



**AN EMERGING LEADER IN
LITIGATION FINANCING**

**Annual Report Update
September 2015**



JUSTKAPITAL

Litigation Partners Limited

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The Presentation may contain quantitative statements of anticipated future performance such as projections, forecasts, calculations, forward-looking statements or estimates all of which are based on certain assumptions (Forward Looking Statements). The Forward Looking Statements may involve subjective judgements and are based on a large number of assumptions and are subject to significant uncertainties and contingencies, many of which are outside the control of the Company and may not prove to be correct. No representation or warranty is made that any Forward Looking Statements will be achieved, or occur, or that the assumptions upon which they are based are reasonable or the financial calculations from which they have been derived are correct. Actual future events may vary significantly from the Forward Looking Statements. Each Recipient should undertake its own independent review of the Forward Looking Statements, including the assumptions on which they are based and the financial calculations from which they are derived

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THE LITIGATION FINANCING MARKET

Litigation Financing is a new and exciting asset class, treating litigation claims as assets that can be financed.

It is a unique asset class because returns on investment are not related to the amount invested, rather returns are driven by the settlement amount or damages awarded by a Court.

Successful investment depends ultimately on selecting meritorious claims.



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Litigation Financing Overview

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 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

LITIGATION FINANCING

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 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 % of the settlement or damages awarded, typically ranging between 25-50%*

*Reflecting usual terms in Australasia. Individual funding analysis may differ.

Litigation Financing Market

The opportunity for JustKapital is substantial based on the volume and value of claims being assessed by legal firms.

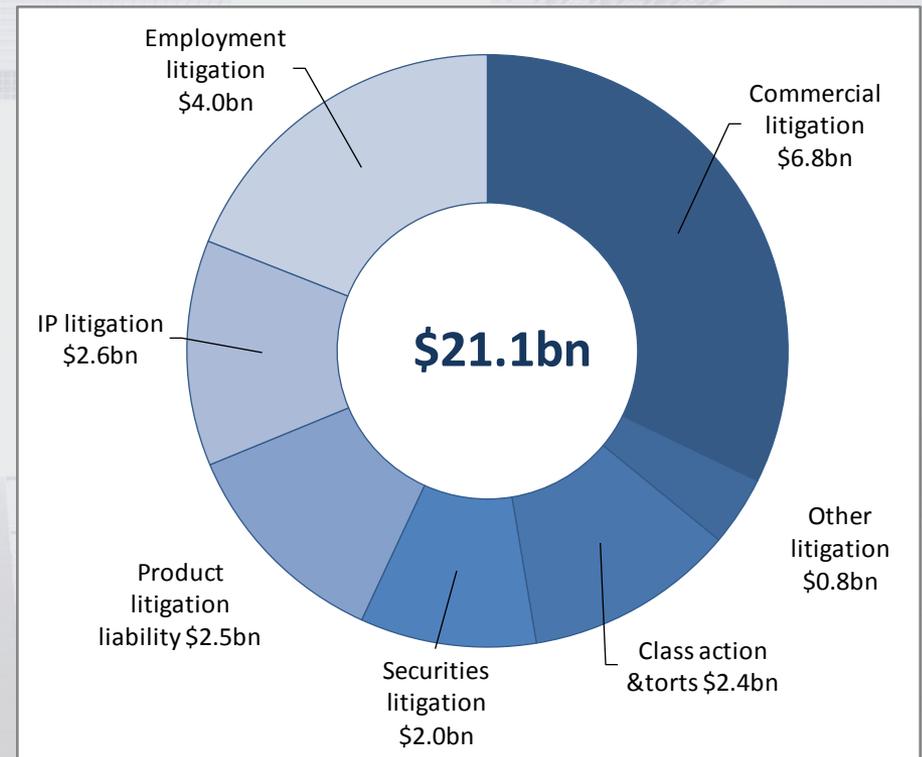
Target cases include business to business litigation, liquidators claims & class actions.

Australia is one of the most active jurisdictions for class actions in the world.

In the US, lawyers charge contingency fees on litigation and as a result legal firms dominate financing for litigation and class actions.

In Australia legal firms can't charge contingency fees which provides an opportunity for third party litigation financiers.

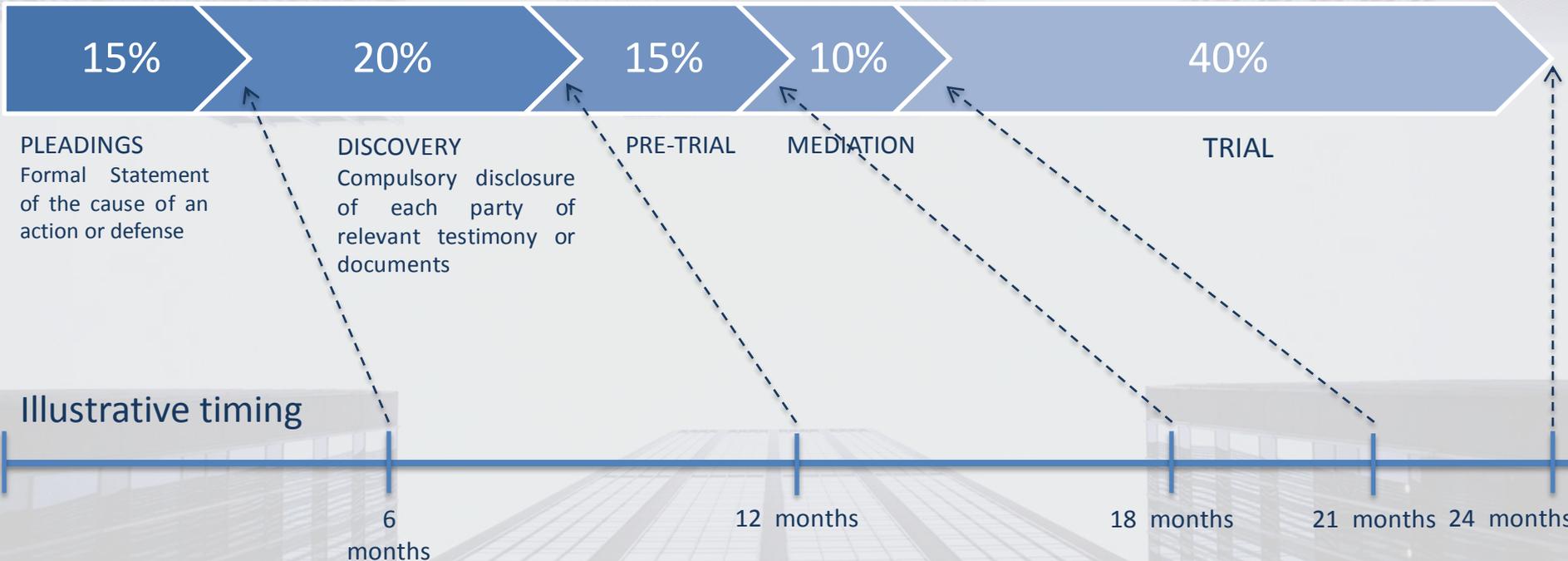
AUSTRALIAN LITIGATION MARKET SIZE



Source: Baillieu Holst IMF Research Report, February 2013

Case Stages and Cost Distribution

% of costs



JUSTKAPITAL STAYS ACTIVELY INVOLVED IN MANAGING THE CLAIM AND CAN CANCEL ITS FUNDING AGREEMENT WITH NOTICE AT ANY TIME¹

¹Reflects standard funding agreement. Individual funding agreement terms may vary.

Litigation Financing Market in Australia

JUSTKAPITAL OPPORTUNITY

ASX listed Bentham IMF Ltd (ASX: IMF) is a dominant player in Australian litigation financing space – Market Cap: ~ \$285m

Some offshore financiers active in Australasian market such as Harbour and Vannin.

Remainder of market is fragmented with a number of small players.

Market opportunity for JustKapital to become significant litigation financier.



JustKapital Litigation Partners Limited Background



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JustKapital Business Model

JUSTKAPITAL OFFERS LITIGATION FINANCING TO CORPORATE AND INDIVIDUAL PLAINTIFFS WITH A **MERITORIOUS** CLAIM AGAINST DEFENDANTS WHO HAVE **THE FINANCIAL CAPACITY** TO SATISFY AN ADVERSE JUDGEMENT

JustKapital reviews cases in detail before deciding whether to provide financing based on:

- Nature of claim
- Claim size
- Likelihood of success, and
- Defendant's assessed capacity to pay

Focus on document-driven litigation to establish merits of claims. Documents clearly evidence that the claim has merit. Prefer not to rely on oral evidence so case outcome is more certain.

JustKapital earns 25-50% of claim value by way of judgment or settlement, in addition to recovery of the financial costs*.

In return JustKapital finances the case, manages the case, and indemnifies clients against adverse legal costs.

An active and disciplined “investment returns” driven approach is taken to financing cases.

In the event of a material reduction in the prospects of a successful case, JustKapital is able to cease financing further costs* .

If a claim is unsuccessful no amount is received by JustKapital and it bears the cost of the litigation and any adverse cost orders.

*Reflecting usual terms in Australasia. Individual funding analysis may differ.

JustKapital Company Overview

JustKapital aims to position itself as a leading litigation and disbursement financier in Australia and New Zealand.

JustKapital has identified complementary revenue streams to accelerate growth including full recourse financing of disbursements incurred in litigation. JustKapital is in the process of developing these revenue streams both organically and via selective acquisitions.

To further international expansion, a co-funding agreement in place with Longford Capital, based in the US. This gives JustKapital access to an additional pool of financing and a flow of US based investment opportunities.

JustKapital's competitive advantage lies in its case review and selection process which takes a private equity approach to financing.

Types of claims to be pursued

- Business to business litigation
- Breaches of fiduciary duties, in particular by company directors and trustees in managed investment schemes
- Breaches of the continuous disclosure requirements of the ASX listing rules and Corporations Act including shareholder class actions
- Claims for liquidators against company directors, directors & officers' insurance and auditors
- Anti-competitive behaviour including breaches of Competition and Consumer Law (but NOT consumer class actions)
- Misleading and deceptive conduct in commercial transactions in breach of Competition and Consumer law
- Breaches of intellectual property rights, including copyright, trademark and patent infringement
- Claims for professional negligence against advisors, in particular financial advisors, financial planners, auditors and lawyers

Longford Capital – Co-Funding Agreement

In July, JustKapital signed a Joint Venture and Co-Funding agreement with Longford Capital, an established leader in the United States litigation and financing industry. The terms of the five year agreement are as follows:

- JustKapital and Longford Capital will jointly finance cases in Australia, New Zealand, the United States and other jurisdictions.
- JustKapital will take the lead in identifying potential cases in Australia and New Zealand.
- Longford Capital will take the lead in identifying cases in the United States
- JustKaptial and Longford Capital will collaborate to look for opportunities in other jurisdictions.
- Decisions to co-fund will be made on a case by case basis.

Longford Capital – Co-Funding Agreement

The key members of the Longford Capital team are:

Bill Strong - Chairman

Bill has worked in the financial services industry for more than 35 years, most recently as a member of Morgan Stanley's Global Management Committee and co-CEO for its Asia Pacific Region. During his career, he has advised clients in more than 25 countries involved in capital-raising transactions across all product classes.

Bill Farrell - Managing Director

Bill is responsible for the overall operations of Longford Capital, with a particular focus on transaction sourcing, investment selection, and portfolio management. He is an accomplished attorney with more than 20 years of complex litigation experience, including extensive trial and appellate experience as both a government prosecutor and as a partner in two commercial litigation departments.

Tim Farrell - Managing Director

Tim is responsible for the corporate management and investor relations of Longford Capital. He is a seasoned executive with more than 20 years of broad management experience. Over the course of his career, Tim has overseen marketing, finance, human resources, and investment functions, and has extensive experience overseeing complex litigation matters.

Mike A. Nicolas - Managing Director

Mike is responsible for the portfolio management of Longford Capital, including underwriting, investment selection, and overseeing the efforts of independent attorneys and other professionals as part of Longford Capital's due diligence process. He is an accomplished attorney with more than 15 years of experience representing a wide array of corporate clients involved in complex litigation throughout the United States.

Jason E. Searfoss - Chief Financial Officer

Jason is responsible for the financial management of Longford Capital, including oversight of Longford Capital's relationships with third-party financial services providers. He is an accomplished executive with more than 15 years of leadership experience at some of the world's leading banks, money managers, and insurance companies.

Longford Capital – Benefits

The benefits to JustKapital of the Co-Funding Agreement with Longford Capital are as follows:

- Capital to fund additional and larger cases in Australia and New Zealand
- Access to case investment opportunities in the United States
- 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

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

Advisory Committee

JustKapital has established an Advisory Committee with the following purposes:

- Provide guidance, advice and networking assistance to the Board and senior management
- Aid the identification, analysis and management of opportunities and risks, particularly in relation to litigation
- Add to the skillsets and experience in JustKapital's leadership

The Advisory Committee will play an important role in the business and operations of JustKapital though all decision making authority remains with the Company's Board.

David Denton, QC has been appointed to the Advisory Committee, joining Tim Storey and Philip Kapp who chairs it. A fourth member with strong commercial experience is expected to join the Advisory Committee in the near future.

David Denton, QC

David Denton, QC has been a practicing barrister for over 30 years, with almost half that time as a silk. His standing in the national legal profession is firmly established and his professional achievements include being the President of the Commercial Bar Association, the largest body of commercial barristers in Australia and an adjunct Professor of Law at Victoria University Melbourne for over a decade.

He brings to his role on the Advisory Committee, comprehensive commercial litigation skills and developed business acumen able to be applied in considering all areas of claims that the company intends to investigate in litigation financing opportunities. This appointment strengthens the company's decision making in choosing the best claims to finance.

Financial Performance

During the year ended 30 June 2015 the company completed the transition from being a mining business to a litigation financing business.

Profit & loss	Y/e 30 June 2015	Y/e 30 June 2014
Underlying operating loss	(1,233)	(277)
Non-recurring items	26	(563)
Non-cash impairment provision	(3,833)	–
Discontinued operations	(950)	(242)
Reported loss	(5,990)	(1,082)

The underlying operating loss for the year ended 30 June 2015 was in line with the expectations and represents the staff, premises and administration costs required to establish and operate the business. The prior year underlying operating loss represents the costs of the shell company which acquired the litigation financing business. The impairment provision related to this acquisition and the discontinued operations of the former mining business.

Financial Performance

Cash flow statement	Y/e 30 June 2015	Y/e 30 June 2014
Operating expenses	(2,197)	(641)
Litigation case funding	(301)	-
Finance income	72	11
Net proceeds from share issues	12,924	350
Non-recurring items	(2,656)	3,112
Net cash inflow	7,842	2,832

Balance sheet	Y/e 30 June 2015	Y/e 30 June 2014
Intangible assets – Litigation case funding	754	-
Cash & cash equivalents	11,295	3,224
Trade payables	(104)	(3,136)
Other / mining associated	100	2,652
Net assets	12,045	2,740

Operating expenses in the year ended 30 June 2015 included amounts previously accrued in the acquired company and disclosed in the April prospectus that were paid following the board approval in April.

Non-recurring items relate to the acquisition of the litigation financing business and the disposal of the mining business.

As at 30 June 2015, the balance sheet comprised amounts paid in respect of litigation financing and cash & cash equivalents. The prior year balances relate to mining activities that has since been discontinued.

Founders and Management

FOUNDED AND MANAGED BY TWO OF AUSTRALIA'S MOST EXPERIENCED CORPORATE LAWYERS

Philip Kapp Executive Chairman

Co-founder of JustKapital Litigation Partners. Previously senior partner of Corrs Chambers Westgarth Lawyers and widely regarded as one of Australia's leading corporate lawyers.

More than 25 years' legal experience in M&A, capital restructuring and private equity. Former Director of Energy Developments Ltd, INT Corporation Ltd and Modun Resources Ltd. Prior to joining Corrs Chambers Westgarth, was a Senior Partner with Clayton Utz, Chairman of Minter Ellison and Founder and Managing Partner of Andersen Legal. Extensive networks in the Australian business and legal community.

Tim Storey Executive Director

Co-founder of JustKapital Litigation Partners. Over twenty five years experience as a commercial lawyer and company director, practicing in Australia and New Zealand. Previously a partner at Bell Gully, one of New Zealand's premier law firms. Director of a number of public and private companies including chairman of NZ listed DNZ Property Fund Ltd and director of Nasdaq listed Reading International. Currently a principal of Prolex Advisory, a private company providing commercial advisory services to clients. Member of NZ Law Society, Institute of Directors and Financial Services Institute of Australasia.

Chris Hilbrands Chief Financial Officer

Commenced his career with Deloitte and Grant Thornton and has worked as Chief Financial Officer for a number of AIM and ASX listed companies. Chartered Accountant. Responsible for statutory and management accounts preparation and assistance with financial analysis.

Directors

Mike Hill Director

Former partner of Ernst & Young, Sydney and has more than 10 years experience as a partner of a large private equity fund. Experience across numerous industries and has served on company boards in retail, healthcare, media, waste services and tourism. Currently Non Executive Chairman of Recreational Tourism Group, Chairman of Rhipe Ltd, Chairman of AHHLife Holdings Limited, HJB Corporation Ltd and LiveTiles Limited. Chartered Accountant.

Hugh Warner Director

Broad experience as a public company director in the mining, oil and gas, biotechnology and service industries. Currently Chairman Prospect Resources Ltd.

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Current cases & process



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Sources of Deal Flow

Philip Kapp and Tim Storey are closely connected with the major law firms in Australian and New Zealand along with the top specialists litigation law firms and barristers

Through these relationships and our networks in the legal, liquidator and financial community JustKapital generates a pipeline of new cases for review.

Pro-active marketing is undertaken with the following:

- Law firms
 - Litigation Financing & Insurance brokers
 - Insolvency Practitioners
 - Patent Attorneys
 - Mid-cap corporates
 - Institutional Investors
 - Private equity portfolio companies
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JustKapital Claim Assessment Process

Stage 1: JKL Review

After initial receipt the documentation is compared to investment criteria and an Initial Merits Assessment undertaken covering prospects, nature of claim, quantum, defendant's ability to pay, number of parties and other factors.

Stage 2: Agree Terms

Terms, subject to due diligence and an independent opinion, are agreed with the plaintiff and the law firm acting.

Stage 3: Advisory Committee

The case is reviewed by the Advisory Committee and if deemed necessary the case is referred to independent specialist, such as law firms, litigation advisories and counsel who review and comment on the case's merits.

Stage 4: Assessment by Advisory Committee of the Board

The results of the Initial Merit Assessment and Independent Opinion are considered by the Advisory Committee of the Board together with the agreed terms and a decision made regarding whether to proceed.

Stage 5: Funding Documentation

Any changes in terms are negotiated and Funding Documentation is agreed with the plaintiff and legal representative.

All case investments are monitored on an ongoing basis and progress is constantly reviewed

Current Cases & Cases in Due Diligence

TYPE OF CLAIM	DEFFENDANT	ESTIMATED QUANTUM*	COMMENTS
Shareholder Class Action	Top 200 ASX listed Company	\$44m signed (total class \$300m)	Financing agreement signed with 42 institutional investors
Claim on behalf of Liquidator	Bank	\$26m	Approved by JustKapital Board, subject to completion of final documentation
Patent Infringement	Global Software Company	\$300m	Approved by JustKapital Board, subject to completion of final documentation

*Gross expected settlement amount. Represents total proceeds if all potential claims join the claim and are successful in winning the maximum in damages. JustKapital would receive 25%-50% of these proceeds.

New Business Pipeline

TYPE OF CLAIM	DEFFENDANT	ESTIMATED QUANTUM*	COMMENTS
Compulsory purchase at undervalue	Government	\$50m	JKL review
Breach of a Finance Agreement	Corporate Funder	\$20m	JKL review
Breach of a Finance Agreement	Financial Advisors and Individuals	\$50m	JKL review
Sale of assets at undervalue	Investment Funds and Liquidators	\$48m	JKL review
Unlawful detention of property	Corporate	\$10m	JKL review
Property dispute	Individual and Trust	\$50m	Awaiting further information
Shareholder class action	Australian Public Company	To be determined	Commencing book build

*Gross expected settlement amount. Represents total proceeds if all potential claims join the claim and are successful in winning the maximum in damages. JustKapital would receive 25%-50% of these proceeds.

Appendix: JustKapital Corporate Overview



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JustKapital Corporate Overview

CAPITAL STRUCTURE

ASX code	JKL
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Shares on issue	104.2m
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Options on issue	12.8m
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Exercisable at:

A\$0.25 before 31 Dec 2016	3.7m
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A\$0.25 before 10 Mar 2018	6.7m
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A\$0.25 before 27 Mar 2018	1.9m
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A\$0.30 before 1 May 2020	0.3m
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Cash @ 30 June 2015	\$11.3m
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SHAREHOLDERS

Board Management	12.81%
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Top 20 Shareholders	60.24%
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BOARD AND MANAGEMENT

% SHARES HELD

Philip Kapp, Executive Chairman	5.44%
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Tim Storey, Executive Director	2.32%
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Mike Hill, Director	1.84%
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Hugh Warner, Director	3.01%
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Chris Hilbrands, CFO	0.19%
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CONTACT

AUSTRALIA

Philip Kapp
philip.kapp@justkapital.com.au

NEW ZEALAND

Tim Storey
tim.storey@justkapital.com.au

Suite 2 Level 16, 56 Pitt Street, Sydney NSW 2000 P: +61 (0) 2 9696 0220



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