

26 October 2023

ASX Announcement

Shine Justice Ltd (SHJ) Chairman's Address and Managing Director & CEO's Presentation

In accordance with ASX Listing Rule 3.13.3, Shine Justice Ltd provides the following which will be presented at its Annual General Meeting commencing at 12pm (noon) (Brisbane time) today:

1. Chairman's Address; and
2. Managing Director & CEO's Presentation.

Authorised for release by the Board



Annette O'Hara
Company Secretary | General Counsel
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Shine Justice

CHAIRMAN'S ADDRESS
SHINE JUSTICE LTD
ANNUAL GENERAL MEETING
26 OCTOBER 2023

Before Simon presents his summary of the Company's performance over the past year and outlook for the year ahead, I would like to make a few observations.

Financial performance

We had disappointing financial results in FY23.

Earnings before interest, tax, depreciation and amortisation (EBITDA), excluding the impact of the fair value adjustment of \$32.4 million for interest in the Ethicon Mesh Class Actions, was \$61.6 million compared with \$63.1 million in the previous year, a decrease of 2.3 percent. This was disappointing because we had anticipated achieving an increase in the order of a low double-digit percentage for the financial year.

Net profit after tax (NPAT) was, of course, adversely impacted by the \$32.4 million provision arising from the adverse Mesh judgment on our claim for interest on the litigation funding facility used to fund that action. As a result, NPAT was \$3.3 million compared with \$31.2 million in the prior year.

Gross operating cash flow (GOCF) of negative \$3.9 million was also a disappointing result which largely reflected longer than expected delays in the resolution of cases and court approvals of class action settlements achieved during the year, notably the Ethicon Mesh and the Boston Scientific class actions. We expect our fees in those matters will be considered by the Court in coming months. In addition, the FY23 GOCF result reflects the receipt of \$15.6 million of professional fees recovered in the Ethicon Mesh Class Actions which was then paid to the disbursement funder, resulting in a one-off reduction in operating cash flow.

During the year we did, however, settle the long-running Mesh Class Actions against Johnson & Johnson after more than a decade litigating on behalf of up to 12,000 Australian women left with life altering complications from faulty implants. This was Australia's largest product liability class action settlement. These actions exemplify our determination to stand up for those who have been wronged, against even formidable and well-resourced defendants.

The settlement was approved by the Federal Court of Australia in March 2023, subject to later orders for the distribution of the settlement fund. The settlement was the culmination of our persistence to achieve justice for our clients at trial and through every avenue of appeal.

These class actions were conducted on a 'no win no fee' basis, meaning that we would not recover professional fees or disbursements paid to third parties (including medical experts and barristers) unless the actions were successfully resolved. From the commencement of the Ethicon Mesh Class Actions and for several years, we bore all the costs of the actions, including disbursements. As the class actions proceeded through a long trial and subsequent appeals and the disbursements increased, it became necessary to obtain external disbursement funding.

On 3 August 2023 the Court dismissed our application to recover the full amount of the interest on the disbursement funding facility from the settlement fund, without dismissing the opportunity to make a further application in relation to our interest expense. Given the unfavourable judgment, the Board determined that it was prudent to reduce the fair value of the asset by the judgment amount of \$32.4 million. We are, however, preparing further submissions in relation to the recovery of an alternative amount of interest.

Final Dividend

After careful consideration and in the interests of prudent cash management the Directors determined not to declare a final dividend for FY23. We expect to be in a position to resume payment of dividends this financial year in accordance with our stated dividend policy, subject to the expected improved cash position.

Milestone achievements

While we faced the challenges described above, we also achieved many significant milestones in FY23 which deserve to be noted and celebrated.

During the year we celebrated the tenth anniversary of the Company's listing on the ASX. Significant growth has been achieved during the past decade when our team has grown from 615 to more than 1,000, our revenue increased from \$105 million to \$232 million and our footprint expanded from 35 to 54 branches. The Board acknowledges the hard work that achieved these outcomes and we congratulate team members for many significant anniversaries of up to 35 years of service with the Group.

In FY23 we resolved more than 5,000 cases and six class actions for our clients, securing damages in excess of \$1,370 million - an extraordinary achievement.

We expanded with new offices in Melton and Pakenham in Victoria and relocated other branches to improve accessibility, visibility and functionality. We also welcomed new recruits from the United Kingdom following a successful recruitment program there.

In addition to settling the Ethicon Mesh Class Actions, we achieved several other significant class action settlements during FY23, including:

- \$105 million in a further action against pelvic mesh manufacturer Boston Scientific;
- \$50 million in an historic action against the Commonwealth of Australia for family members and deceased estates of the Northern Territory Stolen Generations;
- \$22 million in an action against the Commonwealth of Australia Department of Defence for losses to property value and use and enjoyment of land and cultural loss due to exposure to firefighting foam around Wreck Bay in Jervis Bay; and
- \$132 million in another action against the Commonwealth Department of Defence for business and property losses due to exposure to firefighting chemicals in Bullsbrook (Western Australia), Richmond and Wagga Wagga (New South Wales), Wodonga/Bandiana (Victoria), Edinburgh (South Australia), Darwin (Northern Territory) and Townsville (Queensland) for which we received Court approval in late August, paving the way for Shine Lawyers to administer the settlement fund expeditiously to get compensation into the hands of group members. We expect that the settlement administration will be finalised during FY24.

Yesterday we succeeded in the Federal Court in our class action against Carnival Australia and Princess Cruise Lines on behalf of passengers affected by the outbreak of COVID-19 on board the Ruby Princess cruise ship. The ship sailed from Sydney Harbour in March 2020 with 2,651 passengers, many of whom suffered significant illness from the virus and 28 of whom died as a result. The Court found that the owners and operators of the ship were negligent and in breach of a number of Australian Consumer Law guarantees in failing to cancel the cruise or provide reasonable safety measures on board. The decision paves the way to secure damages for the many affected passengers and their families. We await a High Court decision about whether almost 700 United States passengers can be included in the action.

We also filed a number of new actions during the year, including:

- on behalf of passengers who suffered from norovirus outbreaks on a series of Sun Princess cruises;
- on behalf of shareholders against Blue Sky Alternative Investments for allegedly engaging in misleading and deceptive conduct; and
- against Anglicare's Newmarch House for deaths that occurred in the aged care facility due to alleged negligence during the coronavirus outbreak in 2020 on behalf of 25 people whose loved ones died at the facility.

FY24 Outlook

Despite disappointing financial results in FY23, Shine's underlying business, including our leading personal injury and class actions practices, remains strong, with a committed and talented team and we believe the right strategy to deliver improved results in the year ahead. Our pipeline of cases is strong. We are also confident of achieving a significant improvement in cash generation as major cases are concluded and as we implement improvements in our processes for case execution and cash collection and as we reduce costs and improve operating efficiency.

Conclusion

In conclusion, I'd like to comment that our leadership team embodies a culture that reflects our 47 year history, embraces our values and inspires high performance. We are grateful to our talented team members for their dedication during the past year.

I would like to take this opportunity to thank my fellow Directors for their valuable contribution. We continue to benefit from the skills and experience consistently provided by our dedicated Board.

With an able leadership team, led by Managing Director & CEO Simon Morrison, who this year celebrates 35 years at Shine, and with the dedication of our highly engaged people, I am confident that Shine is well placed for future success.

Thank you for your ongoing support.

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GENERAL
MEETING

23

26 October 2023



This presentation contains certain forward-looking statements with respect to the financial condition, results of operations and business of Shine Justice Ltd and certain plans and objectives of the management of Shine Justice Ltd.

Such forward-looking statements involve both known and unknown risks, uncertainties, assumptions and other important factors which are beyond the control of Shine Justice Ltd and could cause the actual outcomes to be materially different from the events or results expressed or implied by such statements. Shine Justice Ltd and none of its officers, advisers or any other person makes any representation, assurance or guarantee as to the accuracy or likelihood of fulfilment of any forward-looking statements or any outcomes expressed or implied by any forward-looking statements.

The information contained in this presentation does not take into account investment objectives, financial situation or particular needs. Before making an investment decision, investors should consider their own needs and situation and, if necessary, seek professional advice. To the maximum extent permitted by law, none of Shine Justice Ltd, its directors, employees or agents, nor any other person accepts any liability for any loss arising from the use of this presentation or its contents or otherwise arising out of, or in connection with it.

PURPOSE DRIVEN, RESILIENT AND DETERMINED TO SEEK JUSTICE FOR OUR CLIENTS

NPA¹

Shine Lawyers

Class actions

Superannuation and disability

Head trauma

Catastrophic injuries

Dust disease

Commercial disputes

Medical negligence

Estate litigation

Family Law

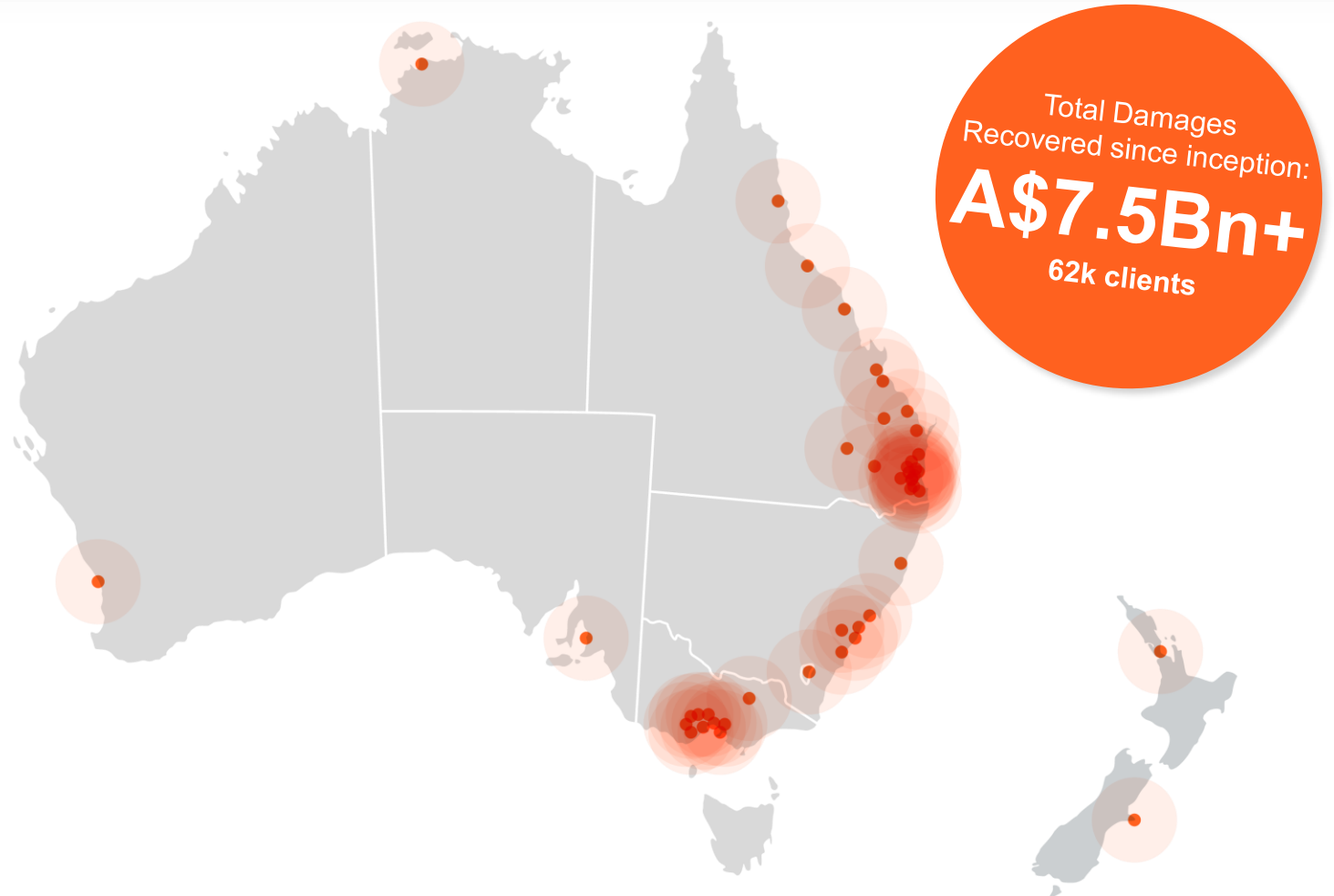
Best Wilson Buckley (QLD)

Carr & Co (WA)

Personal Injury

Motor vehicle, workplace, public liability, abuse

- Shine Lawyers*
- Sciacas (QLD)
- Stephen Browne (WA)
- Bradley Bayly (WA)

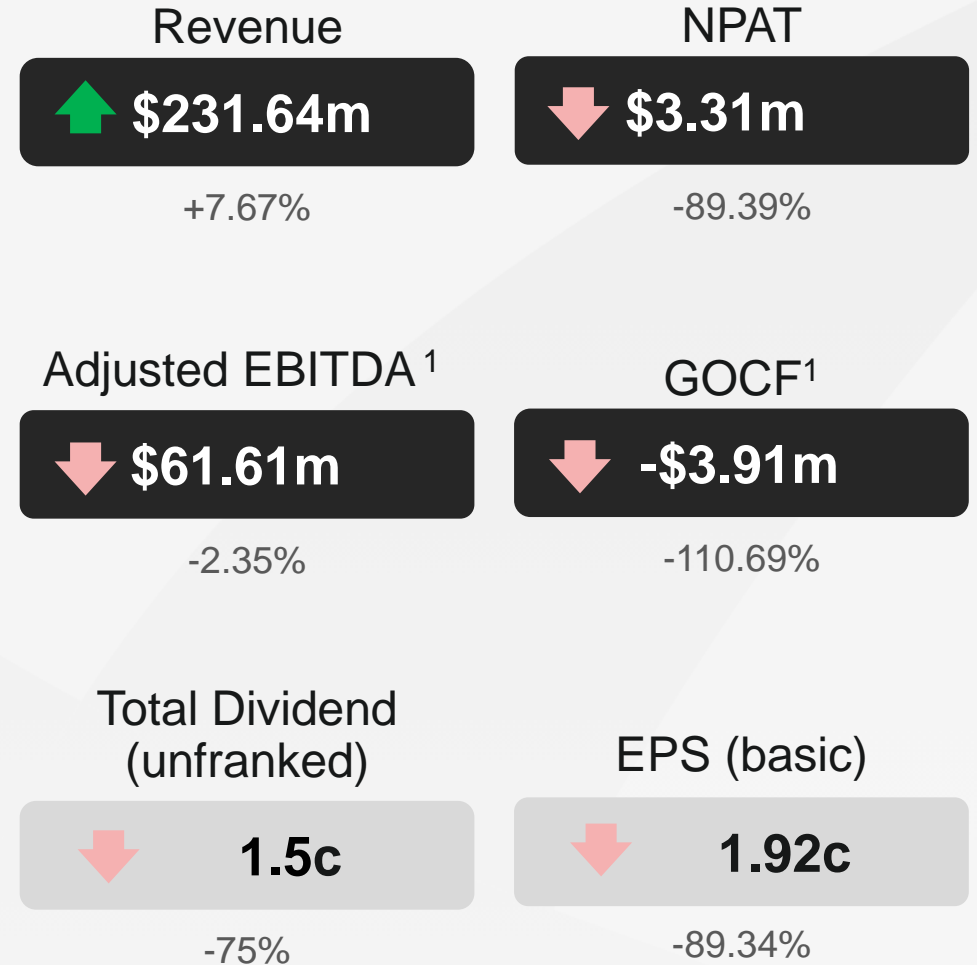


¹ New Practice Areas

*Includes Abuse Law from 1 July 2022



Key Financial Metrics



¹ EBITDA and GOCF are not IFRS calculations which appear in the financial statements and have not been audited. Adjusted EBITDA is adjusted to exclude the impact of the \$32.4m fair value adjustment to Unbilled Disbursements (Ethicon Mesh Class Actions interest)



Learnings

- Post covid fatigue still present
- Delayed settlements / approvals affected cashflows significantly
- Key changes implemented in class action practice leadership
- Requirement to reshape legal and management structures

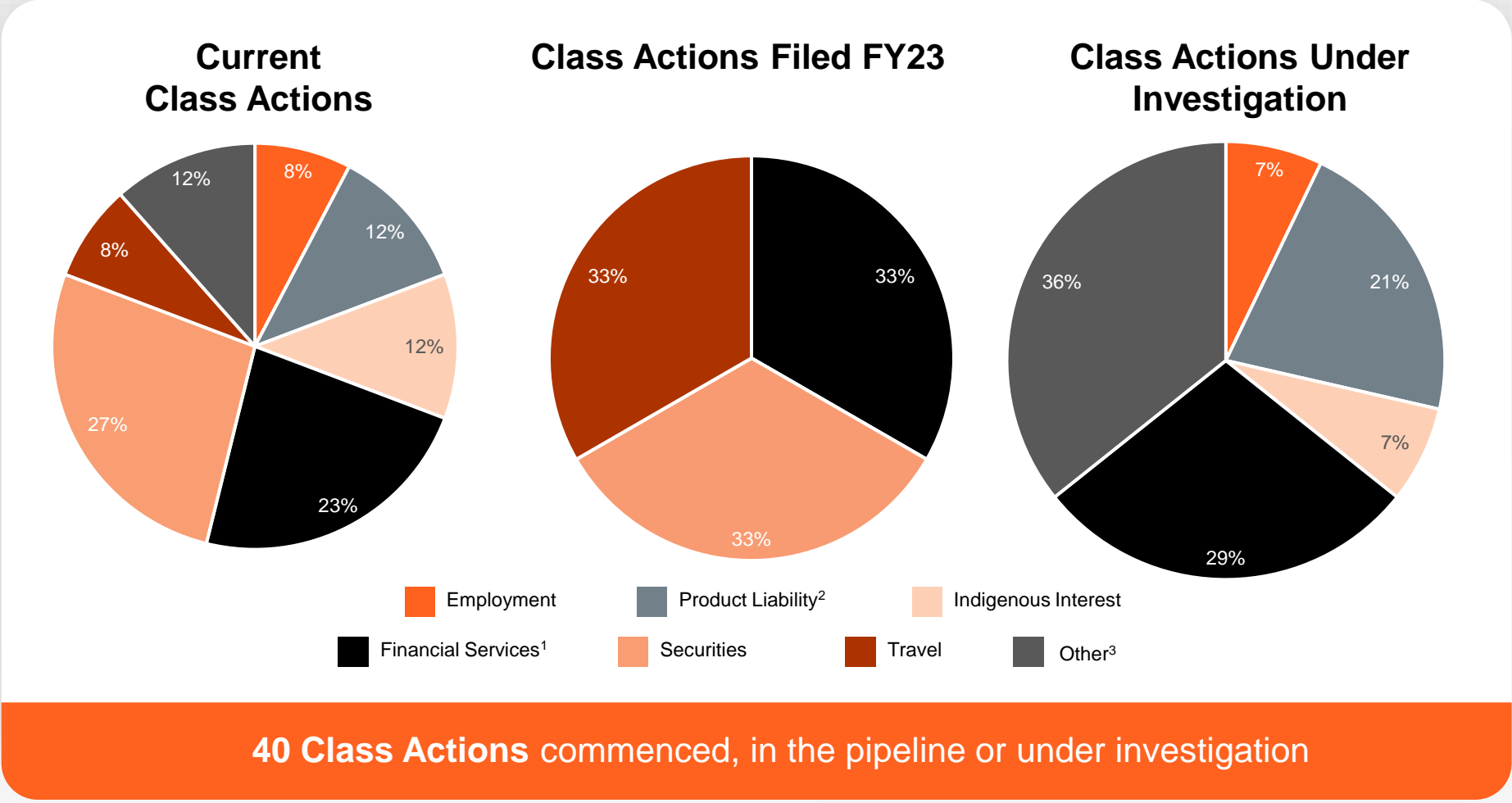
Achievements

- QLD PI business continues to be a premium performer
- Settled 6 class actions for \$672m and commenced 3 new class actions for approximately 25,000 group members
- Resolved the largest medical device product liability case in Australian legal history
- Reviewed legal and operational cost base to allow investment for the future

Intentions

- FY24 will show significant improvement in cashflow
- The baseline for class actions continues to grow strongly, including sourcing US actions
- Reviewed cost base and management structure positions to assist with future EBITDA

FY23 Diversity in Class Action Portfolio

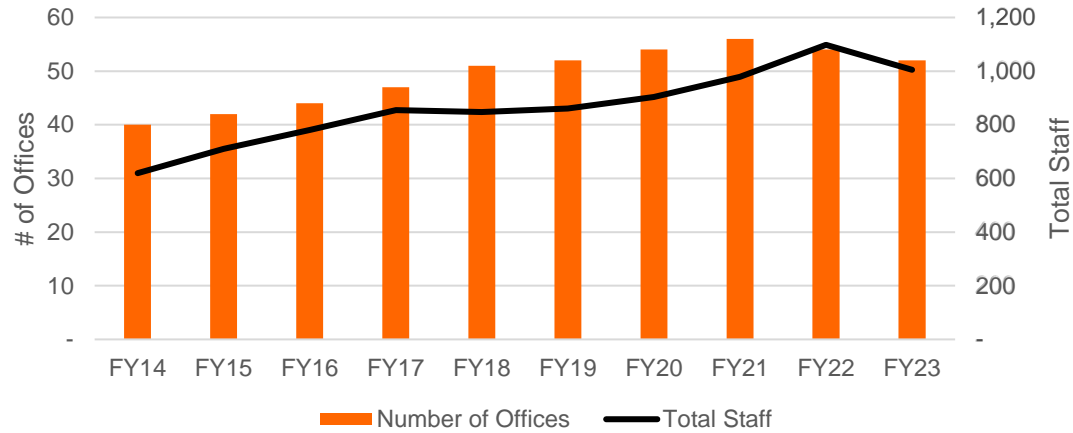


1. Includes Banking and Super.
 2. Includes Auto.
 3. Includes Competition, Environmental, Government, Privacy & Data and Social Justice / Human Rights.

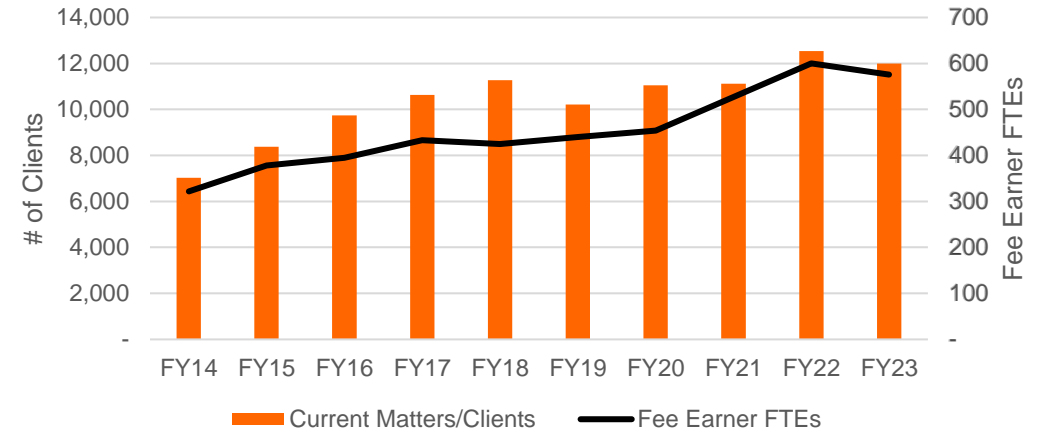
Ten-Year Company Performance



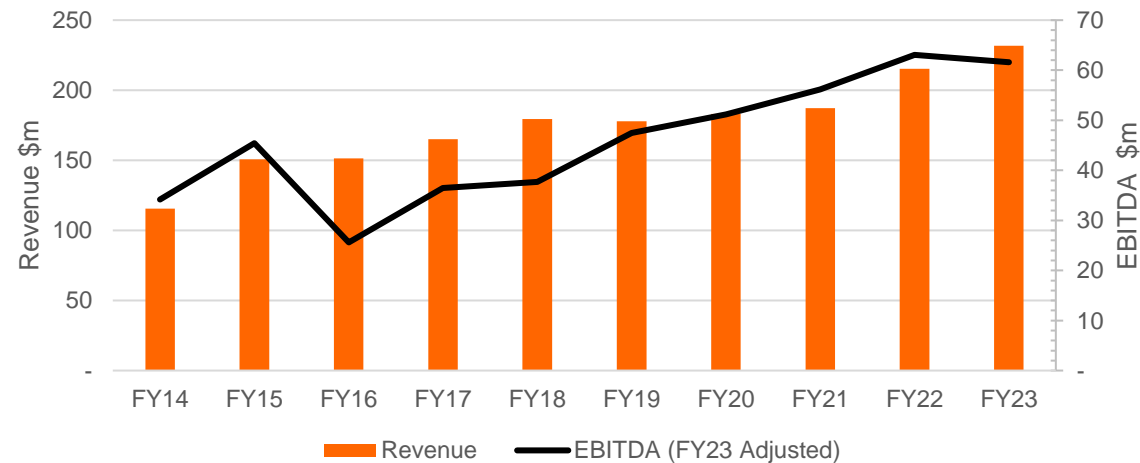
of Offices & Staff



Clients & Fee Earner FTEs

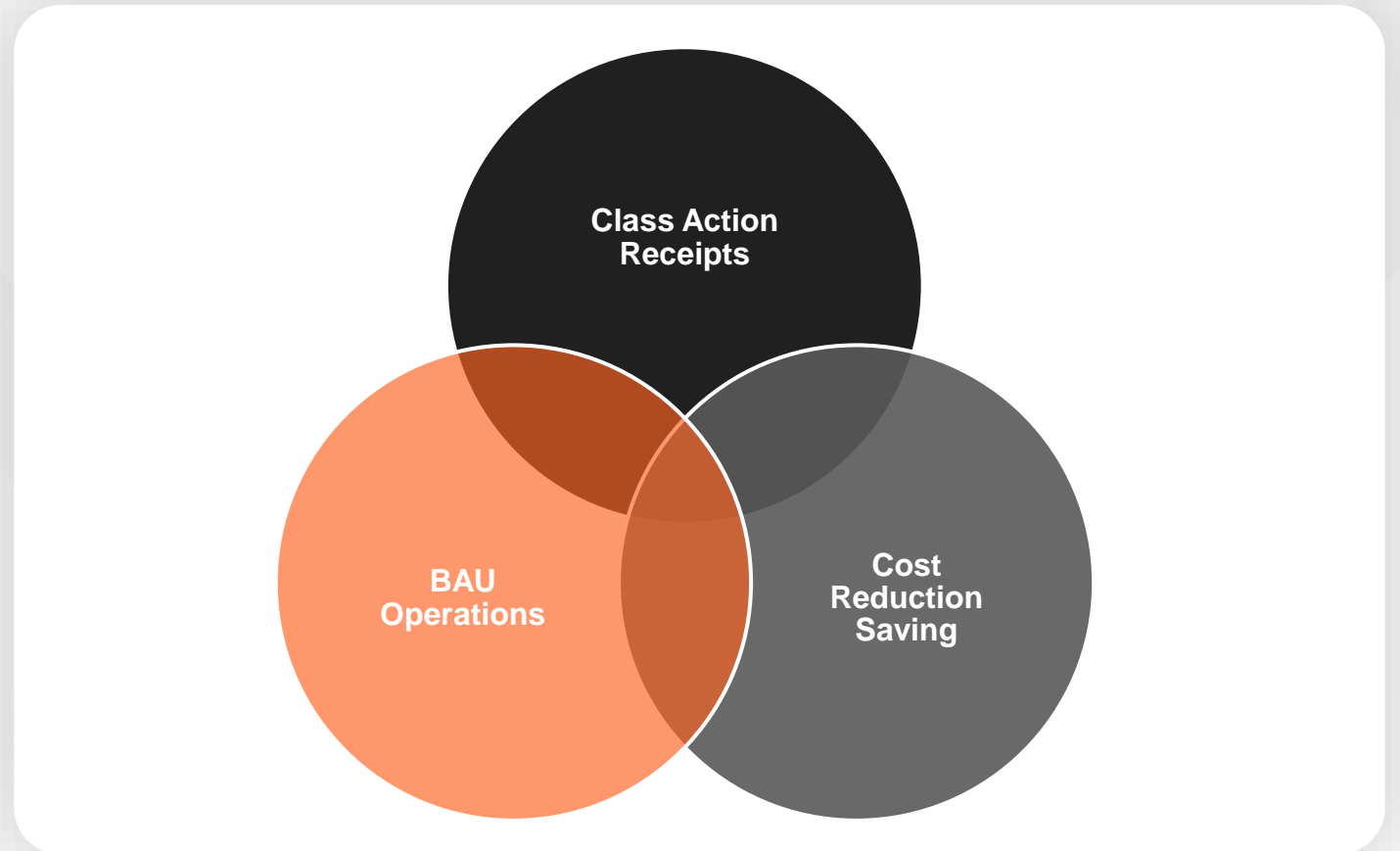


Financial Performance





- Strategies to improve FY24 cash flow
- H1 cash to be boosted by Class Actions settlements
- Multi-site Contamination Class Action \$132 million settlement approved by Federal Court on 25 August 2023





Initiatives underpin future EBITDA

- Commenced broad review of business and programs
- Simplify business structure and operations
- Focus on driving meaningful growth and improved earnings over time
- Identified areas to reduce annualised costs at the corporate / business units
- Expansion of our operating footprint along East Coast of Australia on specific markets
- Potential savings will materialise FY24

Footprint	<ul style="list-style-type: none">• Refocus on PI and CA market share• Reset total cost structure• Improved marketing strategies
Working Capital	<ul style="list-style-type: none">• Targeting vendors with share risk reward partnerships• Reduce discretionary expenditure• Identify procurement savings
Capex	<ul style="list-style-type: none">• Reduce discretionary capex