

Financial Results for FY16 and Outlook FY17 Investor Presentation 30 August 2016



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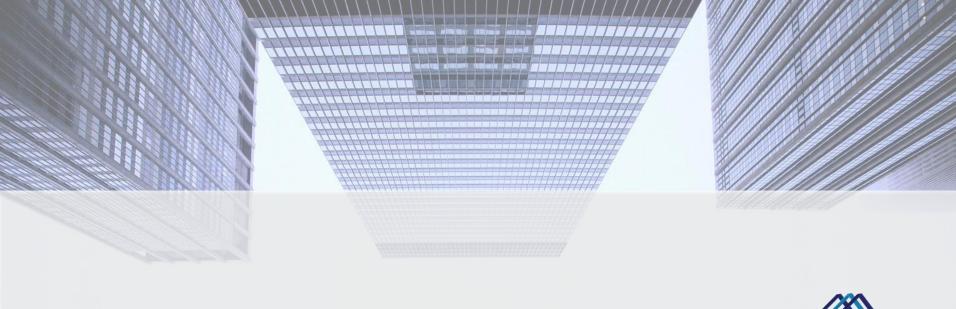
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1. Introduction – JustKapital and Key Highlights



JustKapital Group Limited

JustKapital is a leading provider of financing solutions for Litigation.

These solutions include case funding, disbursement funding and adverse cost insurance.

Operating Divisions



Disbursement Funding

Funding of out-of-pocket expenses (disbursements) for law firms.

- Currently have more than 7,500 reports funded at an average of \$2,500 per report
- Types of claims include: individual personal injury including motor vehicle accidents, compensation claims, and medical negligence
- Gross debtor book at 30 June 2016 is \$20.4m across 250 law firms
- Debtor is law firm, not plaintiff

Litigation Funding

Funding of all fees associated with large-scale litigation. Funding agreements signed with plaintiff to share success of outcome.

- 9 current cases funded with total gross aggregate claim value of \$1.9bn
- Commercial disputes including shareholder class actions

Insurance¹

Insurance broker services for 'after-the-event' (adverse cost) insurance.

- Premiums received for broking services in relation to after-the-event insurance.
- Provides protection for a plaintiff or a defendant who loses a case and has adverse costs awarded against it
- Insurance will be placed with offshore insurance company
- JustKapital takes no underwriting risk on policy

1. Established in Q1 FY17

Key Highlights for FY16

Disbursement Funding Division

Top-Line Growth

- Annualised¹ revenue \$13.7m
- **\$20.4m** funded over +7,500 cases

Organic Growth

- Annualised¹ revenue growth +18% pcp
- · Regional expansion
- · Customer expansion
- Product expansion

Profitability

- Gross Margin (after provisions) +48%
- · Strong cost management
- Scale efficiencies
- Upgraded IT systems

Litigation Funding Division

Current Portfolio

- **9** litigation cases (up from 1 pcp)
- Gross claim value \$1.9bn (up from \$300m pcp, +665%)

Acquisitive Growth

- Signed July 2016
- **5** cases
- Aggregate claim value \$237m

International and JVs

- Longford Capital (USA) 2 cases funded
- Woodsford Litigation Funding (UK) conditionally funded 1 case

JustKapital

Strong Balance Sheet

- Cash at 30 June 2016 **\$5.6m**
- Disbursement finance facility of \$20m
- (Headroom of \$9.6m under facility to fund growth)

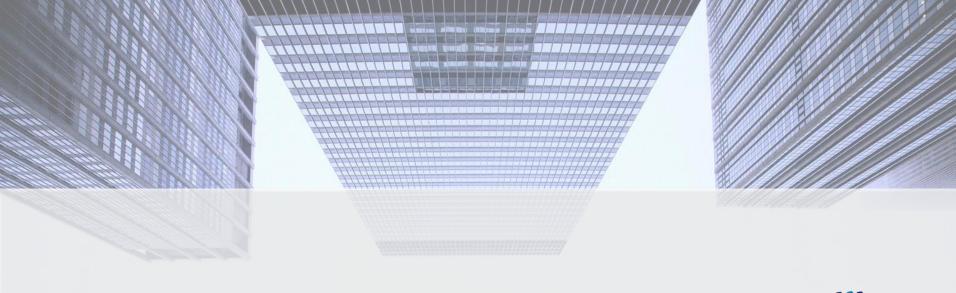
Experienced Management Team

- Philip Kapp Executive Chairman
- Diane Jones COO and CFO
- Anthony Hersch General Manager Disbursement Funding
- Executive Directors Tim Storey, Mike Hill

Outlook FY17

- Disbursement revenue growth +30%
- Disbursement EBITDA target +\$5m
- First settlement in litigation portfolio
- Insurance division commenced Q1 FY17

^{1.} Please note FY16 results are annualized. The Group did not own this business prior to 22 January 2016. All prior information was supplied by the previous owner and cannot be relied upon.



2. FY16 Financial Results and FY17 Outlook



FY16 Results

Disbursement Funding Division

\$'000	23 weeks	12 month annualised	FY17 (outlook)
Gross Revenue	6,002	13,695	
Net Revenue	4,864	12,667	+30%
Gross Margin	1,957	6,094	
Gross Margin %	40%	48%	
Reported EBITDA	(33)	4,400	
Add: Transaction Costs (non-recurring)	925	-	
Underlying EBITDA	892	4,400	+5,000
% Margin	N/M	34.7%	
Less: Interest, Depreciation, Amortisation	(650)		
NPBT	242		
% Margin	N/M		

Disbursement Funding – high growth, high margin, low transaction value, large disbursement client base

Funded for growth

- \$20m disbursement funding growth facility (undrawn component \$9.6m)
- Cash at bank as at 30 June 2016 \$5.6m
- Convertible bond issued July 2016 \$5.0m

Litigation Funding Division

Balance Sheet – Investment at Cost; \$'000	FY16
Opening Balance – case book intangible	754
Investments made in cases in FY16	1,413
Less: Co-investment funds received	(502)
Closing Balance – investments in cases (intangible assets and	
investment in joint venture)	1,655

Litigation Funding -

- Growing portfolio of litigation cases being funded with an aggregate claim value of \$1.9 billion
- Litigation case funding is capitalised as intangible asset until case settled

Group

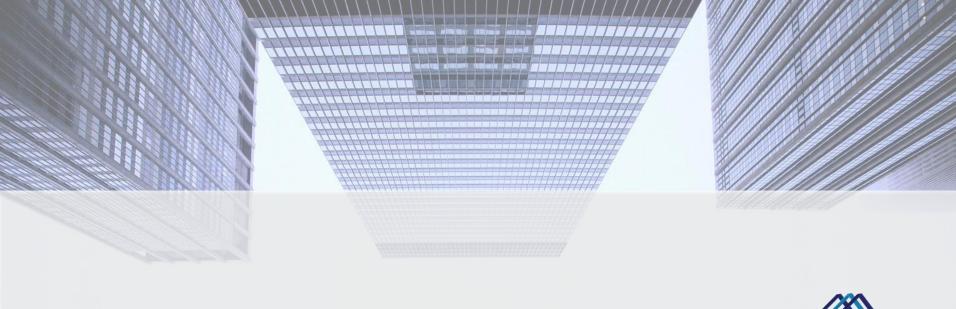
\$'000	FY16
Corporate Overheads	(2,592)
Add: Interest and Sundry Income	224
Less: Interest, Depreciation, Amortisation	(9)
Total Expenses (ex Disbursement Funding division)	(2,377)

Corporate Overheads c.\$650k per quarter (\$2.6m p.a.)

FY17 Outlook Summary



^{*} Please note FY16 results are annualized. The Group did not own this business prior to 22 January 2016. All prior information was supplied by the previous owner and cannot be relied upon.



3. JustKapital Disbursement Funding Division



Litigation Partners Limited

Disbursement Funding

Disbursement Funding Division

Structure

Funding medical reports and radiology reports



Funding other disbursements required in the course of litigation

Acquisition

Macquarie Medico-Legal (MML) was acquired in January 2016 provides medical reports and radiology reports

Product offering

JustKapital Financing has now expanded it's product offering to provide funding for:

- all other expert reports,
- expert witness fees,
- · court filing fees, and
- barrister's fees

Historical Performance of Macquarie Medico-Legal (MML)



Gross Revenue (pre-discount provided)

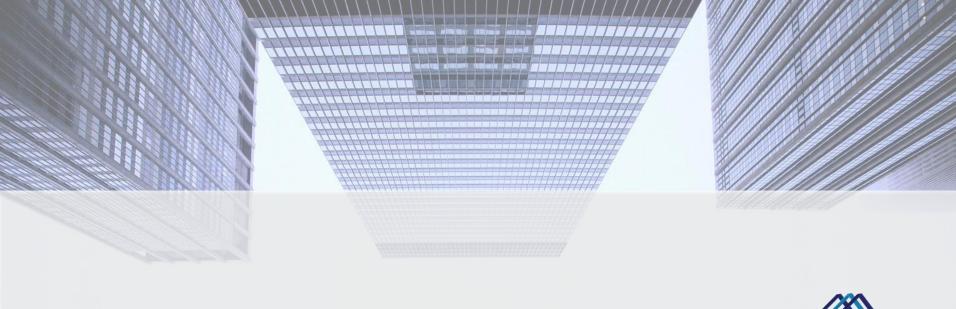
EBITDA







Please note FY16 results are annualized. The Group did not own this business prior to 22 January 2016. All prior information was supplied by the previous owner and cannot be relied upon.



4. JustKapital Litigation Funding Division



Litigation Funding Overview

Litigation Funding Division

What is litigation financing?

- Financing of legal claims of third parties to meet the costs of conducting litigation
- Financed cases typically related to insolvency, large commercial claims and class actions

What regulation is there?

- Litigation financing is currently not a regulated industry
- In its draft report dated April 2014, Productivity Commission has recommended that litigation financiers should hold an AFSL and meet capital adequacy requirements
- This remains an open topic

What are the typical costs and returns?

- Costs may relate to one or more of legal fees, disbursements, insurance for adverse costs
- Returns are a percentage of the settlement or damages awarded, typically ranging between 25-50%

What is the litigation financing landscape in Australia?

- Fast growing market for the past two decades
- Market has been facilitated by:
 - Prohibition on contingency-based legal fees
 - Adverse cost insurance now available

Benefits of JV with Longford Capital

The relationship with Longford Capital established FY2016 was a key step in the development of JustKapital in the Australasian and International litigation financing markets.

Capital to fund additional and larger cases in Australia and New Zealand

Access to case investment opportunities in the United States

JV benefits to JustKapital

Risk mitigation from the consequent larger portfolio of case investments

Visibility of a larger combined balance sheet which will drive defendants to earlier settlements

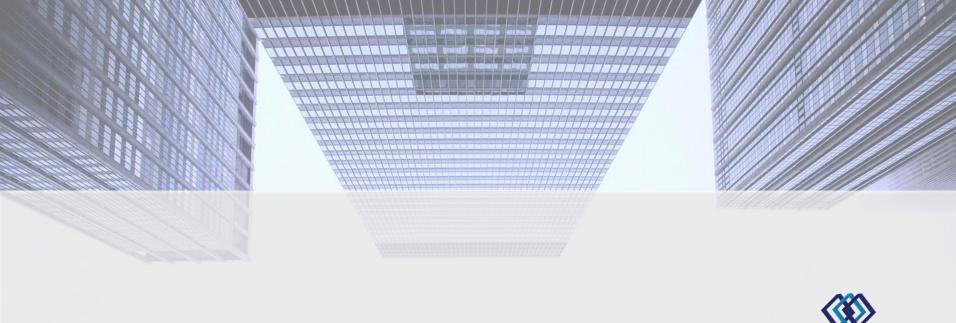
Joint resources of JustKapital and Longford Capital are expected to reduce or eliminate courts' requirements for security for costs

Current Cases Portfolio

TYPE OF CLAIM	DEFFENDANT	GROSS CLAIM VALUE*	COMMENTS
A. Breaches of Corporations Act & Continuous Disclosure Laws	Top 200 ASX listed Company	\$300m	Litigation progressing. Awaiting judgment on strike out application. There is a co funding agreement in place.
B. Patent Infringement US patent	Global Software Company	\$350m	Litigation progressing. There is a co funding agreement in place.
C. Breach of Fiduciary Duty	ASX Listed Trustee	\$34m	Trial to commence on 10 April 2017. Mediation expected by February 2017.
D. Breach of Fiduciary Duty	ASX Listed Trustee	\$17m	Proceedings yet to be filed
E. Shareholder Class Action	Directors and Advisors	\$30m	Proceedings commenced as an open class. Strike out application dismissed. Expect trial date in calendar 2017. Claims totaling \$250m have signed funding agreements to date. Claim size could reach \$90m.
F. Breach of Fiduciary Duty	ASX Listed Trustee	\$100m	Trial to commence on 3 July 2017. Mediation expected by March 2017
G. Breach of Fiduciary Duty	ASX Listed Trustee	\$50m	Trial to commence on 10 April 2017. Mediation expected by April 2017
H. Breach of Contact & Fiduciary Duty	Big Four Bank	\$1 billion	Proceedings commenced as an open class. This matter is in its early stages. Claims totaling \$250M have signed funding agreements to date.
I. Breach of Contract	Big Four Bank	\$2.5m	Disbursement Funding only. Trial to commence in October 2017. Minimal commitment.
Total Funded 9 cases		\$1.9 billion	Does not include contingently funded cases

^{*}Gross claim value is the amount being claimed by JustKapital's clients. It is not the estimated return to the Group from the case if it is successful. JustKapital expects to receive between 25%-50% of the settlement amount or judgment awarded, which could differ substantially from the gross claim value.

The Group has contingently funded a case against another ASX listed entity which is not included in the above. The gross claim value could be in excess of \$800m if this case proceeds.



5. Growth Strategy (Disbursement, Litigation and Insurance)



Growth Strategy

Disbursement Funding

Customer expansion

• 250 law firms today

Geographical Expansion

- NSW metropolitan today
- Brisbane office opened July 2016
- Next move Melbourne

Product expansion

- Medico-Legal and Radiology reports today
- Now general disbursements, all other expert reports and court filing fees

Litigation Funding

Current portfolio

- Progress existing 9 funded cases to conclusion
- Expected settlement of first case in FY17

Future portfolio

- Due diligence in progress of 5 new cases¹
- Continue to assess new case opportunities

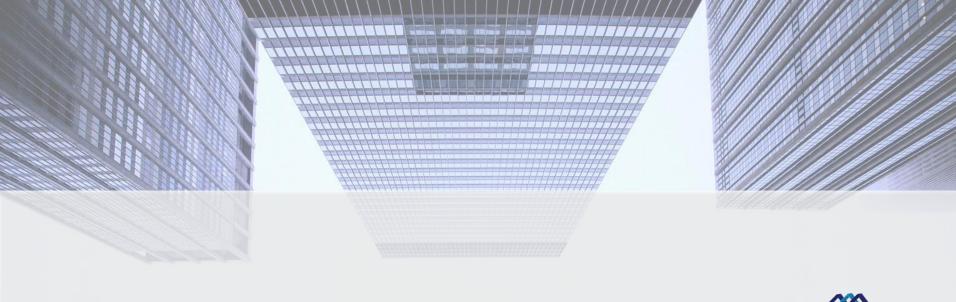
Insurance

Overview

- Commenced Q1 FY17
- Authorised representative agreement in progress with offshore insurance companies

¹ As at 30 August 2016





7. Appendix: Detailed Financial Information



Group Financial Performance

Profit and Loss			
Profit & Loss	FY2016	FY2015	
Underlying NPBT disbursement funding	242	-	
Underlying NPBT corporate and litigation funding	(2,377)	(1,207)	
Non-recurring items disbursement funding	(925)	-	
Non-recurring items corporate and litigation funding	(1,334)	(3,833)	
Discontinued operations	_	(950)	
Tax benefit	3,051	-	
Reported NPAT	(1,343)	(5,990)	

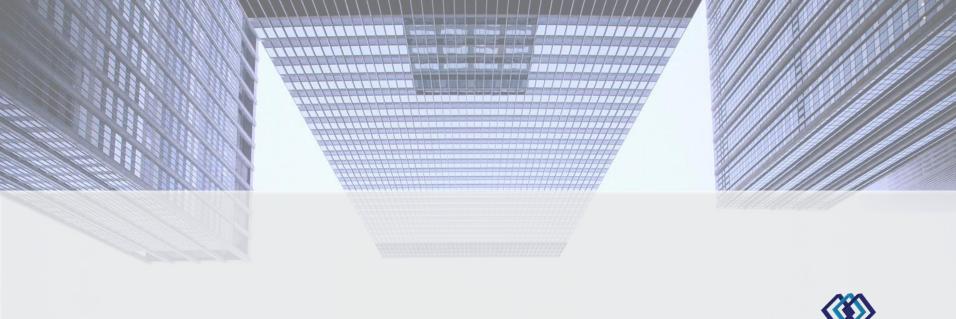
- The underlying operating loss for the year ended 30 June 2016 was in line with the expectations. It includes costs associated with the due diligence and purchase of the Macquarie Medico Legal business (represented above as non-recurring items).
- The prior year underlying operating loss includes the acquisition of the litigation funding business. The non recurring items include costs associated with this acquisition. The discontinued operations relate to the former mining business.

Group Financial Position

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Balance sheet	FY2016	FY2015
Cash & cash equivalents	5,568	11,295
Trade receivables	15,209	23
Intangible assets – Litigation funding	999	754
Goodwill	5,943	0
Trade payables	(1,421)	(104)
Interest bearing liabilities	(10,399)	-
Other	(2,051)	77
Net assets	13,848	12,045

- JustKapital's two core operating divisions are well funded.
- \$5.6m cash on hand to fund both businesses.
- JustKapital has a \$20m disbursement funding facility which is drawn to \$10.4m as at 30 June 2016.



7. Appendix: Corporate Overview



JustKapital Corporate Overview

Capital Structure	
ASX code	JK
Shares on issue	115.6n
Options on issue	13.5r
Exercisable at:	
A\$0.25 before 31 Dec 2016	3.7r
A\$0.25 before 10 Mar 2018	6.4n
A\$0.25 before 27 Mar 2018	1.9n
A\$0.25 before 22 Jan 2019	1.5n
Cash @ 30 June 2016	\$5.6n
Shareholder Summary	% held

Shareholder Summary	% held
Board & Management	8.7%
Top 20 Shareholders	55.9%

Board and Management	% held
Philip Kapp, Executive Chairman	4.9%
Tim Storey, Executive Director	2.1%
Mike Hill, Executive Director	1.7%



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