

30 April 2018

ASX Announcement (ASX: JKL)

Market Update

The Board of JustKapital Limited ("the "Group") is pleased to provide commentary on the Appendix 4C for the quarter ended 31 March 2018 and an update on its trading to 31 March 2018.

Appendix 4C Commentary – Quarter ended 31 March 2018

- Section 1.1 - Receipts from Customers – receipts (cash collections) were down 2.1% quarter on quarter, however, were up 85.8% current quarter over prior year quarter. Original target cash collections for FY2018 were +\$10M. The Group now expects the cash collections for FY2018 to be +\$13M.
- Section 1.2 - Payments – payments were in line with Board expectations and reflect the cost cutting measures which commenced in November 2017.
- Section 9 – Estimated cash outflows for next quarter – cash outflows for the quarter exclude expected cash inflows from:
 - the disbursement funding book of receivables (which as noted above is collected faster than expected at approximately \$3M per quarter); and
 - The proceeds from the first case settlement of approximately \$3M which is a significant milestone for the Group.

To ensure the Group has sufficient capital reserves, the Lucerne Group increased its facilities by \$2M in April 2018. Therefore, the Group has extended its total undrawn facilities to approximately \$14M. Taking the above into account, the Group is well funded to continue growing its core lending business.

JustKapital Trading Update

The Group has achieved a 16% growth in Gross Loan Receivables over the last 9 months to 31 March 2018 and is on track to deliver the FY18 Gross Loan Receivables target of +\$40m as at 30 June 2018.

Since 1 March 2018 the Group has engaged with a number of interested parties in relation to the litigation portfolio. The Group expects to be in a position to announce the outcome of these discussions by the end of May 2018.

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