

The Just Loans Group Plc

Investor Update 13 November 2017

INVESTOR UPDATE

I wrote to you in June enclosing a copy of our Annual Report and inviting you to attend our AGM. A few shareholders did attend the AGM and I am pleased to report that all the resolutions that had been proposed were passed unanimously. Our interim accounts to 30 June 2017 were published on the Cyprus and Vienna Stock Exchange websites and, of course, on our own website.

In order for the Group to meet its growth targets it is necessary to raise the funds to be lent out. The Group signed a £10m facility with the US fund manager SQN Capital Management in December 15. This facility has now been drawn down fully. In July 2017, the Group signed a facility with SQN Secured Income Fund for a further £10M facility allowing the Group to drawdown £2M per month. The Group has utilised £4M of this facility, drawing down £2M in July and August. This institutional fundraising is in addition to the continued fund raising from the sale of debenture securities which are traded on the Emerging Companies Market of the Cyprus Stock.

In addition, at the end of 2016, the Company signed a facility agreement with an institution, who are looking to raise £50Million via a Bond issue designed for institutional Investors. The proceeds of this Bond issue will be loaned to the Company and the Bond issue is secured on a basket of loan facilities of the Company. The processes and procedures of Just Cash Flow were rated by an independent rating authority for the purpose of the Bond which was awarded an Investment Grade A with stable outlook. To date the company has received £13.3M of which £9.0m was received in September. It is expected that we will receive another £10m before the end of the year.

The Group is confident that further funding will be made available from SQN and the other institutional funder but the directors continue to source additional funding from other institutional investors which will further enable the Group to broaden its product range for the SME market.

The development of our proprietary "Propensity" lending process is now complete as is the core of our proprietary "AlfiLMS" IT system. The AlfiLMS system will continue to evolve with the addition of new Fintech systems that become available, and / or are upgraded, in order to ensure that our system remains one of the most advanced customer acquisition and management systems in operation.

The second half of the financial year has started well and the new institutional funding will enable the Group's loan book to reach the critical mass required for the Group to start making profit. The additional funding will also enable the Group to broaden its product range for UK SMEs. We have been working on a banking system to complement our loan products. This will provide our customers with all the facilities of a "normal" bank including BACS, CHAPS, foreign currency, standing orders, direct debits etc but with the one exception that we will not take deposits or pay interest. This banking system will be rolled out in the first half of 2018 and we will be seen as a major competitor of the other Challenger Banks such as Monzo, Starling and Atom. There are also plans for the Group to open in other selected European markets as the opportunities arise but this will be financed in local currency in order to reduce any foreign exchange risks.

The potential listing of our shares on AIM or another senior UK stock market has been delayed until later in 2018. The successful launch of our new banking solution will have a major impact on our prospects and market perception and the directors consider that there will be a significant advantage to shareholders to delay any application until the banking product is in place.

I thank you for your continuing support. I truly believe that 2018 will be an exciting and profitable year for the company and its investors.

Yours sincerely

John Davies

Chief Executive

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The Directors of the Issuer accept responsibility for the contents of this announcement.

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