

THE JUST LOANS GROUP PLC

RISK FACTORS IN CONNECTION WITH THE 2016 EXCHANGE OFFER

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. The Company is the ultimate parent company of a number of subsidiaries which together form the Company's group (the "**Group**").

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 of the Company (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 debenture price could be materially and adversely affected to the detriment of the Company and its debenture holders.

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 Exchange 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.

In view of the fact that the Emerging Companies Market of the Cyprus Stock Exchange ("**ECM**") is an exchange that is based outside of the United Kingdom, 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 Exchange Stock. Substantial increase in the price of securities should not be expected. The quoted value of the Exchange Stock may not match their underlying value.

The ECM operates on a matched bargain basis. In the event of a holder of the Exchange Stock wishing to sell his Exchange Stock 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 Exchange Stock.

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 in the Exchange 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 Exchange Stock will not vary but the market value of the Exchange 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 Exchange Stock or repayment of the principle on redemption is dependent upon the Company generating sufficient income and return on investment.

Dependence on Amount Raised

Investors should note that if the Company is unable to exchange the full amount of the Exchange 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 business operates could adversely affect the investment. Legal and taxation rules in the UK are subject to change from time to time. The environment in which the Company may make loans or invest may lose benefits from subsidies and/or other taxation benefits which are subject to change from time to time.

Market

The loans and investments 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.

Costs

It should be noted that the Company has incurred substantial start-up and development costs to date. These initial costs were expected and necessary to develop the Company in accordance with our plans and in our opinion the Group is now poised to enter its next phase of development which is to intensify marketing, and to increase loan portfolios.

The Company recently announced its subsidiary, Just Cash Flow Plc, had agreed an initial loan facility of up to £50 million with a managed fund. In addition, the Company is undertaking an equity fundraising of £5 million which it hopes to conclude in the next few months.

Notwithstanding the additional funding opportunities and the ability for the Group to now significantly scale its operations the Group, due to the start-up and development costs, had net liabilities of £8.5 million as at 31 December 2015. If, immediately following full subscription of this and other bond offers currently being made by the Group, the Group were to be wound up, investors would only receive approximately 85% of their investment back.

While insufficient profits are being made to cover interest and insufficient assets currently exist to settle all outstanding debt, the Directors anticipate that there will sufficient growth in the business, as a result of either future funding or future profits or a combination of the two to ensure that all payments of both capital and interest will be made to investors.

Risks attaching to this investment

The Company is offering for subscription the Exchange Stock which are quoted on the ECM. Investment in smaller companies quoted on such an exchange involves greater risk than investments in securities or shares on other more senior exchanges. These securities may be difficult to sell and 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 Exchange Stock are quoted on ECM there is no guarantee that there will be a liquid market. 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.

UK Leaving the EU (“Brexit”)

In June 2016 the UK voted in a referendum to leave the EU – the term ‘Brexit’ was adopted. At the time of issue of this document the Financial Conduct Authority has adopted a position to maintain all regulations ‘as is’ – including listing venues. The Exchange Stock is listed on the ECM which may, post Brexit, become a foreign exchange that may no longer be an appropriate market for the Exchange Stock to be listed on. In those circumstances the Company will seek alternative trading solutions for the Exchange Stock but there can be no guarantee that such a market will be available. Brexit may also have other unknown consequences including matters relating to taxation and the ability of the Company to expand its operations outside the UK.

Subordination

The Exchange Stock and any rights attributable to the Exchange Stock will be subordinated to any security ("**Senior Security**") granted to an institutional investor ("**Senior Lender**"). 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 Exchange Stock. However, the assets of the Company would only become available to satisfy such payments after all debt under the Senior Security has been paid in full to the Senior Lenders and would rank equally (pari passu) with any other debentures of the Company.

24 October 2016