

## Appendix 4C

### Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00. Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

**Name of entity**

JustKapital Limited

**ABN**

72 088 749 008

**Quarter ended ("current quarter")**

31 December 2017

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	3,646	6,661
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(40)	(64)
(d) leased assets	-	-
(e) staff costs	(999)	(2,057)
(f) administration, corporate costs, due diligence and transaction costs	(1,880)	(3,276)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	141	250
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (short term loans (to)/from third parties)	(36)	-
1.8 Other (disbursement funding division reports)	(2,711)	(6,299)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,879)</b>	<b>(4,785)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(16)	(28)
(b) businesses (see item 10)	-	-
(c) investments	-	-

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (investments by litigation funding division)	(651)	(3,186)
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(667)</b>	<b>(3,214)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	2,388	2,388
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 (a) Proceeds from borrowings (Disbursement funding division)	3,350	7,375
3.5 (b) Proceeds from borrowings (Corporate)	-	-
3.6 Repayment of borrowings (Disbursement funding division)	(2,503)	(4,964)
3.7 Transaction costs and interest related to loans and borrowings	(1,343)	(2,518)
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
<b>3.10 Net cash from / (used in) financing activities</b>	<b>1,892</b>	<b>2,281</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of quarter/year to date	2,564	7,627
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,879)	(4,785)

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(667)	(3,214)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,892	2,281
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>1,909</b>	<b>1,909</b>

<b>5. Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1 Bank balances	1,752	2,408
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (term deposits for Bank Guarantees)	157	156
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,909</b>	<b>2,564</b>

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included  
in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in  
items 6.1 and 6.2

<b>Current quarter \$A'000</b>
628
-

The payments above to directors includes payments to companies associated with directors for consulting fees.

**7. Payments to related entities of the entity and their  
associates**

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included  
in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in  
items 7.1 and 7.2

<b>Current quarter \$A'000</b>
-
-

8. <b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	49,000	37,195
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

- The Group has a \$35 million facility through Assetsecure Pty Limited to fund its disbursement financing business. The loan is secured by a fixed and floating charge over the assets of JustKapital Financing Pty Limited. The parent company and other entities within the Group have guaranteed the facility. The facility is repayable on 30 September 2020.  
The fees payable under the facility still include a mixture of interest charges for amounts draw-down under the facility, line fees and management fees, which total 8.95% per annum. These fees are expensed as incurred.
- The Group has a \$12 million revolving corporate credit facility through the Lucerne Group which is repayable on 1 April 2019. The fees payable under the facility include a mixture of interest charges for amounts draw-down under the facility, line fees and management fees, which total 16.75% (13.50% excluding establishment fee) per annum. These fees are expensed as incurred.
- The Group has a \$2 million vendor loan in relation to the purchase of the disbursement financing business. This loan is repayable on 22 January 2019. Interest payable under this vendor loan is 7.5% per annum. These fees are expensed as incurred.
- Subsequent to the end of the current quarter, and as announced to the market on 12 January 2018, the Group has successfully negotiated a new \$3 million revolving debt facility, with a 2-year duration, an upfront 2% line fee, and an interest rate of 7.95% per annum. These fees will be expensed as incurred.

9. <b>Estimated cash outflows for next quarter</b>	\$A'000
9.1 Research and development	-
9.2 Product manufacturing and operating costs	-
9.3 Advertising and marketing	(15)
9.4 Leased assets	-
9.5 Staff costs	(441)
9.6 Administration and corporate costs	(349)
9.7* Other (Due diligence costs, transaction costs and interest relating to loans & borrowings)	(2,093)
9.7** Other (payments for disbursement reports)	(3,480)
9.7*** Other (case investments)	(2,129)
<b>9.8 Total estimated cash outflows</b>	<b>(8,507)</b>

\* The majority of the estimated cash outflows relating to this item will be made utilising the existing facilities available to the Group as detailed in Section 8.1.

\*\* These estimated cash outflows will be made utilising the existing facilities available to the Group as detailed in Section 8.1.

\*\*\* These estimated cash outflows are gross outflows, and subject to co-funding agreements, where the Group will receive reimbursement of the co-funder's share of these outflows.

<b>10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)</b>	<b>Acquisitions</b>	<b>Disposals</b>
10.1 Name of entity		
10.2 Place of incorporation or registration		
10.3 Consideration for acquisition or disposal		
10.4 Total net assets		
10.5 Nature of business		

**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here: .....  
Chief Executive Officer

Date: 31 January 2018

Print name: Diane Jones

**Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.