all the risks which investors may face when making an investment in the Preferred Shares and should be used as guidance only.

Only those risks which are believed to be material and currently known to the Company in relation to itself and its industry as at the date of this Private Placement Memorandum have been disclosed. Additional risks and uncertainties not currently known to the Directors, or that the Directors deem immaterial at the date of this Private Placement Memorandum, may also have an adverse effect on the business, results of operations, financial conditions and prospects of the Company and Net Asset Values, and the market price of the Shares and/or the Preferred Shares. Prospective investors should review this Private Placement Memorandum carefully, and in its entirety, and consult with their professional advisers before making an application to invest in the Preferred Shares.

Prospective investors should note that the risks relating to the Company and the Preferred Shares summarised in the section of this Private Placement Memorandum headed "Summary" are the risks that the Directors believe to be the most essential to an assessment by a prospective investor of whether to consider an investment in the Preferred Shares. However, as the risks which the Company faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in the section of this Private Placement Memorandum headed "Summary" but also, among other things, the risks and uncertainties described below.

1. RISKS RELATED TO THE COMPANY

1.1 Material changes affecting global debt and equity capital markets may have a negative effect on the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares

The global financial markets have experienced extreme volatility and disruption in recent years, as evidenced by a lack of liquidity in the equity and debt capital markets, significant write-offs in the financial services sector, the repricing of credit risk in the credit market and the failure of major financial institutions. Despite actions of governmental authorities, these events contributed to general economic conditions that have materially and adversely affected the broader financial and credit markets and reduced, and in certain circumstances, significantly reduced, the availability of debt and equity capital. Additionally, adverse economic, political and regulatory conditions (including tariffs and protectionist measures) may negatively impact the Company's business and financial performance, including through higher impairment charges, increased capital losses on assets and reduced opportunities for the Company to invest in. While the most immediate impacts on corporate transactions will likely be related to changes in market conditions, the development of new regulatory regimes and parallel competition, as well as developments in law enforcement, may have an adverse impact on transactions, particularly those occurring in, or impacted by conditions in, the US, the UK and elsewhere in Europe.

Further, within the banking sector, the default of any institution could lead to defaults by other institutions. Concerns about, or default by, one institution could lead to significant liquidity problems, losses or defaults by other institutions, because the commercial soundness of many financial institutions may be closely related as a result of their credit, trading, clearing or other relationships. This risk is sometimes referred to as "systemic risk" and may adversely affect other third parties involved in the Target Investments. The Portfolio and, by extension the Company, may therefore be exposed to systemic risk when the Group deals with various third parties whose creditworthiness may be exposed to such systemic risk.

Recurring market deterioration may materially adversely affect the ability of an issuer whose debt obligations form part of the Portfolio to service its debts or refinance its outstanding debt. Further, such financial market disruptions may have a negative effect on the valuations of the investments (and, by extension, on the NAV and/or the market price of the Shares and/or the Preferred Shares), and on the potential for liquidity events involving such investments. In the future, non-performing assets in the Portfolio may cause the value of the Portfolio to decrease (and, by extension, the NAV and/or the market price of the Shares and/or the Preferred Shares to decrease). Adverse economic conditions may also decrease the value of any security obtained in relation to any of the investments.

Conversely, in the event of sustained market improvement, the Company may have access to a reduced number of attractive potential investment opportunities, which also may result in limited returns to Shareholders.

Many financial institutions, including banks, continue to suffer from capitalisation issues. The bankruptcy or insolvency of a major financial institution may have an adverse effect on the Portfolio, particularly if such financial institution is a grantor of a participation in an asset or is a hedge counterparty or a counterparty to a buy or sell trade that has not settled with respect to an asset. The bankruptcy or insolvency of another financial institution may result in the disruption of payments to the Company. In addition, the bankruptcy or insolvency of one or more additional financial institutions may trigger additional crises in the global credit markets and overall economy which could have a significant adverse effect on the Portfolio and the collateral of the Portfolio.

It is apparent that the effects of the global credit crisis and the failure of financial institutions have introduced a restrictive regulatory environment, including the implementation of new accounting and capital adequacy rules in addition to further regulation of derivative or securitised instruments. Despite the introduction of further restrictive measures taken by the regulators, future political developments may alter or delay any planned regulatory changes. Such additional rules and regulations could, among other things, adversely affect the Portfolio as well as the flexibility of the Manager in managing and investing on behalf of the Company. While it is possible that current conditions may improve for certain sectors of the global economy, there can be no assurance that CDO, leveraged finance or structured finance markets will recover at the same time or to the same degree as such other recovering sectors.

1.2 **The Company's NAV is calculated based on the value of the Portfolio and, as such, is subject to valuation risk and the Company can provide no assurance that the NAVs it records from time to time will ultimately be realised**

The Company's NAV (which is only calculated and published in respect to the Ordinary Shares) is calculated with reference to the NAV of the Portfolio and the NAV of the Portfolio will be subject to valuation risk (see paragraph 1.3 "*The investments are difficult to value accurately and, as a result, the Company may be subject to valuation risk*"). If a valuation estimate provided to the Company by an investment subsequently proves to be incorrect, no adjustment to any previously calculated NAV will be made. Any acquisitions or disposals of Shares based on previous erroneous NAVs may result in losses for Shareholders.

The Company's NAV is calculated as at the last day of each month (or at any other time at the Board's discretion). Therefore, the actual value of the Portfolio at any given time may be different from the value based on which the Company's latest NAV has been calculated.

Additionally, if, for any reason, a Risk Retention Investment or other investment suspends their calculation of NAV, the Company may also have to suspend the calculation of its NAV. Further, in certain other situations the Company can suspend its calculation of NAV. In such circumstances, the Shares and/or the Preferred Shares may become subject to speculation regarding the value of the Portfolio and this may have an adverse effect on the market price of the Shares.

1.3 **The investments are difficult to value accurately and, as a result, the Company may be subject to valuation risk**

Many of the Target Investments where there is limited or no liquidity, which makes them difficult to value on a mark to market basis, are valued based on assumptions with regards to cash flow and credit quality. Additionally, the Company relies on third party valuations for certain of its investments and will likely rely on third party valuations for certain of its Target Investments. All of these factors could make it difficult for the Company to accurately determine the value of the Portfolio.

The Company holds all of the shares in EJFIH, which is a holding vehicle used to hold the Company's investments. EJFIH is not traded and contains unobservable inputs as it relates to its underlying investments and is therefore classified as a Level 3 investment under IFRS 13 "*Fair Value Measurement*". The Directors consider that the net asset value of EJFIH is representative of its fair value. EJFIH itself holds a number of Level 3 investments which are also measured at fair value.

Further, the Company is required to periodically evaluate its investments for impairment indicators. The value of an investment is impaired when the Company's analysis indicates that, with respect to a loan, it is probable that it will not be able to collect the full amount it intended to collect from the loan or, with respect to a security, it is probable that the value of the security is other than temporarily impaired. The judgement regarding the existence of impairment indicators is based on a variety of factors depending upon the nature of the investment and the manner in which the income related to such investment was calculated for purposes of the Company's financial statements. If the Company determines that an impairment has occurred, it

is required to make an adjustment to the fair value of the investment. Any difficulty in valuing the Portfolio or having to impair the value of certain investments in the Portfolio could adversely affect the Company's results of operations, NAV and/or the market price of the Shares and/or the Preferred Shares.

1.4 **The Company is to a material extent reliant on EJF for the sourcing of its Target Investments**

The Company and the Manager are to a material extent reliant on EJF as a source for future investments. As a result of the Manager's relationship with EJF, the Company, through the Partnership, will, for so long as EJF Investments Manager LP is the Manager, have the benefit of a right of first refusal to purchase or subscribe for EJF Risk Retention Securities to be issued in connection with all future EJF Securitisations, in an amount equivalent to the minimum interest that a Sponsor (as that term is used in the relevant Securitisation and Risk Retention Regulations) is required to retain. Additionally, many of the Company's Target Investments will be structured or sourced by EJF or its affiliates. As a result, any failure by EJF to structure or source applicable Target Investments for the Company, or any deterioration or termination of the relationship between the Company, the Manager and EJF, could have a material adverse effect on the Company's business, financial condition, results of operation, NAV and/or market price of the Shares and/or the Preferred Shares.

1.5 **The Company will, to a significant extent, be reliant on third party service providers to carry on its business and a failure by one or more service providers may materially disrupt the business of the Company and the Portfolio**

The Company has no employees and the Directors have all been appointed on a non-executive basis. Key service providers, including the administrator of the Company, are responsible for providing the Company with the necessary human resources and other service support resources to perform the functions necessary to the business of the Company. EJF Investments Manager LP, in its capacity as Manager, provides investment management and advisory services per the Management Agreement. In addition, EJF CDO Manager LLC acts as CDO Manager in respect of the Risk Retention Investments. However, the CDO Manager has no employees of its own and relies on EJF to provide it with the necessary support services. Therefore, the Company and the CDO Manager are to a significant extent reliant upon the performance of key service providers, including the Manager and/or its affiliates and other third party service providers, for the performance of certain functions.

The Company is reliant on the controls of its service providers to ensure day to day operations are adequately protected against cyber threats. Inadequacies or failures in these systems due to external factors could result in financial or reputational damage to the Company or the Group.

Failure by any service provider to carry out its obligations to the Company or any Risk Retention Investments in accordance with the applicable duty of care and skill, or at all, or termination of any such appointment may adversely affect the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares and/or the Preferred Shares.

In the event that it is necessary for the Company or any Risk Retention Investments to replace any third party service provider, it may be that the transition process takes time, increases costs and may adversely affect the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares and/or the Preferred Shares.

1.6 **The use of leverage will expose the Company to additional levels of risk**

In addition to the embedded leverage in a Risk Retention Investment, the Company may apply leverage to the investments in the Portfolio. Under the Investment Policy the Company may apply leverage of up to 35 per cent. of Net Asset Value calculated at the time of the drawdown. The Company may seek leverage via bank financing, term loans, or debt instruments. The Company's ZDP Shares are also considered leverage and are included in the calculation of the leverage limit. The Company is permitted to issue private or public debt and may encumber its assets to collateralise secured borrowings. The amount of debt financing which the Company may have outstanding at any time may be large in relation to its capital. Consequently, the level of interest rates generally and the rates at which the Company can borrow in particular will affect the operating results of the Company, and an increase in interest rates could affect the Company's ability to pay dividends on the Shares and the Preferred Shares. The Company's return on investments and cash available for distribution to Shareholders and Preferred Shareholders would be reduced to the extent that its interest expense increases relative to income, such as may occur in the event of a general rise in interest rates, or in the event of losses arising from the sale of assets. Interest rates are highly sensitive to factors beyond the Company's control, including, among other things, governmental monetary and tax policies and domestic and international economic and political conditions. Leverage also has the effect of magnifying both profits and losses compared with unleveraged positions.

Although the use of leverage may increase Shareholder and Preferred Shareholder returns if the Company earns a greater return on leveraged investments than the Company's cost of such leverage, the use of leverage exposes the Company to additional levels of risk. Where an investment fails to earn a return that equals or exceeds the Company's cost of leverage related to such investments, the Company's ability to generate cash flow and pay dividends would be adversely affected. In addition, should the securities pledged to brokers to secure the Company's margin accounts decline in value, the Company could be subject to a "margin call'' pursuant to which the Company will be required to either deposit additional funds with the lender or suffer mandatory liquidation of the pledged securities to compensate for the decline in the securities' value, either of which, were they to occur, could have a material adverse effect on the Company's business, financial condition, results of operations and/or NAV and/or market price of the Shares and/or the Preferred Shares.

1.7 **If the Company, over the longer term, breaches the covenants under any financing agreements it could be forced to sell assets**

The Company may in the future become party to various loan, repurchase or other financing arrangements which are likely to contain, financial and other covenants that could, among other things, require it to maintain certain financial ratios. Should the Company breach, over the longer term, the financial or other covenants contained in any loan, repurchase or other financing agreement, the Company may be required

immediately to repay such borrowings in whole or in part, together with any attendant costs. If the Company does not have sufficient cash resources or other credit facilities available to make such repayments, it may be forced to sell some or all of the assets constituting the Portfolio. To the extent that the Company's loans are secured against all or a portion of its assets, a lender may be able to sell those assets. Sales of assets in such circumstances may not yield excess value for the Company. Moreover, any failure to repay such borrowings or, in certain circumstances, other breaches of covenants, over the longer term, under the Company's loan or repurchase agreements could result in the Company being required to suspend payment of its dividends.

In addition, the Company's financing arrangements may contain cross-default provisions such that a default under one particular financing arrangement could automatically trigger defaults under other financing arrangements. Such cross-default provisions could therefore magnify the effect of an individual default, and, if such a provision were exercised, result in a substantial loss for the Company.

1.8 **The rights of the Shareholders and Preferred Shareholders and the fiduciary duties owed by the Board of Directors to the Company will be governed by Jersey law and the Articles of Association and may differ from the rights and duties owed to companies under the laws of other countries**

The Company is an investment company that has been registered under the laws of Jersey. The rights of its Shareholders and Preferred Shareholders and the fiduciary duties that the Board of Directors owes to the Company and the Shareholders and Preferred Shareholders are governed by Jersey law and the Articles of Association. As a result, the rights of the Shareholders and Preferred Shareholders and the fiduciary duties that are owed to them and the Company may differ in material respects from the rights and duties that would be applicable if the Company were organised under the laws of a different jurisdiction or if it were not permitted to vary such rights and duties in the Articles.

1.9 **The liability of the Manager is limited under the Company's arrangements with it, and the Company has agreed to indemnify the Manager against claims that it may face in connection with such arrangements, which may lead the Manager to assume greater risks when making investment-related decisions than it otherwise would if investments were being made solely for its own account**

Under the Management Agreement, the Manager has not assumed any responsibilities other than to perform the obligations, duties and responsibilities described, and in accordance with the standard of care set out, in the Management Agreement. As a result, the right of the Company to recover against the Manager may be limited to damages arising out of the performance or non-performance of its responsibilities explicitly provided for in the Management Agreement.

In addition, under the Management Agreement, the Manager will not be liable for any of its acts or omissions pursuant to or in accordance with the Management Agreement, except by reason of acts constituting fraud, gross negligence, reckless disregard of the Manager's duties under the Management Agreement or wilful misconduct, and the Manager is indemnified from any and all expenses, losses, damages, liabilities, demands, charges and claims in respect of or arising from any acts or omissions of an indemnified party made in good faith in performance of the

Manager's duties under the Management Agreement and not constituting such indemnified party's bad faith, wilful misconduct, gross negligence or reckless disregard of the Manager's duties under the Management Agreement. Accordingly, the rights of the Company to recover against the Manager as a result of default by the Manager of its obligations under the Management Agreement is limited, and any such recovery may be significantly lower than any losses that the Company or the Shareholders have suffered.

These limitations of liability and indemnification provisions may result in the Manager taking greater risks when making investment-related decisions than otherwise would be the case, including when determining the appropriate amount of leverage to be used in connection with investments.

1.10 **The Company may not be able to raise sufficient funds to take full advantage of investment opportunities as and when they arise**

The Company requires regular ongoing funding to be in a position to take full advantage of investment opportunities as and when they arise. The risk of the Company having insufficient funding in place to meet investment opportunities may increase due to several factors, including the various rules and regulations that may impede the Company from raising additional capital now or in the future and the complex nature of the underlying investments, both of which factors continue to have the potential to deter some investors from investing. If the Company is unable to invest in investment opportunities as and when they arise due to insufficient funding resources then this could have a material adverse effect on the Company's ability to attract new investment, expand the Portfolio and grow its Net Asset Value.

1.11 **The Company may not be able to deploy the net proceeds received from the issue of Preferred Shares pursuant to the Offering as quickly as it currently expects, and will operate in a highly competitive market for investment opportunities**

Although the Company expects to fully deploy substantially all of the net proceeds of any sale of Preferred Shares pursuant to the Offering rapidly following closing, including in investments that the Manager has already identified for potential investment, the Company may not be able to deploy such proceeds as quickly as it currently expects. In addition, the Company may be subject to significant competition in seeking investments in the future as its current investments liquidate and it looks to reinvest the proceeds. Some of the Company's competitors may have greater resources than it does and the Company may not be able to compete successfully for investments. Furthermore, competition for investments in the Company's target asset classes may lead to the price of such investments increasing, which may limit the Company's ability to generate its desired returns.

1.12 **The Company is not and does not intend to register as an investment company under the US Investment Company Act; US Investment Company Act considerations**

The Company has not been and does not intend to become registered as an investment company under the US Investment Company Act and related rules. The US Investment Company Act and related rules provide certain protections to investors

and impose certain restrictions on companies that are registered as investment companies. None of these protections or restrictions is or will be applicable to the Company. In addition, in order to avoid registration as an investment company under the US Investment Company Act, the Company has implemented restrictions on the ownership and transfer of its securities, including the Shares and the Preferred Shares, which may materially affect Shareholders' and Preferred Shareholders' ability to hold or transfer the Shares and the Preferred Shares, as applicable. In particular, US investors will be required to hold Shares and Preferred Shares, as the case may be, in certificated form on the Registrar of the Company's books and records, which will require certain steps to be taken by such investors in order to dispose of their Shares or Preferred Shares, as applicable.

In the event the Company seeks to list its securities on a US stock exchange (for example, on Nasdaq), it would be required to register as an investment company under the US Investment Company Act. As an entity incorporated in Jersey, the Company would not be eligible to register as an investment company under the US Investment Company Act without first obtaining exemptive relief from the US SEC, nor can there be any guarantee that such relief can be obtained.

Registration under the US Investment Company Act would require the Company to comply with a variety of substantive requirements that impose, among other things:

- limitations on capital structure;
- restrictions on specified investments;
- restrictions on leverage or senior securities;
- restrictions on unsecured borrowings;
- prohibitions on transactions with affiliates; and
- compliance with reporting, record keeping, voting, proxy disclosure and other rules and regulations that would significantly increase operating expenses.

Registration under the US Investment Company Act may be costly and would subject the Company to a host of complex regulations. Compliance with the US Investment Company Act may, accordingly, limit the Company's ability to make certain investments or otherwise materially affect the Company's business model.

2. RISKS RELATED TO THE MANAGER AND SERVICE PROVIDERS

2.1 The Company's success depends on its continued relationship with the Manager and, in turn, on the Manager's relationship with EJF. If this relationship were to end or key EJF or Manager professionals were to depart, it could have a material adverse effect on the Company's business, investments and results of operations

The Company relies exclusively on the Manager and the employees of EJF for the management of the Portfolio. The Company is highly dependent on the financial and managerial experience of the Manager and the other investment professionals it employs or has access to. The employees of EJF support the Manager and also help manage the CDO Manager. If such persons ceased for any reason to participate in the management of the Manager, the consequence to the Company could be material

and adverse. In addition, the Company is not a direct beneficiary of any employment arrangements between such individuals and the Manager, and such arrangements are in any event subject to change without notice to, or the consent of, the Company.

The Company will depend on the diligence, skill and business contacts of the Manager, and on the information and deal flow they generate during the normal course of their activities. The Company's future success will depend on the continued service of these individuals, who are not obligated to remain associated with the Manager. The Company cannot predict the impact that any such departures would have on its ability to achieve its Investment Objective or pursue its Investment Policy. The departure of any of such persons, or a significant number of its other investment professionals for any reason, or the failure to appoint qualified or effective successors in the event of such departures, could have a material adverse effect on the Company's ability to achieve its Investment Objective or pursue its Investment Policy. In addition, a transfer of control over the Manager could result in the departure or reassignment of some or all of the Manager's investment professionals that are involved in the Company's business.

In addition, the Company depends on the services provided to the Manager by EJF. Any termination of these services could materially and adversely affect the Company's business.

There can be no assurance that any successor to the Manager will have the same level of skill in performing the obligations of the Manager, in which event the ability of the Company to generate positive returns and its ability to pay dividends could be adversely affected. If the Manager were to cease to provide services under the Management Agreement or to cease to provide investment management, operational and financial advisory services to the Company for any reason, the Company could experience difficulty in making new investments and servicing its existing investments, assets and obligations, the Company's business and prospects could be materially harmed and the value of its existing investments and its results of operations and financial condition could be likely to suffer materially.

2.2 **The Company will be reliant on the skill and judgement of the Manager in valuing and determining an appropriate purchase price for its investments. Any determinations of value that differ materially from the values the Company realises at the maturity of the investments or upon their disposal will likely have a negative impact on the Company and the price of its Shares**

The Company will rely, among other factors, on the Manager's assessment of an appropriate acquisition price for, and ongoing valuation of, all of its investments, including Risk Retention Investments and certain other illiquid investments. The acquisition price determined by the Manager in respect of a residual income position will be based on the returns (internal rate of return or discount rates for such asset as well as the expected cash flow returns) that the Manager expects the investment to generate, utilising a financial model that reflects numerous variables including, among other things, the Manager's assessment of the nature of the investment and the relevant collateral, security position, risk profile, historical default rates and the originator and servicer of the position. As each of these factors involves subjective judgements and forward-looking determinations by the Manager, the Manager's experience and knowledge is instrumental in the valuation process.

Since the Manager's valuations will be based on assumptions and estimates, not all of which can be independently confirmed, whether readily or at all, the Manager's, and therefore the Company's, determinations of fair value of relevant financial assets, including in particular the Company's determination of the value of the Risk Retention Investments, may differ materially from the values that might have been used if a ready market for those investments existed. In the event that the Manager misprices an investment (for whatever reason), the actual returns on the investment may be less than anticipated at the time of acquisition, and a write-down of the carrying value for financial reporting purposes or the NAV of such investment might result. Also, the value of the Shares could be adversely affected if the Manager's determinations regarding the fair value of these investments are materially higher than the values that the Company ultimately realises to maturity of the investments or upon their disposal.

2.3 **The Manager's compensation structure may encourage the Manager to invest in high risk investments**

In addition to receiving a management fee, the Manager will also receive, pursuant to the Management Agreement, an incentive fee from the Company based upon the appreciation, if any, in the net assets of the Company. Because the incentive fee is unrelated to any amount of capital which may be contributed by EJF and EJF's affiliates to the Company or the market value of the Shares or the Preferred Shares, the Manager may have an incentive to make investments that are generally more risky than would be the case in the absence of such arrangements or to use leverage to increase returns on investments.

Under certain circumstances, the use of leverage may increase the likelihood of a loss that would adversely affect the market value of the Shares and/or the Preferred Shares. In addition, because the incentive fee is calculated on a basis which includes unrealised appreciation, it may be greater than if such compensation were based solely on realised gains, which in turn may result in the Company's inability to pay dividends.

2.4 **The compensation of the Manager's officers and personnel of its affiliates contains significant performance-related elements, and poor performance by the Company or any other entity for which the Manager provides services may make it difficult for the Manager to retain staff**

In common with most investment managers, the compensation of the Manager's officers and personnel of its affiliates contains significant performance-related elements which are funded by performance-related fees payable to the Manager by its managed entities in respect of strong performance. Poor performance by any of the Manager's managed entities, including the Company, may reduce the amount available to pay performance-related compensation to the Manager's officers and personnel of its affiliates, which may result in those persons obtaining other employment. In that case, poor performance of the Company may be further compounded by Manager staff departures (i.e. officers departing from the Manager and personnel departing from its affiliates). In addition, as the performance-related compensation of the Manager's officers and personnel of its affiliates will depend on the performance of more than one fund and not just that of the Company, poor

performance of one managed entity, other than the Company, could adversely impact the Company if it leads to Manager staff departures.

2.5 **The management fee payable to the Manager may create an incentive for such entity to make investments and take other actions that increase or maintain the Company's NAV over the near term even though other investments or actions may be more favourable**

The Manager will be entitled to receive a fee, calculated monthly and paid quarterly in arrears, in a monthly amount equal to 1 per cent. of 1/12 of the NAV of the Company under the Management Agreement. Although this fee is small in relation to the incentive fees potentially payable under the Management Agreement, it is payable irrespective of the Manager's operating performance. Accordingly, it may create an incentive for the Manager to cause the Company to make investments and take other actions that increase or maintain the NAV of the Company over the near term even though other investments or actions may be more favourable to the Company or the Shareholders or the Preferred Shareholders.

2.6 **The Management Agreement may only be unilaterally terminated by the Company in limited circumstances**

The Management Agreement can only be unilaterally terminated in limited circumstances, namely: (a) by the Company, effective upon 30 days' prior written notice of termination, if (among other matters) the Manager: (i) materially breaches any provision of the Management Agreement without remedying such breach; (ii) engages in any act of fraud, misappropriation of funds or embezzlement; (iii) is grossly negligent in its performance of its duties under the Management Agreement; (iv) is the subject of any proceeding relating to its bankruptcy or insolvency; (v) is dissolved; or (vi) suffers a change of control (unless approved by a majority of the Company's independent Directors); and (b) by the Manager in the event that the Company: (i) effective upon 60 days' prior written notice of termination, defaults in the performance or observance of any material term, condition or covenant contained in the Management Agreement without remedying such default; or (ii) becomes regulated as an "*investment company*" under the US Investment Company Act, with such termination deemed to have occurred immediately prior to such event. In addition, upon any termination of any services rendered by the Manager to the Company, the Manager will still provide services to the Partnership and any of its subsidiaries that hold EJF Risk Retention Securities, in order to comply with applicable Securitisation and Risk Retention Regulations. As a result, the Company may not be able to immediately and/or unilaterally replace the Manager because of poor performance, disagreements over investment decisions and strategic decisions or other factors. The inability to replace the Manager may adversely affect the NAV or market price of the Shares and/or the Preferred Shares.

3. RISKS RELATED TO THE COMPANY'S INVESTMENT PORTFOLIO AND ITS INVESTMENT STRATEGY

3.1 Market Risks

(a) ***Market factors may result in the failure of the investment strategy***

Strategy risk is associated with the failure or deterioration of an investment strategy such that most or all investment managers employing that strategy suffer losses. Strategy-specific losses may result from excessive concentration by multiple market participants in the same investment or general economic or other events that adversely affect particular strategies (for example, the disruption of historical pricing relationships). Furthermore, an imbalance of supply and demand favouring borrowers could result in yield compression, higher leverage and less favourable terms to the detriment of all investors in the relevant asset class. The investment strategy employed by the Company is speculative and involves substantial risk of loss in the event of a failure or deterioration in the financial markets, although the Company has certain investment limits which define to a degree how it will invest. As a result, the Company's investment strategy may fail, and it may be difficult for the Directors to amend the Company's investment strategy quickly or at all should certain market factors appear, which may adversely affect the performance of the Portfolio and, by extension, the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares and/or the Preferred Shares.

(b) ***The Company may hold a relatively concentrated portfolio***

The Company may hold a relatively concentrated portfolio, although the Company will comply in all cases with its Investment Policy, including the Investment Limits and Restrictions set out therein. There is a risk that the Company could be subject to significant losses if any obligor, especially one with whom the Company had a concentration of investments, were to default or suffer some other material adverse change. The level of defaults in the Portfolio and the losses suffered on such defaults may increase in the event of adverse financial or credit market conditions. Any of these factors could adversely affect the value of the Portfolio and, by extension, the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares and/or the Preferred Shares.

(c) ***Up to 20 per cent. of the Company's gross assets are not subject to any investment restrictions, and the Manager will have substantial discretion when making investment decisions***

Up to 20 per cent. of the Company's gross assets are not subject to any investment restrictions. The Manager may cause the Company to make any investment that the Manager in its sole discretion deems consistent with the Company's Investment Objective of generating distributable income and capital appreciation. As a result, the Manager has very broad discretion when selecting, acquiring and disposing of investments, including in determining the types of investments that it deems appropriate, the investment approach

that it follows when making investments and the timing of investments for up to 20 per cent. of the Company's gross assets. The strategies currently employed by the Manager may be modified and altered from time to time, so it is possible that the strategies used by the Manager in the future may be different from those presently used, which could result in changes to, and expansion of, the Company's investment and underlying asset mix in the future.

(d) ***The Company is exposed to foreign exchange risk***

A significant amount of the Company's assets may be invested in securities and other investments which are denominated in currencies other than the Company's base currency, Sterling. Accordingly, the Company will necessarily be subject to foreign exchange risks and the value of its assets may be affected unfavourably by fluctuations in currency rates.

In particular, the Company's investments that are denominated in currencies other than Sterling may be subject to the risk that the value of such currency will decrease in relation to Sterling. As noted below, the Company has only partially hedged its non-Sterling exposures, so an increase in the value of Sterling compared to other currencies in which the Company makes its investments would otherwise reduce the effect of increases and decreases in the prices of the Company's non-Sterling denominated investments in their local markets. Fluctuations in currency exchange rates will similarly affect the Sterling equivalent of any interest, dividends or other payments made to the Company denominated in a currency other than Sterling. Moreover, it may not be possible for the Company to hedge against a particular change or event at an acceptable price or at all.

In addition, there can be no assurance that any attempt to hedge against a particular change or event would be successful. Further, the Company's forward and hedging contracts could be subject to margin calls related to currency exchange losses on those forward or hedging contracts and the Company may be forced to take off such forward contracts and be unhedged. As at 30 June 2026, US$76.8 million of approximately US$164.8 million (as at 30 June 2025, US$71.7million of approximately US$146.2 million) and as at 31 December 2025, US$71.7 million of approximately US$152.3 million (as at 31 December 2024, US$85.3 million of approximately US$159.7 million) of the Company's exposure is hedged and although the risk of margin calls impacting the Company is significantly reduced, significant currency exchange fluctuation could still have a detrimental effect on the Company. In particular, as at 30 June 2026, the Company had US$3.3 million (as at 30 June 2025, US$2.2 million) and as at 31 December 2025, the Company had US$2.7million (as at 31 December 2024, US$6.2 million) of previously unencumbered cash posted with Citibank NA to meet the margin calls made on its hedging arrangements (and which could therefore then not be used for investment opportunities). As a result, any such currency exchange movements or any such hedging failure could materially and adversely affect the performance of the Portfolio and, by extension, the Company's business, financial condition, results of operations, Net Asset Value and/or the market price of the Shares.

(e) ***The Company and its securitisation investments are subject to interest rate risk***

The fair value of certain of the Company's investments, especially its securitisation investments, may be significantly affected by changes in interest rates. The Company's investments may generate interest plus capital returns and are sensitive to interest rate levels and volatility. Although securitisations are structured to hedge interest rate risk through the use of matched funding, there may be some difference between the timing of interest rate resets on the liabilities and assets of a securitisation, which could have a negative effect on the amount of funds distributed to equity tranche holders. In addition, many obligors have the ability to choose their loan base from among various terms of interest rates, thereby generating an additional source of potential mismatch. Additionally, if the Company utilises any financing, the cost of such financing could increase if rates were to rise. Furthermore, in the event of a significant rising interest rate environment and/or economic downturn, defaults may increase and result in credit losses that may be expected to affect the Company's cash flow, fair value of its assets and operating results adversely.

(f) ***The Company may be exposed to counterparty risk***

The Company may hold investments (including synthetic securities) which would expose it to the credit risk of its counterparties or the counterparties of the securitisations in which it invests. In the event of a bankruptcy or insolvency of such a counterparty, the Company or a securitisation in which such an investment is held could suffer significant losses, including the loss of that part of the Company's or securitisation's portfolio financed through such a transaction, declines in the value of its investment, including declines that may occur during an applicable stay period, the inability to realise any gains on its investment during such period and fees and expenses incurred in enforcing its rights.

In addition, with respect to certain swaps and synthetic securities, the Company usually has no contractual relationship with the entities (each, a "**Reference Entity**") whose payment obligations are the subject of the relevant swap agreement or security. Therefore, the Company generally has no right to directly enforce compliance by the Reference Entity with the terms of this kind of underlying obligation, any rights of set-off against the Reference Entity or any voting rights with respect to the underlying obligation. The Company will not directly benefit from the collateral supporting the underlying obligation and will not have the benefit of the remedies that would normally be available to a holder of such underlying obligation.

(g) ***The Company may achieve a lower than expected rate of return on its investments, some of which may have limited or no liquidity***

Many of the Company's Target Investments are difficult to value. Further, the securities issued by securitisations are, in general, privately placed and offer less liquidity than other investment grade or high-yield corporate debt. Other investments that the Company may purchase in privately negotiated (also

called "**over-the-counter**" or "**OTC**") transactions may also be illiquid or subject to legal restrictions on their transfer, sale, pledge or other disposition.

Although the Company's valuations and projections may take into account certain expected levels of prepayments, underlying assets may be prepaid more quickly than expected. Like defaults, prepayment rates are influenced by changes in interest rates and a variety of economic, geographic and other factors beyond the Company's control and consequently cannot be accurately predicted. Early prepayments give rise to increased reinvestment risk, as the Manager or the Company might realise excess cash from prepayments earlier than expected. If the Manager or the Company is unable to reinvest such cash in a new investment with an expected rate of return at least equal to that of the investment repaid, this may reduce the Company's net income and the fair value of that asset.

Adverse publicity and investor perceptions, whether or not based on facts or fundamental analysis, may also decrease the liquidity of lower rated securities, especially in a thinly traded market. As a result of this illiquidity, the Company's ability to sell certain investments quickly, or at all, in response to changes in economic and other conditions and to receive a fair price when selling such investments may be limited, which could prevent the Company from making sales to mitigate losses on such investments. In addition, securitisations are subject to liquidation upon the failure of certain tests relating to the underlying assets, which can result in substantial loss of value to the holders of interests in securitisation. Equity Tranches are the most illiquid and subordinated class of interests in securitisation and the most likely tranche to suffer a loss of all or a portion of its value in these circumstances. As a result of these factors, the Company may achieve a lower than expected rate of return on its investments, particularly if it is forced to sell such investments prior to maturity.

(h) ***The Company's interest in certain of its investments may be diluted or, in certain circumstances, redeemed***

Pursuant to the terms of the CDO Manager LLC Agreement, the management of the CDO Manager is vested in EJF, in its capacity as the CDO Manager's managing member, and, in such capacity, has the power to manage the business and affairs of the CDO Manager. Furthermore, the managing member of the CDO Manager is, in limited circumstances, entitled to require its members (one of which is the Company) to make further capital contributions in exchange for the issuance of further units in the CDO Manager, on a *pro rata* basis to each member's holding of units in the CDO Manager. In the event that the Company fails to comply with a request to fund its portion of a capital contribution to the CDO Manager, the Company's ownership interest in the CDO Manager may be diluted if, upon such failure, the CDO Manager's other member(s) provide adequate funding to meet any shortfall arising from such failure to fund by the Company. Furthermore, depending on the level of any such dilution, the Company's rights to (among other matters) vote at meetings of the members of the CDO Manager, consent to changes to the CDO Manager LLC Agreement and consent or withhold its consent in relation to the CDO Manager's dissolution, may be restricted or revoked.

Furthermore, it should be noted that if a redemption occurs in relation to any of the CDOs in which the Company invests, then the CDO Manager will lose such contract, and this will decrease the Company revenue from the CDO Manager and the Company's NAV. In addition, the Company may be a minority shareholder in certain of the CDOs in which it invests, where the majority shareholders are Other EJF Accounts. Generally, the ability to determine to redeem a CDO may be made by the majority shareholders, such that there may be circumstances where there are conflicts of interests between the Company and Other EJF Accounts. See also the risk factors under paragraph 4 "*Risks Relating to Conflicts of Interest*".

In addition, pursuant to the terms of the Partnership Agreement, the General Partner has the power to manage the business and affairs of the Partnership. By way of example, it is entitled to (i) issue further units in the Partnership to new or existing partners otherwise than on a *pro rata* or pre-emptive basis, which may result in the Company's limited partner interest in the Partnership being diluted or (ii) redeem existing units in the Partnership for value. Furthermore, the Company, as a limited partner in the Partnership, requires the General Partner's consent to transfer all its rights as such a limited partner to a third party.

3.2 **Risks related to Risk Retention Investments**

(a) ***The Company may make certain representations or warranties with respect to its Risk Retention Investments***

The arranger and certain other parties of a securitisation in which the Company agrees to hold, directly or indirectly through the Partnership, the Securitisation Retention Equity (as defined below in paragraph 3.2(d) "*The Company will be unable to liquidate, sell, hedge or otherwise mitigate its credit risk under or associated with the Securitisation Retention Equity and Securitisation Retention Securities, except to the extent permitted by the EU Securitisation Rules and/or the UK Securitisation Rules*") or Securitisation Retention Securities (as defined below in paragraph 3.2(d) "*The Company will be unable to liquidate, sell, hedge or otherwise mitigate its credit risk under or associated with the Securitisation Retention Equity and Securitisation Retention Securities, except to the extent permitted by the EU Securitisation Rules and/or the UK Securitisation Rules*") may require the Company, the CDO Manager or the Partnership to make certain representations or warranties. These could include, among other things, certain representations, warranties and undertakings in relation to its acquisition and retention of the Securitisation Retention Equity or Securitisation Retention Securities (as applicable) for the life of the securitisation (or, in the case of securitisations intended to be compliant only with the US Risk Retention Regulations, the US Risk Retention Hedging Prohibition End Date). If the Company, the CDO Manager or the Partnership breaches any relevant representations, warranties or undertakings, the arranger of the relevant securitisation and the other parties may have recourse to the Company, the CDO Manager or the Partnership for losses incurred as a result of such breach. Such claims may reduce or entirely diminish any cash or assets of the Company.

(b) ***The Company will be unable to liquidate, sell, hedge or otherwise mitigate its credit risk under or associated with the Securitisation Retention Equity and Securitisation Retention Securities, except to the extent permitted by the US Risk Retention Regulations***

The Company, directly or indirectly through the Partnership, may invest in securitisations which intend to comply with the US Risk Retention Regulations by virtue of the Company, directly or indirectly through the Partnership, retaining Securitisation Retention Securities and/or Securitisation Retention Equity. In connection with this intention, the Partnership, as the sole risk retention holder, would have to, among other things: (i) on the closing date of a securitisation, purchase either: (a) Securitisation Retention Equity representing at least 5 per cent. of the credit risk relating to the assets collateralising the securitisation; or (b) Securitisation Retention Securities representing at least 5 per cent. of the principal amount of each class of Securitisation Retention Securities issued and any other interests or obligations issued by the securitisation issuer that are secured on the securitised assets; and (ii) undertake that, until at least the US Risk Retention Hedging Prohibition End Date, it will retain its interest in the Securitisation Retention Securities or Securitisation Retention Equity and will not (except to the extent permitted by the US Risk Retention Regulations) sell, hedge or otherwise mitigate its credit risk under or associated with such Securitisation Retention Securities or Securitisation Retention Equity. Such purchase and retention of Securitisation Retention Securities or Securitisation Retention Equity would need to be undertaken by the Partnership either in its capacity as the sponsor of the relevant securitisation or as a majority-owned affiliate of the sponsor of such securitisation.

Consequently, if the Company has exposure to the Partnership (as the sole risk retention holder) and such investment were to become due and repayable in connection with an early redemption or were to be subject to partial-redemption, the Company or the Partnership, as the case may be, will not be permitted under the terms of the relevant investment instruments to sell, transfer or liquidate the Securitisation Retention Securities or Securitisation Retention Equity, and the proceeds of such Securitisation Retention Securities or Securitisation Retention Equity (if any) will not be available until a later time.

(c) ***Potential non-compliance with or changes to the US Risk Retention Regulations***

The US Risk Retention Regulations generally require "sponsors" of securitisation transactions, including collateral managers of securitisations, or their "majority-owned affiliates" (each as defined in the US Risk Retention Regulations) to retain not less than 5 per cent. of the credit risk of the assets collateralising such securitisation transactions (the "**Retention Interest**") unless an exemption applies. The US Risk Retention Regulations took effect on 24 December 2016 and, since then, there has been very little judicial or regulatory guidance, with which to gain clarity on how to interpret them.

The US Risk Retention Regulations define the "**sponsor**" as "a person who organises and initiates a securitisation transaction by selling or transferring

assets, either directly or indirectly, including through an affiliate, to the issuing entity". The "sponsor" (or its "majority-owned affiliate") must retain the required Retention Interest in the form of an eligible vertical interest, eligible horizontal residual interest or combination of an eligible vertical interest and eligible horizontal residual interest. A "**majority-owned affiliate**" of a person is defined as "an entity (other than the issuing entity) that, directly or indirectly, majority controls, is majority controlled by or is under common majority control with, such person". Majority control means "ownership of more than 50 per cent. of the equity of an entity, or ownership of any other controlling financial interest in the entity, as determined under US GAAP". The Company and its subsidiaries each satisfy the definition of a "*majority-owned affiliate*" set forth in the US Risk Retention Regulations and, in consultation with a nationally recognised accounting firm and with their concurrence, it has been determined that EJF will have a "controlling financial interest" in the Partnership, as determined under US GAAP. However, while similar structures have been used by other market participants, there has not been any regulatory guidance confirming that they comply with the US Risk Retention Regulations. In the absence of such guidance, there can be no assurance or guarantee that the SEC or any other applicable United States Federal agencies would agree that the structure complies with the US Risk Retention Regulations. Specifically, there is a risk that placing Retention Interests with "majority-owned affiliates" which fall under the "controlling financial interest" limb will be seen as a "loophole" designed to evade the US Risk Retention Regulations, particularly where the capital contributed to such "majority-owned affiliates" is less than 50 per cent. As such, even if the proposed structure meets the literal requirements of the US Risk Retention Regulations, there is no guarantee that the structure will not attract regulatory scrutiny. Furthermore, the various GAAP rules and interpretations regarding a "controlling financial interest" (or related concepts such as consolidation or "**variable interest entities**") are also subject to change. Thus, even if the relevant facts pertaining to the proposed structure remain the same, the legal analysis supporting the proposed structure could change to the extent EJF is no longer considered to have a "controlling financial interest" in the Partnership due to, among other things, modifications of the accounting rules or evolving interpretations under GAAP. No assurance or representation can be given that EJF's interest in the Partnership will continue to constitute a "controlling financial interest", particularly if the applicable GAAP standards or interpretations change over time. Furthermore, even to the extent that a nationally recognised accounting firm has provided EJF or its affiliates with guidance regarding the "controlling financial interest", there is no guarantee that the United States Federal agencies or other relevant regulators charged with enforcing the US Risk Retention Regulations will not challenge such a conclusion (and, as a consequence, may challenge the proposed structure and/or securitisations undertaken by EJF). Any failure by the Company or its subsidiaries to qualify as a "majority-owned affiliate" for purposes of the US Risk Retention Regulations, or any failure by the business of the Company or its subsidiaries as currently contemplated to be determined to be in compliance with the US Risk Retention Regulations, could adversely affect the business of the Company, perhaps significantly.

In addition, the US Risk Retention Regulations may be amended or supplemented, or their interpretation may change, from time to time. There is no guarantee that existing securitisations will be grandfathered into the regime which results from such amendments, supplements or revocations or re-interpretation and, as such, securitisations which were intended to be compliant with the US Risk Retention Regulations at the time they were issued may become, or be determined to be, non- compliant with the US Risk Retention Regulations. The US Risk Retention Regulations include disclosure and other requirements that need to be satisfied by the relevant risk retention holder or (if it is a different entity) the collateral manager of the securitisation on or prior to the date of issuance of the securitisation securities. If an applicable regulatory authority were to conclude that the relevant risk retention holder was not holding the Securitisation Retention Securities or Securitisation Retention Equity in accordance with the US Risk Retention Regulations or that the disclosure and other requirements of the US Risk Retention Regulations were not complied with, this could result in regulatory action taken against the risk retention holder as well as liability on the part of the risk retention holder to the securitisations and their investors.

In the event that the US Risk Retention Regulations are revoked or amended such that the amount of Retention Interest required to be retained falls below 5 per cent., the applicable retention holder may have the right to dispose of any Securitisation Retention Securities and/or Securitisation Retention Equity held by it subject to any such reduced Retention Interest requirements under the US Risk Retention Regulations. Such disposal of Securitisation Retention Securities and/or Securitisation Retention Equity by the applicable retention holder may not be a breach of any transaction document to which the applicable retention holder is a party.

(d) ***The Company will be unable to liquidate, sell, hedge or otherwise mitigate its credit risk under or associated with the Securitisation Retention Equity and Securitisation Retention Securities, except to the extent permitted by the EU Securitisation Rules and/or the UK Securitisation Rules***

The securitisations in which the Company, directly or indirectly through the Partnership, may invest could be intended to be compliant with the European securitisation requirements for securitisation transactions, namely (i) Regulation (EU) 2017/2402 (the "**EU Securitisation Regulations**") and Commission Delegated Regulation 2023/2175 (the "**EU Securitisation Rules**"); and (ii) the EU Securitisation Regulations as they form part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended and supplemented from time to time) including by the Securitisation Regulations 2024 (SI 2024/102) as amended (the "**UK Securitisation Regulations**") and the 2024 securitisation rules of Financial Conduct Authority (the "**UK Securitisation Rules**") and, together with the EU Securitisation Rules and the US Risk Retention Regulations, the "**Securitisation and Risk Retention Rules**").

In connection with this intention and as a result of possibly having, but by no means being required, to enter into an agreement under which it will

undertake to comply with the EU Securitisation Rules and/or the UK Securitisation Rules, the Company will need to, among other things: (i) on the closing date of a relevant securitisation, commit to purchase: (a) an amount of the securitisation equity equal to at least 5 per cent. of the maximum portfolio principal amount of the assets in the securitisation (the "**Securitisation Retention Equity**"); or (b) an amount equal to 5 percent. of the face amount of each tranche of either the debt or equity sold or transferred to investors of the securitisation (the "**Securitisation Retention Securities**"), or some combination thereof (as permitted by the EU Securitisation Rules and/or the UK Securitisation Rules); and (ii) undertake, for so long as required by the EU Securitisation Rules and/or the UK Securitisation Rules, that while securities of the securitisation remain outstanding (including the Securitisation Retention Equity or Securitisation Retention Securities (as applicable)), it will retain its interest in the Securitisation Retention Equity or Securitisation Retention Securities (as applicable) and will not (except to the extent permitted by the EU Securitisation Rules and/or the UK Securitisation Rules (as applicable)) sell, hedge or otherwise mitigate its credit risk under or associated with such Securitisation Retention Equity or Securitisation Retention Securities (as applicable).

In addition, in order to be classified as an "originator" (as defined in the EU Securitisation Rules and the UK Securitisation Rules), in the event that the Company chooses to invest in securitisations intended to be compliant with the EU Securitisation Rules and/or the UK Securitisation Rules, the Company will be required to: (a) by itself or through related entities, directly or indirectly, be involved in the original agreement which created the obligations or potential obligations giving rise to the exposures being securitised; or (b) purchase a third party's assets for its own account and then securitise them. Where the Company holds, directly or indirectly through the Partnership, Securitisation Retention Securities or Securitisation Retention Equity and the relevant securitisation is intended to be compliant with the EU Securitisation Rules and/or the UK Securitisation Rules, the Company will be unable (except to the extent permitted by the EU Securitisation Rules and/or the UK Securitisation Rules (as applicable)) to liquidate, sell, hedge or otherwise mitigate its credit risk under or associated with the Securitisation Retention Equity or Securitisation Retention Securities until such time as the securities of the relevant securitisation have been redeemed in full (whether at final maturity or early redemption).

There are currently transactions in the market which are similar or comparable to EJF Securitisations; however, if an applicable regulatory authority supervising investors in an EJF Securitisation were to conclude that the Company itself, or indirectly through the Partnership, was not holding the Securitisation Retention Equity or Securitisation Retention Securities (as applicable) in accordance with the EU Securitisation Rules and/or the UK Securitisation Rules or otherwise to comply with the EU Securitisation Rules and/or the UK Securitisation Rules (as applicable), it is possible that this may negatively impact upon the investors in such EJF Securitisation. If such investors decided to take action against the Company as a result of any

negative impact, this may have an adverse effect on the Company's business and financial position.

(e) ***Potential non-compliance with or changes to the EU Securitisation Rules, the UK Securitisation Rules and/or the US Risk Retention Regulations***

The purchase and retention of the Securitisation Retention Equity or Securitisation Retention Securities in a securitisation will be undertaken by the Company, the CDO Manager and/or the Partnership with the intention of achieving compliance initially with only the EU Securitisation Rules, the UK Securitisation Rules and/or the US Risk Retention Regulations (as applicable) by the relevant securitisation. The EU Securitisation Rules, the UK Securitisation Rules and/or the US Risk Retention Regulations may be amended, supplemented or revoked from time to time. There is no guarantee that existing securitisations will be grandfathered into the regime which results from such amendments, supplements or revocations. Additionally, a transaction structured to comply with both the EU Securitisation Rules and the UK Securitisation Rules may fall out of compliance with either of those regimes as a result of any future divergence between the EU Securitisation Rules and the UK Securitisation Rules. As such, the securitisations in which the Company, directly or indirectly through the Partnership, is retaining the Securitisation Retention Equity or Securitisation Retention Securities may become non-compliant with the EU Securitisation Rules, the UK Securitisation Rules and/or the US Risk Retention Regulations.

(f) ***The Company may need to sell Securitisation Retention Equity or Securitisation Retention Securities below market value***

The Company, directly or indirectly through the Partnership, may be contractually obligated to transfer Securitisation Retention Securities or Securitisation Retention Equity in the event it acts as, and is replaced as, collateral manager of a securitisation. The terms of such transfer may not reflect the market price of the Securitisation Retention Securities or Securitisation Retention Equity at such time.

3.3 **Risks related to investments in Asset Backed Securities**

(a) ***Many of the Company's current investments are in the form of highly subordinated securities of securitisations (and future investments in similar securities may have different underlying asset classes), which are susceptible to losses of up to 100 per cent. of the initial investments, including losses resulting from changes in the financial rating ascribed to, or changes in the market value or fair value of, the underlying assets of a securitisation***

The Company's current investment portfolio includes investments in securitisations. The primary assets underlying the Company's current securitisation portfolio are real estate trust preferred securities ("**TruPS**"), although the Company may also invest in securitisations secured by interests in other asset classes, including, but not restricted to bank and insurance trust preferred securities, corporate securities such as secured and unsecured loans

and bonds, commercial real estate, residential mortgages, consumer lending, auto lending, student lending and structured finance securities with underlying exposure to residential mortgage based securities, commercial mortgage backed securities and other types of securitisations.

The Company's Target Investments include investments in subordinated equity tranches ("**Equity Tranches**") of securitisations. The securitisations in which the Company may invest are collateralised by underlying assets assembled by asset managers and divided into tranches based on their degree of credit risk. The Equity Tranches are the lowest ranking tranches, incurring first losses and are paid last out of the proceeds received by securitisations from their underlying assets.

The Company's investments in Equity Tranches represent leveraged investments in the underlying assets of the securitisations. The fair value of these investments could be significantly affected by, among other things, changes in the financial rating ascribed to the underlying assets of a securitisation by financial rating agencies, changes in the market value or fair value of the underlying assets, changes in payments, defaults, recoveries, capital gains and losses, prepayment and the availability, prices and interest rate of underlying assets. Moreover, market developments generally (including, without limitation, deteriorating economic outlook, rising defaults and rating agency downgrades) may impact the fair value of an investment and/or its underlying assets. Changes in the market value or fair value of such underlying assets could result in defaults under the terms of the securitisation that may, in turn, reduce or halt the distribution of funds to Equity Tranche holders or trigger a liquidation of such securitisation. The leveraged nature of an Equity Tranche increases the risk that a change in market conditions or the default of an issuer of underlying assets could result in significant losses. Accordingly, Equity Tranches may not be paid in full and may be subject to substantial losses, including a loss of 100 per cent. of the Company's investment in them.

(b) ***The modelled cash flow predictions and assumptions used to calculate internal rate of return and fair value of each securitisation investment may prove inaccurate and require adjustment***

The Manager utilises investment modelling software to model expected cash flows on the Company's securitisation investments. These modelled cash flows are then used to calculate the IRR and the fair value of each securitisation investment, under certain specified assumptions, including without limitation, annual default rates, recovery rates, prepayment rates and reinvestment prices and spreads, as well as their timing and duration, which in certain instances may be several years or otherwise as long as the stated maturity of the investment. These modelled cash flows and assumptions may prove to be inaccurate and require adjustment. Factors affecting the accuracy of such modelled cash flow predictions include: (1) uncertainty in predicting future market values of certain assets (including defaulted and deferring securities) utilised in determining over- collateralisation or similar ratios, (2) changes in regulatory capital treatment which may directly or indirectly cause early redemptions of certain assets, (3) the inability to accurately model

securitisation manager behaviour such as trading gains/losses or cash holding levels, and (4) the divergence over the period covered by the model of assumed variables from realised levels, including reinvestment spreads/ prices, the timing and severity of defaults and downgrades, prepayment levels as well as foreign exchange volatility.

In addition, the underlying securitisation trustee reports used to assemble applicable investment data for the cash flow models are subject to data entry and other human errors, which may not be immediately discovered, if at all, in the course of the Portfolio updates and valuation procedures.

(c) ***Securitisations generally invest in fixed income securities rated lower than Baa by Moody's or lower than BBB by S&P (or, if not rated, of comparable quality) and may be regarded as predominately speculative with respect to the issuer's continuing ability to meet principal and interest payments***

Securities rated Baa or lower and BBB or lower are considered by Moody's and S&P (respectively) to have some speculative characteristics. Lower-rated securities may be regarded as predominately speculative with respect to the issuer's continuing ability to meet principal and interest payments. Analysis of the creditworthiness of issuers of lower-rated securities may be more complex than for issuers of higher quality debt securities.

In addition, high yield or speculative securities may be less liquid and more likely to default than securities of higher credit quality. Lower-rated securities may be more susceptible to losses and real or perceived adverse economic and competitive industry conditions than higher grade securities. The secondary markets on which lower-rated securities are traded are generally less liquid than the market for higher grade securities. Consequently, there may be limited liquidity if a securitisation is required to sell or otherwise dispose of its underlying assets. Less liquidity in the secondary trading markets could adversely affect, and cause large fluctuations in, the fair value of the Portfolio. Adverse publicity and investor perceptions, whether or not based on facts or fundamental analysis, may decrease the market values and liquidity of lower-rated securities, especially in a thinly traded market.

(d) ***Defaults, their resulting losses and other losses on underlying securitisation assets may have a negative impact on the fair value of the Company's securitisation investment portfolio and cash flows received***

A default and/or any resulting loss as well as other losses on an underlying securitisation asset will reduce the fair value of such underlying asset and, consequently, the fair value of the related investment and the Portfolio. A wide range of factors, including the type of issuer and the type of asset, could adversely affect the ability of the issuer of an underlying asset to make interest or other payments on that asset. The ability to make payments may be significantly affected by economic downturns, government regulatory actions, general regulatory actions or general economic conditions beyond the Company's control and beyond the control of individual issuers and borrowers. The information in this and the following paragraphs represents a

brief summary of certain risks only and is not intended to be an extensive summary of all risks associated with each type of asset class.

(i) *Securities of insurance companies*: the securities collateralising many of the Company's future TruPS CDOs may consist of senior unsecured notes issued by insurance holding companies, surplus notes issued by insurance companies, and/or capital securities issued by trust subsidiaries of insurance holding companies.

The ability of an insurance company to repay its obligations may be affected by adverse changes to the operations, results of operations or financial condition of the insurance company, resulting from factors such as the occurrence of natural disasters, including hurricanes, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, significant and/or rapid changes in loss costs, including changes in loss frequency and/or severity; the availability and cost of the reinsurance purchased; prior approval and restrictions in certain states for price increases; intense price competition; less restrictive underwriting standards; economic conditions, interest rates and as well as other factors.

Furthermore, insurance companies are subject to extensive regulation and supervision in the jurisdictions in which they do business, which may reduce the profitability and growth of insurance companies and adversely affect the ability to repay its obligations. Each jurisdiction has a unique and complex set of laws and regulations. Changes in insurance regulations may adversely affect the financial condition and results of operations of insurance companies.

There are also various legal and regulatory limitations on the extent to which an insurance holding company's insurance company subsidiaries may extend credit, pay dividends or distributions or otherwise supply funds to the insurance holding company or certain of its affiliates. In particular, payments of dividends or other distributions to an insurance holding company or its respective affiliates by insurance company subsidiaries are subject to the various insurance regulatory restrictions of the states having jurisdiction over such insurance company subsidiaries.

(ii) *Securities of bank institutions*: the securities collateralising many of the Company's future TruPS CDOs may also consist of unsecured subordinated notes issued by bank institution holding companies and/or capital securities issued by wholly-owned trust subsidiaries of bank institution holding companies.

The ability of a bank institution to repay its obligations may be affected by adverse changes in the financial condition of such issuer or the regions in which it operates; interest rates, the rate of unemployment, the level of consumer confidence, residential and commercial real estate values, the value of the US dollar, energy prices, changes in

consumer spending, the number of personal bankruptcies, disruptions in the credit markets; counterparty risks; systemic risk in the financial and settlement systems; changes in law and taxation; a downturn in general economic conditions; natural disasters, terrorism, social unrest and civil disturbances; and other factors.

There are also various legal and regulatory limitations on the extent to which the bank institution subsidiaries of an affiliated bank institution may extend credit, pay dividends or otherwise supply funds to such affiliated bank institution holding company or various of their respective affiliates. Dividend payments from the bank institution subsidiaries of an affiliated bank institution holding company are subject to regulatory limitations, generally based on current and retained earnings of the bank institution subsidiary and other factors, imposed by law or regulation and, in some cases, require prior regulatory approval. Payment of dividends is also subject to regulatory restrictions if such dividends would impair the capital of the bank institution subsidiary and in certain other cases. All such legal and regulatory limitations and restrictions may change at any time with respect to any bank institution.

(iii) *Corporate debt securities*: The ability of a corporate issuer to repay its obligations may be affected by adverse changes in the financial condition of such issuer or the industries or regions in which it operates; its exposure to counterparty risks; systemic risk in the financial and settlement systems; changes in law and taxation; a downturn in general economic conditions; changes in governmental regulations or other policies; and natural disasters, terrorism, social unrest and civil disturbances.

(iv) *Commercial real estate loans*: the ability of a commercial real estate borrower to repay a loan secured by an income-producing property typically is dependent primarily upon the successful operation of the property, as opposed to the borrower's independent income or assets. If the net operating income of the property is reduced, the borrower's ability to repay the loan may be impaired. The net operating income of an income-producing property can be affected by numerous factors, including: tenant mix and quality; property management decisions including decisions on capital improvements; property location and condition; competition from similar properties, changes in national, regional or local economic conditions; changes in regional or local real estate values; changes in regional or local rental or occupancy rates; changes in interest rates and in the state of the debt and equity capital markets, including the availability of debt financing for commercial real estate; changes in governmental rules, regulations and fiscal policies, including real estate taxes, environmental legislation and zoning laws; environmental contamination; and acts of God, terrorism, social unrest and civil disturbances, which may result in property damage, decrease the availability of or increase the cost of insurance or otherwise result in uninsured losses.

(v) *Residential mortgage loans*: the ability of a residential mortgage borrower to repay a loan secured by a residential property may depend on: the availability of mortgage credit; the relative economic vitality of the area in which the related properties are located; the average remaining life of the loans, the average size of the remaining loans; the servicing of the mortgage loans, changes in tax laws; other opportunities for investment; homeowner mobility; prevailing interest rates; the rate of unemployment; the level of consumer confidence; residential real estate values; the value of the US dollar; energy prices; changes in consumer spending; the number of personal bankruptcies; disruptions in the credit markets; and other economic, social, geographic, demographic and legal factors.

To the extent that actual defaults and losses on the underlying assets of an investment exceed the level of defaults and losses factored into the purchase price of such investment, the value of the anticipated return from the investment will be reduced. The more deeply subordinated the tranche of securities in which the Company invests, such as investments in Equity Tranches, the greater the risk of loss upon a default. Any defaults and losses in excess of expected default rate and loss model inputs will have a negative impact on the fair value of the Company's investments, will reduce the cash flows that the Company receives from its investments, adversely affect the fair value of the Company's assets and could adversely impact the Company's ability to pay dividends.

(e) ***Deferrals on underlying securitisation assets may have a negative impact on the fair value of the Company's securitisation investment portfolio and cash flows received***

A deferral of interest payments on an underlying securitisation asset will reduce the cash flows and fair value of such underlying asset and, consequently, the cash flows and fair value of the related investment and the Portfolio. Payments under Liquid UK Bank Sub Debt and bank TruPS and insurance TruPS are dependent on payments received from affiliated holding companies on subordinated debt issued to the trust subsidiaries ("**Corresponding Debentures**"). As long as any affiliated holding company is not in default in the payment of interest on its Corresponding Debentures, it may generally defer interest payments on its Corresponding Debentures for up to 20 consecutive quarterly periods, in which event distributions on the related TruPS would be similarly deferred. Any TruPS with respect to which interest or dividend payments are being deferred or are accrued and unpaid, as the case may be, will be deemed to be a "Defaulted Obligation" under the securitisation's indenture even though such deferral or accrual is permitted by the terms of such TruPS and, if applicable, the Corresponding Debentures.

(f) ***In the event of a bankruptcy or insolvency of a securitisation or an issuer or borrower of underlying assets in a securitisation in which the Company invests, a court or other governmental entity may determine that the claims of the relevant securitisation are not valid or not entitled to the***

treatment the Company expected when making its initial investment decision

Various laws enacted for the protection of creditors may apply to the underlying assets in the Portfolio. The information in this and the following paragraph represents a brief summary of certain points only, is not intended to be an extensive summary of the relevant issues and is applicable with respect to US issuers and borrowers only. The following is not intended to be a summary of all relevant risks. Similar avoidance provisions to those described below are sometimes available with respect to non-US issuers or borrowers, but there is no assurance that this will be the case which may result in a much greater risk of partial or total loss of value in that underlying asset.

If a court in a lawsuit brought by an unpaid creditor or representative of creditors of an issuer or borrower of underlying assets, such as a trustee in bankruptcy, were to find that such issuer or borrower did not receive fair consideration or reasonably equivalent value for incurring the indebtedness constituting such underlying assets and, after giving effect to such indebtedness, the issuer or borrower (i) was insolvent; (ii) was engaged in a business for which the remaining assets of such issuer or borrower constituted unreasonably small capital; or (iii) intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they mature, such court could decide to invalidate, in whole or in part, the indebtedness constituting the underlying assets as a fraudulent conveyance, to subordinate such indebtedness to existing or future creditors of the issuer or borrower or to recover amounts previously paid by the issuer or borrower in satisfaction of such indebtedness. In addition, in the event of the insolvency of an issuer or borrower of underlying assets, payments made on such underlying assets could be subject to avoidance as a "preference" if made within a certain period of time (which may be as long as one year under US Federal bankruptcy law or even longer under state laws) before insolvency.

The Company's underlying assets may be subject to various laws for the protection of creditors in other jurisdictions, including the jurisdiction of incorporation of the issuer or borrower of such underlying assets and, if different, the jurisdiction from which it conducts business and in which it holds assets, any of which may adversely affect such issuer's or borrower's ability to make, or a creditor's ability to enforce, payment in full, on a timely basis or at all. These insolvency considerations will differ depending on the jurisdiction in which an issuer or borrower or the related underlying assets are located and may differ depending on the legal status of the issuer or borrower.

(g) ***The performance of many of the Company's securitisation investments may depend to a significant extent upon the performance of the securitisation managers***

The Company relies on securitisation managers (internal and external) to administer and review the portfolios of the underlying assets managed by them. Particularly in the case of Equity Tranches, the actions of the securitisation managers may significantly affect the Company's return on its investments.

The ability of each securitisation manager to identify and report on issues affecting its securitisation on a timely basis could also affect the Company's return on its investments, as the Company may not be provided with information on a timely basis in order to take appropriate hedging or other measures to manage its risks in the relevant securitisation. In addition, concentration of a significant number of the Company's investments with one or a few securitisation managers (including securitisation managers, if any, affiliated with the Company), whether having resulted from industry consolidation or otherwise, could affect the Company adversely in the event that the securitisation manager fails to fulfil its function effectively or at all.

(h) ***The ability of securitisations in which the Company invests to sell assets and reinvest the proceeds may be restricted, which may reduce the yield from the Company's investment in those securitisations***

The ability of securitisations in which the Company invests to sell assets and reinvest the proceeds may be restricted. As part of the ordinary management of the Portfolio, a securitisation may typically dispose of certain of its assets and reinvest the proceeds thereof in substitute assets, subject to compliance with its investment guidelines and certain other conditions, including the terms of the debt securities issued by it. The earnings with respect to such substitute assets will depend on the quality of reinvestment opportunities available at the time and on the availability of assets that satisfy the securitisation's investment guidelines and that are acceptable to the Manager, among other factors. The need to satisfy such guidelines and identify acceptable assets may require the Manager to purchase substitute assets at a lower yield than those initially acquired or require that the sale proceeds be maintained temporarily in cash, either of which may reduce the yield that the Manager is able to achieve. This will reduce the return to the Company and may have a negative effect on the fair value of the Company's assets and the market value of the Shares and/or the Preferred Shares.

3.4 **Risks related to investments in Specialty Finance**

(a) ***Investments in Other Investment Vehicles***

Regardless of the form that an investment is in "specialty finance", the ability of the Company to earn revenue is dependent upon payments being made by the underlying borrowers in a timely and complete manner. The Company will receive payments only if the underlying borrower makes payments on the relevant loan. Where loans benefit from security the Company's recovery will be dependent on the amounts recovered following the enforcement of such security being sufficient to cover the outstanding amounts due to the Company. Where the Company invests in a subordinated loan, there is a greater risk that amounts recovered following the default of a borrower will be insufficient to cover outstanding amounts due to the Company, as the recovered amounts must first be applied to discharge obligations which rank ahead of the Company's claims. Where an underlying borrower defaults, the Company must rely on the collection efforts of the servicer and their respective designated collection agencies. Any fees and expenses incurred by the Company in connection with defaulted loans will reduce the amount which

the Company may recover in the event of a partial or complete collection. If an underlying borrower neglects its payment obligations on a loan or chooses not to repay its loan entirely, the Company may not be able to recover any portion of its outstanding principal and interest in an investment in that loan.

Investment default rates may be significantly affected by economic factors and conditions beyond the Company's control. In particular, default rates may increase due to factors such as prevailing interest rates, unemployment rates, consumer confidence, residential real estate values, changes in consumer spending, the number of personal bankruptcies, and disruptions in the credit markets. The default history for loans originated via or issued by direct lenders is limited and actual defaults over a full market cycle may be greater than indicated by historical data and the timing of defaults may vary significantly from historical observations. In addition, general economic factors and conditions, including the general interest rate environment, unemployment rates and residential collateral asset values may affect borrower willingness to seek loans and investor ability and desire to invest in loans.

Underlying borrowers may decide to prepay all or a portion of the remaining principal amount due under a loan at any time and, at times, without significant penalty. The degree to which borrowers prepay loans, whether as a contractual requirement or at their election, may be affected by general business conditions, market interest rates, the borrower's financial condition and competitive conditions among lenders. In the event of a prepayment of the entire remaining unpaid principal amount of a loan, the Company will receive such prepayment (or the relevant part thereof) but further interest may not accrue on such loan after the date of the prepayment. If the borrower prepays a portion of the remaining unpaid principal balance, interest may cease to accrue on the prepaid portion and the Company may not receive all of the interest payments that it expected to.

(b) ***Equity Securities and Equity-Related Securities***

The Company may purchase equity and equity-related securities, such as convertible securities, warrants and stock options. The value of equity securities varies in response to many factors. Factors specific to an issuer, such as certain decisions by management, lower demand for its products or services, or even loss of a key executive, could result in a decrease in the value of the issuer's securities. Factors specific to the industry in which the issuer participates, such as increased competition or costs of production or consumer or investor perception, can have a similar effect. The value of an issuer's stock can also be adversely affected by changes in financial markets generally, such as an increase in interest rates or consumer confidence, that are unrelated to the issuer itself or its industry. These factors and others can cause significant fluctuations in the prices of the securities in which the Company invests and can result in significant losses.

(c) ***Convertible Securities and Warrants***

The Company may invest in convertible securities and warrants. The value of convertible securities and warrants will vary with the movements in the equity

market and the performance of the underlying common stock, in particular. Their value is also affected by adverse issuer or market information. With respect to warrants, their value may decrease or may be zero and thus not be exercised if the market price of the underlying securities remains lower than the specified price at which holders of warrants are entitled to buy such securities, resulting in a loss to the Company of the purchase price of the warrant (or the embedded warrant price in the case of securities issued with warrants attached).

With respect to convertible securities, as with all fixed income securities, the market value of such securities tends to decline as interest rates increase and, conversely, to increase as interest rates decline. However, when the market price of the common stock underlying a convertible security exceeds the conversion price, the convertible security tends to reflect the market price of the underlying common stock. As the market price of the underlying common stock declines, the convertible security tends to trade increasingly on a yield basis and thus, may not decline in price to the same extent as the underlying common stock. Convertible securities rank senior to common stock in an issuer's capital structure and consequently entail less risk than the issuer's common stock. If a convertible security held by the Company is called for redemption, the Company will be required to permit the issuer to redeem the security, convert it into the underlying stock or sell it to a third party. Any of these actions could have an adverse effect on the Company's ability to achieve its Investment Objective.

(d) ***Private Investments in Public Equities***

From time to time, the Company may make private investments in public equities in which the Company would take a minority position in a public company. Such investments usually take the form of convertible preferred stock. To the extent that the public market for such companies declines, it is possible that private investments in public equities transactions may generate losses or returns that do not justify the risk associated with such investments.

(e) ***Distressed Companies***

The Company may invest in securities and obligations of companies that are currently experiencing financial and/ or operational distress, including, but not limited to, debt obligations that are in covenant or payment default. Such investments are considered speculative. Under such circumstances, the returns generated from any such investment may not compensate the Company investors adequately for risks assumed. There is no assurance that the Company will correctly evaluate the prospects for a successful restructuring or similar action.

(f) ***Certain investment strategies, including co-investments and joint ventures, may limit the Company's control over particular investments***

If the Company co-invests, including co-investments in real estate assets, or enters into joint ventures, the ability of the Company or the Manager to exercise control over these investments may be limited. As part of these co-

investment and joint venture relationships the Company may rely on third parties to identify investments and may not retain control over which specific investments are made, including the timing of such investments. In addition, the interests of the Company's joint venture partners and any persons with which it co-invests may conflict with the interests of the Company. There can be no assurance that any such conflict would be resolved in favour of the Company and its Shareholders, and this may negatively affect the value of the Company and/or the Shares and/or the Preferred Shares.

4. RISKS RELATING TO CONFLICTS OF INTEREST

Certain inherent conflicts of interest arise from the fact that EJF and EJF Affiliates may provide investment management, advisory and support services to EJF Securitisations, the Manager, the CDO Manager, the Partnership, the Company and to other clients, including other securitisation vehicles, other investment funds, and any other investment vehicles that the EJF Affiliates may establish from time to time, as well as client accounts (including one or more managed accounts (or other similar arrangements, including those that may be structured as one or more entities), collectively, the "**EJF Managed Accounts**") and proprietary accounts managed by EJF Affiliates in which none of EJF Securitisations or the Company will have an interest (such other clients, funds and accounts, collectively the "**Other EJF Accounts**"). Specifically, while the Manager itself does not manage any Other EJF Accounts, the employees of EJF who support the Manager do work for other EJF Managed Accounts.

4.1 *Allocation of opportunities between EJF Securitisations, the Company and Other EJF Accounts*

While EJF, the Manager and the Company (as applicable in their relevant roles) will seek to manage potential conflicts of interest in good faith, the portfolio management or advisory strategies employed by EJF in managing its respective Other EJF Accounts could conflict with the transactions and strategies employed: (i) by EJF in managing the portfolio of an EJF Securitisation; (ii) by EJF in providing services to the Company through the Manager and the CDO Manager; (iii) by the Company in managing its own Portfolio; and/or (iv) by the Manager in advising the Company under the Management Agreement. The portfolio strategies employed by EJF may also affect the prices and availability of the securities and instruments in which EJF Securitisations invest and in which the Company may invest.

In addition, in certain circumstances a specific investment opportunity may be appropriate, at times, for the Company, EJF Securitisations and/or Other EJF Accounts, as applicable. It is the policy of the EJF Affiliates to generally share appropriate investment opportunities (including purchase and sale opportunities) with the Other EJF Accounts (and by association, with the Company and EJF Securitisations). Each of EJF and the Manager is committed to transacting in securities and loans in a manner that is consistent with the investment objectives of its clients, and to allocating investment opportunities (including purchase and sale opportunities) among its clients on a fair and equitable basis. In allocating investment opportunities, EJF and the Manager will determine which clients' investment mandates are consistent with the investment opportunity (such clients, which may include applicable Other EJF Accounts, "**Relevant Clients**"), taking into account each client's risk/return profile, investment guidelines and objectives, liquidity objectives and other factors such as

exposure and diversification requirements, investment period and capacity. As a general matter, investment opportunities will be allocated *pro rata* among Relevant Clients based on their respective targeted acquisition size (which may be based upon available capacity or, in some cases, a specified maximum target size of a client) or targeted sale size (which is generally based upon the position size held by selling clients), in a manner that takes into account the applicable factors listed below.

In addition, each of EJF, the Manager and, if applicable, the Company, will comply with specific allocation procedures set forth in the documents governing its relationship with its clients and described during the marketing process. While no client will be favoured over any other client, in allocating investment opportunities certain clients may have priority over other clients consistent with disclosures made to the applicable investors. Consistent with the foregoing, EJF and the Manager will generally allocate investment opportunities pursuant to certain allocation methodologies as appropriate depending on the nature of the investment. However, in the case of Risk Retention Investments, as a result of the Manager's relationship with EJF, the Company, through the Partnership, will, for so long as EJF Investments Manager LP is the Manager, have the benefit of a right of first refusal to purchase or subscribe for EJF Risk Retention Securities to be issued in connection with all future EJF Securitisations, in an amount equivalent to the minimum interest that a Sponsor (as that term is used in the relevant Securitisation and Risk Retention Regulations) is required to retain.

Notwithstanding the foregoing, investment opportunities may be allocated in a manner that differs from such methodologies, but is otherwise fair and equitable to clients, taken as a whole (including, in certain circumstances, a complete opt-out of the allocation). In instances where a particular investment fits different strategies targeted by multiple Relevant Clients, EJF and the Manager may determine that a particular investment most appropriately fits within the Portfolio and strategy focus of particular Relevant Clients and may allocate the investment to those clients. Any such allocations must be: (i) documented in accordance with their procedures; and (ii) undertaken with reference to one or more allocation considerations.

Because of these and other factors, certain other accounts may effectively have priority in investment allocation over the Partnership and/or the Company, notwithstanding policies of *pro rata* distribution. Investment orders may be combined for the Company, the Partnership, EJF or the Other EJF Accounts, and if any order is not filled at the same price, they may be allocated on an average price basis between such accounts. Similarly, if an order on behalf of more than one account cannot be fully executed under prevailing market conditions, securities or loans may be allocated among the different accounts on a basis which the relevant party or their respective affiliates consider equitable. As a result, the Company may not be able to invest as much as it would like in certain investments, if at all, which could have a material adverse effect on the Company's business.

From time to time, the Company, the Partnership, EJF and Other EJF Accounts may make investments at different seniority levels of an obligor's or issuer's capital structure or otherwise in different classes of an obligor's or issuer's securities. When making such investments, the Manager and EJF anticipate that their clients will have conflicts of interest or perceived conflicts of interest between or among the various classes of securities or loans that may be held by such entities. Neither EJF nor the

Other EJF Accounts are under any obligation to offer investment opportunities of which they become aware to EJF Securitisations or the Company or to share with EJF Securitisations or the Company or to inform EJF Securitisations or the Company of any such transaction or any benefit received by them from any such transaction, or to inform EJF Securitisations or the Company of any investments before offering any investments to other funds or accounts that EJF and/or its affiliates manage or advise.

Furthermore, EJF Affiliates may make an investment on their own behalf or on behalf of their clients without offering the opportunity to add such investment, or adding such investment, to the portfolios of EJF Securitisations or the Company. Affirmative obligations may exist or may arise in the future, whereby EJF Affiliates may be obligated to offer certain investments to funds or accounts that such affiliates manage or advise before or without EJF offering those investments to EJF Securitisations or the Company. EJF may invest in or, in the capacity as securitisation manager (as applicable), provide services in respect of, assets held by EJF Securitisations or the Company (as applicable) in which it or any of its clients has declined to invest for its own account, the account of any of its affiliates or the account of its other clients. As a result, the Company may not be able to invest as much as it would like in certain investments, if at all, which could have a material adverse effect on the Company's business.

4.2 **Co-investments among the Company, the Partnership, EJF and Other EJF Accounts**

From time to time, the Company, the Partnership, EJF and the Other EJF Accounts may make investments at different levels of an obligor's or an issuer's capital structure or otherwise in different classes of an obligor's or an issuer's securities. When making such investments, the Manager and EJF anticipate that their clients will have conflicts of interest or perceived conflicts of interest between or among the various classes of securities or loans that may be held by such entities. To the extent that the Company holds securities that are different (i.e. more senior or junior) from those held by the Partnership, EJF, an EJF Affiliate or an Other EJF Account, EJF and the Manager are likely to be presented with decisions involving circumstances where the interests of the Company and those of the Partnership, EJF and such Other EJF Account are in conflict. Furthermore, it is possible that the Company's interest may be subordinated or otherwise adversely affected by virtue of such Other EJF Account's involvement and actions relating to their investment.

In addition, conflicts may arise in determining the amount of an investment, if any, to be allocated among potential investors and the respective terms thereof. In that regard, actions may be taken for the Other EJF Accounts that are adverse to the Company. In connection with negotiating securities in respect of transactions sponsored by EJF and/or the Manager may obtain the right to participate on its own behalf (or on behalf of vehicles that it manages) in a portion of the securities with respect to such transactions on an agreed upon set of terms. EJF does not, however, believe that the foregoing arrangements have an effect on the overall terms and conditions negotiated with the arrangers of such securities. Notwithstanding this, there is no guarantee that such conflicts will be resolved in favour of the Company and, if the conflict is resolved in a manner which is considered by the Company (or its investors) to be adverse to its interests, this may have a material adverse effect on the performance of the Company.

The collateral to be held by US Bank National Association pursuant to EJF Securitisations may impose obligations issued by entities in which EJF or Other EJF Accounts have made investments, obligations that EJF has assisted in structuring but in which it has or has not chosen to invest and obligations in respect of which EJF or Other EJF Accounts participated in the original lending group and/or acted or act as an agent. In addition, the collateral may include obligations previously held by EJF or Other EJF Accounts, and EJF Securitisations may purchase collateral from, or sell collateral to, EJF or one or more Other EJF Accounts, including in the event of a wind-down of the Portfolio of collateral obligations. Although any such purchase or sale must comply with certain criteria set forth in the management and administration agreement and other transaction documents entered pursuant to such EJF Securitisations and the requirement that any such purchase or sale be on an arm's length basis), EJF may take into consideration the interests of the Other EJF Accounts when making decisions regarding the purchase and sale of collateral held in connection with EJF Securitisations under the relevant management and administration agreement. EJF's consideration of the interests of Other EJF Accounts may result in the Company purchasing different assets than it would have purchased had EJF not considered such interests, and depending on the performance of such assets, this may have a material adverse effect on the performance of the Company.

Further conflicts could arise once the Company, the Partnership, EJF and the Other EJF Accounts have made their respective investments. For example, if additional financing is necessary as a result of financial or other difficulties, it may not be in the best interests of the Partnership, EJF and the Other EJF Accounts to provide such additional financing. If the Company were to lose its investments as a result of such difficulties, the ability of the securitisation manager to recommend actions in the best interests of EJF Securitisations might be impaired. These or any other of the above conflicts could then have a material adverse effect on the performance of the Company.

4.3 **Acquisition and disposal of EJF Securitisation Equity, Other Notes or Securitisation Retention Securities by EJF or Other EJF Accounts**

EJF or Other EJF Accounts may from time to time purchase any of the Securitisation Retention Equity issued by EJF Securitisations (in this risk factor, referred to as the "**EJF Securitisation Equity**") or other classes of notes of EJF Securitisations ("**Other Notes**"). EJF or Other EJF Accounts (other than the Company in relation to the Securitisation Retention Equity or Securitisation Retention Securities) will not be required to retain all or any part of EJF Securitisation Equity or Other Notes acquired by them. If EJF or Other EJF Accounts were to purchase any EJF Securitisation Equity or Other Notes, EJF (as applicable) may face a conflict of interest in the performance of its duties as the securitisation manager because of the conflicting interests of the holders of classes of Securitisation Retention Securities that are senior to the Securitisation Retention Securities to be held by the Company. Such purchases may be in the secondary market, may occur a significant amount of time after the issue date of the relevant EJF Securitisation and may be at a different price than what the Company acquired the securities for or at which it values the securities.

If this were to occur, resulting conflicts of interest could include (a) divergent economic interests between EJF or Other EJF Accounts that hold such notes, on the one hand, and the Company, on the other hand, (b) voting of notes by EJF or Other

EJF Accounts, or a recommendation to vote by the same, to cause, among other things, an early redemption of the notes and/or an amendment of the transaction documents relating to the notes, (c) an increase or decrease in the NAV of the Company, and (d) an increase or decrease in the fees paid to EJF. If EJF, in its capacity as the securitisation manager, were to perform its duties in a manner which was considered favourable to the interests of the Other Notes, this may have a material adverse effect on the performance of the Company due to a lower relative return on its investment in EJF Securitisation Equity. EJF may have an incentive to manage EJF Securitisations' investments in a manner as to seek to maximise the yield on the collateral and maximise the yield on the Securitisation Equity but which may result in an increase of defaults or volatility that adversely affects the return on Other Notes which, depending on the investment held by the Company, could have a material adverse effect on its performance.

Furthermore, EJF (as applicable), in its capacity as the securitisation manager, acting in its sole discretion on behalf of the applicable securitisation issuer or EJF Securitisation, will be entitled to designate amounts that would otherwise be treated as interest proceeds to be treated as principal proceeds and *vice versa* in certain limited circumstances. There can be no assurance that EJF, in its capacity as the securitisation manager, will not make such designations in a manner that seeks to maximise the yield on any Securitisation Retention Securities held by it or an EJF Affiliate while increasing the probability of reductions or delays in payments on the more senior Securitisation Retention Securities. Any change in the allocation or payments of interest or principal could have a material adverse effect on the value of the investment or the market value of the investment in the Company's calculation of its NAV.

In addition, EJF may enter into agreements with one or more noteholders of EJF Securitisations pursuant to which EJF may agree, subject to its obligations under the relevant share trust deeds, indentures, management and administration agreements and applicable law, to take actions with respect to such noteholder or noteholders that it will not take with respect to all of the noteholders (including the Company). If EJF were to enter into such agreements, the information or rights which the Company may receive regarding the relevant EJF Securitisation may differ from that received by another investor in Securitisation Retention Securities. This could result in a differing relative performance between the Securitisation Retention Equity held by the Company and the other Securitisation Retention Securities. Management and administration agreements or indentures for an EJF Securitisation may place significant restrictions on EJF's ability to invest in and dispose of collateral. If EJF Affiliates or Other EJF Accounts hold or otherwise have discretionary voting authority over the requisite percentage of the outstanding principal amount of the Securitisation Retention Equity, the securitisation manager affiliates will control certain matters under the indenture, trust deed and/or the collateral management agreement (as applicable) that may affect the performance of the collateral obligations and the return on one or more classes of the EJF Securitisation, including, without limitation: (i) an optional redemption at the direction of a majority of the Securitisation Retention Equity; and (ii) the appointment of a successor collateral manager. Accordingly, during certain periods or in certain circumstances, EJF may be unable as a result of such restrictions to invest in or dispose of collateral or to take other actions that it might consider to be in the best interests of EJF Securitisations

and the holders of EJF Securitisation Equity, including the Company. This may lead to a reduced relative return on EJF Securitisations' investments and/or those of the Company.

4.4 **Allocation of Expenses**

EJF and/or an EJF Affiliate may from time to time incur expenses jointly on behalf of EJF Securitisations, the Company or other accounts managed or advised by them and one or more subsequent entities established or advised by them. Although EJF and/or EJF Affiliates, such as the Manager, will attempt to allocate such expenses on a basis that they consider equitable, there can be no assurance that such expenses will, in all cases, be allocated appropriately among such parties. The level of expenses allocated to EJF Securitisations, and the Company may have an adverse effect on each of them. A high level of expenses may: (i) in relation to EJF Securitisations, result in a decreased return on the Company's investments in Securitisation Retention Equity or the Securitisation Retention Securities; (ii) in relation to the Company, result in a significant reduction in its cash reserves available for investment; and (iii) in relation to the Company, result in a reduction of its working capital. In each case, the level of expenses may have a material adverse effect on the performance of EJF Securitisations and the Company.

4.5 **Risks arising out of the broad spectrum of activities engaged in by EJF (including the Manager and its other affiliates)**

EJF engages in a broad spectrum of activities. In the ordinary course of its business activities, EJF may engage in activities where the interests of certain divisions of EJF or the interests of its clients may conflict with the interests of the Company. Other present and future activities of EJF may give rise to additional conflicts of interest. In the event that a conflict of interest arises, EJF (as applicable) will attempt to resolve such conflict in a fair and equitable manner.

EJF (as applicable) will have the power to resolve, or consent to the resolution of, conflicts of interest on behalf of, and such resolution will be binding on the Company. Investors should be aware that conflicts will not necessarily be resolved in favour of the Company. As a result, if conflicts were resolved in a manner perceived to be adverse to the Company, this may have a material adverse effect on the performance of the Company.

In addressing related conflicts and the regulatory, legal and contractual requirements across its various businesses, EJF has implemented certain policies and procedures (e.g. information walls) that may reduce the positive synergies that the Company expects to utilise for the purposes of finding attractive investments. For example, EJF may come into possession of material non-public information with respect to companies in which the Company may be considering making an investment or companies that are clients of EJF. Additionally, there are expected to be circumstances in which EJF Affiliates will be precluded from providing services related to EJF Securitisations' or the Company's activities because of certain confidential information available to those individuals or to other parts of EJF (e.g. trading may be restricted). Further, EJF may possess information relating to issuers of the portfolio of an EJF Securitisation which is not known to the individuals at EJF responsible for monitoring the portfolio of such EJF Securitisation and performing the other

obligations under the relevant collateral management agreement. In certain situations, the Company's or EJF Securitisations' activities could be restricted even if such information, which could be of benefit to the Company, was not made available to EJF. Should this occur, EJF (as applicable) would be restricted from buying or selling securities, derivatives or loans of the issuer on behalf of EJF Securitisations or providing support to the Company (under any applicable portfolio support agreement or similar document) in respect thereof until such time as the information became public or was no longer deemed material to preclude the Company from participating in an investment. As a result, EJF Securitisations and/or the Company may miss out on opportunities which could have resulted in greater returns on their investments. Disclosure of such information to EJF's personnel responsible for the affairs of EJF Securitisations or providing support to the Company will be on a need-to-know basis only, and EJF Securitisations or the Company may not be free to act upon any such information. Therefore, EJF Securitisations or the Company may not have access to material non-public information in the possession of EJF which might be relevant to an investment decision to be made by EJF Securitisations or the Company, and EJF Securitisations or the Company may initiate a transaction or sell an asset which, if such information had been known to it, may not have been undertaken. Due to these restrictions, EJF Securitisations or the Company may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell an investment that it otherwise might have sold, all of which could have a material adverse effect on the performance of EJF Securitisations or the Company.

Additionally, EJF may limit a client and/or its portfolio companies from engaging in agreements with, or related to, companies of any client in respect of which EJF has, or has considered making, an investment or which is otherwise an advisory client of EJF and/or from time to time restrict or otherwise limit the ability of EJF Securitisations or the Company to make investments in or otherwise engage in businesses or activities competitive with companies or other clients of EJF, either as a result of contractual restrictions or otherwise. Finally, EJF has in the past entered, and is likely in the future to enter, into one or more strategic relationships in certain regions or with respect to certain types of investments that, although possibly intended to provide greater opportunities for EJF Securitisations (in connection with the management services EJF or their affiliates provide to them) or the Company (in connection with the service support, if any, EJF may provide or otherwise), may require EJF Securitisations or the Company to share such opportunities or otherwise limit the amount of an opportunity EJF Securitisations or the Company can otherwise take, in each case, as applicable. Any of the foregoing restrictions on EJF may (either directly, or indirectly via restrictions on the Company's or EJF Securitisations' ability to participate in any relevant investments), result in a relative decrease in the performance of EJF Securitisations and the Company.

Any of the foregoing restrictions on EJF may (either directly, or indirectly via restrictions on the Company's or EJF Securitisations' ability to participate in any relevant investments) result in a relative decrease in the performance of EJF Securitisations, and the Company. EJF has long-term relationships with a significant number of corporations and their senior management. In determining whether to invest in a particular transaction on behalf of EJF Securitisations, in providing support to the Company, EJF (as applicable) will consider those relationships, which may result in certain transactions that EJF (as applicable) will not undertake on behalf of EJF

Securitisations, will not assist the Company in relation to or will not advise the Company in respect of, in view of such relationships. This may result in a lack of availability of the resources, support or advice which the Company and EJF Securitisations require to manage effectively their respective businesses and investments.

EJF, or the Company, may also co-invest with clients of EJF in particular investment opportunities, and the relationship with such clients could influence the decisions made by EJF (as applicable) with respect to such investments. Any such relationships may have an adverse relative effect on the performance of EJF Securitisations, the Manager and the Company.

From time to time, employees of EJF may serve as directors or advisory board members of certain portfolio companies or other entities. In connection with such services and subject to applicable law, EJF may receive directors' fees or other similar compensation. Such amounts may, but are not expected to be material and will not be passed through to EJF Securitisation or the Company. In addition, employees of EJF who are also directors of the Manager may be employees of Other EJF Accounts which could create conflicts of interest in terms of time and effort as well as allocation decisions.

In addition, EJF may invest in loans and securities that are senior to, or have interests different from or adverse to, the collateral making up the Portfolio's EJF Securitisations. It is intended that all collateral will be purchased and sold by the securitisation issuers on terms prevailing in the market. EJF's activities (including, without limitation, the holding of securities positions or having one of its employees on the board of directors of an obligor) could result in securities law restrictions on transactions in securities held by EJF Securitisations or the Company or affect the prices of such securities or the ability of such entities to purchase, retain or dispose of such investments.

EJF may from time to time consult with, receive input from and provide information to third parties (who may or may not be or become direct and indirect owners of interests in EJF Securitisations) in respect of obligations being considered for acquisition by a securitisation issuer. Some of those same third parties may have interests adverse to those of EJF Securitisations and may take a short position (for example, by buying protection under a credit default swap) relating to any such obligations or securities. EJF may hire, or advise to hire, as applicable, consultants, advisers or other professionals on behalf of the Company or EJF Securitisations from time to time. There can be no assurance that the advice offered by any such professionals will not conflict with the interest of investors in the Company or EJF Securitisations.

EJF and their members, partners, officers and employees will devote as much of their time to the activities of EJF Securitisations (under the Securitisation Management Agreements), as they deem necessary and appropriate (as applicable), in accordance with the relevant agreement and reasonable commercial standards. Subject to the terms of the applicable offering and/or governing documents, EJF expects to form additional investment funds, enter into other investment advisory relationships and engage in other business activities, even though such activities may be in competition with EJF Securitisations or the Company and/or may involve substantial time and

resources of EJF. These activities could be viewed as creating a conflict of interest in that the time and effort of the members of EJF and their officers, managers, members and employees will not be devoted exclusively to the business of EJF Securitisations or the Company but will be allocated between the business of EJF Securitisations, the Company and the management of the monies of other clients of EJF. Some of these services or activities may lead to conflicts of interest with EJF or the relevant member of EJF and EJF Securitisations and may lead individual officers or employees of EJF or the relevant member of EJF to act in a manner adverse to EJF Securitisations.

In the event that sufficient EJF resources are not (or not able to be) devoted to EJF Securitisations or the Company, the Company's or the Manager's ability to implement the Company's Investment Policy may be adversely affected. This could have an adverse effect on the financial performance of EJF Securitisations or the Company. No provision in the collateral management agreements or the management agreement prevents either EJF or any member of EJF from rendering services of any kind, including but not limited to acting as corporate services provider, to any person or entity, including the issuer of any obligation included in the portfolios of EJF Securitisations or the Company, transaction parties of any EJF Securitisation or the holders of notes issued by any EJF Securitisation.

EJF and their affiliates may expand the range of services that they provide over time. Except as described in this Private Placement Memorandum, EJF and their affiliates will not be restricted in the scope of their business or in the performance of any such services (whether now offered or undertaken in the future) even if such activities could give rise to conflicts of interest, and whether or not such conflicts are described herein. EJF and their affiliates have, and will continue to develop, relationships with a significant number of companies, financial sponsors and their senior managers, including relationships with clients who may hold or may have held investments similar to those intended to be made by EJF Securitisations or the Company. These clients may themselves represent appropriate investment opportunities for EJF Securitisations or the Company or may compete with EJF Securitisations or the Company for investment opportunities. As compared to a situation where EJF and their affiliates were bound not to advise clients on similar (and potentially competing) interests as those held by EJF Securitisations or the Company, the relative performance of EJF Securitisations and the Company may be lower.

4.6 **Investments by EJF Securitisations, the Company and Other EJF Accounts in separate securities issued by an obligor**

The EJF Securitisations' or the Company's service providers (including lenders, brokers, attorneys and investment banking firms) may be investors in other funds, Other EJF Accounts and/or sources of investment opportunities and counterparties therein. This may influence EJF or an affiliate in deciding whether to select such a service provider or have other relationships with EJF. In situations where EJF or their affiliates were influenced to not use a particular service provider as a result of the above and it was considered that the refused service provider would have performed in a manner considered to be relatively better than the service provider actually chosen, this may be perceived to have an adverse relative effect on the performance of EJF Securitisations and the Company.

Notwithstanding the foregoing, investment transactions for EJF Securitisations or the Company that require the use of a service provider will generally be allocated to service providers on the basis of best execution (and possibly, to a lesser extent, in consideration of such service provider's provision of certain investment-related and other services that are believed to be of benefit for EJF Securitisations or the Company). The allocation is not guaranteed, however, and if an allocation was not able to be made on the basis of best execution, this could result in an adverse relative effect on the performance of EJF Securitisations and the Company. Advisers, such as EJF, and their service providers, or their affiliates, often charge different rates or have different arrangements for specific types of services. In addition, service providers, or their affiliates, often charge different rates or have different arrangements for specific types of services. Therefore, based on the types of services used by clients (such as the Company and EJF Securitisations) as compared to EJF and its affiliates and the terms of such services, EJF or its affiliates may benefit to a greater degree from such vendor arrangements than the clients (such as the Company and EJF Securitisations). EJF Securitisations may invest in the securities of companies affiliated with EJF or companies in which EJF or its affiliates have an equity or participation interest. The purchase, holding and sale of such investments by EJF Securitisations may enhance the profitability of EJFs' own investments in such companies. It is possible that one or more affiliates of EJF may also act as counterparty with respect to one or more participations.

4.7 **Sale Price of securities**

Where the Company sells or commits to sell securities which are assets that it has purchased on the same day of such sale or commitment to sell to a securitisation, the transfer price for such loans or other securities may be the Company's purchase price. The Company may enter into forward purchase agreements to sell loans or other securities to a securitisation on or after the issue date of such securitisation and the prices of such transactions will be the prices at the time that such forward purchase agreements are entered into by the Company and not the settlement date thereof.

4.8 **Cross Transactions and Principal Transactions**

It is expected that a portion of the assets the Company acquires may be securities in respect of which EJF, EJF Affiliates or Other EJF Accounts either participated in the original lending group or structured or originated the asset (in each case, an "**EJF Related Security**"). Additionally, a significant portion of the assets that the Company may acquire may be purchased from and will be sold to funds or Other EJF Accounts that EJF or EJF Affiliates manage or otherwise provide advice in respect of ("**Related Accounts**"). Any of the aforementioned transactions may be considered to be affiliate transactions (as defined below). The Manager will be authorised by the Company to consent or decline to consent, on the Company's behalf, to the terms of any affiliate transaction where a potential conflict of interest may arise by reason of, among other things, the involvement of EJF Affiliates or EJF Accounts, such as a purchase or sale of an asset (including an EJF-Related Security) from EJF or Other EJF Accounts, or the purchase of assets by the Company from Related Accounts. In the case of an asset purchase or sale by the Company from EJF or an EJF Affiliate or an entity (including a Related Account) in which EJF and/or an EJF Affiliate has an ownership interest of 25 per cent. or more, the consent of the Board of Directors of the Company to such purchase or sale will be obtained prior to settlement thereof. In any other case, the

Board of Directors of the Company must consent to the applicable transaction on a quarterly basis, and such consent may occur after the applicable transaction has settled. In any transaction involving a Related Account, the Manager will obtain, when available, a price contemporary with the transaction for the EJF- Related Securities from a disinterested third party.

If any transaction is subject to the disclosure and consent requirements of Section 206(3) of the US Investment Advisers Act of 1940, such requirements will be deemed to be satisfied with respect to the Company if the procedures described above are followed. Each investor will be deemed to have consented to the procedures described herein with respect to affiliate transactions. For the purposes of the paragraph above, an "**affiliate transaction**" shall mean: (i) a purchase or sale of an asset between the Company and a fund managed by EJF or EJF Affiliates; or (ii) a transaction involving the Company and EJF or an EJF Affiliate, where EJF or the EJF Affiliate is acting as principal for its own account.

4.9 Additional conflicts of interest

There is no limitation or restriction on EJF, the Company or any of their respective affiliates with regard to acting as securitisation manager or retention holder (or in a similar role) to other parties or persons. This and other future activities of EJF, the Company and/or their respective Affiliates may give rise to additional conflicts of interest.

For investments not traded on an exchange and for which independent pricing is not available, the Manager appoints a recognised third-party valuation provider to provide an opinion on a price, or range of prices, based on the inputs and models developed by the Manager. Under the Management Agreement, the Manager is entitled to the Management Fee and may also receive an Incentive Fee, both of which are based on the NAV (as described in paragraph 9.2(a) "*Manager*" of Part IV (*Directors, the Manager and Administration*)). This may present a potential conflict of interest between the Manager's duties to the Company, in particular in relation to its role in developing the Valuation Policy (as defined below), and its own interests. There can be no assurance that the steps taken to safeguard against such potential conflict will be adequate. This or any other of the above potential conflicts may then have a material adverse effect on the performance of the Company.

5. RISKS RELATED TO AN INVESTMENT IN THIS OFFERING OF THE PREFERRED SHARES

5.1 The Preferred Shares are perpetual and redeemable, in whole or in part, only at the Company's option

The Preferred Shares have no fixed maturity or repayment date and no put right: a Preferred Shareholder cannot require the Company to redeem its Preferred Shares at any time, including on a change of control of the Company. Redemption occurs, in whole or in part, only if and when the Board, in its sole discretion, elects to redeem a Class or a portion of a Class of Preferred Shares. Investors should be prepared to hold their Preferred Shares for an indefinite period and should not assume that redemption will occur at any particular time, including at or after any Preferred Share Step-Up Date. Unlike the ZDP Shares, there is no mechanism under the Articles that compels

the Company to wind up, or otherwise compensates Preferred Shareholders, if the Company does not redeem a Class of Preferred Shares.

5.2 **No guaranteed market or exit for the Preferred Shares**

The Preferred Shares will not be listed or admitted to trading on any stock exchange at the time of issuance, and no application for listing will be made in connection with the initial offering. Although the Company shall, following the Offering, make commercially reasonable efforts to list, or otherwise provide a liquidity option with respect to the Preferred Shares (for example, on Nasdaq, or on an over-the-counter market if Nasdaq eligibility criteria are not met), there is no guarantee that a listing will ever occur, or on what timeframe. There is not expected to be any secondary market in the Preferred Shares, and holders may find it difficult or impossible to sell their Preferred Shares, or may only be able to do so at a substantial discount to their subscription price or the Company's net asset value. Investors should be prepared to hold their Preferred Shares as a long-term, illiquid investment and should not assume that a listing, or any liquidity event, will occur.

5.3 **Dividends are discretionary and non-cumulative**

The Board has sole discretion as to whether, and when, to declare a dividend on the Preferred Shares. If the Board does not declare a dividend in respect of any period, Preferred Shareholders will have no right to receive that dividend at a later date, whether on redemption or otherwise, and no compensating amount is payable. Preferred Shareholders bear the risk that dividends may be reduced, deferred indefinitely or never paid, notwithstanding the dividend stopper on the Ordinary Shares.

5.4 **Subordination to the ZDP Shares**

The Preferred Shares rank behind all Classes of ZDP Shares (including any Classes issued after the relevant Class of Preferred Shares) as to both capital and priority of redemption. On a winding up or other return of capital, Preferred Shareholders will only receive a return after the ZDP Shareholders and the Company's creditors have been paid in full, and there may be insufficient assets remaining to repay the Preferred Share Redemption Amount in full or at all.

5.5 **Limited scope of the Issuance Test**

The Issuance Test applies only to further issuances of Preferred Shares (and not to the initial issuance). It does not condition the Company's ability to pay dividends, redeem or repurchase Ordinary Shares, incur borrowings, or reduce its share capital, and there is no pro-rata redemption protection for Preferred Shareholders. However, the Company may not pay any dividend, or carry out any buyback, in respect of the Ordinary Shares unless a dividend has also been declared on the Preferred Shares for the corresponding period. Furthermore, the Directors may only pay dividends if immediately following such payment the Dividends Minimum Cover Amount in respect of each Class of ZDP Shares in issue is met, save where each relevant Class of ZDP Shareholders have approved such payment. The Dividends Minimum Cover Amount in respect of the 2029 ZDP Shares is 2.0x.

5.6 **Limited voting and class consent rights**

Preferred Shareholders have no general voting rights and only limited class consent rights. Preferred Shareholders will therefore have limited ability to influence the management of the Company or to prevent corporate actions (including a material adverse change in the Company's business or investment policy) that do not fall within the specific matters requiring their class consent.

5.7 **Potential conflicts of interest between Preferred Shareholders and other classes of shares**

The interests of Preferred Shareholders, Ordinary Shareholders and ZDP Shareholders may not be aligned. For example, Preferred Shareholders may prefer the Board to prioritise capital preservation and dividend payment on the Preferred Shares, whereas Ordinary Shareholders may prefer growth-oriented investment or capital returns, and ZDP Shareholders may be primarily concerned with the Company's ability to meet the ZDP Final Capital Entitlement on the applicable ZDP Repayment Date. These differing interests could give rise to conflicts in the Board's exercise of its discretion, including as to dividend declarations, redemption decisions and investment policy.

5.8 **Lack of separate representation for investors**

Clifford Chance LLP acts as counsel to the Company in connection with the Offering and does not represent, and will not be treated as representing, any prospective investor in connection with its investment in the Preferred Shares. Mayer Brown LLP acts as counsel to Piper Sandler in its capacity as Placement Agent and likewise does not represent any prospective investor. Accordingly, prospective investors should consult their own legal, tax and financial advisers with respect to the legal, tax and other aspects of an investment in the Preferred Shares, with specific reference to their own personal financial and tax situation.

5.9 **Net proceeds from this Offering may be allocated in ways that you and other shareholders may not approve of**

The Directors intend to use the net proceeds from this Offering for general corporate purposes, including investment in accordance with the Company's investment policy, repayment of indebtedness, and/or working capital purposes. As such, the Directors will have broad discretion in the application of the net proceeds from this Offering and could spend the proceeds in ways that do not necessarily improve the operating results of the Company or enhance the value of the market price of outstanding Ordinary Shares and Preferred Shares. The Directors' failure to apply these funds effectively could have a material adverse effect on the Company's business and cause the market price of outstanding Ordinary Shares and Preferred Shares to decline.

5.10 **The Company may not have the ability to redeem the Preferred Shares**

The Company's ability to redeem the Preferred Shares, in whole or in part, depends on its ability to generate cash flow in the future. To a certain extent, this is subject to general economic, financial, competitive, and regulatory factors and other factors that are beyond the control of the Company. The Company cannot assure prospective Preferred Shareholders that it will maintain sufficient cash reserves or that the

Company's business will generate sufficient cash flow at levels sufficient to permit the Company to redeem the Preferred Shares in accordance with their terms.

5.11 **The Company's credit rating may be downgraded, suspended or withdrawn, which would increase the Preferred Share Dividend Rate**

There can be no assurance that the rating received from a Designated NRSRO will be maintained at the level assigned at the closing of the Offering, or that any Designated NRSRO will continue to rate the Company. A subsequent downgrade of any such rating below investment grade, or the withdrawal and subsequent failure of the Company to be assigned a rating for any reason, would result in an increase in the Preferred Share Dividend Rate. The Company may not have sufficient funds to pay any such increased Preferred Share Dividend Rate when due. Furthermore, any rating may be revised, suspended or withdrawn by the relevant rating agency at any time without notice.

6. RISKS RELATED TO THE REGULATORY LANDSCAPE IN THE UNITED KINGDOM AND THE EUROPEAN ECONOMIC AREA

6.1 Proposed reforms to the UK AIFM Regime

The Manager is a non-UK AIFM for the purposes of the UK AIFM Regulations. In order to market Preferred Shares to investors resident, domiciled or with a registered office in the United Kingdom, the Manager markets the Company under the UK's national private placement regime (the "**UK NPPR**") in accordance with the applicable provisions of the UK AIFM Regime. Marketing under the UK NPPR requires the Manager to comply with a sub-set of requirements under the UK AIFM Regime, which are much more limited in scope than those applicable to AIFMs that are authorised as full-scope UK AIFMs. These requirements are: (i) pre-contractual disclosures, (ii) ongoing investor disclosures of the kind required pursuant to the UK AIFM Regulations (as to which, please see below), (iii) provision of information relating to the Manager's investments and its assets under management to the FCA, and (iv) the "asset-stripping" rules (in the event that the Company acquires control of a UK-based portfolio company).

The information in respect of the Manager required to be disclosed pursuant to the UK AIFM Regime will be made available to each Preferred Shareholder, as follows: (a) the percentage of the Company's assets which are subject to special arrangements arising from their illiquid nature will be notified to the investors of Preferred Shares; (b) any new arrangements for managing the liquidity of the Company will be provided without undue delay in a disclosure notice delivered to each Preferred Shareholder; (c) the current risk profile of the Company and the risk management systems employed by the Manager to manage those risks may be provided in each annual report of the Manager; (d) any changes to the maximum level of leverage which the Manager may employ on behalf of the Company, as well as any right of the reuse of collateral or any guarantee granted under the leveraging arrangement, will be provided without undue delay in a disclosure notice delivered to each Preferred Shareholder; and (e) the total amount of leverage employed by the Company may be provided in each annual report of the Manager.

In light of the foregoing, the UK AIFM Regime could have an adverse effect on the Manager and/or the Company by, among other things, increasing the regulatory burden and costs of doing business in the United Kingdom, imposing extensive disclosure obligations on companies located in the United Kingdom, if any, in which the Manager and/or the Company invests, and potentially disadvantaging the Manager and/or the Company as an investor in portfolio companies located in the United Kingdom as compared to competitors (e.g., those not in the alternative investment space) that may not be in scope of the UK AIFM Regime.

Further, HM Treasury and the FCA have published a coordinated package of proposals for extensive reform of the UK AIFM Regime, comprising HM Treasury's draft Alternative Investment Fund Managers Regulations 2026, the FCA's consultation paper CP26/28: The UK AIFM Regime, the FCA's consultation paper CP26/26: Fund Reporting for Asset Management Entities (FRAME) and the FCA's consultation paper CP26/27: Remuneration: Solo-regulated firms' rules reform. The stated aim of the reforms is to make the UK AIFM Regime clearer and better aligned to firms' size and activities, remove overly prescriptive or redundant rules to reduce administrative burden, and support the wider growth and competitiveness objective, while maintaining high standards where they matter.

The proposals are wide-ranging and, if implemented as currently proposed, may affect the Manager and the Company in a number of ways, and compliance with the reformed UK AIFM Regime may be operational and burdensome despite the stated aims of the reform.

The FCA intends to consult further on its proposals and draft rules, taking into account feedback received, and aims to publish a final policy statement and final Handbook rules in line with HM Treasury's finalised statutory instrument in 2027, with the reformed AIFM Regime and asset management reporting regime intended to be implemented in 2028, save that certain changes may be capable of earlier implementation.

The proposals remain subject to consultation and further development, and there is no certainty as to the final form, timing or implementation of any revised UK AIFM Regime. The Company may incur costs associated with complying with any new or revised requirements, and the Manager reserves the right to adjust the operation, management and/or structure of the Company to take into account any such requirements or any other impact of the revised UK AIFM Regime or related regulatory developments.

6.2 **The Company will be required to comply with EMIR and MiFID II/MiFIR, the impact of which is uncertain and may increase the Company's costs**

The Company may enter into derivatives contracts, including over-the-counter ("**OTC**") derivatives. Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories ("**EU EMIR**") and the regulations made under it impose obligations on parties to derivative contracts according to whether they are "financial counterparties", "non-financial counterparties", or third-country entities equivalent to either category. Regulation (EU) 2019/834 (the "**EMIR Refit Regulation**") amended EU EMIR, and both instruments form part of the domestic law of the United Kingdom by virtue of the

European Union (Withdrawal) Act 2018, as amended from time to time ("**UK EMIR**", and together with EU EMIR, "**EMIR**").

Under EU EMIR, non-EU alternative investment funds managed by a non-EU alternative investment fund manager fall within the definition of a "third-country entity". Where the Company enters into relevant derivative transactions with counterparties subject to EMIR, it may be categorised as equivalent to a financial counterparty for EMIR purposes, unless an exemption applies.

Counterparties subject to EMIR must generally clear all "eligible" OTC derivative contracts through an authorised or recognised central counterparty (the "Clearing Obligation"), unless one or both counterparties' derivatives trading activity falls below the relevant clearing threshold. Effective dates for the Clearing Obligation vary by asset class and have largely been phased in, subject to limited extensions available under the EMIR Refit Regulation in certain circumstances. Financial counterparties must also: collect initial and variation margin on non-cleared OTC derivative contracts, unless an exemption applies (the "**Margining Requirement**"); report details of in-scope OTC and exchange-traded derivative contracts to a trade repository (the "**Reporting Obligation**"); and undertake risk-mitigation techniques for non-centrally-cleared OTC derivatives, including timely trade confirmation, portfolio reconciliation, dispute resolution, daily valuation, and margin posting (together, the "**Risk Mitigation Obligations**").

Regulation (EU) 2024/2987 of 27 November 2024 ("**EMIR 3.0**") amended EU EMIR and entered into force on 24 December 2024. EMIR 3.0 introduced an "Active Account Requirement", under which financial and non-financial counterparties that are subject to the Clearing Obligation and exceed the relevant clearing threshold in specified derivative categories (currently certain euro- and Polish zloty-denominated interest rate derivatives and euro-denominated short-term interest rate derivatives) must hold at least one active account at an EU-authorised central counterparty and clear a representative number of trades through it. The obligation to clear a minimum representative number of trades through such active accounts has applied since 24 June 2025, and the regulatory technical standards specifying the operational conditions, representativeness obligation and related reporting requirements for the Active Account Requirement were adopted on 29 October 2025. EMIR 3.0 also replaced the prior equivalence-decision regime for the intragroup exemption from the Clearing Obligation and Margining Requirement with a list-based approach that no longer requires a case-by-case equivalence determination for most third countries, subject to exclusions for high-risk and non-cooperative jurisdictions.

The Company may enter into OTC derivative contracts through a subsidiary asset-holding or hedging vehicle. Where it does so, the Clearing Obligation and Margining Requirement will likely also apply to that vehicle where: (i) it is a financial counterparty under EMIR and its group's derivatives activity exceeds one or more clearing thresholds; (ii) it is a non-financial counterparty under EMIR and the non-hedging derivatives activity of the non-financial parties in its group exceeds one or more clearing thresholds; or (iii) it is a third-country equivalent of an entity in (i) or (ii) and contracts with an in-scope entity. Where the vehicle is a non-financial counterparty (or its third-country equivalent), the Clearing Obligation is limited to derivative contracts in asset classes where the relevant threshold is exceeded.

Prospective investors should be aware that regulatory changes arising from EMIR, including the Active Account Requirement and other EMIR 3.0 changes, may increase the cost of entering into derivative contracts and may adversely affect the ability of the Company and any subsidiary asset-holding or hedging vehicle to enter into in-scope transactions, and therefore the Manager's ability to implement hedging arrangements.

The EU regulatory framework for derivatives is further shaped by the Markets in Financial Instruments Directive (Directive 2014/65/EU) ("**MiFID II**") and the Markets in Financial Instruments Regulation (Regulation (EU) No 600/2014) ("**MiFIR**"), both in force since 3 January 2018. Under MiFID II and MiFIR, financial counterparties such as the Company must ensure that transactions in sufficiently liquid OTC derivatives are executed on a trading venue meeting MiFID II/MiFIR requirements. This trading obligation also extends to financial counterparties and large non-financial counterparties trading with third-country counterparties that would be classified as financial counterparties or large non-financial counterparties if established in the EU. Equivalent rules apply to UK-established counterparties by virtue of the European Union (Withdrawal) Act 2018, as amended ("**UK MiFID II**", and together with EU MiFID II, "**MiFID II**").

Compliance with MiFID II, MiFIR, the Clearing Obligation, the Risk Mitigation Obligations, and the Reporting Obligation is likely to increase the Company's operating costs and expenses. Where OTC derivative contracts entered into by the Company or its subsidiary are subject to the Margining Requirement or the Clearing Obligation, the Company or its subsidiary will be required to post assets to its trading counterparty or, via a clearing member, to a central counterparty. This would reduce the assets available for investment, may affect the number and size of investments the Company is able to make, and could adversely affect returns to investors of Preferred Shares.

Prospective investors should also be aware that regulatory changes under EU EMIR, UK EMIR, EU MiFID II, and UK MiFID II may adversely affect the Company's ability to engage in derivative transactions, and that the Company bears related costs regardless of whether a counterparty is established in the EU or the UK, given no material differences currently apply between the two regimes. Over time, however, divergences between the EU and UK versions of EMIR and MiFID II may emerge, potentially increasing the costs borne by the Company where it continues to transact with counterparties established in both jurisdictions.

7. RISKS RELATED TO TAXATION

7.1 The Company could be subject to US federal income tax in the same manner as a US corporation

If the Company is treated as a "surrogate foreign corporation", the Company would be treated, for US federal income tax purposes, as a US corporation. If treated as a US corporation for US federal income tax purposes, the Company would be subject to US federal income tax on its taxable income and gain. In addition, distributions by the Company to its Shareholders would be treated as dividends for US federal income tax purposes to the extent of the Company's current and accumulated earnings and profits and may be subject to US withholding tax. The Company will be treated as a

surrogate foreign corporation if, among other things, the Company is treated as having acquired substantially all of the properties constituting a "trade or business" of the Partnership or another US partnership, or substantially all of the properties held directly or indirectly by the CDO Manager or US domestic corporation. While the Company does not believe that the Company will be so treated, no assurance can be **provided that** the US Internal Revenue Service (the "**IRS**") will not successfully assert that the Company should be treated as a surrogate foreign corporation. Each person should seek advice based on such person's particular circumstances from an independent tax advisor.

7.2 **The Company may be treated as a "passive foreign investment company"**

The Company expects to be treated for US federal income tax purposes as "passive foreign investment company". An investor who is subject to US federal income tax in respect of its holding of the Preferred Shares may be subject to adverse US federal income tax treatment in respect of distributions received from the Company and any gain realised in respect of the Preferred Shares deemed to have been received, unless the investor makes an election to treat the Company as a "qualifying electing fund". Each person should seek advice based on such person's particular circumstances from an independent tax advisor.

IMPORTANT NOTICES

Investors should rely only on the information contained in this Private Placement Memorandum. No person has been authorised to give any information or to make any representations in connection with the Offering other than those contained in this Private Placement Memorandum. No representation or warranty, express or implied, is made by Piper Sandler or any of its affiliates as to the accuracy or completeness of such information, and nothing contained in this Private Placement Memorandum is, or shall be relied upon as, a promise or representation by Piper Sandler as to the past, present or future. Neither the delivery of this Private Placement Memorandum nor any subscription or sale made under this Private Placement Memorandum shall, under any circumstances, create any implication that there has been no change in the business or affairs of the Company since the date of this Private Placement Memorandum or that the information contained in this Private Placement Memorandum is correct as at any time subsequent to its date.

The contents of this Private Placement Memorandum are not to be construed as legal, financial, business, investment or tax advice. Each prospective investor should consult his, her or its own legal adviser, financial adviser or tax adviser for legal, financial or tax advice in relation to the Offering.

An investment in the Preferred Shares is suitable only for investors (i) who are institutional, professional and highly knowledgeable (including those who are professionally advised), (ii) for whom an investment in the Preferred Shares is part of a diversified investment programme; and (iii) who fully understand and are willing to assume the risks involved in such an investment, including the potential risks of capital loss and that there may be limited liquidity in the underlying investments of the Company. The Preferred Shares may also be suitable for investors who are financially sophisticated, who are capable of evaluating the risks and merits of such an investment and who have sufficient resources to bear any loss which may result from such investment.

In making an investment decision, each investor must rely on their own examination, analysis and enquiry of the Company and the terms of the Offering, including the merits and risks involved. Investors who purchase Preferred Shares will be deemed to have acknowledged that: (i) they have not relied on Piper Sandler or any person affiliated with it in connection with any investigation of the accuracy of any information contained in this Private Placement Memorandum or their investment decision; (ii) they have relied only on the information contained in this Private Placement Memorandum; and (iii) no person has been authorised to give any information or make any representations other than those contained in this Private Placement Memorandum and, if given or made, such information or representations must not be relied on as having been authorised by the Company, the Manager or Piper Sandler.

General

Prospective investors should not treat the contents of this Private Placement Memorandum as advice relating to legal, taxation, investment or any other matters. Prospective investors should inform themselves as to: (a) the legal requirements within their own countries for the purchase, holding, transfer, conversion, redemption or other disposal of Preferred Shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer, conversion, redemption or other disposal of Preferred Shares which they might encounter; and (c) the

income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer, conversion, redemption or other disposal of Preferred Shares. Prospective investors must rely on their own representatives, including their own legal advisers, financial advisers and accountants, as to legal, tax, investment or any other related matters concerning the Company and an investment therein.

Statements made in this Private Placement Memorandum are based on the law and practice currently in force and are subject to changes therein. This Private Placement Memorandum should be read in its entirety before making any application to subscribe for Preferred Shares.

All times and dates referred to in this Private Placement Memorandum are, unless otherwise stated, references to London times and dates and are subject to change without further notice.

Capitalised terms contained in this Private Placement Memorandum shall have the meanings set out in Part XI (*Definitions*) of this Private Placement Memorandum, save where the context indicates otherwise.

Restrictions on distribution and sale

The distribution of this Private Placement Memorandum and the offering and sale of the Preferred Shares in certain jurisdictions may be restricted by law. Persons in possession of this Private Placement Memorandum are required to inform themselves about and observe any such restrictions. This Private Placement Memorandum may not be used for, or in connection with, and does not constitute, any offer to sell, or solicitation to purchase, any Preferred Shares in any jurisdiction in which solicitation would be unlawful.

For a description of restrictions on offers, sales, and transfers of the Preferred Shares, please refer to the section entitled "*Selling Restrictions*" below and paragraph 6 "*Articles of Association*" in Part X (*Additional Information*) of this Private Placement Memorandum.

No incorporation of Company's website

The contents of the Company's website do not form part of this Private Placement Memorandum. Investors should base their decision to invest on the contents of this Private Placement Memorandum and the Subscription Agreement alone and should consult their professional advisers prior to making an application to subscribe for Preferred Shares.

Forward-looking statements

This Private Placement Memorandum includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "anticipates", "expects", "intends", "plans", "projects", "targets", "aims", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Private Placement Memorandum and include statements regarding the intentions, beliefs or current expectations of the Company and the Manager concerning, among other things, the Investment Objective and Investment Policy, investment strategy, financing strategies, investment performance, results of operations, financial condition, prospects, and dividend/distribution policy of the Company and the Manager, and the markets in which the Company and its portfolio of investments, invests and/ or operates. By

their nature, forward-looking statements involve risks (including those set out in the section entitled "*Risk Factors*" in this Private Placement Memorandum) and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. The Company's actual investment performance, results of operations, financial condition, dividend/distribution policy and the development of its investment strategy and financing strategies may differ materially from the impression created by the forward- looking statements contained in this Private Placement Memorandum. In addition, even if the investment performance, results of operations, financial condition of the Company, and the development of its investment / financing strategies, are consistent with the forward-looking statements contained in this Private Placement Memorandum, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that could cause these differences include, but are not limited to:

- changes in economic conditions generally and the Company's ability to achieve its Investment Objective and target returns and target dividends for investors;
- the ability of the Company to invest the net proceeds of the Offering on a timely basis within the Investment Objective and Investment Policy;
- foreign exchange mismatches with respect to exposed assets;
- changes in the interest rates and/or credit spreads, as well as the success of the Company's investment strategy in relation to such changes and the management of the un-invested proceeds of the Offering;
- impairments in the value of the investments;
- the availability and cost of capital for future investments;
- the departure of key personnel employed by the Manager;
- changes in laws or regulations, including tax laws, or new interpretations or applications of laws and regulations, that are applicable to the Company or the Manager; and
- general economic trends and other external factors, including those resulting from war, incidents of terrorism or responses to such events.

Given these uncertainties, prospective investors are cautioned not to place any undue reliance on such forward-looking statements. Prospective investors should carefully review the "*Risk Factors*" section of this Private Placement Memorandum before making an investment decision. Forward-looking statements speak only as at the date of this Private Placement Memorandum. The Company undertakes no obligation to revise or update any forward-looking statements contained in this Private Placement Memorandum, whether as a result of new information, future events, conditions or circumstances, any change in the Company's expectations with regard thereto or otherwise, and prospective investors are advised to consult any communications made directly to them by the Company and/or any additional disclosures through announcements that the Company may make through an RIS announcement.

Currency presentation

Unless otherwise indicated, all references in this Private Placement Memorandum to "**US Dollar, US$ or USD**" are to the lawful currency of the US and to "**GBP, Pounds Sterling, Sterling, £, pence and p**" are to the lawful currency of the UK.

Market data

Where information contained in this Private Placement Memorandum has been sourced from a third party, the Company confirms that such information has been accurately reproduced and, so far as the Company is aware and has been able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Roundings

Certain data in this Private Placement Memorandum, including financial, statistical and other information has been rounded. As a result of the rounding, the totals of data presented in this Private Placement Memorandum may vary slightly from the actual arithmetic totals of such data. Percentages in tables have been rounded and accordingly may not add up to 100 per cent.

Definitions

A glossary and a list of defined terms used in this Private Placement Memorandum is set out in Part XI (*Definitions*) of this Private Placement Memorandum.

Presentation of financial information

The Company's financial year runs from 1 January to 31 December. None of the financial information included or incorporated by reference in this Private Placement Memorandum has been audited in accordance with auditing standards generally accepted in the United States or auditing standards of the Public Company Accounting Oversight Board (United States).

The financial statements of the Company for the year ended 31 December 2025 are set out in F-2 of the section entitled "*Historical Financial Information*" of this Private Placement Memorandum. The financial statements for the Company for the six months ended 30 June 2026 are set out in F-34 of the section entitled "*Historical Financial Information*" of this Private Placement Memorandum.

Selling Restrictions

This Private Placement Memorandum does not constitute, and may not be used for the purposes of, an offer or an invitation to subscribe for any Preferred Shares by any person: (**i**) **in any jurisdiction in which such offer or invitation is not authorised**; **or** (**ii**) **in any jurisdiction in which the person making such offer or invitation is not qualified to do so**; **or** (**iii**) **to any person to whom it is unlawful to make such offer or invitation. The distribution of this Private Placement Memorandum and the offering of Preferred Shares in certain jurisdictions may be restricted. Accordingly, persons into whose possession this Private Placement Memorandum comes are required to inform themselves about and observe any restrictions as to the offer or sale of Preferred Shares and the distribution of this Private Placement Memorandum under the laws and**

regulations of any jurisdiction in connection with any applications for Preferred Shares, including obtaining any requisite governmental or other consent and observing any other formality prescribed in such jurisdiction. No action has been taken or will be taken in any jurisdiction by the Company that would permit a public offering of Preferred Shares in any jurisdiction where action for that purpose is required, nor has any such action been taken with respect to the possession or distribution of this Private Placement Memorandum other than in any jurisdiction where action for that purpose is required.

United Kingdom

This Private Placement Memorandum may only be distributed and the Preferred Shares may only be offered or placed in the United Kingdom to persons in the United Kingdom who: (i) are "qualified investors" (within the meaning of paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024 (the "**POATRs**") who are also (i) 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 (the "**Order**"); (ii) high net worth entities falling within Article 49 (2)(a) to (d) of the Order; or (iii) other persons to whom it can otherwise lawfully be distributed (each a "**Relevant Person**"). This Private Placement Memorandum must not be acted or relied upon by persons other than Relevant Persons in the United Kingdom and any investment or investment activity or controlled investment or controlled activity to which this Private Placement Memorandum relates will only be available to such persons and will be engaged in only with such persons.

This Private Placement Memorandum is not a prospectus for the purposes of the POATRs. The Preferred Shares are not intended to be offered, sold or otherwise made available to and should not be offered to the public in the United Kingdom except to any legal entity which is a qualified investor as defined in paragraph 15 of Schedule 1 to POATRs. Consequently, no product summary required by the FCA Product Disclosure Sourcebook ("**DISC**") for offering or selling the Preferred Shares or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Preferred Shares or otherwise making them available to any retail investor in the UK may be unlawful under DISC and the Consumer Composite Investments (Designated Activities) Regulations 2024.

Switzerland

The Company has not been and will not be authorized and registered with the Swiss Financial Market Supervisory Authority ("**FINMA**") as a non-Swiss collective investment scheme pursuant to Article 120 of CISA. This Private Placement Memorandum and any other marketing and offering material relating to the Company or the Preferred Shares has been prepared without regard to the disclosure standards for prospectuses under the Swiss Financial Services Act of June 15, 2018 ("**FinSA**") and therefore does not constitute a prospectus within the meaning of the CISA or the FinSA. The Preferred Shares will not be listed or admitted to trading on any trading venue in Switzerland.

The marketing and offering of the Preferred Shares pursuant to the Offering in Switzerland will be exclusively made to, and directed at, qualified investors within the meaning of Article 10(3) and (3ter) CISA ("**Qualified Investors**"). This Private Placement Memorandum and/or any other marketing or offering materials relating to the Company or the Preferred Shares, as well as the annual reports, may be made available in Switzerland, free of charge, solely by the Swiss representative (details for which are set out below) to Qualified Investors.

Neither this Private Placement Memorandum nor any other marketing or offering material relating to the Company or the Preferred Shares have been or will be filed with, or approved by, any Swiss regulatory authority. In particular, this Private Placement Memorandum has not been and will not be reviewed or approved by a Swiss review body pursuant to Article 51 FinSA.

The Swiss representative is ACOLIN Fund Services AG, succursale Genève, cours de Rive 6, 1204 Geneva, Switzerland

The Swiss paying agent is Banque Cantonale de Genève, Quai de l'Ile 17, 1204 Geneva, Switzerland.

In respect of the Preferred Shares offered in Switzerland pursuant to the Offering, the place of performance is the registered office of the Swiss representative. The place of jurisdiction is at the registered office of the Swiss representative or at the registered office or place of residence of the investor located in Switzerland.

The Manager and its agents, if any, do not pay any retrocessions to third parties as remuneration for distribution activity in respect of the Preferred Shares in or from Switzerland. No rebates will be made available to investors.

United States

The Preferred Shares have not been and will not be registered under the US Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and the Preferred Shares may not be offered, sold, exercised, resold, transferred or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, US Persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction in the United States. There will be no public offer of the Preferred Shares in the United States.

Subject to certain exceptions as described herein, any issue of Preferred Shares is only being made outside the United States to non-US Persons in reliance on Regulation S under the US Securities Act. Inside the United States, the Preferred Shares will be offered and sold in a transaction subject to an exemption from the registration requirements of Section 5 of the US Securities Act only to persons who are Entitled Qualified Purchasers.

The Company has not been and does not intend to register as an investment company under the United States Investment Company Act of 1940, as amended (the "**US Investment Company Act**") and therefore the Company and its investors will not be entitled to the protections of the US Investment Company Act.

Neither the US Securities and Exchange Commission (the "US SEC") nor any state securities commission has approved or disapproved of the Preferred Shares or passed upon or endorsed the merits of the offering of the Preferred Shares or the adequacy or accuracy of this Private Placement Memorandum. Any representation to the contrary is a criminal offence in the United States.

In addition, prospective investors should note that the Preferred Shares may not be acquired by: (i) investors acting on behalf of or using the assets of a Benefit Plan Investor; and (ii) a Similar Plan that is subject to any Other Plan Law or Similar Law unless pursuant to this

subsection (ii), its purchase, holding, and disposition of the Preferred Shares will not constitute or result in a violation of any Other Plan Law.

If 25 per cent. or more of any class of equity in the Company is owned, directly or indirectly, by Benefit Plan Investors, disregarding for the purposes of this calculation any class of equity owned by Controlling Persons, the assets of the Company will be deemed to be "plan assets", subject to the constraints of Part 4 of Subtitle B of Title I of ERISA or section 4975 of the US Tax Code. This would result, among other things, in: (i) the application of the prudence and fiduciary responsibilities standards of ERISA to investments made by the Company; and (ii) the possibility that certain transactions that the Company and its subsidiaries might enter into, or may have entered into in the ordinary course of business, might constitute or result in non-exempt prohibited transactions under section 406 of ERISA or section 4975 of the US Tax Code and might have to be rescinded. A non-exempt prohibited transaction may also result in the imposition of an excise tax under the US Tax Code upon a "party in interest" (within the meaning of section 3(14) of ERISA) or a "disqualified person" (within the meaning of section 4975(e)(2) of the US Tax Code), with whom a plan engages in the transaction. The Company will use commercially reasonable efforts to limit ownership by Benefit Plan Investors of equity in the Company. However, no assurance can be given that investment by Benefit Plan Investors will not equal or exceed 25 per cent. of any class of equity in the Company, disregarding for the purposes of this calculation any class of equity in the Company held by Controlling Persons.

Purchase and Transfer Restrictions for US Persons

For purchase and transfer restrictions for US persons in relation to the Preferred Shares to be issued pursuant to the Offering, see paragraph 22 "*Purchase and Transfer Restrictions for US Persons*" of Part X (*Additional Information*) of this Private Placement Memorandum.

The Preferred Shares have not been and will not be registered under the US Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and the Preferred Shares may not be offered, sold, resold, transferred or delivered, directly or indirectly, in or into the United States or to, or for the account or benefit of, US Persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction in the United States. The Preferred Shares are being offered and sold outside the United States to non-US Persons in reliance on Regulation S. Prospective investors in the United States are hereby notified that the offerors of the Preferred Shares may be relying on the exemption from the provisions of Section 5 of the US Securities Act provided for a transaction not involving a "**public offering**".

There will be no public offer of the Preferred Shares in the United States. The Company has not been and does not intend to register as investment company under the US Investment Company Act and investors will not be entitled to the protections of the US Investment Company Act.

In addition, until 40 days after the commencement of the Offering within the United States, transactions by any dealer (whether or not participating in any offering) may violate the registration requirements of the US Securities Act if such offer is made otherwise than in accordance with Rule 144A or another applicable exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

"***Covered banking entities***" The Company is a "**covered fund**" for the purposes of the "**Volcker Rule**" contained in the Dodd-Frank Act (Section 619: Prohibitions on Proprietary Trading and Certain Relationships with Hedge Funds and Private Equity Funds). Accordingly, entities that may be "**covered banking entities**" for the purposes of the Volcker Rule may be restricted from holding the Company's securities and should take specific advice before making an investment in the Company.

Data Protection

Pursuant to the Offering, information concerning prospective investors and persons connected to such prospective investors (such as their advisors and family members) in the Company will be transferred to and/or requested by the Company. The Company will act as a "controller" and will hold any "personal data" or "special category" personal data or "criminal offence data" (each as defined in the Data Protection Legislation). Each prospective investor acknowledges and consents that personal data will be held and processed for the purposes set out in the Company's privacy notice at https://www.ejfi.com/media/2020/20260213-privacy-statement.pdf (as amended from time to time), which in summary provides that personal data may be held and processed:

- to undertake and administer the Company's operations and business, including maintaining the register of members and mailing lists; effecting the payment of dividends or other distributions to Shareholders (in each case, where applicable) and, if applicable, the payment of commissions to third parties; verifying the identity of the Company in connection with any actual or proposed investments; or for any other purpose which the Directors and/or the Administrator consider is in the legitimate business interest of the Company;
- to carry out statistical analysis or market research;
- to comply with the listing, legal, regulatory, reporting and/or financial obligations of the Company or any legal or regulatory obligations of any service provider or functionary (or his or her employer) of the Company (including without limitation all relevant AML/CFT laws and regulations in Jersey and elsewhere);
- for archiving and record keeping purposes;
- to contact the prospective investor with information about other products and services provided by the Manager or its affiliates, which may be of interest to the prospective investor; and
- for any other specific purpose to which the prospective investors have given consent or for any purpose reasonably ancillary to the foregoing.

Personal data may be disclosed to:

- affiliates or group companies of the Company and any professionals, advisors or agents appointed by the Company;
- any service providers appointed by the Company (including but not limited to the Manager and the Administrator), and its or their affiliates or group

companies, agents or professional advisors, and functionaries of the Company (including their employer); and

- regulatory or governmental authorities if required pursuant to applicable law or regulatory requirements.

This may include sharing such data with third parties in one or more of the countries mentioned below (and these countries may have different (and possibly lower) standards of data protection legislation). Any transfer of personal data shall be in accordance with the Data Protection Legislation, which includes the requirement to take appropriate technical and organisational measures to prevent the unauthorised or unlawful processing of personal data and safeguard against accidental loss or destruction of or damage to personal data.

The countries referred to above include, but need not be limited to, those in Jersey, Guernsey, the United Kingdom, United States, Canada, Mexico and China.

Personal data must be retained on record for a period of up to 10 years after it is no longer used in order to comply with regulatory requirements. Thereafter, personal data shall be deleted unless there is a specific on- going reason for its retention (which may include but shall not be limited to meeting legal or regulatory obligations).

Details of the registration of the Company as data controller can be found on the website of the Jersey Office of the Information Commissioner: www.jerseyoic.org.

Governing law

Unless otherwise stated, statements made in this Private Placement Memorandum are based on the law and practice currently in force in England and Wales.

EXPECTED TIMETABLE

Each of the times and dates set out below is subject to change without further notice. References to times are to London time unless otherwise stated.

Offering

Private Placement Memorandum circulated	25 November 2026
Offer Period opens	25 November 2026
Offer Period closes	7 December 2026
Initial Closing Date	17 December 2026
First Reopening Period	To be determined by mutual agreement
Second Reopening Period	between Piper Sandler and the Company

DIRECTORS, ADVISERS AND SERVICE PROVIDERS

Directors	John Kingston III (Chair and Independent Non-Executive Director) Bronwyn Curtis (Independent Non-Executive Director) Alan Dunphy (Independent Non-Executive Director) Martin Rowley (Independent Non-Executive Director) Nick Watkins (Independent Non-Executive Director)
Administrator and Company Secretary	Apex Financial Services (Alternative Funds) Limited IFC 5 St. Helier Jersey JE1 1ST Channel Islands
Registered Office	IFC 5 St Helier Jersey JE1 1ST Channel Islands
Manager	EJF Investments Manager LP The Corporation Trust Company Corporation Trust Center 1209 Orange Street Wilmington, 19801 United States
Placement Agent	Piper Sandler & Co. 350 North 5th Street, Suite 1000 Minneapolis, MN 55401 United States
Legal Adviser to the Company (**as to English and US law**)	Clifford Chance LLP 10 Upper Bank Street London E14 5JJ United Kingdom
Legal Adviser to the Company (**as to Jersey law**)	Carey Olsen Jersey LLP 47 Esplanade St. Helier Jersey JE1 0BD Channel Islands
Legal Adviser to Piper Sandler	Mayer Brown LLP 1221 Avenue of the Americas New York, NY 10020-1001 United States
Auditor	Ernst & Young LLP 25 Churchill Place London E14 5EY United Kingdom

Registrar	Computershare Investor Services (Jersey) Limited 13 Castle Street St Helier Jersey JE1 1ES Channel Islands
Custodians	Citigroup Global Markets Inc. 390 Greenwich Street New York City NY 10013-2396 United States of America Citibank N.A. 399 Park Avenue New York NY 10043 United States of America

PART I. THE COMPANY

1. INTRODUCTION

1.1 The Company

The Company is a registered closed-ended investment public company incorporated with limited liability in the Bailiwick of Jersey on 20 October 2016 under the provisions of the Companies (Jersey) Law 1991 ("**Companies Law**") with registered number 122353. The Company's registered office and principal place of business is IFC 5, St Helier, Jersey, JE1 1ST.

1.2 The Manager

The Company has appointed EJF Investments Manager LP (the "**Manager**") as its investment manager and AIFM for the purposes of the AIFM Directive. Further information in relation to the Manager and EJF is set out in Part IV (*Directors, the Manager and Administration*) of this Private Placement Memorandum.

The Manager has recently converted from a limited liability company to a limited partnership and at the same time the partnership has been restructured so that its CEO, Neal Wilson, is now directly the substantial majority owner. In addition, a new London-based subsidiary, EJF Investments Manager Limited, has been organised and capitalised with a dedicated London-based team. The Manager has entered into a shared services agreement with EJF Capital LP, and the Manager will continue to utilise the same personnel and extensive resources of US-based EJF Capital LP in serving as the dedicated external manager to the Company.

2. INVESTMENT OBJECTIVE

The Company is a closed-ended fund that seeks to generate attractive risk adjusted returns for its Shareholders 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, FinTech debt securities (including European debt securities) and private equity, in both cash and synthetic formats issued by entities domiciled in the US, UK and Europe (the "**Investment Objective**"). The Company seeks to make (with respect to its Ordinary Shares) quarterly dividend payments of income arising from the Portfolio in addition to targeting Net Asset Value growth.

3. EXISTING PORTFOLIO

As at the date of this Private Placement Memorandum, the Portfolio consists of long-term assets consistent with the Company's investment focus on regulatory-driven lending opportunities, securitisation financing and specialty finance opportunities, specifically:

(a) ***Securitisation and Related Investments***

(i) a portfolio of investments in CDO Equity Tranche Investments of seven securitisations sponsored by EJF;

(ii) a 49 per cent. ownership interest in the CDO Manager;

(iii) an investment in the no-fee class of EJF Credit Opportunities Fund II (COF II)

(iv) an investment in CDO Mezzanine Debt Investments of a securitisation sponsored by EJF; and

(v) a portfolio of REIT TruPS CDO bonds (the "**CDO Securities Portfolio**").

(b) ***Credit Risk Transfer Investments***

a portfolio of two credit risk transfer ("**CRT**") Investments.

(c) ***US Bank debt***

an investment in a no-fee share class of EJF Financial Services Offshore Fund.

The Portfolio provides both a current stream of investment income as well as the opportunity for NAV accretion.

The table below provides an overview of the Portfolio as at 30 September 2026 (unaudited):

			30 September 2026 (unaudited)			
Portfolio[1]	**Investment Date**	**Investment in EJF Vehicle/ Affiliate Vehicle?**	**Asset Value (£ million)**	**Investment as % of Gross Assets**	**Investment as % of Net Assets**	**Stake as a % of Total Security/Fund Issuance/Entity [2]**
Securitisation & Related Investments						
Investment in the Partnership	2017-2026	Yes	£85.7	65.3%	84.4%	85.0%
CDO Securities	2008-2018	No	£0.6	0.4%	0.6%	100.0%
Investment in the CDO Manager	2017	Yes	£8.3	6.3%	8.1%	49.0%
Investment in COF II	2026	Yes	£4.1	3.1%	4.0%	TBC
Mezzanine debt securities	2024	Yes	£0.1	0.0%	0.1%	TBC
Credit Risk Transfer	2024-2025	No	£7.5	5.7%	7.4%	5.8-26.7%
Investment in US bank debt	2023	No	£5.6	4.3%	5.5%	TBC
Net derivative financial (liabilities)/assets	N/A	N/A	£(0.7)	-0.5%	-0.6%	N/A
Other						
Cash	N/A	N/A	£1.7	1.3%	1.7%	N/A

Cash equivalent held in money market fund	N/A		£14.7	11.2%	14.5%	
Cash held as margin	N/A	N/A	£3.6	2.8%	3.6%	N/A
Total			**£131.1**		**£101.5**	

(1) The Portfolio consists of all assets as at the date of this Private Placement Memorandum. Values are as at 30 September 2026.

(2) In the case of the EJF Investments LP and the CDO Manager, the percentage is based on ownership of the entity; in the case of the CDO Securities, CDP mezzanine debt, European debt securities, US Treasuries and US Bank debt, the percentage is based on par value of the CDO tranche.

3.1 Securitisation and Related Investments

As at 30 June 2026, through its interest in the Partnership, via EJFIH, the Company held EJF Risk Retention Securities including the preferred shares of TruPS Financials Note Securitisation 2020-1 Ltd. ("**TFINS 2020-1**"); TruPS Financials Note Securitisation 2025-1 Ltd. ("**TFINS 2025-1**"); TruPS Financials Note Securitisation 2025-2 Ltd. ("**TFINS 2025-2**"); TruPS Financials Note Securitisation 2025-3 Ltd. ("**TFINS 2025-3**"); TruPS Financials Note Securitisation 2026-1 Ltd. ("**TFINS 2026-1**"); and TruPS Financials Note Securitisation 2026-2 Ltd. ("**TFINS 2026-2**"). The fair value of the Company's indirect investment in the Partnership was £73.2 million as at 30 June 2026.

On 27 October 2026, the Company through EJFIH invested in the CDO Equity Tranche of TruPS Financials Note Securitization 2026-4 ("**TFINS 2026-4**"). Total investment in TFINS 2026-4 was approximately $12.2 million. This was funded using proceeds of $13.6 million received from the Company's investment in the CDO Equity Tranche of TruPS Financials Note Securitization 2020-1 ("**TFINS 2020-1**"), which was called at the same time, and $0.1 million of proceeds from the redemption at par of its mezzanine debt investment in TFINS 2020-1, resulting in a net cash inflow to the Company of $1.4 million.

(a) *Summary of the Company's CDO Equity Tranche Investments*

Save as disclosed below, the Company has the following CDO Equity Tranche Investments:

(i) TFINS 2020-1

In August 2020, the Company, through the Partnership, closed a Risk Retention Investment in the equity tranche of an approximately US$282.9 million EJF-sponsored CDO backed by a static pool of securities issued by US community banks and insurance companies contributed by various EJF funds, utilising approximately £10.8 million of cash. At closing, the underlying securities had an aggregate par

value of approximately US$282.9 million. The legal final maturity date of TFINS 2020-1 is in 2040, with mandatory auction calls beginning in July 2028. This investment was called and repaid in October 2026.

(ii) TFINS 2025-1

In March 2025, the Company, through the Partnership, closed a Risk Retention Investment in the equity tranche of an approximately US$279.8 million EJF-sponsored CDO backed by a static pool of securities issued by US community banks and insurance companies contributed by various EJF funds, utilising approximately US$13.9 million of proceeds from its investment in TFINS 2017-2 which was called at the same time. At closing, the underlying securities had an aggregate par value of approximately US$279.8 million. The legal final maturity date of TFINS 2025-1 is in 2039, with mandatory auction calls commencing after February 2032.

(iii) TFINS 2025-2

In September 2025, the Company, through the Partnership, closed its twelfth Risk Retention Investment in the equity tranche of an EJF-sponsored CDO backed by a static pool of securities issued by US community banks and insurance companies contributed by various EJF funds, deploying approximately US$18.9 million. This was funded using approximately US$12.8 million of proceeds from its investment in TFINS 2019-1, which was called at the same time, approximately US$2.0 million from the redemption at par of its mezzanine debt investment in TFINS 2019-1, and approximately US$4.1 million of additional cash. At closing, the underlying securities comprised 75 US bank and 11 insurance company unique issuers with an aggregate par value of approximately US$447.5 million. The legal final maturity date of TFINS 2025-2 is in 2039, with optional redemption available to the CDO Equity Tranche holders after July 2027 and mandatory auction calls commencing after July 2032.

(iv) TFINS 2025-3

In December 2025, the Company, through the Partnership, closed its thirteenth Risk Retention Investment in the equity tranche of an EJF-sponsored CDO backed by a static pool of securities issued by US community banks and insurance companies contributed by various EJF funds, deploying approximately US$21.3 million. This was funded using approximately US$25.4 million of proceeds from its investments in TFINS 2018-1 and TFINS 2020-2, both of which were called at the same time, together with approximately US$1.9 million from the redemption at par of its mezzanine debt investment in TFINS 2020-2, resulting in net proceeds of approximately US$6.0 million returned to the Company. At closing, the underlying securities comprised 59 US bank and 10 insurance company unique issuers with an aggregate par value of approximately US$483.0 million. The legal final maturity date of TFINS 2025-3 is in 2041, with optional redemption available after

October 2027 and mandatory auction calls commencing after October 2032.

(v) TFINS 2026-1

In February 2026, the Company, through the Partnership, closed its fourteenth Risk Retention Investment in the equity tranche of an EJF-sponsored CDO backed by a static pool of securities issued by US community banks and insurance companies contributed by various EJF funds, deploying approximately US$13.7 million. This was funded using approximately US$11.6 million of proceeds from its investment in TFINS 2018-2, which was called at the same time, and approximately US$0.7 million from the redemption at par of its mezzanine debt investment in TFINS 2018-2, resulting in a net investment outlay of approximately US$1.4 million. At closing, the underlying securities comprised 58 US bank and 9 insurance company unique issuers with an aggregate par value of approximately US$305 million. The legal final maturity date of TFINS 2026-1 is in 2038, with optional redemption available after January 2028.

(vi) TFINS 2026-2

In May 2026, the Company, through the Partnership, closed its fifteenth Risk Retention Investment in the equity tranche of an EJF-sponsored CDO backed by a static pool of securities issued by US community banks and insurance companies contributed by various EJF funds, deploying approximately US$13.3 million. This was funded using approximately US$15.0 million of proceeds from its investment in TFINS 2019-2, which was called at the same time, and approximately US$1.7 million from the redemption at par of its mezzanine debt investment in TFINS 2019-2, resulting in a net cash inflow to the Company of approximately US$3.4 million. At closing, the underlying securities comprised 50 US bank and 14 insurance company unique issuers with an aggregate par value of approximately US$300.7 million. The legal final maturity date of TFINS 2026-2 is in 2039, with optional redemption available after April 2028.

(vii) TFINS 2026-3

In July 2026, the Company, through the Partnership, closed its sixteenth Risk Retention Investment in the equity tranche of an EJF-sponsored CDO backed by a static pool of securities issued by US community banks and insurance companies contributed by various EJF funds, deploying approximately US$14.9 million. At closing, the underlying securities comprised 61 US bank and 8 insurance company unique issuers with an aggregate par value of approximately US$327.9 million. The legal final maturity date of TFINS 2026-3 is in 2039, with optional redemption available after July 2028.

(viii) TFINS 2026-4

In October 2026, the Company, through the Partnership, closed its seventeenth Risk Retention Investment in the equity tranche of an EJF-sponsored CDO backed by a static pool of securities issued by US community banks and insurance companies contributed by various EJF funds, deploying approximately US$12.2 million. At closing, the underlying securities comprised 55 US bank and 13 insurance company unique issuers with an aggregate par value of approximately US$237.0 million. The legal final maturity date of TFINS 2026-4 is in 2039, with optional redemption available after October 2028.

(b) ***CDO Mezzanine Debt Investments***

In March 2024, the Company, via EJFIH, entered into a Board approved cross-trade transaction with several affiliated fund entities managed by EJF, purchasing a number of Mezzanine debt securities issued by EJF Securitisation. As at 30 September 2026, of those purchased, the Company held one issued by TruPS Financials Note Securitisation 2020-1 Ltd. ("**TFINS 2020-1**"). This investment was called and repaid in October 2026.

The following table summarises the original collateral balance, size, leverage and ownership of each EJF Securitisation where the Company owns CDO Equity Tranche Investments or CDO Mezzanine Debt Investments, or both, as at 30 September 2026.

Investment Name	Closing Date	Original Collateral Balance	Original CDO Leverage	Equity Tranche	Company Portion of CDO Equity[2]	Mezzanine Tranche	Company Portion of Mezzanine Tranche[1]
		($ million)[1]	*($ million)*[1]	*($ million)*[1][2]		*($ million)*[1][2]	
TFINS 2020-1	20-Aug	US$282.9	3.0x	US$61.2	23.1%	US$22.7	0.3%
TFINS 2025-1	25-Mar	US$279.8	4.6x	US$50.0	47.8%	US$49.2	0.0%
TFINS 2025-2	25-Sep	US$447.5	7.0x	US$28.3	66.8%	US$82.8	0.0%
TFINS 2025-3	25-Dec	US$483.0	9.0x	US$39.7	53.8%	US$76.0	0.0%
TFINS 2026-1	26-Feb	US$304.9	10.2x	US$26.2	52.2%	US$51.8	0.0%
TFINS 2026-2	26-May	US$300.7	9.5x	US$23.4	57.0%	US$58.5	0.0%
TFINS 2026-3	26-Jul	US$327.9	10.1x	US$28.6	52.2%	US$46.0	0.0%

[1] As at the closing date of the investment.
[2] As at 30 September 2026.

The following table summarises the issuer concentration of the collateral of each of the EJF Securitisations as at 30 September 2026 noting that some issuers may overlap between securitisations.

Investment Name	Bank	Insurance	# Bank Issuers	# Insurance Issuers	Total Issuers
TFINS 2020-1	65%	35%	29	14	43
TFINS 2025-1	77%	23%	30	10	40
TFINS 2025-2	82%	18%	68	9	77
TFINS 2025-3	87%	13%	54	8	62
TFINS 2026-1	89%	11%	58	7	65
TFINS 2026-2	70%	30%	49	13	62
TFINS 2026-3	93%	7%	58	7	65

The following table summarises the issuer interest rate and average rating of the collateral of each of the EJF Securitisations as at 30 September 2026.

Investment Name	Floating Rate[1]	WA Asset Spread[1]	Moody's WARF[2]	Implied Rating (based on WARF)[2]
TFINS 2020-1	81%	4.00%	1150	Ba2
TFINS 2025-1	96%	3.19%	942	Ba1
TFINS 2025-2	87%	3.08%	863	Baa3
TFINS 2025-3	95%	3.15%	724	Baa3
TFINS 2026-1	94%	3.33%	720	Baa3
TFINS 2026-2	94%	3.46%	824	Baa3
TFINS 2026-3	95%	3.46%	650	Baa3
TFINS 2020-1	81%	4.00%	1150	Ba2

(1) As at 30 September 2026.

(2) As at the closing date of the investment.

The following table summarises the asset size of the bank collateral for EJF Securitisations as at 30 September 2026.

Asset Size Banks

Asset Size (billion)	Amount ($ million)	Concentration
US$0—US$1	US$162.3	9.0%
US$1—US$10	US$924.6	51.2%
US$10—US$50	US$453.1	25.1%
US$50—US$250	US$237.1	13.1%
US$250+	US$27.0	1.5%
Total	**US$1,804**	**100.00%**

The following table summarises the asset size of the insurance collateral for EJF Securitisations as at 30 September 2026.

Asset Size

Asset Size (billion)	Amount ($ million)	Concentration
US$0—US$1	US$216.6	54.0%
US$1—US$10	US$184.5	46.0%
Total	**US$401.1**	**100.00%**

The following table summarises the top 10 exposures by US state of the bank collateral for EJF Securitisations as at 30 September 2026.

Rank	State	Amount ($ million)	Concentration
1	TX	US$197,775,000	11.0%
2	NY	US$142,970,000	7.9%
3	CA	US$117,500,000	6.5%
4	MO	US$103,250,000	5.7%
5	IL	US$93,702,000	5.2%
6	FL	US$77,750,000	4.3%
7	VA	US$73,300,000	4.1%
8	IN	US$64,359,000	3.6%
9	WA	US$64,000,000	3.5%
10	MD	US$61,250,000	3.4%

The following table summarises the top 10 exposures by US state of the insurance collateral for EJF Securitisations as at 30 September 2026.

Rank	State	Amount ($ million)	Concentration
1	NY	US$109,500,000	27.3%
2	CT	US$59,675,000	14.9%
3	NJ	US$40,000,000	10.0%
4	IA	US$33,000,000	8.2%
5	GA	US$32,500,000	8.1%
6	CA	US$30,500,000	7.6%
7	PA	US$22,500,000	5.6%
8	OR	US$20,000,000	5.0%
9	MO	US$15,000,000	3.7%
10	TX	US$14,000,000	3.5%

(c) ***CDO Collateral Management Fee Interest***

The table below provides an overview of the Company's interest in the CDO Manager and the relevant collateral management contracts as at 30 September 2026:

CDO Collateral Fee Interest	30 September 2026
Company interest in CDO Manager	49%
Number of fee paying CDOs under Management	11
Total Face Value of CDO Collateral	US$3.0 billion
Annual Collateral Management Fees per CDO	10 bps to 30 bps
Fair Value of the Company's Interest in the CDO Manager	£8.3 million

The Company, through its holding of 49 per cent. of the issued and outstanding units in the CDO Manager, has exposure to the cash flows of four REIT TruPS CDO collateral management contracts plus cash flows from seven bank and insurance TruPS CDOs namely, TFINS 2020-1, TFINS 2025-1, TFINS 2025-2, TFINS 2025-3, TFINS 2026-1, TFINS 2026-2 and TFINS 2026-3.

The management fees of each REIT TruPS CDO collateral management contract vary, ranging from 15bps to 20bps of the outstanding collateral balance. EJF securitisations produce management fees of 30bps on outstanding collateral. In addition, the CDO Manager receives an incentive fee for the TFINS 2025-1, TFINS 2025-2, TFINS 2025-3, TFINS 2026-1, TFINS 2026-2 and TFINS 2026-3 securitisations equal to 20 per cent. of the interest proceeds above a 10 per cent. IRR hurdle, provided that shareholders of the securitisations that are affiliated with EJF (including the Company) do not incur an incentive fee.

(d) ***CDO Securities Portfolio***

The Company's CDO Securities Portfolio includes eight REIT TruPS CDO bonds issued prior to the financial crisis, seven of which are held at nil fair value as at 30 September 2026. Fair value of the remaining CDO Security was £0.6 million as at 30 September 2026.

3.2 **Credit Risk Transfer**

Portfolio of CRTs

In July 2024, the Company, through EJFIH, invested c.US$5 million in its second CRT Investment which was part of a US$86 million credit linked note ("CLN") issued for a CRT executed by a US regional bank located in the Southeast US. This transaction referenced a US$1.7 billion portfolio of prime jumbo residential mortgages and was originated and underwritten by EJF. To the Manager's knowledge, this deal represents the first CRT transaction referencing a residential mortgage pool by a US bank with less than US$100 billion in assets. The Manager believes that this transaction will create a groundswell of additional interest in CRT issuance as banks recognise the efficiency of these transactions and as there are tangible examples to analyse across a larger range of collateral types.

In June 2025, the Company invested in its third CRT transaction with an expected duration of 2.75 years. This investment was part of a $150 million securitisation transaction for Third Coast Bank, a Texas banking association and wholly owned bank subsidiary of Third Coast Bancshares, Inc. (NASDAQ: TCBX). The transaction was secured by interest in a portfolio of commercial real estate loans originated by the bank. Certain funds managed by EJF invested an aggregate of $22.5m in the first loss tranche of the securitisations, $6m of which was invested by the Company.

3.3 **US Bank debt**

During the first quarter of 2026, the Company invested $7m in a no-fee share class of EJF Financial Services Offshore Fund which holds, on an unlevered basis, a basket of subordinated debt securities issued by small US banks. Through this investment, the Group has exposure to 23 US Bank debt securities. Fair value of the US Banks debt portfolio was £5.6 million as at 30 September 2026 (unaudited).

4. **INVESTMENT POLICY**

4.1 **Overview**

The Company seeks to achieve its Investment Objective by pursuing a policy of investing in a diversified portfolio of investments that are derived from the changing financial services landscape (the "**Investment Policy**"). The Company relies to a material extent on the Manager and the employees of EJF for the sourcing and origination of investments, but the investment process may involve working with third parties to design an investment. Debt investments, whether or not listed on a recognised market, may also be purchased on an opportunistic basis.

The Company currently seeks to achieve its Investment Objective primarily by investing the majority of its assets in investment subsets (each a "**Target Investment**") that have been created by regulatory and structural changes impacting the financial services sector:

Risk Retention and Related Investments

The Company believes that the increased regulation of the financial system, specifically the Dodd-Frank reforms in the US, has generated unique opportunities within the securitisation market. One of the principal provisions of Dodd-Frank is the

requirement for securitisation sponsors to retain at least five per cent. of the credit risk relating to the securitisation that they are involved in issuing. The Company believes that securitisation sponsors who do not have the capital resources for risk retention will increasingly look for capital partners to help them meet these requirements, and that the Company, through the Partnership, is well-positioned to act as a capital partner.

As a result of the Manager's relationship with EJF, the Company, through the Partnership, will, for so long as EJF Investments Manager LP is the Manager, have the benefit of a right of first refusal to purchase or subscribe for securities to be issued in connection with all future securitisation transactions in respect of which EJF or one of its affiliates proposes to act as Sponsor (as that term is used in the relevant Securitisation and Risk Retention Regulations) (each, an "**EJF Securitisations**"), in an amount equivalent to the minimum interest that a Sponsor (as that term is used in the US Risk Retention Regulations) is required to retain ("**EJF US Risk Retention Securities**").

In addition, the Company is eligible to qualify as an "originator", as such term is defined under the EU Securitisation Regulations and the UK Securitisation Regulations with regard to EJF Securitisations. As such the Company may purchase or subscribe for securities to be issued in connection with all future EJF Securitisations, in an amount equivalent to the minimum interest that an originator (as that term is used in the EU Securitisation Regulations and the UK Securitisation Regulations) is required to retain ("**EJF EU Risk Retention Securities**" or "**EJF UK Risk Retention Securities**" (as the case may be), and together with EJF US Risk Retention Securities, "**EJF Risk Retention Securities**"). The EJF EU Risk Retention Securities and/or the UK Risk Retention Securities may overlap with the EJF US Risk Retention Securities.

The Company, through the Partnership, may also be the risk retention partner for non-EJF sponsored securitisations (together with EJF Securitisations, "**Risk Retention Investments**"). Risk Retention Investment opportunities have included bank and insurance trust preferred securities and bank subordinated debt securitisation markets but may expand into other sectors. As a complement to targeting Risk Retention Investment opportunities, the Company intends to target investments in non- risk retention securities of EJF Securitisations and other non-EJF sponsored securitisations ("**Securitisation Investments**" and together with Risk Retention Investments, the "**Risk Retention and Related Investments**").

The Company, through its holding of 49 per cent. of the issued and outstanding units in the CDO Manager, may also benefit from the receipt of a portion of ongoing collateral management fees in connection with such Risk Retention and Related Investments as (i) the CDO Manager will, for so long as EJF Investments Manager LP is the Manager, benefit from a right to be appointed as the provider of collateral administration, monitoring and management services in respect of each EJF Securitisation and (ii) the CDO Manager may be granted the right to manage the underlying collateral in respect of other Risk Retention Investments.

Related investments

New, stricter regulations and increased capital requirements in response to the global financial crisis (the "**GFC**") require certain banks and other regulated financial

institutions to efficiently and actively manage their capital resources. Banks are actively seeking solutions to improve the capital treatment of key asset classes and business lines, such as non-agency residential mortgages, high yield corporate term loans, and small and medium enterprise loans. The Company intends to target investments in UK, European and US bank capital relief securitisations, private label securitisations and illiquid secondary securitisations, which it believes will generate attractive credit risk and illiquidity premiums (respectively, "**Capital Solutions**" and "**ABS Investments**" opportunities).The Company intends to invest in such structures primarily via the new issue market, but will also evaluate secondary market opportunities, with the goal to hold to maturity unless the Company determines better value in selling prior to the maturity date.

When the Partnership was formed in 2005, part of its original investment mandate was to structure, invest in, and manage REIT TruPS CDOs. The Company has developed a pattern of opportunistically investing in securitisations and currently holds a portfolio of legacy REIT TruPS CDO securities that were issued prior to the financial crisis. The Company has demonstrated its ability to opportunistically buy and sell these securities and expects to continue to be active in this segment of its portfolio.

The Capital Solutions and ABS Investments opportunities detailed above, together with Risk Retention and Related Investments and the 49 per cent. interest in collateral management fees received by the CDO Manager described above are together the "**Securitisation and Related Investments**".

Credit Risk Transfer

Financial institutions may also seek to address capital requirements by synthetically securitising the institution's debt exposure through credit risk transfer transactions. In a credit risk transfer, a financial institution synthetically transfers a portion of its credit risk to a third party through the use of one or more credit derivatives or guarantees. The credit risk associated with the underlying exposures is separated into at least two tranches reflecting different levels of seniority. Generally, all or substantially all of the underlying exposures are financial exposures (such as loans, commitments, credit derivatives, guarantees, receivables, asset-backed securities, mortgage-backed securities, other debt securities, or equity securities). Credit risk transfer investments may optimise the regulatory capital profile of a financial institution - in particular, as it relates to risk-based capital – by increasing cash balances and reducing liabilities (and cash reserved therefor). In some cases, credit risk transfer investments may allow a financial institution to manage credit risks and portfolio-level concentration limits.

Specialty Finance Investments

As a result of significant regulatory and structural changes in the financial services sector, the Manager believes there exist attractive opportunities to invest in areas that were previously dominated by global money-centre banks. The Company may invest in less liquid UK, European and US specialty finance investments such as (but not limited to): (i) growth equity capital to newly formed companies with scalable specialty finance platforms (such as FinTech); (ii) secured and unsecured lending; (iii) investments collateralised by real estate and real estate related assets; and (iv) other

illiquid, specialty finance investment opportunities (together, "**Specialty Finance Investments**").

4.2 **Investment Limits and Restrictions**

The following investment limits and restrictions (the "**Investment Limits and Restrictions**") will apply to the Company's investments which, where appropriate, shall be measured at the time of investment:

(a) no more than 25 per cent. of the Company's gross assets shall be invested in any single EJF-sponsored Risk Retention Investment;

(b) no more than 20 per cent. of the Company's gross assets shall be invested in any single non-EJF sponsored Risk Retention Investment;

(c) no more than 20 per cent. of the Company's gross assets shall be invested in any single Securitisation Investment, Capital Solutions or ABS Investment;

(d) no more than 20 per cent. of the Company's gross assets shall be invested in any single Specialty Finance Investment;

(e) investment in publicly listed equity is not permitted. For the avoidance of doubt, if an existing debt or private equity investment is exchanged for equity listed on the public markets, such investment may be held at the Manager's discretion if the resultant investment otherwise remains in compliance with the Investment Policy;

(f) investments will be made where the underlying issuer is domiciled in the US, UK or other current members of the EEA or the European Free Trade Association or has the majority of its underlying assets exposed to the US, UK and/or other current members of the EEA or the European Free Trade Association; and

(g) any investments that are not Target Investments will be limited to an aggregate total of 20 per cent. of gross assets.

The Investment Limits and Restrictions set out above are intended to ensure that the Company is not able to make a significant investment in a single asset. In the event of a breach of the Company's Investment Limits and Restrictions, the Manager shall inform the Board. The Manager will attempt to resolve any breach to the satisfaction of the Board and a notification will be made via an RIS.

4.3 **Investments in other funds**

The Company is permitted to invest in funds that comply with the Investment Objective and, where an investment in a fund is made, the Investment Limits and Restrictions set out above shall apply on a look through basis to that fund's underlying assets. Such funds are limited to co-mingled or single-investor funds managed by an EJF Affiliate. In no event shall investments in a fund result in double-fees in respect of the Company's indirect investment in the underlying investments.

4.4 **Hedging and derivatives**

The Company may utilise derivatives for efficient portfolio management purposes. Non-Sterling investments may be hedged so as to limit currency exchange risk.

4.5 **Borrowing and gearing**

The Company shall be permitted to borrow up to 35 per cent. of its Net Asset Value (calculated at the time of drawdown,) for the purposes set out below, **provided that**:

(a) the maximum amount for borrowings for long-term investment purposes within such limit will be 30 per cent. of the Net Asset Value; and

(b) borrowings for long-term investment purposes may only be incurred when the Cover in respect of each Class of ZDP Shares in issue is met (calculated at the time of drawdown).

The 2029 ZDP Shares and any other ZDP Shares issued from time to time will constitute borrowings for long-term investment purposes and accordingly count towards such limit. The Company will be able to utilise any borrowings not used for long-term investment purposes for short-term liquidity purposes and efficient portfolio management purposes, including foreign exchange hedging arrangements and the ability to smooth the receipt of cashflows and payment of dividends. For the avoidance of doubt, should the Cover in respect of any Class of ZDP Shares in issue be breached due to, *inter alia*, a fall in Net Asset Value from time to time, there shall be no requirement on the Company to reduce any borrowings for investment purposes which are already in place at the relevant time.

4.6 **Compliance with and Procedure to amend the Investment Policy**

If the Directors consider it appropriate to amend materially the Investment Policy of the Company, Shareholder approval to any such amendment will be sought by way of an ordinary resolution proposed at an annual or other general meeting of the Company.

In the event of a breach of the investment guidelines and the investment restrictions set out above, the Manager shall inform the Directors upon becoming aware of the same and if the Directors consider the breach to be material, notification will be made to a Regulatory Information Service.

5. **CALCULATION OF NET ASSET VALUE**

The Company's NAV is calculated as at the last day of each month (or at any other time at the Board's discretion) by the Administrator, based on the valuations calculated in accordance with the policies described below and in consultation with the Manager. The Company's NAV is only calculated and published with respect to the Ordinary Shares.

The NAV means the Company's assets at fair value less liabilities. The Company's assets and liabilities will be valued in accordance with IFRS consistently applied, as in effect from time to time, as described in more detail below. In particular, the monthly NAV will, as required, include an accrual for any performance fees payable by the Company to the Manager under the terms of the Management Agreement.

Investments are acquired through EJFIH (except the CDO Equity Tranche Investments which are held through the Partnership). While EJFIH's accounts will be prepared in accordance with IFRS and will report the fair values of investments in the statement of financial position, the Company is considered to be an investment entity (as set out in IFRS 10) for accounting purposes and therefore the Company's accounts and NAV are not prepared on a consolidated basis.

The assets of the Company will consist mainly of its holding in EJFIH and will be valued monthly on a fair value basis with gains and losses recognised in profit or loss according to IFRS. The fair values will be subject to external audit on an annual basis.

Underlying investments held by EJFIH will initially be recognised at their acquisition cost and thereafter be re-measured at fair value as follows:

(a) any investments which are marketable securities quoted on an investment exchange will be valued at the relevant mid-price at the close of business on the calculation date, **provided that** the market for these securities is liquid or that, in the Board's view, the market price substantially reflects the value assigned to these securities by investors;

(b) for investments not traded on an investment exchange, such as the underlying CDO Equity Tranche Investment and CDO Mezzanine Debt Investment, valuations will be based upon the mid-or last traded prices at the close of business on the calculation date supplied by independent investment banks, securities brokers and/ or originators;

(c) for investments not traded on an exchange and for which independent pricing is not available, the Manager may appoint a recognised third-party valuation provider (the "**Valuation Agent**") to provide an opinion on a price, or range of prices, based on the inputs and models developed by the Manager (the "**Valuation Policy**");

(d) In determining the valuation for the management contracts and distressed CDO instruments, the Manager will use a discounted cash flow approach based on the performance of the collateral, including the default rate, the prepayment rate and the default severity of each CDO through time, accounting for the most recent performance information available on the calculation date. The expected cash flows of the instruments are estimated on a periodic basis. The Manager also considers market indications where available as an input to the final valuation.

The models use these inputs to project performance, or expected internal rate of return, for each investment. The fair value of the investment is then marked to model.

In respect of the management contracts, the Manager also engages third-party valuation provider to issue a positive assurance report on the NAV of CDO Manager on an annual basis. The Valuation Agent determines, with input from the Manager, the investment-specific risk premium that it believes the market would reasonably apply on a long term investment basis to each investment's cash flows taking, *inter alia*, the following into account:

(i) the performance of the underlying assets, taking into account the nature of the assets and including any actual or potential event in relation to each underlying asset that may be expected to have a material impact on performance of the investment and the certainty and timing of investment cash flows;

(ii) general market activity and investor sentiment which the Valuation Agent assesses by taking into account knowledge of such markets gained from discussions with market participants and from publicly-available information on relevant transactions and publicly-traded securities; and

(iii) changes to the economic, legal, taxation or regulatory environment relevant to each underlying asset and investment.

The Valuation Agent exercises its due judgment in assessing the likelihood of any interruptions to the debt payments due to the Company in light of the operational performance of each underlying asset and investment;

(e) derivatives will be valued by reference to widely available market quotations. When such market quotations are not available or for "over-the-counter" derivatives contracts, valuations will be based on the quotation received from the counterparty **provided that** such quotation is provided on at least a monthly basis and verified by the Administrator;

(f) cash, cash equivalents and other liquid assets will be held at amortised cost with interest accrued, where applicable, as at the close of business on the relevant calculation date;

(g) any value expressed otherwise than in the base currency of the Company (whether of an investment or cash) and any borrowing in a currency other than the base currency of the Company shall be converted into the base currency of the Company at the relevant quoted mid-rate at the close of business on the calculation date; and

(h) in the event of it being impossible or incorrect to carry out a valuation of a specific asset in accordance with the valuation rules set out in the paragraphs above, or if such valuation is not representative in the opinion of the Board of the asset's fair market value, the Manager (subject to the approval of the Board) is entitled to use other generally recognised valuation principles in order to reach a proper valuation of that specific asset, **provided that** any alternative method of valuation is consistent with the accounting policies used to draw up the annual audited financial statements of the Company.

Under the Management Agreement, the Manager is entitled to the Management Fee and may also receive an Incentive Fee, both of which are based on the NAV (as described in paragraph 9.2(a) (*Manager*) of Part IV (*Directors, the Manager and Administration*). This may present a potential conflict of interest between the Manger's duties to the Company, in particular in relation to its role in developing the Valuation Policy, and its own interests.

There are several safeguards in place to address this potential risk:

(a) the policy of the Manager is to appoint a US nationally recognised independent valuer for the purposes of valuing CDO Management contracts on arm's-length commercial terms. For the year ended 2025, the Valuation Agent was Kroll, LLC (which is expected to also undertake the same role for the year ended 31 December 2026);

(b) the Company's Audit and Risk Committee receives regular updates on the performance of the Portfolio from the Manager. It also reviews the Manager's Valuation Policy and challenges the Manager on the valuation; and

(c) the Company's auditor's findings are considered by the Company's Audit and Risk Committee as part of the audit process.

The valuation committee of EJF meets monthly to review the valuation of all investment instruments, particularly where a valuation is provided by a single counterparty or where it recommends a different valuation than that provided by a counterparty.

During each meeting of the valuation committee, the focus is on manager-priced or overridden prices, as well as any other significant valuation events. The valuation committee consists of five voting members (each member holding one vote): the Director of Valuation (who serves as the committee's chairperson), the Co-Chief Executive Officer of EJF, the portfolio manager (or his/her designee), the Head of Fund Accounting, and the Director of Risk. At least three members of the valuation committee or their designees must be present at the valuation meeting to form a quorum.

The valuation committee of EJF recommends the valuation to the Manager which is reviewed and approved by the Chief Executive Officer and the Finance Director of the Manager.

6. NAV PUBLICATION PROCESS

6.1 Publication of Net Asset Value

The Company intends to publish the NAV and NAV per Ordinary Share in Pounds Sterling, as calculated in accordance with the process described above, within 15 Business Days following the date of calculation or as soon as practicable thereafter by an RIS announcement and it is made available on the website of the Company (www.EJFI.com). The Company's NAV is only calculated and published with respect to the Ordinary Shares.

6.2 Suspension of the calculation of Net Asset Value

The Directors may at any time, but are not obliged to, temporarily suspend the calculation of the NAV and NAV per Ordinary Share during:

(a) any period when any of the principal markets or stock exchanges on which a substantial part of the Portfolio is quoted is closed, otherwise than for ordinary holidays, or during which dealings thereon are restricted or suspended; or

(b) any period when, as a result of political, economic, military or monetary events or any circumstances outside the control, responsibility and power of the Directors, valuation of a substantial part of the Portfolio is not reasonably practicable without this being seriously detrimental to the interests of the Shareholders or if in the opinion of the Directors the NAV cannot be fairly calculated; or

(c) any breakdown in the means of communication normally employed in determining the value of the investments or when for any reason the current prices on any market of a substantial part of the investments cannot be promptly and accurately ascertained; or

(d) during any period in which any transfer of funds involved in the realisation or acquisition of investments cannot, in the opinion of the Directors, be effected at normal rates of exchange; or

(e) when, for any other reason, the prices of any investments owned by the Company cannot be promptly or accurately ascertained. Shareholders will be informed by an RIS announcement in the event that the calculation of the NAV and NAV per Ordinary Share, and trading in the Shares on the London Stock Exchange may also be suspended.

In the circumstances described above, the Company may elect to treat the next Business Day on which the calculation can be made as the next NAV calculation date. Where the Directors temporarily suspend the calculation of the NAV, such suspension shall be notified by the Company via an RIS announcement. Where the Directors temporarily suspend the calculation of the NAV, trading in the Shares on the Specialist Fund Market may also be suspended. All reasonable steps will be taken to bring the period of suspension to an end as soon as possible.

7. TARGET RETURN AND DIVIDEND POLICY FOR ORDINARY SHARES

The Company targets an annualised NAV total return (including dividend payments) of 8 to 10 per cent. per annum (the "**Target Return**") and for the financial year 2026, the payment of dividends which equate to 11.45 pence per Ordinary Share (the "**Target Dividend**"), payable in quarterly instalments shortly after each quarterly dividend is declared. For the avoidance of doubt, this does not form part of the Company's Investment Policy.

The Board intends to distribute an amount at least equal to 85 per cent. of the Company's net income received from investments arising each year to holders of the Company's Ordinary Shares. Any balance of income that exceeds the quarterly dividend payments may be distributed by means of special dividend or by other means deemed suitable by the Board at the time. Distributable income not paid to holders of Ordinary Shares by way of dividends may be reinvested in accordance with the Company's Investment Policy with the intention of increasing the Company's NAV.

It is the current intention of the Board to pursue a policy of balancing the quarterly Ordinary Share dividend payments although the Board, in its sole discretion, may choose not to adopt a dividend balancing policy if it considers this is desirable to minimise the effects of any cash drag on the Company's performance and may pay dividends out of any account including stated capital. Holders of Ordinary Shares

should note that dividends may only be paid to holders of Ordinary Shares when the financial position of the Company, in the opinion of the Directors, justifies such payment, subject to the Company being able to satisfy the solvency test, as defined under the Companies Law, immediately after payment of such dividend and further **provided that** the Directors may only pay dividends if immediately following such payment the Dividends Minimum Cover Amount in respect of each Class of ZDP Shares in issue is met, save where each relevant Class of ZDP Shareholders have approved such payment. The Dividends Minimum Cover Amount in respect of the 2029 ZDP Shares is 2.0x. The payment of any dividends will therefore be subject to market conditions, applicable law and the Company's performance, financial position and financial outlook.

The Company's ability to pay dividends on the Ordinary Shares is also subject to the dividend blocker (dividend stopper) feature attaching to the Preferred Shares, as described in paragraph 8 "*Dividend Stopper*" of Part VI. Details of the Preferred Shares (*Details of the Preferred Shares*) of this Private Placement Memorandum. Under that feature, the Company may not pay any dividend or other distribution (including any buyback of shares) in respect of the Ordinary Shares unless a dividend has also been declared in respect of the Preferred Shares for the corresponding period. For information relating to the payment of dividends with respect to the Preferred Shares, see "*Dividend Entitlement and Rate*" in the section entitled "*Key Terms of the Offering*" of this Private Placement Memorandum.

The Target Dividend and the Target Return (with respect to the Ordinary Shares) are targets only and should not be taken as a forecast of the Company's future performance, profits or results. There can be no assurance that the Target Dividend or Target Return can or will be achieved from time to time and it shall not be seen as an indication of the Company's expected or actual results or returns.

For the years from 31 December 2020 to 31 December 2024, the Company paid dividends of 10.7 pence per Ordinary Share. For the year 31 December 2025, the Company paid a dividend of 10.9 pence per Ordinary Share.

For the year ending 31 December 2026, the Company announced in March 2026 that it is targeting an annual dividend of 11.45 pence per Ordinary Share.

8. SHARE BUYBACKS AND LIQUIDITY OPTION

The Company may, subject to compliance with the Companies Law, purchase its own Shares in the market on an *ad hoc* basis with a view, *inter alia*, to addressing any imbalance between the supply of, and demand for, the Shares, to increase the NAV per Ordinary Share and to assist in minimising any discount to the NAV per Ordinary Share at which Shares may be trading.

At the 2026 AGM, a special resolution was passed granting the Company authority to make market purchases of up to 8,707,381 Ordinary Shares (representing approximately 14.99 per cent. of the Ordinary Shares in issue as at 11 June 2026 (being the last practicable date before publication of the notice of the 2026 AGM)), such authority to expire at the conclusion of the 2027 AGM or, if earlier, 23 July 2027. The Directors intend to seek annual renewal of this buy-back authority from Shareholders each year at the Company's AGM.

If the Company purchases any of its Shares, the maximum price (exclusive of expenses) which may be paid for a Share must not be more than the higher of (i) an amount equal to 105 per cent. of the average middle market quotation for Shares for the five Business Days immediately preceding the day on which such Shares are contracted to be purchased; and (ii) the higher of the price of the last independent trade and the highest current independent bid for the Shares at the time the purchase is carried out. In addition, Shares will be purchased through the market only at prices below the last published NAV per Ordinary Share, which should have the effect of increasing the NAV per Ordinary Share for the remaining Shareholders. The minimum price payable per Share is one penny. The Company is not required to comply with the provisions of Chapter 9 of the Listing Rules regarding market repurchases by the Company of its Shares. Nonetheless, by adopting the policy above, the Company will voluntarily be complying with the provisions of Listing Rules 9.6.1, 9.6.2(1) and 9.6.2(2).

Investors should note that the purchase of Shares by the Company is entirely discretionary and no expectation or reliance should be placed on the Directors exercising such discretion on any one or more occasions. Investors should also note that any purchase of Shares will be subject to the ability of the Company to fund the purchase price. Purchases of Shares will be made in accordance with the Companies Law and the Disclosure Guidance and Transparency Rules.

Shares purchased by the Company may be cancelled or held in treasury.

In addition to this annual buy-back authority, Ordinary Shareholders approved a separate liquidity authority at an EGM held on 17 December 2024 (the "**2024 EGM**"), pursuant to which the Company may make market purchases of Ordinary Shares once in each 12-month period commencing on the date of the 2024 EGM and ending at close of business on 11 December 2029, subject to an aggregate maximum of 5% of all Ordinary Shares, then in issue as at the date of the 2024 EGM and recalculated on each subsequent anniversary (or first Business Day following such anniversary), on the terms and conditions set out in the circular issued to Ordinary Shareholders on 27 November 2024 (the "**Liquidity Option**"). On 12 September 2025, the Company published a liquidity option memorandum for its first tender offer under the Liquidity Option, for up to 5 per cent. of its issued Ordinary Shares, representing a maximum of 3,057,260 Ordinary Shares. In October 2025, the Company successfully completed that tender offer, purchasing 3,057,260 Ordinary Shares at a price of 143.40 pence per Ordinary Share, representing a 5 per cent. discount to the 31 August 2025 NAV per Ordinary Share (adjusted for the costs of the tender offer), and the Ordinary Shares so purchased were subsequently cancelled. On 29 October 2026, the Company published a second liquidity option memorandum for its second tender offer under the Liquidity Option for up to 5 per cent. of the Ordinary Shares in issue (excluding Ordinary Shares held in treasury) as at the most recent anniversary of the EGM, representing a maximum of 2,904,397 Ordinary Shares. The results of the second tender offer will be announced on 2 December 2026.

9. FURTHER ISSUES OF SHARES

The Directors have the authority, subject to the Articles, to issue further Shares in the capital of the Company on such terms as they may determine. The Articles contain provisions that permit the Directors to issue C Shares from time to time. C Shares are Shares which convert into Ordinary Shares in certain circumstances, including when a

specified proportion of the net proceeds of issuing such C Shares have been invested in accordance with the Company's Investment Policy (prior to which the assets of the Company attributable to the C Shares are segregated from the assets of the Company attributable to the Ordinary Shares). A C Share issue would therefore permit the Board to raise further capital for the Company whilst avoiding any immediate dilution of investment returns for existing Shareholders which may otherwise result. The Ordinary Shares carry the right to receive all dividends declared by the Company, subject to the right of the C Shares (if any have been issued by the Company) to receive dividends that the Directors resolve to pay out of the net assets attributable to the C Shares and from income received and accrued which is attributable to the C Shares. The Articles also authorise the Directors to issue Preferred Shares from time to time, on such terms as they determine, provided that such terms are consistent with the Articles. The Preferred Shares may be issued in one or more Classes, each Class denoted according to its applicable dividend rate and/or as otherwise determined by the Board, and save as otherwise provided in the Articles, each Class is issued on the same terms and has the same rights, save for the dividend rate and issuance terms applicable to that Class. Other than in respect of the initial issuance, the Company may only issue further Preferred Shares if the Issuance Test (a minimum 2.0x asset coverage ratio) is met.

There are no provisions of Jersey law which confer rights of pre-emption in respect of the allotment of Shares of any class. However, the Articles provide that, at any time when a class of Shares is admitted to trading on a stock exchange, unless otherwise authorised by a special resolution, if the Company is proposing to allot equity securities of or relating to that class, it shall not allot them on any terms unless (i) the Company has first made an offer to each person who holds Shares of that class to allot to him, her or it, on the same or more favourable terms, equity securities in proportion to his, her or its existing holding and (ii) the period, which shall not be less than 21 clear days, during which any offer referred to in (i) above may be accepted has expired or the Company has received notice of the acceptance or refusal of every offer made.

At the 2026 AGM, a special resolution was passed granting the Company authority to allot and issue (or to sell Ordinary Shares from treasury) an aggregate of up to 7,389,644 Ordinary Shares, representing approximately 10 per cent. of the Company's total issued ordinary share capital (inclusive of Ordinary Shares held in treasury) as at 11 June 2026, being the latest practicable date prior to the publication of the notice of the 2026 AGM, for cash in whatever currency and at whatever price they may determine as if any pre-emption rights conferred by the Articles did not apply to such allotment and issue (or sale from treasury), such authorities to expire on conclusion of the 2027 AGM or, if earlier, 23 July 2027 save that the Company may, at any time prior to the expiry of such authorities, make an offer or enter into an agreement which would or might require the allotment of Ordinary Shares in pursuance of such an offer or agreement as if such authority had not expired.

It is anticipated that the Company will seek to renew this disapplication authority at the Company's 2027 AGM and will seek an authority in relation to approximately 10 per cent of the Company's total issued ordinary share capital (inclusive of Ordinary Shares held in treasury) as at the latest practicable date prior to publication of the notice for the relevant meeting to expire on conclusion of the Company's 2027 AGM

(or, if earlier, 23 July 2027), save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require the allotment of Ordinary Shares in pursuance of such an offer or agreement as if such authority had not expired. Further information will be provided in the AGM Notice relating to the Company's 2027 AGM, which will be circulated to those Shareholders entitled to vote at the Company's 2027 AGM in due course.

Furthermore, at the 2026 AGM, a special resolution was passed granting the Company authority to create, allot and issue (subject to the Articles) an unlimited number of Preferred Shares of any Class of Preferred Shares at the Board's discretion provided that the Issuance Test threshold as described in the section entitled "*Key Terms of the Offering*" above is met.

10. CONTINUATION VOTE

The Company's Articles provide that if its Shares are admitted to trading on a stock exchange (which is the case with respect to the Ordinary Shares and the ZDP Shares) then on or about each fifth anniversary of such admission, the Directors shall procure that an extraordinary general meeting of the Company be convened at which the Continuance Resolution will be proposed. If the Continuance Resolution is not passed, the Directors will take such actions as they deem appropriate to commence the liquidation of the assets of the Company (having regard to the prevailing liquidity of the assets of the Company and, if applicable, any rules imposed by the Securitisation and Risk Retention Regulations) and formulate proposals for the orderly return of capital to holders of Shares. A vote on the first such Continuance Resolution took place on 5 May 2022 and was passed. The next vote on Continuance Resolution is expected to take place around May 2027.

11. CONFLICTS OF INTEREST

Prospective investors should be aware that although EJF, the Manager and the Company (as applicable to their relevant roles) seek to manage any potential conflicts of interest in good faith, having regard to the nature and scale of the Group's operations, there will be occasions when EJF and the Manager and their respective directors or affiliates, as applicable, may encounter conflicts of interest in connection with the Company.

Certain inherent conflicts of interest arise from the fact that EJF Affiliates provide investment management, advisory and support services to EJF Securitisations, the Manager, the CDO Manager, the Company and to other clients, including other securitisation vehicles, other investment funds, and any other investment vehicles that the EJF Affiliates may establish from time to time, as well as Other EJF Accounts. Specifically, while the Manager itself does not manage any Other EJF Accounts, the employees of EJF who support the Manager also support EJF's and the EJF Affiliates' management of Other EJF Accounts.

The Manager and EJF anticipate that there may be conflicts of interest or perceived conflicts of interest between or among their clients (including EJFI), including for example, *inter alia*, the following:

- from time to time, the Company, the Partnership, EJF and the Other EJF Accounts may make investments at different levels of an obligor's or issuer's

capital structure or otherwise in different classes of an obligor's or an issuer's securities including the Securitisation Retention Equity issued by EJF Securitisations ("**EJF Securitisation Equity**"). In these circumstances, resulting conflicts of interest could arise including:

- allocation of investments in different tranches of securities/notes between potential investors and the respective terms thereof;
- divergent economic interests between EJF or Other EJF Accounts and the Company who hold different tranches of securities / notes; and
- voting of securities / notes by EJF or Other EJF Accounts contrary to the interests of the Company on matters such as early redemption of the securities/notes and/or an amendment of the transaction documents relating to the securities/notes;
- an affiliate of EJF fulfilling its role as securitisation manager given the conflicting interests of holders of different classes of Securitisation Retention Equity, particularly where certain decisions may maximise the yield on certain Securitisation Retention Securities while increasing the probability of reductions or delays in payments on other Securitisation Retention Securities;
- to the extent their clients have overlapping investment policies and objectives, the allocation of limited investment and co-investment opportunities by EJF and/or an EJF Affiliate among their clients including the Company, EJF Securitisations and Other EJF Accounts;
- the allocation of expenses by EJF and/or an EJF Affiliate incurred jointly from time to time on behalf of EJF Securitisations, Other EJF Accounts or other investments;
- the collateral to be held by US Bank National Association or other financial institutions pursuant to EJF Securitisations may impose obligations issued by entities in which EJF or Other EJF Accounts have made investments, obligations that EJF has assisted in structuring but in which it has or has not chosen to invest and obligations in respect of which EJF or Other EJF Accounts participated in the original lending group and/or acted or act as an agent. EJF may take into consideration the interests of the Other EJF Accounts when making decisions regarding the purchase and sale of collateral contributed in to, as well as held in connection with, EJF Securitisations under the relevant management and administration agreement;
- it is expected that a portion of the assets the Company acquires may be securities in respect of which EJF, EJF Affiliates or Other EJF Accounts either participated in the original lending group or structured or originated the asset. Additionally, a significant portion of the assets that the Company may acquire may be purchased from and will be sold to funds or other accounts that EJF or EJF Affiliates manage or otherwise provide advice in respect of. Any of the aforementioned transactions may involve potential conflicts;
- from time to time employees of EJF may serve as directors or advisory board members of certain portfolio companies or other entities. In addition,

employees of EJF who are also directors of the Manager may be employees of Other EJF Accounts which could create conflicts of interest in terms of time and effort as well as allocation decisions;

- EJF may limit a client and/or its portfolio companies from engaging in agreements with, or related to, companies in which any client of EJF has or has considered making an investment or which is otherwise an advisory client of EJF and/or from time to time restrict or otherwise limit the ability of EJF Securitisations or the Company to make investments in or otherwise engage in businesses or activities competitive with companies or other clients of EJF, either as a result of contractual restrictions or otherwise;

- if a redemption occurs in relation to any of the CDOs in which the Company invests, then the CDO Manager will lose such contract which could decrease the value of the Company's investment in the CDO Manager. A CDO can be redeemed at the discretion of the majority of preferred shareholders in such CDO and as such, if the Company is not the majority preferred shareholder in the respect of a particular CDO, then such CDO may be redeemed against its will;

- EJF may elect to exercise an optional redemption on behalf of Other EJF Accounts it manages. Such redemptions may result in Other EJF Accounts acquiring collateral at a discount to market value by virtue of a closed auction process. This may result in a shortfall to preferred shareholders who do not participate in the acquisitions of collateral, including the Company;

- under the Management Agreement, the Manager is entitled to the Management Fee and may also receive an Incentive Fee, both of which are based on the NAV. This may present a potential conflict of interest between the Manager's duties to the Company, in particular in relation to its role in developing the Valuation Policy, and its own interests;

- EJF engages in a broad spectrum of activities. In the ordinary course of its business activities, EJF may engage in activities where the interests of certain divisions of EJF or the interests of its clients may conflict with the interests of the Company; and

- EJF (as applicable) will have the power to resolve, or consent to the resolution of, conflicts of interest on behalf of, and such resolution will be binding on, the Company. Investors should be aware that conflicts will not necessarily be resolved in favour of the Company.

However, the Directors believe that the Manager has the systems, processes and procedures to manage these conflicts appropriately. In particular, EJF has an allocation policy and allocation procedures in place to help manage any investment conflicts between the Company and Other EJF Accounts (for further details see paragraph 3.2 "*Allocation Policy and Procedures*" in Part III (*Investment Process*) of this Private Placement Memorandum). Additionally, there are certain safeguards in place in relation to the valuation process as set out in section 5 "*Calculation of Net Asset Value*" above.

For more information on the risks associated with these potential conflicts see paragraph 4 "*Risks Relating to Conflicts of Interest*" in the section entitled "*Risk Factors*" of this Private Placement Memorandum.

PART II. THE MARKET OPPORTUNITY

1. INTRODUCTION

The Manager believes that the evolving regulatory landscape of the world's major financial markets has generated, and will continue to generate, attractive risk-return adjusted investment opportunities for investors.

In the current regulatory environment, the Manager has identified two Target Investments that it believes offer attractive risk adjusted investment opportunities for long-term investors like the Company. Each of these categories of investment have developed because of the regulatory and structural changes impacting the financial services sector in response to the 2007-08 Global Financial Crisis ("**GFC**") and represent investment opportunities in which the principals of the Manager have extensive investment experience.

1.1 Securitisation and Related Opportunities

(a) *Risk Retention and Related Opportunities*

The Manager believes that the current regulatory environment provides opportunities for smaller US community and regional banks and niche US insurance companies. Many of the restrictive regulatory initiatives, such as the "Basel III Framework", have been primarily directed at global money-centre banks and insurance companies, providing a competitive and regulatory advantage to smaller banks and insurance companies. Legacy debt instruments issued by smaller banks and insurance companies prior to the crisis represent an attractive investment opportunity because the relative economic strength and regulatory advantage of these issuing entities make their legacy securities more likely to be retired at par by either the issuing entities themselves as part of a buy back transaction or as part of an M&A transaction. Regulated debt issued post-GFC, including newly issued regulated debt such as Tier II subordinated debt, is also attractive given the elevated yield environment since April 2022. For these reasons, owning, on a long-term basis, the risk retention tranche as well as the equity tranche of re-securitisations of smaller bank and insurance company legacy debt instruments, offers an opportunity to own a diverse basket of strong credits on a modestly leveraged basis.

(b) *Interest Rate and Related Opportunities*

The Manager believes the US community banks and insurance sectors remain in a strong position and are well-positioned in the current financial environment. First, the rising rate environment has increased the net interest margins (NIMS) that financial institutions can achieve. NIMS represent the largest driver of profitability in the small and regional bank cohort in which the Company primarily invests. Second, the constructive regulatory environment of the Donald Trump Administration has increased the pace of small bank M&A, which can provide capital gain opportunities on specific debt instruments as well as credit improvement. Third, the recent passage by the US Congress of the "One Big Beautiful Bill Act" (the "**OBBBA**") has helped spur the capex spend on data centres by hyperscalers and other digital economic

actors. The convergence of these three catalysts has created a robust environment for investing in debt issued by small banks and financial institutions such as insurance companies and speciality finance companies.

(c) *Capital Solutions and Asset Backed Securities Opportunities*

The Manager has observed that regulatory developments have also resulted in banks and other financial institutions seeking capital solutions to reduce or insure the risks maintained on their balance sheets while preserving valuable relationships with their largest clients. For example, instead of shedding certain attractive cash-flowing assets to meet regulatory capital requirements or customer concentration limits, the Manager has worked with banks to develop innovative structures that allow external investors to participate in the cash-flow of such assets and simultaneously improve the bank's regulatory capital position.

The Manager believes there will be opportunities to invest in Asset Backed Securities on an opportunistic basis. This will include investing in certain securitisations backed by assets that are well understood by the Manager given its experience and heritage, including bank and insurance issued TruPS and Tier II subordinated debt, allowing it to earn a complexity and in some cases, illiquidity premium.

1.2 **Specialty Finance Opportunities**

The Manager has observed that the regulatory and structural changes discussed above have created specialty finance opportunities for non-bank lenders to provide capital to areas/sectors where there is now less competition from global money-centre banks. As a consequence, the Manager believes investment opportunities are particularly interesting for specialty finance lending platforms in more complex credit situations where previously only larger money-centre banks had the expertise and risk appetite to provide capital.

For further information on the Company's Target Investments, please see the section entitled "*Investment Policy*" in Part I (*The Company*) of this Private Placement Memorandum.

2. **THE UNDERLYING CATALYSTS FOR, AND FURTHER INFORMATION ON, THE TARGET INVESTMENTS**

Each of the Target Investments derives from the consequences of post-crisis regulatory change. The Securitisation and Related Investments opportunities derive from, among other things, the regulatory changes in securitisation rules and the application of those changes that positively benefit small banks and insurance companies, frequently to the detriment of other banks and regulated institutions.

The Specialty Finance opportunities derive from the regulatory changes that negatively impact lending by larger banks and lending platforms and the inability to date of smaller banks to meet certain capital needs in the market. A summary of the fundamental regulatory and economic factors that serve as catalysts for the Target Investments is set out below.

2.1 **Securitisation and Related Investments**

(a) *Risk Retention and Related Investments*

The Manager believes the Company is well-positioned to capitalise upon opportunities in securitisations as a capital partner. As a result of the Manager's relationship with EJF, the Company, through the Partnership, will, for so long as EJF Investments Manager LP is the Manager, have the benefit of a right of first refusal to purchase or subscribe for EJF Risk Retention Securities to be issued in connection with all future EJF Securitisations, in an amount equivalent to the minimum interest that a Sponsor (as that term is used in the relevant Securitisation and Risk Retention Regulations) is required to retain. As such, the Company will have the opportunity to invest in the equity and other tranches of securitisations created in order to comply with the relevant Securitisation and Risk Retention Regulations in that jurisdiction.

The Company has partnered with EJF on its CDO issuance primarily backed by TruPS (as described below) and US Sub-Debt (as described below) issued by US community banks and insurance companies. As part of its partnership with EJF, the Company has, through its holding of units in the CDO Manager and for so long as EJF Investments Manager LP is the Manager, benefitted from the right of the CDO Manager to be appointed as the provider of collateral administration, monitoring and management services in respect of each EJF Securitisation and, accordingly, has received income distributions from the CDO Manager derived from receivables in respect of collateral management fees relating to EJF Securitisations. The Partnership may also seek to be the risk retention capital provider for other select securitisation sponsors in certain asset classes, leveraging EJF's securitisation and specialty finance expertise and industry contacts. In addition, the Company may seek to receive an equity interest in the securitisations' manager and/or a portion of the ongoing collateral management fees as additional compensation for providing risk retention capital.

(b) *Overview of US Subordinated Debt*

EJF has invested in newly originated Tier II subordinated debt ("**Sub-Debt**") issued primarily by US community banks. The community bank Sub-Debt market has seen an increase in new issuance over recent years. Community banks that are designated as Small Bank Holding Companies ("**SBHCs**") (as described below) find Sub-Debt particularly attractive because they can issue subordinated debt at the holding company level and count it as equity at their bank subsidiary.

Bank Sub-Debt interest rates are typically fixed for the first five years of the term before flipping to a floating rate thereafter, Bank Sub-Debt typically non-callable during the first five years from issuance.

The Manager believes that collateral that experiences an M&A event may trade at a premium to par.

The Manager believes that structured products provide access to unique opportunities to invest in a diversified pool of debt issued by small community

banks and insurance companies. The Manager believes investments in all parts of a CDO's capitalisation table can provide an attractive risk-return profile in a high barrier-to-entry asset class. EJF has a long history of providing expert bank and insurance credit analysis.

Investor interest and demand for yield continue to drive the demand for Sub-Debt CDO securitisations. An improving credit environment for the underlying issuers and M&A tailwinds in the US have attracted investors to the asset class. Given the successful placing of EJF's previous re-securitisations, the Manager believes the opportunity to invest in risk-retention investments created by such securitisations is sustainable and will generate attractive risk-adjusted returns, in part due to lower risk premia that will apply to bank and insurance issuers of TruPS and Sub-Debt collateral.

As at 30 June 2026, the Company had approximately £73.2 million invested in the equity tranches of six securitisations.

Bank and Insurance CDO Equity Investments—Key Portfolio and Underlying Collateral Details

(c) *US community banks*

In the United States, the Manager believes that the fallout from the financial crisis has created a new regulatory paradigm for banks. Regulators have substantially increased the level of capital that a bank is required to hold. Legislation such as Dodd-Frank and the Basel III Framework also restrict certain activities and change the definition of what constitutes capital. However, 2018 was another monumental year for regulatory changes in the financial sector in the United States. The US Government, in tandem with the bank regulators, modified certain regulations which had been deemed to have hindered the growth of small and medium sized banks and insurance companies. One of the key pieces of legislation was the S.2155 regulatory relief bill titled 'The Economic Growth, Regulatory Relief and Consumer Protection Act,' which passed into law in May 2018. As part of this bill, regulators created a tiered structure that, in the Manager's estimation, is most favourable to community banks, particularly to those with less than US$3 billion in assets, and also to those with less than US$10 billion in assets. In general, these advantages include the following:

(i) *Small Bank Holding Company ("**SBHC**") designation*: as part of the Regulatory Relief Bill, the SBHC Policy Statement threshold increased from US$1 billion in assets to US$3 billion in assets. Under the SBHC, banks can issue Sub-Debt at the holding company level and count it as equity at their bank subsidiary. By increasing the threshold from US$1 billion to US$3 billion, the Manager believes hundreds of additional banks will be able to issue fixed-rate Sub-Debt and potentially redeem their less efficient legacy debt securities such as TruPS. Additionally, since May 2015, SBHCs have been explicitly exempt from the Basel III Framework.

(ii) *Tiered capital requirements*: SBHCs with less than US$3 billion in assets have greater flexibility with regard to leverage at the bank subsidiary level. Banks with less than US$10 billion in assets are required to maintain a minimum Tier 1 common ratio of 7.0 per cent. as opposed to higher minimums for larger banks. Regional banks have a similar minimum requirement, but typically target a higher capital ratio. Banks with assets greater than US$100 billion target even higher capital ratios. Additionally, the S.2155 regulatory relief bill created the Community Bank Leverage Ratio ("CBLR"), which allows banks under US$10 billion in assets to opt out of risk-based capital ratios if the bank has a Tier 1 leverage ratio in excess of the CBLR minimum. In April 2026, the regulatory agencies adjusted the CBLR minimum down to 8.0 per cent.

(iii) *No stress testing*: banks with less than US$100 billion in assets have been entirely removed from the Dodd-Frank Act Stress Testing ("**DFAST**") process as well as the Comprehensive Capital Analysis and Review ("**CCAR**") quantitative and qualitative segments. Prior to the passage of the Regulatory Relief Bill, all banks with aggregate assets greater than US$10 billion of assets were subject to some form of formal stress testing. Presently, banks above US$100 billion of aggregate assets are subject to additional CCAR stress testing, although this has subsequently transitioned to the Stress Capital Buffer ("**SCB**") framework. This test is significantly more comprehensive and requires considerable investment in both systems and manpower in order to comply. These tests assess the systemic risk of an institution in various scenarios. These banks are also subject to DFAST stress testing. This test typically requires additional resources both in terms of key personnel as well as systems and infrastructure. Although this test does not explicitly restrict capital return, it provides regulators and examiners additional information and disclosure which may have implications during the annual regulatory exam process.

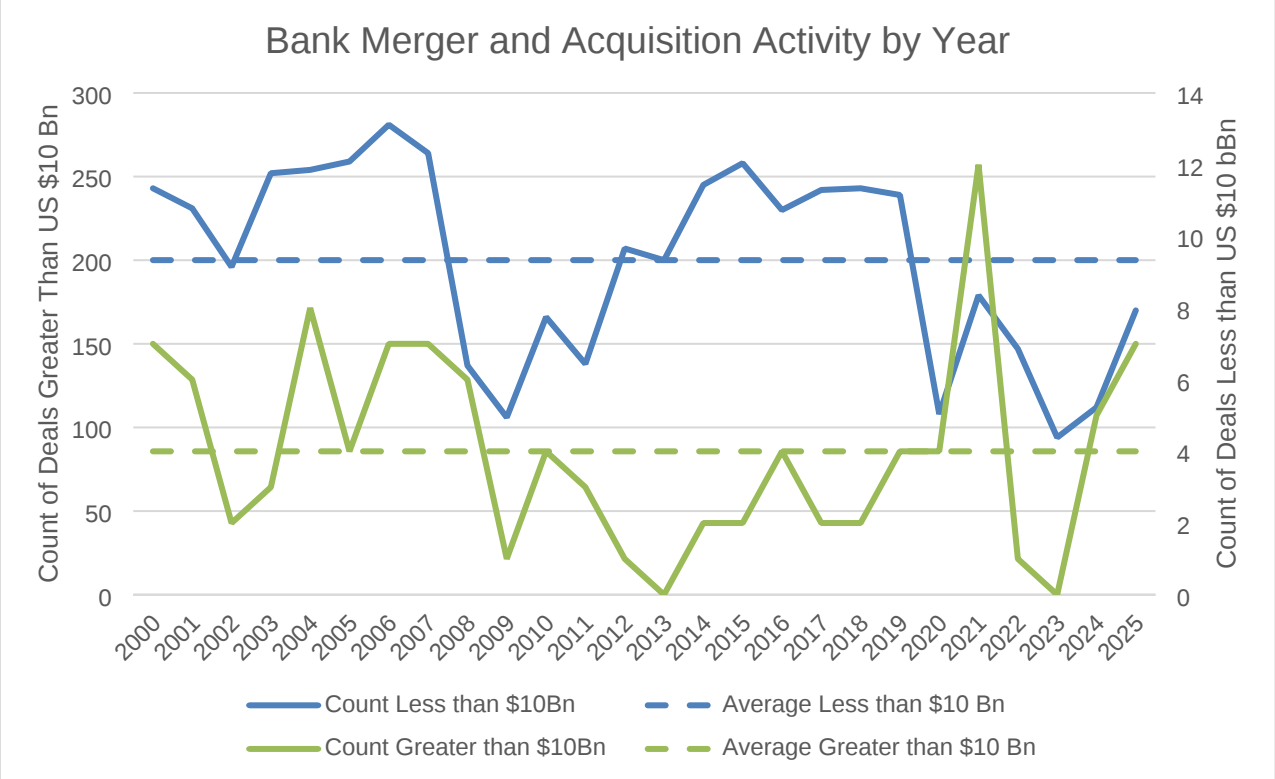
(iv) *Raised thresholds of "systemic risk"*: in March 2017, the Federal Reserve indicated that banking M&A transactions involving acquisitions of less than US$10 billion in assets (the previous threshold was less than US$2 billion), or that result in a firm with less than US$100 billion in total assets (previous threshold was US$25 billion), "are generally not likely to create institutions that pose systemic risk". The Federal Reserve also stated that it would presume that a banking M&A transaction does not raise material financial stability concerns if the assets involved fall below either of the thresholds, unless there is evidence that the transaction would result in a significant increase in interconnectedness, complexity, cross-border activities, or other risk factors. In 2018, as part of the Regulatory Relief Bill, the threshold for a SIFI under Dodd-Frank was immediately raised from US$50 billion in assets to US$100 billion in assets. The Federal Reserve went forward with more comprehensive change for larger banks, in an effort to tailor regulations to more closely match the risk profiles. On 31 October 2018 the Federal Reserve published a notice of proposed rulemaking outlining a modified set of standards for banks with aggregate assets of US$100 billion and more.

In these standards, the Federal Reserve revised its tier categorisations, with particular impacts to banks with US$250—US$700 billion in assets. With the changes that were finalized in October 2019, many small regional banks were removed from CCAR stress test requirements while larger regional banks were moved to less frequent CCAR testing, which the Manager believes lowered their regulatory costs. In addition, the Manager believes these banks will now be able to more effectively manage their balance sheets, returning more capital to shareholders (and debtholders), resulting in an increase in return on equity. With respect to the Federal Reserve's tailoring rules, the Manager believes this was a signal to banks and the market that under proper parameters, growth of up to US$700 billion in assets will not be treated as punitively as was previously the case. This action was underpinned by the regulatory approval of the merger of BB&T and SunTrust, which created a new company called Truist with approximately US$473 billion in assets. The Manager believes this deal carries knock-on effects for the industry as regional and super community bank holding companies will have more latitude to form strategic partnerships with less regulatory implications. Multiple more acquisitions were announced by banks over US$100 billion in assets in 2020, 2021, and 2025. The Manager believes that these changes are further evidence of an intent of the US federal banking regulatory agencies to reduce the regulatory burden on US Community banks without legislative approval.

(v) *Lower corporate tax rates*: the US Government passed a tax reform bill at the end of 2017. The federal tax overhaul lowered the corporate statutory tax rate to 21 per cent. from 35 per cent. The Manager believes that the potential tax savings resulting from the cut and commensurately greater earnings power will generate more capital. This will further bolster the Manager's investment thesis that a meaningful proportion of bank and insurance companies will consolidate their attractive credit profiles, or become even stronger, and continue to engage in M&A. The OBBBA made permanent the lower corporate tax rates in 2025.

(vi) *Bank M&A activity*: the creation of regulatory thresholds since the global financial crisis has led to increased M&A activity. The pace of US bank merger and acquisition activity has rebounded from the lows during the COVID-19 pandemic and the rapid rise of interest rates in 2022 and 2023. While there were more than 250 M&A deals announced in 2018 and 2019, deal announcements fell to only 112 deals in 2020 due to the uncertainty associated with the COVID-19 pandemic. In 2021, M&A activity rebounded to 200 deal announcements. M&A announcements slowed again in 2022-2023 due to the rapid rise in interest rates causing purchase accounting challenge due to the fair value of fixed rate assets, with M&A announcements troughing at 96 deals in 2023. In late 2024 and 2025, M&A announcements began to pick back up, with 186 deals announced in 2025, with particular strength in the amount of deals announced with targets over US$10 billion. As a given bank

approaches each threshold (US$3 billion, US$10 billion, US$50 billion in assets), the institution must prepare for the additional burden of higher regulatory costs as well as greater and more stringent capital levels. In general, this may lead to a scenario where a bank will grow to just below the threshold level and potentially stop or even begin to shed assets. Alternatively, the institution may engage in M&A activity so that the increase in scale will offset the increased economic burden. Incrementally, this scenario will provide a supportive environment for credit quality as smaller banks are acquired by larger, stronger firms. Additionally, if the combined institution exceeds US$15 billion in assets, there is greater motivation to consider retiring TruPS as they would no longer qualify for regulatory capital treatment.



Source: Company data and information

(d) *US insurance companies*

The Manager believes that the insurance industry is currently operating in a favourable credit environment. The industry is highly regulated and is well capitalised. As measured by net premiums written to capital, the capitalisation ratio of the insurance industry is considerably more capitalised than its historical average since 2002. While greater capital levels reduce returns on equity (given the same dollar of income), the Manager views strong industry capitalisation as being very positive from a credit and M&A perspective. Availability of capital has led to a robust M&A environment that could result in higher prepayments of TruPS issued by an acquired insurance company, as those securities become less economic for larger companies that tend to benefit from lower costs of capital.

The industry is also positively exposed to a higher interest rate environment as most insurance industry earnings are generated from the investment income earned from the reserves that insurance companies maintain to pay future claims. Higher interest rates, strong premium growth and solid capital levels put life insurance companies in a fundamentally stronger position. Property and Commercial insurance underwriting will encounter diverging risks and the Manager is optimistic about commercial, marine, and excess & surplus lines that benefit from higher economic activity. The Manager remains cautious with respect to personal lines, especially auto, given the ongoing loss normalisation.

(e) *Capital Solutions and Asset Backed Securities*

Many banks and other regulated financial institutions across the globe are subject to new and enhanced regulations requiring them to hold significantly more capital against owned assets. Intended to insulate against low probability, high impact events that could cause enterprise damage or failure, these new regulations not only dictate the amount and quality of capital, but also consider the amount and quality of the banks' owned assets. Consequently, the entire banking industry has been facing enormous balance sheet and business restructuring: both asset and liability sides of balance sheets are being restructured; non-core and capital inefficient businesses are being exited, sold, or greatly scaled down; and greater amounts of capital must be held in comparison to prior regulatory regimes.

The requirement for banks to improve, maintain and/or optimise their capital adequacy ratios and comply with the other aspects of the new, more stringent, regulatory regime, provides a substantial opportunity for investment in bank and non-bank securitisation solutions. The Manager intends to be active in this asset class, utilising EJF's broad network of banks, brokers and specialist introducers.

Banks have a finite number of mechanisms through which they can create and optimise regulatory capital, such as retained earnings, new equity/hybrid capital issuance and deleveraging through asset and business segment dispositions. Risk transfer through regulatory capital transactions is also a means to reduce required regulatory capital against assets the bank is unwilling or unable to sell. As such, required levels of capitalisation under current regimes mean that the Manager believes that banks and other regulated financial institutions will continue to use regulatory capital solutions.

In addition, the Manager believes non-bank lenders have the potential to take advantage of the regulatory burdens faced by many banks and some such institutions have stepped in to fill the resultant lending void in certain areas. As regulators encourage the growth of the non-bank securitisation markets, especially in Europe, the Manager expects to be able to source and execute non-bank capital solutions to help underlying borrowers finance themselves and grow. Frequently, a major growth impediment of these institutions is obtaining non-senior finance facilities and placing their non-senior securitised debt tranches. The Manager believes there to be a growing and attractive opportunity investing in and funding credible and reliable non-bank

securitisation platforms including financing pre-securitisation warehouse facilities and/or holding non-senior tranches of the securitisation. The Manager intends to provide financing or invest in non-senior tranches where the originator has significant exposure to the underlying pool of assets. Such transactions serve to facilitate non-bank lenders to improve their profitability and grow their loan portfolios. This strategy is conceptually similar to the Manager's Specialty Finance strategy but will focus on the securitisation markets.

Finally, the Manager believes there will be opportunities to invest in Asset Backed Securities on an opportunistic basis. This will include investing in certain securitisations backed by assets that are well understood by the Manager given its experience and heritage, including bank and insurance issued TruPS and Subordinated Debt, allowing it to earn a complexity and in some cases, illiquidity premium.

The Manager anticipates that any Asset Backed Securities investments will be held to maturity, although such investments may be traded opportunistically if deemed beneficial to the Company.

2.2 **Specialty Finance**

The Manager believes there is an opportunity to generate attractive risk adjusted returns from the revitalisation and development of the specialty finance industry, also known as non-bank lenders. Certain global money-centre banks and global banking conglomerates are continuing to scale down or exit non- core sectors because of the new regulatory environment. The Manager believes this situation underpins the potential for outsized asset growth for favourably regulated specialty finance companies over the near to medium term.

The Manager intends to take advantage of this opportunity in three distinct ways:

(a) by providing growth capital to specialist companies with existing lending platforms poised to benefit from bank deleveraging and certain resultant funding gaps;

(b) by providing dedicated debt and equity facilities to finance the lending activities of specialist companies; and

(c) lending directly to idiosyncratic and often complex situations which are well understood by the Manager given its experience and heritage.

In the US, the ongoing maturation of the sector is set to continue as banks reposition their asset portfolios. These dynamics may afford the Manager the opportunity to attain exposure to assets at attractive risk adjusted rates of return commensurate with the Company's targets.

3. **COMPETITIVE ADVANTAGE**

The Manager believes that the Company has a competitive advantage in investing in Securitisation and Related Investments opportunities and Specialty Finance opportunities for the following reasons:

(a) ***Unique relationship with EJF***: the Manager believes that the Company has a competitive advantage investing in certain specific areas of the financial markets as a result of the Manager's unique relationship with EJF. The Manager and EJF are separate entities but the Manager, will rely upon and benefit from the resources of EJF including research and investment analysis performed by EJF investment professionals, administrative and IT service support and certain other functions. EJF and its affiliates manage on a discretionary basis debt, equity securities and securitisation assets of approximately US$5.2 billion as at 30 June 2026. The Manager expects the Company to benefit from EJF's investment platform and network of relationships with numerous community and regional banks, insurance companies, investment banks, broker/dealers, management teams of public and private specialty finance companies and other asset managers.

(b) ***Experience investing in certain areas of the financial sector***: The Manager, EJF and its principals have a long history of investing in the US financial sector.

(c) ***The Manager's and EJF's track record***: the Manager and EJF have a proven track record investing in opportunistic debt and equity investments, TruPS and Subordinated Debt CDOs, Capital Solutions, Asset Backed Securities and Specialty Finance Investments, as well as a strong investment track record investing in the debt and equity securities of community banks.

(d) ***Access to Pipeline***: the Manager expects that EJF will provide the Company with significant advantages in sourcing, evaluating and managing long-term investment opportunities that generate attractive current and non-current cash flows that can be distributed on a quarterly basis to the Company's Shareholders. The Manager expects that many of these long-term investment opportunities will be on a co-investment basis with EJF's other managed investment vehicles. As a result of the Manager's relationship with EJF, the Company, through the Partnership, will, for so long as EJF Investments Manager LP is the Manager, have the benefit of a right of first refusal to purchase or subscribe for EJF Risk Retention Securities to be issued in connection with all future EJF Securitisations, in an amount equivalent to the minimum interest that a Sponsor (as that term is used in the relevant Securitisation and Risk Retention Regulations) is required to retain.

(e) ***Limited Competition***: the Manager believes that there are few competitors that possess the requisite set of skills, relationships and infrastructure to efficiently analyse, invest, and monitor Securitisation and Related Investments and Specialty Finance Investments.

(f) ***Extended Investment Horizon***: the Company's permanent capital structure allows it to take advantage of long-term investment opportunities. The Manager believes that the Company's structure allows it to make investments with a long-term view, giving it a competitive advantage over other institutional investors which may be subject to liquidity constraints or certain capital return requirements. The Manager believes that this flexibility will allow it to achieve superior risk adjusted returns on invested capital and a steady flow of CDO collateral management fee income from its ownership in the CDO Manager.

PART III. INVESTMENT PROCESS

1. Introduction

The Company's Board of Directors provides oversight and supervision of all of the Company's affairs. Management of the Portfolio is delegated to the Manager which makes investment decisions through its investment committee (the "**Investment Committee**"). The Manager and EJF are separate entities but the Manager, through its shared services agreement with EJF, benefits from the resources of EJF including the provision of research and investment analysis performed by EJF investment professionals, service support and certain other functions.

In addition, the Manager, is responsible for supervising and directing the investment and reinvestment of the Partnership's assets, advising the Partnership, and performing on behalf of the Partnership the duties that have been specifically delegated to the Partnership as a risk retention partner to EJF.

2. Comprehensive Due Diligence and Investment Analysis

The Manager's investment philosophy is based on disciplined, fundamental, credit and investment analysis. The Manager primarily sources investment opportunities for the Company through its relationship with EJF. EJF has a network of relationships with numerous community and regional banks, insurance companies, investment banks, broker/dealers, management teams of public and private specialty finance companies and other asset managers. The Manager's investment research and, where applicable, investment decisions, are based on rigorous credit and relative value analysis performed by EJF's research analysts, portfolio managers and traders. The Company uses the Manager's and EJF's existing infrastructure to identify attractive investment opportunities and to underwrite and monitor its investment portfolio. Potential investments are analysed on the merits of the individual company and/ or asset relative to its position in the industry, the general strength of the industry within the context of the overall economy and the structure of the investment. Credit analysis includes, but may not be limited to, an analysis of the key drivers of revenue, expense, cash flow, and sources and uses of working capital.

3. Investment Process

The Investment Committee consists of Neal Wilson and Jason Ruggiero. New investment opportunities may be reviewed and analysed by the relevant EJF research analysts and then proposed to the Investment Committee of the Manager.

The Manager makes investment decisions, under delegated authority from the Directors of the Company within a set of pre-determined parameters, based on these recommendations. As part of this process, the Investment Committee will also take into consideration an analysis of a potential investment's impact on the applicable portfolio's structure. In the case of Risk Retention Investments and any conflicted or cross-trades, unanimous Board approval is also required.

3.1 *Investment Monitoring and Credit Risk Management*

EJF's research analysts and portfolio managers maintain the investment monitoring process. Individual investment performance is compared to the initial investment

hypothesis, giving consideration to new financial information, market news, price or other events as deemed appropriate. As part of an overall risk management strategy, a "Credit Watch List" is maintained and monitored if required. Data from the "Credit Watch List" would be used as part of the process to forecast the occurrence of specific credit events and model the impact of credit events on an investment, as appropriate.

Where deemed appropriate, monitoring may include: (i) meetings with management and advisors; (ii) obtaining a seat on committees; and/or (iii) seeking new investors/capital. In performing the credit monitoring processes, various software, publications and third party monitoring services will be used. Based on these inputs, the designated Investment Committee member provides periodic updates to the Directors in relation to the performance of the Company's investments. The third party and proprietary models of EJF will be designed to monitor ongoing performance of both individual investments and the Company's overall portfolio.

3.2 ***Allocation Policy and Procedures***

While EJF, the Manager and the Company (as applicable to their relevant roles) seek to manage potential conflicts of interest in good faith, the portfolio management or advisory strategies employed by EJF in managing its respective Other EJF Accounts could conflict with the transactions and strategies employed: (i) by EJF in managing the portfolio of an EJF Securitisation; (ii) by EJF in providing services to the Company through the Manager and the CDO Manager; (iii) by the Company in managing its own portfolio; and/or (iv) by the Manager in advising the Company under the Management Agreement. The portfolio strategies employed by EJF may also affect the prices and availability of the securities and instruments in which EJF Securitisations invest and in which the Company may invest. In addition, in certain circumstances a specific investment opportunity may be appropriate, at times, for the Company, the EJF Securitisations and/or Other EJF Accounts, as applicable.

It is the policy of the EJF Affiliates to generally share appropriate investment opportunities (including purchase and sale opportunities) with the Other EJF Accounts (and by association, with the Company and EJF Securitisations). Each of EJF and the Manager is committed to transacting in securities and loans in a manner that is consistent with the investment objectives of its respective clients, and to allocating investment opportunities (including purchase and sale opportunities) among its clients on a fair and equitable basis. In allocating investment opportunities, EJF and the Manager determine which Relevant Clients' investment mandates are consistent with the investment opportunity, taking into account each client's risk/return profile, investment guidelines and objectives, and liquidity objectives.

However, in the case of Risk Retention Investments, as a result of the Manager's relationship with EJF, the Company, through the Partnership, will, for so long as EJF Investments Manager LP is the Manager, have the benefit of a right of first refusal to purchase or subscribe for EJF Risk Retention Securities to be issued in connection with all future EJF Securitisations (to the extent that EJF Securitisations are structured to be compliant with the Risk Retention Regulations), in an amount equivalent to the minimum interest that a Sponsor (as that term is used in the relevant Securitisation and Risk Retention Regulations) is required to retain. Elsewhere and as a general matter, investment opportunities will be allocated *pro rata* among Relevant Clients based on their respective targeted acquisition size (which may be based upon

available capacity or, in some cases, a specified maximum target size of a client) or targeted sale size (which is generally based upon the position size held by selling clients), in a manner that takes into account the applicable factors listed below.

In addition, each of EJF, the Manager and, if applicable, the Company, comply with specific allocation procedures set forth in the documents governing its relationship with its clients and described during the marketing process. While no client will be favoured over any other client, in allocating investment opportunities certain clients may have priority over other clients consistent with disclosures made to the applicable investors. Consistent with the foregoing, EJF and the Manager generally allocate investment opportunities pursuant to certain allocation methodologies as appropriate depending on the nature of the investment.

Notwithstanding the aforementioned, investment opportunities may be allocated in a manner that differs from such methodologies, but is otherwise fair and equitable to clients, taken as a whole (including, in certain circumstances, a complete opt-out of the allocation). In instances where a particular investment fits different strategies targeted by multiple Relevant Clients, EJF and the Manager may determine that a particular investment most appropriately fits within the portfolio and strategy focus of particular Relevant Clients and may allocate the investment to those clients. Any such allocations must be: (i) documented in accordance with their procedures; and (ii) undertaken with reference to one or more of the following considerations (in each case, as applicable):

(i) the risk-return and target-return profile of the investment opportunity relative to the Relevant Client's current risk profile;

(ii) the Relevant Client's investment guidelines, restrictions, terms and objectives, including whether such objectives are considered solely in light of the specific investment under consideration or in the context of their respective portfolio's overall holdings;

(iii) the need to re-size risk in the Relevant Clients' portfolios (including the potential for the proposed investment to create an industry, sector or issuer imbalance within a Relevant Client's portfolio) and taking into account any existing non-*pro rata* investment positions in such portfolios;

(iv) liquidity considerations of the Relevant Client, including during a ramp-up or wind-down of one or more of such clients, proximity to the end of such client's specified investment period, redemption/ withdrawal requests from or with respect to a client, anticipated future contributions into a client and available cash;

(v) tax consequences;

(vi) regulatory or contractual restrictions or consequences;

(vii) avoiding *de minimis* or odd lot allocations;

(viii) availability and degree of leverage and any requirements or other terms of any existing leverage facilities;

(ix) the particular client's investment focus on a classification attributable to an investment or issuer of an investment, including, without limitation, investment strategy, geography, industry or business sector;

(x) the nature and extent of involvement in the transaction on the part of the respective teams of investment professionals or service support teams dedicated to the applicable client;

(xi) managing any actual or potential conflict of interest;

(xii) with respect to investments that are made available to EJF by counterparties pursuant to negotiated trading platforms (e.g., ISDA contracts) which may not be available for all clients in the absence of such relationships; and

(xiii) any other considerations deemed relevant by EJF and the Manager.

Because of these and other factors, certain Other EJF Accounts may effectively have priority in investment allocation over the Partnership and/or the Company, notwithstanding policies of *pro rata* distribution. Investment orders may be combined for the Company, the Partnership, EJF or for the Other EJF Accounts, and if any order is not filled at the same price, they may be allocated on an average price basis between such accounts. Similarly, if an order on behalf of more than one account cannot be fully executed under prevailing market conditions, securities or loans may be allocated among the different accounts on a basis which the relevant party or their respective affiliates consider equitable.

From time to time, the Company, the Partnership, EJF and the Other EJF Accounts may make investments at different seniority levels of an obligor's or issuer's capital structure or otherwise in different classes of an obligor's or issuer's securities. When making such investments, the Manager and EJF anticipate that their clients will have conflicts of interest or perceived conflicts of interest between or among the various classes of securities or loans that may be held by such entities and will seek to handle such conflicts in a fair and equitable manner.

PART IV. DIRECTORS, THE MANAGER AND ADMINISTRATION

1. The Company

1.1 *Directors of the Company*

The Directors are responsible for managing the business affairs of the Company in accordance with the Articles and the Investment Policy and have overall responsibility for the Company's activities including its investment activities, strategy, risk profile and reviewing the performance and the overall control and supervision of its service providers. The Directors may delegate certain functions to other parties such as the Administrator and the Registrar. In particular, the Directors have delegated responsibility for the day-to-day management of the Portfolio to the Manager (although the Board will remain responsible for the supervision of the Manager).

The Board currently comprises five Directors, all of whom are independent.

The address of the Directors, all of whom are non-executive, is the registered office of the Company. The Directors of the Company are as follows:

Name	Age	Position
John Kingston III	61	Independent non-executive director and Chair
Bronwyn Curtis	78	Independent non-executive director
Alan Dunphy (1)	52	Independent non-executive director
Martin Rowley	60	Independent non-executive director
Nick Watkins (1)	58	Independent non-executive director

(1) Alan Dunphy and Nick Watkins have each notified the Board of their intention to retire as Non-Executive Directors on 31 March 2027.

John Kingston III

Mr. Kingston was appointed as a Director on 6 September 2024 and as Chair of the Board on 1 November 2024. Mr. Kingston is a US resident. After graduating from Harvard Law School and the University of Pennsylvania's Wharton School of Business, Mr. Kingston began his career with legal positions at Ropes & Gray (a global law firm) and Morgan Stanley. In 1999, Mr. Kingston joined Affiliated Managers Group (NYSE: AMG), becoming part of the senior leadership team that grew a small investment management platform into a global asset management firm with (at the time of his departure) approximately US$700 billion in AUM and an enterprise value of nearly US$15 billion. Mr. Kingston retired as Vice Chairman of AMG in 2015, having overseen all corporate governance, risk management and controls, and legal, regulatory, and compliance functions. Mr. Kingston has founded and/or overseen (stewarding through governing and advisory boards) a variety of for-profit, not-for-profit and political initiatives, including the AMG Mutual Funds, Mangrove Management Partners, Lattice Capital Management, the Pioneer Institute, Veritas Forum, the Forward Party, Foundation for Excellence in Higher Education, Committee to Fix the Debt, and the American Enterprise Institute. Mr. Kingston is a member of the Audit

and Risk Committee, the Management Engagement Committee and chair of the Nomination Committee.

Bronwyn Curtis

Ms. Curtis was appointed as a Director on 1 October 2026. A Jersey resident, she is an experienced chair, non-executive director and senior executive across banking, media, commodities and consulting, with global or European wide leadership responsibilities for 20 years at HSBC Bank plc, Bloomberg LP, Nomura International and Deutsche Bank Group. She is currently non-executive director and senior independent director at BH Macro Limited and non-executive director and chair of TwentyFour Income Fund as well as a number of private companies. She is also a regular commentator in the media on markets and economics. In recognition of her contribution to business economics, she was awarded an OBE in 2008. It is intended that Ms. Curtis will succeed Mr. Watkins as Chair of the Management Engagement Committee following his retirement on 31 March 2027 and effective from 28 October 2026 has joined the Management Engagement Committee, the Audit and Risk Committee and the Nomination Committee as a member.

Alan Dunphy

Mr. Dunphy was appointed as a Director on 12 December 2016. Mr. Dunphy, a Jersey resident, has over 25 years of experience in the offshore financial industry moving to Jersey in 1998 to join the Assurance and Business Advisory Division of PricewaterhouseCoopers. Since 2014, Mr Dunphy has worked for Altum Group as a director on fund and corporate client structures before which he was managing director of fund management group Bennelong Asset Management for eight years. Prior to this, Mr. Dunphy was a director of Capita Fiduciary Group and also worked at Abacus Financial Services Group. Mr Dunphy is a fellow of the Institute of Chartered Accountants in Ireland. Mr. Dunphy is chair of the Audit and Risk Committee and a member of the Management Engagement Committee and Nomination Committee. Mr. Dunphy has informed the Board of his intention to retire as Non-Executive Director with effect from 31 March 2027. Pursuant to the Board's succession plan, he will continue to serve as a Non-Executive Director and Chair of the Audit and Risk Committee until that date.

Martin Rowley

Mr. Rowley was appointed as a Director on 1 October 2026. A Jersey resident, he has over 30 years of international tax experience. Prior to his retirement from professional practice, he was a Partner of Deloitte, serving as Head of Deloitte's Jersey tax practice and a Partner in the firm's US business tax group. During his career, he has advised clients on corporate and international tax matters in a range of industries spanning offshore jurisdictions including China and India. It is intended that Mr. Rowley will succeed Mr. Dunphy as Chair of the Audit and Risk Committee following his retirement on 31 March 2027 and effective from 28 October 2026 has joined the Audit and Risk Committee, Management Engagement Committee and the Nomination Committee as a member.

Nick Watkins

Mr. Watkins was appointed as a Director on 17 March 2017. He started his career as a corporate tax lawyer with Dechert LLP in London in 1997. He is currently a partner and director of Altair Partners Limited, which provides independent directors to funds and regulated entities. Prior to joining Altair in 2014, he was global head of transaction management for Deutsche Bank's Alternative Fund Services division in Jersey and prior to that was assistant managing director and senior in-house legal counsel at Citco in the Cayman Islands. Mr. Watkins is a qualified solicitor in England and Wales. Mr. Watkins is chair of the Management Engagement Committee and a member of the Audit and Risk Committee and the Nomination Committee. Mr. Watkins has informed the Board of his intention to retire as Non-Executive Director with effect from 31 March 2027. Pursuant to the Board's succession plan, he will continue to serve as a Non-Executive Director and Chair of the Management Engagement Committee until that date.

2. **Corporate Governance**

Under the Listing Rules (as voluntarily adopted by the Company), the Company must "comply or explain" against each of the provisions of the UK Corporate Governance Code (the "**UK Corporate Governance Code**") as published by the Financial Reporting Council. In addition, the Disclosure Guidance and Transparency Rules require the Company to: (i) make a corporate governance statement in its annual report and accounts based on the code to which it is subject, or with which it voluntarily complies; and (ii) describe its internal control and risk management arrangements.

The Directors recognise the value of the UK Corporate Governance Code and have also considered the principles and recommendations of the AIC Code of Corporate Governance (the "**AIC Code**") produced by the Association of Investment Companies (the "**AIC**"). The AIC Code, as explained in the AIC Guide, addresses all the principles set out in the UK Corporate Governance Code, as well as setting out additional principles and recommendations on issues that are of specific relevance to the Company as an investment company.

The Directors consider that reporting against the principles and recommendations of the AIC Code, and by reference to the AIC Guide (which incorporates the UK Corporate Governance Code), will provide better information to Shareholders. Consequently, the Directors have taken appropriate measures to ensure that the Company complies, so far as is possible given the Company's size and nature of business, with the AIC Code.

The UK Corporate Governance Code includes provisions relating to the role of the chief executive, executive director remuneration and the need for an internal audit function, a nomination committee and a remuneration committee. For the reasons set out in the AIC Code, the Board considers that these provisions are not relevant in the Company's circumstances, being an externally managed investment company. In particular, all of the Company's day-to-day management and administrative functions are outsourced to third parties (subject to appropriate systems, controls and oversight). As a result, the Company has no executive directors, employees or internal operations. In addition, the Board considers its size to be such that it would be unnecessarily burdensome to establish a separate nomination committee and

remuneration committee. The Company will not therefore report further in respect of these provisions.

The Directors believe that it is appropriate to treat Alan Dunphy as an Independent Non-Executive Director for the purposes of the AIC Code, notwithstanding his previous role as a director of Urban Exposure Finance Ltd. ("**UE Finance**"), which is 100 per cent. funded by various EJF affiliated investment vehicles (none of which is the Company or the Manager). Mr. Dunphy is a shareholder of Altum Trustees Limited, a Jersey domiciled firm, providing arm's length third party administrative services to UE Finance. There is no economic or other direct nexus between UE Finance and the Company or the Manager.

Mr. Kingston is a member of the supervisory body of two private funds (organised as limited partnerships), managed by affiliates of EJF. The Directors believe that it is appropriate to treat Mr. Kingston as an Independent Non-Executive Director and Chair for the purposes of the AIC Code, notwithstanding his membership of such supervisory bodies (as their primary role is to resolve conflicts, if any, between the funds and EJF and not, for the avoidance of doubt, the oversight of the funds). Neal Wilson, Co-Chief Executive Officer and Co-Chief Investment Officer of EJF as well as Chief Executive Officer of the Manager, is also a member of the supervisory bodies of these two funds. Mr. Kingston is not a director of the general partner of either fund. Any fees Mr. Kingston receives for serving on these supervisory bodies are paid to Mr. Kingston by the funds directly. The Directors do not believe that Mr. Kingston's existing position as member of the aforementioned supervisory bodies gives rise to any relationships that may create a conflict of interest between Mr. Kingston's interest and those of EJFI's shareholders.

Other than as set out above, the Directors have determined to report against the AIC Code and to follow the AIC Guide. This is treated as compliance with the UK Corporate Governance Code.

2.1 ***Audit and Risk Committee***

The Company has established an audit and risk committee (the "**Audit and Risk Committee**"), which currently comprises John Kingston III, Alan Dunphy and Nick Watkins and effective from 28 October 2026, Bronwyn Curtis and Martin Rowley as members. Given the size of the Company and that John Kingston III is considered to be independent, the Directors believe it is appropriate that John Kingston III be a member of the Audit and Risk Committee. Alan Dunphy acts as chair of the Audit and Risk Committee. It is intended that Martin Rowley will succeed Alan Dunphy as chair of the Audit and Risk Committee with effect from 31 March 2027 following Alan Dunphy's retirement as a Non-Executive Director of the Company on the same day.

The Company's Audit and Risk Committee meets formally at least four times a year for the purpose, among other things, of considering the appointment, independence and remuneration of the auditor and to review the Company's annual accounts and half-yearly financial reports. Where audit-related and/or non-audit services are to be provided by the auditors, full consideration of the financial and other implications on the independence of the auditors arising from any such engagement will be considered before proceeding. The responsibilities of the Audit and Risk Committee include monitoring the integrity of the Company's results and financial statements,

reviewing reports received from the Administrator on the adequacy and the effectiveness of the Company's internal controls and risk management systems, considering annually the appointment and the ongoing suitability of the external auditors and to review the procedures of the Company's service providers.

The chairmanship of the Audit and Risk Committee and each Director's performance is reviewed annually by the Chair and the performance of the Chair will be assessed by the other Directors.

2.2 ***Management Engagement Committee***

The Company has established a management engagement committee (the "**Management Engagement Committee**"), which currently comprises John Kingston III, Alan Dunphy and Nick Watkins and effective from 28 October 2026, Bronwyn Curtis and Martin Rowley as members. The Management Engagement Committee meets formally not less than once a year and has responsibility for reviewing the performance of the Manager and the Company's other service providers and also the terms of the Management Agreement. Nick Watkins acts as chair of the Management Engagement Committee. It is intended that Bronwyn Curtis will succeed Nick Watkins as Chair of the Management Engagement Committee with effect from 31 March 2027 following Nick Watkins' retirement as a Non-Executive Director of the Company on the same day.

2.3 ***Nomination Committee***

The Company has established a nomination committee (the "**Nomination Committee**"), which comprises Alan Dunphy, John Kingston III and Nick Watkins and effective from 28 October 2026, Bronwyn Curtis and Martin Rowley as members. The Nomination Committee meets at such times as required at the discretion of the chair of the committee or a majority of the members. The Nomination Committee, among other things, has responsibility for reviewing the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and gives full consideration to succession planning for Directors in the course of its work. John Kingston III acts as chair of the Nomination Committee. It is intended that Nick Watkins and Alan Dunphy will retire from the Nomination Committee with effect from 31 March 2027 at the same time as their retirement as Non-Executive Directors of the Company.

2.4 ***Directors' Share dealings***

The Company has adopted a code of securities dealings in relation to the Shares, which is based on the rules of the Market Abuse Regulation. The code will apply to the Directors, any persons discharging managerial responsibilities in respect of the Company and any persons closely associated with them.

3. **The Manager**

EJF Investments Manager LP (formerly EJF Investments Manager LLC) has been appointed as Manager of the Company pursuant to the Management Agreement (further details of which are set out in paragraph 9.1 "*Management Agreement*" in Part X (*Additional Information*) of this Private Placement Memorandum). The Manager is the alternative investment fund manager of the Company (as defined under the AIFM

Directive). In such capacity, the Manager is responsible for the portfolio and risk management of the Company, including managing the Company's assets and its day-to-day operations, further details of which are set out in paragraph 9.1 "*Management Agreement*" in Part X (*Additional Information*) of this Private Placement Memorandum.

Although the exercise of the Manager's duties will be subject to the supervision of the Board, the Manager will be able to enter into agreements with other parties, including its affiliates, for the purpose of fulfilling its duties and servicing obligations under the Management Agreement (including retaining services of accountants, legal counsel, appraisers, insurers, brokers, transfer agents, registrars, developers, investment banks, financial advisors, banks and other lenders and others as the Manager deems necessary or advisable). In addition, the Manager will act as the agent of the Company, the Partnership, the General Partner and/or their respective subsidiaries (as the case may be) in making, acquiring, financing, structuring, managing and disposing of their investments.

The Manager is a Delaware limited partnership which converted from a Delaware limited liability company on 16 July 2026, with state file number 4018354 and whose registered office is situated at The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, DE 19801-1120, United States and principal place of business at 1550 Wilson Blvd Suite 700-47 Arlington, VA 22209. The Manager's sole business activity is to manage the Company and the Partnership and their respective subsidiaries.

The Manager has been restructured so that its CEO, Neal Wilson, is now directly the substantial majority owner. In addition, a new London-based subsidiary, EJF Investments Manager Limited, has been organised and capitalised with a dedicated London-based team. The Manager has entered into a shared services agreement with EJF Capital LP, and the Manager will continue to utilise the same personnel and extensive resources of US-based EJF Capital LP in serving as the dedicated external manager to the Company. The Manager, through its shared services agreement, will benefit from the resources of EJF in the performance of its obligations to the Group and the Partnership and their respective subsidiaries, including the provision of research and investment analysis performed by EJF investment professionals, service support and certain other functions. EJF manages approximately US$5.1 billion of total firm assets under management, (including US$121.8 million of uncalled capital) and US$2.91 billion of CDO assets through its affiliates as at 30 June 2026.

3.1 ***Officers of the Manager***

The officers of the Manager are as follows:

Name	Age	Position
Neal J. Wilson	60	Chief Executive Officer, Chief Investment Officer and Voting Member of the Investment Committee
Jay Ghatalia	40	Finance Director
Jason Ruggiero	51	Voting Member of the Investment Committee

Neal J. Wilson, Chief Executive Officer, Chief Investment Officer and Member of the Investment Committee

In addition to serving as Chief Executive Officer of the Manager, Mr. Wilson is a founding member of EJF and serves as its Co-Chief Executive Officer, Co-Chief Investment Officer of EJF's private markets products, and Chief Financial Officer, overseeing the accounting and finance functions of the firm. Mr. Wilson also serves as a member of EJF's Risk Committee and EJF's Valuation Committee. Prior to forming EJF, Mr. Wilson served as a senior managing director for both the Alternative Asset Investments and Private Wealth Management groups at FBR. Prior to joining FBR, he was a senior securities attorney at Dechert LLP and a Branch Chief in the Division of Enforcement at the US Securities and Exchange Commission in Washington, D.C. He is a member of the Board of Directors of Sparrowhawk Re Ltd. (a reinsurer sponsored by BC Partners). Mr. Wilson is also a member of the Milken Institute's Executive Council for Inclusive Capitalism in Asset Management. He served on the Boards of Trustees of Sidwell Friends School (Washington, D.C.) and Hood College for five and nine years, respectively. He chaired the endowment investment committee at Hood during his entire tenure on the Board and served on the endowment investment committee of Sidwell Friends for over 10 years. He also served as a member of the Board of Trustees for the Montgomery County (Maryland) Public Schools Employee Pension for nine years until 2013 and in 2014 received a Distinguished Service Award from Montgomery County for his contributions. He received his BA from Columbia University and his JD from the University of Pennsylvania.

Jay Ghatalia, Finance Director

Jay Ghatalia joined EJF in 2023 and is responsible for operations and finance functions of the Manager. In addition, in his role as Global Head of Fund Accounting for EJF, he is responsible for the fund accounting and reporting functions across all EJF strategies. Prior to joining EJF, he spent 2 and a half years at Intermediate Capital Group PLC ("**ICG**"), managing finance and operations for private funds in their Strategic Equity and LP Secondaries strategies. Prior to ICG, he spent nine years in public accounting firms, PricewaterhouseCoopers and KPMG managing assurance and advisory engagements for clients across financial services and latterly focusing on both listed and private alternate investment funds. Jay is a Chartered Accountant (Institute of Chartered Accountants of India) and holds a Bachelor of Commerce degree from University of Mumbai.

Jason Ruggiero, Member of the Investment Committee

Mr. Ruggiero joined EJF at its founding in 2005 and is a member of the Executive Committee of EJF. Mr. Ruggiero serves as the primary portfolio manager for EJF's equity-focused strategies as well as the Co-Chief Investment Officer for EJF's capital markets products. In addition to his investment leadership role, he serves as a voting member of EJF's General Partner alongside Neal Wilson and Manny Friedman. Mr. Ruggiero also serves as a member of EJF's Risk Committee. Mr. Ruggiero currently serves as the Treasurer on the Board of Directors for the Arlington Food Assistance Center and formerly served on the Board of Directors of FB Corporation in St. Louis, MO and TIG Bancorp in Denver, CO. He also formerly served as a member of the JMU College of Education Executive Advisory Council. Prior to joining EJF, Mr. Ruggiero was an equity trader in FBR's Alternative Asset Investment Group, where he assisted

Mr. Friedman in the day-to-day operations of FBR Ashton, L.P., a long/short hedge fund. In 2004, Mr. Ruggiero assumed co-portfolio manager responsibilities for FBR Ashton, L.P. Before joining FBR, Mr. Ruggiero was an auditor for Deloitte and Touche in Washington, DC, where he focused on the financial services industry. He holds a BBA in accounting from James Madison University and an MBA in finance from the University of Maryland

4. **The CDO Manager**

EJF CDO Manager LLC (the "**CDO Manager**"), which is 51 per cent. owned by EJF and 49 per cent. owned by the Company, provides collateral management services to various CDO structures, including those which the Company and/or the Partnership invest or may invest in. For these purposes, the CDO Manager is not appointed by the Company and, instead, provides such services directly to those CDO structures on commercially reasonable terms (which will include terms relating to remuneration and standard terms relating to limitation of liability and indemnities, where applicable).

The CDO Manager is also expected to provide collateral management services to future EJF Securitisations as it will have the benefit, for so long as EJF Investments Manager LP is the Manager, of a right to be appointed as the provider of collateral administration, monitoring and management services in respect of each EJF Securitisation. The CDO Manager may also provide collateral management services to non-EJF securitisations as well, either via a Risk Retention Investment or a CDO investment. The CDO Manager is expected to benefit from collateral management and incentive fees on all CDOs it services and manages until maturity of such CDOs.

5. **Administrator and Company Secretary**

Apex Financial Services (Alternative Funds) Limited acts as Administrator and Company Secretary of the Company pursuant to the Administration Agreement (further details of which are set out in paragraph 9.2 "*Administration Agreement*" in Part X (*Additional Information*) of this Private Placement Memorandum). In such capacity, the Administrator provides the day-to-day administration of the Company and is also responsible for the Company's general administrative and secretarial functions, such as the calculation and publication of the NAV and maintenance of the Company's accounting and statutory records, together with compliance services.

The Administrator was incorporated in Jersey on 24 October 2003 with company number 86301 whose registered address is IFC 5, St Helier, Jersey JE1 1ST. The Administrator is registered to conduct fund services business under the Financial Services (Jersey) Law 1998, as amended. The JFSC is protected by the Financial Services (Jersey) Law 1998, as amended, against liability arising from the discharge of its functions under that law. In addition, with effect from 20 November 2025, the Administrator has been appointed to provide customer due diligence ("**CDD**") services in relation to non-CREST investors in the Company and to assist with certain ongoing monitoring obligations pursuant to applicable Jersey legal and regulatory requirements.

6. **Registrar**

Computershare Investor Services (Jersey) Limited has been appointed as Registrar of the Company pursuant to the Registrar Services Agreement (further details of which

are set out in paragraph 9.3 "*Registrar Services Agreement*" in Part X (*Additional Information*) of this Private Placement Memorandum) to provide share registration services. Computershare Investor Services (Jersey) Limited is a private limited company incorporated in Jersey and has an issued share capital of £25,000, all of which is fully paid up.

7. **Custodian**

Citigroup Global Markets Inc. and Citibank N.A. have been authorised to provide prime brokerage and/or custody services to the Company. The principal activities of Citigroup Global Markets Inc. and Citibank N.A. are to provide banking, prime brokerage and custody services.

Citigroup Global Markets Inc., is a company incorporated with limited liability in the United States of America under the laws of the City and State of New York on 15 October 1998 and having its principal business office at 390 Greenwich Street, New York, NY 10013-2396, USA (telephone number +1.212.816.6000) and having in Great Britain a principal branch office (Citigroup Global Markets Limited) situated at Citigroup Centre, 33 Canada Square, Canary Wharf, London E14 5LB, with company number 01763297. Citigroup Global Markets Inc. is a registered broker-dealer regulated by FINRA and the US SEC with CRD number 7059 and US SEC number 8177.

Citibank N.A. is a company incorporated with limited liability in the United States of America under the laws of the City and State of New York on 14 June 1812 and organised as a national banking association formed under the laws of the United States of America on 17 July 1865 with Charter number 1461 and having its principal business office at 399 Park Avenue, New York, NY 10043, USA (telephone number +1.646.294.2727) and having in Great Britain a principal branch office (Citibank, N.A., London) situated at Canada Square, Canary Wharf, London E14 5LB, with company number FC001835 and branch number BR001018. Citigroup Global Markets Inc. is an indirect wholly owned subsidiary of Citibank N.A. Citibank N.A. is a wholly owned subsidiary of Citigroup Inc.

8. **Valuation Agent**

The Board or the Manager may appoint a recognised independent third-party valuation agent(s) as it deems appropriate from time to time on arm's-length commercial terms (which will include terms relating to remuneration and standard terms relating to limitation of liability and indemnities, where applicable).

9. **Fees and Expenses**

9.1 ***Expenses related to the Offering***

The costs and expenses to be paid by the Company in connection with the Offering (including the publication of this Private Placement Memorandum), include, without limitation, a fee payable to Piper Sandler, legal fees, printing, advertising and distribution costs and JFSC fees, and are not expected to exceed £1 million.

No costs or expenses (including those relating to the Offering) will be charged to any subscriber for Preferred Shares pursuant to the Offering by the Company.

9.2 ***Ongoing expenses***

The Company's ongoing expenses will comprise the following.

(a) *Manager*

Under the terms of the Management Agreement, the Manager is entitled to receive a base management fee, calculated monthly and paid quarterly in arrears, in a monthly amount equal to the product of 1/12 of the NAV at the end of the relevant month multiplied by one per cent. (the "**Management Fee**").

Where there are C Shares in issue, the Management Fee will be charged on the NAV attributable to Ordinary Shares and the net assets attributable to C Shares, respectively.

In addition, the Manager is also entitled, subject to the satisfaction of certain conditions, to an annual incentive fee (the "**Incentive Fee**") calculated by reference to movements in the Adjusted NAV attributable to Ordinary Shares (as described below) from time to time. The Incentive Fee will be calculated in respect of each twelve month period starting on 1 January and ending on 31 December in each calendar year (an "**Incentive Fee Period**"), save that the first Incentive Fee Period commenced on the Original Admission and ended on 31 December 2017 and the final Incentive Fee Period shall end on the date that the Management Agreement is terminated or, where the Management Agreement has not been terminated, the actual date of termination of the provision by the Manager of the Non-Retained Services.

In the event that C Shares are in issue, the Manager shall be entitled, subject to the satisfaction of certain conditions, to an incentive fee payable in C Shares or, if applicable, cash in respect of movements in the adjusted net assets attributable to the C Shares on the same basis as summarised in respect of the Incentive Fee payable in relation to the Adjusted NAV attributed to Ordinary Shares in this paragraph 9.2, except that an Incentive Fee Period shall be deemed to end on the day prior to the conversion of the relevant class of C Shares into Ordinary Shares in accordance with the Articles.

The Incentive Fee shall be calculated in relation to the assets attributable to Ordinary Shares and shall be an amount equal to 10 per cent. of the amount by which the Adjusted NAV attributable to Ordinary Shares exceeds the higher of (i) the Incentive Hurdle at the relevant time and (ii) the High Watermark at the relevant time, in respect of the relevant Incentive Fee Period.

The Incentive Fee will, save as set out below, be payable to the Manager in Ordinary Shares and/or C Shares (if in issue) ("**Incentive Shares**"). The amount of the Incentive Fee shall be due and payable no later than the date which is 30 business days after the end of the calendar year or such date that may be agreed by the Company and the Manager, and shall be calculated by the Manager and notified to the Company as a cash figure (the "**Cash Equivalent Amount**") but shall be paid either by the issue by the Company to the Manager of Ordinary Shares and/ or C Shares (if required) and/or by the Company procuring the transfer to the Manager of Ordinary Shares and/or C

Shares (if required) at its own cost, in each case in accordance with, and subject to, the provisions of the Management Agreement. The number and source of Incentive Shares to be delivered to the Manager in satisfaction of the Incentive Fee will be determined as follows:

(i) if the relevant Average Closing Price equals or is higher than the last reported NAV per Ordinary Share published before the relevant Incentive Fee Payment Date or Delayed Incentive Fee Payment Date (as the case may be) (the "**Last Reported Net Asset Value per Ordinary Share**") or (as the case may be) the last reported Net Asset Value per C Share published before the relevant Incentive Fee Payment Date or Delayed Incentive Fee Payment Date (as the case may be) (the "**Last Reported Net Asset Value per C Share**"), the Company will issue to the Manager (or to its order) in payment of the relevant fee such number of new Ordinary Shares or C Shares (as the case may be) credited as fully paid as is equal to the Cash Equivalent Amount divided by the relevant Average Closing Price (rounded down to the nearest whole Ordinary Share or C Share (as the case may be));

(ii) if the relevant Average Closing Price is lower than the Last Reported NAV per Ordinary Share or the Last Reported Net Asset Value per C Share (as the case may be), the Company shall satisfy its obligation to pay the relevant fee by procuring, at its own cost, the transfer to the Manager (or to its order) of Ordinary Shares or C Shares (as the case may be) (through one or more transactions) with an aggregate market price equal to the Cash Equivalent Amount at a price per Ordinary Share or price per C Share (as the case may be) no greater than the Last Reported NAV per Ordinary Share or the Last Reported Net Asset Value per C Share (as the case may be). If it is not possible to apply all of the applicable Cash Equivalent Amount to the transfer of Ordinary Shares or C Shares (as the case may be) in the market at or below the Last Reported NAV per Ordinary Share or the Last Reported Net Asset Value per C Share (as the case may be) within two months following the Business Day immediately preceding the end of the calendar year to which the relevant Incentive Fee relates, or such later date that may be agreed by the Manager and the Company, then the Manager may elect to extend that period for up to: (i) a further four months or (ii) such later period that may be agreed by the Manager and the Company, or require that the Company issues to it (or to its order) such number of new Ordinary Shares or C Shares (as the case may be) as is equal to the remaining portion of the Cash Equivalent Amount divided by the then Last Reported NAV per Ordinary Share or the Last Reported Net Asset Value per C Share (as the case may be) (rounded down to the nearest whole Ordinary Share or C Share (as the case may be)). Any balance of the Cash Equivalent Amount remaining at the end of such extended period will be paid by way of the Company issuing to the Manager (or to its order) (A) a number of new Ordinary Shares (rounded down to the nearest whole number) with an aggregate value equal to such balance on the basis of the then Last Reported NAV per Ordinary Share and/or (as the case may be) or (B) a number of new C

Shares (rounded down to the nearest whole number) with an aggregate value equal to such balance on the basis of the then Last Reported Net Asset Value per C Share.

The Incentive Fee (or any portion thereof) shall be payable by the Company in cash in an amount equal to the Cash Equivalent Amount (or the relevant portion thereof), to the extent necessary, if (i) the Company is limited or prohibited from issuing or procuring the transfer of Ordinary Shares or C Shares on the terms of the Management Agreement at the relevant time by applicable law or regulation, the Articles, the Shareholder Limitation or any free float obligation applicable to the Company; or (ii) the Company does not have authority to issue the relevant Ordinary Shares or C Shares on a non-pre-emptive basis.

Subject to certain standard protections, the Manager will be able to claim all documented expenses it incurs in providing its services under the Management Agreement and all other expenses actually incurred by the Manager on behalf of the Company, the Partnership, the General Partner and their respective subsidiaries (including, without limitation, travel expenses).

For the purposes of this paragraph 9.2, the following expressions have the following meanings:

"**Adjusted NAV attributable to Ordinary Shares**" means an amount equal to the NAV attributable to Ordinary Shares: (i) excluding any increases or decreases in NAV attributable to Ordinary Shares attributable to the issue or repurchase of any Ordinary Shares; (ii) adding back the aggregate amount of any dividends paid or distributions made in respect of any Ordinary Shares; (iii) excluding the aggregate amount of dividends and distributions accrued but unpaid in respect of any Ordinary Shares; and (iv) excluding the amount of any accrued but unpaid Incentive Fees payable in relation to the NAV attributable to Ordinary Shares, in each case without double counting;

"**Average Closing Price**" means the average of the middle market quotations of the Ordinary Shares (as adjusted to exclude any dividend which is included in such quotations if the Ordinary Shares delivered are ex that dividend) for the 30 day period ending on the business day immediately preceding the end of the calendar year to which the Incentive Fee relates;

"**Delayed Incentive Fee Payment Date**" means a date later than the Incentive Fee Payment Date agreed by the Manager and the Company

"**High Watermark**" means the Adjusted NAV attributable to Ordinary Shares as determined on the last day of the latest previous Incentive Fee Period in respect of which an Incentive Fee was payable to the Manager;

"**Incentive Fee Calculation Date**" means the last business day of each calendar year with respect to which each instalment of Incentive Fee is payable except in relation to the final Incentive Fee Period, which shall be the date of termination of the Management Agreement or the actual date of termination of the provision by the Manager of certain Non-Retained Services (as the case may be);

"**Incentive Fee Payment Date**" the date which is thirty (30) Business Days after the end of the calendar year with respect to which an Incentive Fee instalment is payable;

"**Incentive Hurdle**" means the Adjusted NAV attributable to Ordinary Shares on the date of Original Admission or the High Watermark, compounded annually (with effect from 31 December 2017) at a rate equal to an internal rate of return of 8 per cent. per annum;

"**NAV attributable to Ordinary Shares**" means an amount equal to the total value, as at the relevant date, of the assets attributable to the Ordinary Shares after the deduction of all liabilities attributable to the Ordinary Shares determined in accordance with the accounting policies adopted by the Company from time to time;

"**NAV per Ordinary Share**" means an amount equal to, as at the relevant date, the NAV attributable to Ordinary Shares divided by all of the Ordinary Shares of the relevant class in issue as at such date;

"**Rule 9 Resolution**" means a resolution to waive the obligation of the Manager or any of its concert parties to make a general offer to the shareholders independent of EJF and its affiliates for their Shares in accordance with Rule 9 of the Takeover Code; and

"**Shareholder Limitation**" means the reinvestment in Ordinary Shares of any Cash Equivalent Amount resulting in the Manager or any person acting in concert with it (as defined under the Takeover Code) having interests in Shares carrying more than 29.9 per cent. of the aggregate voting rights in the Company, unless the shareholders of the Company have passed a Rule 9 Resolution.

(b) *Administrator and Company Secretary*

Under the terms of the Administration Agreement, the Administrator is entitled to an administration fee comprising a fixed fee and variable fees which are charged at market rates, depending on the nature of the services provided. In addition, the Administrator receives an additional fee per annum for the provision of investor due diligence and related monitoring services. Additional fees may also be payable for meetings held in excess of those included within the agreed fee arrangement. All fees are subject to annual adjustment in line with the Retail Price Index (RPI). The previously agreed 15 per cent. discount applicable during the initial term expired on 1 July 2026

(c) *Custodian*

Citigroup Global Markets Inc. and Citibank, N.A. are entitled to a monthly fee for the provision of prime brokerage and custody services to the Company. The monthly servicing fee is calculated by reference to the month end valuation of any assets which may be transferred to such custody account from time to time, subject to a minimum annual servicing fee for each service.

(d) *Registrar*

The Registrar is entitled to an annual fee. Other registrar activity outside of the agreed scope of services will be charged for in accordance with the Registrar's normal tariff as published from time to time.

(e) *Directors*

Each of the Directors is entitled to receive a fee from the Company at such rate as may be determined in accordance with the Articles. The base annual fee for each Director is £44,000 per annum. The Chair of the Board, Audit & Risk Committee and Management Engagement Committee are entitled to an additional fee of £11,000, £5,500 and £3,000 per annum respectively. No amount has been set aside or accrued by the Company to provide pensions, retirement or other similar benefits.

(f) *Expenses*

All other ongoing operational expenses of the Company (excluding fees paid to service providers as detailed above) are borne by the Company including, without limitation: the incidental costs of making its investments and the implementation of its Investment Objective and Investment Policy; travel; accommodation; printing costs; the cost of directors' and officers' liability insurance; the costs of maintaining the Company's website; corporate brokers' fees; audit, tax, reporting accountant and legal fees; brokerage fees and annual Specialist Fund Segment fees. The fees of the Company's auditors, reporting accountants and legal advisors are determined in accordance with the terms of engagement entered into with these service providers.

PART V. CAPITALISATION AND INDEBTEDNESS STATEMENT

CAPITALISATION

The following table sets out the capitalisation of the Company as at 30 September 2026:

	As at 30 September 2026
Shareholders' equity	(*£ millions*)
Net assets	101.52
Legal reserves	-
Other reserves	-
Total	101.52

There has been no material change in the Company's capitalisation since 30 September 2026.

INDEBTEDNESS

The following table sets out the Company's indebtedness as at 30 September 2026:

	As at 30 September 2026
	(*£ millions*)
Current debt	
Guaranteed	-
Secured	-
Unguaranteed/unsecured	
Non-current debt (excluding current portion of long-term debt)	
Guaranteed	-
Secured	-
Unguaranteed/unsecured	29.15
Total gross indebtedness	**29.15**

NET FINANCIAL INDEBTEDNESS

The following table sets out the Company's net indebtedness as at 30 September 2026:

		As at 30 September 2026
		(*£ millions*)
A	Cash	0.30
B	Cash equivalent at Subsidiary Level	16.09
C	Trading securities	-
D	**Liquidity (A+B+C)**	**16.39**
E	**Current financial receivables**	-
F	Current bank debt	-
G	Other current portion of non-current debt	-
H	Other current financial debt	
I	**Current financial debt (F+G+H)**	-
J	**Net current financial indebtedness (I-E-D)**	**16.39**
K	Non-current bank loans	-
L	Bonds issued	(29.15)
M	Other non-current loans	-
N	**Non-current financial indebtedness (K+L+M)**	**(29.15)**
O	**Net financial indebtedness (J+N)**	**(12.76)**

The Company had no indirect or contingent liabilities as at 30 September 2026.

PART VI. DETAILS OF THE PREFERRED SHARES

1. SECURITIES

The Preferred Shares are preferred shares of no par value in the capital of the Company. The Preferred Shares may be issued in one or more Classes, each Class being denoted according to its applicable Preferred Share Dividend Rate and/or as otherwise determined by the Board at its sole discretion. Save as otherwise expressly provided in the Articles, each Class of Preferred Shares will be issued on the same terms and will have the same rights, save in respect of the Preferred Share Dividend Rate and the Preferred Share Issuance Terms applicable to that Class.

2. CURRENCY, FORM AND RATINGS

The Preferred Shares will be denominated, and payments in respect of them made, in US dollars. The Preferred Shares will be issued and held in certificated form on the Registrar of the Company's books and records only. Each Class of Preferred Shares may, or may not, be rated by a Designated NRSRO. For this Class, Egan-Jones Ratings Company has assigned a rating of BBB-/BBB- to the Preferred Shares (and BBB/BBB to EJFI generally).

3. INVESTOR ELIGIBILITY AND LISTING STATUS

The Preferred Shares will be offered and sold in the United States in a transaction not involving a "public offering" subject to an exemption from the registration requirements of Section 5 of the US Securities Act only to persons who are all of the following: (i) qualified purchasers ("**Qualified Purchasers or QPs**") as defined in Section 2(a)(51) of the US Investment Company Act and the rules and regulations promulgated thereunder; and (ii) "accredited investors" ("**Accredited Investors**" or "**AIs**", and persons who are both QPs and AIs, "**Entitled Qualified Purchasers**") as defined in Rule 501(a) of Regulation D. The Preferred Shares will be offered and sold outside the United States to non-US Persons (or to persons who are both US Persons and Entitled Qualified Purchasers) in reliance on Regulation S under the US Securities Act. Prospective investors in the United States are hereby notified that the sellers of any Preferred Shares may be relying on the exemption from the provisions of Section 5 of the US Securities Act provided for a transaction not involving a "public offering".

The Preferred Shares will not be offered to, and no participation will be permitted for, Benefit Plan Investors or other investors whose acquisition or holding of Preferred Shares would cause any portion of the assets of the Company to be treated as "plan assets" for the purposes of ERISA or any Other Plan Law. ERISA investor participation is to be excluded entirely, rather than permitted subject to a numerical threshold.

The Preferred Shares may only be offered or placed in the United Kingdom to persons in the United Kingdom who: (i) are "qualified investors" (within the meaning of paragraph 15 of Schedule 1 to the POATRs who are also: (i) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Order); (ii) high net worth entities falling within Article 49 (2)(a) to (d) of the Order; or (iii) other persons to whom it can otherwise lawfully be distributed (each a "**Relevant Person**"). In the United Kingdom, any investment or investment activity or controlled investment or controlled activity to which this Private Placement

Memorandum relates will only be available to such persons and will be engaged in only with such persons.

The Preferred Shares will not be listed or admitted to trading on the London Stock Exchange or any other stock exchange or trading facility, and no application will be made for them to be admitted to any such exchange in connection with the Offering. The Company shall, following the Offering, make commercially reasonable efforts to list, or otherwise provide a liquidity option with respect to the Preferred Shares (for example, on Nasdaq, or on an over-the-counter market if Nasdaq eligibility criteria are not met), but there is no guarantee that any such listing will occur or on what timeframe, and investors should not assume that a market for the Preferred Shares will become available.

A listing of the Preferred Shares on a US stock exchange (for example, on Nasdaq) would require the Company to register as an investment company under the US Investment Company Act and, as an entity incorporated in Jersey, the Company would need to obtain exemptive relief from the US SEC in order to do so.

Such registration would require the Company to comply with the substantive requirements of the US Investment Company Act including requirements relating to capital structure, permitted investments, leverage and senior securities, unsecured borrowings, transactions with affiliates, and compliance with reporting, record keeping, voting and proxy disclosure obligations.

4. ISSUANCE AND THE ISSUANCE TEST

Subject to the Companies (Jersey) Law 1991, as amended (the "**Companies Law**"), and the Articles, the Board is authorised to issue Preferred Shares on such terms as it determines, provided those terms are consistent with Article 18 of the Articles. The Company may only issue further Preferred Shares (other than the initial issuance of Preferred Shares that are the subject of this Private Placement Memorandum) if, immediately following that issuance, the Issuance Test is satisfied.

The Issuance Test requires a minimum asset coverage ratio of 2.0x, calculated (in summary) as the aggregate value of the Company's assets and investments, less liabilities (other than liabilities relating to redemption of ZDP Shares), divided by the sum of (i) the full redemption value of all ZDP Shares then in issue and (ii) the share capital then attributable to the Preferred Shares then in issue. The Issuance Test does not apply to the initial issuance of Preferred Shares. The Company's ability to pay dividends or effect buybacks on the Ordinary Shares while Preferred Shares are outstanding is governed exclusively by the dividend stopper mechanic described in paragraph 8 (*Dividend Stopper*) below, and is not separately conditioned on satisfaction of the Issuance Test.

5. DIVIDEND ENTITLEMENT AND RATE AND STEP-UP MECHANIC

The Board may, in any quarter, declare a dividend in respect of the Preferred Shares, at its sole discretion, at the fixed Preferred Share Dividend Rate (or, after the applicable Preferred Share Step-Up Date(s), the relevant Preferred Share Step-Up Dividend Rate) applicable to the relevant Class, payable to Preferred Shareholders at such time as the Board determines at its sole discretion. The Preferred Share Dividend Rate for each Class will be fixed at issuance and for this Class will be 9.75% per annum

of the Preferred Share Redemption Amount, payable quarterly in arrears if, as and when declared by the Board.

If the Board does not redeem all of the Preferred Shares of a relevant Class before the Preferred Share Step-Up Date applicable to that Class, the Preferred Share Dividend Rate for that Class will increase to the Preferred Share Step-Up Dividend Rate from that date. The Preferred Share Dividend Rate for this Class will increase in two stages, as follows, unless the Preferred Shares of this Class have been redeemed by the Company beforehand.

First Preferred Share Step-Up Date for this Class is the date falling 5 years after the date of issuance of this Class (the "**First Step-Up Date**"). From the First Step-Up Date (if the Preferred Shares of this Class have not been redeemed beforehand), the Preferred Share Step-Up Dividend Rate will be 12.50% per annum of the Preferred Share Redemption Amount. Second Preferred Share Step-Up Date for this Class is the date falling 7 years after the date of issuance of this Class (the "**Second Step-Up Date**"). From the Second Step-Up Date (if the Preferred Shares of this Class have not been redeemed beforehand), the Preferred Share Step-Up Dividend Rate will be 15% per annum of the Preferred Share Redemption Amount.

The Preferred Shares rank ahead of the Ordinary Shares with respect to any return of income.

While past performance is not a guarantee of the Company's ability to pay dividends on the Ordinary Shares and the Preferred Shares, the Company has a history of making dividend payments and has made no suspension of dividends since the inception of the Company.

6. **MAINTENANCE OF RATING STEP-UP**

6.1 In the event:

6.1.1 the Company's credit rating that has been provided by a Designated NRSRO while any Preferred Shares remain outstanding is downgraded to below "investment grade" or, for clarity, a rating of BB+ (or analogous rating) or below, the Preferred Share Dividend Rate shall immediately increase effective as of the date of such downgrade by 100bps during the period in which the Company's credit rating is below investment grade; or

6.1.2 the Preferred Shares have no rating from any Designated NRSRO, the Preferred Share Dividend Rate shall immediately increase effective as of the applicable date by 200bps.

6.2 If, however, for purposes of paragraph 6.1.1 above, the Company's credit rating is subsequently upgraded to "investment grade" or, for clarity, a rating of BBB- (or analogous rating) or above, the Preferred Share Dividend Rate shall immediately decrease effective as of the date of such upgrade to be the Preferred Share Dividend Rate reflected in paragraph 6.1.1 above.

6.3 If, however, for purposes of paragraph 6.1.2 above, the Company's credit rating is subsequently rated as "investment grade" or, for clarity, a rating of BBB- (or analogous rating) or above, the Preferred Share Dividend Rate shall immediately decrease

effective as of the date of such subsequent rating to be the Preferred Share Dividend Rate reflected in paragraph 5 above.

6.4 Notwithstanding the foregoing, in no circumstances will the Preferred Share Dividend Rate, as may be adjusted by this paragraph 6, exceed the initial Preferred Share Dividend Rate (as described in paragraph 5 above) by more than 200bps per annum due to changes in or the absence of a rating, as contemplated by Section 6.1 above, of the Preferred Shares, and in no event will the Preferred Share Dividend Rate, as may be adjusted by this paragraph 6, ever be less than the initial Preferred Share Dividend Rate (as described in paragraph 5 above).

7. **NON-CUMULATIVE DIVIDENDS**

Dividends on the Preferred Shares are non-cumulative. If a dividend is not declared by the Board in respect of any period, the relevant Preferred Shareholders will have no right to receive that dividend at a later date, whether on redemption or otherwise, and no make-whole or similar compensating amount is payable in respect of any missed dividend.

8. **DIVIDEND STOPPER**

The Company may not pay any dividend or other distribution (including any buyback of shares) in respect of the Ordinary Shares unless a dividend has been declared and paid in respect of the Preferred Shares for the corresponding period. This restriction is also separately protected as a class consent right: see paragraph 13 (*Voting Rights and Class Consent Rights*) below.

9. **BUYBACKS**

No buybacks on the Ordinary Shares may be effected until all dividends declared on Ordinary Shares and Preferred Shares have been paid.

10. **REDEMPTION**

Subject to the Companies Law, the Company may, at the Board's discretion, redeem all or part of the outstanding Preferred Shares of a relevant Class on or after the date specified in the Preferred Share Issuance Terms for that Class. The first call date for this Class is the 5 year anniversary of the initial issuance.

The redemption price per Preferred Share (the "**Preferred Share Redemption Amount**") will be determined by the Board in accordance with the Preferred Share Issuance Terms for that Class. The Preferred Share Redemption Amount for this Class is US$25 per Preferred Share, plus any declared but unpaid dividends.

The Company will serve a redemption notice on each applicable Preferred Shareholder of the relevant Class specifying: (a) the number of Preferred Shares to be redeemed; (b) the redemption price per Preferred Share (inclusive of any declared but unpaid dividends); and (c) the address at which certificates are to be surrendered for redemption. No defect in the redemption notice, or in the giving of it, will affect the validity of the redemption.

Unless otherwise determined by the Board, payment of the redemption amount will be made by cheque or, at the holder's request, by other means, in US dollars. Payment

will be made against surrender of the relevant share certificate (or, if lost or destroyed, an indemnity satisfactory to the Board), save that the Board may determine that surrender is not required, in which case the certificate becomes void from the redemption date.

11. NO INVESTOR PUT RIGHT; NO FORCED WIND-UP ON NON-REDEMPTION

The Preferred Shares are not redeemable at the option of the holder. There is no put right, and there is no fixed repayment date on which the Company is obliged to redeem any Class of Preferred Shares or any part thereof. Because the Preferred Shares are perpetual and redemption is exercisable only at the Company's option, a Preferred Shareholder has no contractual mechanism analogous to the ZDP wind-up trigger to compel repayment, and holders should regard their investment as long-dated (potentially indefinite) unless and until the Board elects to redeem.

12. RANKING ON CAPITAL

Notwithstanding any other provision of the Articles, no redemption or return of capital may be made on or in respect of any Preferred Shares in priority to any Class of ZDP Shares (including, for the avoidance of doubt, ZDP Shares issued after the relevant Class of Preferred Shares). The Preferred Shares rank ahead of the Ordinary Shares and any C Shares with respect to return of capital. As between different Classes of Preferred Shares, each Class ranks pari passu with every other Class.

13. VOTING RIGHTS AND CLASS CONSENT RIGHTS

Preferred Shareholders are not entitled to receive notice of, attend, or vote at general meetings of the Company, save as otherwise required by the Companies Law.

Notwithstanding the above, the Company may not, without the prior approval of the relevant Class of Preferred Shareholders by ordinary resolution passed at a class meeting of that Class (and, where more than one Class of Preferred Shareholders is required to give approval, without a separate class meeting of each such Class):

13.1 change the rights conferred on that Class of Preferred Shareholders in a manner adverse to that Class;

13.2 pass a resolution amending Article 18.4.1 (i.e. the Board's discretion to redeem all or part of the Preferred Shares and the basis on which the Preferred Share Redemption Amount is determined — not the redemption mechanics as a whole, which also include the separate notice, payment and no-put-right provisions at Articles 18.4.2, 18.4.3 and 18.4.5, none of which are themselves subject to this class consent right);

13.3 make any material change to the Company's investment policy which, in the reasonable opinion of the directors, appears likely to be materially prejudicial to that Class of Preferred Shareholders; or

13.4 pay any dividend or other distribution (including any share buyback) on the Ordinary Shares unless a dividend has been declared on the Preferred Shares for the corresponding period under the applicable Preferred Share Issuance Terms.

14. TRANSFERABILITY

The Preferred Shares will be transferable in accordance with the Articles, subject to any transfer restrictions applicable under securities laws applicable to the offering, including restrictions applicable to holders in the United States and other jurisdictions, set out in this Private Placement Memorandum. See paragraph 22 (*Purchase and Transfer Restrictions for US Persons*) of Part X (*Additional Information*).

15. VARIATION OF CLASS RIGHTS – GENERAL MECHANICS

Separately from the specific Preferred Share class consent rights described in paragraph 13 (*Voting Rights and Class Consent Rights*) above, the Articles contain a general variation of class rights provision applicable to all classes of shares in the Company's capital, including the Preferred Shares. Under that provision, rights attached to a class of shares may be varied with either the written consent of holders of three-quarters in number of the issued shares of that class (excluding treasury shares), or the sanction of a special resolution passed at a separate general meeting of the holders of that class. At any such separate class meeting, the quorum is two persons holding or representing by proxy at least one-third in number of the issued shares of the class, each holder has one vote per share held, and a poll may be demanded by any one holder present in person or by proxy. Rights are not treated as varied merely because further pari passu shares are created or issued, or because the Company purchases or holds its own shares in treasury.

For further information in relation to the Preferred Shares, see paragraph 6 (*Articles of Association*) of Part X (*Additional Information*).

PART VII. DETAILS OF THE OFFERING

1. INTRODUCTION AND SUBSCRIPTION AGREEMENT

Pursuant to the Offering, the Company is seeking to issue up to 1,400,000 Preferred Shares at a subscription price of US$25 per Preferred Share, save for the Preferred Shares issued on the Initial Closing Date which will have a purchase price of US$24.75 per Preferred Share. The minimum subscription pursuant to the Offering is US$250,000.00 per investor (or such lesser amount as the Company may accept in its sole discretion).

The initial issuance of Preferred Shares is not expected to exceed £26 million (or approximately US$35 million) in value, based on the ZDP Shares currently outstanding and the Company's most recently published net asset value; any further issuance is subject to the Issuance Test.

The Initial Closing Date is 17 December 2026.

The Offering is not underwritten.

In the event a prospective investor elects not to subscribe for any Preferred Shares or such prospective investor's subscription is rejected in its entirety, such prospective investor, by accepting delivery of this Private Placement Memorandum, agrees to return it, along with any documents or other information supplied in connection with it, upon the request by the Company. Pursuant to the subscription agreements to be entered into in connection with the Offering, the Company will provide certain information and documents relating to the Company and its operations in the Virtual Data Room established in connection with the Offering (the "**Virtual Data Room**").

Each prospective investor of Preferred Shares will be required to execute and deliver to the Company the form of Subscription Agreement, which sets forth certain representations, warranties and understandings of investor relative both to the Offering and to the status of such investor. A prospective investor should read the Subscription Agreement carefully. Each prospective investor of Preferred Shares will also be required to provide all of the applicable customer due diligence documentation including an executed source of funds and wealth declaration, required pursuant to Appendix B of the Subscription Agreement at the same time as providing their executed copy of their Subscription Agreement.

Each prospective investor will agree to be bound by the Articles once the Preferred Shares that such investor has agreed to subscribe for pursuant to a Subscription Agreement have been acquired by such investor.

A copy of the Subscription Agreement will be furnished to prospective investors prior to any final decision by an investor to invest in the Preferred Shares.

2. OFFERING ARRANGEMENTS

Pursuant to a letter agreement between the Company and Piper Sandler dated 23 September 2026, (the "**Engagement Letter**"), Piper Sandler was appointed as the exclusive placement agent for the Offering. In consideration of Piper Sandler's services in connection with the Offering, the Company has agreed to pay Piper Sandler a fee (the "**Placement Fee**") in an amount equal to 3.75% of the aggregate purchase price

of the Preferred Shares sold in the Offering payable at each closing of the Offering. In addition, the Company has agreed to reimburse Piper Sandler for its reasonable and documented out-of-pocket expenses incurred in connection with the Offering, subject to certain limitations. Under the terms of the Engagement Letter, the Company has agreed to provide a customary indemnity and contribution in favour of Piper Sandler and its affiliates and their respective directors, officers, employees and agents, as well as agreeing to provide certain customary representations and warranties. Piper Sandler is acting on a reasonable best efforts basis and is not required to underwrite the Offering and accordingly in no event will Piper Sandler be required to subscribe for or purchase any Preferred Shares pursuant to the Offering.

3. INVESTOR PROFILE

The Preferred Shares will be offered and sold in the United States in a transaction not involving a "public offering" subject to an exemption from the registration requirements of Section 5 of the US Securities Act only to persons who are all of the following: (i) qualified purchasers ("**Qualified Purchasers or QPs**") as defined in Section 2(a)(51) of the US Investment Company Act and the rules and regulations promulgated thereunder; and (ii) "accredited investors" ("**Accredited Investors**" or "**AIs**", and persons who are both QPs and AIs, "**Entitled Qualified Purchasers**") as defined in Rule 501(a) of Regulation D. The Preferred Shares will be offered and sold outside the United States to non-US Persons (or to persons who are both US Persons and Entitled Qualified Purchasers) in reliance on Regulation S under the US Securities Act. Prospective investors in the United States are hereby notified that the sellers of any Preferred Shares may be relying on the exemption from the provisions of Section 5 of the US Securities Act provided for a transaction not involving a "public offering".

The Preferred Shares will not be offered to, and no participation will be permitted for, Benefit Plan Investors or other investors whose acquisition or holding of Preferred Shares would cause any portion of the assets of the Company to be treated as "plan assets" for the purposes of ERISA or any Other Plan Law. ERISA investor participation is to be excluded entirely, rather than permitted subject to a numerical threshold.

The Preferred Shares may only be offered or placed in the United Kingdom to persons in the United Kingdom who: (i) are "qualified investors" (within the meaning of paragraph 15 of Schedule 1 to the POATRs who are also: (i) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Order); (ii) high net worth entities falling within Article 49 (2)(a) to (d) of the Order; or (iii) other persons to whom it can otherwise lawfully be distributed (each a "Relevant Person"). In the United Kingdom, any investment or investment activity or controlled investment or controlled activity to which this Private Placement Memorandum relates will only be available to such persons and will be engaged in only with such persons.

For further information see "*Investor Eligibility*" in the section entitled "*Key Terms of the Offering*" of this Private Placement Memorandum.

Only the Company may accept subscriptions, and the Company has the absolute right and sole discretion to refuse to accept any subscription (or any portion thereof) from any person and for any reason. The Company is entitled to rely exclusively upon the

accuracy of an investor's representations and warranties contained in its Subscription Agreement.

Each prospective investor will be required to make certain representations and warranties as to, among others, their status and that they are acquiring the Preferred Shares for their own account and not for the account of others and not with a view to resell or distribute the Preferred Shares.

4. USE OF PROCEEDS

The net proceeds of the Offering are dependent, among other things, on the level of subscriptions received. The Directors intend to use the net proceeds of the Offering for general corporate purposes, including investment in accordance with the Company's investment policy, repayment of indebtedness, and/or working capital purposes.

5. DEALINGS

The Preferred Shares will not be listed or admitted to trading on any stock exchange at the time of issuance, and no application for listing will be made in connection with the initial offering. Although the Company shall, following the Offering, make commercially reasonable efforts to list, or otherwise provide a liquidity option with respect to the Preferred Shares (for example, on Nasdaq, or on an over-the-counter market if Nasdaq eligibility criteria are not met), there is no guarantee that a listing will ever occur, or on what timeframe. There is not expected to be any secondary market in the Preferred Shares, and holders may find it difficult or impossible to sell their Preferred Shares or may only be able to do so at a substantial discount to their subscription price or the Company's net asset value. Investors should be prepared to hold their Preferred Shares as a long-term, illiquid investment and should not assume that a listing, or any liquidity event, will occur.

A CUSIP number has been assigned to the Preferred Shares being issued pursuant to the Offering by an independent company not affiliated with the Company and is being provided to each investor of a Preferred Share solely for the convenience of such investor. None of the Company, Piper Sandler or any of their respective affiliates is responsible for the selection or use of such CUSIP number, and no representation is made as to its correctness. The CUSIP number is subject to being changed after the issuance of the Preferred Shares as a result of various subsequent actions, including but not limited to, full redemption of the Preferred Shares by the Company in accordance with their terms.

6. GENERAL

Pursuant to anti-money laundering laws and regulations with which the Company must comply in the UK and/or Jersey, the Company, Piper Sandler and their respective agents may require evidence in connection with any application for Preferred Shares pursuant to the Offering, including further identification of the applicant(s), before any Preferred Shares are issued. The Company, Piper Sandler and their respective agents reserve the right to request such information as is necessary to verify the identity of the prospective holder of Preferred Shares and (if any) the underlying prospective beneficial owner of the Preferred Shares. In the event of delay or failure by the prospective holder of Preferred Shares to produce any information required

for verification purposes, the Directors, in consultation with their agents and Piper Sandler, may refuse to accept a subscription for the Preferred Shares.

The Directors may, in their absolute discretion, waive the minimum subscription amount in respect of any particular application for Preferred Shares under the Offering and/or reject any subscription for Preferred Shares in whole or in part, or allocate to any prospective investor in the Preferred Shares less than the number of Preferred Shares subscribed for by such prospective investor. Any subscription which is not accompanied by full payment and a properly executed Subscription Agreement will be rejected.

Should the Offering be aborted or fail to complete for any reason, monies received will be returned without interest at the risk of the applicant to the bank account from which the money was received forthwith following such abort or failure, as the case may be.

7. SETTLEMENT

Payment for the Preferred Shares issued pursuant to the Offering should be made in accordance with settlement instructions to be provided to investors by Piper Sandler. To the extent that any application for Preferred Shares is rejected in whole or in part (whether by scaling back or otherwise), monies received will be returned without interest at the risk of the applicant.

Preferred Shares will be issued in registered form and will be held in certificated form on the Registrar of the Company's books and records. No temporary documents of title will be issued.

PART VIII. TAXATION

1. GENERAL

The information below, which relates only to Jersey, UK and US taxation is for general information purposes only and summarises the advice received by the Board and is applicable to the Company (except insofar as express reference is made to the treatment of other persons) and to persons who are resident or ordinarily resident in Jersey, the United Kingdom or the United States for taxation purposes and who hold Preferred Shares as an investment. It is not intended to be a comprehensive summary of all technical aspects of the structure, or tax law and practice in Jersey, the UK or the United States (including such tax law and practice as it applies to any land or building situated in Jersey). It is not intended to constitute legal or tax advice to Preferred Shareholders. It is based on current Jersey, UK and United States tax law and published practice, respectively, which law or practice is, in principle, subject to any subsequent changes therein (potentially with retrospective effect). Certain Preferred Shareholders, such as dealers in securities, collective investment schemes, insurance companies and persons acquiring their Preferred Shares in connection with their employment may be taxed differently and are not considered. The tax consequences for each Preferred Shareholder of investing in the Company may depend upon the Preferred Shareholder's own tax position and upon the relevant laws of any jurisdiction to which the Preferred Shareholder is subject. The tax legislation of an investor's home country may have an impact on the income (if any) actually received in respect of their investment.

If you are in any doubt about your tax position, you should consult your professional adviser without delay.

2. JERSEY

2.1 The Company

Under Article 123C of the Income Tax (Jersey) Law 1961 and on the basis that the Company is tax resident in Jersey, the Company (not being a financial services company, or a utility company as defined under the Income Tax (Jersey) Law 1961 at the date of this Private Placement Memorandum) will be regarded as subject to Jersey income tax at a rate of zero per cent.

If the Company derives any income from the ownership or development and disposal of land in Jersey, such income will be subject to tax at the rate of 20 per cent. It is not expected that the Company will derive any such income.

2.2 Holders of Shares

There is no capital gains tax, estate duty, inheritance tax or similar taxes (other than stamp duty and probate stamp duty see below.)

Dividends on Preferred Shares and redemption proceeds may be paid by the Company to non-Jersey resident shareholders without withholding or deduction for or on account of Jersey income tax. Non-Jersey resident preferred shareholders will not be subject to any tax in Jersey in respect of the holding, sale or other disposition of such Preferred Shares. Non-Jersey resident preferred shareholders will be exempt

from Jersey income tax on receipt of any distribution from the Company. Preferred Shareholders who are resident in Jersey for tax purposes may be liable to pay income tax on distributions (including redemption proceeds) received from the Company. The attention of any holder of any Preferred Shares who is resident in Jersey is drawn to the provisions of Article 134A of the Income Tax (Jersey) Law 1961, as amended, which may in certain circumstances render such a resident liable to Jersey income tax on undistributed income or profits of the Company. Advice should be obtained from a professional advisor in these circumstances.

2.3 **Goods and Services Tax**

Jersey imposes a Goods and Services Tax ("**GST**") on the taxable supply of goods and services in or imported into Jersey. The current GST rate is 5 per cent. On the basis that the Company has obtained International Services Entity status, the Company is not:

(a) required to register as a taxable person pursuant to the Goods and Services Tax (Jersey) Law 2007

(b) required to charge GST in Jersey in respect of any supply made by it; or

(c) (subject to limited exceptions that are not expected to apply to the Company) required to pay GST in Jersey in respect of any supply made to it.

The Directors intend to continue to conduct the business of the Company such that no GST will be incurred or be payable by the Company.

2.4 **Stamp Duty**

In Jersey, no stamp duty is levied on the issue, acquisition, ownership, exchange, sale, transfer or other disposition of Preferred Shares (i) between living persons unless those Preferred Shares confer a right of occupation of any unit of dwelling accommodation in Jersey in which case Land Transaction Tax will apply or (ii) to a person, who is not an individual, where such person receives ownership or control of more than 50% of the interest in an entity, in which case such person would be liable to pay Enveloped Property Transaction Tax. The Company does not, and does not intend to hold Jersey property, therefore no Land Transaction Tax or Enveloped Property Transaction Tax will apply. Stamp duty is though payable on Jersey grants of probate and letters of administration, which will generally be required to transfer Preferred Shares on the death of a holder of such Preferred Shares. In the case of a grant of probate or letters of administration, stamp duty is levied according to the value of the deceased's net movable estate (wherever situated in respect of a holder of Preferred Shares who died domiciled in Jersey, or situated in Jersey only in respect of a holder of Preferred Shares who died domiciled outside Jersey). Such duties are payable in respect of the net value of the estate (as at the date of death) rounded up to the nearest £10,000 at a rate of 0.5 per cent. of the first £100,000 and 0.75 per cent. thereafter up to a maximum of £100,000 for movable estates having net value of or in excess of £13,360,000. The rules for joint holders and holdings through a nominee are different and advice relating to this form of holding should be obtained from a professional advisor. Jersey does not otherwise levy taxes upon capital, inheritances, capital gains or gifts nor are there otherwise estate duties.

Purchasers of Preferred Shares may be required to pay stamp taxes and other charges in accordance with the laws and practices of the country of purchase or other relevant jurisdiction in addition to the issue price of the Preferred Shares.

2.5 **FATCA**

Under Sections 1471 through 1474 of the US Tax Code (commonly referred to as "**FATCA**") "Financial Institutions" are required to use enhanced due diligence procedures to identify US persons who have invested in either non-US financial accounts or non-US entities.

Pursuant to FATCA, certain payments of (or attributable to) US-source income, (including dividends and interest), are subject to a 30 per cent. withholding tax unless the Company agrees to certain reporting and withholding requirements ("**FATCA Withholding**").

The United States and Jersey have entered into an intergovernmental agreement ("**US-Jersey IGA**") to implement FATCA. Under the terms of the US-Jersey IGA, the Company is obliged to comply with the provisions of FATCA as enacted by the Jersey legislation implementing the US-Jersey IGA (the "**Jersey IGA Legislation**"), rather than directly complying with the US Treasury regulations implementing FATCA. Under the terms of the US-Jersey IGA, Jersey resident entities that comply with the requirements of the Jersey IGA Legislation will be treated as compliant with FATCA and, as a result, will not be subject to FATCA Withholding on payments they receive and will not be required to withhold under FATCA on payments they make.

The Company is considered a Jersey resident financial institution and therefore is required to comply with the requirements of the Jersey IGA Legislation. Under the Jersey IGA Legislation, the Company is required to report to the States of Jersey Comptroller of Revenue certain holdings by and payments made to certain US investors in the Company, as well as to non-US financial institutions that are considered to be "Non-Participating Financial Institutions" for the purposes of the US-Jersey IGA and have one or more controlling persons who are US residents for tax purposes. Under the terms of the US-Jersey IGA, such information will be onward reported by the States of Jersey Comptroller of Revenue to the United States.

Prospective Preferred Shareholders should consult their tax advisors with regard to US federal, state, local and non- US tax reporting and certification requirements associated with an investment in the Company.

In order to avoid the Company being subject to withholding taxes, all prospective Preferred Shareholders (whether they are US citizens or not) must agree to provide the Company at the time or times prescribed by the Jersey IGA Legislation and at such times reasonably requested by the Company with such information and documentation (whether relating to themselves, their investors and/or beneficial owners) prescribed by the Jersey IGA Legislation and such additional documentation reasonably requested by the Company as may be necessary for the Company to comply with its obligations under the Jersey IGA Legislation.

The scope and application of FATCA Withholding and information reporting pursuant to the terms of FATCA and the US Jersey IGA is subject to review by the United States and Jersey and the rules may change. Prospective Preferred Shareholders should

consult with their own tax advisers regarding the application of FATCA to their particular circumstances.

It is further recommended that Preferred Shareholders who are entities consider themselves whether they have any obligations to notify their respective investors, shareholders or account holders about the information that the Company requests, and the potential disclosures that the Company will be obliged to make in connection with those persons in complying with its obligations under FATCA.

2.6 **Common Reporting Standard**

The OECD has developed a global standard for the automatic exchange of financial information between tax authorities ("**CRS**"). The CRS has been implemented in the EU by way of the Revised Directive on Administrative Co-Operation (Council Directive 2014/107/EU) which may be amended from time to time, and as supplemented by the OECD Commentaries to the CRS and Frequently Asked Questions. Jersey is a signatory to the CRS and has been exchanging information with tax authorities of other signatory jurisdictions since September 2017.

In summary, the legislation in Jersey that implements CRS (the "**Jersey CRS Legislation**") requires "reporting financial institutions" in Jersey to identify, review and report on "financial accounts" maintained by them and which are held by residents for tax purposes (whether individuals or entities) of jurisdictions with which Jersey has agreed to exchange information. The reporting deadline for Jersey reporting financial institutions to report to the States of Jersey Comptroller of Revenue is 30 June in the year following the calendar year to which the return relates.

Reports are made to the States of Jersey Comptroller of Revenue and then passed to the competent authority of the jurisdiction in which the account holder is resident. Although the Company will attempt to satisfy any obligations imposed on it by the CRS, no assurance can be given that it will be able to satisfy such obligations. Implementation of the CRS may require the Company to conduct additional due diligence and report upon accounts held with it by Shareholders who are reportable persons in other participating jurisdictions. As the Jersey CRS Legislation also provides for the "wider approach" of CRS to be followed, equivalent due diligence information will be demanded for a Shareholder who is not a resident of a participating jurisdiction (in order to avoid the need for this information to be gathered retrospectively in future years). The Company may require certain additional financial information from Shareholders to comply with its due diligence and reporting obligations under the CRS.

Failure by the Company to comply with the obligations under the CRS may result in fines being imposed on the Company and in such event, the target returns of the Company may be materially affected. All prospective Shareholders must agree to provide the Company at the time or times prescribed by applicable law and at such times reasonably requested by the Company such information and documentation (whether relating to themselves, their investors and/or beneficial owners) prescribed by applicable law and such additional documentation reasonably requested by the Company as may be necessary for the Company to comply with its obligations under CRS.

Prospective Preferred Shareholders should, as with FATCA, consult their tax advisors with regard to the potential CRS tax reporting and certification requirements associated with an investment in the Company. It is further recommended that Preferred Shareholders who are entities consider themselves whether they have any obligations to notify their respective investors, shareholders or account holders about the information that the Company requests, and the potential disclosures that the Company will be obliged to make in connection with those persons in complying with its obligations under CRS.

2.7 **Anti-Avoidance**

Jersey has a wide-ranging anti-avoidance provision. This provision targets transactions, or series of transactions, where the main purpose or one of the main purposes of the transaction or series of transactions is the avoidance or the reduction of a tax liability. The Comptroller of Revenue can make assessments as they consider appropriate to counteract such avoidance or reduction of liability.

2.8 **Economic Substance**

In December 2017, Jersey and Guernsey, in common with a number of other jurisdictions, were requested by the EU Code of Conduct Group on Business Taxation ("**COCG**") to give reassurances to EU member states on the issue of lack of a substance requirement for companies tax resident in their territories, and to discuss with the COCG what further steps could better ensure businesses have sufficient economic substance. Legislation was introduced (taking effect from 1 January 2019) imposing substance requirements on certain Jersey resident entities generating income in Jersey.

The economic substance regime was extended to partnerships in June 2021. Partnerships in existence before 1 July 2021 will first be in scope for accounting periods commencing on or after 1 January 2022. Partnerships formed on or after 1 July 2021 will be in scope from the date of formation.

The Directors consider that the Company is not in scope of economic substance rules as it does not carry on a relevant activity. The Directors assess this position each year prior to submitting the Company's annual return to Jersey Revenue. Should the Company fall into scope of the economic substance rules, the Directors will take the appropriate steps to ensure its compliance.

This summary of Jersey taxation issues can only provide a general overview of this area and it is not a description of all the tax considerations that may be relevant to a decision to invest in the Company. The summary of certain Jersey tax issues is based on the laws and regulations in force as at the date of this Private Placement Memorandum and may be subject to any changes in Jersey law occurring after such date. Legal advice should be taken with regard to individual circumstances. Any person who is in any doubt as to his, her or its tax position or where he, she or it is resident, or otherwise subject to taxation, in a jurisdiction other than Jersey, should consult his, her or its professional adviser.

In order to avoid the Company being subject to withholding taxes or penalties, all investors must agree to provide the Company at times reasonably requested by the Company with such information and documentation (whether relating to

themselves, their investors and/or beneficial owners) reasonably requested by the Company.

3. UNITED KINGDOM

The following is a summary of certain United Kingdom tax considerations relating to an investment in the Preferred Shares.

The statements set out below are based on current United Kingdom law and published HM Revenue & Customs ("**HMRC**") practice (which may not be binding on HMRC), as at the date of this Private Placement Memorandum, and which may be subject to change, possibly with retroactive effect. They are intended as a general guide and apply only to Preferred Shareholders resident and, in the case of an individual, domiciled in (and only in) the United Kingdom for United Kingdom tax purposes (except insofar as express reference is made to the treatment of non-United Kingdom residents), who hold Preferred Shares as an investment (other than under an individual savings account or self-invested personal pension) and who are the absolute beneficial owners of the Preferred Shares and any dividends paid on them. (In particular, Preferred Shareholders holding their Preferred Shares via a depositary receipt system or clearance service should note that they may not always be regarded as the absolute beneficial owners thereof.) The discussion does not address all possible tax consequences relating to an investment in the Preferred Shares. The statements are not addressed to: (i) special classes of Preferred Shareholders such as (and without limitation), for example, dealers in securities, broker dealers, intermediaries, insurance companies and collective investment schemes; (ii) Preferred Shareholders who hold Preferred Shares as part of hedging transactions; (iii) Preferred Shareholders who have (or are deemed to have) acquired their Preferred Shares by virtue of an office or employment; and (iv) Preferred Shareholders who hold Preferred Shares in connection with a trade, profession or vocation carried on in the United Kingdom through a branch or agency (or, in the case of a corporate Preferred Shareholder, in connection with a trade in the UK carried on through a permanent establishment or otherwise).

Preferred Shareholders or prospective Preferred Shareholders who are in any doubt about their tax position, or who are resident or otherwise subject to taxation in a jurisdiction outside the United Kingdom, should consult their own professional advisers immediately.

3.1 The Company

The Directors intend to conduct the affairs of the Company in such a way that it should not be resident in the UK for UK tax purposes. Accordingly, and provided that the Company does not carry on a trade in the UK (whether or not through a branch, agency or permanent establishment situated therein) and is not managed and controlled in the UK, the Company will not be subject to UK income tax or corporation tax other than (i) by way of withholding on certain types of UK source income such as UK source interest and/or (ii) in circumstances where the Company makes direct or indirect investments in UK real estate (which is not expected to be the case).

3.2 Preferred Shareholders

(a) ***UK Offshore Fund Rules***

If the Company meets the definition of an "offshore fund" for the purpose of UK taxation, then in order for a UK Preferred Shareholder to be taxed under the capital gains tax regime (rather than on an income basis) on disposal of Preferred Shares, the Company must apply to HMRC to be treated as a reporting fund and maintain reporting fund status throughout the period in which the UK Preferred Shareholder holds the Preferred Shares.

The Directors are of the opinion that, under current law, the Company should not be an "offshore fund" for the purposes of UK taxation and legislation, contained in Part 8 of the Taxation (International and Other Provisions) Act 2010, should not apply.

On this basis, Preferred Shareholders (other than those holding Preferred Shares as dealing stock, who are subject to separate rules) who are resident in the UK, or who carry on business in the UK through a branch, agency or permanent establishment with which their investment in the Company is connected, may, depending on their circumstances and subject as mentioned below, be liable to UK tax on chargeable gains realised on the disposal of their Preferred Shares.

(b) ***Tax on Chargeable Gains***

A disposal of Shares by a Preferred Shareholder who is resident in the UK for UK tax purposes or who is a company that is not so resident but carries on business in the UK through a branch, agency or permanent establishment with which their investment in the Company is connected may give rise to a chargeable gain or an allowable loss for the purposes of UK taxation of chargeable gains or capital gains, depending on the Preferred Shareholder's circumstances and subject to any available exemption or relief.

For individual Preferred Shareholders capital gains tax at the rate of tax at 18 per cent. (for basic rate taxpayers) or 24 per cent. (for higher or additional rate taxpayers) will be payable on any chargeable gain.

Individuals may benefit from certain reliefs and allowances (including an annual exempt amount, which presently exempts the first £3,000 from tax for tax year 2026—27) depending on their circumstances.

For Preferred Shareholders that are bodies corporate resident in the UK for taxation purposes, any gain will be within the charge to corporation tax. The main rate of corporation tax is currently 25 per cent (for profits over £250,000).

(c) ***Dividends***

The Company will not be required to withhold amounts on account of United Kingdom tax at source when paying a dividend.

Individual Preferred Shareholders

All dividends received by a UK resident individual Preferred Shareholder from the Company or from other sources on or after that date will form part of the Shareholder's total income for income tax purposes and will constitute the top slice of that income. A nil rate of income tax will apply to the first £500 of

taxable dividend income received by the Preferred Shareholder in a tax year. Income within the nil rate will be taken into account in determining whether income in excess of the nil rate band falls within the basic rate, high rate or additional rate tax bands. Where the dividend income is above the £500 dividend allowance, the first £500 of the dividend income will be charged at the nil rate and any excess amount will be taxed at 8.75 per cent. to the extent that the excess amount falls within the basic rate tax band,

33.75 per cent. to the extent that the excess amount falls within the higher rate tax band and 39.35 per cent. to the extent that the excess amount falls within the additional rate tax band.

Corporate Preferred Shareholders

Unless the recipient is a "small company" (as to which, see below), UK Corporate Preferred Shareholders will not be subject to corporation tax on dividends paid by the Company on the Preferred Shares so long as the dividends fall within an exempt class and certain conditions are met. Although it is likely that dividends paid by the Company on the Preferred Shares would qualify for exemption from corporation tax, it should be noted that the exemptions are not comprehensive and are subject to anti-avoidance rules. Dividends that are not exempt will be subject to corporation tax, currently at the rate of 25 per cent. for companies with annual profits greater than £250,000.

Preferred Shareholders within the charge to UK corporation tax which are "small companies" (as that term is defined in section 931S of the Corporation Tax Act 2009) will be liable to corporation tax (currently at the rate of 19 per cent.) on dividends paid to them by the Company because the Company is not resident in a "qualifying territory" for the purposes of the legislation contained in the Corporation Tax Act 2009. Jersey is a non-qualifying territory for this purpose.

(d) ***Non-UK resident Preferred Shareholders***

A Preferred Shareholder who is not resident in the UK for UK tax purposes will not be liable to income or corporation tax in the UK on dividends paid on the Preferred Shares unless such a Preferred Shareholder carries on a trade (or profession or vocation) in the UK and the dividends are either a receipt of that trade or, in the case of corporation tax, the dividends are receipts of a trade carried on by the Preferred Shareholder through a UK permanent establishment.

(e) ***Stamp duty and Stamp Duty Reserve Tax ("SDRT")***

No UK stamp duty or SDRT will arise on the issue of Preferred Shares. No UK stamp duty will be payable on a transfer of Preferred Shares, provided that all instruments effecting or evidencing the transfer (or all matters or things done in relation to the transfer) are not executed in the UK and no matters or actions relating to the transfer are performed in the UK.

Provided that the Preferred Shares are not registered in any register kept in the UK by or on behalf of the Company and that the Preferred Shares are not paired with shares issued by a company incorporated in the UK, any agreement to transfer the Preferred Shares will not be subject to UK SDRT.

(f) ***ISAs and registered pension schemes***

Investors resident in the United Kingdom who are considering acquiring Preferred Shares are recommended to consult their own tax and/or investment adviser in relation to the eligibility of the Preferred Shares for ISAs and SSAS/SIPPs.

Between 6 April 2025 and 5 April 2026, the total annual ISA investment allowance is £20,000 in cash, stocks and shares or certain other items, or any combination of these.

The Preferred Shares may be eligible for inclusion in a registered pension scheme subject to the rules of the scheme and the discretion of the trustees of the scheme.

3.3 **Other UK Tax Considerations**

(a) ***Transfer of Assets Abroad***

Individual Preferred Shareholders resident in the UK should note that Chapter 2 of Part 13 of the Income Tax Act 2007, which contains provisions for preventing avoidance of income tax by transactions resulting in the transfer of income to persons (including companies) abroad, may render them liable to taxation in respect of any undistributed income and profits of the Company.

(b) ***Close Company Provisions***

The attention of Preferred Shareholders resident in the UK is drawn to the provisions of Chapter 3 of the Taxation of Chargeable Gains Act 1992 under which, in certain circumstances where the company would be a close company if UK resident, a portion of capital gains made by the Company can be attributed to a Preferred Shareholder who holds, alone or together with associated persons, more than 25 per cent. of the Preferred Shares.

(c) ***Transactions in Securities***

The attention of UK resident Preferred Shareholders is drawn to the provisions of (in the case of a UK resident individual Shareholder) Chapter 1 of Part 13 Income Tax Act 2007 and (in the case of a UK resident corporate Shareholder) Part 15 of the Corporation Tax Act 2010, which give powers to HMRC to cancel tax advantages derived from certain transactions in securities.

(d) ***Controlled foreign companies***

UK resident corporate Preferred Shareholders should be aware of the "controlled foreign companies" rules contained in Part 9A of the Taxation (International and Other Provisions) Act 2010. These rules can result in the "chargeable profits" of a non-UK resident company which is controlled or

deemed to be controlled by UK tax resident persons (a "**CFC**") being apportioned to and subject to a UK corporation tax-equivalent charge in the hands of UK tax resident companies which have "relevant interests" in the CFC (which include "relevant interests" held by a bare trustee or nominee). A holding of Preferred Shares could qualify as a "relevant interest" for these purposes if the Company is or were to become a CFC. However, no apportionment would be made to a Preferred Shareholder unless that Preferred Shareholder (together with any persons connected or associated with it) would have at least 25 per cent. of the Company's profits apportioned to it in accordance with Part 9A. Persons who may be treated as "connected" or "associated" with each other for these purposes include two or more companies one of which controls the other(s) or all of which are under common control.

4. **UNITED STATES**

The following is a summary of certain US federal income tax considerations relevant to the acquisition, ownership and disposition of the Preferred Shares. This summary is based upon the US Tax Code, the regulations promulgated under the US Tax Code by the US Treasury Department, or the US Treasury regulations, current administrative interpretations and practices of the IRS (including administrative interpretations to and practices expressed in private letter rulings which are binding on the IRS only with respect to the particular taxpayers who requested and received these rulings) and judicial decisions, all as currently in effect and all of which are subject to differing interpretations or to change, possibly with retroactive effect. No advance ruling has been or will be sought from the IRS regarding any matter discussed in this summary. No assurance can be given that the IRS would not assert, or that a court would not sustain, a position contrary to any of the tax consequences described below. This summary is for general information only, and does not purport to discuss all aspects of US federal income taxation that may be important to a particular investor in light of its investment or tax circumstances or to investors subject to special tax rules, such as:

- US expatriates;
- partnerships, subchapter S corporations, or other pass-through entities;
- US Holders (as defined below) whose functional currency is not the US dollar;
- banks;
- financial institutions;
- insurance companies;
- broker-dealers;
- regulated investment companies;
- real estate investment trusts;
- trusts and estates;

- holders who receive Preferred Shares through the exercise of employee share options or otherwise as compensation;
- persons holding Preferred Shares as part of a "straddle", "hedge", "conversion transaction", "synthetic security", or other integrated investment;
- persons subject to any alternative minimum tax provisions of the US Tax Code;
- persons subject to special tax accounting rules under Section 451(b) of the US Tax Code;
- persons holding their interest through a partnership or similar pass-through entity;
- persons treated as holding, including by attribution, a 10 per cent. or more (by vote or value) beneficial interest in the Company;
- tax-exempt organisations;
- holders of C Shares; and
- holders of ZDP Shares.

The discussion also does not address any aspect of US federal taxation other than US federal income taxation (such as the estate and gift tax, or the 3.8 per cent. Medicare tax on "net investment income") and does not address consequences arising under state, local, or non-US tax laws.

If an entity or arrangement treated as a partnership for US federal income tax purposes holds Preferred Shares, the US federal income tax treatment of a partner in such partnership generally will depend upon the status of the partner and the activities of such partnership. A partner of a partnership holding Preferred Shares should consult its tax advisor regarding the US federal income tax consequences to the partner of the acquisition, ownership and disposition of Preferred Shares by the partnership.

This summary is directed solely to investors that will purchase the Preferred Shares in connection with this Offering and will hold Preferred Shares as capital assets within the meaning of Section 1221 of the US Tax Code, which generally means as property held for investment. In addition, this discussion does not address the US federal income tax consequences of the issuance of C Shares, the Conversion of C Shares into New Ordinary Shares, the issuance of ZDP Shares, or the conversion of ZDP Shares into another class of shares of the Company, and prospective holders of C Shares and ZDP Shares should consult their tax advisors with respect to the US federal income tax treatment of any such conversion.

Further, although the matter is not certain, the Company intends to take the position that the Preferred Shares are not treated as indebtedness of the Company for US federal income tax purposes and the remainder of this discussion assumes that the Preferred Shares will be treated as equity for US federal income tax purposes. While this treatment is binding on holders of Preferred Shares, it is not binding on the IRS. Holders of Preferred Shares should consult their tax advisors with respect to the US

federal income tax consequences if the Preferred Shares were treated as indebtedness of the Company for US federal income tax purposes.

For purposes of this summary, a **"US Person**" is (1) an individual who is a citizen or a resident of the United States for US federal income tax purposes, (2) a corporation that is organised in or under the laws of the United States, any state or the District of Columbia, (3) an estate, the income of which is subject to US federal income taxation regardless of its source, or (4) a trust that is subject to the supervision of a court within the United States and the control of a US Person as described in Section 7701(a)(30) of the US Tax Code. A "**US Holder**" is a holder of Shares that is a US Person. A "**US Taxable Holder**" is a US Investor that is not otherwise exempt (as described below). A "**Non-US Holder**" is a holder of Shares that is neither a US Person nor an entity or arrangement treated as a partnership for US federal income tax purposes. A "**US Tax-Exempt Holder**" is a US Holder which is exempt from tax under Section 501(a) of the US Tax Code.

THE US FEDERAL INCOME TAX TREATMENT OF ACQUIRING, HOLDING, AND DISPOSING OF PREFERRED SHARES DEPENDS IN SOME INSTANCES ON DETERMINATIONS OF FACT AND INTERPRETATIONS OF COMPLEX PROVISIONS OF US FEDERAL INCOME TAX LAW FOR WHICH NO CLEAR PRECEDENT OR AUTHORITY IS AVAILABLE. IN ADDITION, THE TAX CONSEQUENCES TO ANY PARTICULAR HOLDER OF PREFERRED SHARES WILL DEPEND ON THE HOLDER OF PREFERRED SHARE'S PARTICULAR TAX CIRCUMSTANCES. EACH HOLDER OF PREFERRED SHARES IS URGED TO CONSULT ITS TAX ADVISOR REGARDING THE US FEDERAL, STATE, LOCAL, AND NON-US INCOME AND OTHER TAX CONSEQUENCES, IN LIGHT OF THE HOLDER'S PARTICULAR CIRCUMSTANCES, OF ACQUIRING, HOLDING, AND DISPOSING OF PREFERRED SHARES.

4.1 Taxation of the Company

Following the change in classification of the Company to a corporation for US federal income tax purposes on 31 December 2019, the Company has been treated as a non-US corporation (subject to discussion below of treatment of the Company as a "surrogate foreign corporation"). The Company will be subject to US federal income tax at a 21 per cent. rate on its income that is "effectively connected" with the conduct of a trade or business within the United States for US federal income tax purposes ("**ECI**"). In addition, any earnings and profits of the Company that are attributable to ECI (generally, the amount of ECI less the applicable US federal income tax thereon) will be subject to a US federal "branch profits" tax at a 30 per cent. rate on the Company's deemed dividend equivalent amount. Interest, dividends and certain other categories of passive-type income that the Company derives from US sources and that is not ECI generally will be subject to US withholding tax at a 30 per cent. rate, unless an exemption or exclusion applies such as the exemption for "portfolio interest". The Company does not believe that the income it derives will be considered ECI.

If the Company is treated as a "surrogate foreign corporation" with respect to the Partnership for US federal income tax purposes, it would be treated as a US corporation subject to US federal income tax on its worldwide income. In addition, distributions by the Company to its investors would be treated as dividends for US federal income tax purposes to the extent of the Company's current and accumulated

earnings and profits and may be subject to US withholding tax. The Company will be treated as a surrogate foreign corporation if, among other things, it is treated as having acquired substantially all of the properties constituting a "trade or business" of the Partnership or another US partnership, or substantially all of the properties held directly or indirectly by the CDO Manager or a US domestic corporation. While the Company does not believe that it will be so treated, no assurance can be provided that the IRS will not successfully assert that the Company should be treated as a surrogate foreign corporation. Shareholders should consult their tax advisors on the consequences of holding an interest in a "surrogate foreign corporation" or a corporation that is treated as a US corporation for US federal income tax purposes.

The remainder of this discussion assumes that the Company will qualify to be taxed as a non-US corporation for US federal income tax purposes.

4.2 **US Taxable Holders**

(a) ***Distributions on Preferred Shares***

Subject to the discussion below under "*Passive Foreign Investment Company Rules*", the gross amount of any distributions made with respect to the Preferred Shares generally will be taxable to a US Holder as non-US source ordinary dividend income to the extent paid out of the Company's current or accumulated earnings and profits (as determined under US federal income tax principles). The Company will use its best efforts to maintain calculations of its earnings and profits in accordance with US federal income tax principles to determine whether distributions will be treated as dividends for US federal income tax purposes. Dividends paid by the Company will not be eligible for the dividends received deduction for dividends received by certain US corporate shareholders and are not expected to be eligible for reduced rates of taxation for dividends received by non-corporate US Holders.

Distributions in excess of the Company's current or accumulated earnings and profits will not be taxable to a US Holder to the extent that the distributions do not exceed the US Holder's adjusted tax basis in the Preferred Shares, but rather will reduce the adjusted basis of those shares. To the extent that distributions in excess of the Company's current and accumulated earnings and profits exceed the US Holder's adjusted tax basis in the Preferred Shares, such distributions will be taxable to a US Holder as capital gain. In addition, a corporate US Holder will not be entitled to a dividends-received deduction on any portion of a distribution described in this paragraph.

(b) ***Sale, Exchange or Other Taxable Disposition of Preferred Shares***

Subject to the discussion below under "*Passive Foreign Investment Company Rules*", a US Holder generally will recognise US-source capital gain or loss upon the sale, redemption, exchange or other taxable disposition (other than pursuant to a redemption as described below) of a Preferred Share equal to the difference, if any, between the US dollar amount realised on the sale, redemption, exchange or other taxable disposition of the Preferred Share and the US Holder's tax basis in the Preferred Share. A US Holder's tax basis in a share generally will be equal to the cost of the Preferred Share to the US

Holder, which may be adjusted for certain subsequent events (for example, if the US Holder receives a non-dividend distribution, as described above). Any such gain or loss will be long-term capital gain or loss if the Preferred Share has been held for more than one year. Certain non-corporate US Holders may be eligible for preferential rates of US federal income tax in respect of long-term capital gains. The deductibility of capital losses is subject to limitations.

US Holders should consult their own tax advisers about the consequences of acquiring, holding and disposing of the Preferred Shares.

(c) ***Redemption of Preferred Shares***

Subject to the discussion below under "*Passive Foreign Investment Company Rules*", in the event a US Holder's Preferred Shares are redeemed by the Company, the treatment of the transaction for US federal income tax purposes will depend on whether the redemption qualifies as a sale of the Preferred Shares under Section 302 of the US Tax Code. If the redemption by the Company qualifies as a sale of Preferred Shares, the US Holder will be treated as described under "*Sale, Exchange or Other Taxable Disposition of Preferred Shares"* above. If the redemption does not qualify as a sale of Preferred Shares, the US Holder will be treated as receiving a corporate distribution as described under "*Distributions on Preferred Shares*" above. Whether a redemption qualifies for sale treatment will depend largely on the total number of Company shares treated as held by the US Holder (including any shares constructively owned by the US Holder) relative to all of the Company's shares outstanding both before and after such redemption. The redemption of Preferred Shares generally will be treated as a sale of Preferred Shares (rather than a corporate distribution) if such redemption (i) is "substantially disproportionate" with respect to the US Holder, (ii) results in a "complete termination" of the US Holder's interest in the Company or (iii) is "not essentially equivalent to a dividend" with respect to the US Holder. These tests are explained more fully below.

In determining whether any of the foregoing tests are satisfied, a US Holder takes into account not only Company shares actually owned by the US Holder, but also any Company shares that are constructively owned by it. A US Holder may constructively own, in addition to shares owned directly, shares owned by certain related individuals and entities in which the US Holder has an interest or that have an interest in such US Holder, as well as any shares the US Holder has a right to acquire by exercise of an option. In order to meet the substantially disproportionate test, the percentage of the Company's outstanding voting shares actually and constructively owned by the US Holder immediately following the redemption of the shares must, among other requirements, be less than 80 percent of the percentage of the Company's outstanding voting shares actually and constructively owned by the US Holder immediately before the redemption. There will be a complete termination of a US Holder's interest if either (i) all of the Company's shares actually and constructively owned by the US Holder are redeemed or (ii) all of the Company shares actually owned by the US Holder are redeemed and the US Holder is eligible to waive, and effectively waives in accordance with specific rules, the attribution of shares owned by certain family members and the US Holder

does not constructively own any other shares of the Company. The redemption of the Preferred Shares will not be essentially equivalent to a dividend with respect to a US Holder if it results in a "*meaningful reduction*" of the US Holder's proportionate interest in the Company. Whether the redemption will result in a *meaningful reduction* in a US Holder's proportionate interest in the Company will depend on the particular facts and circumstances. However, the IRS has indicated in a published ruling that even a small reduction in the proportionate interest of a small minority shareholder in a publicly held corporation who exercises no control over corporate affairs may constitute such a "*meaningful reduction*." A US Holder should consult with its own tax advisors as to the tax consequences of a redemption.

If none of the foregoing tests are satisfied, then the redemption may be treated as a corporate distribution and the tax effects will be as described under "*Distributions on Preferred Shares*" above. After the application of those rules, any remaining tax basis of the US Holder in the redeemed Preferred Shares will be added to the US Holder's adjusted tax basis in its remaining shares, or, if it has none, to the US Holder's adjusted tax basis in its options to acquire shares (if any) or possibly in other shares constructively owned by it. A US Holder should consult with its own tax advisors as to the allocation of remaining tax basis.

(d) ***Passive Foreign Investment Company Rules***

(i) *General*. The Company expects to be treated as a passive foreign investment company ("**PFIC**") for US federal income tax purposes. A non-US corporation is a PFIC in any taxable year in which, after taking into account certain look-through rules, either (i) at least 75 per cent. of its gross income is passive income or (ii) at least 50 per cent. of the average value (generally determined on a quarterly basis) of its assets is attributable to assets that produce or are held to produce passive income. Passive income for this purpose generally includes, among other things, dividends, interest, royalties, and rents, gross income from certain commodities transactions and capital gains. If a non-US corporation is treated as a PFIC with respect to a taxable US Holder for any taxable year, the non-US corporation generally will be treated as a PFIC with respect to such taxable US Holder for all subsequent taxable years in which the taxable US Holder holds a direct or indirect interest in the non-US corporation, regardless of whether the non-US corporation would be treated as a PFIC for such taxable year under the income and asset tests described above.

To the extent that underlying funds or companies in which the Company invests are treated as non-US corporations for US federal income tax purposes, such investments could also constitute PFICs for US federal income tax purposes, if they meet either the income or asset test described above.

If the Company is a PFIC in any taxable year during which a US Holder owns the Preferred Shares, a US Holder would generally be subject in that and subsequent years to additional taxes on gains from the sale

or other disposition of, and "excess distributions" with respect to, shares of a PFIC owned directly or indirectly by such US Holder. In general, an excess distribution is any distribution to the US Holder that is greater than 125 per cent. of the average annual distributions received by the US Holder during the three preceding taxable years or, if shorter, the US Holder's holding period for the Preferred Shares. For this purpose, a distribution will include a deemed distribution in respect of a Preferred Share. However, a redemption of a Preferred Share generally will be treated as a disposition of the Preferred Share and not a distribution in respect of the Preferred Share, provided the redemption qualifies for exchange treatment under Section 302(b) of the US Tax Code.

Under these rules (i) the gain or excess distribution would be allocated rateably over the US Holder's holding period for the Preferred Shares, (ii) the amount allocated to the current taxable year , and to any taxable years in the US Holder's tax period prior to the first taxable year in which the Company became a PFIC, would be taxable as ordinary income (iii) the amount allocated to other taxable years would be subject to tax at the highest rate in effect for individual or corporate taxpayers, as applicable, for that year and (iv) an amount equal to the interest charge generally applicable to underpayments of tax would be imposed in respect of the tax allocated to each such earlier year. For these purposes, a US Holder who uses the Preferred Shares as collateral for a loan would be treated as having disposed of such Preferred Shares. A US Holder of stock in a PFIC also is subject to additional US tax form filing requirements under the Section 1.1298-1 US Treasury regulations.

(ii) QEF Election. In some cases, a shareholder of a PFIC can avoid the interest charge and some of the other adverse PFIC consequences described above by making a qualified electing fund election (a "QEF Election") to be taxed currently on its share of the PFIC's undistributed income.

Generally, a timely QEF Election must be made on or before the due date (including extensions) for filing a US Holder's US federal income tax return for the first taxable year to which the election is to apply. A US Holder that does not make a QEF Election effective for the first taxable year in its holding period in which the Company is a PFIC will generally continue to be subject to the excess distribution rules described above with respect to its Preferred Shares, in addition to the QEF rules, unless it makes a special deemed sale election, which may itself give rise to tax and an interest charge. If a timely QEF Election is made, an electing US Holder will be required to include in its ordinary income such US Holder's pro rata share of the Company's ordinary earnings and to include in its long-term capital gain income such US Holder's pro rata share of the Company's net capital gain for the relevant taxable year, whether or not distributed. A US Holder's pro rata share is generally determined by reference to the amount that

would have been distributed with respect to its Preferred Shares had the Company distributed its ordinary earnings and net capital gain rateably on each day of its taxable year. The Company's ordinary earnings and/or net capital gain for a year may exceed the amount distributed by the Company for such year and may exceed the actual economic income and gain realised by the Company. The aggregate amount included by electing US Holders for any taxable year is generally limited to the Company's earnings and profits for that year. However, net losses of the Company do not pass through to US Holders and may not be used to offset inclusions in other taxable years, so amounts included over the life of an investment may exceed the Company's actual economic income and gain over that period. A US Holder's tax basis in its Preferred Shares will be increased by amounts included in income under the QEF rules, and distributions (including any deemed distributions) paid out of earnings and profits previously so included generally will not be taxable again and will reduce the US Holder's tax basis in its Preferred Shares. A QEF Election with respect to the Company does not apply to any lower-tier PFIC in which the Company invests; a separate QEF Election would be required for each such lower-tier PFIC, which would require the applicable information to be provided to the US Holder in order to have a valid QEF Election. The Company will be in a position to provide such information. In certain cases in which a US Holder has made a QEF Election but the applicable PFIC does not distribute an amount equal to the US Holder's share of the PFIC's ordinary earnings and net capital gain for a taxable year, the US Holder may also be permitted to elect to defer payment of some or all of the taxes on the PFIC's undistributed income but will then be subject to an interest charge on the deferred amount, and the deferral generally will terminate upon a distribution of such income or a transfer (including a pledge) of the relevant Preferred Shares.

The Company expects to be able to provide the requisite information to a US Holder making a QEF Election with respect to Preferred Shares for US federal income tax purposes (e.g., the US Holder's pro rata share of ordinary income and net capital gain attributable to Preferred Shares) and take any other steps it reasonably can to facilitate such election by, and any reporting requirements of, the US Holder.

US Holders are urged to consult their own tax advisers about the consequences of holding Preferred Shares given the Company's status as a PFIC in any taxable year, including the availability of the QEF Election and whether making such election would be advisable in their particular circumstances.

4.3 US Tax-Exempt Holders

A US Tax-Exempt Holder generally will be exempt from US federal income tax on certain categories of income, such as dividends, interest, capital gains and similar income realised from securities investment or trading activity. This general exemption from tax, however, does not apply to the unrelated business taxable income ("**UBTI**") of a US Tax-Exempt Holder. Generally, except as noted above with respect to certain categories of exempt trading activity, UBTI includes income or gain derived from a

trade or business, the conduct of which is substantially unrelated to the exercise or performance of a US Tax-Exempt Holder's exempt purpose or function. UBTI also includes (i) income derived by a US Tax-Exempt Holder from debt-financed property and (ii) gains derived by a US Tax-Exempt Holder from the disposition of debt-financed property. UBTI is separately calculated for each trade or business of a US Tax-Exempt Holder. Thus, a US Tax-Exempt Holder cannot use deductions relating to one trade or business to offset income from another.

Income or gain realised by a US Tax-Exempt Holder in respect of its interest in the Company generally should not be taxable as UBTI, provided that the US Tax-Exempt Holder does not use borrowed funds constituting "acquisition indebtedness" in connection with its acquisition of the Company interest. As long as dividends paid by the Company to a US Tax-Exempt Holder are not characterized as UBTI, a US Tax-Exempt Holder should not be subject to tax under the PFIC rules.

US Tax-Exempt Holders are urged to consult their tax advisers concerning the US federal income tax and other tax consequences of an investment in the Company, including US federal excise tax considerations for US Tax-Exempt Holders that are "private foundations" or "applicable educational institutions". There are special considerations which should be taken into account by certain beneficiaries of charitable remainder trusts that invest in the Company. Charitable remainder trusts should consult their own tax advisors concerning the US federal income tax consequences of such an investment on their beneficiaries.

4.4 Reporting Requirements for US Holders

The US federal income tax rules contain various tax filing and reporting requirements that may apply to the acquisition, holding or disposal of interests in the Company. Certain US Holders may be required to file one or more of IRS Forms 926 or 8621. A Form 8621 filing obligation would arise for any taxable US Holder regardless of their ownership percentage or whether an election was made so long as the Company is considered a PFIC. Failure to comply with these reporting requirements can result in significant penalties and other materially adverse consequences. US Holders should consult their own tax advisors regarding these and any reporting obligations they may have as a result of the acquisition, holding or disposition of interests in the Company.

4.5 Non-US Holders

Distributions made with respect to a Preferred Share made to a Non-US Holder and gain realised on the sale, redemption, exchange or retirement of a Preferred Share by a Non-US Holder, will not be subject to US federal income or withholding tax unless (a) such income is effectively connected with a trade or business conducted by such Non-US Holder in the United States; or (b) in the case of US federal income tax imposed on gain, such Non-US Holder is a non-resident alien individual who holds the Preferred Share as a capital asset and is present in the United States for 183 days or more in the taxable year of sale and certain other conditions are satisfied. A Non-US Holder will not be considered to be engaged in a trade or business within the United States for US federal income tax purposes solely by reason of holding Preferred Shares.

4.6 Backup Withholding and Information Reporting

The amount of distributions paid in respect of a Preferred Share, and the proceeds from the sale, redemption or other disposition of a Preferred Share, in each case, paid within the United States or by a US payor or US middleman to a US Person (other than a corporation or other exempt recipient) will be reported to the IRS. Under the Code, a US Person may be subject, under certain circumstances, to "backup withholding tax" with respect to distributions on a Preferred Share or the gross proceeds from the sale, redemption or other disposition of a Preferred Share paid within the United States or by a US middleman or United States payor to a US Person. The backup withholding tax rate is currently 24 per cent. Backup withholding tax generally applies only if the US Person: (a) fails to furnish its social security or other taxpayer identification number within a reasonable time after the request therefor; (b) furnishes an incorrect taxpayer identification number; (c) is notified by the IRS that it has failed to properly report interest or dividends; or (d) fails, under certain circumstances, to provide a certified statement, signed under penalty of perjury, that it has furnished a correct taxpayer identification number and has not been notified by the IRS that it is subject to backup withholding tax for failure to report interest and dividend payments.

Non-US Holders may be required to comply with certification procedures to establish that they are not subject to information reporting and backup withholding tax. In the case of payments to a foreign simple trust, a foreign grantor trust or a foreign partnership (other than payments to a foreign simple trust, a foreign grantor trust or a foreign partnership that qualifies as a "withholding foreign trust" or a "withholding foreign partnership" within the meaning of the applicable US Treasury regulations and payments to a foreign simple trust, a foreign grantor trust or a foreign partnership that are effectively connected with the conduct of a trade or business in the United States), the beneficiaries of the foreign simple trust, the persons treated as the owners of the foreign grantor trust or the partners of the foreign partnership, as the case may be, will be required to provide the certification discussed above in order to establish an exemption from backup withholding tax and information reporting requirements. Moreover, a payor may rely on a certification provided by a payee that is not a US Person only if such payor does not have actual knowledge or reason to know that any information or certification stated in such certificate is incorrect.

Backup withholding is not an additional tax, and any amounts withheld under the backup withholding rules may be allowed as a credit against a holder's US federal income tax liability or a refund, provided the required information is timely furnished to the IRS.

Any holder of Preferred Shares in doubt as to its taxation position is strongly recommended to consult an independent professional adviser without delay.

PART IX. FUND DISCLOSURES

In accordance with Chapter 3 of the Investment Funds sourcebook ("**FUND**") of the FCA Handbook of Rules and Guidance , the Manager, as the AIFM of the Company for the purpose of the UK AIFM Regulations , must disclose certain prescribed information to prospective investors because it is intended that this Private Placement Memorandum is to be used to market Preferred Shares to professional investors in the United Kingdom in accordance with Regulation 59 of the UK AIFM Regulations. The following table indicates where the required information is located within this Private Placement Memorandum or sets out the required information, to the extent applicable.

Information to be disclosed	**FUND reference**	**Reference in Private Placement Memorandum**
General Fund Information		
Investment strategy and objectives of the AIF	FUND 3.2.2(1)(a)	Part I (*The Company*) (*Investment Objective*)
Information on where master AIF is established and where the underlying funds are established if the AIF is a fund of funds	FUND 3.2.2(1)(b)-(c)	Part I (*The Company)* (*Introduction*) The Company is not a master AIF nor a fund of funds.
Type of assets in which the AIF may invest and the techniques it may employ and all associated risks	FUND 3.2.2 (1)(d)	Part I (*The Company*) (*Investment Objective; Investment Policy*) Part III (*Investment Process*) Risk Factors: "*Risks Related to the Company*", "*Risks Related to the Company's Investment Portfolio and its Investment Strategy*", "*Risks related to investments in Asset Backed Securities*", "*Risks related to investments in Specialty Finance*", "*Risks Related to an Investment in this Offering of the Preferred Shares*" Part X (*Additional Information*) (*Directors—Authorisation of conflicts of interest*)
Applicable investment restrictions	FUND 3.2.2(1)(f)	Part I (*The Company*) (*Investment Limits and Restrictions*), (*Investments in other funds*)
Circumstances in which the AIF may use leverage, the types and sources of leverage permitted and the associated risks, restrictions on using leverage and any collateral and asset reuse arrangements	FUND 3.2.2(1)(g)-(i)	Part I (*The Company*) (*Investment Policy*) *Additional Information*)(*Directors—Borrowing powers)* Risk Factors: "*Risks Related to the Company*", "*Risks Related to the Company's Investment Portfolio and its Investment Strategy*", "*Risks related to investments in Asset Backed Securities*"

Information to be disclosed	FUND reference	Reference in Private Placement Memorandum
Maximum level of leverage which the AIFM is entitled to employ on behalf of the AIF	FUND 3.2.2(1)(j)	Part I (*The Company*) (*Investment Policy*)
Procedures by which the AIF may change its investment strategy or investment policy, or both	FUND 3.2.2(2)	Part I (*The Company*) (*Compliance with and Procedure to amend the Investment Policy*)
Description of the main legal implications of the contractual relationship entered into for the purpose of investment, including information on jurisdiction, on the applicable law and on the existence or not of any legal instruments providing for the recognition and enforcement of judgments in the territory where the AIF is established	FUND 3.2.2(3)	The Company is established in Jersey under, and governed by, the provisions of the Companies (Jersey) Law 1991, as amended. The Company has a separate legal identity for Jersey law purposes and, accordingly, may take or be the subject of legal actions in its own name. The nature of an investor's interest in the Company is that of a shareholder, and investors have the rights set out in this Private Placement Memorandum in relation thereto. Subject to the provisions of the Judgments (Reciprocal Enforcement) (Jersey) Law 1960 and the Rules under that Law, if a final and conclusive judgment under which a sum of money is payable (not being a sum payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalty) were obtained in England in the High Court of Justice, Court of Appeal, House of Lords or Supreme Court of the United Kingdom against the Company in relation to which the Company has submitted to the jurisdiction of such courts or in relation to which the said courts otherwise had jurisdiction, such judgment would, on application to the Royal Court of Jersey, be registered and would thereafter be enforceable. Additionally, subject to the principles of private international law, by which for example foreign judgments may be impeachable,

Information to be disclosed	FUND reference	Reference in Private Placement Memorandum
		as applied by Jersey law (which are broadly similar to the principles accepted under the common law of England), if a final and conclusive judgment under which a debt or definite sum of money is payable (not being a sum payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalty or multiple damages) were obtained in the courts of any territory having jurisdiction against the Company in respect of such documentation, (a) the Royal Court would, on application properly made to it, recognise such judgment and give a judgment for liquidated damages in the amount of that judgment without reconsidering its merits and (b) such judgment of the Royal Court would thereafter be enforceable. Any changes that would be contrary to the terms of the Jersey Listed Fund Guide published by the JFSC or contrary to any of the JFSC's published policies applicable to Jersey Listed Funds will require the prior consent of the JFSC.
Identity of the AIFM, the AIF's depositary, auditor and any other service providers and description of their duties and the investors' rights	FUND 3.2.2(4)	The Manager is the AIFM of the Company. For details of the AIFM, auditor and all other service providers to the Company, see "*Directors, Advisers and Service Providers*" and Part IV. Directors, the Manager and Administration (*Directors, the Manager and Administration*) Apex has been appointed as Administrator and Company Secretary of the Company. Computershare Investor Services (Jersey) Limited has been

Information to be disclosed	FUND reference	Reference in Private Placement Memorandum
		appointed as Registrar of the Company. Piper Sandler has been appointed as Placement Agent in the Offering. Citigroup Global Markets Inc. and Citibank N.A. have been authorised to provide prime brokerage and/or custody services to the Company. Absent a direct contractual relationship between a Shareholder and any relevant service provider to the Company, Shareholders generally have no direct rights against any such service provider and there are likely to be only limited circumstances (if any) in which a Shareholder may potentially bring a claim against any such service provider. Instead, the proper claimant in an action in respect of which a wrongdoing is alleged to have been committed against the Company by any relevant service provider is, *prima facie*, the Company.
Description of how the AIFM is protected against potential professional liability risks	Art 23(5)	Part IV (*Directors, the Manager and Administration*) (*Ongoing expenses*) Part X (*Additional Information*) (*Directors—Indemnity of officers*) The provisions of the AIFM Directive concerning professional indemnity insurance or additional own funds to cover professional negligence risk do not apply to the Manager as a non-UK AIFM of an AIF established in Jersey.
Description of any delegated management functions by the AIFM and of any safe-keeping function delegated by the depositary, the identification of the delegate and any conflicts of	FUND 3.2.2 (6)	"*Directors, Advisers and Service Providers*" and Part IV (*Directors, the Manager and Administration*) Certain administrative and secretarial duties are delegated to the Administrator.

Information to be disclosed	FUND reference	Reference in Private Placement Memorandum
interest that may arise from such delegations		The Manager will not delegate risk management or portfolio management functions within the meaning of the provisions of the UK AIFM Regime concerning delegation. Save as disclosed in paragraph 12 "*Related Party Transactions*" of Part X (*Additional Information*), neither the AIFM nor the Company has entered into any related party transactions since its incorporation.
Description of the AIF's valuation procedure and of the pricing methodology for valuing assets (including the methods used in valuing hard-to-value assets)	FUND 3.2.2(7)	The Manager, as a non-UK AIFM of an AIF established in Jersey, is not subject to FUND 3.2.2R(7). A *description of the valuation procedures of the Company is set out at* Part I (*The Company*) (*Calculation of Net Asset Value*)
Description of the AIF's liquidity risk management including the redemption rights both in normal and in exceptional circumstances, and the existing redemption arrangements with investors	FUND 3.2.2(8)	Part I (*The Company*) (*Share Buybacks and Liquidity Option*) The latest annual report is available upon request from the Company. The Company has been established as a closed ended vehicle. Accordingly, there is no right or entitlement attaching to the Ordinary Shares or C Shares that allows them to be redeemed or repurchased by the Company at the option of the Shareholder. Any repurchase of Shares shall be at the discretion of the Directors (see Part I (*The Company*) under the heading "Share Buybacks and Liquidity Option" for further information and Historical Financial Information. For further information relating to the redemption of the Preferred

Information to be disclosed	FUND reference	Reference in Private Placement Memorandum
		Shares, see paragraph 6.13(d) "Redemption of Preferred Shares" of Part X (*Additional Information*). Liquidity risk is therefore the risk that a position held by the Company cannot be realised at a reasonable value sufficiently quickly to meet the obligations of the Company as they fall due. In managing the Company's assets, therefore, the Manager seeks to ensure that the Company holds at all times a sufficient portfolio of liquid assets to enable it to discharge its payment obligations.
Description of all fees, charges and expenses and of the maximum amounts thereof which are directly or indirectly borne by investors	FUND 3.2.2(9)	Part IV (*Directors, the Manager and Administration*) (*Fees and Expenses*) Part X (*Additional Information*) (*Directors—Remuneration)*
Description of how the AIFM ensures a fair treatment of investors and a description of any preferential treatment or the right to obtain preferential treatment obtained by any investor	FUND 3.2.2(10)-(11)	The Manager will endeavour to treat all investors fairly although it is, as a non-UK AIFM, not required to do so by the UK AIFM Regime. The Manager will have regard to any legal and regulatory requirements applicable to the Company. See also Risk Factors, paragraph 5.7 "*Potential conflicts of interest between Preferred Shareholders and other classes of shares*" of the section entitled "*Risk Factors*" and paragraph 6.13 "*Preferred Shares*" of Part X (*Additional Information*) in relation to the Preferred Shares.
Latest annual report	FUND 3.2.2(14)	"Important Notices" (*Presentation of financial information*) The latest annual report is available upon request from the Company.
Procedure and conditions for the issue and sale of Preferred Shares	FUND 3.2.2(12)	Part VII (*Details of the Offering*)

Information to be disclosed	FUND reference	Reference in Private Placement Memorandum
Latest net asset value of the AIF or the latest market price of the unit or share of the AIF	FUND 3.2.2(13)	Part I (*The Company*) (*Existing Portfolio*)
Historical performance of the AIF, where available	FUND 3.2.2(15)	The latest annual report is available upon request from the Company.
The identity of the prime broker and a description of any material arrangements of the AIF with its prime brokers and the way the conflicts of interest in relation thereto are managed and the provision in the contract with the depositary on the possibility of transfer and re-use of AIF assets, and information about any transfer of liability to the prime broker that may exist	FUND 3.2.2(16)(a)	Part IV (*Directors, the Manager and Administration*) (*Custodian*), (*Fees and Expenses*).
Description of how any changes to liquidity or leverage provisions of the AIF will be disclosed to investors	FUND 3.2.2(17)	The AIFM will ensure disclosure annually in the annual report for the fund to the extent required by the UK AIFM Regime: (i) the percentage of the fund's assets which are subject to special arrangements arising from their illiquid nature; (ii) any new arrangements for managing the liquidity of the fund; and (iii) the current risk profile of the fund and the risk management systems employed by the AIFM to manage those risks.
Any arrangement made by the depositary to contractually discharge itself of liability and any changes with respect to depositary liability	FUND 3.2.3	N/A

PART X. ADDITIONAL INFORMATION

1. INCORPORATION AND ADMINISTRATION

1.1 The Company was incorporated in Jersey on 20 October 2016 with registered number 122353 under the Companies Law as a private company limited by shares with the name EJF Private Funding Limited.

1.2 The Company changed its name to EJF Investments Limited and its status to a public limited company on 20 December 2016.

1.3 The Company is a closed-ended investment fund with indefinite life.

1.4 The principal legislation under which the Company operates is the Companies Law and the ordinances and regulations made thereunder and has no employees.

1.5 The Company is governed by the Collective Investment Funds (Jersey) Law 1988 (the "**CIF Law**") and the subordinate legislation made thereunder. The Company has been established in Jersey and the JFSC issued a certificate pursuant to the CIF Law on 23 December 2016 in relation to the Company's status as a Jersey Expert Fund, and this was amended on 31 March 2017 to reflect the Company's change of regulatory status to a Jersey Listed Fund.

1.6 The registered office, head office and the principal place of business of the Company is at IFC 5, St Helier, Jersey JE1 1ST, Channel Islands (telephone number: +44(0) 2045 490700).

1.7 The Company is the holder of a certificate as a "Company Issuing Units" issued by the JFSC under the CIF Law. The JFSC is protected by the CIF Law against liability arising from the discharge of its functions under the CIF Law. The Company is subject to the Jersey Listed Fund Guide issued by the JFSC. The Company is not regulated by the Financial Conduct Authority or any other non-Jersey regulator.

2. SHARE CAPITAL

2.1 As at the date of this Private Placement Memorandum, the Company's capital structure consists of Ordinary Shares and 2029 ZDP Shares. The Company does not have any C Shares in issue as at the date of this Private Placement Memorandum. The Company has an unlimited authorised share capital and there is no limit on the number of Shares of any class which may be issued by the Company. The liability of a member arising from the holding of a share in the Company is limited to the amount (if any) unpaid on it.

2.2 On incorporation, the share capital of the Company was US$2.00 divided into two Ordinary Shares of no par value, issued to Carey Olsen Nominees Jersey Limited (the "**Subscriber Shares**").

2.3 Since 20 October 2016 (being the date on which the Company was incorporated), the issued share capital of the Company has been changed as follows:

(a) on 20 October 2016, the Subscriber Shares were transferred, one to Emanuel J. Friedman and the other to Neal J. Wilson;

(b) on 9 February 2017:

(i) 48,395,217 Ordinary Shares with an issue price of £1.36 each were issued to Eligible Unitholders pursuant to the completion of the Exchange Offer; and

(ii) the Subscriber Shares were repurchased and cancelled by the Company.

2.4 Pursuant to a special resolution passed on 12 December 2016, the then-shareholders of the Company resolved to repurchase the Subscriber Shares held by Emanuel J. Friedman and Neal J. Wilson, with effect from completion of the Exchange Offer.

2.5 On 28 February 2017 warrants were issued to Wolfson Equities LLC and CNF Investments II, LLC, each of which was exercised in full on 1 December 2017, and each was issued 334,236 new Ordinary Shares.

2.6 In July 2017, the Company raised gross proceeds of approximately £8.0 million through a placing and subscription of 5,479,453 new Ordinary Shares at 146 pence per new Ordinary Share.

2.7 In November 2017, the Company raised gross proceeds of approximately £15.0 million through the placing of 15 million 2022 ZDP Shares.

2.8 In March 2018, the Company raised gross proceeds of approximately £5.8 million through a placing of 3,379,050 new Ordinary Shares at 171.5 pence per new Ordinary Share.

2.9 In May 2018, the Company raised gross proceeds of approximately £4.5 million through a placing of 2,635,000 new Ordinary Shares at 171 pence per new Ordinary Share.

2.10 In December 2018, the Company raised gross proceeds of approximately £6.6 million through sales from treasury (via four transactions) of 3,618,114 new Ordinary Shares at 181.8 pence per new Ordinary Share.

2.11 In March 2020, the Company bought back a total of 3,030,108 Ordinary Shares amounting to approximately £4,999,999.28 further to a share buy-back programme announced on 9 March 2020.

2.12 In May 2020, the Company issued 7,396,515 Ordinary Shares at 162 pence per new Ordinary Share, which were repurchased into treasury in order to maximise the number of shares available to issue under the current disapplication of pre-emption rights authorities obtained at the last AGM.

2.13 In June 2020, the Company raised gross proceeds of approximately £6.0 million through the placing of 6,000,000 2025 ZDP Shares at 100 pence per 2025 ZDP Share.

2.14 In May 2022, 10,021,292 2022 ZDP Shares were rolled into 2025 ZDP Shares, representing approximately 66.8 per cent. of the total number of 2022 ZDP Shares in issue. Each such 2022 ZDP Share converted into 1.09735 new 2025 ZDP Shares and 10,996,857 2025 ZDP Shares were issued. The holders of the 2022 ZDP Shares who

did not take part in the 2022 rollover offer received a final capital entitlement of 140 pence on the repayment date of 30 November 2022.

2.15 In February 2023, 2,277,046 2025 ZDP Shares were issued at a placing price of 119.78 pence per share, raising gross proceeds of approximately £2.73 million.

2.16 At an EGM held on 17 December 2024 (the "**2024 EGM**"), Ordinary Shareholders approved a liquidity authority pursuant to which the Company may make market purchases of Ordinary Shares once in each 12-month period commencing on the date of the 2024 EGM and ending at close of business on 11 December 2029, subject to an aggregate maximum of 5% of all Ordinary Shares, then in issue as at the date of the 2024 EGM and recalculated on each subsequent anniversary (or first Business Day following such anniversary), on the terms and conditions set out in the circular issued to Ordinary Shareholders on 27 November 2024 (the "**Liquidity Option**").

2.17 In May 2025, in order to simplify the Company's capital structure and following the completion of the 2025 rollover offer and initial placing of the 2029 ZDP Shares, the Company announced that it was bringing forward the repayment date of the 2025 ZDP Shares to 14 May 2026. All remaining 2025 ZDP Shares were repaid as a result.

2.18 On 21 July 2025, the Company made an application to the LSE for a block listing of 4,700,000 new 2029 ZDP Shares, to rank pari passu with the existing 2029 ZDP Shares in issue, to be admitted to trading on the SFS of the main market of the LSE. Such additional 2029 ZDP Shares were issued pursuant to the Company's existing general authority to issue shares on a non-pre-emptive basis to satisfy market demand, and all 4,700,000 2029 ZDP Shares comprised in that block listing were subsequently issued.

2.19 On 12 September 2025, the Company published a liquidity option memorandum for its first tender offer pursuant to the Liquidity Option of up to 5% of its issued Ordinary Shares, representing a maximum of 3,057,260 shares. In October 2025, the Company successfully completed the tender offer, through which 3,057,260 Ordinary Shares were purchased at a price of 143.40 pence per Ordinary Share, representing a 5 per cent. discount to the 31 August 2025 NAV per Ordinary Share (adjusted for the costs of the tender offer). The Ordinary Shares purchased pursuant to the tender offer were subsequently cancelled

2.20 On 24 February 2026, the Company made an application to the LSE for a further block listing of 6,290,000 new 2029 ZDP Shares, on the same conditions as the block listing referred to at paragraph 2.18 above. Prior to the date of this Private Placement Memorandum, issuances pursuant to the block listings had fully utilised the Company's existing capacity to issue 2029 ZDP Shares under its current debt covenants. Any further issue of 2029 ZDP Shares will therefore be subject to the availability of additional capacity and requisite corporate and regulatory approvals.

2.21 On 29 October 2026, the Company published a second liquidity option memorandum for its second tender offer under the Liquidity Option for up to 5 per cent. of the Ordinary Shares in issue (excluding Ordinary Shares held in treasury) as at the most

recent anniversary of the EGM, representing a maximum of 2,904,397 Ordinary Shares. The results of the second tender offer will be announced on 2 December 2026.

2.22 As at the date of this Private Placement Memorandum, pursuant to resolutions of the Company's Shareholders passed at the 2026 AGM:

(a) the Company is generally and unconditionally authorised in accordance with Article 57 of the Companies Law (subject to any applicable legislation and regulations) to make market purchases of Ordinary Shares in accordance with the Articles and on such terms as the Directors think fit, **provided that**:

(i) the maximum aggregate number of Ordinary Shares authorised to be purchased is 8,707,381 (representing approximately 14.99 per cent. of the Ordinary Shares in issue (excluding Shares held in treasury) at 11 June 2026, being the latest practicable date before publication of the notice of the 2026 AGM);

(ii) the minimum price, exclusive of any expenses, which may be paid for an Ordinary Share is one pence per Ordinary Share (or equivalent in any other currency); and

(iii) the maximum price, exclusive of any expenses, which may be paid for an Ordinary Share is an amount equal to the higher of:

(A) 105 per cent. of the average of the middle market quotations for an Ordinary Share (as derived from the Daily Official List of the London Stock Exchange) for the five Business Days immediately preceding the day on which such Ordinary Share is contracted to be purchased; and

(B) the higher of:

(1) the price of the last independent trade of an Ordinary Share; and

(2) the highest current independent bid for an Ordinary Share on the trading venue where the purchase is carried out,

and this authority will expire at the conclusion of the 2027 AGM of the Company (or, if earlier, close of business on 23 July 2027) (unless previously revoked, varied, renewed or extended by the Company in general meeting), save that (A) the Company may make a contract to purchase Ordinary Shares in accordance with this authority before the expiry of the authority which will or may be executed wholly or partly after the expiry of such authority, and may make a purchase of Ordinary Shares in pursuance of any such contract; and (B) the Company is generally and unconditionally authorised to cancel or hold in treasury any of the Ordinary Shares so purchased and the Directors may, at

their discretion, subsequently cancel, sell or transfer such Ordinary Shares held in treasury in accordance with Article 58A of the Companies Law;

(b) the Directors of the Company are generally and unconditionally authorised to allot and issue (or to sell Ordinary Shares from treasury) an aggregate of up to 7,389,644 Ordinary Shares for cash in whatever currency and at whatever price they may determine as if any pre-emption rights conferred by the Articles did not apply to such allotment and issue, such authority to expire on conclusion of the 2027 AGM of the Company or, if earlier, 23 July 2027, save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require the allotment of Ordinary Shares in pursuance of such an offer or agreement as if such authority had not expired; and

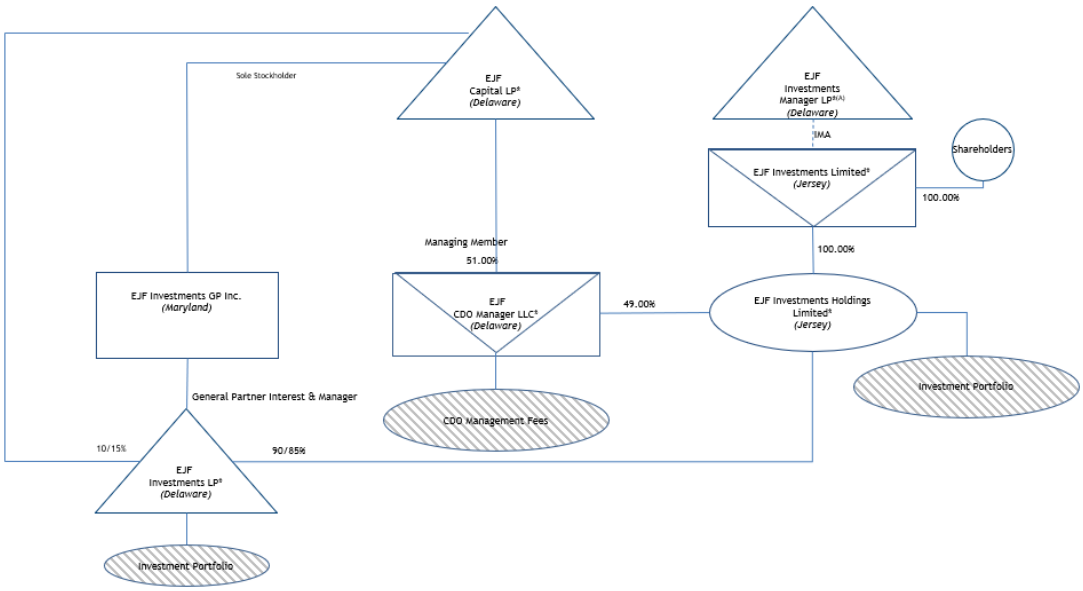
(c) the Directors of the Company are generally and unconditionally authorised to allot and issue (subject to the Articles) an unlimited number of Preferred Shares of any Class of Preferred Shares at the Board's discretion provided that the Issuance Test threshold as described in the section entitled "*Key Terms of the Offering*" above is met.

2.23 As at the date of this Private Placement Memorandum, the Company has 73,896,447 Ordinary Shares of no par value in issue (of which 15,808,509 Ordinary Shares are held in treasury by the Company) and therefore 58,087,938 Ordinary Shares in circulation, and 26,879,723 2029 ZDP Shares in issue.

2.24 Other than as provided by the Takeover Code and Part 18 of the Companies Law (see paragraphs 14 (*Takeover Code*) and 15 (*Companies Law*) below), there are no rules or provisions relating to mandatory bids and/or squeeze-out and sell-out rules relating to the Company.

3. GROUP STRUCTURE

The diagram below illustrates the Group's structure as at the date of this Private Placement Memorandum:



(1) The Manager is the investment manager of the Company.
(2) In order to comply with guidance with respect to the relevant Securitisation and Risk Retention Regulations, EJF Capital LP will hold a minimum of 10 per cent. of the Partnership Units.

4. REORGANISATIONS

Since its incorporation, the Company, in conjunction with the Partnership and its subsidiaries, carried out two reorganisations of its corporate structure, details of which are summarised below:

4.1 First Restructuring

Prior to the Original Admission, the Group carried out a restructuring (the "**First Restructuring**"), which resulted in, *inter alia*, the Company becoming the ultimate holding company of the Group (which, for the avoidance of doubt, excludes the Partnership) and the majority-holder of Partnership Units in the Partnership, by way of its post-First Restructuring holding of approximately 67 per cent. of the issued and outstanding Partnership Units. Pursuant to the terms of an exchange offer, the Company acquired all of the issued and outstanding Partnership Units held by Eligible Unitholders in exchange for Ordinary Shares and each Eligible Unitholder received from the Company, for each Partnership Unit held, one Ordinary Share. Certain of the Partnership Units were subsequently bought back by the Partnership as part of the First Restructuring.

4.2 EJFIF Liquidation

During 2020, the Directors of the Company assessed the purpose of EJF Investments Funding Limited ("**EJFIF**") and the wider group structure, subsequent to the change in classification of the Company to a corporation for US federal income tax purposes

on 31 December 2019. As a result of that assessment, the Directors concluded that EJFIF was no longer required as a holding company and thus could be liquidated, so as to reduce the ongoing administration and costs of operating the group structure. EJFIF was dissolved on 15 December 2020 after all assets were distributed to EJFIH.

5. SIGNIFICANT SUBSIDIARIES AND ASSOCIATES

As at the date of this Private Placement Memorandum, the Company had the following significant subsidiaries and associates:

Name of subsidiary	Country of incorporation or residence	Proportion of ownership interest	Proportion of voting power held
EJF Investments Holdings Limited	Jersey	100%	100%
EJF Investments LP[(1)]	United States of America	85% of Class A units and 90% of Class X units	85% of Class A units and 90% of Class X units
EJF CDO Manager LLC [(1)]	United States of America	49%	49%
EJFCRT 2025-2 Aggregator LLC [(1)]	United States of America	27%	27%

(1) Indirect through the Company's ownership of EJFIH.

6. ARTICLES OF ASSOCIATION

The Articles as at the date of this Private Placement Memorandum contain provisions to the following effect:

6.1 Objects

The Memorandum and Articles do not limit the objects of the Company.

6.2 Rights attached to Shares

Subject to the provisions of the Companies (Jersey) Law 1991 (as amended) (the "**Companies Law**") and every other statute, statutory instrument, regulation or order for the time being in force concerning companies registered under that law (the "**Statutes**") and to any special rights conferred on the holders of any other Shares, any Share or any class may be issued with or have attached to it such rights and restrictions as the Company may by ordinary resolution decide or, if no such resolution has been passed or so far as the resolution does not make specific provision, as the Board may decide. Fractions of Shares may not be issued.

(a) ***Voting rights***

Subject to the rights or restrictions referred to below (or otherwise in the Articles), and subject to any special rights or restrictions as to voting for the time being attached to any Shares, on a show of hands (a) every Shareholder who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative shall have one vote; and (b) every proxy appointed by a Shareholder shall have one vote save that every proxy appointed by one or more Shareholders to vote for the resolution and by one or more other Shareholders to vote against the resolution, has one vote for and one vote against. On a poll, each Shareholder shall have one vote for each

Share held (of any class) and a Shareholder entitled to more than one vote need not, if he, she or it votes, vote all his, her or its votes in the same way. In the case of joint holders, the vote of the person first named in the register who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

(b) ***Restrictions on voting***

Unless the Board otherwise decides, a Shareholder of the Company shall not be entitled to vote, either in person or by proxy, at any general meeting or at any separate general meeting of the holders of any class of Shares in the Company in respect of any Share held by him, her or it unless all calls and other sums presently payable by him, her or it in respect of that Share have been paid.

A Shareholder of the Company shall not, if the Directors determine, be entitled to be present or to vote at general meetings of the Company or to exercise any other rights of membership if he or she has failed to comply with a notice requiring disclosure of interests in Shares given under the Articles within 14 days (such that the Directors may reasonably determine the identity of the person or persons or entities which have an indirect interest in the relevant Shares).

(c) ***Dividends***

The Company may, by ordinary resolution, declare a dividend to be paid to the Shareholders, according to their respective rights and interests in the profits of the Company, but no such dividend shall exceed the amount recommended by the Directors. The Board may pay such interim dividends as appear to the Board to be justified by the financial position of the Company. No dividend or other monies payable by the Company on or in respect of any Share shall bear interest as against the Company unless otherwise provided by the rights attaching to the relevant Share.

The Board may, if authorised by an ordinary resolution of the Company, offer any holders of any particular class of Shares in the Company the right to elect to receive further Shares (whether or not of that class), credited as fully paid, instead of cash in respect of all or part of any dividend specified by the ordinary resolution.

The Company or the Board may fix a date as the record date by reference to which a dividend will be declared or paid or a distribution, allotment or issue made, and that date may be before, on or after the date on which the dividend, distribution, allotment or issue is declared.

In the absence of a record date being fixed, entitlement to any dividend, distribution, allotment or issue shall be determined by reference to the date on which the dividend is declared or the distribution, allotment or issue is made.

A dividend unclaimed for a period of 12 years after having been declared or become due for payment shall be forfeited and cease to remain owing by the Company.

Subject to the rights of any Shares which may be issued with special rights or privileges, the Shares of each class shall rank *pari passu* as to their rights to receive dividends.

(d) ***Return of capital***

In relation to capital on a winding up of the Company or other return of capital (other than by way of a repurchase or redemption of Ordinary Shares, C Shares or ZDP Shares or (subject to Article 18.4.6 of the Articles) Preferred Shares in accordance with the provision of the Articles and the Statutes), the surplus assets of the Company remaining after payment of all creditors, shall be distributed as follows:

(i) *first*, there shall be paid to each Class of ZDP Shareholder in respect of each ZDP Share held by them (regardless of the date on which such winding up or return of capital occurs), the applicable ZDP Final Capital Entitlement. For the purposes of the provisions described in this paragraph, where there is more than one Class of ZDP Shares, the ZDP Shareholders shall be ranked in priority according to the applicable ZDP Repayment Dates from the nearest ZDP Repayment Date ranking highest to the furthest ZDP Repayment Date ranking lowest, with the available assets to be distributed *pari passu* among the relevant Class of ZDP Shareholders; and

(ii) *second*, there shall be paid to each Class of Preferred Shareholders in respect of each Preferred Share held by them (regardless of the date on which such winding up or return of capital occurs), the applicable Preferred Share Redemption Amount. For the purposes of the provisions described in this paragraph, where there is more than one Class of Preferred Shares, the available assets will be distributed *pari passu* amongst each relevant Class of Preferred Shareholders in proportion to the number of Preferred Shares held by each Preferred Shareholder; and

(iii) *third*, there shall be paid to:

(A) Ordinary Shareholders (subject to the rights of any Ordinary Shares that may be issued with any special rights and privileges) the surplus capital and assets of the Company attributable to the Ordinary Shares, to be divided among the holders of Ordinary Shares in proportion to the number of Ordinary Shares held by them; and

(B) C Shareholders (subject to the rights of any C Shares that may be issued with any special rights and privileges), the surplus capital and assets of the Company attributable to the relevant class of C Shares to be divided among the holders of C Shares of each class pro-rata to the relative Net Asset Values of each

of the classes of C Share, and within each such class, such assets shall be distributed *pari passu* among the holders of C Shares of that class in proportion to the number of C Shares of such class held by them).

(e) ***C Shares***

A summary of the rights attaching to the C Shares is set out in paragraph 6.11 (*C Shares*) below.

6.3 **Variation of rights**

All or any of the rights for the time being attached to any class of Shares in the Company in issue may from time to time (whether or not the Company is being wound up) be varied in such manner (if any) as may be provided by those rights or with the consent in writing of the holders of three-quarters in number of the issued Shares of that class (excluding any Shares of that class held as treasury shares) or with the sanction of a special resolution passed at a separate general meeting of the holders of those Shares.

All the provisions of the Articles relating to general meetings of the Company or to the proceedings at general meetings shall apply to class meetings, except that: (a) the necessary quorum for the separate general meeting (other than an adjourned meeting) shall be two persons holding, or representing by proxy at least one-third of the issued Shares of the class (excluding any Shares of that class held as treasury shares); (b) at an adjourned meeting, the necessary quorum shall be two persons holding Shares of the class (other than treasury shares) or his, her or its proxy; (c) every holder of Shares of the class shall have one vote in respect of every Share of that class held by him, her or it (excluding any Shares of that class held as treasury shares); and (d) a poll may be demanded by any one holder of Shares of the class whether present in person or by proxy.

6.4 **Continuation vote**

If the Shares are admitted to trading on a stock exchange then on or about each fifth anniversary of such admission, the Directors shall procure that an extraordinary general meeting of the Company be convened at which the Continuance Resolution will be proposed. If the Continuance Resolution is not passed, the Directors will take such actions as they deem appropriate to commence the liquidation of the assets of the Company (having regard to the prevailing liquidity of the assets of the Company and, if applicable, any rules imposed by the Securitisation and Risk Retention Regulations) and formulate proposals for the orderly return of capital to holders of Shares.

6.5 **Transfer of Shares**

Subject to the restrictions set out in this paragraph, a Shareholder may transfer all or any of his, her or its Shares in the Company in any manner which is permitted by the Statutes or in any other manner which is from time-to-time approved by the Board.

The instrument of transfer of any Share in the Company shall be in writing in any usual common form or in any other form permitted by applicable law or the Statutes or

approved by the Board. The transferor shall be deemed to remain the holder of the Share until the name of the transferee is entered in the register of Shareholders in respect of those Shares. Subject to the Articles, a Shareholder may transfer an uncertificated Share by means of the relevant system or in any other manner which is permitted by the Statutes or the Companies (Uncertificated Securities) (Jersey) Order 1999 and is from time-to-time approved by the Board.

The Board may, in its absolute discretion, refuse to register any transfer of a certificated Share of any class which is not fully paid and shall refuse to register any transfer of Shares to a person who does not meet the regulatory requirements applicable to the Company, provided that, where any such Shares are admitted to trading on a stock exchange, such discretion may not be exercised in such a way as to prevent dealings in the Shares of that class from taking place on an open and proper basis. The Board may also refuse to register any transfer of a certificated Share unless the transfer is in respect of one class of Shares and is in favour of no more than four transferees and the instrument of transfer is deposited at the office of the Company or such other place as the Board may appoint, accompanied by the certificate for the Shares to which it relates if it has been issued, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer.

The Directors may, pursuant to the provisions of the Articles relating to disclosure of interests in Shares, decline to register a transfer in respect of Shares which are the subject of a notice under the Articles and in respect of which the required information has not been received by the Company within 14 days after service of the notice.

The registration of transfers of Shares or of transfers of any class of Shares may be suspended at such times and for such periods as the Directors may determine.

In respect of any allotment of any Share the Directors shall have the same right to decline to approve the registration of any Shares of an allottee as if the application to allot and the renunciation were a transfer of a Share under the Articles.

If at any time the holding or beneficial ownership of any Shares in the Company by any person (whether on its own or taken with other Shares), in the opinion of the Directors (i) would cause any portion of the assets of the Company to be treated as "plan assets" within the meaning of the ERISA Plan Asset Regulation or a violation of any Other Plan Law; or (ii) would or might result in the Company and/or its Shares being required to register or qualify under the US Investment Company Act, as amended and/or the US Securities Act and/ or the US Securities Exchange Act 1934, as amended (the "**US Exchange Act**") and/or any laws of any state of the US that regulate the offering and sale of securities; or (iii) may cause the Company not to be considered a "Foreign Private Issuer" under Rule 405 under the US Securities Act; or (iv) may cause the Company to be a "controlled foreign corporation" for the purpose of the US Tax Code; or (v) creates a significant legal or regulatory issue for the Company under the US Bank Holding Company Act of 1956 (as amended) or regulations or interpretations thereunder; or (vi) causes the Company to become subject to any withholding tax or penalties under FATCA, CRS or any similar legislation in any territory or jurisdiction, or to be unable to avoid or reduce such tax or to comply with any reporting obligation pursuant to such legislation; (vii) prevents the Company from complying with the terms of an applicable intergovernmental agreement

entered into to facilitate implementation of FATCA or entering into, or complying with, or may result in a default under, or termination of, an agreement of the type described in section 1471(b) of the US Codes or similar laws; or (viii) creates a significant risk of the Company being in breach, or at risk of being in breach, of its obligations under anti-money laundering legislation, the CIF Law, the JFSC Codes or International Tax Compliance Legislation, then any Shares which the Directors decide are Shares which are so held or beneficially owned ("**Prohibited Shares**") must be dealt with in accordance with this paragraph. The Directors may at any time give notice in writing to the holder of a Share requiring him, her or it to make a declaration as to whether or not the Share is a Prohibited Share.

The Directors shall give written notice to the holder of any Share which appears to them to be a Prohibited Share requiring him, her or it within 21 days (or such extended time as the Directors consider reasonable) to transfer (and/or procure the disposal of interests in) such Share to another person so that it will cease to be a Prohibited Share. From the date of such notice until registration for such a transfer or a transfer arranged by the Directors as referred to below, the Share will not confer any right on the holder to receive notice of or to attend and vote at a general meeting of the Company and of any class of Shareholder and those rights will vest in the chairman of any such meeting, who may exercise or refrain from exercising them entirely at his or her discretion. If the notice is not complied within 21 days to the satisfaction of the Directors, the Directors shall arrange for the Company to sell the Share at the best price reasonably obtainable to any other person so that the Share will cease to be a Prohibited Share. The net proceeds of sale (after payment of the Company's costs of sale and together with interest at such rate as the Directors consider appropriate) shall be paid over by the Company to the former holder upon surrender by him, her or it of the relevant Share certificate (if applicable) and the provisions relating to unclaimed dividends (detailed at paragraph 6.2(c) (*Dividends*) above) shall apply *mutatis mutandis* to any sums which cannot be paid or where the recipient cannot be identified to the satisfaction of the Directors.

6.6 **Pre-emption rights**

The Articles provide that, at any time when a class of Shares is admitted to trading on a stock exchange, unless otherwise authorised by a special resolution, if the Company is proposing to allot equity securities of or relating to that class, it shall not allot them on any terms unless (i) the Company has first made an offer to each person who holds Shares of that class to allot to him, her or it, on the same or more favourable terms, equity securities in proportion to his, her or its existing holding; and (ii) the period, which shall not be less than 21 clear days, during which any offer referred to in (i) above may be accepted or has expired or the Company has received notice of the acceptance or refusal of every offer made. A reference to the allotment of equity securities above includes the grant of a right to subscribe for, or to convert any securities into, equity securities of any class but does not include the allotment of any class of Shares pursuant to such a right.

The pre-emption rights set out above shall not apply to:

(a) a particular allotment of equity securities if these are, or are to be, wholly or partly paid up or allotted otherwise than in cash;

(b) the allotment of equity securities which would, apart from a renunciation or assignment of the right to their allotment, be held under an employee share scheme;

(c) the allotment of bonus Shares in the Company; or

(d) the holders of Preferred Shares in respect of the further issuance of Preferred Shares of any Class of Preferred Shares,

in which circumstances, Shares in the Company may be allotted and issued at the discretion of the Directors, subject to Jersey regulatory considerations.

6.7 **Disclosure of interests in Shares**

Upon any admission to trading of a class of Shares of the Company on a stock exchange, the provisions of the Disclosure Guidance and Transparency Rules made by the Financial Conduct Authority under Part VI of the Financial Services and Markets Act 2000 (the "Disclosure Guidance and Transparency Rules") will apply to the Company on the basis that the Company is a "non-UK issuer", as such term is defined in the Disclosure Guidance and Transparency Rules. As such, following any such admission to trading, a person is required to notify the Company of the percentage of voting rights it holds as a holder of Shares or is deemed to hold through the direct or indirect holding of financial instruments falling within the Disclosure Guidance and Transparency Rules if, as a result of an acquisition or disposal of Shares (or financial instruments), the percentage of voting rights reaches, exceeds or falls below the relevant percentage thresholds being, in the case of a non-UK issuer, 5, 10, 15, 20, 25, 30, 50 and 75 per cent.

The Articles also contain provisions which require Shareholders, in certain circumstances, to disclose interests in the Shares of the Company. If it shall come to the notice of the Directors that any Shareholder has not, within the requisite period, made or, as the case may be, procured the making of any notification required by this paragraph, the Directors may serve a notice on such Shareholder and the provisions of the Articles shall apply.

The Company has the right, by service of notice in writing, to require in such circumstances a Shareholder to disclose to the Company the nature of his, her or its interest in Shares in the Company held at such time or at any time in the previous three years including the identity of any person, other than the Shareholder, who has any interest in the Shares held by the Shareholder, and the nature of such interest.

A Shareholder will be required to respond in writing within 14 days of receipt of the notice. The sanctions applicable if a Shareholder is in default of his, her or its obligation to respond to such notice include the Shareholder being no longer entitled to exercise voting rights attaching to the Shares held by that Shareholder, dividends payable on the Shareholder's Shares being withheld and transfers of Shares being refused registration, in each case, until such time as the appropriate disclosures are properly made.

6.8 **Alteration of capital and purchase of own Shares**

The Company may alter its share capital in any way that is permitted by the Statutes. Any new shares created on an increase or other alteration of share capital shall be issued upon such terms and conditions, including as to currency, as the Company may by resolution of the Board or by ordinary resolution determine.

Subject to the provisions of the Statutes, the Company may purchase all or any of its shares of any class, including any redeemable shares and may hold such shares as treasury shares or cancel them.

6.9 **General meetings**

The requirement for the Company to hold an annual general meeting may be dispensed with if all of the Shareholders agree in writing and any such agreement remains valid in accordance with the Companies Law. Otherwise, the Company shall in each calendar year hold a general meeting as its annual general meeting at such time and place outside the UK as may be determined by the Directors.

(a) ***Convening of general meetings***

All meetings, other than annual general meetings, shall be called general meetings. The Board may convene a general meeting whenever it thinks fit. All general meetings shall take place in Jersey. A general meeting shall also be convened by the Board on the requisition of Shareholders pursuant to the provisions of the Companies Law or, in default, may be convened by such requisitions, as provided by the Statutes. The Board shall comply with the provisions of the Statutes regarding the giving and the circulation, on the requisition of Shareholders, of notices of resolutions and of Statements with respect to matters relating to any resolution to be proposed or business to be dealt with at any general meeting of the Company.

(b) ***Notice of general meetings***

At least 14 clear days' notice shall be given of every annual general meeting and of every general meeting of the Company, including without limitation, every general meeting called for the passing of a special resolution.

Notwithstanding that a meeting is called by less than 14 clear days' notice, any such meeting shall be deemed to have been duly called if it is so agreed (a) in the case of an annual general meeting by all the Shareholders entitled to attend and vote thereat and (b) in the case of any other meeting, by a majority in number of the Shareholders having a right to attend and vote at the meeting being a majority together holding not less than 95 per cent. of the total voting rights of Shares giving that right.

Every notice shall specify the place outside the UK, the day and the time of the meeting and the general nature of the business to be transacted and, in the case of an annual general meeting, shall specify the meeting as such.

Subject to the provisions of the Articles, and to any restrictions imposed on any Shares, notice of every general meeting shall be given to all Shareholders, to all persons entitled to a Share in consequence of the death, bankruptcy or

incapacity of a Shareholder, to the auditors (if any) and to every Director who has notified the Company Secretary in writing of his, her or its desire to receive notice of general meetings.

In every notice calling a meeting of the Company there shall appear with reasonable prominence a statement that a Shareholder entitled to attend and vote is entitled to appoint one or more proxies to attend and vote at that meeting instead of him, her or it and that a proxy need not also be a Shareholder of the Company.

(c) ***Quorum***

No business shall be transacted at any general meeting, except the adjournment of the meeting, unless a quorum of Shareholders is present in person or by proxy at the time when the meeting proceeds to business.

A quorum of Shareholders shall consist of not less than two Shareholders present in person or by proxy but so that not less than two individuals will constitute the quorum, provided that, if at any time all of the issued Shares in the Company are held by one Shareholder such quorum shall consist of that Shareholder present in person or by proxy.

If within 15 minutes from the time appointed for the holding of a general meeting a quorum is not present, the meeting, if convened on the requisition of Shareholders, shall be dissolved. In any other case, it shall stand adjourned to a day 10 clear days after the original meeting (or, if that day is not a business day, to the next business day) and at the same time and place, as the original meeting, or to such later business day, and at such other time and place outside the UK, as the Board may decide and in the latter case not less than seven clear days' notice of the adjourned meeting shall be given in any manner in which notice of a meeting may lawfully be given for the time being. If at an adjourned meeting a quorum is not present within 15 minutes from the time fixed for holding the meeting, the meeting shall be dissolved.

(d) ***Chairman***

At each general meeting, the chairman of the Board or, if he or she is absent or unwilling, the deputy chairman (if any) of the Board or (if more than one deputy chairman is present and willing) the deputy chairman who has been longest in such office or, if no deputy chairman is present and willing, then one of the other Directors who is appointed for the purpose by the Board or (failing appointment by the Board), by the Shareholders present, shall preside as chairman of the meeting, but if no Director is present within 15 minutes after the time fixed for holding the meeting or, if none of the Directors present is willing to preside, the Shareholders present and entitled to vote shall choose one of their number to preside as chairman of the meeting.

(e) ***Directors entitled to attend and speak***

Whether or not he or she is a Shareholder, a Director shall be entitled to attend and speak at any general meeting of the Company and at any separate general meeting of the holders of any class of Shares of the Company.

(f) ***Adjournment***

With the consent of any meeting at which a quorum is present, the chairman of the meeting may (and if so directed by the meeting shall) adjourn the meeting from time-to-time or sine die and from place to place outside the UK.

In addition, the chairman of the meeting may at any time, without the consent of the meeting, adjourn the meeting (whether or not it has commenced or a quorum is present) to another time and/or place outside the UK if, in his or her opinion, it would facilitate the conduct of the business of the meeting to do so, notwithstanding that by reason of such adjournment some Shareholders may be unable to be present at the adjourned meeting.

Whenever a meeting is adjourned for 30 days or more, at least seven clear days' notice of the adjourned meeting shall be given in any manner in which notice of a meeting may lawfully be given for the time being but otherwise no person shall be entitled to any notice of any adjourned meeting or of the business to be transacted at an adjourned meeting.

(g) ***Method of voting and demand for poll***

At a general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless (before or immediately after the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded by:

(i) the chairman of the meeting;

(ii) not less than five Shareholders having the right to vote on the resolution; or

(iii) a Shareholder or Shareholders representing in aggregate not less than 10 per cent. of the total voting rights of all the Shareholders having the right to vote on the resolution (excluding any voting rights attached to any Shares in the Company held as treasury shares), and a demand for a poll by a person as proxy for a Shareholder shall be as valid as if the demand were made by the Shareholder itself.

(h) ***Taking a poll***

If a poll is demanded (and the demand is not withdrawn), it shall be taken at such time (either at the meeting at which the poll is demanded or within 30 days after the meeting) and at such place outside the UK and in such manner as the chairman of the meeting shall direct and he or she may appoint scrutineers (who need not be Shareholders).

(i) ***Proxies***

A proxy need not be a Shareholder of the Company and a Shareholder may appoint more than one proxy in relation to a meeting to attend and to speak and vote on the same occasion provided that each proxy is appointed to exercise the rights attached to a different Share or Shares held by a Shareholder.

6.10 **Directors**

(a) ***Number***

Unless otherwise determined by ordinary resolution of the Company, the number of Directors (other than alternate directors) shall be not less than two but there shall be no maximum number of Directors.

(b) ***Remuneration***

The Directors (other than any Director who for the time being holds an executive office of employment with the Company or a subsidiary of the Company) shall be paid out of the funds of the Company by way of remuneration for their services as Directors. The aggregate of such fees shall not exceed £200,000 per annum (or such larger sum as the Company may, by ordinary resolution, determine) as the Directors may decide to be divided among them in such proportion and manner as they may agree or, failing agreement, equally. Any fee payable to the Directors under the Articles shall be distinct from any remuneration or other amounts payable to a Director under other provisions of the Articles and shall accrue from day to day.

The Directors shall be paid out of the funds of the Company all reasonable travelling, hotel and other expenses properly incurred in connection with the exercise of their powers and discharge of their duties, including expenses incurred in travelling to and from meetings of the Board, committee meetings, general meetings and separate meetings of the holders of any class of securities of the Company.

(c) ***Retirement of Directors***

At each annual general meeting, any Director who has been appointed by the Board since the previous annual meeting and any Director selected to retire by rotation pursuant to the Articles shall retire from office. Notwithstanding the foregoing the Company has adopted a policy pursuant to which at each annual general meeting, all Directors shall retire from office and be subject to re-election.

(d) ***Retirement of Directors by rotation***

With effect from any admission to trading of a class of Shares in the Company on a stock exchange, at every subsequent annual general meeting of the Company, any Director who was appointed by the Directors since the last annual general meeting; or is not independent of the Manager must retire.

In addition, with effect from any admission to trading of a class of Shares in the Company on a stock exchange, one third of the current Directors must retire at each subsequent annual general meeting of the Company and shall be selected as follows:

(i) any Director who was last appointed (or re-appointed) three or more years prior to the meeting;

(ii) any Director who was not last appointed (or re-appointed) at one of the preceding two annual general meetings; or

(iii) any Director who at the time of the meeting will have served more than eight years as a non- executive Director of the Company (excluding as Chairman);

and thereafter, as necessary to obtain the required number;

(iv) *first*, any Director who wants to retire and who does not want to be re-appointed; and

(v) *second*, those Directors who have been longest in office since their last appointment or re- appointment. If there are Directors who became or were last appointed or reappointed Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot.

The number and identity of Directors to retire will be determined based on the composition of the board of Directors at the start of business on the date of notice calling the annual general meeting, disregarding a change in the number or identity of the Directors after that time but before the end of the meeting.

A Director who retires at an annual general meeting shall be eligible for re-appointment and (unless he or she is removed from office or his or her office is vacated in accordance with the Articles) shall retain office until the close of the meeting at which he or she retires or (if earlier) when a resolution is passed at that meeting not to fill the vacancy or to appoint another person in his or her place or the resolution to re- appoint him or her is put to the meeting and lost.

If at any meeting at which the appointment of a Director ought to take place the office vacated by a retiring Director is not filled, the retiring Director, if willing to act, shall be deemed to be re-appointed, unless at the meeting a resolution is passed not to fill the vacancy or to appoint another person in his or her place or unless the resolution to re-appoint him or her is put to the meeting and lost.

(e) ***Executive Directors***

The Board may appoint one or more Directors to hold any executive office or employment under the Company for such period (subject to the provisions of the Statutes) and on such terms as the Board may decide.

A Director appointed to any executive office or employment shall automatically cease to hold that office if he or she ceases to be a Director.

(f) ***Directors' interests***

A Director shall not be entitled to vote on a resolution (or attend or count in the quorum at those parts of a meeting regarding such resolution) relating to a transaction or arrangement with the Company in which he or she is

interested, save where the other Directors resolve that the Director concerned should be entitled to do so where they are satisfied that the Director's interest cannot reasonably be regarded as likely to give rise to a conflict of interest or save in any of the following circumstances:

(i) the giving of any guarantee, security or indemnity in respect of money lent or obligations incurred by such Director or by any other person at the request of or for the benefit of the Company or any of its subsidiary undertakings;

(ii) the giving of any guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which such Director has assumed responsibility, in whole or in part, under a guarantee or an indemnity or by the giving of security;

(iii) any contract concerning an offer of Shares, debentures or other securities of or by the Company or any of its subsidiary undertakings for subscription or purchase in which offer such Director is or may be entitled to participate as a holder of securities or such Director is or is to be interested as a participant in the underwriting or sub-underwriting thereof;

(iv) any contract in which such Director is interested by virtue of his or her interest in Shares, debentures or other securities of the Company or otherwise in or through the Company;

(v) any contract concerning any other company in which such Director is interested, directly or indirectly and whether as an officer, Shareholder, creditor or otherwise, unless the Director's interest in such company represents one per cent. or more either of its equity share capital or of its voting rights, and the Director shall be deemed to be materially interested in a contract if the company in which the Director holds such interest is materially interested in a contract;

(vi) any contract relating to an arrangement for the benefit of the employees of the Company or any of its subsidiary undertakings which does not award him or her any privilege or benefit not generally awarded to the employees to whom such arrangement relates;

(vii) any contract concerning the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates to both Directors and employees of the Company and/or any of its subsidiary undertakings and does not provide in respect of any Director as such any privilege or advantage not accorded to the employees to which the fund or scheme relates;

(viii) any contract concerning the adoption, modification or operation of an employees' share scheme; and

(ix) any proposal concerning the purchase or maintenance of insurance for the benefit of persons including Directors.

Subject to the interest of a Director being duly declared, a contract entered into by or on behalf of the Company in which any Director is in any way interested shall not be liable to be avoided nor shall any Director so interested be liable to account to the Company for any benefit resulting from the contract by reason of him or her holding that office or of the fiduciary relationship established by his or her holding that office.

A Director shall not vote (or be counted in the quorum at a meeting) in respect of any resolution concerning his or her own appointment (including fixing or varying its terms), or the termination of his or her own appointment as the holder of any office or place of profit with the Company or any other company in which the Company is interested.

Where proposals are under consideration concerning the appointment (including fixing or varying its terms) or the termination of the appointment of two or more Directors to offices or places of profit with the Company or any other company in which the Company is interested, those proposals may be divided and a separate resolution may be put in relation to each Director and, in that case, each Director concerned (if not otherwise debarred from voting) shall be entitled to vote (and be counted in the quorum) in respect of each resolution unless it concerns his or her own appointment or the termination of his or her own appointment.

(g) ***Authorisation of conflicts of interest***

Where a situation occurs or is anticipated to occur which gives rise or may give rise to a conflict of interest on the part of any Director ("**Conflicted Director**") (other than a situation which cannot reasonably be regarded as likely to give rise to a conflict of interest), the matter shall be referred to the Directors other than the Conflicted Director (the "**Non-Conflicted Directors**").

The Non-Conflicted Directors shall meet to consider the matter as soon as practicable after the matter is referred to them and they have received all relevant particulars relating to the situation. The quorum for a meeting of the Non-Conflicted Directors shall be the same as for a meeting of the Board. The Non-Conflicted Directors shall have authority to authorise any matter which gives rise to the conflict of interest concerned on such terms as they think fit.

(h) ***Benefits***

The Board may exercise all the powers of the Company to pay, provide or procure the grant of pensions or other retirement or superannuation benefits and death, disability or other benefits, allowances or gratuities to any person who is or who has at any time been a Director of the Company or of any Associated Company (meaning a company or other body corporate which is (or, where the context admits, was at any relevant time) associated with the Company). For the purposes of this definition (a) bodies corporate are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and (b) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate or in the employment or service of the Company or any Associated Company or of the

predecessors in business of the Company or any Associated Company or the relatives or dependants of any such person.

(i) ***Powers of the Board***

The business of the Company shall be managed by the Board which may exercise all the powers of the Company, subject to the provisions of the Statutes, the Memorandum and the Articles. No special resolution or alteration of the Memorandum or of the Articles shall invalidate any prior act of the Board which would have been valid if the resolution had not been passed or alteration had not been made.

(j) ***Borrowing powers***

Subject to the provisions of the Statutes, the Board may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of its undertaking, property and assets (both present and future) and uncalled capital and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

(k) ***Indemnity of officers***

Insofar as the Statutes allow, every present or former officer (other than an auditor) of the Company shall be indemnified out of the assets of the Company against any loss or liability incurred by him or her by reason of being or having been such an officer.

The Directors may, without sanction of the Company in a general meeting, authorise the purchase or maintenance by the Company for any officer or former officer of the Company of any such insurance as is permitted by the Statutes in respect of any liability which would otherwise attach to such officer (other than the auditors) or former officer (other than the auditors).

(l) ***Board meetings***

The Board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit. No meetings of Directors shall be held in the UK. Any decision reached or resolution passed by the Directors at any meeting which is held in the UK shall be invalid and of no effect.

(m) ***Quorum***

The quorum necessary for the transaction of the business of the Board may be fixed by the Board and, unless so fixed at any other number, shall be two. Subject to the provisions of the Articles, any Director who ceases to be a Director at a Board meeting may continue to be present and to act as a Director and be counted in the quorum until the termination of the Board meeting if no other Director objects and if otherwise a quorum of Directors would not be present.

(n) ***Voting***

Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes the chairman of the meeting shall have a second or casting vote, unless he or she is not, in accordance with the Articles, to be counted as participating in the decision-making process for quorum, voting or agreement purposes.

6.11 **C Shares**

The Articles contain provisions enabling the issue of C Shares. For the avoidance of doubt, it is anticipated that C Shares would only be issued to facilitate further fundraising in a manner which would reduce any negative economic impact of such fundraising on the holders of Ordinary Shares.

(a) The following definitions apply for the purposes of this paragraph 6.11:

"**C Share Calculation Date**" means, in relation to a class of C Shares, the earliest of the:

(i) close of business on the date to be determined by the Directors after the day on which the Manager shall have given notice to the Directors that at least 90 per cent. of the net proceeds attributable to such C Shares (or such other percentage as the Directors and Manager shall agree) shall have been invested;

(ii) close of business on the date falling nine calendar months after the allotment of such C Shares or, if such a date is not a business day, the next following business day;

(iii) close of business on the last business day prior to the day on which the Directors resolve that Force Majeure Circumstances have arisen or are imminent; or

(iv) close of business on such date as the Directors may determine;

"**Conversion**" means, in relation to a class of C Shares, the conversion of that class of C Shares into New Ordinary Shares in accordance with paragraph 6.11(j) below;

(1) "Conversion Date" means a date which falls after the C Share Calculation Date and is the date on which the admission of the New Ordinary Shares arising on Conversion to trading on any stock exchange on which the Shares are admitted to trading becomes effective and which is the earlier of:

(A) the opening of business on such business day as may be selected by the Directors, provided that such day shall not be more than 20 business days after the C Share Calculation Date; and

(B) such earlier date as the Directors may resolve should a Force Majeure Circumstance have arisen or the Directors resolve that such circumstance has arisen or is imminent;

"**Conversion Ratio**" for the C Shares of the relevant class is A divided by B calculated to four decimal places (with 0.00005 being rounded upwards) where:

$$A = (\mathrm{C} - \mathrm{D})/\mathrm{E}$$

$$B = (F - G)/H$$

where:

"**C**" is the aggregate value of all assets and investments of the Company attributable to the relevant class of C Shares (as determined by the Directors) at the relevant C Share Calculation Date calculated in accordance with the valuation policy adopted by the Directors from time to time; "**D**" is the amount which (to the extent not otherwise deducted in the calculation of C) in the Directors' opinion fairly reflects at the relevant C Share Calculation Date the amount of the liabilities and expenses of the Company attributable to the C Shares of the relevant class (as determined by the Directors);"**E**" is the number of C Shares of the relevant class in issue as at the relevant C Share Calculation Date; "**F**" is the aggregate value of all assets and investments attributable to the Ordinary Shares (as determined by the Directors) at the relevant C Share Calculation Date calculated in accordance with the valuation policy adopted by the Directors from time to time; "**G**" is the amount which (to the extent not otherwise deducted in the calculation of F) in the Directors' opinion, fairly reflects at the relevant C Share Calculation Date the amount of the liabilities and expenses of the Company attributable to the Ordinary Shares; and "**H**" is the number of Ordinary Shares in issue as at the relevant C Share Calculation Date (excluding any Ordinary Shares of the relevant class held in treasury); provided that:

(i) the Directors shall make such adjustments to the value or amount of A and B as (A) the auditors may (having been requested by the Directors) report to be appropriate, having regard, among other things, to the assets of the Company immediately prior to the date on which the Company first receives the net proceeds relating to the C Shares of the relevant class and/or to the reasons for the issue of the C Shares of the relevant class or (B) the Directors deem appropriate

(ii) in relation to any class of C Shares, the Directors may, as part of the terms of issue of such class, amend the definition of Conversion Ratio in relation to that class; and

(iii) where valuations are to be made as at the C Share Calculation Date and the C Share Calculation Date is not a business day, the Directors shall apply the provisions of this definition as if the C Share Calculation Date were the preceding business day.

"**Force Majeure Circumstances**" means in relation to a class of C Shares: (i) any political and/or economic circumstances and/or actual or anticipated changes in fiscal or other legislation which, in the reasonable opinion of the Directors, renders Conversion necessary or desirable; (ii) the issue of any proceedings challenging, or seeking to challenge, the power of the Company and/or its Directors to issue the C Shares of the relevant class with the rights proposed to be attached to them and/or to the persons to whom they are, and/or the terms upon which they are, proposed to be issued; or (iii) the giving of notice of any general meeting of the Company at which a resolution is to be proposed to wind up the Company, whichever shall happen earliest; and "**New Ordinary Shares**" means the Ordinary Shares of the relevant class arising on conversion of the C Shares.

(b) References to "Shareholders" and "C Shareholders" in this paragraph 6.11 should be construed as references to holders for the time being of Ordinary Shares of the relevant class and C Shares of the relevant class respectively.

(c) The holders of each class of C Shares shall, subject to the rights of any C Shares which may be issued with special rights or privileges, have the following rights as to income:

(i) the C Shares of each class carry the right to receive all income of the Company attributable to the C Shares, and to participate in any distribution of such income by the Company pro rata to the relevant Net Asset Values attributable to each of the classes of C Shares and within each such class income shall be divided pari passu among the holders of C Shares of that class in proportion to the number of C Shares of such class held by them;

(ii) the New Ordinary Shares of the relevant class shall rank in full for all dividends and other distributions declared, made or paid by reference to a record date falling after the C Share Calculation Date and otherwise pari passu with Ordinary Shares of the relevant class in issue at the C Share Calculation Date; and

(iii) no dividend or other distribution shall be made or paid by the Company on any of its Shares between the C Share Calculation Date and the Conversion Date (both dates inclusive) and no such dividend shall be declared with a record date falling between the C Share Calculation Date and the Conversion Date (both dates inclusive).

(d) At a time when any C Shares are for the time being in issue and prior to the Conversion Date, on a winding up of the Company or other return of capital (other than by way of a repurchase or redemption of C Shares in accordance with the provisions of the Articles and the Statutes), the surplus capital and assets of the Company attributable to the C Shares remaining after payment of all creditors shall, subject to the rights of any C Shares that may be issued with any special rights and privileges, be divided among the holders of C Shares of each class pro rata to the relative Net Asset Values of each of the classes of C Shares, and within each such class, such assets shall be distributed

pari passu among the holders of C Shares of that class in proportion to the number of C Shares of such class held by them.

(e) As regards voting, each class of C Shares shall carry the right to receive notice of and to attend, speak and vote (in accordance with Article 56 of the Articles) at general meetings of the Company. The voting rights of holders of C Shares will be the same as that applying to other holders of Ordinary Shares as set out in the Articles.

(f) Without prejudice to the generality of the Articles, for as long as there are C Shares in issue, the consent of the holders of the Ordinary Shares and the holders of the C Shares as a class shall be required for, and accordingly the special rights attached to the Ordinary Shares and the C Shares shall be deemed to be varied, inter alia, by:

(i) any alteration to the Memorandum or the Articles which directly or indirectly affects the rights attaching to the C Shares as set out in the Articles;

(ii) any allotment or issue of any security convertible into or carrying a right to subscribe for any share capital of the Company other than the allotment or issue of further C Shares;

(iii) (except in connection with a Continuance Resolution or a ZDP Exempted Resolution) the passing of any resolution to wind-up the Company; and

(iv) any change being made to the accounting reference date.

For the avoidance of doubt, but subject to the rights or privileges attached to any other class of Shares, the previous sanction of a special resolution of the holders of Ordinary Shares and C Shares, as described above, shall not be required in respect of:

(v) the issue of further Ordinary Shares ranking pari passu in all respects with the Ordinary Shares (otherwise than in respect of any dividend or other distribution declared, paid or made on the Ordinary Shares of the relevant class by the issue of such further Ordinary Shares); or

(vi) the sale of any Shares held as treasury shares or the purchase or redemption of any Shares by the Company (whether or not such shares are to be held in treasury).

(g) For so long as one or more classes of C Shares are in issue and until Conversion, and without prejudice to its obligations under the Companies Law, the Company shall in relation to each class or classes of Ordinary Shares and C Shares (as appropriate):

(i) procure that the Company's records and bank accounts shall be operated so that the assets attributable to the Ordinary Shares and the C Shares of the relevant class or classes (as appropriate) can, at all times, be separately identified and separate class accounts shall be created and maintained in the books of the Company for the assets

attributable to the Ordinary Shares and the C Shares of the relevant class or classes (as appropriate);

(ii) allocate to the assets attributable to the Ordinary Shares and the C Shares of the relevant class or classes (as appropriate) such proportion of the expenses and liabilities of the Company as the Directors fairly consider to be attributable to the Ordinary Shares and C Shares of the relevant class or classes (as appropriate); and

(iii) give appropriate instructions to the Manager and the Administrator to manage the Company's assets so that such undertaking can be complied with by the Company.

(h) The C Shares are issued on such terms that they shall convert in accordance with the terms set out in the Articles. At any time prior to Conversion, the Company may, subject to the provisions of the Statutes, at its discretion, repurchase all or any of the C Shares then in issue by agreement with any holder(s) thereof in accordance with such procedures as the Directors may determine (subject, where applicable, to the facilities and procedures of CREST) and in consideration of the payment of such price as may be agreed between the Company and the relevant holders of C Shares.

(i) The C Shares of the relevant class shall be converted into New Ordinary Shares of the corresponding class on the Conversion Date in accordance with the following provisions of this paragraph 6.11(i), whereby:

(i) the Directors shall procure that:

(A) the Company (or its delegate) calculates, within 10 business days after the C Share Calculation Date, the Conversion Ratio as at the C Share Calculation Date and the numbers of New Ordinary Shares of the relevant class to which each holder of C Shares shall be entitled on Conversion; and

(B) the auditors (or some other appropriately qualified person) shall be requested to certify, within three business days of the C Share Calculation Date, that such calculations have been performed in accordance with the Articles and are arithmetically accurate, whereupon such calculations shall become final and binding on all Shareholders, subject to the proviso immediately after the definition of "H" in paragraph 6.11(a); and

(ii) the Directors shall procure that, as soon as practicable following such certification, an announcement is made to a Regulatory Information Service, advising holders of C Shares of the relevant class of the Conversion Date, the Conversion Ratio and the aggregate number of New Ordinary Shares of the relevant class to which holders of C Shares of the relevant class are entitled on Conversion.

(j) Conversion shall take place at the Conversion Date. On Conversion:

(i) each issued C Share of the relevant class shall automatically convert and be redesignated into such number of New Ordinary Shares of the corresponding class as shall be necessary to ensure that, upon Conversion being completed, the number of New Ordinary Shares of the relevant class equals the number of C Shares of the relevant class in issue at the C Share Calculation Date multiplied by the Conversion Ratio (rounded down to the nearest whole New Ordinary Share of the relevant class) (provided always that fractional entitlements to New Ordinary Shares of the relevant class shall be disregarded) and for such purposes any Director is hereby authorised as agent on behalf of the former holders of C Shares of the relevant class, in the case of a share in certificated form, to execute any stock transfer form and to do any other act or thing as may be required to give effect to the same including, in the case of a share in uncertificated form, the giving of directions to or on behalf of the former holders of any C Shares of the relevant class who shall be bound by them;

(ii) forthwith upon Conversion, any certificates relating to the C Shares of the relevant class shall be cancelled and the Company shall issue to each such former holder of C Shares of the relevant class new certificates in respect of the New Ordinary Shares of the relevant class which have arisen upon Conversion unless such former holder of any C Shares of the relevant class elects to hold their New Ordinary Shares of the relevant class in uncertificated form;

(iii) the Company will use its reasonable endeavours to procure that, upon Conversion, the New Ordinary Shares are admitted to trading on the same stock exchange as the Ordinary Shares which are already admitted at the time of Conversion; and

(iv) the Directors are authorised to effect such and any conversions and/or consolidations and/or subdivisions and/or combinations of the foregoing (or otherwise as appropriate) as may have been or may be necessary from time to time to implement the conversion mechanics for C Shares set out in the Articles or as they, in their discretion, consider fair and reasonable having regard to the interest of all Shareholders.

6.12 **ZDP Shares**

(a) ***Issues of ZDP Shares***

The ZDP Shares will be divided into different Classes of ZDP Shares, with each Class of ZDP Shares being denoted according to the year in which those ZDP Shares will be redeemed. Unless expressly provided to the contrary in the Articles, each Class of ZDP Shares will be issued on the same terms and (save in respect of the ZDP Repayment Date and the ZDP Gross Redemption Yield) will have the same rights.

(b) ***Rights attaching to ZDP Shares***

The rights attaching to the ZDP Shares shall be as follows:

(i) without prejudice to the ZDP Shareholders' rights described in paragraphs 6.2, 6.12(d) and 6.12(e) of this Part X (*Additional Information*), the ZDP Shares have no right to receive income from the Company, whether by dividend or otherwise, and references to "Shareholders" in the provisions of the Articles which relate to dividends shall exclude ZDP Shareholders;

(ii) as to capital on a winding up of the Company, or any other return of capital, the provisions described in paragraph 6.2(d) of this Part X (*Additional Information*) shall apply; and

(iii) as to voting, ZDP Shareholders shall not have the right to receive notice of, nor to attend or vote at, any general meeting of the Company and references to "Shareholders" in the provisions of the Articles relating to general meetings and voting shall exclude ZDP Shareholders (save in respect of a general meeting of the Company held pursuant to the provisions described in paragraph 6.12(e) of this Part X (*Additional Information*) or as otherwise required by the Statutes, whereupon "Shareholders" shall include ZDP Shareholders).

(c) ***Voting at a class meeting of ZDP Shareholders***

Subject to the provisions described in paragraphs 6.12(d) and 6.12(e) of this Part X (*Additional Information*), the Company shall not, without the prior approval of each Class of ZDP Shareholders (save where a Class of ZDP Shareholders is not affected by the relevant event described in paragraphs (c)(iii), (c)(v), (c)(vi)(A), (c)(viii), (c)(ix) and (c)(x) below, in which case that Class of ZDP Shareholders shall not be required to consent) by Special Resolution at a class meeting of the relevant Class of ZDP Shareholders (and where more than one Class of ZDP Shareholders is required to provide approval by Special Resolution, a separate class meeting shall be held in respect of each such Class of ZDP Shareholders):

(i) pass a resolution (other than a ZDP Exempted Resolution) for the voluntary liquidation or winding-up of the Company where such winding-up would take effect prior to a ZDP Repayment Date;

(ii) change the rights conferred upon a Class of ZDP Shareholders in a manner adverse to the relevant Class of ZDP Shareholders;

(iii) issue further Shares or securities, or rights to subscribe for or to convert or exchange any securities into Shares or securities, or reclassify any Shares or securities, unless the Cover relating to each Class of ZDP Shares is satisfied;

(iv) pass a resolution (other than a ZDP Exempted Resolution) either:

(A) amending the provisions described in paragraphs (d)(i) or (e) below; or

(B) releasing the board from its obligation to: (i) convene a general meeting of the Company at which a ZDP Liquidation Resolution is to be proposed; or (ii) redeem compulsorily a Class of ZDP Shares on the applicable ZDP Repayment Date;

(v) (other than pursuant to a ZDP Exempted Resolution) reduce the share capital of the Company in any manner, unless the Cover relating to each Class of ZDP Shares is satisfied;

(vi) redeem or repurchase any Shares in the Company unless:

(A) the Cover for each Class of ZDP Shares is satisfied; or

(B) at the same time as the redemption or repurchase of such Shares, the Company also offers to redeem or repurchase ZDP Shares in each Class of ZDP Shares *pro rata* with such Shares that have been redeemed or repurchased, such that the Cover for any remaining ZDP Shares in each Class of ZDP Shares after such redemption or repurchase would be equal to or greater than the Cover for each applicable Class of ZDP Shares excluding adjustments made to take account of the redemption or repurchase of the Ordinary Shares;

(vii) make any material change to the Company's investment policy in effect from time to time which, at the time of making such change, appears likely, in the reasonable opinion of the Directors, to be materially prejudicial to a Class of ZDP Shareholders;

(viii) pay any dividend or other distribution (save for (i) any dividend or other distribution or payment in cash or kind out of the capital reserves of the Company or (ii) a redemption or repurchase of Shares pursuant to the rights described in paragraph (c)(vi) above), unless the Dividends Cover Test is satisfied;

(ix) pay any dividend or other distribution or otherwise make a payment in cash or kind out of the capital reserves of the Company, save for a redemption or repurchase of Shares pursuant to the rights described in paragraph (c)(vi) above, unless the Cover for each Class of ZDP Shares is satisfied;

(x) incur any new borrowings for long term investment purposes after the date of the general meeting of the Company approving the creation and issue of the applicable Class of ZDP Shares unless the Cover for the applicable Class of ZDP Shares would continue to be satisfied (where, for the purposes of the provisions described in this paragraph, the Net Asset Value to be used to calculate the Cover will be calculated in accordance with the Articles and published by the Company in the month immediately preceding the month in which such new borrowings are to be incurred); or

(xi) alter any objects set out in the Memorandum of Association of the Company.

(d) ***Redemption of ZDP Shares***

(i) Subject to the provisions of the Companies Law, the Company will redeem all of the outstanding ZDP Shares of a relevant class on the applicable ZDP Repayment Date, with payment of the applicable ZDP Final Capital Entitlement being made by the ZDP Payment Date. The price per ZDP Share at which the relevant Class of ZDP Shares will be redeemed will be that which results in the applicable ZDP Final Capital Entitlement being paid to the relevant Class of ZDP Shareholders.

(ii) The Company will serve a redemption notice on each applicable Class of ZDP Shareholder in respect of those ZDP Shares to be redeemed in accordance with the provisions described in (i) above containing certain specified information. A redemption notice may not be withdrawn without the prior consent of all the holders of the relevant Class of ZDP Shares. There are also provisions relating to (a) the method of payment of the sums due on redemption of a Class of ZDP Shares and (b) surrender of the relevant share certificate(s).

(e) ***Voluntary liquidation and early redemption of ZDP Shares in other circumstances***

(i) If the Company is unable or fails to redeem all of a Class of ZDP Shares on the applicable ZDP Repayment Date and/or fails to make payment of the aggregate applicable ZDP Final Capital Entitlement by the applicable ZDP Payment Date then, subject to the provisions described in (e)(ii) and (e)(iii) below:

(A) the Directors shall convene an extraordinary general meeting of the Company at which a Special Resolution (a "ZDP Liquidation Resolution") will be proposed (and recommended by the Directors) requiring the Company to be wound up summarily, and in the manner described in paragraph 6.2(d) of this Part X (*Additional Information*); and

(B) the provisions described in paragraph (e)(iv) below shall apply in relation to such ZDP Liquidation Resolution.

(ii) If any offer is made (whether by the Company or any other person) to all of a Class of ZDP Shareholders (other than the offeror and/or persons controlled by or acting in concert with the offeror) which becomes or is declared unconditional in all respects prior to the applicable ZDP Repayment Date, and which enables the relevant Class of ZDP Shareholders to receive, no later than the applicable ZDP Payment Date, an amount in cash not less than that which the Directors estimate (so far as practicable at the time) would be equal to or greater than the applicable ZDP Final Capital Entitlement (whether or not such offer is accepted in any particular case and ignoring any option to receive alternative consideration) and such offer is recommended by the Directors and stated to be, in the opinion of a financial adviser appointed by the Directors, fair and reasonable, then unless the board

considers that the offer is unlikely to be honoured or the offeror breaches a material term of the offer or otherwise manifests an intention not to implement the offer:

(A) the provisions described in paragraphs (d)(i) and (e)(i) above shall not apply; and

(B) the provisions described in paragraph (e)(iv) below shall apply to the relevant Class of ZDP Shareholders in relation to any resolution or resolutions proposed at any separate class meeting of the relevant Class of ZDP Shareholders relating to such offer (a "**ZDP Recommended Resolution**").

(iii) If at any time on or before the applicable ZDP Repayment Date, a resolution (or resolutions) (a "**ZDP Reconstruction Resolution**") is proposed at any general meeting of the Company or at any separate class meeting of the applicable Class of ZDP Shareholders (including any meeting to be convened to consider the winding up of the Company) to approve any form of arrangement which enables the relevant Class of ZDP Shareholders to receive, no later than the applicable ZDP Payment Date, an amount in cash not less than that which the Directors' estimate (so far as practicable at the time) would be equal to or greater than the applicable ZDP Final Capital Entitlement (ignoring any option to receive their entitlements otherwise than in cash) and such arrangement is recommended by the Directors and stated to be, in the opinion of a financial adviser appointed by the Directors, fair and reasonable then, unless the arrangement is not implemented in accordance with its terms:

(A) the provisions described in paragraphs (d)(i) and (e)(i) above shall not apply; and

(B) the provisions described in paragraph (e)(iv) below shall apply to the applicable Class of ZDP Shareholders in relation to such ZDP Reconstruction Resolution.

(iv) Where the provisions described in this paragraph apply in respect of any ZDP Exempted Resolution proposed at either a general meeting of the Company or a class meeting of ZDP Shareholders, each Shareholder present in person, by a duly authorised representative (if a corporation) or by proxy and entitled to vote shall (in respect of the votes attached to all such Shares) vote in favour of any resolution or resolutions so recommended by the Directors and, where any vote is not cast or is cast against any such resolution or resolutions, it shall be deemed to have been cast in favour by virtue of the provisions described in this paragraph. The vote on any ZDP Exempted Resolution shall be taken on a poll.

(v) Notwithstanding anything to the contrary in the Articles, the passing and implementation of any ZDP Exempted Resolution shall be deemed to be in accordance with the rights attached to the Ordinary Shares,

the C Shares and all ZDP Shares (in each case of whatever class), with the result that neither the passing nor the implementation of any such resolution shall be treated as varying, modifying or abrogating such rights and so that the consent or sanction of any such class of Ordinary Shares, C Shares or ZDP Shares, each as a separate class, shall not be required.

(f) ***Conversion of ZDP Shares***

(i) Subject to the Companies Law and the Articles, the Directors may, at their absolute discretion, permit a ZDP Shareholder of one Class of ZDP Shares to convert (by way of re-designation) some or all of the ZDP Shares of that class into ZDP Shares of another class upon such ZDP Shareholder giving notice to the Company in the form and manner requested by the Directors in their absolute discretion. The conversion (by way of re-designation) shall take effect at such time and on such terms as the Directors may determine in their absolute discretion.

(ii) The Directors may amend the process, notice requirements and form of notification for effective conversions (including the timing and frequency of such conversions and the procedure for giving notice of conversion) in such manner as they, in their absolute discretion, see fit. Any instructions or conversion notice once given by a ZDP Shareholder shall be irrevocable without the consent of the Directors.

(iii) The number of ZDP Shares of the other class which the ZDP Shareholder shall receive by way of conversion will be rounded down to the nearest whole number and any fractional entitlements may, subject to the Companies Law and the Articles, be dealt with by the Directors in such manner as they think fit including, without limitation, selling or redeeming any ZDP Shares of the other class representing such fractional entitlements and retaining the proceeds for the benefit of the Company.

6.13 **Preferred Shares**

(a) ***Issues of Preferred Shares***

(i) Subject to the Statutes, Article 18.1.2 of the Articles and in accordance with the Articles, the directors shall be authorised to issue Preferred Shares on such terms as they determine provided that such terms are consistent with the provisions of Article 18 of the Articles. The Preferred Shares will be divided into different Classes of Preferred Shares, with each Class of Preferred Shares being denoted according to the dividend rate applied to such Class of Preferred Shares and/or as determined by the board at their sole discretion. Unless expressly provided to the contrary in the Articles, each Class of Preferred Shares will be issued on the same terms and (save in respect of the Preferred Share Dividend Rate and Preferred Share Issuance Terms) will have the same rights.

(ii) The Company may only issue Preferred Shares (save in respect of the initial issuance of Preferred Shares) if the Issuance Test is met.

(b) ***Rights attaching to Preferred Shares***

(i) The rights attaching to the Preferred Shares shall be as follows:

(A) as to income, the board may, in any quarter, declare a dividend at the Preferred Share Dividend Rate or the Preferred Share Step-Up Dividend Rate in accordance with paragraph 6.13(d)(iv), payable to the Preferred Shareholders at such time as the board may determine at their sole discretion. Where such dividend is declared, Articles 112 through to 114 of the Articles shall apply;

(B) as to capital on a winding up of the Company, or any other return of capital, Article 5 of the Articles shall apply; and

(C) as to voting, Preferred Shareholders shall not have the right to receive notice of, or to attend or vote at, any general meeting of the Company and references to "Shareholders" in Articles 50 to 71 of the Articles shall exclude Preferred Shareholders (save as otherwise required by the Statutes, whereupon "Shareholders" shall include Preferred Shareholders).

(c) ***Voting at a class meeting of Preferred Shareholders***

Subject to Article 18.4 of the Articles, the Company shall not, without the prior approval of each Class of Preferred Shareholders by Ordinary Resolution passed at a class meeting of the relevant Class of Preferred Shareholders (and where more than one Class of Preferred Shareholders is required to provide approval by Special Resolution, a separate class meeting shall be held in respect of each such Class of Preferred Shareholders):

(i) change the rights conferred upon a Class of Preferred Shareholders in a manner adverse to the relevant Class of Preferred Shareholders;

(ii) pass a resolution amending the provisions of Article 18.4.1 of the Articles;

(iii) make any material change to the Company's investment policy in effect from time to time which, at the time of making such change, appears likely, in the reasonable opinion of the directors, to be materially prejudicial to a Class of Preferred Shareholders; and

(iv) pay any dividend or other distribution (including any buyback of Shares) in respect of the Ordinary Shares unless a dividend has been declared in respect of the Preferred Shares within the same relevant period of the Preferred Share Issuance Terms.

(d) ***Redemption of Preferred Shares***

(i) Subject to the provisions of the Companies Law, the Company may, at the discretion of the Directors, redeem all or any part of the outstanding Preferred Shares of a relevant Class on or after such date as set out in the Preferred Share Issuance Terms. The price per Preferred Share at which the relevant Class of Preferred Shares will be redeemed will be determined by the board in accordance with the terms of issuance of that Class of Preferred Share and specifically set out in the Preferred Share Issuance Terms (the "**Preferred Share Redemption Amount**").

(ii) The Company will serve a redemption notice on each applicable Class of Preferred Shareholder in respect of those Preferred Shares to be redeemed pursuant to Article 18.4.1 of the Articles which notice will specify: (a) the number of Preferred Shares to be redeemed pursuant to Article 17.4.1 of the Articles; (b) the redemption price per Preferred Share; and (c) in respect of Preferred Shares held in physically certificated form, the address at which certificates for the Preferred Shares are to be surrendered for redemption. No defect in the redemption notice or in the giving thereof shall affect the validity of the redemption proceedings.

(iii) Unless otherwise determined by the board, payments in respect of the amount due on redemption of a Class of Preferred Shares shall be made, in respect of Preferred Shares held in certificated form, by cheque drawn on a bank in the UK or, upon the request of the holder or joint holders, and, in respect of Preferred Shares held in uncertificated form, by crediting the holder's CREST account, in each case in such currency as set out in the Preferred Share Issuance Terms. Such payment will be made against surrender of the relevant certificate in the case of certificated Preferred Shares or, if the relevant certificate has been lost or destroyed, the giving of an appropriate indemnity in a form satisfactory to the board, provided that the board may determine that surrender of a certificate shall not be required, in which event such certificate shall be void and of no effect as from the applicable repayment date for the Class of Preferred Shares to which the certificate relates.

(iv) If the board does not redeem all the Preferred Shares of a relevant Class prior to the Preferred Share Step-Up Date, the Preferred Share Dividend Rate shall increase to the Preferred Share Step-Up Dividend Rate on the Preferred Share Step-Up Date.

(v) The Preferred Shares are not redeemable at the option of the Preferred Shareholders. Dividends on the Preferred Shares shall be non-cumulative. If a dividend is not declared in respect of any period the Preferred Shareholders shall have no right to receive such dividend, whether on a later date or redemption or otherwise.

(vi) Notwithstanding any other provision of these Articles, no redemption or return of capital may be made on or in respect of any Preferred Shares in priority to any Class of ZDP Shares.

6.14 **Uncertificated Shares**

The Articles contain provisions permitting and providing for the use of uncertificated Shares and in particular any Share in the Company may be issued, held, registered, converted to or transferred in uncertificated form and may be converted from uncertificated form to certificated form in accordance with the Statutes and the requirements and practices of the operator of the relevant system.

6.15 **Untraced Shareholders**

The Company shall be entitled to sell (at a price which the Company shall use its reasonable endeavours to ensure is the best obtainable) the Shares of a Shareholder or the Shares to which a person is entitled by virtue of transmission on death or insolvency or otherwise by operation of law if and provided that:

(a) during the period of not less than 12 years prior to the date of the publication of the advertisements referred to below (or, if published on different dates, the first thereof) at least three dividends in respect of the Shares in question have become payable and no dividend in respect of those Shares has been claimed;

(b) the Company shall, following the expiry of such period of 12 years, have inserted advertisements in a national newspaper and/or in a newspaper circulating in the area in which the last known address of the Shareholder or the address at which service of notices may be effected under the Articles is located giving notice of its intention to sell the said Shares;

(c) during the period of three months following the publication of such advertisements (or, if published on different dates, the last thereof) the Company shall have received indication neither of the whereabouts nor of the existence of such Shareholder or person; and

(d) notice shall have been given to the stock exchanges on which the Company is listed or traded, if any. The foregoing provisions are subject to any restrictions applicable under any regulations relating to the holding and/or transferring of securities in any paperless system as may be introduced from time to time in respect of the Shares of the Company or any class thereof.

7. DIRECTORS' AND OTHER INTERESTS

7.1 The table below sets out the interests of the Directors in respect of the share capital of the Company as at the Latest Practicable Date:

Name	Number of Ordinary Shares	% of issued Ordinary Share capital	Number of 2029 ZDP Shares	% of issued 2029 ZDP Shares
John Kingston III	191,368	0.33	—	—
Bronwyn Curtis	—	—	—	—
Alan Dunphy	—	—	—	—
Martin Rowley	—	—	—	—

Name	Number of Ordinary Shares	% of issued Ordinary Share capital	Number of 2029 ZDP Shares	% of issued 2029 ZDP Shares
Nick Watkins	20,000	0.03	13,909	0.05

7.2 The Companies Law imposes no requirement on Shareholders to disclose holdings of five per cent. (or any greater limit) or more of any class of the share capital of the Company. However, the Disclosure Guidance and Transparency Rules provide that certain persons (including Shareholders) will be obliged to notify the Company if the proportion of the Company's voting rights which they own reaches, exceeds or falls below specific thresholds (the lowest of which is currently five per cent.).

7.3 In so far as it is known to the Company as at the Latest Practicable Date, the following persons will be directly or indirectly interested in 5 per cent. or more of the Company's issued share capital (being the threshold for notification of interests that will apply to Shareholders pursuant to Chapter 5 of the Disclosure Guidance and Transparency Rules):

Name of Shareholder	Number of Ordinary Shares	Percentage of Ordinary Shares
Cheetah Holdings	11,816,558	20.34%
Premier Miton Investors	4,366,857	7.52%
Leon Cooperman	4,000,000	6.89 %
Tradex Insurance Company	3,116,426	5.37%
William E Conway Jr	3,113,415	5.36%
Newton Investment Management	2,994,534	5.16%
Wolfson Equities	2,966,990	5.11%

7.4 None of the Company's Shareholders have voting rights attached to the Shares they hold which are different from the voting rights attached to any other Shares in the same class in the Company and the Shares held by them will rank *pari passu* in all respects with the other Shares.

7.5 The Company is not aware of any person who as at the date of this Private Placement Memorandum directly or indirectly, jointly or severally, will own or could exercise control over the Company.

7.6 As at the date of this Private Placement Memorandum, there are no arrangements known to the Company, the operation of which may result in a change of control of the Company.

8. DIRECTORS' LETTERS OF APPOINTMENT AND REMUNERATION

8.1 The Non-Executive Directors are all engaged on substantially the same terms of appointment. Nick Watkins and Alan Dunphy are engaged on the same terms pursuant to appointment letters effective from 26 November 2018 (which superseded the Directors' appointment letters previously entered into with effect from 17 March 2017). John Kingston III is engaged on terms pursuant to an appointment letter effective from 6 September 2024. Bronwyn Curtis and Martin Rowley are engaged on terms pursuant to a letter entered into on 3 September 2026 and effective 1 October 2026. Nick Watkins and Alan Dunphy are employed via service companies and will receive their fees through their employing entities.

8.2 The appointment letters do not contain any contractual provisions relating to notice. Each appointment is subject to the retirement provisions contained in the Articles of Association which (amongst other things) allow for retirement by rotation. The appointment letters do not contain any post-termination restrictions save that the Directors are subject to confidentiality undertakings without limit in time.

8.3 Each of the Directors is entitled to receive a fee from the Company at such rate as may be determined in accordance with the Articles. The base annual fee for each Director is £44,000 per annum. The Chairs of the Board, Audit & Risk Committee and Management Engagement Committee are entitled to an additional fee of £11,000, £5,500 and £3,000 per annum respectively.

8.4 No amount has been set aside or accrued by the Company to provide pensions, retirement or other similar benefits. The aggregate remuneration and benefits in kind of the Directors in respect of the accounting period ending on 31 December 2024 which was payable out of the assets of the Company did not exceed £200,000.

8.5 There are no existing or proposed agreement(s) between any Director and any member of the Group providing for benefits upon termination.

9. Arrangements with the Manager and Service Providers and Hedging Arrangements

9.1 Management Agreement

EJF Investments Manager LP (formerly EJF Investments Manager LLC) was appointed as manager of the Company, the Partnership and each of their subsidiaries under an amended and restated management agreement dated 30 March 2017, as amended and restated on 27 February 2019 (the "**Management Agreement**"). Pursuant to the Management Agreement, the Manager manages the Group's assets and its day-to-day operations including (amongst other duties):

(a) reviewing of compliance with the Investment Policy (as modified from time to time);

(b) investigation, analysis and selection of investment opportunities;

(c) conducting negotiations with respect to prospective investments by the Group and the engagement of services required for the purposes of making the Group's investments;

(d) collection of the Group's revenues and payment of its debts and obligations;

(e) communicating on behalf of the Group with the holders of its equity or debt securities;

(f) advising and assisting the Group in connection with its policy and other decisions and compliance with regulatory and legal requirements (including, in each case, those relating to securities laws, taxation and litigation);

(g) taking all necessary actions to make any required filings, registrations or reports under AIFMD and the Alternative Investment Funds (Jersey)

Regulations 2012 of Jersey and the Code of Practice promulgated thereunder by the JFSC;

(h) evaluating and recommending to the Board hedging strategies and engaging in hedging activities on behalf of the Group;

(i) monitoring the performance of investments;

(j) portfolio management and monitoring with respect to the Group's investments and exercising the rights of each member of the Group as shareholder, member or partner; and

(k) provision of management and other personnel,

in each case to the extent that such services or activities are not provided or fulfilled by the Administrator. Although the exercise of the Manager's duties is subject to the supervision of the Board and/or the board of directors of the General Partner (as applicable), the Manager is able to enter into agreements with other parties, including its affiliates, for the purpose of fulfilling its duties and servicing obligations under the Management Agreement (including retaining services of accountants, legal counsel, appraisers, insurers, brokers, transfer agents, registrars, developers, investment banks, financial advisors, banks and other lenders and others as the Manager deems necessary or advisable). In addition, the Manager will act as the Group's agent in making, acquiring, financing, structuring, managing and disposing of their investments.

Pursuant to the Management Agreement, the Manager is paid an annual Management Fee and Incentive Fee and is entitled to be reimbursed for its reasonably and properly incurred expenses, further details of which are set out in paragraph 9.2 in the section entitled "*Fees and Expenses*" in Part IV (*Directors, the Manager and Administration*) of this Private Placement Memorandum. Prior to a Termination Event (as defined below), the Manager is not entitled to be paid a fee based on the value of the assets held in the Partnership, except as represented by the value of the Company's interest in the Partnership.

Unless the Management Agreement is otherwise terminated earlier in accordance with its terms, the Manager shall cease to provide all Non-Retained Services (as defined below) if either the Company (pursuant to a resolution of a majority of its independent Directors) or the Manager delivers to the other a written notice (a "**Termination Notice**") electing to terminate the provision of the Non-Retained Services (as defined below). A Termination Notice must be delivered not less than 12 months prior to the intended date (the "**Termination Date**") that the Manager shall cease to provide services (except the Retained Services (as defined below)) under the Management Agreement (the "**Non-Retained Services**") (such notice period being the "**Termination Notice Period**") (save that such notice shall not be served earlier than the second anniversary of the Original Admission). In such circumstances, the Manager shall continue to provide the Non-Retained Services until the expiration of the Termination Date, save that the Company may, at any time during the Termination Notice Period, designate an earlier date (the "**Early Termination Date**") that must be (a) the last day of a calendar month and (b) no earlier than the date that is six months after the date of the Termination Notice, on which the Manager shall cease to provide

the Non-Retained Services (the effectiveness of any such termination of the provision of Non-Retained Services by the Manager is a "**Termination Event**"). If the Company elects to designate an Early Termination Date, it is liable to pay to the Manager the Management Fee in respect of the period from the Early Termination Date to the Termination Date.

In addition, the Management Agreement is also, subject to the provisions described below, terminable by the Company at any time, effective upon 30 days' prior written notice of termination, if (among other matters) the Manager: (a) materially breaches any provision of the Management Agreement without remedying such breach; (b) engages in any act of fraud, misappropriation of funds or embezzlement; (c) is grossly negligent in its performance of its duties under the Management Agreement; (d) is the subject of any proceeding relating to its bankruptcy or insolvency; (e) is dissolved; or (f) suffers a change of control (unless approved by a majority of the Company's independent Directors) (each, a "**Manager Event of Default**"). The Manager is able to terminate the Management Agreement in the event that the Company: (x) effective upon 60 days' prior written notice of termination, defaults in the performance or observance of any material term, condition or covenant contained in the Management Agreement without remedying such default; or (y) becomes regulated as an "investment company" under the US Investment Company Act, with such termination deemed to have occurred immediately prior to such event (each, a "**Company Event of Default**" and together with each Manager Event of Default, each a "**Management Agreement Event of Default**").

As a result of the Manager's relationship with EJF, the Company, through the Partnership, will, for so long as EJF Investments Manager LP is the Manager, have the benefit of a right of first refusal to purchase or subscribe for EJF Risk Retention Securities to be issued in connection with all future EJF Securitisations, in an amount equivalent to the minimum interest that a Sponsor (as that term is used in the relevant Securitisation and Risk Retention Regulations) is required to retain. If the Partnership elects, subject to the consent of a majority of its limited partners, to exercise such rights to purchase EJF Risk Retention Securities, it must agree to comply with all laws and regulations regarding the required holding period of such EJF Risk Retention Securities, as prescribed by the relevant Securitisation and Risk Retention Regulations. In connection with the foregoing:

(a) following a Termination Event, the Manager will continue to provide limited management services to the Partnership and its applicable subsidiaries which own EJF Risk Retention Securities (each, a "**Risk Retention Securities Holding Entity**"), based on the scope of services described above which includes, but is not limited to, investing, reinvesting and/or selling (in whole or in part) the interests held by any Risk Retention Securities Holding Entity in any EJF Risk Retention Securities solely for the purposes of complying with the Securitisation and Risk Retention Regulations (the "**Retained Services**") and the Manager will be entitled to receive a management fee, calculated monthly and paid quarterly in arrears, in a monthly amount equal to the product of (i) 1/12 of the total value of the Risk Retention Securities Holding Entities' holding of EJF Risk Retention Securities less an amount equal to the total liabilities in respect of such EJF Risk Retention Securities (in each case as determined in accordance with the valuation policy adopted for the time being

by the Partnership) multiplied by (ii) one per cent. The provision of the Retained Services by the Manager to the Risk Retention Securities Holding Entities shall automatically terminate once the Partnership has appointed a replacement manager to provide the Retained Services in place of the Manager, **provided that** this may only occur on or after the relevant holding period for EJF Risk Retention Securities, as prescribed by the relevant Securitisation and Risk Retention Regulations, has been satisfied with respect to each EJF Risk Retention Security held by each Risk Retention Securities Holding Entity; and

(b) upon the occurrence of a Management Agreement Event of Default, the Company and the Manager shall each use commercially reasonable endeavours to implement, within 90 days after the occurrence of that Management Agreement Event of Default, a transition programme in order to allow the Retained Services to be provided by a replacement manager appointed by the Company and, if necessary, to effect the transfer of any EJF Risk Retention Securities, in each case in order to ensure that each party, EJF and any of its affiliates continues to comply with all applicable Securitisation and Risk Retention Regulations.

The Manager will not be liable for any action of the Board and/or the board of directors of the General Partner (as the case may be) in following or declining to follow any of its advice or recommendations. In addition, the Manager will not be liable for any of its acts or omissions, except by reason of acts constituting bad faith, wilful misconduct, gross negligence or reckless disregard of its duties under the Management Agreement. Each of the Company and the Partnership have agreed to indemnify the Manager and its members, managers, officers and employees and each person controlling the Manager with respect to all expenses, losses, damages, liabilities, demands, charges and claims arising from acts of such indemnified party made in good faith in the performance of the Manager's duties under the Management Agreement and not constituting bad faith, wilful misconduct, gross negligence, or reckless disregard of the Manager's duties under the Management Agreement.

The Management Agreement is governed by the laws of the State of Delaware, United States.

9.2 **Administration Agreement**

Apex Financial Services (Alternative Funds) Limited acts as Administrator and Company Secretary to the Company pursuant to the Administration Agreement. In such capacity, the Administrator provides the day-to-day administration of the Company and is also responsible for the Company's general administrative and secretarial functions, such as the calculation and publication of the NAV and maintenance of the Company's accounting and statutory records.

Under the terms of the Administration Agreement, the Administrator is entitled to an administration fee comprising fixed fees and variable fees, depending on the nature of the services provided. For other services, including compliance services, accountancy services and transactional support, fees will be charged at market rates.

The Administrator shall only be liable for losses suffered by the Company resulting directly from fraud, wilful default or negligence on the part of the Administrator, its affiliates or any of its or their directors, officers or employees (the "**Administrator Parties"**) in the performance and/or exercise by the Administrator of its duties and responsibilities under the Administration Agreement.

No Administrator Party shall be liable for any claim to the extent that such losses are attributable to the actions of the Company or its affiliates. Without limitation, no Administrator Party shall be liable for any action or omission taken in response to a specific request or instruction of the Company, members of its board or their respective affiliates or in respect of refraining from executing any instruction where such execution would in its reasonable opinion result in a breach of any applicable law.

No Administrator Party shall have any liability in respect of any claim for: (a) special, incidental, indirect or consequential loss or damages; (b) direct or indirect loss of profits or opportunity; (c) loss of goodwill, loss of reputation or customers; or (d) any other pure economic loss.

In addition, the Company has agreed to indemnify the Administrator and each of the Administrator Parties from and against all losses incurred by the Administrator Party resulting or arising from the Company's breach of the Administration Agreement and in addition any third party claims, actions, proceedings, investigations or litigation relating to or arising from or in connection with the Administration Agreement or the services to be provided thereunder, except to the extent such losses are determined to have resulted solely from the fraud, wilful default or negligence of the Administrator Party seeking indemnification under the Administration Agreement.

The Administration Agreement may be terminated on 90 days' written notice or immediately in specified insolvency and material breach circumstances.

The Administration Agreement is governed by Jersey law and is subject to the non-exclusive jurisdiction of the Jersey courts.

9.3 **Registrar Services Agreement**

Computershare Investor Services (Jersey) Limited acts as Registrar to the Company pursuant to the Registrar Services Agreement to provide share registration services.

Under the terms of the Registrar Services Agreement, the Registrar is currently entitled to an annual fee. Other registrar activity will be charged for in accordance with the Registrar's normal tariff as published from time to time.

The Registrar Services Agreement is for a fixed term of three years and thereafter may be terminated by either the Company or the Registrar by giving to the other not less than three months' written notice.

The Company has given certain market standard indemnities in favour of the Registrar in respect of the Registrar's potential losses in carrying on its responsibilities under the Registrar Services Agreement. The Registrar's liability under the Registrar Services Agreement over any 12 month period is subject to a cap or an amount equal to five

times the annual fee payable to the Registrar under the Registrar Services Agreement, whichever is the lesser.

The Registrar Services Agreement is governed by the laws of Jersey.

9.4 **Hedging arrangements**

The Company enters into hedging arrangements from time to time pursuant to, and subject to the terms and conditions of, an ISDA 2002 master agreement entered into between Citibank N.A. and EJF, for and on behalf of certain affiliate funds of EJF originally dated 17 January 2014, as amended on 3 March 2017 to, among other things, identify the Company as an additional party and on 31 October 2017 to, among other things, identify EJFIH as an additional party (the "**ISDA Master Agreement**").

Each hedge entered into under the ISDA Master will terminate upon its specified maturity date or upon an event of default under the ISDA Master Agreement. The ISDA Master Agreement contains customary termination provisions, including an event of default triggered by any of the following percentage declines in the Company's NAV: (i) 35 per cent. or more measured at any month end compared to the month end 12 months prior, (ii) 25 per cent. or more (excluding redemptions, subscriptions and withdrawals) as measured at any month end compared to the month end three months prior, (iii) 15 per cent. or more (excluding redemptions, subscriptions and withdrawals) as measured at any month end compared to the immediately prior month end, or (iv) a drop to below the NAV floor, calculated annually as the greater of 50 per cent. of the Company's NAV on 31 December of the previous year or the NAV floor in effect for such previous year.

The ISDA Master Agreement shall also be terminated in the event that Neal Wilson ceases to provide full-time investment management services to the Company or ceases to direct the Company's investment decisions. Citibank, N.A. undertakes to review any information provided by the Company regarding the credentials, experience or other qualifications of a successor investment advisor but shall be under no obligation to refrain from exercising its rights under the ISDA Master Agreement.

When entering into a hedge under the ISDA Master Agreement, the Company is required to post an initial margin, which is marked to market daily. The Company shall meet any margin call (i) where the margin call is issued prior to 10.00 a.m., by close of business on such day or (ii) where the margin call is issued after 10.00 a.m., by close of business on the following day.

10. **CUSTODY ARRANGEMENTS**

The Company's cash is held in bank or securities brokerage accounts in the name of the Company. All other assets are owned through companies and/or other holding vehicles and the Company's ownership of each vehicle will be recorded in the register of shareholders/investors (as appropriate) maintained by the vehicle's administration services provider in the jurisdiction in which the vehicle is established. Voting rights in any investment held by such a vehicle is exercised by the vehicle and voting rights in any investment held directly by the Company is exercised by the Manager. In respect of each underlying asset, safekeeping arrangements are made in accordance with market practice in the relevant jurisdiction (including but not limited to those

arrangements set out at paragraph 7 of Part IV (*Directors, the Manager and Administration*).

11. LITIGATION

There are no, and have not been in the last 12 months, any governmental, legal or arbitration proceedings, nor, so far as the Company is aware, are any such proceedings pending or threatened, which may have, or have in the recent past had, a significant effect on the Group's financial position or profitability.

12. RELATED PARTY TRANSACTIONS

As at the date of this Private Placement Memorandum, other than as disclosed under Note 17 (*Related Party Transactions*) of the financial statements of the Company for the year ended 31 December 2025 and as disclosed under Note 17 (*Related Party Transactions*) of the financial statements of the Company for the six months ended 30 June 2026, each of which are set out in F-2 and F-34 respectively in the section entitled "*Historical Financial Information*" of this Private Placement Memorandum, the Company has not entered into any related party transactions at any time during those periods or during the period from 30 June 2026 to the Latest Practicable Date.

13. GENERAL

The Company does not own any premises and does not lease any premises. The Company does not have any employees.

14. TAKEOVER CODE

14.1 The City Code on Takeovers and Mergers (the "**Takeover Code**") applies to the Company. Under Rule 9 of the Takeover Code, any person who acquires an interest in shares which, taken together with shares in which that person or any person acting in concert with that person is interested, carry 30% or more of the voting rights of a company which is subject to the Takeover Code is normally required to make an offer to all the remaining shareholders to acquire their shares.

14.2 Similarly, when any person, together with persons acting in concert with that person, is interested in shares which in the aggregate carry not less than 30% of the voting rights of such a company but does not hold shares carrying more than 50% of the voting rights of the company, an offer will normally be required if such person or any person acting in concert with that person acquires a further interest in shares which increases the percentage of shares carrying voting rights in which that person is interested.

14.3 Further, under Rule 37.1 of the Takeover Code, when a company redeems or purchases its own shares, any resulting increase in the percentage of voting rights carried by the shares in which a person, or group of persons acting in concert, is interested will be treated as an acquisition of interests in shares carrying voting rights for the purpose of Rule 9.1.

14.4 An offer under Rule 9 must be made in cash at the highest price paid by the person required to make the offer, or any person acting in concert with such person, for any interest in shares of the company during the 12 months prior to the announcement of the offer.

14.5 The Company has agreed with the Panel on Takeover and Mergers (the "**Takeover Panel**") that the following persons are acting in concert with each other in relation to the Company: (i) EJF and its affiliates, including the Manager (ii) Neal J. Wilson, (iii) service providers to, and employees, executive officers and directors of, EJF (and its affiliates and entities managed by them), *and the close relatives and related trusts of such executive officers and directors* and (iv) investment vehicles affiliated with employees of EJF, each to the extent they hold voting shares in the Company (together, the "**Concert Party**"). As at the Latest Practicable Date, the members of the Concert Party were interested in 16,054,566 Ordinary Shares, representing 27.64 per cent. of the voting rights of the Company. For completeness, the Directors are not deemed members of the Concert Party.

15. COMPANIES LAW

15.1 Under the Companies Law, if an offeror were to make an offer to acquire all of the Shares in the Company not already owned by it and were to acquire 90 per cent, of the Shares to which such offer related it could then compulsorily acquire the remaining 10 per cent. The offeror would do so by sending a notice to outstanding members telling them that it will compulsorily acquire their Shares and then, six weeks later, it would deliver a transfer of the outstanding Shares in its favour to the Company which would execute the transfers on behalf of the relevant members, and pay the consideration to the Company which would hold the consideration on trust for outstanding members. The consideration offered to the members whose Shares are compulsorily acquired under this procedure must, in general, be the same as the consideration that was available under the original offer unless a member can show that the offer value is unfair.

15.2 The Companies Law also gives minority members a right to be bought out in certain circumstances by an offeror who has made a takeover offer. If a takeover offer related to all the Shares in the Company and, at any time before the end of the period within which the offer could be accepted, the offeror held or had agreed to acquire not less than 90 per cent, of the Shares, any holder of Shares to which the offer related who had not accepted the offer could by a written communication to the offeror require it to acquire those Shares. The offeror would be required to give any member notice of his, her or its right to be bought out within one month of that right arising. The offeror may impose a time limit on the rights of minority members to be bought out, but that period cannot end less than three months after the end of the acceptance period or, if later, three months from the date on which notice is served on members notifying them of their sell-out rights. If a member exercises his, her or its rights, the offeror is entitled and bound to acquire those Shares on the terms of the offer or on such other terms as may be agreed.

16. DISCLOSURE REQUIREMENTS AND NOTIFICATION OF INTEREST IN SHARES

16.1 Under Chapter 5 of the Disclosure Guidance and Transparency Rules, subject to certain limited exceptions, a person must notify the Company (and, at the same time, the FCA) of the percentage of voting rights he, she or it holds (within four trading days) if he, she or it acquires or disposes of Shares in the Company to which voting rights are attached and if, as a result of the acquisition or disposal, the percentage of voting rights which he, she or it holds as a Shareholder (or, in certain cases, which he,

she or it holds indirectly) or through his, her or its direct or indirect holding of certain types of financial instruments (or a combination of such holdings):

(a) reaches, exceeds or falls below five per cent. and each five per cent. threshold thereafter up to 30 per cent., 50 per cent. and 75 per cent.; or

(b) reaches, exceeds or falls below an applicable threshold in paragraph 16.1(a) of this Part X (*Additional Information*) above as a result of events changing the breakdown of voting rights and on the basis of the total voting rights notified to the market by the Company.

16.2 Such notification must be made using the prescribed form TR1 available from the FCA's website at http:// www.fca.gov.uk. Under the Disclosure Guidance and Transparency Rules, the Company must announce the notification to the public as soon as possible and in any event by not later than the end of the trading day following receipt of a notification in relation to voting rights.

16.3 The FCA may take enforcement action against a person holding voting rights who has not complied with Chapter 5 of the Disclosure Guidance and Transparency Rules.

17. VOLUNTARY COMPLIANCE WITH THE LISTING RULES

The Listing Rules applicable to closed-ended investment companies which are listed as closed-ended investment funds on the Official List of the FCA do not apply to the Company and a listing on the Specialist Fund Segment (of the Ordinary Shares) affords Shareholders a lower level of regulatory protection than that afforded to investors in securities that are admitted to the Official List. The Company's Ordinary Shares and ZDP Shares are admitted to trading on the Specialist Fund Segment of the London Stock Exchange

As a matter of best practice and good corporate governance, the Company voluntarily complies with the following key provisions of the Listing Rules:

(a) the Company is not required to comply with the Listing Principles set out at Chapter 2 of the Listing Rules. Nonetheless, the Company complies with the Listing Principles;

(b) the Company is not required to comply with the provisions of Chapter 6 of the Listing Rules regarding continuing obligations. The Company, however, complies with the following provisions of Chapter 6: (i) Listing Rule 6.3 (Continuing obligations: holders); (ii) Listing Rule 6.4.4 - 6.4.17 other than Listing Rule 6.4.14(2) and Listing Rule 6.4.14(3) (Notifications of change of name); (iii) Listing Rule 6.5 (Preliminary statement of annual results and statement of dividends) and (iv) Listing Rule 6.6 (Annual financial report) other than Listing Rule 6.6.1(2), Listing Rule 6.6.1(3) and Listing Rule 6.6.1(13).

(c) the Company is not required to comply with the provisions of Chapter 11 of the Listing Rules (Closed Ended Investment Funds: requirements for listing and continuing obligations). Nonetheless, the Company complies with the following provisions of Chapter 11 of the Listing Rules: (i) Listing Rule 11.4.6 to Listing Rule 11.4.18 (Continuing obligations); (ii) Listing Rule 11.5.1 (Significant transactions) and (iii) Listing Rule 11.7 (Notifications and periodic financial information).

The Company is not required to comply with the provisions of Chapter 8 of the Listing Rules and has not and will not apply any restrictions, or adopt any policy, in relation to any transactions which would constitute a "related party transaction", as defined in, and to which Chapter 8 of the Listing Rules would apply.

The Company has adopted a share dealing code in relation to the Preferred Shares in compliance with applicable regulation. The Board is responsible for taking all proper and reasonable steps to ensure compliance with the share dealing code by the Directors.

It should be noted that the FCA does not have the authority to monitor the Company's voluntary compliance with the Listing Rules referenced above nor will it impose sanctions in respect of any failure of such compliance by the Company.

18. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection for a period of 12 months following the date of this Private Placement Memorandum on the Company's website at www.ejfi.com or at the registered office of the Company, being IFC 5, St. Helier, JE1 1ST, Jersey (as the case may be):

(a) the 2025 Annual Report (available upon request to the Company at the registered office of the Company);

(b) the Register; and

(c) the Company's up to date Memorandum and Articles of Association.

19. RELATIONSHIP BETWEEN SHAREHOLDERS, THE COMPANY AND SERVICE PROVIDERS

19.1 The Company is a closed-ended investment company incorporated in Jersey with limited liability on 20 October 2016. While prospective investors will acquire an interest in the Company on subscribing for Shares, the Company or EJFIH is the sole legal and/or beneficial owner of its investments. Consequently, Shareholders have no direct legal or beneficial interest in those investments. The liability of Shareholders for the debts and other obligations of the Company is limited to the amount unpaid, if any, on the Shares held by them.

19.2 Shareholders' rights in respect of their investment in the Company are governed by the Articles, the Companies Law and the investment terms set out in this Private Placement Memorandum.

19.3 As a JFSC regulated fund, the Company is required to establish and maintain a complaints procedure. In the event that the Company's Shareholders have any complaints regarding the Company, a complaint should be made in writing and addressed to the compliance officer of the Company at the Administrator's registered office. Complaints against the Company may also be made to the JFSC. Unless expressly agreed with the complainant to the contrary, the Company will provide the complainant with a written acknowledgment within five working days of receipt of a complaint. The complaint will be investigated and the complainant kept informed about the progress of its complaint, including details of any actions being taken to resolve its complaint. The complainant will be advised in writing when the Company

considers the complaint to be closed. If the complaint is not upheld, the Company will write to the complainant giving reasons for rejecting the complaint.

20. RIGHTS AGAINST THIRD PARTIES, INCLUDING THIRD PARTY SERVICE PROVIDERS

20.1 As the Company has no employees and the Directors have all been appointed on a non-executive basis, the Company is reliant on the performance of service providers listed in this Private Placement Memorandum.

20.2 Without prejudice to any potential right of action in tort that a Shareholder may have to bring a claim against a service provider, each Shareholder's contractual relationship in respect of its investment in Shares is with the Company only. Therefore, no Shareholder will have any contractual claim against any service provider with respect to such service provider's default.

21. APPLICABLE LAW

This Private Placement Memorandum shall be governed by the laws of England and Wales.

22. PURCHASE AND TRANSFER RESTRICTIONS FOR US PERSONS

The Preferred Shares have not been and will not be registered under the US Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and the Preferred Shares may not be offered, sold, resold, transferred or delivered, directly or indirectly, in or into the United States or to, or for the account or benefit of, US Persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction in the United States. The Preferred Shares are being offered and sold in the United States in a transaction not involving a "**public offering**" subject to an exemption from the registration requirements of Section 5 of the US Securities Act only to persons who are Entitled Qualified Purchasers. The Preferred Shares are being offered and sold outside the United States to non-US Persons (or to US Persons who are also Entitled Qualified Purchasers) in reliance on Regulation S. Prospective investors in the United States are hereby notified that the sellers of the Preferred Shares may be relying on the exemption from the provisions of Section 5 of the US Securities Act provided for a transaction not involving a "**public offering**".

There will be no public offer of the Preferred Shares in the United States. The Company has not been and does not intend to register as an investment company under the US Investment Company Act and therefore the Company and its investors will not be entitled to the protections of the US Investment Company Act. The Company is relying on the exemption provided by Section 3(c)(7) of the US Investment Company Act, and as a result the Preferred Shares may only be purchased by persons within the United States or who are US Persons who are Entitled Qualified Purchasers. Purchasers in the United States or who are US Persons will be required to make certain representations and warranties substantially in the form set forth in the Subscription Agreement.

In addition, until 40 days after the commencement of an offer of the Preferred Shares pursuant to the Offering, an offer or sale of Preferred Shares within the United States

by any dealer (whether or not participating in any offering) may violate the registration requirements of the US Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A or another applicable exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

22.1 By participating in the Offering, each Preferred Shareholder located within the United States and any Preferred Shareholder that is, or is acting for the account or benefit of, a US Person, acknowledges and agrees that it will (for itself and any person(s) procured by it to subscribe for Preferred Shares and any nominee(s) for any such person(s)) be further deemed to acknowledge, understand, undertake, represent and warrant to each of the Company, the Manager, the Registrar and Piper Sandler that:

22.1.1 it is (i) an Entitled Qualified Purchaser, (ii) acquiring the Preferred Shares for its own account or for the account of one or more Entitled Qualified Purchaser with respect to whom it has the authority to make, and does make, the representations and warranties set forth herein and in the Subscription Agreement, (iii) acquiring the Preferred Shares for investment purposes, and not with a view to further distribution of the Preferred Shares, (iv) aware of the Offering of Preferred Shares by the Company solely by means of this Private Placement Memorandum, and the Preferred Shareholder did not become aware of, nor were the Preferred Shares offered to the Preferred Shareholder by any other means, including in each case, by any form of general solicitation or general advertising, and in making the decision to purchase or subscribe to the Preferred Shares, the Preferred Shareholder relied solely on the information set forth in this Private Placement Memorandum or any supplementary memorandum issued by the Company, (v) not purchasing any Preferred Shares as a result of any "directed selling efforts" (as defined by Rule 902(c) of Regulation S under the US Securities Act) in respect of the Preferred Shares, which would include any activities undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for any of the Preferred Shares; and (vi) aware, and each beneficial owner of the Preferred Shares has been advised, that the sale of the Preferred Shares to it is being made in a transaction not involving a "**public offering**" subject to an exemption from the registration requirements of Section 5 of the US Securities Act or in reliance on another exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act;

22.1.2 it understands that (i) the Preferred Shares are being offered and sold in the United States only in a transaction not involving any public offering within the meaning of the US Securities Act and that the Preferred Shares have not been and will not be registered under the US Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States, and (ii) the Company has not been and does not intend to register as an investment company under the US Investment Company Act;

22.1.3 it understands that the Preferred Shares may not be offered, sold, pledged, or otherwise transferred except (i) in an offshore transaction in accordance with Rule 903 or 904 of Regulation S outside the United States to a person not known by it to be a US Person, by pre-arrangement or otherwise, (ii) pursuant

to the exemption from the registration requirements of the US Securities Act provided by Rule 144A thereunder, if available, and in accordance with any applicable state securities laws, (iii) in another transaction that does not require registration under the US Securities Act or any applicable state laws and regulations governing the offer and sale of securities, or (iv) to the Company or a subsidiary thereof;

22.1.4 it further (a) understands that the Preferred Shares may not be deposited into any unrestricted depositary receipt facility in respect of the Preferred Shares established or maintained by a depositary bank, (b) acknowledges that the Preferred Shares (whether in physical certificated form or in uncertificated form held in CREST or on the books and records of the Registrar of the Company) are "restricted securities" within the meaning of Rule 144(a)(3) under the US Securities Act and that no representation is made as to the availability of the exemption provided by Rule 144 for resales of the Preferred Shares, (c) understands that the Company may not recognise any offer, sale, resale, pledge or other transfer of the Preferred Shares made other than in compliance with the above-stated restrictions and (d) understands that the Company may require any US Person or any person within the United States who was not a QP at the time it acquired any Preferred Shares or any beneficial interest therein to transfer the Preferred Shares or any such beneficial interest immediately in a manner consistent with these restrictions and if the obligation to transfer is not met, the Company is irrevocably authorised, without any obligation, to transfer the Preferred Shares in a manner consistent with these restrictions and, if such Preferred Shares are sold, the Company shall be obliged to distribute the net proceeds to the entitled party;

22.1.5 no portion of the assets used to purchase, and no portion of the assets used to hold, the Preferred Shares or any beneficial interest therein constitutes or shall constitute "plan assets" within the meaning of the ERISA Plan Asset Regulation. In addition, if a Preferred Shareholder is a Similar Plan that is subject to any Other Plan Law or Similar Law, its purchase, holding and disposition of the Preferred Shares do not and shall not constitute or result in a violation of any Other Plan Law;

22.1.6 any Preferred Shares delivered to the Preferred Shareholder in certificated form will contain a legend substantially to the following effect unless otherwise determined by the Company in accordance with applicable law:

THE PREFERRED SHARES REPRESENTED BY THIS CERTIFICATE (OR ITS PREDECESSOR) HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**US SECURITIES ACT**"), OR WITH ANY US SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES, AND EJF INVESTMENTS LTD (THE "**ISSUER**") HAS NOT REGISTERED AND DOES NOT INTEND TO REGISTER AS AN INVESTMENT COMPANY UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "**US INVESTMENT COMPANY ACT**"). THE PREFERRED SHARES REPRESENTED HEREBY MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) IN AN OFFSHORE TRANSACTION EXECUTED IN, ON OR THROUGH THE FACILITIES OF THE LONDON STOCK EXCHANGE WHERE

NEITHER THE SELLER NOR ANY PERSON ACTING ON ITS BEHALF KNOWS BY PRE-ARRANGEMENT OR OTHERWISE THAT THE BUYER IS IN THE UNITED STATES OR A US PERSON, (2) TO ANY PERSON THE SELLER AND ANY PERSON ACTING ON ITS BEHALF KNOWS TO BE OUTSIDE THE US AND A NON-US PERSON, (3) IF IN THE UNITED STATES OR TO A US PERSON, THEN TO A QUALIFIED PURCHASER AS DEFINED IN SECTION 2(A)(51) OF THE US INVESTMENT COMPANY ACT (AND THE RULES AND REGULATIONS PROMULGATED THEREUNDER) WHO IS ALSO AN ACCREDITED INVESTOR AS DEFINED IN RULE 501(A) OF THE US SECURITIES ACT WHO MAKES THE REPRESENTATIONS AND WARRANTIES SET FORTH IN THE SUBSCRIPTION AGREEMENT SIGNED BY THE HOLDER HEREOF OR (4) TO THE ISSUER OR A SUBSIDIARY THEREOF. THE PREFERRED SHARES REPRESENTED HEREBY MAY NOT BE DEPOSITED INTO ANY US UNRESTRICTED DEPOSITARY RECEIPT FACILITY IN RESPECT OF THE ISSUER'S US SECURITIES ESTABLISHED OR MAINTAINED BY A DEPOSITARY BANK. EACH HOLDER, BY ITS ACCEPTANCE OF THE PREFERRED SHARES REPRESENTED HEREBY, REPRESENTS THAT IT UNDERSTANDS AND AGREES TO THE FOREGOING RESTRICTIONS AND ACKNOWLEDGES THAT THE PREFERRED SHARES REPRESENTED HEREBY WILL REMAIN IN REGISTERED FORM UNTIL A TRANSFER IS MADE PURSUANT TO (1) OR (2) ABOVE.

EACH INITIAL RECIPIENT AND SUBSEQUENT TRANSFEREE OF THE PREFERRED SHARES REPRESENTED BY THIS CERTIFICATE OR ANY INTEREST OR PARTICIPATION HEREIN WILL BE DEEMED TO REPRESENT THAT IT AGREES TO COMPLY WITH

THE TRANSFER RESTRICTIONS SET FORTH HEREIN AND WILL NOT TRANSFER THE PREFERRED SHARES REPRESENTED BY THIS CERTIFICATE OR ANY INTEREST OR PARTICIPATION HEREIN EXCEPT TO A TRANSFEREE WHO CAN MAKE THE SAME REPRESENTATIONS AND AGREEMENTS ON BEHALF OF ITSELF AND EACH ACCOUNT FOR WHICH IT IS PURCHASING. ANY TRANSFER OF THE PREFERRED SHARES REPRESENTED BY THIS CERTIFICATE OR ANY INTEREST OR PARTICIPATION HEREIN IN VIOLATION OF THE FOREGOING WILL BE OF NO FORCE AND EFFECT AND WILL BE NULL AND VOID *AB INITIO* AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS, NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUER.

THE ISSUER AND ITS AGENTS WILL NOT BE REQUIRED TO ACCEPT FOR REGISTRATION OF TRANSFER ANY PREFERRED SHARES REPRESENTED BY THIS CERTIFICATE MADE OTHER THAN IN COMPLIANCE WITH THESE RESTRICTIONS. THE ISSUER MAY REQUIRE ANY US PERSON OR ANY PERSON WITHIN THE UNITED STATES WHO WAS NOT A QUALIFIED PURCHASER (AS DEFINED IN SECTION 2(A)(51) OF THE US INVESTMENT COMPANY ACT AND THE RULES AND REGULATIONS PROMULGATED THEREUNDER) WHO IS ALSO AN ACCREDITED INVESTOR (AS DEFINED IN RULE 501(A) UNDER THE US SECURITIES ACT), IN EACH CASE AT THE TIME IT ACQUIRED ANY PREFERRED SHARES REPRESENTED HEREBY OR ANY BENEFICIAL INTEREST THEREIN, TO TRANSFER THE PREFERRED SHARES REPRESENTED BY THIS CERTIFICATE OR ANY SUCH BENEFICIAL INTEREST IMMEDIATELY IN A MANNER CONSISTENT WITH THESE RESTRICTIONS, AND IF THE OBLIGATION TO TRANSFER IS NOT

MET, THE ISSUER IS IRREVOCABLY AUTHORISED, WITHOUT ANY OBLIGATION, TO TRANSFER THE PREFERRED SHARES REPRESENTED BY THIS CERTIFICATE IN A MANNER CONSISTENT WITH THESE RESTRICTIONS AND, IF SUCH PREFERRED SHARES ARE SOLD, THE ISSUER SHALL BE OBLIGED TO DISTRIBUTE THE NET PROCEEDS TO THE ENTITLED PARTY.

THIS CERTIFICATE AND ANY RELATED DOCUMENTATION MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR RESALES AND OTHER TRANSFERS OF THE PREFERRED SHARES REPRESENTED BY THIS CERTIFICATE TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO THE RESALE OR TRANSFER OF PREFERRED SHARES IN THE ISSUER GENERALLY. THE HOLDER OF THE PREFERRED SHARES REPRESENTED BY THIS CERTIFICATE SHALL BE DEEMED BY THE ACCEPTANCE OF THE SHARES REPRESENTED BY THIS CERTIFICATE TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT.

22.1.7 the Company reserves the right to make inquiries of any holder of the Preferred Shares or interests therein at any time as to such person's status under the US federal securities laws and to require any such person that has not satisfied the Company that holding by such person will not violate or require registration under the US securities laws to transfer such Preferred Shares, or interests in accordance with the Articles (as amended from time to time);

22.1.8 the Company is required to comply with the US Foreign Account Tax Compliance Act of 2010 and any regulations made thereunder or associated therewith (for the purposes of this paragraph 22 (*Purchase and Transfer Restrictions for US Persons*), "**FATCA**") and that the Company will follow FATCA's extensive reporting and withholding requirements. The Preferred Shareholder agrees to furnish any information and documents which the Company may from time to time request, including but not limited to information required under FATCA; and

22.1.9 it has received, carefully read and understands this Private Placement Memorandum (and any supplementary memorandum or other disclosure document issued by the Company) is knowledgeable, sophisticated and experienced in business and financial matters and fully understands the limitations on ownership and transfer and the restrictions on sales of such Preferred Shares; has had access to such information concerning the Company as it has considered necessary or appropriate in connection with its investment decision to acquire the Preferred Shares, and has not, directly or indirectly, distributed forwarded, transferred or otherwise transmitted this Private Placement Memorandum (and any supplementary memorandum or other disclosure document issued by the Company) or any other presentation or offering materials concerning the Preferred Shares within the United States or to any US Persons, nor will it do any of the foregoing.

Furthermore, each Preferred Shareholder entering into a Subscription Agreement will be required to make, among others, these representations and warranties.

"***Covered banking entities***"

The Company is a "**covered fund**" for the purposes of the "**Volcker Rule**" contained in the Dodd-Frank Act (Section 619: Prohibitions on Proprietary Trading and Certain Relationships with Hedge Funds and Private Equity Funds).

Accordingly, entities that may be "**covered banking entities**" for the purposes of the Volcker Rule may be restricted from holding the Company's securities and should take specific advice before making an investment in the Company.

PART XI. DEFINITIONS

The following definitions apply in this Private Placement Memorandum unless the context otherwise requires:

2025 Annual Report and Accounts	the Company's audited financial statements for the financial year ended 31 December 2025 filed with the FCA on 26 March 2026
2025 ZDP Shares	the zero dividend preference Shares of the Company in issue due for redemption on 18 June 2025
2029 ZDP Shares	the zero dividend preference Shares of the Company for redemption on 17 December 2029
ABS Investments	has the meaning given to it in paragraph 4.1 of Part I (*The Company*) of this Private Placement Memorandum
Accredited Investors or "AIs"	has the meaning given in the US Securities Act
Administration Agreement	the administration agreement between the Company and the Administrator dated 27 June 2024, a summary of which is set out in paragraph 9.2 of Part X (*Additional Information*) of this Private Placement Memorandum
Administrator	Apex and/or such other person or persons from time to time appointed by the Company
AGM	Annual General Meeting
AIC	the Association of Investment Companies
AIC Code	the AIC Code of Corporate Governance
AIF	an alternative investment fund, as defined in the UK AIFM Regulations
AIFM	an alternative investment fund manager, as defined in the UK AIFM Regulations
Articles	the articles of association of the Company as at the date of this Private Placement Memorandum
Audit and Risk Committee	the audit and risk committee of the Company, as more fully described in section 2.1 titled "Audit and Risk Committee" in Part IV (*Directors, the Manager and Administration*) of this Private Placement Memorandum
Auditor	EY, or such other person or persons from time to time appointed by the Company
Benefit Plan Investor	(i) an "employee benefit plan" within the meaning of section 3(3) of ERISA that is subject to Part 4 of Subtitle B of Title I of ERISA;

	(ii) a "plan" within the meaning of section 4975(e)(1) of the US Tax Code that is subject to section 4975 of the US Tax Code, including an individual retirement account, a health savings account or a "Keogh" plan; or (iii) a person or entity whose underlying assets include "plan assets" under the ERISA Plan Asset Regulation by reason of the foregoing (i) or (ii) employee benefit plan's or plan's investment in the person or entity or otherwise for the purposes of Part 4 of Subtitle B of Title I of ERISA or section 4975 of the US Tax Code
"Board" or Board of Directors	the board of directors of the Company
Business Day	a day on which the London Stock Exchange and banks in Jersey and the United Kingdom are normally open for business
C Shareholder	a holder of one or more C Shares
C Shares	the non-redeemable "C" Shares of no par value in the capital of the Company which, for the avoidance of doubt includes all classes of C Shares (denominated in such currency) as the Directors may determine (and for the purposes of this Private Placement Memorandum the C Shares shall be denominated in Sterling) having the rights and subject to the restrictions set out in the Articles and which will convert into Ordinary Shares as set out in the Articles
Capital Solutions	has the meaning given to it in paragraph 4.1 of Part I (*The Company*) of this Private Placement Memorandum
Cash Equivalent Amount	the amount of the Incentive Fee payable shall be calculated by the Manager and notified to the Company as a cash figure
CBLR	the Community Bank Leverage Ratio, created under the S.2155 regulatory relief bill
CCAR	the Federal Reserve's Comprehensive Capital Analysis and Review
CDO	collateralised debt obligation
CDO Manager	EJF CDO Manager LLC, a Delaware limited liability company
CDO Manager LLC Agreement	the third amended and restated limited liability company agreement of the CDO Manager dated 30 March 2017 between the Manager as member and managing member and the Company as member
certificated or certificated form	not in uncertificated form, and held on the books and records of the Registrar of the Company

CFC	has the meaning given to it in paragraph 3.3 of Part VIII (*Taxation*) of this Private Placement Memorandum
CFTC	Commodity Futures Trading Commission
Chair	John Kingston III, chair of the Board
CIF Law	the Collective Investment Funds (Jersey) Law 1988
Class of ZDP Shareholders	in respect of each Class of ZDP Shares, the ZDP Shareholders of such ZDP Shares
Class of ZDP Shares	each issue of ZDP Shares by the Company pursuant to the Articles with different ZDP Repayment Dates and ZDP Gross Redemption Yields, in each case with each ZDP Share having the same ZDP Repayment Date being in the same class
Companies Law	the Companies (Jersey) Law 1991, as amended, extended or replaced and any ordinance, statutory instrument or regulation made thereunder
Company	EJF Investments Ltd, a closed-ended investment company incorporated with limited liability in the Bailiwick of Jersey under the Companies Law on 20 October 2016 with registered number 122353
Company Event of Default	the Manager is able to terminate the Management Agreement in the event that the Company: (x) effective upon 60 days' prior written notice of termination, defaults in the performance or observance of any material term, condition or covenant contained in the Management Agreement without remedying such default; or (y) becomes regulated as an "investment company" under the US Investment Company Act, with such termination deemed to have occurred immediately prior to such event
Concert Party	has the meaning given in paragraph 14.5 of Part X (*Additional Information*) of this Private Placement Memorandum
Conflicted Director	a Director is conflicted where a situation occurs or is anticipated to occur which gives rise or may give rise to a conflict of interest on the part of any Director
Controlling Person	a person or entity (other than a Benefit Plan Investor) that has discretionary authority or control, or that provides investment advice for a fee (directly or indirectly) with respect to the assets of the Company or an "affiliate" of such person or entity (other than the Benefit Plan Investor) within the meaning of paragraph (f)(3) of the ERISA Plan Asset Regulation
Cover	in respect of each Class of ZDP Shares, a fraction calculated as at the applicable ZDP Calculation Date, where:

(a) the denominator is equal to the sum of:

(a) the aggregate applicable ZDP Final Capital Entitlement in respect of such Class of ZDP Shares;

(b) the aggregate applicable ZDP Final Capital Entitlement in respect of all other ZDP Shares ranking in priority to or *pari passu* with such Class of ZDP Shares; and

(c) the aggregate amount of other borrowings; and

(b) the numerator is equal to the Net Asset Value, adjusted to:

(a) add back any liability which has accrued in relation to the ZDP Final Capital Entitlement in respect of such Classes of ZDP Shares referred to in (a) above;

(b) add back the aggregate amount of other borrowings; and

(c) make such other adjustments as may be required to give effect to the relevant proposed action described in paragraph, 6.12(c)(iv), (c)(v), (c)(vi)(A), (c)(viii), (c)(ix) and (c)(x) (as applicable) of Part X (*Additional Information*) in this Private Placement Memorandum as if such action had occurred

In calculating the Cover, the Directors shall:

(a) use the most recent monthly Net Asset Value published by the Company by way of a Regulatory News Service announcement;

(b) where applicable, aggregate the applicable ZDP Final Capital Entitlements of the ZDP Shares already in issue at that time and the capital entitlements of the new ZDP Shares or securities or rights to be issued as aforesaid; and

(c) make such other adjustments as the Directors consider appropriate

CREST	the facilities and procedures for the time being of the relevant system of which Euroclear has been approved as operator pursuant to the CREST Regulations
CRS	OECD global standard for the automatic exchange of financial information between tax authorities
CRT	credit risk transfers
Data Protection Legislation	means as applicable from time to time (i) the Jersey Data Protection Legislation, (ii) EU Regulation 2016/679 ("GDPR") and (iii) the UK Data Protection Act 2018 together with the UK GDPR as defined in section 3(10) (as supplemented by section 205(4)) of

	the UK Data Protection Act 2018, each as amended or replaced from time to time and all guidance, directions, determinations, codes of practice, circulars, orders, notices or demands issued by any applicable data protection authority and any applicable national, international, regional, municipal or other data privacy authority or other data protection laws or regulations in any other territory in which personal data is processed or to which it is transferred
Designated NRSRO	has the meaning given in the section entitled "*Key Terms of the Offering*" of this Private Placement Memorandum
DFAST	the Dodd-Frank Act Stress Testing
Directors	the directors of the Company
Disclosure Guidance and Transparency Rules	the disclosure guidance and transparency rules made by the FCA under Part VI of the FSMA
Dividends Cover Test	in respect of each Class of ZDP Shares, if the proposed actions described in paragraph 6.12(c)(viii) of Part X (*Additional Information*) in this Private Placement Memorandum were to take place in full on the applicable ZDP Calculation Date, whether the Cover would be not less than the applicable Dividends Minimum Cover Amount
Dividends Minimum Cover Amount	in respect of each Class of ZDP Shares, an amount calculated with reference to a multiple of the Cover whereby the Directors may only pay dividends **provided that** such amount in respect of each Class of ZDP Shares in issue is met, save where each relevant Class of ZDP Shareholders have approved such payment
Dodd-Frank	the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010
Early Termination Date	a date during the Termination Notice Period that must be (a) the last day of a calendar month and (b) no earlier than the date that is six months after the date of the Termination Notice, on which the Manager shall cease to provide the Non-Retained Services
ECI	has the meaning given to it in paragraph 4.1 of Part VIII (*Taxation*) of this Private Placement Memorandum
EGM	Extraordinary General Meeting
EEA	the European Economic Area being the countries included as such in the Agreement on European Economic Area, dated 1 January 1994, among Iceland, Liechtenstein, Norway, the European Community and the EU Member States, as may be modified, supplemented or replaced

EJF	EJF Capital LP
EJF Affiliates	affiliates of EJF
EJF Managed Accounts	has the meaning given to it in paragraph 4 of "*Risk Factors*" in this Private Placement Memorandum
EJF Related Security	has the meaning given to it in paragraph 4.8 of "*Risk Factors*" in this Private Placement Memorandum
EJF Risk Retention Securities	has the meaning given to it in paragraph 4.1 of Part I (*The Company*) of this Private Placement Memorandum
EJF Securitisation Equity	has the meaning given to it in paragraph 4.3 of "*Risk Factors*" in this Private Placement Memorandum
EJF Securitisations	EJF or EJF Affiliate sponsored securitisations
EJFIF	EJF Investments Funding Limited
EJFIH	EJF Investments Holdings Limited
Eligible Unitholder	a holder of Partnership Units that was eligible to participate in the Exchange Offer
EMIR	Regulation (EU) No. 648/2012 of the European Parliament and Council on OTC derivatives, central counterparties and trade repositories dated 4 July 2012
Entitled Qualified Purchaser	persons who are both Qualified Purchasers and Accredited Investors
Equity Tranches	has the meaning given to it in paragraph 3.3(a) of "*Risk Factors*" in this Private Placement Memorandum
ERISA	the US Employee Retirement Income Security Act of 1974, as amended
ERISA Plan Asset Regulation	the US Department of Labor regulation at 29 C.F.R. § 2510.3-101, as modified by section 3(42) of ERISA
EU	the European Union
EU AIFMD	Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers, as amended from time to time including pursuant to Directive 2019/1160/EU and Directive 2019/1156/EU
EU Member State	a member country of the EU
EU Securitisation Regulations	Regulation (EU) 2017/2402

EU Securitisation Rules	together, the EU Securitisation Regulations and the Commission Delegated Regulation 2023/2175
EU Taxonomy	the EU criteria for environmentally sustainable economic activities for the purposes of Regulation (EU) 2020/852 of The European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment
Euroclear	Euroclear UK & International Limited
European Commission	the Commission of the EU
European Free Trade Association or EFTA	the European Free Trade Association
Existing Shares	the Ordinary Shares and the 2029 ZDP Shares in issue as at the date of this Private Placement Memorandum
EY	Ernst & Young LLP
FATCA	the United States Foreign Account Tax Compliance Act 2010
FATCA Withholding	has the meaning given to it in paragraph 2.5 of Part VIII (*Taxation*)
FBR	Friedman, Billings, Ramsey Group, Inc.
Federal Reserve	the Federal Reserve System
Financial Conduct Authority or FCA	the UK Financial Conduct Authority and any successor regulatory authority
FINRA	the Financial Industry Regulatory Authority, Inc.
FinTech Debt Securities	debt securities in the financial technology sector
First Reopening Period	the period commencing and ending on such date as may be mutually determined and agreed between the Company and Piper Sandler as described in the section entitled "*Key Terms of the Offering*"
First Restructuring	has the meaning given to it in paragraph 4.1 of Part X (*Additional Information*) of this Private Placement Memorandum
FSMA	the Financial Services and Markets Act 2000, as amended
Further Debt Minimum Cover Amount	in respect of each Class of ZDP Shares, an amount calculated with reference to a multiple of the Cover whereby the Directors may only incur borrowings for long-term investment purposes (including any issue of 2029 ZDP Shares or any other ZDP Shares from time to time) provided that such amount (calculated at the time of drawdown) in respect of each Class of ZDP Shares in issue is exceeded

Further Issuance Minimum Cover Amount	in respect of each Class of ZDP Shares, an amount calculated with reference to a multiple of the Cover whereby the Directors may only issue further equity (including any issue of 2029 ZDP Shares, any other ZDP Shares, Ordinary Shares or C Shares from time to time) provided that such amount (calculated at the time of drawdown) in respect of each Class of ZDP Shares in issue is exceeded
GBP, Pounds Sterling, Sterling, £, pence and p	respectively, pounds and pence sterling, the lawful currency of the United Kingdom
GDPR	EU General Data Protection Regulation (Regulation (EU) 2016/679)
General Partner	EJF Investments GP Inc.
GFC	the global financial crisis
Group	the Company, EJFIH, and a 49 per cent. non-controlling interest in the CDO Manager, but excluding, for the avoidance of doubt, the Partnership
GST	a Jersey goods and services tax applied at a standard rate of five per cent. pursuant to the Goods and Services Tax (Jersey) Law 2007 and any applicable orders or regulations made thereunder
HMRC	His Majesty's Revenue and Customs
IASB	International Accounting Standards Board
IFRS	the International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB")
Incentive Fee	the incentive fee to which the Manager is entitled as described in section 9 titled "*Fees and Expenses*" in Part IV (*Directors, the Manager and Administration*) of this Private Placement Memorandum
Incentive Fee Period	each twelve-month period starting on 1 January and ending on 31 December in each calendar year
Incentive Shares	the Ordinary Shares used to pay the Incentive Fee
Initial Closing Date	17 December 2026
Investment Committee	a committee of the Manager which makes investment decisions on the management of the Portfolio
Investment Limits and Restrictions	has the meaning given to it in paragraph 4.2 of Part I (*The Company*) of this Private Placement Memorandum

Investment Objective	has the meaning given to it in paragraph 2 of Part I (*The Company*) of this Private Placement Memorandum
Investment Policy	has the meaning given to it in paragraph 4.1 of Part I (*The Company*) of this Private Placement Memorandum
IRR	internal rate of return
IRS	United States Internal Revenue Service
ISA	an individual savings account
ISDA Master Agreement	the ISDA 2002 master agreement entered into between Citibank N.A. and affiliate funds of EJF originally dated 17 January 2014, as amended on 3 March 2017 and 31 October 2017
ISIN	International Securities Identification Number
Issuance Test	has the meaning given to it in the section entitled "*Key Terms of the Offering*" of this Private Placement Memorandum
Jersey AML Requirements	the Proceeds of Crime (Jersey) Law 1999, the Drug Trafficking Offences (Jersey) Law 1988, the Terrorism (Jersey) Law 2002 and any applicable orders or regulations from time to time relating to the prevention of use of the financial system for the purpose of money laundering and the financing of terrorism, including, but not limited to the Money Laundering (Jersey) Order 2008
Jersey CRS Legislation	Jersey legislation which implements the CRS in Jersey came into effect on 1 January 2016
Jersey Data Protection Legislation	Data Protection (Jersey) Law 2018 and the Data Protection Authority (Jersey) Law 2018 and any applicable secondary legislation
Jersey IGA Legislation	has the meaning given to it in paragraph 2.5 of Part VIII (*Taxation*)
JFSC	Jersey Financial Services Commission
Latest Practicable Date	23 November 2026
LEI	legal entity identifier
Listing Rules	the listing rules made by the FCA under Part VI of the FSMA
Liquidity Option	the authority granted to the Company to make market purchases of Ordinary Shares once in each 12-month period commencing on 17 December 2024 and ending at close of business on 11 December 2029 passed at the 2024 EGM held on 17 December 2024
London Stock Exchange or LSE	London Stock Exchange plc

LSE Admission Standards	the disclosure and reporting obligations detailed in the admission standards of the London Stock Exchange
Management Agreement	the amended and restated management agreement dated 27 February 2019 between the Company, the Partnership, the General Partner, the Manager and EIF (as may be amended and/or restated from time to time), a summary of which is set out in Part X (*Additional Information*) of this Private Placement Memorandum
Management Engagement Committee	the management engagement committee of the Company, as more fully described in section 2.2 titled "*Management Engagement Committee*" in Part IV (*Directors, the Manager and Administration*) of this Private Placement Memorandum
Management Fee	the management fee to which the Manager is entitled as described in section 9 titled "*Fees and Expenses*" in Part IV (*Directors, the Manager and Administration*) of this Private Placement Memorandum
Manager	EJF Investments Manager LP (formerly EJF Investments Manager LLC)
Manager Event of Default	has the meaning given to it in paragraph 9.1 of Part X (*Additional Information*)
Management Agreement Event of Default	has the meaning given to it in paragraph 9.1 of Part X (*Additional Information*)
Memorandum	the memorandum of association of the Company
MiFID II	the Markets in Financial Instruments Directive (Directive 2014/65/EC) as it forms part of domestic law of the United Kingdom by virtue of the Withdrawal Act, as supplemented from time to time
MiFIR	the Markets in Financial Instruments Regulation (Regulation—600/2014/EU)
Money Laundering Directive	Directive 2005/60/EC of the European Parliament and of the EC Council of 26 October 2005 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing
Money Laundering Regulations	regulations in the United Kingdom relating to money laundering and terrorist financing, including the Proceeds of Crime Act 2002, the Terrorism Act 2000 and the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017

NAV per Ordinary Share	the Net Asset Value attributable to the Ordinary Shares divided by the number of Ordinary Shares in issue at the relevant time (other than Ordinary Shares held in treasury)
Net Asset Value or NAV	the net asset value of the Company calculated in accordance with section 5 titled "*Calculation of Net Asset Value*" in Part I (*The Company*) of this Private Placement Memorandum
Non-Conflicted Directors	Directors other than a Conflicted Director
Non-Qualified Holder	any person whose ownership of Shares (i) may result in the US Plan Threshold being equalled or exceeded causing the Company's assets to be deemed "plan assets" for the purpose of Part 4 of Subtitle B of Title I of ERISA or section 4975 of the US Tax Code; (ii) may cause the Company to be required to register as an "investment company" under the US Investment Company Act (including because the holder of the Shares is not a "qualified purchaser" as defined in Section 2(a)(51) of the US Investment Company Act and the rules and regulations promulgated thereunder) or to lose an exemption or a status thereunder to which it might be entitled; (iii) may cause the Company to have to register under the US Exchange Act or any similar legislation; (iv) may cause the Company not to be considered a "Foreign Private Issuer" as such term is defined in rule 3b-4(c) under the US Exchange Act; (v) may result in a person holding Shares in violation of the transfer restrictions put forth in any Private Placement Memorandum published by the Company, from time to time; and (vi) may cause the Company to be a "controlled foreign corporation" for the purposes of the US Tax Code
Non-Retained Services	services provided by the Manager other than Retained Services
OBBBA	has the meaning given to it in paragraph 1.1 in Part II (*The Market Opportunity*)
Official List	the list maintained by the FCA pursuant to Part VI of the FSMA
Ordinary Shareholder	a holder of Ordinary Shares
Ordinary Shares	the non-redeemable ordinary shares of no par value in the share capital of the Company which, for the avoidance of doubt, includes all classes of Ordinary Shares (denominated in such currency) as the Directors may determine in accordance with the Articles (and for the purposes of this Private Placement Memorandum, the Ordinary Shares shall be denominated in Pounds Sterling) having the rights and subject to the restrictions set out in the Articles and does not include the C Shares

Original Admission	the admission to trading on the Specialist Fund Segment of the Main Market of the London Stock Exchange of the Ordinary Shares on 7 April 2017
OTC	privately negotiated derivative contracts
Other Notes	has the meaning given to it in paragraph 4.3 of "*Risk Factors*" in this Private Placement Memorandum
Other Plan Law	a US federal, state, local or non-US law or regulation that contains one or more provisions that are similar to the fiduciary responsibility and prohibited transaction provisions of Part 4 of Subtitle B of Title I of ERISA or section 4975 of the US Tax Code
Partnership	EJF Investments LP (a Delaware limited partnership formed under the laws of the state of Delaware)
Partnership Agreement	the second amended and restated agreement of limited partnership of the Partnership dated 30 March 2017 between the General Partner and the limited partners thereto
Partnership Unit	a partnership unit in the Partnership
PFIC	passive foreign investment company
Portfolio	the Group's portfolio of investments from time to time
Preferred Shares	Preferred non-voting shares of no par value which the Company intends to issue pursuant to the Offering
Preferred Share Dividend Rate	means the fixed rate of return applied to a Class of Preferred Shares as determined by the Board and set out in the Preferred Share Issuance Terms for that Class. For the Class of Preferred Shares that are the subject of the Offering, such terms of issuance are set out in the section entitled "*Key Terms of the Offering*" and Part VI of this Private Placement Memorandum
Preferred Share Issuance Terms	means the terms of issuance of a Class of Preferred Shares, to be set out in the offer terms for that Class of Preferred Shares. For the Class of Preferred Shares that are the subject of the Offering, such terms of issuance are set out in the section entitled "*Key Terms of the Offering*" and Part VI of this Private Placement Memorandum.
Preferred Share Redemption Amount	means the redemption price per Preferred Share of a Class, determined by the Board in accordance with the Preferred Share Issuance Terms for that Class. For the Class of Preferred Shares that are the subject of the Offering, such terms of issuance are set out in the section entitled "*Key Terms of the Offering*" and Part VI of this Private Placement Memorandum
Preferred Shareholder	means the holder of one or more Preferred Shares

PROD Sourcebook	the FCA's Product Intervention and Governance Sourcebook
Purchase Price per Preferred Share	has the meaning given to it in the section entitled "*Key Terms of the Offering*" of this Private Placement Memorandum
QEF	Qualified Electing Fund
Qualified Purchasers or QPs	has the meaning given in Section 2(a)(51) of the US Investment Company Act and the rules and regulations promulgated thereunder
Receiving Agent	Computershare Investor Services PLC
Reference Entity	has the meaning given to it in paragraph 3.1(f) of "*Risk Factors*" in this Private Placement Memorandum
Register	the register of Shareholders
Registrar	Computershare Investor Services (Jersey) Limited
Registrar Services Agreement	has the meaning given to it in paragraph 9.3 of Part X (*Additional Information*) of this Private Placement Memorandum
Regulation D	Regulation D promulgated under the US Securities Act
Regulation S	Regulation S promulgated under the US Securities Act
Regulatory Relief Bill	as defined in paragraph 2.1 in the section entitled Part II (*The Market Opportunity*) of this Private Placement Memorandum
REIT	Real Estate Investment Trust
Related Accounts	has the meaning given to it in paragraph 4.8 of "*Risk Factors*" in this Private Placement Memorandum
Relevant Clients	has the meaning given to it in paragraph 4.1 of "*Risk Factors*" in this Private Placement Memorandum
Relevant Member State	each member state of the European Economic Area
Requesting Investors	those who have specifically solicited this Private Placement Memorandum, where such approach was not itself specifically solicited by Piper Sandler
Restricted Territory	as defined on the Coversheet of this Private Placement Memorandum
Retained Services	services include, but are not limited to, investing, reinvesting and/or selling (in whole or in part) investments, portfolio management, investment research and analysis, sourcing investment opportunities, providing recommendations with respect to investments, and monitoring and administering investments

Retention Interest	has the meaning given in paragraph 3.2(c) in the section entitled "*Risk Factors*" of this Private Placement Memorandum
RIS or Regulatory Information Service	a regulatory information service, being any of the regulatory information services set out in Appendix 2 of the Listing Rules
Risk Retention	has the meaning given to it in Part II (*The Market Opportunity*) of this Private Placement Memorandum
Risk Retention and Related Investments	has the meaning given to it in paragraph 4.1 of Part I (*The Company*) of this Private Placement Memorandum
Risk Retention Investments	has the meaning given to it in paragraph 4.1 of Part I (*The Company*) of this Private Placement Memorandum
Risk Retention Securities Holding Entity	subsidiaries which own EJF Risk Retention Securities
Rule 9	Rule 9 of the Takeover Code
SBHC	Small Bank Holding Company
SCB	Stress Capital Buffer
SDRT	UK Stamp Duty Reserve Tax
Second Reopening Period	the period commencing and ending on such date as may be mutually determined and agreed between the Company and Piper Sandler as described in the section entitled "*Key Terms of the Offering*"
Securitisation and Related Investments	has the meaning given to it in paragraph 4.1 of Part I (*The Company*) of this Private Placement Memorandum
Securitisation and Risk Retention Rules	together, the EU Securitisation Rules, the UK Securitisation Rules and US Risk Retention Regulations
Securitisation Investments	has the meaning given to it in paragraph 4.1 of Part I (*The Company*) of this Private Placement Memorandum
Securitisation Retention Equity	has the meaning given to it in paragraph 3.2(d) of "*Risk Factors*" in this Private Placement Memorandum
Securitisation Retention Securities	has the meaning given to it in paragraph 3.2(d) of "*Risk Factors*" in this Private Placement Memorandum
SEDOL	the Stock Exchange Daily Official List
SFDR	Sustainable Finance Disclosure Regulation (SFDR), Regulation (EU) 2019/2088
Shareholders	subject to paragraph 6.13(b)(i)(C) of Part X (*Additional Information*) of this Private Placement Memorandum, means any

	Ordinary Shareholders, any C Shareholders, any ZDP Shareholders and any Preferred Shareholders
Shareholding	a holding of Shares
Shares	the Existing Shares and the Preferred Shares (or any of them as the context may require)
Similar Law	a US federal, state, local or non-US law or regulation that is similar to the ERISA Plan Asset Regulation so as to cause the underlying assets of the Company to be treated as assets of an investing entity by virtue of its investment (or any beneficial interest) in the Company and thereby subject the Company or the originator (or other persons responsible for the investment and operation of the Company's assets) to any Other Plan Law
Specialist Fund Segment	the Specialist Fund Segment of the Main Market of the London Stock Exchange
Specialty Finance or Specialty Finance Investments	has the meaning given to it in paragraph 4.1 of Part I (*The Company*) of this Private Placement Memorandum
Statutes	the Companies Law and every other statute, statutory instrument, regulation or order for the time being in force concerning companies registered under the provisions of the Companies Law
Step-Up	has the meaning given to it in the section entitled "*Key Terms of the Offering*" of this Private Placement Memorandum
Subscriber Shares	two Ordinary Shares of no par value, issued to Carey Olsen Nominees Jersey Limited on incorporation of the Company
Subscription Agreement	the subscription agreements to be entered into in connection with the Offering
Takeover Code	the City Code on Takeovers and Mergers, as amended from time to time
Takeover Panel	the takeover panel as described in paragraph 14 of Part X (*Additional Information*) of this Private Placement Memorandum
Target Dividend	has the meaning given in paragraph 7 of Part I (*The Company*) of this Private Placement Memorandum
Target Investment	has the meaning given to it in paragraph 4.1 of Part I (*The Company*) of this Private Placement Memorandum
Target Return	8 to 10 per cent. per annum
Termination Date	the date the Manager shall cease to provide services (except the Retained Services) under the Management Agreement

Termination Event	the effectiveness of the termination of the provision of Non-Retained Services by the Manager
Termination Notice	written notice from either the Company to the Manager or the Manager to the Company electing to terminate the provision of the Non-Retained Services
Termination Notice Period	a Termination Notice that must be delivered not less than 12 months prior to the intended Termination Date
TFINS 2020-1	TruPS Financials Note Securitisation 2020-1 Ltd.
TFINS 2025-1	TruPS Financials Note Securitisation 2025-1 Ltd
TFINS 2025-2	TruPS Financials Note Securitisation 2025-2 Ltd
TFINS 2025-3	TruPS Financials Note Securitisation 2025-3 Ltd
TFINS 2026-1	TruPS Financials Note Securitisation 2026-1 Ltd
TFINS 2026-2	TruPS Financials Note Securitisation 2026-2 Ltd
TFINS 2026-3	TruPS Financials Note Securitisation 2026-3 Ltd
TFINS 2026-4	TruPS Financials Note Securitisation 2026-4 Ltd
TruPS	Trust Preferred Securities
UBTI	Unrelated business taxable income
UE Finance	Urban Exposure Finance Ltd.
UK or United Kingdom	the United Kingdom of Great Britain and Northern Ireland
UK AIFM Regulations	means the Alternative Investment Fund Managers Regulations 2013 (SI 2013/1773)
UK AIFM Regime	the UK legislation implementing the EU AIFMD in force from 1 January 2021, comprising namely: (A) the law of the UK or any part of it, which immediately before IP completion day (as defined in the European Union (Withdrawal Agreement) Act 2020) implemented Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers, and its implementing measures; (B) direct EU legislation (as defined in the European Union (Withdrawal) Act 2018), which immediately before IP completion day (as defined in the European Union (Withdrawal Agreement) Act 2020) supplemented or implemented Directive 2011/61/EU as it forms part of domestic law of the United Kingdom by virtue of the Withdrawal Act, as supplemented from time to time; and (C) any guidance relating thereto issued by the European Securities and Markets Authority

UK Corporate Governance Code	the UK Corporate Governance Code as published by the Financial Reporting Council
UK Market Abuse Regulation	Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (as amended)
UK Securitisation Regulations	the EU Securitisation Regulations as they form part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended and supplemented from time to time) including the Securitisation Regulations 2024 (SI 2024/102) as amended
UK Securitisation Rules	the UK Securitisation Regulations and the 2024 securitisation rules of the Financial Conduct Authority
uncertificated or uncertificated form	recorded on the register as being held in uncertificated form in CREST or on the books and records of the Registrar of the Company and title to which may be transferred by means of CREST or pursuant to the policies and procedures of the Registrar of the Company
United States or US	the United States of America, its territories and possessions, and any state of the United States of America and the District of Columbia
US Dollar, US$ or USD	the lawful currency of the United States
US Exchange Act	the US Securities Exchange Act of 1934, as amended
US Investment Company Act	the US Investment Company Act of 1940, as amended
US-Jersey IGA	United States and Jersey intergovernmental agreement
US Person	has the meaning given in Rule 902 of Regulation S under the US Securities Act and for purposes of Part VIII (*Taxation*) of this Private Placement Memorandum, a "US Person" is an individual who is a citizen or a resident of the United States for US federal income tax purposes, a corporation that is organised in or under the laws of the United States, any state or the District of Columbia, an estate, the income of which is subject to US federal income tax regardless of its source, or a trust that is subject to the supervision of a court within the United States and the control of a US person as defined in Section 7701(a)(30) of the US Tax Code
US Plan Threshold	ownership by Benefit Plan Investors in the aggregate of twenty-five per cent. or more of the value of any class of equity in the Company (calculated by excluding the value of any equity interest held by Controlling Persons; the term shall be amended to reflect

	such new ownership threshold that may be established by a change in the ERISA Plan Asset Regulation)
US Risk Retention Hedging Prohibition End Date	the date that is the latest of: (i) the date on which the total unpaid principal balance of the Portfolio has been reduced to 33 percent of the original unpaid principal balance as of the closing date of a securitisation; (ii) the date on which the total unpaid principal obligations under the new shares issued in a securitisation has been reduced to 33 percent of the total unpaid principal obligations of such shares as of the closing date of a securitisation; or (iii) two years after the date of the closing of a securitisation
US Risk Retention Regulations	the joint final regulations implementing the credit risk retention requirements of Section 941 of the Dodd-Frank Act, codified by Section 15G of the US Exchange Act, as in effect at any time or as otherwise amended
US SEC	the US Securities and Exchange Commission
US Securities Act	the United States Securities Act of 1933, as amended
US Tax Code	the US Internal Revenue Code of 1986, as amended
Valuation Agent	a recognised third-party valuation provider who calculates a net asset value price, or range of prices, based on inputs and models developed by the Manager
ZDP Shares	the zero dividend preference shares of the Company

HISTORICAL FINANCIAL INFORMATION

Financial Statements of the Company for the Year Ended 31 December 2025 F-2
Financial Statements of the Company for the Six Months Ended 30 June 2026 F-34

Statement of Comprehensive Income for the years ended 31 December 2025 and 31 December 2024

	Notes	1 January 2025 to 31 December 2025 £	1 January 2024 to 31 December 2024 £
Dividend income	5	**7,935,634**	8,700,000
Net foreign exchange gain/(loss)		**6,876**	(2,491)
Net unrealised gain on financial assets held at FVTPL	8	**544,295**	4,700,329
Total income		**8,486,805**	13,397,838
Investment Management fee	17	**(796,898)**	(860,975)
Legal fees		**(25,537)**	(276,785)
Professional fees		**(320,909)**	(314,454)
Administration fees		**(203,876)**	(206,317)
Directors' fees	17	**(151,500)**	(135,864)
Directors' and professional indemnity insurance	17	**(40,490)**	(49,250)
Fees paid to the Auditor	6	**(179,756)**	(223,134)
Printing fees		**(30,000)**	(12,609)
Listing fees		**(27,719)**	(18,561)
Tax services fees		**(7,262)**	(47,188)
Other expenses		**(13,935)**	(62,441)
Total operating expenses		**(1,797,882)**	(2,207,578)
Expenses reimbursed by the Manager	17	**-**	48,715
Net operating expenses		**(1,797,882)**	(2,158,863)
Operating profit		**6,688,923**	11,238,975
Finance costs	7	**(1,935,830)**	(1,950,092)
Profit and total comprehensive income for the year attributable to Shareholders		**4,753,093**	9,288,883
Weighted average number of Ordinary Shares in issue during the year	18	**60,600,754**	61,145,198
Basic and diluted earnings per Ordinary Share	18	**7.8p**	15.2p

All items in the above statement are derived from continuing operations. No operations were acquired or discontinued during the year.

The accompanying notes on pages 50 to 75 form an integral part of these Audited Financial Statements.

Statement of Financial Position as at 31 December 2025 and 31 December 2024

	Notes	31 December 2025 £	31 December 2024 £
Non-current assets			
Financial assets at FVTPL	8	**114,685,222**	126,382,727
Current assets			
Cash and cash equivalents		**615,462**	512,871
Other receivables and prepaid expenses	9	**10,798**	477,939
Total current assets		**626,260**	990,810
Total assets		**115,311,482**	127,373,537
Non-current liabilities			
ZDP Shares	11	**(19,768,380)**	-
Current liabilities			
ZDP Shares	11	**-**	(26,028,989)
Accounts payables and accrued expenses	10	**(1,077,544)**	(612,402)
Total current liabilities		**(1,077,544)**	(26,641,391)
Total liabilities		**(20,845,924)**	(26,641,391)
Net assets		**94,465,558**	100,732,146
Equity			
Stated capital	12	**80,695,200**	85,254,127
Retained earnings		**13,770,358**	15,478,019
Total Equity		**94,465,558**	100,732,146
Number of Ordinary Shares in issue at year end (excluding treasury shares)	12	**58,087,938**	61,145,198
NAV per Ordinary Share		**163p**	165p

The Audited Financial Statements were approved and authorised for issue by the Board on 25 March 2026 and signed on its behalf by:

John Kingston III
Director

The accompanying notes on pages 50 to 75 form an integral part of these Audited Financial Statements.

Statement of Changes in Equity
for the years ended 31 December 2025 and 31 December 2024

For the year ended 31 December 2025	Notes	Number of Ordinary Shares	Stated capital £	Retained earnings £	Net assets attributable to Shareholders £
Balance at 1 January 2025		**61,145,198**	**85,254,127**	**15,478,019**	**100,732,146**
Total comprehensive income for the year attributable to Shareholders		**-**	**-**	**4,753,093**	**4,753,093**
Transactions with Shareholders					
Ordinary shares bought under tender offer	12	**(3,057,260)**	**(4,558,927)**	**-**	**(4,558,927)**
Dividends paid	13	**-**	**-**	**(6,460,754)**	**(6,460,754)**
Balance at 31 December 2025		**58,087,938**	**80,695,200**	**13,770,358**	**94,465,558**

For the year ended 31 December 2024	Notes	Number of Ordinary Shares	Stated capital £	Retained earnings £	Net assets attributable to Shareholders £
Balance at 1 January 2024		61,145,198	85,254,127	12,731,672	97,985,799
Total comprehensive income for the year attributable to Shareholders		-	-	9,288,883	9,288,883
Transactions with Shareholders					
Dividends paid	13	-	-	(6,542,536)	(6,542,536)
Balance at 31 December 2024		61,145,198	85,254,127	15,478,019	100,732,146

The accompanying notes on pages 50 to 75 form an integral part of these Audited Financial Statements.

Statement of Cash Flows for the years ended 31 December 2025 and 31 December 2024

	Notes	1 January 2025 to 31 December 2025 £	1 January 2024 to 31 December 2024 £
Cash flows from operating activities			
Profit and total comprehensive income for the year		**4,753,093**	9,288,883
Adjustments for:			
Amortisation of ZDP Shares, issuance and redemption costs	7, 11	**1,932,056**	1,952,942
Net unrealised gain on financial assets held at FVTPL	8	**(544,295)**	(4,700,329)
Net foreign exchange (gain)/loss		**(6,876)**	2,491
Capital contribution in EJFIH	8	**(3,318,200)**	-
Capital distribution from EJFIH	8	**15,560,000**	-
Changes in net assets and liabilities			
Decrease/ (increase) in other receivables and prepaid expenses		**467,141**	(245,610)
Increase in account payables and accrued expenses		**465,142**	98,691
Net cash generated from operating activities[1]		**19,308,061**	6,397,068
Cash flows from financing activities			
Proceeds from the issuance of 2029 ZDP Shares		**8,676,959**	-
Redemption of 2025 ZDP Shares	11	**(15,808,347)**	-
2029 ZDP Share issue costs		**(1,061,277)**	-
Ordinary shares bought under tender offer	12	**(4,558,927)**	-
Dividends paid	13	**(6,460,754)**	(6,542,536)
Net cash used in financing activities		**(19,212,346)**	(6,542,536)
Net increase/(decrease) in cash and cash equivalents		**95,715**	(145,468)
Cash and cash equivalents at the start of the year		**512,871**	660,830
Effect of movements in exchange rates on cash held		**6,876**	(2,491)
Cash and cash equivalents at the end of the year		**615,462**	512,871

1 Please see note 5 for dates and amounts of dividends received in cash

The accompanying notes on pages 50 to 75 form an integral part of these Audited Financial Statements.

Notes to the Audited Financial Statements for the year ended 31 December 2025

1. General Information

The Company is a closed-ended investment company incorporated with limited liability in the Bailiwick of Jersey on 20 October 2016 under the provisions of the Companies Law with registration number 122353 and is regulated as a collective investment fund under the Collective Investment Funds (Jersey) Law 1988. The Company's registered office and principal place of business is IFC5, St. Helier, Jersey, JE1 1ST. The principal legislation under which the Company operates is the Companies Law, as amended. The Company's stated capital comprises Ordinary Shares which were initially admitted to trading on the SFS on 7 April 2017. The 2029 ZDP Shares were admitted to trading on the SFS on 14 May 2025 (see note 11).

The Company does not have a fixed life as set out in the Articles. On or about each fifth anniversary of the Company's Shares being admitted to trading on LSE, the Directors shall procure that an EGM of the Company be convened at which a Continuance Resolution will be proposed. The first Continuance Resolution was passed at the EGM held on 5 May 2022. The next Continuation Vote will take place around May 2027, being five years from the most recent vote.

The Manager has been appointed by the Company to provide management and investment management services and the Administrator has been appointed to provide administration services to the Company.

EJF holds 100% of the voting rights in the Manager. EJF is an investment adviser principally located in the US and registered as such with the SEC and as a CPO and CTA with the CFTC. The Company has appointed the Manager to act as its AIFM for the purposes of the AIFM Directive.

Additional information has been provided in note 20 to allow the Manager to avail of the audit exemption as prescribed in Rule 206 (4)-2 of the US Investment Adviser Act 1940.

The Company has one direct subsidiary, EJFIH (incorporated on 9 June 2017), of which it owns 100% (31 December 2024: 100%) of the share capital. Refer to note 14 for further information on EJFIH and EJFIH's subsidiaries and associates.

The Company seeks to generate risk adjusted returns for its Shareholders by investing, through its Subsidiary, 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, Fintech debt securities (including European debt securities) and private equity, in both cash and synthetic formats issued by entities domiciled in the US, UK and Europe. Investments consist primarily of Securitisation and Related Investments and Specialty Finance Investments. The Company seeks to operate in a way to enable it to make quarterly dividend payments to Shareholders in addition to targeting Net Asset Value growth.

2. Material Accounting Policies

2.1 Basis of Preparation

(a) Statement of Compliance

The Audited Financial Statements of the Company have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ('IASB'). The Audited Financial Statements have been prepared to give a true and fair view of the Company's affairs and to comply with the requirements of the Companies Law.

(b) Going concern

Under the UK Code, voluntarily adopted by the Company, and Companies Law, the Directors are required to satisfy themselves that it is reasonable to assume that the Company is a going concern and to identify any material uncertainties in respect of the Company's ability to continue as a going concern for at least 12 months from the date of approving the financial statements.

The Directors have performed a detailed assessment of the Company's ability to meet its liabilities as they fall due for the period of at least twelve months from the date of signing the Audited Financial Statements, including evaluating severe but plausible downside scenarios of a significant reduction in the liquidity and cash flow generation of its investments. The assessment was completed with reference to the cash position of the Group, the operating expenses and the potential default risk of the investments held. The Directors also considered the continuation vote due in 2027. Based on the Company's performance, the voting history in the general meetings, the previous continuation vote in 2022, the establishment of the tender offer process to provide increased liquidity to Shareholders, and the future prospects of the Company, the Directors consider the risk of the continuation vote not being passed to be low. The continuation vote, which occurs every five years, requires a majority of those voting to be passed.

In light of the analysis, the Directors are satisfied that, at the time of approving the Audited Financial Statements, there is a reasonable expectation that the Company will have adequate resources to continue in operational existence for a period of at least twelve months from the date of approval of the Audited Financial Statements and have therefore prepared the Audited Financial Statements on a going concern basis.

(c) Functional and presentation currency

The Company's functional currency is Sterling, which the Directors deem to be the currency of the primary economic environment in which it operates, the currency in which finance is raised, the currency in which distributions are made, the currency in which investment management fees are paid and ultimately the currency that would be returned to Shareholders if the Company was wound up. The Group enters into investment transactions that are denominated in currencies other than the functional currency, primarily in US Dollars and therefore is exposed to currency risk. The Company's performance is evaluated and reported to

Shareholders in Sterling and its liquidity is managed in Sterling. Sterling is considered as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The Audited Financial Statements are presented in Sterling, except where otherwise indicated, and are rounded to the nearest pound.

(d) Standards and amendments to existing standards effective from 1 January 2025

There are no standards, amendments to standards or interpretations that are effective for annual periods beginning on 1 January 2025 that have a material effect on the Audited Financial Statements of the Company.

Standard	Effective for annual periods beginning on or after
IAS 21 (amendments)- The effects of change in foreign exchange rates: lack of exchangeability	1 January 2025

(e) Standards, amendments and interpretations issued but not yet effective

Standards that become effective in future accounting periods and have not been early adopted by the Company:

Standard	Effective for annual periods beginning on or after
IFRS 9 and IFRS 7 (amendments) - Classification and measurement of financial instruments	1 January 2026
IFRS 18 - Presentation and disclosure in financial statements	1 January 2027
IFRS 19 - Subsidiaries without public accountability: disclosures	1 January 2027

The Directors are still assessing the impact of IFRS 18, but at present do not anticipate it will have a material impact on the Audited Financial Statements other than to the presentation of the Statement of Comprehensive Income.

The Directors believe that the application of the other standards and amendments will not have an impact on the Audited Financial Statements.

A number of other new standards, amendments to standards and interpretations have been issued, but are not yet effective and have not been early adopted in preparing these Audited Financial Statements. None of these are expected to have a material effect on the Audited Financial Statements of the Company.

2.2 Foreign Currency Translations

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency assets and liabilities are translated into the functional currency using the exchange rate prevailing at the Statement of Financial Position date.

Foreign exchange gains and losses arising from translation are included in the Statement of Comprehensive Income.

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the Statement of Comprehensive Income within 'Net foreign exchange gain/(loss)'.

Foreign exchange gains and losses relating to the financial assets and liabilities carried at FVTPL are presented in the Statement of Comprehensive Income within 'Net unrealised gain on financial assets held at FVTPL'.

2.3 Accounting for Subsidiaries

In accordance with IFRS 10 as amended, the Board has determined that the Company meets the definition of an investment entity which is exempted from the consolidation of investment entity subsidiaries. EJFIH was established to hold investments for the Company and to maximise the Company's investment returns. It does not represent a separate substantial business activity.

The Company has been deemed to meet the definition of an investment entity per IFRS 10 as the following conditions exist:

- The Company has obtained funds from investors for the purpose of providing investors with investment management services.
- The Company's business purpose, which was communicated directly to investors, is investing funds solely for returns from capital appreciation and investment income.
- The Company measures and evaluates all of its investments on a fair value basis.

The Company obtains funding from a diverse group of external Shareholders, to whom it has committed that its business purpose is to invest funds solely for returns from capital appreciation and investment income.

The Company owns 100% of the equity of the Subsidiary. The Company is exposed to, and has rights to the returns from, the Subsidiary and has the ability, either directly or through the Manager, to affect the amount of its returns from the Subsidiary, representing all the elements of control as prescribed by IFRS 10.

The Subsidiary is used to acquire exposure to a portfolio comprising a number of investments. The fair value method is used to represent the Subsidiary's performance in its internal reporting to the Board, and to evaluate the performance of the Subsidiary's investments and to make investment decisions for investments.

Those investments have documented maturity/redemption dates or will be sold if other investments with a better risk/reward profile are identified, which the Manager considers demonstrate a clear exit strategy.

As a result, under the terms of IFRS 10, the Company does not consolidate the Subsidiary, and measures its investment in the Subsidiary at FVTPL. The Company has determined that the fair value of the Subsidiary is the Subsidiary's NAV and has concluded that the Subsidiary meets the definition of an unconsolidated subsidiary under IFRS 12 and has made

2. Significant Accounting Policies (continued)

the necessary disclosures (see notes 8 and 14 for further information).

2.4 Taxation

Under Article 123C of the Jersey Income Tax Law and on the basis that the Company is tax resident in Jersey, the Company is regarded as subject to Jersey income tax at a rate of 0%. The Company is not subject to UK income tax or corporation tax. The Company is deemed to be a non-US corporation for US tax classification status.

2.5 Financial Instruments

(a) Classification

The Company classifies its financial assets and financial liabilities in the following measurement categories:

- those to be measured subsequently at fair value; and
- those to be measured at amortised cost.

The classification depends on the Company's business model for managing the financial instruments and the contractual terms of the cash flows.

Financial assets held at FVTPL

The Company has been classified as an investment entity and as such, its investment in EJFIH is held at FVTPL and measured in accordance with the requirements of IFRS 9.

Cash and cash equivalents and receivables

(i) Cash and cash equivalents

Cash comprises current deposits with banks.

(ii) Receivables

Receivables, including balance due from EJFIH, are balances that have been contracted for but not yet delivered on the Statement of Financial Position date. These financial assets are included in current assets, except for maturities greater than twelve months after the reporting date, which are classified as non-current assets.

Financial liabilities measured at amortised cost

These include trade payables and other short-term monetary liabilities, which are initially recognised at fair value. They are subsequently carried at amortised cost.

ZDP Shares

In accordance with IAS 32, ZDP Shares have been disclosed as a financial liability as the shares are redeemable at a fixed date and holders are entitled to a final capital entitlement on the repayment date. ZDP Shares are measured at amortised cost using the effective interest rate method. Capitalised issue costs are being amortised using the effective interest rate method. Amortisation of the 2029 ZDP Shares issue costs is included in finance costs.

(b) Recognition and initial measurement

Investments made by the Company in EJFIH are recognised on the trade date when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value.

All other financial assets and financial liabilities are also recorded on the trade date and recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs.

The Company offsets financial assets and financial liabilities if the Company has a legally enforceable right to offset the recognised amounts and interests and intends to settle on a net basis or realise the asset and liability simultaneously.

(c) Subsequent measurement of Financial Assets

Financial assets at FVTPL ("Investment in EJFIH")

Subsequent to initial recognition, the Investment in EJFIH is measured at each subsequent reporting date at FVTPL. The Company holds all of the shares in EJFIH, which is a holding vehicle used to hold the Company's investments. EJFIH is not traded and contains unobservable inputs and is therefore classified as a Level 3 investment under IFRS 13. The Board considers that the NAV of EJFIH is representative of its fair value. EJFIH itself holds a number of Level 3 investments which are also measured at fair value.

Changes in the fair value of financial assets held at FVTPL are recognised in net gain or loss on financial assets held at FVTPL in the Statement of Comprehensive Income as applicable.

Notes 8 and 15 provide an analysis of the financial assets and financial liabilities of EJFIH on a look-through basis that ties to the Company's investment in financial assets at FVTPL.

Derivative financial instruments held by EJFIH

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently re-measured to their fair value at each financial reporting date. The resulting gain or loss is recognised in EJFIH's Statement of Comprehensive Income immediately. Derivatives are classified as financial assets or financial liabilities at FVTPL, attributable transaction costs are recognised in the Statement of Comprehensive Income when incurred. EJFIH holds derivative financial instruments to minimise its exposure to foreign exchange risks.

Cash and cash equivalents and receivables

Cash and cash equivalents and receivables are classified as financial assets measured at amortised cost.

(d) Impairment

The Company assesses on a forward-looking basis the expected credit loss associated with its cash and cash equivalents and receivables carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk or indicators of impairment.

For receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected 12-month losses to be recognised from initial recognition of the receivables, see note 15 for further details.

(e) De-recognition of Financial Assets and Financial Liabilities

A financial asset (in whole or in part) is derecognised either:

- when the Company has transferred substantially all the risks and rewards of ownership; or
- when the contractual right to receive cash flow has expired.

A financial liability (in whole or in part) is derecognised when the Company has extinguished its contractual obligations, it expires or is cancelled. Any gain or loss on de-recognition is taken to Statement of Comprehensive Income.

2.6 Dividend Income

Dividend income is recognised in the Statement of Comprehensive Income on the date on which the right to receive payment is established. This is usually the date on which the directors of the relevant company approve the payment of a dividend. Dividend income from EJFIH is recognised in the Statement of Comprehensive Income as a separate line item.

2.7 Interest Income and Expense

Interest income and expense are recognised as other income in the Statement of Comprehensive Income, using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial instrument (or, when appropriate, a shorter period) to the carrying amount of the financial instrument on initial recognition.

2.8 Dividends Payable

Dividends declared and approved are charged against equity. A corresponding liability is recognised for any unpaid dividends prior to year-end. Dividends approved but not declared will be disclosed in the notes to the Audited Financial Statements.

2.9 Expenses

Fees and other operating expenses are recognised in the Statement of Comprehensive Income on an accrual basis.

2.10 Ordinary Shares

The Ordinary Shares of the Company are classified as equity based on the substance of the contractual arrangements and in accordance with the definition of equity instruments under IAS 32. The proceeds from the issue of Ordinary Shares are recognised in the Statement of Changes in Equity, net of issue costs.

Where the Company repurchases its own Ordinary Shares, the consideration paid, including any directly attributable costs, is deducted from equity attributable to the Shareholders. Such Ordinary Shares repurchased can be cancelled or held in treasury and subsequently re-issued or sold. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable issue costs, is included in equity attributable to the Shareholders.

3. Use of Judgements and Estimates

In the application of the Company's accounting policies, the Board is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. The critical judgements and estimations at the Statement of Financial Position date that the Directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the Audited Financial Statements are as set out below:

(a) Significant Judgements

Non-consolidation of EJFIH

The Directors have used their judgement to determine that the Company continues to meet the definition of an investment entity as defined in IFRS 10.

As the Company satisfies the criteria for an investment entity and has the typical characteristics of an investment entity as explained in note 2.3 "Accounting for subsidiaries", the Board considers that the Company is an investment entity. Accordingly, the Company's subsidiary, EJFIH, has not been consolidated but has been fair valued and accounted for at FVTPL.

(b) Significant Estimates

Fair value measurements and valuation processes

The Company's investment in EJFIH has been classified as a Level 3 investment and is measured at fair value for financial reporting purposes. The fair value of EJFIH is measured based on the NAV of EJFIH. The estimate of the NAV of EJFIH relies heavily on the estimate of the fair value of the underlying assets and liabilities. EJFIH uses market-observable data to the extent it is available to value its underlying assets and liabilities. However, certain valuations use unobservable data which involves more estimation uncertainty. The Manager has also appointed a recognised independent valuation agent to provide comfort over the valuations derived from models developed by the Manager where appropriate.

The Manager works closely with the independent valuation agent to establish the appropriate valuation techniques and inputs to the models. The fair value of assets classified as Level 3 is determined by the use of valuation techniques. The selection of the appropriate valuation technique (including the use of NAV and discounted cash flow analysis) and the selection of unobservable inputs into those valuation techniques requires judgement and estimation (see note 15 for further information).

4. Segmental Reporting

IFRS 8 requires a "management approach", under which segment information is presented on the same basis as that used for internal reporting purposes.

The Board has considered the requirements of IFRS 8 and is of the view that the Company is engaged in a single segment of business via its investment in EJFIH mainly in one geographical area, Jersey, and therefore the Company has only a single operating segment.

5. Dividend Income

The Company received the following dividends from EJFIH:

Date received	1 January 2025 to 31 December 2025 £	1 January 2024 to 31 December 2024 £
12 February 2024	-	1,800,000
22 May 2024	-	2,200,000
19 August 2024	-	2,000,000
13 November 2024	-	2,700,000
13 February 2025	**2,000,000**	-
13 May 2025	**2,500,000**	-
21 August 2025	**1,635,634**	-
14 November 2025	**1,800,000**	-
Total dividend income	**7,935,634**	8,700,000

6. Fees Paid to the Auditor

The analysis of the Auditor's remuneration is as follows:

	1 January 2025 to 31 December 2025 £	1 January 2024 to 31 December 2024 £
Audit and audit related services		
Annual audit	**130,756**	168,000
Audit related services - interim review	**49,000**	55,134
Total audit and audit related fees	**179,756**	223,134

7. Finance Costs

	1 January 2025 to 31 December 2025 £	1 January 2024 to 31 December 2024 £
Amortisation of ZDP Shares including finance costs and issuance and redemption costs (see note 11)	**1,932,056**	1,952,942
Prime broker costs	**3,793**	3,752
Other interest	**(19)**	(6,602)
Total finance costs	**1,935,830**	1,950,092

8. Financial Assets at FVTPL

Investment in EJFIH

During the year ended 31 December 2025, the Company made a total investment of £3,318,200 in EJFIH (31 December 2024: £nil) and received total capital returns of £15,560,000 from EJFIH (31 December 2024: £nil). This included a capital distribution of £11,000,000 received on 15 May 2025, for the purpose of covering the repayment of the 2025 ZDP Shares and £4,560,000 received on 16 October 2025 to cover payment for the tender offer executed in October 2025.

The investment in EJFIH is used to acquire exposure to a portfolio comprising a number of investments. The investment in EJFIH is measured at FVTPL. The Company has determined that the fair value of EJFIH is its NAV.

Below is a summary of the movement in the investment in EJFIH, held by the Company:

	31 December 2025 £	31 December 2024 £
Opening balance	**126,382,727**	121,682,398
Additions[1]	**3,318,200**	-
Return of capital	**(15,560,000)**	-
Net unrealised gain on investment in EJFIH	**544,295**	4,700,329
Investment in EJFIH at FVTPL at the end of the year	**114,685,222**	126,382,727

[1] During the year, the Company used proceeds from the issuance of 2029 ZDP Shares to subscribe for a further 3,318,200 Ordinary Shares in EJFIH at £1 each.

On a look-through basis, the following table discloses EJFIH's financial assets at FVTPL, which agrees to the Company's financial assets at FVTPL:

	31 December 2025 £	31 December 2024 £
EJFIH's investments at FVTPL:		
Investment in the Partnership	**70,881,726**	73,568,775
Investment in Seneca	**-**	8,808,028
Investment in the CDO Manager	**6,487,806**	4,756,235
CDO Securities	**690,836**	1,127,106
Preference Shares	**-**	1,138,738
Credit risk transfer	**7,699,165**	4,702,073
Mezzanine debt securities	**1,814,146**	5,026,973
Investment in US bank debt	**-**	1,575,184
US treasury bills	**-**	3,133,374
Net derivative financial assets/(liabilities) (see note 15)	**169,698**	(1,886,535)
Total of EJFIH's investments at FVTPL	**87,743,377**	101,949,951
EJFIH's other assets and liabilities:		
Cash	**7,648,653**	3,840,585
Cash equivalents held in money market fund	**16,799,781**	16,019,121
Cash held as margin	**2,016,939**	4,907,510
Amount due from/(to) EJFI (see note 10 and 9)	**482,491**	(465,690)
Other receivables	**50,234**	131,250
Other payables	**(56,252)**	-
EJFIH's NAV at the end of the year	**114,685,222**	126,382,727

8. Financial Assets at FVTPL (continued)

The following table shows the movement of assets other than net derivative financial assets/(liabilities) held by EJFIH during the year:

	Opening fair value at 1 January 2025 £	Additions £	Realised gains/ (losses)[1] £	Unrealised gains/ (losses)[1] £	Disposals, paydown and distributions £	Ending fair value at 31 December 2025 £
Investment in the Partnership[2]	73,568,775	2,472,162	8,012,908	(5,096,629)	(8,075,490)	70,881,726
Investment in Seneca	8,808,028	-	5,690,870	(6,812,048)	(7,686,850)	-
Investment in the CDO Manager[2]	4,756,235	-	-	2,838,165	(1,106,594)	6,487,806
CDO Securities	1,127,106	7,554,582	1,170,164	(436,270)	(8,724,746)	690,836
Preference Shares	1,138,738	-	(174,494)	134,198	(1,098,442)	-
Credit risk transfer	4,702,073	4,490,389	(42,568)	(290,317)	(1,160,412)	7,699,165
Mezzanine debt securities	5,026,973	-	377,294	(568,736)	(3,021,385)	1,814,146
US treasury bills	3,133,374	-	(388,985)	281,104	(3,025,493)	-
Investment in US bank debt	1,575,184	-	117,752	(123,940)	(1,568,996)	-
Total financial assets	**103,836,486**	**14,517,133**	**14,762,941**	**(10,074,473)**	**(35,468,408)**	**87,573,679**

1 Includes fluctuations in foreign exchange rates

2 Refer to note 14 for percentage of ownership

The following table shows the movement of assets held by EJFIH during the year from 1 January 2024 to 31 December 2024:

	Opening fair value at 1 January 2024 £	Additions £	Realised gains/ (losses)[1] £	Unrealised gains/ (losses)[1] £	Disposals, paydown and distributions £	Ending fair value at 31 December 2024 £
Investment in the Partnership[2]	75,112,172	-	11,534,146	(1,543,397)	(11,534,146)	73,568,775
Investment in Seneca	9,470,083	-	64,633	644,611	(1,371,299)	8,808,028
Investment in the CDO Manager[2]	6,045,335	-	-	75,009	(1,364,109)	4,756,235
CDO Securities	1,072,326	-	-	54,780	-	1,127,106
Preference Shares	1,119,497	-	-	19,241	-	1,138,738
Credit risk transfer	-	4,983,036	45,633	170,249	(496,845)	4,702,073
Mezzanine debt securities	-	4,311,040	-	715,933	-	5,026,973
European Debt securities	821,306	-	(5,756)	(5,693)	(809,857)	-
US treasury bills	3,387,864	-	(42,424)	12,233	(224,299)	3,133,374
Investment in US bank debt	4,679,982	-	33,507	108,518	(3,246,823)	1,575,184
Total financial assets	**101,708,565**	**9,294,076**	**11,628,739**	**251,484**	**(19,047,378)**	**103,836,486**

1 Include fluctuations in foreign exchange rates

2 Refer to note 14 for percentage of ownership

9. Other receivables and prepayments

	31 December 2025 £	31 December 2024 £
Amount due from EJFIH	-	465,690
Prepaid expenses	**10,798**	12,249
Total other receivables and prepayments	**10,798**	477,939

The amount due from EJFIH is interest free and repayable on demand. Credit risk is considered to be immaterial.

10. Accounts Payables and Accrued Expenses

	31 December 2025 £	31 December 2024 £
Amount due to EJFIH	**482,491**	-
Management fee	**188,342**	212,052
Legal and professional fees	**85,491**	112,305
Audit fees	**179,750**	168,000
Sundry creditors	**59,232**	45,665
Other payable to the Manager	**44,363**	35,451
Directors' fees payable	**37,875**	38,929
Total accounts payables and accrued expenses	**1,077,544**	612,402

The amount due to EJFIH is interest free and repayable on demand.

11. ZDP Shares

As at beginning of the year, there were 19,273,903 2025 ZDP Shares outstanding.

In April 2025, the Company issued a prospectus offering up to 28 million new 2029 ZDP Shares, comprised of the Rollover Offer and an initial placing of additional 2029 ZDP Shares. Pursuant to the Rollover Offer, 7,982,227 2025 ZDP Shares were converted into 11,102,466 2029 new 2029 ZDP Shares at a conversion price of £1.3909. The 2029 ZDP Shares were issued at a Gross Redemption Yield of 8.5% with a redemption value of 145.48 pence per share. An aggregate of 17,001,593 2029 ZDP Shares were issued pursuant to the Rollover Offer and Initial Placing. Further in May 2025, in order to simplify the Company's capital structure and following the completion of the Rollover Offer and Initial Placing as above, the Company announced that it was bringing forward the repayment date for the Company's 2025 ZDP Shares to 14 May 2025. All remaining 2025 ZDP Shares were repaid as a result.

On 21 July 2025, the Company made an application to the LSE for a block listing of 4,700,000 new 2029 ZDP Shares, to rank pari passu with the existing 2029 ZDP Shares in issue, to be admitted to trading on the SFS of the main market of the LSE. Such additional 2029 ZDP Shares were permitted to be issued pursuant to the Company's existing general authority to issue shares on a non-pre-emptive basis to satisfy market demand, as and when market conditions permitted.

At year end, 19,702,159 2029 ZDP Shares were in issue. Further 2029 ZDP Shares were issued post year end (refer to note 19).

Holders of ZDP Shares are not entitled to any dividends paid by the Company. The following table reconciles the liability for ZDP Shares, held at amortised cost, for the reporting period.

	2029 ZDP Shares 31 December 2025 £	2025 ZDP Shares 31 December 2025 £	2025 ZDP Shares 31 December 2024 £
Opening balance	**-**	**26,028,989**	24,076,047
Redemption of 2025 ZDP shares1	**-**	**(15,808,347)**	-
Conversion of 2025 ZDP shares to 2029 ZDP shares	**11,102,466**	**(11,102,466)**	-
2029 ZDP Shares Issue	**8,676,959**	**-**	-
ZDP Shares issuance costs	**(1,061,277)**	**-**	-
Amortisation of ZDP Shares, including finance costs and issuance costs	**1,050,232**	**881,824**	1,952,942
ZDP Shares closing balance	**19,768,380**	**-**	26,028,989

1 Repayment included original issuance price and 7% Gross Redemption Yield.

12. Stated Capital

Net assets attributable to Shareholders is represented by Ordinary Shares that carry one vote each and have equal voting rights. Ordinary Shares are entitled to dividends when declared. The Company has no restrictions or specific capital requirements on the issue and repurchase of Ordinary Shares.

The analysis of movements in the number of Ordinary Shares and the corresponding changes to the Company's stated capital as a result of transactions with Shareholders during the year were as follows:

	31 December 2025	31 December 2025	31 December 2024	31 December 2024
Ordinary Shares issued and fully paid	**Number of Ordinary Shares**	**Stated Capital**	**Number of Ordinary Shares**	**Stated Capital**
Opening balance	**61,145,198**	**85,254,127**	**61,145,198**	**85,254,127**
Ordinary Shares bought back under Tender Offer	**(3,057,260)**	**(4,558,927)**	**-**	**-**
Closing balance	**58,087,938**	**80,695,200**	**61,145,198**	**85,254,127**

In October 2025, the Company successfully completed its first tender offer, through which 3,057,260 Ordinary Shares were purchased, and subsequently cancelled. A maximum of approximately 10.5% of Ordinary Shares tendered by individual Shareholders were accepted for purchase. Ordinary Shares were purchased at a 5% discount to 31 August 2025 NAV. This resulted in a total cash outflow of £4,558,927 which included £174,819 of directly attributable transaction costs.

As at 31 December 2025, the Company had 15,808,509 Ordinary Shares held in treasury (31 December 2024: 15,808,509).

13. Dividends Paid

The Company paid the following dividends on its Ordinary Shares during the year ended 31 December 2025:

Period to	Declared date	Ex-dividend date	Record date	Payment date	Dividend rate per Ordinary Share £	Net dividend paid £
31 Dec 2024	28 Jan 2025	6 Feb 2025	7 Feb 2025	25 Feb 2025	0.02675	**1,635,634**
31 Mar 2025	24 Apr 2025	1 May 2025	2 May 2025	30 May 2025	0.02675	**1,635,634**
30 Jun-25	1 Aug 2025	14 Aug 2025	15 Aug 2025	29 Aug 2025	0.02675	**1,635,634**
30 Sep-25	23 Oct 2025	30 Oct 2025	31 Oct 2025	28 Nov 2025	0.02675	**1,553,852**
						6,460,754

On 29 January 2026, the Company declared a dividend of 2.8625p per share in respect of the quarter ended 31 December 2025. Payment was made on 27 February 2026.

The Company paid the following dividends on its Ordinary Shares during the year ended 31 December 2024:

Period to	Declared date	Ex-dividend date	Record date	Payment date	Dividend rate per Ordinary Share £	Net dividend paid £
31 Dec 2023	29 Jan 2024	8 Feb 2024	9 Feb 2024	29 Feb 2024	0.02675	1,635,634
31 Mar 2024	2 May 2024	16 May 2024	17 May 2024	31 May 2024	0.02675	1,635,634
31 June 2024	26 Jul 2024	8 Aug 2024	9 Aug 2024	30 Aug 2024	0.02675	1,635,634
31 Sep 2024	29 Oct 2024	7 Nov 2024	8 Nov 2024	29 Nov 2024	0.02675	1,635,634
						6,542,536

14. Interest in Unconsolidated Subsidiaries and Associates

For the years ended 31 December 2025 and 31 December 2024, the table below discloses the unconsolidated subsidiaries and associates in which the Company holds an interest, but does not consolidate in accordance with IFRS 12:

Name of entity	Type of entity	Principal place of business	Purpose	Interest held by the Company		Interest held
				2025	2024	
EJFIH	Private Company	Jersey	To hold a portfolio of investments in order to generate capital appreciation and investment income.	100%	100%	Direct
Partnership	Limited Partnership	Delaware	To hold CDO Equity Tranches in order to generate capital appreciation and investment income.	85% of Class A units and 90% of Class X units	85% of Class A units only	Held through EJFIH
CDO Manager	Limited Liability Company	Delaware	To generate management fee income.	49%	49%	Held through EJFIH
Seneca	Limited Partnerships	Delaware	To generate income from MSRs.	-	100%	Held through EJFIH
EJFCRT 2025-2 Aggregator LLC	Limited Liability Company	Delaware	To hold EJF CRT 2025-2 security	27%	-	Held through EJFIH

15. Financial Risk Management

The Board has overall responsibility for the oversight of the Company's risk management framework. The Company's risk management policies are established by the Manager to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies are reviewed regularly by the Manager to reflect changes in market conditions and the Company's activities. This note presents information about the Company's exposure to each of the financial risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

The Company is exposed to a number of risks through its investment in EJFIH. The risks set out below relate to those risks faced by the Company through the underlying investments made by EJFIH.

(a) Market Risk

Market risk is the risk that changes in market prices such as interest rates, foreign exchange rates, other price risk and credit spreads will affect the Company's income and/or the value of its holding in EJFIH. The changes in credit spreads affect EJFIH's net equity or net income, and hence the value of the Company's investment in EJFIH.

The Company's exposure to market risk comes mainly from movements in the value of its investment in EJFIH and on a look-through basis to the underlying investments in its portfolio.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return on risk. The Company's strategy for the management of market risk is driven by the Company's investment objective. The Company seeks to generate attractive risk-adjusted returns for its Shareholders, 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, and may be issued by entities domiciled in the US, UK and Europe. The various components of the Company's market risk are managed on an ongoing basis by the Manager in accordance with policies and procedures in place, as detailed below.

In addition, the Company, through EJFIH, intends to mitigate market risk generally by not making investments that would cause it to have exposure to any one individual asset exceeding:

- 20% of the Company's gross assets invested in any single capital solutions, ABS investment or Specialty Finance Investment at the time of investment; and
- 25% of the Company's gross assets in any single non-EJF sponsored Risk Retention Investment.

15. Financial Risk Management (continued)

The Company's position exposure is monitored on an ongoing basis by the Manager and reviewed on a quarterly basis by the Board and the Administrator.

Interest rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest-bearing financial assets and liabilities expose the Company to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows.

The Group is exposed to the risk that the fair value of their investments or future cash flows of the financial instruments will fluctuate as a result of changes in market interest rates. The Group is also exposed to interest rate risk in respect of their cash and cash equivalents.

The Manager assesses interest rate risk on an ongoing basis and may, if deemed necessary, choose to utilise appropriate strategies to manage interest rate risk using, for example, interest rate swaps. The Company currently does not utilise such swaps.

Sensitivity Analysis

The weighted average effective duration of the interest-bearing investments (2025: 93,462,625 and 2024: 87,940,303) has been used to identify the potential NAV impact of a 0.25% parallel shift in the relevant reference rate curve on the valuation of such investments.

The percentage has been determined as reasonably possible by the Directors based on potential volatility due to changes in interest reference rates.

	31 December 2025 Change in fair value	
Change in rate	**0.25%**	**(0.25)%**
Potential NAV impact	**£(117,927)**	**£117,927**

	31 December 2024 Change in fair value	
Change in rate	0.25%	(0.25)%
Potential NAV impact	£(394,783)	£394,783

Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group is directly exposed to currency risk in respect of its cash and cash equivalents and derivatives denominated in currencies other than Sterling, and its investments.

The Group enters into transactions that are denominated in currencies other than their functional currency, primarily in US Dollar. Consequently, the Group is exposed to risk that the exchange rate of its currency relative to other foreign currencies may change in a manner that has an adverse effect on the fair value or future cash flows of financial assets or financial liabilities denominated in currencies other than Sterling.

The Manager monitors the exposure to foreign currencies and reports to the Board monthly. The Manager measures the risk of the foreign currency exposure by considering the effect on the NAV and income of a movement in the rates of exchange to which the assets, liabilities, income and expenses are exposed.

There were no forward foreign exchange derivatives held by the Company during the years ended 31 December 2025 and 31 December 2024.

As at 31 December 2025 and 31 December 2024 the following forward foreign exchange contracts were held by EJFIH and are included within the financial liabilities or assets of EJFIH:

Maturity date	Counterparty	Contract amount (GBP)	Buy	Sell	31 December 2025 £
19 January 2025	Citibank N.A.	53,388,733	GBP	USD	**169,698**
Derivative financial liabilities held by EJFIH					**169,698**

Maturity date	Counterparty	Contract amount (GBP)	Buy	Sell	31 December 2024 £
16 January 2025	Citibank N.A.	28,238,183	GBP	USD	(1,167,221)
11 March 2025	Citibank N.A.	28,871,576	GBP	USD	(545,726)
13 March 2025	Citibank N.A.	9,179,330	GBP	USD	(173,588)
Derivative financial liabilities held by EJFIH					**(1,886,535)**

The carrying amount of the Group's financial assets in individual foreign currencies as well as the amount of the foreign exchange contracts, expressed in Sterling and as a percentage of its net assets, was as follows:

	31 December 2025	
Currency	**£**	**% of net assets**
US Dollar – financial assets	**113,047,300**	120%
US Dollar – foreign exchange contracts	**(53,388,733)**	(57)%
Euro	**16,555**	0%

	31 December 2024	
Currency	**£**	**% of net assets**
US Dollar – financial assets	127,759,242	127%
US Dollar – foreign exchange contracts	(66,289,089)	(66)%
Euro	215,310	0%

Sensitivity analysis

The table below sets out the effect on the net assets of a reasonably possible weakening of Sterling against the US Dollar by 10% as at 31 December 2025 (31 December 2024: 10%). 10% is considered to continue to be deemed reasonable as it reflects past experience.

The analysis includes the impact of foreign exchange contracts held by the Group but assumes that all other variables, in particular interest rates, remain constant.

	31 December 2025	31 December 2024
Effect in Sterling	**6,628,730**	£6,830,017
Effect as % of net assets attributable to Ordinary Shares	**7%**	7%

The table below sets out the effect on the net assets of a reasonably possible strengthening of Sterling against the US Dollar by 10% as at 31 December 2025 (10% as at 31 December 2024).

	31 December 2025	31 December 2024
Effect in Sterling	**£(5,423,506)**	£(5,588,196)
Effect as % of net assets attributable to Ordinary Shares	**(6)%**	(6)%

No sensitivity analysis has been performed for financial assets denominated in Euro as the balance is not significant.

Other Price Risk

Other price risk is the risk that the fair value of the investment in EJFIH will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment or its issuer or factors affecting all instruments traded in the market.

Price risk is managed by the Manager by diversifying the portfolio through holding diversified collateral in the underlying securitisations. Also, if the price risk is not in accordance with the Investment Policy or guidelines of the Company, then the Manager is required to rebalance the portfolio prior to the end of the reporting period following each determination of such occurrence.

15. Financial Risk Management (continued)

Exposure

The following table sets out the concentration of the portfolio profile which shows the total exposure to market risk, held by the Group at the reporting date.

	31 December 2025		31 December 2024	
	£	%	£	%
Investment in the Partnership[1]	**70,881,726**	**62**	73,568,775	58
Investment in Seneca	**-**	**-**	8,808,028	7
Investment in CDO Manager	**6,487,806**	**6**	4,756,235	4
CDO Securities	**690,836**	**1**	1,127,106	1
Preference Shares	**-**	**-**	1,138,738	1
Credit risk transfer	**7,699,165**	**7**	4,702,073	4
Mezzanine debt securities	**1,814,146**	**2**	5,026,973	4
US treasury bills	**-**	**-**	3,133,374	2
Investment in US bank debt	**-**	**-**	1,575,184	1
Net derivative financial assets/(liabilities) (note 15)	**169,698**	**-**	(1,886,535)	(1)
Financial assets and liabilities at FVTPL	**87,743,377**	**77**	101,949,951	81
Cash	**7,648,653**	**7**	3,840,585	3
Cash equivalents held in money market fund	**16,799,781**	**15**	16,019,121	13
Cash held as margin	**2,016,939**	**2**	4,907,510	3
Amount due from/(to) EJFI (see note 10 and 9)	**482,491**		(465,690)	-
Other receivables	**50,233**	**-**	131,250	-
Other payables	**(56,252)**	**-**	-	-
Investment in EJFIH	**114,685,222**	**100**	126,382,727	100

1 See table below.

The Partnership includes the following underlying positions:

	31 December 2025	31 December 2024
	£	£
TFINS 2017-2	**-**	11,816,874
TFINS 2018-1	**-**	16,444,631
TFINS 2018-2	**10,345,083**	11,137,744
TFINS 2019-1	**-**	11,961,673
TFINS 2019-2	**11,486,753**	12,366,890
TFINS 2020-1	**11,614,842**	12,504,794
TFINS 2020-2	**-**	7,581,152
TFINS 2025-1	**12,213,830**	-
TFINS 2025-2	**15,586,642**	-
TFINS 2025-3	**17,595,547**	-
CDO Equity Tranches held by the Partnership	**78,842,697**	83,813,758
Other net assets	**2,583,709**	2,737,742
NAV of the Partnership	**81,426,406**	86,551,500

The fair value of EJFIH's investment in the Partnership and percentage of the Company's NAV is detailed below:

31 December 2025		31 December 2024	
Fair value	**% of NAV**	**Fair value**	**% of NAV**
£ 70,881,726[1]	**75**	£73,568,775[1]	73

1 As at 31 December 2025 EJFIH held 85% of Class A units and 90% of Class X units of the Partnership (31 December 2024: 85% of Class A units).

Fair Value of Financial Instruments

The Company holds all of the shares in EJFIH, a holding vehicle used to hold the Company's investments. The Board believes it is appropriate to value this entity based on the fair value of its portfolio of investment assets held plus its other assets and liabilities.

Valuation Models

IFRS 13 requires disclosure of fair value measurement by level. The level of financial assets or financial liabilities within the fair value hierarchy is determined on the basis of the lowest level input that is significant to the fair value measurement. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under IFRS 13 are as follows:

Level 1 Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

Level 2 Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

Level 3 Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The Company's investment in EJFIH, through the acquisition of shares, is classified within Level 3, as it is not traded and contains unobservable inputs. The Board considers that the NAV of EJFIH is representative of its fair value.

The investments held by EJFIH in the underlying portfolio are measured as below:

The fair values of financial assets and financial liabilities that are traded in active markets are based on prices obtained directly from an exchange on which the instruments are traded or obtained from a broker that provides an unadjusted quoted price from an active market for identical instruments. For all other financial instruments, the Company determines fair values using other valuation techniques.

For financial instruments that trade infrequently and have little price transparency, fair value is less objective and requires varying degrees of judgement depending on liquidity, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

Valuation techniques include net present value and discounted cash flow models, comparison with similar instruments for which observable market prices exist and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premia used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity indices, EBITDA multiples and revenue multiples and expected price volatilities and correlations.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date. The Company uses widely recognised valuation models for determining the fair value of common and simple financial instruments, such as interest rate and currency swaps that use only observable market data and require little management judgement and estimation. Observable prices and model inputs are usually available in the market for listed debt and equity securities, exchange traded derivatives and simple OTC derivatives such as interest rate swaps. The availability of observable market prices and model inputs reduces the need for management judgement and estimation and reduces the uncertainty associated with the determination of fair values. The availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

For more complex instruments, the Company uses proprietary valuation models, which are developed from discounted cash flow models. Some or all of the significant inputs into these models may not be observable in the market and are derived from market prices or rates or are estimated based on assumptions.

Valuation models that employ significant unobservable inputs require a higher degree of management judgement and estimation in the determination of fair value. Management judgement and estimation are usually required for the selection of the appropriate valuation model to be used, determination of expected future cash flows on the financial instrument being valued, determination of the probability of counterparty default and prepayments and selection of appropriate discount rates.

Fair value estimates obtained from models are adjusted for any other factors, such as liquidity risk or model uncertainties, to the extent that the Company believe that a third-party market participant would take them into account in pricing a transaction. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Company and the counterparty where appropriate. For measuring derivatives that might change classification from being an asset to a liability or vice versa, such as interest rate swaps, fair values include adjustment for both own credit risk and counterparty credit risk.

The Manager has also appointed a recognised independent valuation agent to provide comfort over the valuations derived from models developed by the Manager where appropriate.

15. Financial Risk Management (continued)

Valuation Approach for specific Instruments

Foreign currency forward contracts

The fair value of the foreign currency forward contracts is determined using quoted mid forward exchange rates at the reporting date.

Valuation Approach for specific Instruments held through the Group

Investments in private investment entities and private operating companies

The fair value of investments in the private investment entities and private operating company is determined using the NAV of the entity (Level 3 valuation). The NAV is used when the units or partnership interests in a fund are redeemable at the reportable NAV at, or approximately at, the measurement date. If this is not the case, then NAV is used as a valuation input and an adjustment is applied for lack of marketability/restricted redemptions. This adjustment is based on management judgement after considering the period of restrictions and the nature of the underlying investments. No such adjustment was deemed necessary for the years ended 31 December 2025 and 31 December 2024.

Investments trading securities

As at 31 December 2025 and 31 December 2024, the investment portfolio included bonds issued by Kodiak, Attentus and Taberna, which are unaffiliated third-party CDO sponsors. These distressed bonds are valued at their clean prices (including any expected interest accruals).

The fair value of distressed bonds is determined by the Manager using acceptable probability based discounted cash flow methodologies.

Valuation Framework

The Company has an established control framework with respect to the measurement of fair values. This framework includes the Manager's valuation committee, which operates independently of the Manager's investment team, and feeds into the monthly NAV process for review by the Board and has overall responsibility for fair value measurements. Specific controls include:

- verification of observable pricing inputs;
- re-performance of model valuations;
- a review and approval process for new models and changes to such models;
- analysis and investigation of significant valuation movements; and
- review of unobservable inputs and valuation adjustments.

When third party information, such as broker quotes or pricing services, is used to measure fair value, the portfolio valuation function assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which the valuations should be classified. This includes:

- verifying that the broker or pricing service is approved by the Manager for use in pricing the relevant type of financial instrument;
- understanding how the fair value has been arrived at and the extent to which it represents actual market transactions and whether it represents a quoted price in an active market for an identical instrument;
- when prices for similar instruments are used to measure fair value, understanding how these prices have been adjusted to reflect the characteristics of the instrument subject to measurement; and
- if a number of quotes for the same financial instrument have been obtained, then understanding how fair value has been determined using those quotes.

For underlying instruments not traded in an active market and defined as Level 3 investments, the fair value is determined by using appropriate valuation techniques. Management also makes estimates and assumptions concerning the future. The resulting accounting estimates will by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets are outlined below.

Fair Value Hierarchy—Financial Assets at FVTPL held by the Company

Investments classified within Level 3 have significant unobservable inputs. Level 3 instruments include private equity and CDO Securities. As observable prices are not available for these securities, the Company has used valuation techniques to derive the fair value.

The Company's investment in EJFIH is classified within Level 3, as it is not traded and contains unobservable inputs. The Board considers that the NAV of EJFIH is representative of its fair value.

The table below analyses financial instruments, held by the Company, measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the Statement of Financial Position as at 31 December 2025 and 31 December 2024. All fair value measurements below are recurring.

As at 31 December 2025	Level 1 £	Level 2 £	Level 3 £
Investment held in EJFIH	-	-	**114,685,222**
Financial assets at FVTPL	-	-	**114,685,222**

As at 31 December 2024	Level 1 £	Level 2 £	Level 3 £
Investment held in EJFIH	-	-	126,382,727
Financial assets at FVTPL	-	-	126,382,727

The following table shows the movement of level 3 assets during the years ended 31 December 2025 and 31 December 2024:

	Opening fair value 1 January 2025 £	Additions £	Realised gains £	Unrealised gains £	Return of capital £	Ending fair value 31 December 2025 £
EJFIH	**126,382,727**	**3,318,200**	-	**544,295**	**(15,560,000)**	**114,685,222**
Total financial assets	**126,382,727**	**3,318,200**	-	**544,295**	**(15,560,000)**	**114,685,222**

	Opening fair value 1 January 2024 £	Additions £	Realised gains £	Unrealised gains £	Return of capital £	Ending fair value 31 December 2024 £
EJFIH	121,682,398	-	-	4,700,329	-	126,382,727
Total financial assets	121,682,398	-	-	4,700,329	-	126,382,727

The tables below are supplemental disclosures of the financial instruments, held by EJFIH, measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the Statement of Financial Position as at 31 December 2025 and 31 December 2024. All fair value measurement below are recurring.

As at 31 December 2025	Level 1 £	Level 2 £	Level 3 £
Investment in the Partnership	-	-	**70,881,726**
Investment in CDO Manager	-	-	**6,487,806**
CDO securities	-	-	**690,836**
Credit risk transfer	-	**7,699,165**	-
Mezzanine debt securities	-	**1,814,146**	-
Financial assets at FVTPL	-	**9,513,311**	**78,060,368**

As at 31 December 2024	Level 1 £	Level 2 £	Level 3 £
Financial assets at FVTPL			
Investment in the Partnership	-	-	73,568,775
Investment in Seneca	-	-	8,808,028
Investment in CDO Manager	-	-	4,756,235
CDO securities	-	-	1,127,106
Investment in Preference Shares	-	-	1,138,738
Credit risk transfer	-	4,702,073	-
Mezzanine debt securities	-	5,026,973	-
US treasury bills	3,133,374	-	-
Financial assets at FVTPL	3,133,374	9,729,046	89,398,882

15. Financial Risk Management (continued)

The following tables show net derivative financial assets or liabilities as at 31 December 2025 and 31 December 2024:

As at 31 December 2025	Level 1 £	Level 2 £	Level 3 £
Derivative financial assets	-	**169,698**	-
Financial assets at FVTPL	-	**169,698**	-

As at 31 December 2024	Level 1 £	Level 2 £	Level 3 £
Derivative financial assets	-	(1,886,535)	-
Financial assets at FVTPL	-	(1,886,535)	-

Level 3 Reconciliation

The following table show a reconciliation of all movements in the fair value of financial assets held at FVTPL by EJFIH and categorised within level 3 for the year ended 31 December 2025::

	Opening fair value as at 1 January 2025 £	Additions £	Realised gains/ (losses) £	Unrealised gains/(losses) £	Disposals and distributions £	Ending fair value as at 31 December 2025 £
Investments in the Partnership	**73,568,775**	**2,472,162**	**8,012,908**	**(5,096,629)**	**(8,075,490)**	**70,881,726**
Investment in Seneca	**8,808,028**	**-**	**5,690,870**	**(6,812,048)**	**(7,686,850)**	**-**
Investment in CDO Manager	**4,756,235**	**-**	**-**	**2,838,165**	**(1,106,594)**	**6,487,806**
CDO securities	**1,127,106**	**7,554,582**	**1,170,164**	**(436,270)**	**(8,724,746)**	**690,836**
Investment in Preference Shares	**1,138,738**	**-**	**(174,494)**	**134,198**	**(1,098,442)**	**-**
Total	**89,398,882**	**10,026,744**	**14,699,448**	**(9,372,584)**	**(26,692,122)**	**78,060,368**

The following table is for the year ended 31 December 2024:

	Opening fair value as at 1 January 2024 £	Additions £	Realised gains/(losses) £	Unrealised gains/(losses) £	Disposals and distributions £	Ending fair value as at 31 December 2024 £
Investments in the Partnership	75,112,172	-	11,534,146	(1,543,397)	(11,534,146)	73,568,775
Investment in Seneca	9,470,083	-	64,633	644,611	(1,371,299)	8,808,028
Investment in CDO Manager	6,045,335	-	-	75,009	(1,364,109)	4,756,235
CDO securities	1,072,326	-	-	54,780	-	1,127,106
Investment in Preference Shares	1,119,497	-	-	19,241	-	1,138,738
Total	92,819,413	-	11,598,779	(749,756)	(14,269,554)	89,398,882

Significant unobservable inputs used in measuring fair value held by the Company – Level 3

The following table shows the sensitivity of fair values in Level 3 to the NAV of the investment in EJFIH.

Financial assets	Company fair value as at 31 December 2025 £	Company fair value as at 31 December 2024 £	Valuation techniques and inputs	Significant unobservable inputs
Investment in EJFIH	**114,685,222**	**126,382,727**	NAV of EJFIH	NAV of EJFIH

Sensitivity analysis for significant changes for unobservable inputs within Level 3 hierarchy

There are a number of unobservable inputs and assumptions used in the valuation of the EJFIH investments. Changes in any of these inputs and assumptions will have an impact on the valuation of these investments. The table below assumes the overall valuation changed by 10% and that the portfolio of investments is correlated to this overall movement in valuations. The overall impact of 10% has been selected as this is considered reasonable given the current level of volatility observed both on a historical basis and market expectations for future movements.

Financial assets	31 December 2025 £	31 December 2024 £
Investment in EJFIH	**114,685,222**	126,382,727
Increase by 10%	**126,153,744**	139,021,000
Decrease by 10%	**103,216,700**	113,744,454

Certain underlying investments in EJFIH will be sensitive to lesser/greater changes as well as certain inputs and assumptions will be sensitive at lesser/greater degree. The table below shows a further sensitivity of the Investment in EJFIH:

Underlying level 3 investments	Fair Value As at 31 December 2025	Fair Value As at 31 December 2024	Primary Valuation Techniques	Key Unobservable Inputs	Sensitivity / Scenarios	Range (2025)	Weighted Average / Fair Value Inputs (2025)	Effect on Fair Value 31 December 2025	Range (2024)	Weighted Average / Fair Value Inputs (2024)	Effect on Fair Value 31 December 2024
					+10% Third party valuation (Broker quote)			6,867,540			7,238,043
CDO Equity Tranches held within the Partnership	68,675,403	72,380,433	Third party valuation (Broker quotes)	NA	-10% Third party valuation (Broker quote)	NA	NA	(6,867,540)	NA	NA	(7,238,043)
					+1% change in discount rate			(255,488)			(192,003)
CDO Management Contracts held within the CDO Manager	10,491,785	7,261,730	Discounted cash flow	Discount rate	-1% change in discount rate	4.01% - 5.90%	5.59%	265,182	4.66% - 6.34%	4.60%	200,715
					+10% Third party valuation (Broker quote)			69,084			112,711
CDO Securities	690,836	1,127,106	Third party valuation (Broker quotes)	NA	-10% Third party valuation (Broker quote)	NA	NA	(69,084)	NA	NA	(112,711)
					+10% Third party valuation (Broker quote)			769,917			470,207
Credit risk transfers	7,699,165	4,702,073	Third party valuation (Broker quotes)	NA	-10% Third party valuation (Broker quote)	NA	NA	(769,917)	NA	NA	(470,207)
					+10% Third party valuation (Broker quote)			181,415			502,697
Mezzanine debt securities	1,814,146	5,026,973	Third party valuation (Broker quotes)	NA	-10% Third party valuation (Broker quote)	NA	NA	(181,415)	NA	NA	(502,697)

(b) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Group or a vehicle in which the Group invests, resulting in a financial loss to the Company. It arises principally from debt securities, derivative financial assets and cash and cash equivalents. For risk management reporting purposes, the Company considers and aggregates all elements of credit risk exposure (such as individual obligation default risk, country risk and sector risk).

Credit risk is monitored on an ongoing basis by the Manager in accordance with the policies and procedures in place. The Manager monitors the Group's cash activity, concentrations of deposits with counterparties and the creditworthiness of said counterparties. The Company's credit risk is monitored on a quarterly basis by the Board. If the credit risk is not in accordance with the Investment Policy or guidelines of the Company, then the Manager is obliged to address the impact and to liquidate holdings within a reasonable amount of time, however as EJFIH's portfolio assets are generally illiquid in nature more time may be required to address the impact the credit risk has on any such illiquid assets.

EJFIH's activities may give rise to settlement risk. Settlement risk is the risk of loss due to the failure of an entity to honour its obligations to deliver cash, securities or other assets as contractually agreed. For the majority of transactions, the Manager mitigates this risk by conducting settlements through a broker to ensure that a trade is settled only when both parties have fulfilled their contractual settlement obligations. Settlement limits form part of the credit approval and limit monitoring processes described below.

15. Financial Risk Management (continued)

In the opinion of the Board, the carrying amount of financial assets best represent the maximum credit risk exposure to the Company either directly or indirectly (on investments held by the Partnership and on CDO management contracts held by the CDO Manager) as detailed in the section below. The Company's financial assets exposure and concentration to credit risk amounted to the following:

	31 December 2025 £	31 December 2024 £
Investment in the Partnership	**70,881,726**	73,568,775
Mezzanine debt securities	**1,814,146**	5,026,973
Credit risk transfer	**7,699,165**	4,702,073
Investment in Seneca	**-**	8,808,028
Investment in CDO Manager	**6,487,806**	4,756,235
CDO securities	**690,836**	1,127,106
Preference Shares	**-**	1,138,738
US treasury bills	**-**	3,133,374
Investment in US bank debt	**-**	1,575,184
Net Derivative financial assets	**169,698**	-
Cash	**7,648,653**	3,840,585
Cash equivalents held in money market fund	**16,799,781**	16,019,121
Cash held as margin	**2,016,939**	4,907,510
Amount due from EJFI (see note 10)	**482,491**	-
Other receivables	**50,233**	131,250
Investment in EJFIH	**114,741,474**	128,734,952
Cash	**615,462**	512,871
Other receivables	**-**	465,690
Total financial assets	**115,356,936**	129,713,513

Cash and Cash Equivalents

During the year, the Group's cash was held with Citibank N.A., and cash equivalents were held in a money market fund with Western Asset Institutional US Treasury Reserves Ltd. The Manager monitors the financial position and creditworthiness of all the Group's financial institutions on a quarterly basis.

Cash held as margin

Cash held as margin represents margin accounts, cash collateral for currency contracts and transactions awaiting settlement. Credit risk relating to unsettled transactions is considered low due to the short settlement period involved and the high credit quality of the brokers used. As at the reporting dates, this represents a balance due from Citibank N.A. (the broker). The Manager monitors the financial position and creditworthiness of the Group's brokers on a quarterly basis.

The following table shows the external ratings of the financial institutions holding cash or collateral deposits on behalf of the Group, using available ratings from Moody's.

Institution	Rating Agency	31 December 2025	31 December 2024
Citibank N.A.	Moody's	Aa3	Aa3
Western Asset Institutional US Treasury Reserves Ltd	Moody's	Aaa	Aaa

Investment in the Partnership

As at 31 December 2025, the Company, through its investment in EJFIH, held an interest in the Partnership. Through CDO Equity Tranches, the Partnership is exposed to the credit risk of its counterparties or the counterparties of the securitisations in which it invests. In the event of a bankruptcy or insolvency of such a counterparty, the securitisation in which such an investment is held could suffer significant losses, including the loss of that part of EJFIH's or the securitisation's portfolio financed through such a transaction, declines in the value of their investment, including declines that may occur during an applicable stay period, the inability to realise any gains on their investment during such period and fees and expenses incurred in enforcing their rights. This would also affect the Company's investment in EJFIH as it is exposed to any fair value movements in EJFIH.

The securitisations in which the Partnership has invested are not rated (31 December 2024: not rated).

Investment in CDO Securities

As at 31 December 2025, the Company, through its investment in EJFIH, was invested in distressed CDO Securities issued by Attentus, Kodiak and Taberna, which are unaffiliated third-party CDO sponsors.

EJFIH is exposed to the credit risk of their CDO security counterparties or the counterparties of the securitisations in which it invests. In the event of a bankruptcy or insolvency of such a counterparty, EJFIH, or a securitisation in which such an investment is held, could suffer significant losses including the loss of that part of EJFIH's or the securitisation's portfolio financed through such a transaction, declines in the value of their investment, including declines that may occur during an applicable stay period, the inability to realise any gains on their investment during such period and fees and expenses incurred in enforcing their rights. This would also affect the Company's investment in EJFIH as it is exposed to any fair value movements in EJFIH.

The CDO Securities are not rated (31 December 2024: not rated).

Mezzanine debt securities

Through Mezzanine debt securities, EJFIH is exposed to the credit risk of its counterparties or the counterparties of the securitisations in which it invests. In the event of a bankruptcy or insolvency of such a counterparty, the securitisation in which such an investment is held could suffer significant losses, first of which are borne by CDO Equity Tranches. Credit losses are suffered by Mezzanine debt securities only when the value of the respective CDO Equity Tranche is wiped out. This would also affect the Company's investment in EJFIH as it is exposed to any fair value movements in EJFIH.

The Mezzanine debt securities are not rated (31 December 2024: not rated).

Credit Risk Transfer

The issue of CRT bonds enables a bank to reduce its regulatory capital on an identifiable pool of loans that are carried on its balance sheet.

Through CRTs, EJFIH is exposed to the credit risk of the counterparties within the identifiable pool of loans associated with the transaction. In some cases, first losses up to a certain level are borne by the bank which originated the pool of loans. In the event of a bankruptcy or insolvency of an underlying counterparty, the CRT could suffer significant losses. This would also affect the Company's investment in EJFIH as it is exposed to any fair value movements in EJFIH.

The CRT bonds are not rated (31 December 2024: not rated).

Investment in CDO Manager

As at 31 December 2025, the Company, through its investment in EJFIH, was invested in the CDO manager that provides collateral management services to CDO structures.

Through CDO Manager, EJFIH is exposed to the credit risk to the extent of those counterparties (CDOs) from which collateral managements fees are due. In the event of a bankruptcy or insolvency of such a counterparty, EJFIH, could suffer significant losses on unpaid fees and decline in the value of CDO Manager in respect of future fees from the counter party. However, the risk is minimal given collateral management fees are most senior in the waterfall of the CDOs. This would also affect the Company's investment in EJFIH as it is exposed to any fair value movements in EJFIH.

The CDO Manager is not rated (31 December 2024: not rated).

The Manager monitors credit risk in respect to the collateral underlying the above investments, on an ongoing basis. This includes regular review of capital adequacy, asset quality, strength of the management team, earnings capability of the organisation, the institution's liquidity profile and risk sensitivities in order to identify potential deterioration in the credit quality of the investment.

Collateral and other credit enhancements, and their financial effect

The Group mitigates the credit risk of derivatives by entering into master netting agreements and holding collateral in the form of cash and marketable securities.

Derivatives

Derivative transactions are either transacted on an exchange with central clearing counterparties (CCPs) or entered into under ISDA master netting agreements. In general, under these agreements, in certain circumstances – e.g. when a credit event such as a default occurs – all outstanding transactions under the agreement are terminated, the termination value is assessed and only a single net amount is due or payable in settlement of all transactions with the counterparty. EJFIH has executed a credit support annex in conjunction with the ISDA agreement, which requires EJFIH and its counterparties to post collateral to mitigate counterparty credit risk.

The derivatives are entered into with Citibank N.A.

15. Financial Risk Management (continued)

Impairment of Financial Assets

The Company is subject to the expected credit loss model on its financial assets that are carried at amortised cost. While cash and cash equivalents and other receivables are also subject to the impairment requirements of IFRS 9, the identified impairment loss was nil. The Company is also exposed to credit risk in relation to financial assets that are measured at FVTPL. The maximum exposure at the end of the reporting period is the carrying amount of these financial assets.

(c) Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Company's policy and the Manager's approach to managing liquidity risk in the Group is to ensure, as far as possible, that the Group will always have sufficient liquidity to meet its liabilities when due, under both normal and stress conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Prospectus provides for the Board to pay quarterly dividends of available cash to Shareholders following the recommendation of the Manager. Therefore, the Company may be exposed to the liquidity risk of not meeting this target at each quarterly distribution date.

The Group's financial assets include illiquid investment securities and investments in private investment entities. As a result, the Group may not be able to liquidate some of its interest in these instruments in due time to meet its liquidity requirements.

The Company's liquidity is managed on an ongoing basis by the Manager. Since the Company's liability obligations consist of current liabilities related to its standard operating activity, liquidity risk is deemed to be low. Current liabilities are paid and reported to the Board on a quarterly basis unless a special meeting is required.

	31 December 2025	31 December 2024
Liquid assets	**£25,063,896**	£25,081,135
Current liabilities	**£1,077,544**	£26,641,391

The Group manages its liquidity risk by regular monitoring of expected cashflows to ensure it will be able to meet its current liabilities at all times. The tables below set out the Group assets with an expected liquidation period within 90 days (liquid assets) to the Company's current liabilities as at 31 December 2025 and 31 December 2024:

31 December 2025	Less than 7 days	7 days to 1 month	1 month to 3 months	3 months to over 1 year	Total
Liquid Assets	**£**	**£**	**£**	**£**	**£**
Cash	**8,264,115**	**-**	**-**	**-**	**8,264,115**
Cash equivalents held in money market fund	**16,799,781**	**-**	**-**	**-**	**16,799,781**
Total	**25,063,896**	**-**	**-**	**-**	**25,063,896**

	Less than 7 days	7 days to 1 month	1 month to 3 months	3 months to over 1 year	Total
Financial liabilities	**£**	**£**	**£**	**£**	**£**
Other payable to Manager	**-**	**(44,363)**	**-**	**-**	**(44,363)**
Amount payable to EJFIH	**-**	**-**	**(482,491)**	**-**	**(482,491)**
Accounts payable and accrued expenses	**-**	**-**	**(550,690)**	**-**	**(550,690)**
Total	**-**	**(44,363)**	**(1,033,181)**	**-**	**(1,077,544)**

31 December 2024	Less than 7 days	7 days to 1 month	1 month to 3 months	3 months to over 1 year	Total
Liquid Assets	**£**	**£**	**£**	**£**	**£**
Cash	4,353,456	-	-	-	4,353,456
US treasury bills	3,133,374		-	-	3,133,374
Investment in US bank debt	-	1,575,184	-	-	1,575,184
Cash equivalents held in money market fund	16,019,121	-	-	-	16,019,121
Total	23,505,951	1,575,184	-	-	25,081,135

	Less than 7 days	7 days to 1 month	1 month to 3 months	3 months to over 1 year	Total
Financial liabilities	**£**	**£**	**£**	**£**	**£**
ZDP Shares	-	-	-	(26,028,989)	(26,028,989)
Balance to Manager	-	(35,451)	-	-	(35,451)
Accounts payable and accrued expenses	-	-	(576,951)	-	(576,951)
Total	-	(35,451)	(576,951)	(26,028,989)	(26,641,391)

The tables above show the undiscounted cash flows of the Company's financial liabilities on the basis of their earliest possible contractual maturity. The Company's expected cash flows on these instruments are not expected to vary significantly from this analysis.

The Group further manages its liquidity risk by holding at least 2% of its NAV in assets with an expected liquidation period within 90 days. The ratio of assets with an expected liquidation period within 90 days (liquid assets) to total net assets is set out below:

	31 December 2025	31 December 2024
Liquid assets	**£25,063,896**	£25,546,825
Total NAV	**£94,465,558**	£100,732,146
Liquid assets as % of total NAV	**27%**	25%

16. Capital Risk Management

The Company's issued capital is represented by Ordinary Shares.

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 policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, as well as the level of dividends to Shareholders.

The Company may utilise borrowings for share buybacks, short-term liquidity purposes and investments, seeking leverage via bank financing, term loans, or debt instruments. The Company has the availability to borrow up to 35% of its NAV (calculated at the time of drawdown), provided that:

i. the maximum amount for borrowings for long-term investment purposes within such limit will be 30% of the NAV; and

ii. borrowings for long-term investment purposes may only be incurred when the minimum cover amount, 3.0x for ZDP Shares, is met (calculated at the time of drawdown).

The Company's net debt to equity ratio at the year end was as follows:

	31 December 2025 £	31 December 2024 £
ZDP Shares	**19,768,380**	26,028,989
Accounts payable and accrued expenses	**1,033,181**	576,951
Balance due to the Manager	**44,363**	**35,451**
Less: amount due from EJFH	**-**	**(465,690)**
Less: cash and cash equivalents	**(615,462)**	(512,871)
Net debt	**20,230,462**	25,662,830
Total equity	**94,465,558**	100,732,146
Net debt to adjusted equity ratio	**0.21**	0.25

17. Related Party Transactions

Transactions with EJFIH

Investment transactions between EJFIH and the underlying investments are disclosed in Note 8. Dividends received from EJFIH are disclosed in Note 5. Further, EJFIH paid £2,701,414 expenses (2024: £957,099) on behalf of the Company during the year. See note 9 and 10 for balance receivable from and payable to EJFIH in respect of these transactions.

Directors' Fees

The Directors are entitled to a fee for their services at a rate to be determined from time to time by the Board. The base annual fee for each Director is £44,000 (2024: £44,000) per annum. The Chair of the Board, Audit & Risk Committee and Management Engagement Committee are entitled to an additional fee of £11,000, £5,500 and £3,000 per annum respectively (2024: £11,000, £5,500 and £3,000).

For the year ended 31 December 2025, the Company incurred Directors' fees of £151,500 (31 December 2024: £135,864). At 31 December 2025, £37,875 (31 December 2024: £38,929) of this amount was outstanding.

Directors' and Officers' liability insurance cover is maintained by the Company on behalf of the Directors. During the year ended 31 December 2025, the Company recorded a directors' and professional indemnity insurance expense of £40,490 (31 December 2024: £49,250).

Ordinary Shares held by Related Parties

Shareholdings of the Directors as at the year end are as follows:

	Ordinary Shares	Percentage of Ordinary Shares in Issue	Ordinary Shares	Percentage of Ordinary Shares in Issue
Name	31 December 2025[1]	31 December 2025[2]	31 December 2024[1]	31 December 2024[2]
John Kingston III	**191,368**	**0.33%**	163,368	0.267%
Nick Watkins	**20,000**	**0.03%**	10,000	0.016%

ZDP Shares held by Related Parties

ZDP Shareholdings of the Directors as at year end are as follows:

	2029 ZDP Shares	Percentage of 2029 ZDP Shares in Issue	2025 ZDP Shares	Percentage of 2025 ZDP Shares in Issue
Name	31 December 2025[1]	31 December 2025[3]	31 December 2024[1]	31 December 2024[3]
Nick Watkins	**13,909**	**0.071%**	10,000	0.052%

1 The shareholdings are either direct and/or indirect holdings.
2 The calculation of Ordinary Shareholding percentage is based on the number of Ordinary Shares in issue after adjusting for treasury shares.
3 The calculation of ZDP shareholding percentage is based on number of ZDP Shares in issue.

Investment Management fee

In accordance with the Management Agreement, the Manager has been appointed as the manager of the Company, the Partnership and the General Partner. In such capacity, the Manager is responsible for the portfolio and risk management of the Group, including: (i) managing the Company's assets and its day-to-day operations; (ii) the selection, purchase and sale of investment securities held via EJFIH; (iii) providing financing and risk management services; and (iv) providing advisory services to the Board.

In accordance with the terms of the Management Agreement, the Company pays a management fee calculated monthly and payable quarterly in arrears. Subject to certain limitations, the monthly management fee is equal to 0.0833% (one-twelfth of 1%) of the Company's NAV.

During the year ended 31 December 2025, the Company incurred management fees of £796,898 (31 December 2024: £860,975). As at 31 December 2025, £188,342 (31 December 2024: £212,052) was outstanding.

Incentive Fee

The Manager is entitled to an incentive fee which is calculated in relation to the assets attributable to Ordinary Shares, in accordance with the Management Agreement. The Incentive Fee amount is equal to 10% of the amount by which the Adjusted NAV attributable to Ordinary Shares exceeds the higher of (i) the Incentive Hurdle at the relevant time and (ii) the High Watermark at the relevant time, in respect of the relevant Incentive Fee Period.

The Incentive Fee is calculated in respect of each Incentive Fee Period, save for the final Incentive Fee Period being the date that the Management Agreement is terminated or, where the Management Agreement has not been terminated, the actual date of termination of the provision by the Manager of the non-retained services as defined in the Management Agreement. During the years ended 31 December 2025 and 31 December 2024, the Company did not accrue an incentive fee liability.

Manager reimbursements

For the year ended 31 December 2025, £Nil (31 December 2024: £48,715) of operating expenses were offset by reimbursements from the Manager. Further during the year, the Manager paid £133,372 (31 December 2024: £83,737) of expenses on behalf of the Company. As at 31 December 2025, the Company had a net payable balance of £44,363 (31 December 2024: £35,451) owing to the Manager relating to the reimbursement for these expenses.

Shares held by officers and affiliates of the Manager

Ordinary Shares and ZDP Shares holdings of officers of the Manager and its affiliates (not considered as related parties) as at year end are as follows:

	Ordinary Shares	Percentage of Ordinary Shares in Issue	Ordinary Shares	Percentage of Ordinary Shares in Issue
Name	31 December 2025[1]	31 December 2025[2]	31 December 2024[1]	31 December 2024[2]
EJF Capital Limited	**2,067,276**	**3.56%**	1,964,063	3.21%
Emanuel Friedman[3]	**11,816,558**	**20.34%**	11,816,558	19.33%
Jason Ruggiero	**168,734**	**0.29%**	168,734	0.28%
Peter Stage[4]	**-**	**-%**	141,501	0.23%
Neal Wilson	**1,718,881**	**2.96%**	1,718,881	2.81%

1 The shareholdings are either direct and/or indirect holdings of Ordinary Shares.

2 The calculation of shareholding percentage is based on number of Ordinary Shares in issue after adjusting for treasury shares.

3 Ordinary Shares held by Cheetah Holdings Limited, a charitable foundation co-founded by Emanuel Friedman.

4 On 31 August 2024, Peter Stage left the Manager to pursue other career opportunities.

Neal Wilson is, and until 31 August 2024 Peter Stage was, an officer of the Manager. Emanuel Friedman (co-chief executive officer of EJF) and Jason Ruggiero (co-chief investment officer of EJF) are voting members of the Investment Committee of the Manager.

	2029 ZDP Shares	Percentage of 2029 ZDP Shares in Issue	2025 ZDP Shares	Percentage of 2025 ZDP Shares in Issue
Name	31 December 2025[1]	31 December 2025[2]	31 December 2024[1]	31 December 2024[2]
Neal Wilson	**-**	**-%**	1,000,000	5.19%

1 The shareholdings are either direct and/or indirect holdings of ZDP Shares.

2 The calculation of shareholding percentage is based on number of ZDP Shares in issue.

18. Basic and Diluted Earnings per Ordinary Share

Basic earnings per share is calculated by dividing the earnings for the year by the weighted average number of Ordinary Shares in issue during the year.

The diluted earnings per share is calculated by considering adjustments required to the (loss)/earnings and weighted average number of shares for the effects of potential dilutive Ordinary Shares. As at 31 December 2025 and 31 December 2024, there were no dilutive instruments in issue, hence basic and diluted EPS were the same.

The weighted average number of Ordinary Shares in issue is 60,600,754 (31 December 2024: 61,145,198).

19. Events after the Reporting Period

The Board has evaluated subsequent events for the Company until 25 March 2026, the date the Audited Financial Statements are available to be issued and concluded that there are no material events that require adjustment to the Audited Financial Statements.

ZDP Block Listing

Post year end, on 24 February 2026, the Company made an application for an additional block listing of a further 6,290,000 new 2029 ZDP Shares on the same conditions as the first application during the year. A total of 2,900,000 2029 ZDP Shares have been issued pursuant to this block listing as at the date of this report.

At year end, 19,702,159 2029 ZDP Shares were in issue. A further 4,899,434 2029 ZDP Shares have been issued post year end (including the 2,900,000 2029 ZDP Shares referred to above), resulting in the total number of 2029 ZDP Shares in issue at the date of this report being 24,601,593.

Dividends

On 29 January 2026, the Company declared a final dividend of 2.8625p per share in respect of the quarter ended 31 December 2025. The dividend was payable to Shareholders on the register as at close of business on 6 February 2026 and the corresponding ex-dividend date was 5 February 2026. Payment was made on 27 February 2026.

Recent Geopolitical Developments

Whilst there is no direct impact on the underlying investment portfolio from the recent geopolitical developments relating to the war in Iran, the Manager and the Board continue to assess any potential implications.

20. Reconciliation of IFRS to US GAAP

The Manager is a registered adviser with the SEC. To meet the requirements of Rule 206(4)-2 under the Investment Advisors Act 1940 (the "Custody Rule") the Audited Financial Statements have also been audited in accordance with US GAAS. As such, two independent Auditors' reports are included on pages 40 to 45, one under International Standards on Auditing (UK) as required by the Crown Dependencies Audit Rules and the other under US GAAS. Compliance with the Custody Rule also requires a reconciliation of the operating profit and net assets under IFRS to US GAAP.

The Company has been assessed to be an investment entity in accordance with IFRS 10 as well as an investment company in accordance with ASC 946. Hence, under both accounting frameworks, the Company does not need to consolidate its investment in EJFIH and instead has accounted for it at FVTPL.

The operating profit and NAV of the Company under both IFRS and US GAAP have no differences and therefore no reconciliation has been presented in these Audited Financial Statements.

Under US GAAP, the Company is required to disclose its financial highlights and a schedule of investments which are included below. All investments are within the financial services sector.

Financial Highlights

Financial highlights for the year ended 31 December 2025 are as follows:

NAV total return, since inception	
Beginning of year	96.92%
End of year	106.62%
Expense ratio to average NAV	
Expenses before incentive fees	1.85%
Expenses reimbursed by the Manager	0.00%
Expenses, including incentive fees	**1.85%**
Investment income	8.17%
Expenses	-1.85%
Net investment income ratio	**6.32%**

Schedule of Investments

31 December 2025 Investments in Corporate Notes	Cost Asset currency	Cost £	Fair Value £	% of NAV
Cayman Islands				
ATTN 2006-1A D May 36 Floating	-	-	-	0.00%
ATTN 2006-1X J May 36 2% – DFLT	634,706	471,025	690,836	0.73%
ATTN 2007-3A F Oct 42 9.532% – DFLT	-	-	-	0.00%
KDIAK 2006-1A G Aug 37 Floating	-	-	-	0.00%
KDIAK 2007-2A F Nov 42 Floating	-	-	-	0.00%
TBRNA 2005-4A C3 May 36 6.293% – DFLT	-	-	-	0.00%
TBRNA 2006-5A A3FV Aug 36 Floating	-	-	-	0.00%
TBRNA 2006-6A C Dec 36 Floating	1,563	1,160	-	0.00%
Total Cayman Islands	**636,269**	**472,185**	**690,836**	**0.73%**
US				
EJFCRT 2024-R1 R1 Dec 55 Floating	**4,316,845**	**3,203,595**	**3,203,595**	**3.39%**
TFINS 2018-2A B Sep 39 Floating	**557,960**	**414,071**	**479,963**	**0.51%**
TFINS 2019-2A B Feb 39 Floating	**1,433,851**	**1,064,082**	**1,236,568**	**1.31%**
TFINS 2020-1A B Apr 40 Floating	**62,670**	**46,508**	**53,293**	**0.06%**
TFINS 2022-1A D Oct 39 Floating	**54,653**	**40,558**	**44,322**	**0.05%**
1.0Total US	**6,425,979**	**4,768,814**	**5,017,741**	**5.31%**

Investments in private investment entities

US				
EJF Investments LP[1]	**112,013,386**	**83,126,817**	**70,881,726**	**75.03%**
EJF CRT 2025-2 Aggregator LLC	**6,027,000**	**4,472,727**	**4,495,570**	**4.76%**
Total US	**118,040,386**	**87,599,544**	**75,377,296**	**79.79%**

1 Refer to note 15 for further details on investment in EJF Investments LP.

Investments in private operating company

US				
EJF CDO manager LLC	**8,547,026**	**6,342,877**	**6,487,806**	**6.87%**
Total US	**8,547,026**	**6,342,877**	**6,487,806**	**6.87%**

Derivatives

Forward currency contracts	Maturity	Fair Value £	% of NAV
Purchase £53.4m / sell USD71.7m	19-Jan-25	169,698	0.18%
Total Derivatives		**169,698**	**0.18%**
Other net assets[1]		**26,941,845**	**28.52%**
Total other net assets		**26,941,845**	**28.52%**
Total Investments		**114,685,222**	**121.40%**

1 Other net assets comprises EJFIH's cash and cash equivalents, cash and cash equivalents held as margin and receivables and payables.

Alternative Performance Measures

NAV per Ordinary Share

NAV per Ordinary Share means an amount equal to, as at the relevant date, the NAV attributable to Ordinary Shares divided by the Ordinary Shares in issue as at such date.

Reason for use

Common industry performance benchmark for calculating the Total Return and Share Price (Discount)/Premium to NAV per Ordinary Share.

Recalculation

NAV per Ordinary Share is calculated as follows:

	31 December 2025	31 December 2024
Net Assets as per Statement of Financial Position	**£94,465,558**	£100,732,146
Number of Ordinary Shares in issue at year end (excluding treasury shares)	**58,087,938**	61,145,198
NAV per Ordinary Share	**163p**	165p

Total Return

The increase in the NAV per Ordinary Share plus the total dividends paid per Ordinary Share during the period, with such dividends paid being re-invested at NAV, as a percentage of the NAV per share as at period end.

Compounded monthly returns per the monthly published performance reports, inclusive of dividends. Components of Total Return are returns from underlying portfolio, foreign exchange and expenses.

Reason for use

To provide transparency in the Company's performance and to help investors identify and monitor the compounded returns of the Company.

Recalculation

Total Return has been calculated using the following monthly returns and compounded as follows:

	2025	2024	2023	2022	2021	2020
Monthly return	%	%	%	%	%	%
January	**1.04**	0.80	(0.58)	0.13	1.99	0.47
February	**(0.22)**	1.10	1.48	1.34	0.15	0.18
March	**(1.71)**	1.10	(4.55)	2.22	2.12	(13.57)
April	**(1.28)**	1.26	(0.17)	4.01	0.44	0.58
May	**0.27**	(0.26)	0.84	0.72	(2.09)	3.33
June	**(0.54)**	1.45	(6.72)	1.87	2.80	0.15
July	**2.97**	(0.19)	0.91	1.09	(0.01)	1.25
August	**(0.48)**	(0.42)	1.63	2.73	0.55	0.34
September	**3.47**	(1.75)	(0.36)	2.47	3.06	0.40
October	**2.13**	2.64	0.80	(0.40)	(0.16)	(0.73)
November	**(0.57)**	1.77	(0.69)	(3.15)	3.25	1.16
December	**(0.10)**	1.97	0.25	0.20	(1.43)	0.25
Compounded monthly return	**4.94**	9.80	(7.27)	13.85	11.02	(7.02)

The Total Return from inception for the year ended 31 December 2025 was 106.62% (31 December 2024: 96.92%). The annualised Total Return since inception to 31 December 2025 was 8.58% (31 December 2024: 9.06%).

Annualised Dividend Yield

Dividends declared in respect of the relevant period divided by the share price mid quote as at the end of the relevant period.

Reason for use

To measure the Company's distribution of dividends to Shareholders relative to share price to allow comparability to other companies in the market.

Recalculation

Annualised Dividend Yield is calculated as follows:

	31 December 2025
Dividends declared and paid for the quarter ended 31 March 2025 (see note 13)	**2.675p**
Dividends declared and paid for the quarter ended 30 June 2025 (see note 13)	**2.675p**
Dividends declared and paid for the quarter ended 30 September 2025 (see note 13)	**2.675p**
Dividends declared for the quarter ended 31 December 2025 (see note 13)	**2.863p**
Total Dividends declared in respect of the year ended 31 December 2025	**10.888p**
Share price	**123.5p**
Annualised Dividend Yield	**8.8%**

	31 December 2024
Dividends declared and paid for the quarter ended 31 March 2024 (see note 13)	2.675p
Dividends declared and paid for the quarter ended 30 June 2024 (see note 13)	2.675p
Dividends declared and paid for the quarter ended 30 September 2024 (see note 13)	2.675p
Dividends declared for the quarter ended 31 December 2024 (see note 13)	2.675p
Total Dividends declared in respect of the year ended 31 December 2024	10.700p
Share price	120p
Annualised Dividend Yield	8.9%

Share Price Discount to NAV per Ordinary Share

Closing price as at such date as published on the LSE divided by the NAV per Ordinary Share.

Reason for use

Common industry measure to understand the price of the Company's shares relative to its net asset valuation.

Recalculation

Share Price Discount to NAV per Ordinary Share is calculated as follows:

	31 December 2025	31 December 2024
Closing price as at 31 December as published on the LSE	**123.5p**	120p
NAV per Ordinary Share	**163p**	165p
Share Price Discount to NAV Per Ordinary Share	**(24.2)%**	(27.3)%

EJF INVESTMENTS LIMITED

UNAUDITED CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	Notes	1 January 2026 to 30 June 2026 (Unaudited) £	1 January 2025 to 30 June 2025 (Unaudited) £
Dividend income	6	**3,900,000**	4,500,000
Net gain/(loss) on financial assets held at FVTPL	8	**6,556,926**	(4,897,325)
Net foreign exchange (loss)/gain		**(2,260)**	10,335
Total income/(loss)		**10,454,666**	(386,990)
Investment management fee	17	**(391,323)**	(399,522)
Legal and professional fees		**(265,961)**	(185,885)
Fees paid to the Auditor		**(123,962)**	(111,317)
Administration fees		**(101,103)**	(96,325)
Directors' fees	17	**(75,750)**	(73,627)
Directors' and professional indemnity insurance	17	**(17,183)**	(20,412)
Other expenses		**(51,828)**	(36,710)
Total operating expenses		**(1,027,110)**	(923,798)
Operating profit/(loss)		**9,427,556**	(1,310,788)
Profit/(loss) before financing		**9,427,556**	(1,310,788)
Finance costs	7	**(1,083,700)**	(1,077,618)
Profit/(loss) and total comprehensive income/(loss) for the period attributable to Shareholders		**8,343,856**	(2,388,406)
Weighted average number of Ordinary Shares in issue during the period	18	**58,087,938**	61,145,198
Basic and diluted earnings/(loss) per Ordinary Share	18	**14.4p**	(3.9p)

All items in the above statement are derived from continuing operations.

The accompanying notes on pages 26 to 41 form an integral part of these unaudited condensed interim financial statements.

EJF INVESTMENTS LIMITED

UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION

	Notes	As at 30 June 2026 (Unaudited) £	As at 31 December 2025 (Audited) £
Non-current assets			
Financial assets at FVTPL	8	**126,952,148**	114,685,222
Current assets			
Cash and cash equivalents		**1,599,447**	615,462
Other receivables and prepaid expenses	9	**48,797**	10,798
Total current assets		**1,648,244**	626,260
Total assets		**128,600,392**	115,311,482
Non-current liabilities			
ZDP Shares	11	**(28,485,590)**	(19,768,380)
Current liabilities			
Accounts payable and accrued expenses	10	**(630,922)**	(1,077,544)
Total current liabilities		**(630,922)**	(1,077,544)
Total liabilities		**(29,116,512)**	(20,845,924)
Net assets		**99,483,880**	94,465,558
Equity			
Stated capital	12	**80,695,200**	80,695,200
Retained earnings		**18,788,680**	13,770,358
Total equity		**99,483,880**	94,465,558
Number of Ordinary Shares in issue at period/year end (excluding treasury shares)	12	**58,087,938**	58,087,938
NAV per Ordinary Share		**171p**	163p

The unaudited condensed interim financial statements were approved by the Board of Directors and signed on their behalf by:

John Kingston III
Director
21 September 2026

The accompanying notes on pages 26 to 41 form an integral part of these unaudited condensed interim financial statements.

EJF INVESTMENTS LIMITED

UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD FROM 1 JANUARY 2026 TO 30 JUNE 2026

	Note	Number of shares (Unaudited)	Stated capital (Unaudited) £	Retained earnings (Unaudited) £	Net assets attributable to Shareholders (Unaudited) £
Balance as at 1 January 2026		**58,087,938**	**80,695,200**	**13,770,358**	**94,465,558**
Total comprehensive income for the period		-	-	**8,343,856**	**8,343,856**
Dividends paid	13	-	-	**(3,325,534)**	**(3,325,534)**
Balance as at 30 June 2026		**58,087,938**	**80,695,200**	**18,788,680**	**99,483,880**

FOR THE PERIOD FROM 1 JANUARY 2025 TO 30 JUNE 2025

	Note	Number of shares (Unaudited)	Stated capital (Unaudited) £	Retained earnings (Unaudited) £	Net assets attributable to Shareholders (Unaudited) £
Balance as at 1 January 2025		61,145,198	85,254,127	15,478,019	100,732,146
Total comprehensive loss for the period		-	-	(2,388,406)	(2,388,406)
Dividends paid	13	-	-	(3,271,268)	(3,271,268)
Balance as at 30 June 2025		61,145,198	85,254,127	9,818,345	95,072,472

FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	Number of shares	Stated capital £	Retained earnings £	Net assets attributable to Shareholders £
Balance as at 1 January 2025		61,145,198	85,254,127	15,478,019	100,732,146
Total comprehensive income for the year attributable to Shareholders		-	-	4,753,093	4,753,093
Transactions with Shareholders					
Ordinary shares bought under tender offer	12	(3,057,260)	(4,558,927)	-	(4,558,927)
Dividends paid		-	-	(6,460,754)	(6,460,754)
Balance at 31 December 2025		58,087,938	80,695,200	13,770,358	94,465,558

The accompanying notes on pages 26 to 41 form an integral part of these unaudited condensed interim financial statements.

EJF INVESTMENTS LIMITED

UNAUDITED CONDENSED STATEMENT OF CASH FLOWS

	Notes	1 January 2026 to 30 June 2026 (Unaudited) £	1 January 2025 to 30 June 2025 (Unaudited) £
Cash flows from operating activities			
Profit/(loss) and total comprehensive income/(loss) for the period		**8,343,856**	(2,388,406)
Adjustments for:			
- Amortisation of ZDP Shares, including finance and issuance costs	7, 11	**1,083,700**	1,077,642
- Net unrealised (gain)/loss on financial assets held at FVTPL	8	**(6,556,926)**	4,897,325
- Net foreign exchange loss/(gain)		**2,260**	(10,335)
Capital contribution in EJFIH	8	**(5,710,000)**	-
Capital distribution from EJFIH	8	**-**	11,000,000
Changes in net assets and liabilities:			
(Increase)/decrease in other receivables and prepaid expenses		**(37,999)**	149,936
Decrease in accounts payable and accrued expenses		**(446,622)**	(44,460)
Net cash (used in)/generated from operating activities[1]		**(3,321,731)**	14,681,702
Cash flow from financing activities			
Redemption of 2025 ZDP Shares	11	**-**	(15,808,347)
Proceeds from the issuance of 2029 ZDP Shares	11	**7,693,730**	5,900,040
2029 ZDP Share issue costs	11	**(60,220)**	(1,030,578)
Dividends paid	13	**(3,325,534)**	(3,271,268)
Net cash generated from/(used in) financing activities		**4,307,976**	(14,210,153)
Net increase in cash and cash equivalents		**986,245**	471,549
Cash and cash equivalents at the start of the period		**615,462**	512,871
Effect of movements in exchange rates on cash held		**(2,260)**	10,335
Cash and cash equivalents at the end of the period		**1,599,447**	994,755

[1]Please see note 6 for dates and amounts of dividends received in cash.

The accompanying notes on pages 26 to 41 form an integral part of these unaudited condensed interim financial statements.

1. General Information

The Company is a closed-ended investment company incorporated with limited liability in the Bailiwick of Jersey on 20 October 2016 under the provisions of the Companies Law with registration number 122353 and is regulated as a collective investment fund under the Collective Investment Funds (Jersey) Law 1988. The Company's registered office and principal place of business is IFC 5, St. Helier, Jersey, JE1 1ST. The principal legislation under which the Company operates is the Companies Law, as amended. The Company's stated capital comprises Ordinary Shares which were initially admitted to trading on the SFS on 7 April 2017. The 2029 ZDP Shares were admitted to trading on the SFS on 14 May 2025 (see note 11).

The Company does not have a fixed life as set out in the Articles. On or about each fifth anniversary of the Company's Shares being admitted to trading on LSE, the Directors shall procure that an EGM of the Company be convened at which a Continuance Resolution will be proposed. The first Continuance Resolution was passed at the EGM held on 5 May 2022. The next Continuation Vote will take place around May 2027, being five years from the most recent vote.

The Manager has been appointed by the Company to provide management and investment management services, and the Administrator has been appointed to provide administration services to the Company.

The Company has appointed the Manager to act as its AIFM for the purposes of the AIFM Directive.

The Company has one direct subsidiary, EJFIH (incorporated on 9 June 2017), of which it owns 100% (31 December 2025: 100%) of the share capital. Refer to note 14 for further information on EJFIH and EJFIH's subsidiaries and associates.

The Company seeks to generate risk adjusted returns for its Shareholders by investing, through its Subsidiary, 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, Fintech debt securities (including European debt securities) and private equity, in both cash and synthetic formats issued by entities domiciled in the US, UK and Europe. Investments consist primarily of Securitisation and Related Investments and Specialty Finance Investments. The Company seeks to operate in a way to enable it to make quarterly dividend payments to Shareholders in addition to targeting Net Asset Value growth.

2. Statement of Compliance

The unaudited condensed interim financial statements of the Company for the period from 1 January 2026 to 30 June 2026 have been prepared in accordance with IAS 34, *Interim Financial Reporting*, as adopted by the International Accounting Standards Board, together with applicable legal and regulatory requirements of the Companies Law and the Listing Rules of the SFS.

The unaudited condensed interim financial statements should be read in conjunction with the Annual Report for the year ended 31 December 2025, which was prepared in accordance with IFRS. As required by the Disclosure Guidance and Transparency Rules of the FCA, the unaudited condensed interim financial statements have been prepared applying the accounting policies and presentation that were applied in the preparation of the Company's published financial statements for the year ended 31 December 2025.

Going Concern

Under the UK Code, voluntarily adopted by the Company, and Companies Law, the Directors are required to satisfy themselves that it is reasonable to assume that the Company is a going concern and to identify any material uncertainties in respect of the Company's ability to continue as a going concern for at least 12 months from the date of approving the financial statements.

2. Statement of Compliance (continued)

Going Concern (continued)

The Directors have performed a detailed assessment of the Company's ability to meet its liabilities as they fall due for the period of at least twelve months from the date of approving the unaudited condensed interim financial statements, including evaluating severe but plausible downside scenarios of a significant reduction in the liquidity and cash flow generation of its investments. The assessment was completed with reference to the cash position of the Group, the Company's operating expenses and the potential default risk of the investments held. The Directors also considered the Continuation Vote due in 2027. Based on the Company's performance, shareholder voting history at general meetings, including the 2026 AGM and the resolution relating to the Preferred Shares, analysis of the shareholder register, the outcome of the previous Continuation Vote in 2022, and the future prospects of the Company, the Directors consider the likelihood of the Continuation Vote not being passed to be low. The assessment also considered the historical structure of the Company (private fund to SFS listing), and the continued support of a significant portion of the core shareholder base from that time. In addition, broader shareholder engagement and voting outcomes in recent years indicate generally supportive investor sentiment towards the Company's strategy, portfolio performance and long-term value proposition. Accordingly, the Directors consider that there is no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern arising from the Continuation Vote or any other matter. The Continuance Resolution, which is proposed every five years, requires a majority of those voting to vote in favour in order to be passed.

In light of the assessment, the Directors are satisfied that, at the time of approving the unaudited condensed interim financial statements, there is a reasonable expectation that the Company will have adequate resources to continue in operational existence for a period of at least twelve months from the date of approval of the unaudited condensed interim financial statements. The unaudited condensed interim financial statements have therefore been prepared on a going concern basis.

3. Material Accounting Policies

There have been no changes to the material accounting policies from those applied in the Annual Report for the year ended 31 December 2025 and as set out in note 2 therein.

4. Use of Judgements and Estimates

In the application of the Company's accounting policies, the Board is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. The critical judgements and estimations at the unaudited condensed statement of financial position date that the Directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the unaudited condensed interim financial statements are as set out in note 3 of the Annual Report for the year ended 31 December 2025.

Other than the additional critical judgement in relation to Going Concern assessment as discussed in note 2 of this unaudited condensed interim financial statements, there have been no changes to the critical accounting judgements and estimates as disclosed in the Annual Report for the year ended 31 December 2025.

5. Segmental Reporting

IFRS 8 requires a "management approach", under which segment information is presented on the same basis as that used for internal reporting purposes.

The Board has considered the requirements of IFRS 8 and is of the view that the Company is engaged in a single segment of business via its investment in EJFIH mainly in one geographical area, Jersey, and therefore the Company has only a single operating segment.

6. Dividend Income

The Company received the following dividends from EJFIH during the periods ended 30 June 2026 and 30 June 2025:

Date received	30 June 2026 (Unaudited) £	30 June 2025 (Unaudited) £
12 February 2025	-	2,000,000
22 May 2025	-	2,500,000
10 February 2026	**1,900,000**	-
06 May 2026	**2,000,000**	-
Total dividend income	**3,900,000**	4,500,000

7. Finance Cost

	30 June 2026 (Unaudited) £	30 June 2025 (Unaudited) £
Amortisation of ZDP Shares, including finance and issuance costs (see note 11)	**1,083,700**	1,077,642
Other interest	-	(24)
Total finance cost	**1,083,700**	1,077,618

8. Financial Assets at FVTPL

Investment in EJFIH

The investment in EJFIH is used to acquire exposure to a portfolio comprising a number of investments. The investment in EJFIH is measured at FVTPL. The Company has determined that the fair value of EJFIH is its NAV.

Below is a summary of the movement in the investment in EJFIH, held by the Company:

	30 June 2026 (Unaudited) £	31 December 2025 (Audited) £
Opening balance	**114,685,222**	126,382,727
Additions	**5,710,000**	3,318,200
Return of capital	-	(15,560,000)
Net unrealised gain on investment in EJFIH[1]	**6,556,926**	544,295
Investment in EJFIH at FVTPL at the end of the period/year	**126,952,148**	114,685,222

During the period from 1 January 2026 to 30 June 2026, the Company made a further investment in EJFIH of £5,710,000 (year ended 31 December 2025: £3,318,200).

In 2025, Company received total capital returns of £15,560,000 from EJFIH. This included a capital distribution of £11,000,000 received on 15 May 2025, for the purpose of covering the repayment of the 2025 ZDP Shares and £4,560,000 received on 16 October 2025 to cover payment for the tender offer executed in October 2025. During the current period, no capital distributions were received.

[1]Net (loss)/gain on investment in EJFIH is presented after dividends received by the Company from EJFIH in the amount of £3,900,000 (31 December 2025: £7,935,634).

8. Financial Assets at FVTPL (continued)

The following table discloses EJFIH's financial assets at FVTPL on a look-through basis, which agrees to the Company's financial assets at FVTPL:

	30 June 2026 (Unaudited) £	31 December 2025 (Audited) £
EJFIH's investments at FVTPL:		
Investment in the Partnership	73,163,605	70,881,726
Investment in the CDO Manager	7,936,114	6,487,806
CDO Securities	569,511	690,836
Credit risk transfer	7,639,812	7,699,165
Mezzanine debt securities	102,077	1,814,146
Investment in EJF Financial Services Offshore Fund	5,471,350	-
Investment in EJF Credit Opportunities Fund II	4,037,383	-
Net derivative financial assets	41,640	169,698
Total of EJFIH's investments at FVTPL	**98,961,492**	87,743,377
EJFIH's other assets and liabilities:		
Cash	3,015,528	7,648,653
Cash equivalents held in money market fund	22,463,593	16,799,781
Cash held as margin	2,520,873	2,016,939
Amount due (to)/from EJFI (see note 10 and 9)	(17,510)	482,491
Other receivables	29,285	50,234
Other payables	(21,113)	(56,252)
EJFIH's NAV at the end of the period/year	**126,952,148**	114,685,222

The following table shows the movement of assets other than net derivative financial assets/(liabilities) held by EJFIH during the period from 1 January 2026 to 30 June 2026:

	Opening fair value at 1 January 2026 (Audited) £	Additions (Unaudited) £	Realised gains/ (losses)[1] (Unaudited) £	Unrealised gains/ (losses)[1] (Unaudited) £	Disposals, paydown and distributions (Unaudited) £	Ending fair value at 30 June 2026 (Unaudited) £
Investment in the Partnership[2]	**70,881,726**	**1,540,394**	**5,722,423**	**1,987,877**	**(6,968,815)**	**73,163,605**
Investment in the CDO Manager[2]	**6,487,806**	**-**	**-**	**1,937,205**	**(488,897)**	**7,936,114**
CDO Securities	**690,836**	**53,522**	**-**	**(117,603)**	**(57,244)**	**569,511**
Credit risk transfer	**7,699,165**	**-**	**(6,307)**	**148,464**	**(201,510)**	**7,639,812**
Mezzanine debt securities	**1,814,146**	**-**	**170,086**	**(137,845)**	**(1,744,310)**	**102,077**
Investment in EJF Financial Services Offshore Fund	**-**	**5,179,300**	**-**	**292,050**	**-**	**5,471,350**
Investment in EJF Credit Opportunities Fund II	**-**	**3,757,986**	**-**	**279,397**	**-**	**4,037,383**
Total financial assets	**87,573,679**	**10,531,202**	**5,886,202**	**4,389,545**	**(9,460,776)**	**98,919,852**

[1] Includes fluctuations in foreign exchange rates
[2] Refer to note 14 for percentage of ownership

8. Financial Assets at FVTPL (continued)

The following table shows the movement of assets held by EJFIH during the year from 1 January 2025 to 31 December 2025:

	Opening fair value at 1 January 2025 (Audited) £	Additions (Audited) £	Realised gains/ (losses)[1] (Audited) £	Unrealised gains/ (losses)[1] (Audited) £	Disposals, paydown and distributions (Audited) £	Ending fair value at 31 December 2025 (Audited) £
Investment in the Partnership[2]	73,568,775	2,472,162	8,012,908	(5,096,629)	(8,075,490)	70,881,726
Investment in Seneca	8,808,028	-	5,690,870	(6,812,048)	(7,686,850)	-
Investment in the CDO Manager[2]	4,756,235	-	-	2,838,165	(1,106,594)	6,487,806
CDO Securities	1,127,106	7,554,582	1,170,164	(436,270)	(8,724,746)	690,836
TFINS 2017-2 Preference Shares	1,138,738	-	(174,494)	134,198	(1,098,442)	-
Credit risk transfer	4,702,073	4,490,389	(42,568)	(290,317)	(1,160,412)	7,699,165
Mezzanine debt securities	5,026,973	-	377,294	(568,736)	(3,021,385)	1,814,146
US treasury bills	3,133,374	-	(388,985)	281,104	(3,025,493)	-
Investment in US bank debt	1,575,184	-	117,752	(123,940)	(1,568,996)	-
Total financial assets	103,836,486	14,517,133	14,762,941	(10,074,473)	(35,468,408)	87,573,679

[1] Include fluctuations in foreign exchange rates
[2] Refer to note 14 for percentage of ownership

9. Other receivables and prepayments

	30 June 2026 (Unaudited) £	31 December 2025 (Audited) £
Amount due from EJFIH	**17,510**	-
Prepaid expenses	**31,287**	10,798
Total other receivables and prepayments	**48,797**	10,798

The amount due from EJFIH is interest free and repayable on demand. Credit risk is considered to be immaterial.

10. Accounts payable and accrued expenses

	30 June 2026 (Unaudited) £	31 December 2025 (Audited) £
Amount due to EJFIH	**-**	482,491
Management fee	**194,083**	188,342
Legal and professional fees	**103,843**	85,491
Auditor remuneration	**186,837**	179,750
Sundry creditors	**54,041**	59,232
Other payables to the Manager	**54,243**	44,363
Directors' fees payable	**37,875**	37,875
Total accounts payable and accrued expenses	**630,922**	1,077,544

11. ZDP Shares

As at the beginning of the period, the Company had 19,702,159 2029 ZDP Shares outstanding.

In April 2025, the Company issued a prospectus offering up to 28 million new 2029 ZDP Shares, comprised of the Rollover Offer and an initial placing of additional 2029 ZDP Shares. Pursuant to the Rollover Offer, 7,982,227 2025 ZDP Shares were converted into 11,102,466 2029 new 2029 ZDP Shares at a conversion price of £1.3909. The 2029 ZDP Shares were issued at a Gross Redemption Yield of 8.5% with a redemption value of 145.48 pence per share. An aggregate of 17,001,593 2029 ZDP Shares were issued pursuant to the Rollover Offer and Initial Placing. Further in May 2025, in order to simplify the Company's capital structure and following the completion of the Rollover Offer and Initial Placing as above, the Company announced that it was bringing forward the repayment date for the Company's 2025 ZDP Shares to 14 May 2025. All remaining 2025 ZDP Shares were repaid as a result.

On 21 July 2025, the Company made an application to the LSE for a block listing of 4,700,000 new 2029 ZDP Shares, to rank pari passu with the existing 2029 ZDP Shares in issue, to be admitted to trading on the SFS of the main market of the LSE. Such additional 2029 ZDP Shares were permitted to be issued pursuant to the Company's existing general authority to issue shares on a non-pre-emptive basis to satisfy market demand, as and when market conditions permitted. A total of 4,700,000 2029 ZDP Shares were issued pursuant to this block listing.

On 24 February 2026, the Company made an application for an additional block listing of a further 6,290,000 new 2029 ZDP Shares on the same conditions as the first application during the year. A total of 5,178,130 2029 ZDP Shares have been issued pursuant to this block listing as at the date of this report.

At the end of the period, 26,879,723 (2025: 19,702,159) 2029 ZDP Shares were in issue.

Holders of ZDP Shares are not entitled to any dividends paid by the Company. The following table reconciles the liability for ZDP Shares, held at amortised cost, for the reporting period. The carrying value of 2029 ZDP Shares is a reasonable approximation of their fair value.

	2029 ZDP Shares 30 June 2026 (Unaudited) £	**2029 ZDP Shares 31 December 2025 (Audited) £**	**2025 ZDP Shares 31 December 2025 (Audited) £**
Opening balance	**19,768,380**	-	26,028,989
Redemption of 2025 ZDP Shares[1]	**-**	-	(15,808,347)
Conversion of 2025 ZDP Shares to 2029 ZDP Shares	**-**	11,102,466	(11,102,466)
2029 ZDP Shares Issued	**7,693,730**	8,676,959	-
ZDP Shares issuance costs	**(60,220)**	(1,061,277)	-
Amortisation of ZDP Shares, including finance and issuance costs	**1,083,700**	1,050,232	881,824
ZDP Shares closing balance	**28,485,590**	19,768,380	-

[1] Repayment included original issuance price and 7% Gross Redemption Yield

12. Stated Capital

Net assets attributable to Shareholders is represented by Ordinary Shares that carry one vote each and have equal voting rights. Ordinary Shares are entitled to dividends when declared. The Company has no restrictions or specific capital requirements on the issue and repurchase of Ordinary Shares.

The analysis of movements in the number of Ordinary Shares and the corresponding changes to the Company's stated capital as a result of transactions with Shareholders during the period/year was as follows:

	Number of Shares (Unaudited)	Stated Capital (Unaudited)
		£
Opening balance as at 1 January 2026	**58,087,938**	**80,695,200**
Closing balance as at 30 June 2026	**58,087,938**	**80,695,200**

	Number of Shares (Audited)	Stated Capital (Audited)
		£
Opening balance as at 1 January 2025	61,145,198	85,254,127
Ordinary Shares bought back under Tender offer	(3,057,260)	(4,558,927)
Closing balance as at 31 December 2025	58,087,938	80,695,200

As at 30 June 2026, the Company had 15,808,509 treasury shares (31 December 2025: 15,808,509).

13. Dividends

The Company paid the following dividends on its Ordinary Shares during the period from 1 January 2026 to 30 June 2026:

Period to	Declared date	Ex-dividend date	Record date	Payment date	Dividend rate per Ordinary Share	Net dividend paid
					£	£
31 Dec 2025	29 Jan 2026	5 Feb 2026	6 Feb 2026	27 Feb 2026	0.02862	**1,662,767**
31 Mar 2026	30 Apr 2026	14 May 2026	15 May 2026	29 May 2026	0.02862	**1,662,767**
Total dividends						**3,325,534**

The Company paid the following dividends on its Ordinary Shares during the period from 1 January 2025 to 30 June 2025:

Period to	Declared date	Ex-dividend date	Record date	Payment date	Dividend rate per Ordinary Share	Net dividend paid
					£	£
31 Dec 2024	28 Jan 2025	6 Feb 2025	7 Feb 2025	28 Feb 2025	0.02675	1,635,634
31 Mar 2025	24 Apr 2025	1 May 2025	2 May 2025	30 May 2025	0.02675	1,635,634
Total dividends						3,271,268

14. Interest in Unconsolidated Subsidiaries and Associates

The table below discloses the unconsolidated subsidiaries and associates in which the Company holds an interest, but does not consolidate in accordance with IFRS 12:

Name of entity	Type of entity	Principal place of business	Purpose	Interest held by the Company		Interest held
				2026	2025	
EJFIH	Private Company	Jersey	To hold a portfolio of investments in order to generate capital appreciation and investment income.	100%	100%	Direct
Partnership	Limited Partnership	Delaware	To hold CDO Equity Tranches in order to generate capital appreciation and investment income.	85% of Class A units and 90% of Class X units	85% of Class A units and 90% of Class X units	Held through EJFIH
CDO Manager	Limited Liability Company	Delaware	To generate management fee income.	49%	49%	Held through EJFIH
EJFCRT 2025-2 Aggregator LLC	Limited Liability Company	Delaware	To hold EJF CRT 2025-2 security.	27%	27%	Held through EJFIH

15. Financial Risk Management

As at 30 June 2026, there has been no change to the Company's financial risk management objectives and policies to those disclosed in note 15 of the Annual Report for the year ended 31 December 2025.

Fair Value of Financial Instruments

This section should be read in conjunction with note 15 of the Annual Report for the year ended 31 December 2025 which provides more detail about accounting policies adopted, the definitions of the three levels of fair value hierarchy, valuation methods used in calculating fair value, and the valuation framework which governs oversight of valuations. There have been no changes in the accounting policies adopted or the valuation methodologies used.

The Company holds all of the shares in EJFIH which is a holding vehicle used to hold the Company's investments. The Board believes it is appropriate to value this entity based on the fair value of its portfolio of investment assets held plus its other assets and liabilities.

15. Financial Risk Management (continued)

Fair Value Hierarchy

The Company classifies financial instruments measured at fair value in the Portfolio according to the following hierarchy:

Level 1 Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

Level 2 Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

Level 3 Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The Company's investment in EJFIH has been classified as a Level 3 investment and is measured at fair value for financial reporting purposes. The fair value of EJFIH is measured based on the NAV of EJFIH. The estimate of the NAV of EJFIH relies significantly on the estimate of the fair value of its underlying assets and liabilities. In determining fair value of its underlying assets and liabilities, EJFIH uses market-observable data to the extent it is available. However, certain valuations use unobservable data which involves more estimation uncertainty.

The tables below analyse financial instruments, held by the Company, measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the statement of financial position as at 30 June 2026 and 31 December 2025. All fair value measurements below are recurring.

As at 30 June 2026	**Level 1 (Unaudited) £**	**Level 2 (Unaudited) £**	**Level 3 (Unaudited) £**
Investment held in EJFIH	-	-	**126,952,148**
Financial assets at FVTPL	-	-	**126,952,148**

As at 31 December 2025	**Level 1 (Audited) £**	**Level 2 (Audited) £**	**Level 3 (Audited) £**
Investment held in EJFIH	-	-	114,685,222
Financial assets at FVTPL	-	-	114,685,222

The following table shows the movement of level 3 assets during the period from 1 January 2026 to 30 June 2026:

	Opening fair value 1 January 2026 (Unaudited) £	**Additions (Unaudited) £**	**Realised gains (Unaudited) £**	**Unrealised gains (Unaudited) £**	**Return of capital (Unaudited) £**	**Ending fair value 30 June 2026 (Unaudited) £**
EJFIH	**114,685,222**	**5,710,000**	**-**	**6,556,926**	**-**	**126,952,148**
Total financial assets	**114,685,222**	**5,710,000**	**-**	**6,556,926**	**-**	**126,952,148**

15. Financial Risk Management (continued)

Fair Value Hierarchy (continued)

The following table shows the movement of level 3 assets during the year ended 31 December 2025:

	Opening fair value 1 January 2025 (Audited) £	Additions (Audited) £	Realised gains (Audited) £	Unrealised gains (Audited) £	Return of capital (Audited) £	Ending fair value 31 December 2025 (Audited) £
EJFIH	126,382,727	3,318,200	-	544,295	(15,560,000)	114,685,222
Total financial assets	126,382,727	3,318,200	-	544,295	(15,560,000)	114,685,222

The tables below are supplemental disclosures of the financial instruments, held by EJFIH, measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the statement of financial position as at 30 June 2026 and 31 December 2025. All fair value measurements below are recurring.

As at 30 June 2026	Level 1 (Unaudited) £	Level 2 (Unaudited) £	Level 3 (Unaudited) £	Total (Unaudited) £
Investment in the Partnership	-	-	**73,163,605**	**73,163,605**
Investment in CDO Manager	-	-	**7,936,114**	**7,936,114**
CDO securities	-	-	**569,511**	**569,511**
Credit risk transfer	-	**7,639,812**	-	**7,639,812**
Mezzanine debt securities	-	**102,077**	-	**102,077**
Investment in EJF Financial Services Offshore Fund	-	-	**5,471,350**	**5,471,350**
Investment in EJF Credit Opportunities Fund II	-	-	**4,037,383**	**4,037,383**
Financial assets at FVTPL	-	**7,741,889**	**91,177,963**	**98,919,852**

As at 31 December 2025	Level 1 (Audited) £	Level 2 (Audited) £	Level 3 (Audited) £	Total (Audited) £
Financial assets at FVTPL				
Investment in the Partnership	-	-	70,881,726	70,881,726
Investment in CDO Manager	-	-	6,487,806	6,487,806
CDO securities	-	-	690,836	690,836
Credit risk transfer	-	7,699,165	-	7,699,165
Mezzanine debt securities	-	1,814,146	-	1,814,146
Financial assets at FVTPL	-	9,513,311	78,060,368	87,573,679

15. Financial Risk Management (continued)

Fair Value Hierarchy (continued)

The following tables show net derivative financial assets or liabilities as at 30 June 2026 and 31 December 2025:

As at 30 June 2026	Level 1 (Unaudited) £	Level 2 (Unaudited) £	Level 3 (Unaudited) £
Derivative financial assets	-	**41,640**	-
Derivative financial assets at FVTPL	-	**41,640**	-

As at 31 December 2025	Level 1 (Audited) £	Level 2 (Audited) £	Level 3 (Audited) £
Derivative financial assets	-	169,698	-
Derivative financial assets at FVTPL	-	169,698	-

Movement of Level 3 assets held by EJFIH during the period from 1 January 2026 to 30 June 2026 and 1 January 2025 to 31 December 2025 is included in note 8.

Significant unobservable inputs used in measuring fair value held by the Company – Level 3

The following table shows the sensitivity of fair values in Level 3 to the NAV of the investment in EJFIH.

Financial assets	Company fair value as at 30 June 2026 £	Company fair value as at 31 December 2025 £	Valuation techniques and inputs	Significant unobservable inputs
Investment in EJFIH	**126,952,148**	114,685,222	NAV of EJFIH	NAV of EJFIH

Sensitivity analysis for significant changes for unobservable inputs within Level 3 hierarchy

There are a number of unobservable inputs and assumptions used in the valuation of the EJFIH investments. Changes in any of these inputs and assumptions will have an impact on the valuation of these investments. The table below assumes the overall valuation changed by 10% and that the portfolio of investments is correlated to this overall movement in valuations. The overall impact of 10% has been selected as this is considered reasonable given the current level of volatility observed both on a historical basis and market expectations for future movements.

Financial assets	30 June 2026 £	31 December 2025 £
Investment in EJFIH	**126,952,148**	114,685,222
Increase by 10%	**139,647,363**	126,153,744
Decrease by 10%	**114,256,933**	103,216,700

15. Financial Risk Management (continued)

Certain underlying investments in EJFIH will be sensitive to lesser/greater changes as well as certain inputs and assumptions will be sensitive at lesser/greater degree. The table below shows a further sensitivity of the Investment in EJFIH:

Fair Value Hierarchy (continued)

Underlying level 3 investments	Fair Value As at 30 June 2026	Fair Value As at 31 December 2025	Primary Valuation Techniques	Key Unobservable Inputs	Sensitivity / Scenarios	Range (2026)	Weighted Average / Fair Value Inputs (2026)	Effect on Fair Value 30 June 2026	Range (2025)	Weighted Average / Fair Value Inputs (2025)	Effect on Fair Value 31 December 2025
CDO Equity Tranches held within the Partnership	71,437,969	68,675,403	Third party valuation (Broker quotes)	NA	+10% Third party valuation (Broker quote)	NA	NA	7,143,797	NA	NA	6,867,540
					-10% Third party valuation (Broker quote)			(7,143,797)			(6,867,540)
CDO Management Contracts held within the CDO Manager	9,365,440	10,491,785	Discounted cash flow	Discount rate	+1% change in discount rate	4.57%-6.16%	4.95%	(227,222)	4.01%-5.90%	5.59%	(255,488)
					-1% change in discount rate			235,422			265,182
CDO Securities	569,511	690,836	Third party valuation (Broker quotes)	NA	+10% Third party valuation (Broker quote)	NA	NA	56,951	NA	NA	69,084
					-10% Third party valuation (Broker quote)			(56,951)			(69,084)
Credit risk transfers	7,639,812	7,699,165	Third party valuation (Broker quotes)	NA	+10% Third party valuation (Broker quote)	NA	NA	763,981	NA	NA	769,917
					-10% Third party valuation (Broker quote)			(763,981)			(769,917)
Mezzanine debt securities	102,077	1,814,146	Third party valuation (Broker quotes)	NA	+10% Third party valuation (Broker quote)	NA	NA	10,208	NA	NA	181,415
					-10% Third party valuation (Broker quote)			(10,208)			(181,415)
Investment in EJF Financial Services Offshore Fund	5,471,350	-	NAV of the fund	NA	NAV increase by 10%	NA	NA	547,135	NA	NA	-
					NAV decrease by 10%			(547,135)			-
Investment in EJF Credit Opportunities Fund II	4,037,383	-	NAV of the fund	NA	NAV increase by 10%	NA	NA	403,738	NA	NA	-
					NAV decrease by 10%			(403,738)			-

16. Capital Risk Management

The Company's issued capital is represented by Ordinary Shares.

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 policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, as well as the level of dividends to Shareholders.

The Company may utilise borrowings for share buybacks, short-term liquidity purposes and investments, seeking leverage via bank financing, term loans, or debt instruments. The Company has the ability to borrow up to 35% of its NAV (calculated at the time of drawdown), provided that:

i) the maximum amount for borrowings for long-term investment purposes within such limit will be 30% of the NAV; and
ii) borrowings for long-term investment purposes may only be incurred when the minimum cover amount, 3.0x, for ZDP Shares, is met (calculated at the time of drawdown).

17. Related Party Transactions

Transactions with EJFIH
Investment transactions between EJFIH and the underlying investments are disclosed in note 8. Dividends received from EJFIH are disclosed in note 6. Further, EJFIH paid £179,629 expenses (30 June 2025: £1,676,762) on behalf of the Company during the period. See note 9 for balance receivable from and note 10 for payable to EJFIH in respect of these transactions.

Directors' fees
The Directors are entitled to a fee for their services at a rate to be determined from time to time by the Board. The base annual fee for each Director is £44,000 (2025: £44,000) per annum. The Chair of the Board, Audit & Risk Committee and Management Engagement Committee are entitled to an additional fee of £11,000, £5,500 and £3,000 per annum respectively (2025: £11,000, £5,500 and £3,000).

For the period from 1 January 2026 to 30 June 2026, the Company recorded Directors' fees of £75,750 (30 June 2025: £73,627). As at 30 June 2026, £37,875 (31 December 2025: £37,875) of this amount was outstanding.

Directors' and Officers' liability insurance cover is maintained by the Company on behalf of the Directors. During the period from 1 January 2026 to 30 June 2026, the Company recorded a directors' and professional indemnity insurance expense of £17,183 (30 June 2025: £20,412).

17. Related Party Transactions (continued)

Ordinary Shares held by Related Parties

Ordinary shareholdings in the Company by the Directors as at the period/year-end were as follows:

Name	Ordinary Shares 30 June 2026[1] (Unaudited)	Percentage of Ordinary Shares in Issue 30 June 2026[2] (Unaudited)	Ordinary Shares 31 December 2025[1] (Audited)	Percentage of Ordinary Shares in Issue 31 December 2025[2] (Audited)
John Kingston III	**191,368**	**0.33%**	191,368	0.33%
Nick Watkins	**20,000**	**0.03%**	20,000	0.03%

ZDP Shares held by Related Parties

ZDP shareholdings in the Company by the Directors as at the period/year-end were as follows:

Name	2029 ZDP Shares 30 June 2026[1] (Unaudited)	Percentage of 2029 ZDP Shares in Issue 30 June 2026[3] (Unaudited)	2029 ZDP Shares 31 December 2025[1] (Audited)	Percentage of 2029 ZDP Shares in Issue 31 December 2025[3] (Audited)
Nick Watkins	**13,909**	**0.052%**	13,909	0.071%

[1] The shareholdings are either direct and/or indirect holdings.
[2] The calculation of Ordinary shareholding percentage is based on number of Ordinary Shares in issue after adjusting for treasury shares
[3] The calculation of ZDP shareholding percentage is based on number of ZDP Shares in issue.

Investment Management Fee

In accordance with the Management Agreement, the Manager has been appointed as the manager of the Company, the Partnership and the General Partner. In such capacity, the Manager is responsible for the portfolio and risk management of the Group, including: (i) managing the Company's assets and its day-to-day operations; (ii) the selection, purchase and sale of investment securities held via EJFIH; (iii) providing financing and risk management services; and (iv) providing advisory services to the Board.

In accordance with the terms of the Management Agreement, the Company pays a management fee calculated monthly and payable quarterly in arrears. Subject to certain limitations, the monthly management fee is equal to 0.0833% (one-twelfth of 1%) of the Company's NAV.

For the period from 1 January 2026 to 30 June 2026, the Company incurred a management fee of £391,323 (30 June 2025: £399,522), which is presented within operating expenses on the unaudited condensed statement of comprehensive income and had an outstanding liability of £194,083 (31 December 2025: £188,342), which is presented within accounts payable and accrued expenses on the unaudited condensed statement of financial position.

Incentive Fee

The Manager is entitled to an incentive fee which is calculated in relation to the assets attributable to Ordinary Shares, in accordance with the Management Agreement. The Incentive Fee amount is equal to 10% of the amount by which the Adjusted NAV attributable to Ordinary Shares exceeds the higher of (i) the Incentive Hurdle at the relevant time and (ii) the High Watermark at the relevant time, in respect of the relevant Incentive Fee Period.

The Incentive Fee is calculated in respect of each Incentive Fee Period, save for the final Incentive Fee Period being the date that the Management Agreement is terminated or, where the Management Agreement has not been terminated, the actual date of termination of the provision by the Manager of the non-retained services as defined in the Management Agreement.

For the period from 1 January 2026 to 30 June 2026, no Incentive Fee liability was accrued (31 December 2025: nil).

17. Related Party Transactions (continued)

Manager reimbursements

For the period from 1 January 2026 to 30 June 2026, the Manager paid £77,728 (30 June 2025: £43,299) of expenses on behalf of the Company. As at 30 June 2026, the Company had a net payable balance of £54,243 (31 December 2025: £44,363) to the Manager relating to the reimbursement of these expenses.

Shares held by officers and affiliates of the Manager

Holdings of Ordinary Shares and 2029 ZDP Shares by officers of the Manager and its affiliates (not considered as related parties) as at period/year end are as follows:

Name	Ordinary Shares 30 June 2026[1] (Unaudited)	Percentage of Ordinary Shares in Issue 30 June 2026[2] (Unaudited)	Ordinary Shares 31 December 2025[1] (Audited)	Percentage of Ordinary Shares in Issue 31 December 2025[2] (Audited)
EJF Capital Limited	**2,096,595**	**3.61%**	2,067,276	3.56%
Emmanuel Friedman[3]	**11,816,558**	**20.34%**	11,816,558	20.34%
Jason Ruggiero	**168,734**	**0.29%**	168,734	0.29%
Neal Wilson	**1,718,881**	**2.96%**	1,718,881	2.96%

[1] The shareholdings are either direct and/or indirect holdings of Ordinary Shares
[2] The calculation of Ordinary shareholding percentage is based on number of Ordinary Shares in issue after adjusting for treasury shares.
[3] Ordinary Shares held by Cheetah Holdings Limited, a charitable foundation co-founded by Emanuel Friedman.

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

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

The diluted earnings 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. As at 30 June 2026 and 30 June 2025, there were no dilutive instruments in issue, hence basic and diluted EPS were the same.

The weighted average number of Ordinary Shares in issue as at 30 June 2026 is 58,087,938 (30 June 2025: 61,145,198). As at 30 June 2026, the Company had basic and diluted earnings per Ordinary Share of 14.4p (30 June 2025: basic and diluted loss per Ordinary Share of 3.9p).

19. Events after the Reporting Period

The Board evaluated subsequent events for the Company until 21 September 2026, the date the financial statements were authorised for issue and has concluded that the material events listed below do not require adjustment of the financial statements.

On 9 July 2026, the Company invested $14.9 million into the CDO Equity Tranche of TFINS 2026-3, a US regional bank and issuance debt securitisation sponsored by EJF. The asset targets a 14% yield to maturity and matures in 2039 (callable after July 2028). The Company will additionally capture fee income via its 49% stake in the designated collateral manager, EJF CDO Manager LLC, which receives a 0.30% annual management fee.

All resolutions proposed at the Annual General Meeting and Ordinary Shareholder Class Meeting held on 24 July 2026, were duly passed by Shareholders. This included approvals to allot and issue up to 7,389,644 Ordinary Shares (approximately 10% of issued ordinary share capital) and authorisation to issue an unlimited number of Preferred Shares subject to an asset coverage issuance test threshold of at least 2.0x.

19. Events after the Reporting Period (continued)

On 24 July 2026, EJF Capital Limited, an affiliate of the Manager, purchased 14,376 ordinary shares at a price of £1.35 per share, increasing its holding to 2,110,971 Ordinary Shares (approximately 3.63% of the issued voting share capital).

On 27 July 2026, the Company declared a dividend of 2.8625p per share in respect of the quarter ended 30 June 2026. The dividend was payable to Shareholders on the register as at close of business on 7 August 2026, and the corresponding ex-dividend date was 6 August 2026. Payment was made on 28 August 2026.

On 1 July 2026, the Company subscribed for an additional 950,000 Ordinary Shares of no par value in the capital of EJFIH for an aggregate subscription amount of £950,000.

Recent Geopolitical Developments
Whilst there is no direct impact on the underlying investment portfolio from the recent geopolitical developments relating to the war in Iran, the Manager and the Board continue to assess any potential implications.

NAV per Ordinary Share

NAV per Ordinary Share means an amount equal to, as at the relevant date, the NAV attributable to Ordinary Shares divided by the Ordinary Shares in issue as at such date.

Reason for use

Common industry performance benchmark for calculating the Total Return and Share Price (Discount)/Premium to NAV per Ordinary Share.

Calculation

NAV per Ordinary Share is calculated as follows:

	30 June 2026	31 December 2025
Net Assets as per unaudited condensed statement of financial position	**£99,483,880**	£94,465,558
Number of Ordinary Shares in issue at period/year end (excluding treasury shares)	**58,087,938**	58,087,938
NAV per Ordinary Share	**171p**	163p

Total Return

The increase in the NAV per Ordinary Share plus the total dividends paid per Ordinary Share during the period, with such dividends paid being reinvested at NAV, as a percentage of the NAV per share as at period end.

Compounded monthly returns per the monthly published performance reports, inclusive of dividends. Components of Total Return are returns from underlying portfolio, foreign exchange and expenses.

Reason for use

To provide transparency in the Company's performance and to help investors identify and monitor the compounded returns of the Company.

Recalculation

Total Return has been calculated using the following monthly returns and compounded as follows:

	2026	2025	2024	2023	2022	2021	2020
Monthly return	%	%	%	%	%	%	%
January	**(0.14)**	1.04	0.80	(0.58)	0.13	1.99	0.47
February	**2.10**	(0.22)	1.10	1.48	1.34	0.15	0.18
March	**1.37**	(1.71)	1.10	(4.55)	2.22	2.12	(13.57)
April	**1.14**	(1.28)	1.26	(0.17)	4.01	0.44	0.58
May	**2.58**	0.27	(0.26)	0.84	0.72	(2.09)	3.33
June	**1.63**	(0.54)	1.45	(6.72)	1.87	2.80	0.15
July	-	2.97	(0.19)	0.91	1.09	(0.01)	1.25
August	-	(0.48)	(0.42)	1.63	2.73	0.55	0.34
September	-	3.47	(1.75)	(0.36)	2.47	3.06	0.40
October	-	2.13	2.64	0.80	(0.40)	(0.16)	(0.73)
November	-	(0.57)	1.77	(0.69)	(3.15)	3.25	1.16
December	-	(0.10)	1.97	0.25	0.20	(1.43)	0.25
Compounded monthly return	**8.98**	4.94	9.80	(7.27)	13.85	11.02	(7.02)

The Total Return from inception to 30 June 2026 was 125.17% (31 December 2025: 106.62%). The annualised total return since inception to 30 June 2026 was 9.11% (31 December 2025: 8.58%).

Annualised Dividend Yield

Dividends declared in respect of the relevant period (multiplied by two to factor for annualisation) divided by the share price mid quote as at the end of the relevant period.

Reason for use
To measure the Company's distribution of dividends to the Shareholders relative to share price to allow comparability to other companies in the market.

Recalculation
Annualised Dividend Yield is calculated as follows:

	30 June 2026
Dividends declared and paid for the quarter ended 31 December 2025 (see note 13)	**2.8625p**
Dividends declared and paid for the quarter ended 31 March 2026 (see note 13)	**2.8625p**
Total Dividends declared in respect of the period ended 30 June 2026	**5.725p**
Share price mid quote for the period from 1 January 2026 to 30 June 2026	**130p**
Annualised Dividend Yield	**8.8%**

	30 June 2025
Dividends declared and paid for the quarter ended 31 December 2024 (see note 13)	2.675p
Dividends declared and paid for the quarter ended 31 March 2025 (see note 13)	2.675p
Total Dividends declared in respect of the period ended 30 June 2025	5.350p
Share price mid quote for the period from 1 January 2025 to 30 June 2025	118p
Annualised Dividend Yield	9.1%

Share Price Discount to NAV per Ordinary Share

Closing price as at such date as published on the LSE less the NAV per Ordinary Share divided by the NAV per Ordinary Share.

Reason for use
Common industry measure to understand the price of the Company's shares relative to its net asset valuation.

Recalculation
Share price discount to NAV per Ordinary Share is calculated as follows:

	30 June 2026	31 December 2025
Closing price as published on the LSE	**130**	123.5p
NAV per Ordinary Share	**171**	163p
Share Price Discount to NAV per Ordinary Share	**(24.0)%**	(24.2)%