

## Potential Issuance of 2024 ZDP Shares

4 May 2018

NB Private Equity Partners Limited ("**NBPE**" or the "**Company**"), a closed-end private equity investment company, announces that it has published a circular and a notice of a meeting of the Company and the Class A Shareholders (the "**Circular**") in connection with a proposed creation of a new class of zero dividend preference shares in the capital of the Company, which would be due for redemption on 30 October 2024 ("**2024 ZDP Shares**").

The creation of the new class of 2024 ZDP Shares requires certain amendments to be made to the Company's articles of incorporation (the "**Articles**"). The proposed creation and issue of 2024 ZDP Shares and the proposed amendments to the Articles (together being the "**Proposals**") require the approval of the Class A Shareholders, the Class B Shareholder and the Company.

The meeting of the Class A Shareholders to consider and, if thought fit, approve the Proposals at the Company Extraordinary General Meeting ("**EGM**") at 10:00 a.m. on 22 May 2018 and the Class A Meeting at 10:15 a.m. on 22 May 2018 will be held at Lefebvre Place, Lefebvre Street, St. Peter Port, Guernsey. Class A Shareholders are requested to return the Company EGM Form of Proxy by no later than 10:00 a.m. on 18 May 2018 and return the Class A Meeting Form of Proxy by no later than 10:15 a.m. on 18 May 2018.

### Proposed 2024 ZDP Share issuance

Subject to the passing of the Proposals, the Company intends that up to 50 million 2024 ZDP Shares (in aggregate) may be issued by way of an initial placing (the "**Initial Placing**") and offer for subscription (the "**Offer for Subscription**"). If the total number of 2024 ZDP Shares issued pursuant to the Offer for Subscription and the Initial Placing is less than 50 million, then the Company may carry out further placings, at its sole discretion (any such Placing, a "**Subsequent Placing**", and the Offer for Subscription, Initial Placing and Subsequent Placings together, being the "**Issue**").

2024 ZDP Shares shall be issued pursuant to the Initial Placing and Offer for Subscription at an issue price of 100 pence per 2024 ZDP Share (the "**Issue Price**").

### Benefits of the Issue

The Directors believe that the creation of the new class of 2024 ZDP Shares will be beneficial for the Company for a number of reasons. In particular, the Directors believe that:

- the current market environment continues to produce attractive investment opportunities for the Company and that an issue of 2024 ZDP Shares will provide the Company with operational flexibility to continue to execute its investment strategy at an appropriate pace;
- an issue of 2024 ZDP Shares is expected to allow the Company to further its investment strategy. Over time, this is expected to lead to continued growth in the Company's NAV as the Investment Manager takes advantage of attractive equity and debt investment opportunities alongside private equity sponsors. The Credit Facility allows the Company flexibility to invest more when favourable opportunities and market conditions arise, and allows the ability to pay down from realisations over time. The issue of 2024 ZDP Shares would provide a small amount of additional structural leverage, allowing the Company to maintain its targeted level of investment of 115 to 120 per cent. of the Net Asset Value of the Class A and Class B Shares;

- an issue of 2024 ZDP Shares will allow the Company to have a lower debt ratio, against which its senior debt covenants are measured, providing greater operational flexibility;
- an issue of 2024 ZDP Shares will provide the Company with an additional source of long-term financing, additional diversity to the Group's sources of capital and a staggered maturity profile for its sources of finance; and
- the Company's capital position is currently strong with unaudited Gross Assets of U.S.\$981.0 million and gross liabilities of U.S.\$144.8 million (including the minority interest, being the interest in the Special Limited Partner). The unaudited NAV per share as at 31 March 2018 was U.S.\$17.13 per Share. An issue of 2024 ZDP Shares would provide additional resources to enable the Investment Manager to take advantage of current and future market opportunities without affecting the Company's conservative capital structure and adjusted commitment coverage

### The Issue

The Company is seeking to issue up to 50 million 2024 ZDP Shares by way of the Initial Placing and Offer for Subscription, subject to the terms and conditions set out in the Prospectus, expected to be published shortly.

The holders of 2024 ZDP Shares will be entitled to receive a capital sum on 30 October 2024. This capital sum per 2024 ZDP Share will be 100 pence increased at an annual rate equal to the 2024 ZDP gross redemption yield (“GRY”) from the date of issue until the 2024 ZDP Repayment Date.

The GRY of the 2024 ZDP Shares will be determined by way of a book-build reflecting orders received pursuant to the Issue. Potential investors will be asked to indicate the number of 2024 ZDP Shares they wish to acquire at different GRYs, ranging between 3.25 per cent. and 4.25 per cent. (in five increments of 0.25 per cent. each), or at the strike GRY. All applications for 2024 ZDP Shares received pursuant to the Initial Placing and Offer for Subscription will be aggregated, showing the amount of demand at each GRY. The 2024 ZDP GRY shall be set at the lowest GRY at which applications under the Initial Placing and Offer for Subscription, have been received subject to a minimum issue size of 20 million new 2024 ZDP Shares being achieved. In the case where there are multiple possibilities for the 2024 ZDP GRY, the 2024 GRY will be set by the Directors who, when making their decision, will consider, *inter alia*, the number of applications at each such possibility and the investment opportunities available to the Company. The 2024 GRY will be announced as part of the results of the Issue. The gross proceeds will be utilised by the Company, at its discretion, in accordance with its published investment policy.

The Issue is for up to a maximum of 50 million 2024 ZDP Shares of no par value, to be issued at 100 pence per 2024 ZDP Share. The total net proceeds will be dependent upon the number of 2024 ZDP Shares issued pursuant to the Issue. If the total number of 2024 ZDP Shares issued pursuant to the Initial Placing and Offer for Subscription, is less than 50 million, then the Company may carry out Subsequent Placings in the future, at its sole discretion.

It is proposed that all 2024 ZDP Shares issued pursuant to the Issue will rank *pari passu* with one another. The 2024 ZDP Shares, whilst ranking prior to the Class A Shares and Class B Shares in respect of the repayment of the 2024 ZDP Final Capital Entitlement per 2024 ZDP Share from the assets in the Investment Portfolio, rank behind the 2022 ZDP Shares and any borrowings made by the Company that remain outstanding.

The Issue is conditional on (among other things):

- 1) the approval, by ordinary resolution, of the Class A Shareholders to proposed changes to their rights under the Articles to provide for the 2024 ZDP Shares, which will be sought at the Class A Meeting to be held on 22 May 2018;
- 2) the approval, by way of ordinary resolution, of the Class B Shareholder to proposed changes to their rights under the Articles to provide for the 2024 ZDP Shares, which will be sought by written resolution on or around 22 May 2018;
- 3) the approval, by special resolution, of the Company to proposed amendments to the Articles to provide for the 2024 ZDP Shares, which will be sought at the Company EGM to be held on 22 May 2018;
- 4) applications under the Offer for Subscription and the Initial Placing being received in respect of at least 20 million 2024 ZDP Shares;
- 5) satisfaction of the 2022 ZDP Cover Test; and
- 6) Admission of the 2024 ZDP Shares issued pursuant to the Initial Placing and Offer for Subscription.

Application will be made to the London Stock Exchange for the 2024 ZDP Shares to be admitted to trading on the Specialist Fund Segment (“SFS”) of the London Stock Exchange’s Main Market.

### ZDP Cover Ratios

The 2024 ZDP GRY will impact the 2024 ZDP Final Capital Entitlement, 2024 ZDP Final Net Asset Cover, 2024 ZDP Final Debt Cover and 2024 ZDP Hurdle Rate (as such are more fully described in the Prospectus). The table below sets out the illustrative cover ratios at GRYs between 3.25 per cent. and 4.25 per cent.

2024 ZDP GRY	3.25%	3.50%	3.75%	4.00%	4.25%
2024 ZDP Final Capital Entitlement (pence per share)	122.79	124.72	126.66	128.63	130.63
2024 ZDP Hurdle Rate	(19.2)%	(19.2)%	(19.1)%	(19.0)%	(18.9)%
2024 Estimated Final Net Asset Cover	10.3x	10.2x	10.0x	9.8x	9.7x
2024 Estimated Final Debt Cover	9.9x	9.8x	9.6x	9.5x	9.4x

The statistics are calculated on the basis of the assumptions disclosed in Part 1 of the Prospectus including inter alia, financial information as at 31 March 2018 (as applicable).

### 2024 ZDP Class Rights

The 2024 ZDP class rights are protections for 2024 ZDP Shareholders which will be enshrined in the Company’s articles of incorporation. These include *inter alia* restrictions on the Company issuing further shares

and paying dividends out of capital unless the 2024 ZDP Cover (being the ratio of the Company's gross asset value to the aggregate of the 2024 ZDP Final Capital Entitlement and any other prior charges of the Company with respect to credit facilities or any equity or debt securities issued by the Company, the calculation of which is more fully described in the Prospectus) is at least 2.75:1 immediately following such action. In addition the Company is restricted from agreeing any increase of more than U.S.\$50 million to the maximum amount that may be drawn down on the Credit Facility (or any additional or replacement credit facilities) unless (1) the maturity dates of the Credit Facility (or new facilities) occurs after the 2024 ZDP Repayment Date or (2) the Credit Ratio as calculated at the time of the credit increase is no lower than that on the date of the Prospectus. The full details on these restrictions are included in the Circular.

It is proposed that all 2024 ZDP Shares arising or issued (as the case may be) pursuant to the Issue will rank *pari passu* with one another. The 2024 ZDP Shares, whilst ranking prior to the Class A Shares and Class B Shares in respect of the repayment of the 2024 ZDP Final Capital Entitlement per 2024 ZDP Share from the assets in the Investment Portfolio, rank behind the 2022 ZDP Shares and any borrowings made by the Company that remain outstanding. Further details on the rights of the 2024 ZDP Shareholders are included in the Circular and Prospectus.

The Company intends to publish a Prospectus shortly in connection with the issuance of the 2024 ZDP Shares.

### **Expected timetable**

Latest time and date for receipt of the Company EGM Form of Proxy for the Company EGM*	10:00 a.m. on 18 May 2018
Latest time and date for receipt of the Class A Meeting Form of Proxy for the Class A Meeting*	10:15 a.m. on 18 May 2018
Company EGM	10:00 a.m. on 22 May 2018
Class A Meeting	10:15 a.m. on 22 May 2018
Announcement of results of the Company EGM and the Class A Meeting	22 May 2018
Signing of the Written Resolution by the Class B Shareholder	22 May 2018
Latest time for receipt of Application Forms under the Offer for Subscription	11.00 a.m. on 23 May 2018
Latest time for receipt of placing commitments under the Initial Placing	11.00 a.m. on 24 May 2018
Announcement of the results of the Initial Placing and Offer for Subscription	25 May 2018
Admission and unconditional dealings in the 2024 ZDP Shares to commence on the SFS	8.00 a.m. on 30 May 2018
CREST Accounts credited with 2024 ZDP Shares in respect of the Initial Placing and Offer for Subscription	30 May 2018



Certificates dispatched for the 2024 ZDP Shares

Approximately one week following  
the Admission of the 2024 ZDP  
Shares

\*Please note that the latest time for receipt of the Forms of Proxy is forty eight hours (excluding non-Business Days) prior to the time allotted for the Company EGM and Class A Meeting.

References to times are to London times. Any changes to the expected timetable will be notified by the Company through a Regulatory Information Service.

Capitalised terms used but not defined in this announcement shall, unless the context requires otherwise, have the same meaning as in the Circular.

The Circular will be made available on the Company's website at [www.nbprivateequitypartners.com](http://www.nbprivateequitypartners.com) and on the National Storage Mechanism at <http://www.morningstar.co.uk/uk/NSM>.

A copy of this announcement will be available on the Company's website at [www.nbprivateequitypartners.com](http://www.nbprivateequitypartners.com). Neither the content of the Company's website, nor the content on any website accessible from hyperlinks on its website for any other website, is incorporated into, or forms part of, this announcement nor, unless previously published by means of a recognised information service, should any such content be relied upon in reaching a decision as to whether or not to acquire, continue to hold, or dispose of, securities in the Company.

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## ABOUT NB PRIVATE EQUITY PARTNERS LIMITED

NBPE is a closed-end private equity investment company with class A ordinary shares admitted to trading on the Premium Segment of the Main Market of the London Stock Exchange and Euronext Amsterdam. NBPE has 2022 ZDP Shares admitted to trading on the Specialist Fund Segment of the Main Market of the London Stock Exchange. NBPE holds a diversified portfolio of direct equity investments, direct income investments and fund investments selected by the NB Alternatives group of Neuberger Berman, diversified across private equity asset class, geography, industry, vintage year, and sponsor.

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## IMPORTANT NOTICES

*This statement is made pursuant to article 5:25e of the Dutch Financial Supervision Act (Wet op het financieel toezicht) which requirement stems from the EU Transparency Directive. Pursuant to article 5:25e and article 5:25m of the Dutch Financial Supervision Act this Interim Management Statement has been made generally available by means of a press release and by publication on NBPE's website ([www.nbprivateequitypartners.com](http://www.nbprivateequitypartners.com)) and has been filed with the Netherlands Authority for the Financial Markets (Autoriteit Financiële Markten).*

*This press release appears as a matter of record only and does not constitute an offer or invitation to sell or a solicitation of an offer to purchase any security, or otherwise engage in an investment activity. Past performance is not a reliable indicator of current or future results. The value of investments may go down as well as up and investors may not get back any of the amount invested.*

NBPE is established as a closed-end investment company domiciled in Guernsey. NBPE has received the necessary consent of the Guernsey Financial Services Commission and the States of Guernsey Policy Council. NBPE is registered with the Dutch Authority for the Financial Markets as a collective investment scheme which may offer participations in The Netherlands pursuant to article 2:66 of the Financial Markets Supervision Act (Wet op het financieel toezicht).

All investments are subject to risk. Past performance is no guarantee of future returns. The value of investments may fluctuate. Results achieved in the past are no guarantee of future results. There can be no assurance that the final capital entitlement will be repaid in full on the 2024 ZDP Repayment Date. This document is not intended to constitute legal, tax or accounting advice or investment recommendations. Prospective investors are advised to seek expert legal, financial, tax and other professional advice before making any investment decision. Statements contained in this document that are not historical facts are based on current expectations, estimates, projections, opinions and beliefs of NBPE's investment manager. Such statements involve known and unknown risks, uncertainties and other factors, and undue reliance should not be placed thereon. Additionally, this document contains "forward-looking statements." Actual events or results or the actual performance of NBPE may differ materially from those reflected or contemplated in such targets or forward-looking statement

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