

Risk Factors

Acceptance of the Exchange Offer extends the duration of the Existing Stock holders' investment in The Just Loans Group Plc ("Company"). Accordingly, the risk factors relevant at the time of acquiring the Existing Stock should still be considered when deciding to accept the Exchange Offer.

Holders of Existing Stock should consider carefully all the information in this document including the risks described below. The risks and uncertainties described below are the material risk factors facing the Company and which are currently known to the Directors.

These risks and uncertainties are not the only ones facing the Company and additional risks and uncertainties not presently known or currently deemed immaterial may also have a material adverse effect on the Company's business, results of operations or financial condition.

If any or a combination of the following risks materialise, the Company's business, financial condition, operational performance and share price could be materially and adversely affected to the detriment of the Company and its shareholders.

General Risks

An investment in the Company may not be suitable for all recipients of this document. Accordingly, investors are strongly advised to consult an investment adviser authorised under the Financial Services and Markets Act 2000.

An investment in the Company is only suitable for investors capable of evaluating the risks and merits of such investment and who have sufficient resources to bear any loss which may result from the investment.

An investment in the New Stock is subject to a number of risks. Accordingly, prospective investors should consider carefully the risks attaching to the Company prior to making any investment decision.

Investment in unquoted securities carries a higher degree of risk than an investment in securities quoted on a regulated exchange. Investors must be prepared to take a medium to long-term view of their investment. Substantial movement in the price of securities should not be expected until sufficient time has elapsed for the Company to demonstrate its ability to achieve returns on its investments.

Even after the New Stock have been admitted to trading on the Emerging Companies Market of the Cyprus Stock Exchange investors must be prepared to take a medium to long term view of their investment. Furthermore there is no guarantee that there will be a liquid market for the Debentures. Substantial movement in the price of securities should not be expected until sufficient time has elapsed for the Company to demonstrate its ability to achieve returns on its investments, and even then the market price of the Debentures may not match their underlying value.

The Emerging Companies Market of the Cyprus Stock Exchange h operates on a matched bargain basis. In the event of a Debenture holder wishing to sell his Debentures there is no guarantee that there will be a purchaser with whom to match the bargain. Investors should therefore regard their investment in the Company as of an illiquid nature and closed ended and one that may require to be held until the redemption date of the Debenture.

Prospective investors should consider with care whether an investment in the Company is suitable for them in the light of their personal circumstances and the financial resources available to them.

An investment in the Company should not be regarded as short-term in nature. There can be no guarantee that any appreciation in the value of the Company's securities will occur or that the trading objectives of the Company will be achieved. Investors may not get back the full amount initially invested.

The prices of securities and the income derived from them can go down as well as up. Past performance is not necessarily a guide to the future.

Any alteration in general economic conditions and trends including, for example, changes to interest rates, rates of inflation, industry conditions, or political and diplomatic events, tax laws, regulation and other factors can substantially and adversely affect equity investments and the Company's prospects.

Risks Relating to the Company and its Business

In addition to the other relevant information available to investors, the directors consider the following risk factors to be of particular relevance to the Company's activities and to any investment in the Company. It should be noted that this list is not exhaustive and that other risk factors may apply.

Operating History

Although the management is experienced, the Company has limited history in this marketplace upon which an evaluation of the Company and its prospects can be based. The Company's business must also be considered in light of the risks, expenses and problems frequently encountered by companies at an early stage of development. Failure to achieve predicted returns on investments may result in income growing more slowly than anticipated or not materialising at all.

Ability to Generate Income

The business is at an early stage of income generation and as a result, aspects of its business strategy are not proven. At this stage the Company cannot with certainty say that it will generate the investment returns to the extent it has projected. Further, even if the Company is able to generate a sufficient return on its investments, the value and profitability of those investments may not be sufficient to ensure the long-term efficacy of the Company's business strategy.

Forward-looking Statements

Certain statements in this document may constitute forward-looking statements relating to such matters as business prospects, new products, services and similar matters. A variety of factors could cause the Company's actual results and experience to differ materially from the anticipated results or other expectations expressed in the Company's forward-looking statements.

Risks relating to Taxation

This document is prepared in accordance with the Directors' interpretation of current legislation rules and practice. Such interpretation may not be correct and it is always possible that legislation rules and practice may change. Any such changes and in particular any changes to the basis of taxation tax relief rates of tax or an investors tax position may affect the availability of tax reliefs and deferrals and may also affect the return made by the company or by the investors from the Company as the case may be.

Risks related to Returns

The level of return to investors for the New Stock may be affected by the economic performance of the loans and investments acquired or made by the Company. Therefore, assumptions projections intentions or targets included within this document cannot and do not constitute a definitive forecast of how the company will perform but have been prepared upon assumptions which the Directors consider reasonable.

The nominal value of the New Stock will not vary but the market value of the New Stock may decrease as well as increase. Investors may therefore realise less than their original investment if they sell their investment prior to the redemption date.

The Company is relatively newly incorporated and has little established trading record on which investors can evaluate their potential future profitability. The realisation of such profit and the extent of any profit realised is however dependent on a number of factors and there can be no guarantee as to profitability. The payment of any coupon on the Debentures or repayment of the principle on redemption is dependent upon the Company generating sufficient income and return on investment.

Subordination

The New Stock and any rights attributable to the New Stock are subordinated to the Lenders' New Security. In the event of a winding up of the Company, the principal amount together with any accrued interest thereon would become immediately due and payable to holders of the Existing Stock. However, the assets of the Company would only become available to satisfy such payments after all debt under the New Security has been paid in full to the Lenders.

Dependence on Exchange Offer being implemented

Investors should note that if the Company is unable to exchange all of the Existing Stock for New Stock, the Company may be unable to carry out its business plan in full. Accordingly, the Company's growth and profitability may be adversely affected.

Dependence on Directors

The Company's ability to be a successful and profitable company depends, to a significant extent, on the continued service of its Directors. The loss of service of one or more of these key employees could materially and adversely affect the Company's business and prospects.

Currency

Transactions may take place in currencies other than pounds sterling and as a result adverse movements in exchange rates could reduce the net sterling returns.

Regulation

A change in law or regulation in the jurisdiction in which the projects or business operate could adversely affect the investment. For example the environment in which the company may loan or invest currently benefits from subsidies and taxation benefits which are subject to change from time to time. Furthermore privately held foreign loans and investments are subject to the possibility of nationalisation or additional taxation.

The FCA have announced that commencing April 2014 they will be carrying out an in-depth thematic review of payday lenders and other high cost lenders. Just Loans is not a payday lender and will not lend to a payday lender but the review may have some repercussions on businesses that the Company lends to. Just Loans will seek to ensure that any of the companies it lends to or invest into have a robust client centric policy on treating the customer fairly.

Market

The loans and investments by the Company may be, in part, in new technologies where the time to market can be difficult to predict. Furthermore the loans and investments may be subject to market fluctuations. These could adversely affect the investment.

Emerging Markets

The Company may loan to or invest in projects or companies based in developing countries. Investments in developing countries may be less certain and more difficult to protect. Economic conditions in developing countries may affect the successful development of such projects or companies and political instability may also have potential negative effects.

Risks attaching to this investment

The Company is offering for exchange unquoted securities comprising New Stock. Investments in a small unquoted company such as the Company involve greater risk than investments in quoted securities or shares. Unquoted securities may be subject to transfer restrictions and may be difficult to sell. It may be difficult to obtain information as to how much an investment is worth or the degree of risk to which the investment is subject at any given time. Although the Company intends to apply for the New Stock to be quoted on the Emerging Companies Market of the Cyprus Stock Exchange there is no guarantee the listing will be successful or that there be a liquid market for the New Stock if the listing is successful.

The value of investments can go down as well as up and prospective investors may not get back the full amount originally invested. An investment should therefore, only be considered by those persons who are prepared to sustain a loss on their investment. Investors should be aware of the risks of investment in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser.

Before investing, prospective investors are strongly recommended to consult an authorised person specialising in advising on investments of the kind described in this document.

30 October 2015