

November 9, 2018

Fellow Shareholders,

Eppley produced earnings per share of \$0.42 in the first three quarters of 2018, a 13.1% return for shareholders.¹ At the end of the quarter, our net asset value was \$3.85 per share.

Portfolio

At the end of the quarter we owned a \$3.1 billion investment portfolio consisting loans, leases, receivables and our investments in real estate and asset management joint ventures and subsidiaries. The average income yield of our portfolio was 13%. Our capital-at-risk was less than 1% of capital.

Capitalization and Liquidity

Our leverage was 3.2x of our capital at the end of the quarter and our average cost of debt was 7%. We ended the quarter with \$382 million of liquidity.

Financial Performance

Our profit after tax was \$80.7 million in the first three quarters of 2018. In the same period last year, we earned \$51.6 million.

Dividend

Today, the Board of Directors approved a dividend of 3.72 cents per share payable on December 18 to ordinary shareholders on record as of December 4.

¹ Based on a cost basis of \$3.21 per share which assumes an investor subscribed in the IPO and fully participated in our rights issue.

Subject to the discretion of the Board of Directors, we expect to maintain our dividend policy in future periods.

Sincerely,

Handwritten signature of P.B. Scott, consisting of stylized initials and a large loop.

P.B. Scott
Chairman

Handwritten signature of Nicholas A. Scott, written in a cursive style.

Nicholas A. Scott
Managing Director