

17 July 2018

ASX Announcement (ASX: JKL)

MARKET ANNOUNCEMENT**JUSTKAPITAL FUNDS LITIGATION PORTFOLIO**

As announced on 1 March 2018 the Board of Directors of JustKapital Limited (**JustKapital**) has been in discussions with a number of established Australian and global litigation funders concerning the disposal of its litigation portfolio. As part of those conversations JustKapital was approached by a number of parties prepared to fund the costs associated with the completion of some or all of the portfolio of cases.

On balance, given the existing in-house expertise and the projected returns to JustKapital, the Board has resolved to complete the existing funded cases and to accept the offer from FCCD (Australia) Pty Ltd and/or its affiliates or related parties (**Fortress**) to fund five cases within the portfolio (**Fortress Portfolio**).

The material terms of the facility signed with Fortress today include:

- sufficient funding to meet the estimated costs associated with the completion of the Fortress Portfolio;
- the grant of security over the Fortress Portfolio to Fortress to secure repayment;
- maturity is three years; and
- a share in the net profit from the Fortress Portfolio and a guaranteed minimum return to Fortress.

The Board of Directors of JustKapital confirms that no new cases will be funded. The Fortress funding disclosed above, however, represents a transaction that JustKapital believes is in the best interests of shareholders and claimants in the funded cases.

Should all cases within the Fortress Portfolio be successful, the Group expects cash realisations to be between \$15M and \$20M (after the agreed returns to Fortress). These realisations will be used to extinguish corporate debt and are in addition to the expected realisations from the cases conditionally settled (announced on 1 June 2018). If all funded cases are successfully resolved, JustKapital anticipates retaining around \$5M after repaying all its existing corporate debt (including the Fortress facility).

“This financing solution recognises the existing material commitment made by JustKapital to the litigation portfolio. It will provide the best prospect for repaying corporate debt in the short to medium term,” said Diane Jones, Chief Executive Officer.

The Group remains focused on its core financing business operated by JustKapital Finance comprising disbursement funding and the provision of short term loans to law firms.

Authorised by:

Diane Jones
Chief Executive Officer

For media enquiries:

Sascha Moore
Director
Create Design & Marketing
Tel: +61 2 9697 9122
Email: sascha@createdesign.com.au

For investor enquiries:

Diane Jones
Chief Executive Officer
JustKapital Limited
Tel: +61 2 9696 0220
Email: diane.jones@justkapital.com.au