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27 November 2024

**EJF Investments Ltd**  
**(“EJFI” or the “Company”)**  
**Introduction of Liquidity Authority and Notice of Extraordinary General Meeting**

The Board of EJFI announces that it has today published a shareholder circular (the "**Circular**") in respect of the introduction of a tender offer mechanism that would allow (at the discretion of the Board), Ordinary Shareholders to tender shares once in each 12-month period for a period of five years.

The tender offer mechanism, referred to in the Circular as the "**Liquidity Option**", would, if implemented by the Board, allow Ordinary Shareholders to tender some or all of their respective holdings of Ordinary Shares for a cash price to be determined by the Board up to and including the prevailing NAV per Ordinary Share from time to time. The Liquidity Option in respect of a 12-month period would be subject to an aggregate maximum of 5 per cent. of all Ordinary Shares then in issue as at the date of the extraordinary general meeting of the Company ("**EGM**") (recalculated on each subsequent anniversary). The shareholder authority for the Liquidity Option (the "**Liquidity Authority**") will allow Ordinary Shareholders to tender shares once in each 12-month period commencing on the date of the EGM and ending five years thereafter. Upon conclusion of the five-year Liquidity Authority (the maximum period permitted under Jersey law), the Board will evaluate the renewal of the authority for an additional period.

At the same time, the Company is also seeking a shareholder authority for a placing of up to 28,000,000 2029 ZDP Shares (the "**ZDP Placing**") to provide flexibility for its financing arrangements ahead of the repayment of the 2025 ZDP Shares on 18 June 2025.

The Circular contains details on the terms and conditions of the Liquidity Option, together with a notice convening an EGM to be held at 3.30 p.m. (GMT) on 17 December 2024.

The full text of the Chairman’s letter that accompanies the circular is included below.

The Circular, including the notice of the EGM, and a form of proxy have been sent to shareholders. A copy of the Circular will be submitted to the National Storage Mechanism and will be made available for inspection at: <https://data.fca.org.uk/#/nsm/nationalstoragemechanism> and on the Company's website: <https://www.ejfi.com/>.

Terms used and not defined in this announcement bear the meaning given to them in the Circular.

**ENQUIRIES**

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**Letter from the Chair****INTRODUCTION**

The Company's board of Directors (the "**Board**") is seeking an authority (the "**Liquidity Authority**") to introduce a tender offer mechanism (to be exercised at the discretion of the Board) which would allow Ordinary Shareholders to tender shares once in each 12-month period for a period of five years.

The tender offer mechanism, referred to herein as the "**Liquidity Option**", would allow Ordinary Shareholders to tender some or all of their respective holdings of Ordinary Shares for a cash price to be determined by the Board up to and including the prevailing NAV per Ordinary Share from time to time. The Liquidity Option in respect of a 12-month period would be subject to an aggregate maximum of 5 per cent. of all Ordinary Shares then in issue as at the date of the EGM (recalculated on each subsequent anniversary). The Liquidity Authority will allow Ordinary Shareholders to tender shares once in each 12-month period commencing on the date of the EGM and ending 5 years thereafter.

At the same time, the Board is considering potential financing options ahead of the due date for repayment of the 2025 ZDP Shares on 18 June 2025. Whilst no decision has been taken, the Company is also seeking a shareholder authority for a placing of up to 28,000,000 2029 ZDP Shares (the "**ZDP Placing**") should the Board consider this to be the preferred form of financing.

**1. BACKGROUND TO AND REASONS FOR THE LIQUIDITY OPTION**

- 1.1 The Board recognises the discount to NAV at which the Company's Ordinary Shares have traded and, whilst the Company's long term objective is to increase its scale, it would like to provide an opportunity for Shareholders to receive a return of capital for their Ordinary Shares at a premium to the Company's current prevailing share price (which may be significant), whilst also providing an element of NAV per Ordinary Share accretion to all Shareholders.
- 1.2 The Board believes that the introduction of the Liquidity Option has the potential to improve liquidity in the market for the Company's Ordinary Shares and to potentially reduce the discount to NAV at which the Company's Ordinary Shares trade.

## 2. LIQUIDITY OPTION

- 2.1 At such time as the Board may determine (in its sole and absolute discretion), Ordinary Shareholders may be invited to tender Ordinary Shares on the terms and subject to the conditions set out in Part II of this Circular. Ordinary Shares will only be acquired pursuant to the Liquidity Option if, inter alia, the Liquidity Authority is approved at the EGM. Even if the Liquidity Authority is approved, there is no guarantee the Board will decide to launch a Liquidity Option, or as to the size and timing thereof.
- 2.2 The Board are proposing that, at such time as the Board may determine (in its sole and absolute discretion), Panmure Liberum, acting as principal, purchase from Ordinary Shareholders some or all of their respective holdings of Ordinary Shares (subject to an aggregate maximum of 5% of all Ordinary Shares, then in issue as at the date of the EGM and recalculated on each subsequent anniversary (or first Business Day following such anniversary) in respect of the tender offer to be made in that following 12-month period) ("**Liquidity Option Entitlement of Ordinary Shares**") for cash (at a value to be determined by the Board up to and including the prevailing NAV per Ordinary Share from time to time (the "**Tender Price**"). Following such purchase, the Company shall purchase from Panmure Liberum, and Panmure Liberum shall sell to the Company, all the purchased shares pursuant to a repurchase agreement to be entered into between the Company and the Panmure Liberum, at the Tender Price. The Liquidity Option will be open to all Ordinary Shareholders (other than Restricted Shareholders) on the Company's share register on the Liquidity Option Record Date, who may participate by tendering all or a proportion of their Liquidity Option Entitlement of Ordinary Shares.
- 2.3 The Liquidity Option will be available to holders of Ordinary Shares once in each 12 month period, commencing on the date of the EGM and ending five years thereafter.
- 2.4 The Liquidity Option will be available to holders of Ordinary Shares once in each 12 month period, commencing on the date of the EGM and ending five years thereafter.

## 3. POTENTIAL REQUIREMENT FOR A RULE 9 WAIVER

- 3.1 In the event that any launch of the Liquidity Option (and/or any exercise by the Company of the buyback authority granted at any annual general meeting) would result in the Manager and persons acting or deemed to be acting in concert with it under the Takeover Code being obliged to make a mandatory offer for the Company under Rule 9 of the Takeover Code, the Company intends to seek a Rule 9 waiver from the Takeover Panel (and would incur associated costs) at the relevant time and in any case before entering into any such transaction.

## 4. BACKGROUND TO THE ZDP PLACING

- 4.1 The Company currently has one series of ZDP Shares in issue, the 2025 ZDP Shares. The 2025 ZDP Shares are due for redemption on 18 June 2025 with an aggregate redemption sum, payable at redemption, of approximately £27 million. The Board is currently considering the finance options that are available to it and wishes to seek the authority from Ordinary Shareholders that would allow it the flexibility to issue a further class of ZDP Shares, should the Company determine that the issue of ZDP Shares would be the most appropriate source of funding in the future.
- 4.2 **The Board wishes to emphasise that they are exploring various potential sources of financing for the Company and, whilst the Company is seeking an authority for the ZDP Placing, no decision has currently been taken on whether to launch the ZDP Placing, or as to the size and timing thereof.**

## 5. THE ZDP PLACING

- 5.1 Subject to approval by the Board, the Company is seeking authority to issue up to 28,000,000 2029 ZDP Shares pursuant to the ZDP Placing. Full details of any such issuances would be contained in a prospectus to be issued at the relevant time and may include a mechanic whereby holders of 2025 ZDP Shares will have the opportunity to 'roll over' their interests into 2029 ZDP Shares.
- 5.2 The ZDP Placing would be launched to enable the Company to raise additional capital in the period set out in such prospectus to be issued upon launch of the ZDP Placing, should the Board determine that market conditions are appropriate.

5.3 The maximum number of 2029 ZDP Shares available under the ZDP Placing is intended to provide flexibility and should not be taken as an indication of the number of 2029 ZDP Shares to be issued.

5.4 The ZDP Placing will not be underwritten. The terms and conditions which shall apply to any subscription for 2029 ZDP Shares pursuant to the ZDP Placing will be contained in a prospectus to be issued in due course, should the Board elect to launch a ZDP Placing.

## 6. **COST OF THE PROPOSALS**

6.1 The Company will incur expenses in connection with the Proposals, which would be customary for transactions of these types. The costs incurred in connection with the Liquidity Option will be deducted from the Net Asset Value per Ordinary Share when determining the tender price per Ordinary Share. The treatment of costs incurred in connection with any ZDP Placing will be described in any prospectus published in connection with such ZDP Placing.

## 7. **ACTION TO BE TAKEN**

7.1 The action to be taken in respect of the EGM depends on whether you hold your Ordinary Shares in certificated form or in uncertificated form (that is, in CREST).

### ***Certificated Shareholders***

7.2 Please check that you have received a Form of Proxy for use in respect of the EGM with this Circular.

7.3 Whether or not you propose to attend the EGM in person, you are strongly encouraged to complete, sign and return your Form of Proxy in accordance with the instructions printed thereon as soon as possible, but in any event so as to be received by the Registrar at Computershare Investor Services, (Jersey) Limited c/o, The Pavilions, Bridgwater Road, Bristol BS99 6AH no later than 3.30 p.m. (GMT) on 13 December 2024.

7.4 Submission of the Form of Proxy will enable your vote to be counted at the EGM in the event of your absence. The completion and return of the Form of Proxy will not prevent you from attending and voting at the EGM or any adjournment thereof, in person should you wish to do so.

7.5 If you have any queries relating to the completion of the Form of Proxy, please contact Computershare Investor Services, (Jersey) Limited on 0370 707 4040. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 8:30 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Computershare Investor Services, (Jersey) Limited cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

7.6 Computershare Investor Services, (Jersey) Limited can only provide information regarding the completion of the Form of Proxy and cannot provide you with investment or tax advice.

### ***Uncertificated Shareholders***

7.7 CREST members can appoint proxies using the CREST electronic proxy appointment service and transmit a CREST Proxy Instruction in accordance with the procedures set out in the CREST Manual (available via [www.euroclear.com/CREST](http://www.euroclear.com/CREST)).

7.8 Whether or not you propose to attend the EGM in person, you are strongly encouraged to complete your CREST Proxy Instruction in accordance with the procedures set out in the CREST Manual as soon as possible, but in any event so as to be received by the Registrar, 3RA50, no later than 3.30 p.m. (GMT) on 13 December 2024.

7.9 This will enable your vote to be counted at the EGM in the event of your absence. The completion and return of the CREST Proxy Instruction will not prevent you from attending and voting at the EGM, or any adjournment thereof, in person should you wish to do so.

## 8. **BENEFITS OF THE PROPOSALS**

- 8.1 The Board believes that the Proposals, should they be implemented, have the potential to yield the following principal benefits:
- 8.1.1 improve liquidity in the market for the Ordinary Shares;
  - 8.1.2 reduce the existing discount to NAV in respect of the Company's Ordinary Shares; and
  - 8.1.3 allow the Company to raise new funds pursuant to the ZDP Placing of 2029 ZDP Shares to make accretive investments in line with its Investment Policy.
- 8.2 Holders of Ordinary Shares (and C Shares, if issued) will not suffer any dilution of their voting rights as a result of the issue of 2029 ZDP Shares pursuant to the ZDP Placing as the 2029 ZDP Shares would not carry any voting rights, save in limited circumstances.

## 9. **RECOMMENDATION**

- 9.1 The Directors consider all of the Resolutions to be in the best interests of Shareholders as a whole and unanimously recommend that Ordinary Shareholders vote in favour of all the Resolutions, as the Directors intend to do in respect of their own beneficial holdings (if any).

Yours faithfully

John Kingston III  
Chair

### **About EJF Investments Limited**

EJFI's objective is to provide shareholders with attractive risk adjusted returns through regular dividends and capital growth over the long term. EJFI generates exposure primarily to a diversified portfolio of loans issued by financial institutions and related or similar assets in the U.S., U.K. and Europe.

EJFI currently invests primarily in CDO Equity Tranches structured by an affiliate of EJF Capital LLC, providing levered exposure to a highly diversified portfolio of securities issued by U.S. financial institutions (banks and insurance companies), these being Risk Retention Investments.

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

The JFSC has not reviewed or approved this announcement.

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### **Investor information & warnings**

The latest available information on the Company can be accessed via its website at [www.ejfi.com](http://www.ejfi.com).

This communication has been issued by, and is the sole responsibility of, the Company and is for information purposes only. It is not, and is not intended to be an invitation, inducement, offer or solicitation to deal in the shares of the Company. The price and value of shares in the Company and the income from them may go down as well as up and investors may not get back the full amount invested on disposal of shares in the Company. An investment in the Company should be considered only as part of a balanced portfolio of which it should not form a disproportionate part. Prospective investors are advised to seek expert legal, financial, tax and other professional advice before making any investment decision.