THE JUST LOANS GROUP PLC

CHAIRMAN'S STATEMENT

For the Unaudited Interim condensed financial statements for the 6 months ended 30 June 2017

OVERVIEW

The Just Loans Group Plc ("the Company") and its subsidiaries (together, "the Group") provide Revolving Credit Facilities to Small and Medium Enterprises that struggle to obtain traditional sources of funding for a variety of reasons. The Group is based in the United Kingdom and all entities have been incorporated in the United Kingdom. The Company is a public limited company and is listed on the Emerging Companies market of the Cyprus Stock Exchange. The Group also have debentures that are listed on the Cyprus Stock Exchange.

In June 2016 the UK voted in a referendum to leave the EU – the term 'Brexit' was adopted. We live in uncertain times, Brexit, political upheaval in the UK, USA and elsewhere in the world; but the World of The Just Loans Group remains constant. The Company and the Group currently only operates in the United Kingdom and deal exclusively with the exciting and growing SME market.

FINANCIAL RESULTS

The unaudited financial results for the period to 30 June 2017 show an operating loss of £1,738k; earnings per share are negative, being £0.062p.

Included within these financial results are £149k of the Group's share of early stage losses from an investment in an associate company. The associate is progressing well and should produce significant profits in subsequent years.

The results also include exceptional costs of £74,000 in respect of costs of raising additional funds.

CASH FLOW AND FUNDING

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.

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 enable the Group to broaden its product range for the SME market.

On 14 February 2017,the Group completed a debt for equity swap. The Group issued 3,200,000 new shares to replace debt valued at £4,480,000. The shares were valued at £1.40 per share

OUTLOOK

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. 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.

Sir Eric Peacock

Chairman

27 September 2017

The Directors of the Issuer accept responsibility for this announcement.

FOR FURTHER INFORMATION PLEASE CONTACT:

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Condensed Consolidated Statement of Comprehensive Income
For the six months ended 30 June 2017

	Unaudited Six months ended 30 June 2017	Unaudited Six months ended 30 June 2016	Audited Year ended 31 December 2016
	£	£	£
Continuing operations			
Revenue	4,141,064	2,418,260	6,037,550
Cost of sales	(1,449,115)	(926,702)	(2,932,074)
Gross profit	2,691,949	1,491,558	3,105,476
Administrative expenses	(2,020,742)	(1,528,434)	(3,460,387)
Operating Profit/ Loss	671,207	(36,876)	(354,911)
Finance costs	(2,335,221)	(1,726,289)	(4,302,403)
Share of losses from investment in associate	(149,452)	(125,582)	(244,567)
Loss on ordinary activities before taxation	(1,813,466)	(1,888,747)	(4,901,881)
R & D tax credit	74,974	-	43,790
Profit / (Loss) for the period	(1,738,492)	(1,888,747)	(4,858,091)
Profit / (Loss) attributable to:			
- Owners of the parent	(1,738,492)	(1,888,747)	(4,858,091)
Loss per share (expressed in pence per share)	(6.16)p	(37.8)p	(19.43)p
Loss per share based upon subdivision	(6.16)p	(7.55)p	(19.43)p

Condensed consolidated statement of financial position

	Unaudited As at 30 June 2017	Unaudited As at 30 June 2016	Audited As at 31 December 2016
	£	£	£
Assets			
Non-current assets			
Intangibles	-	-	-
Property Plant and Equipment	166,123		56,680
Investments	6		6
Loans and advances to customers	917,900		917,900
Trade and other receivables	10,891,777	7,599,985	9,061,681
	11,975,806	7,599,985	10,036,267
Current assets			
Inventory	41,669	-	14,828
Loans and advances to customers	22,489,833	14,578,234	17,653,553
Trade and other receivables	904,311		339,880
Cash and cash equivalents	1,624,534	4,658,569	1,783,282
	25,060,347	19,236,803	19,791,543
Total assets	37,036,153	26,836,788	29,827,810
Equity and liabilities			
Equity attributable to owners of the parent			
Ordinary shares	4,530,000	50,000	50,000
Other reserves	75,049	15,000	75,049
Accumulated losses	(15,775,161)	(11,067,325)	(14,036,669)
	(11,170,112)	(11,002,325)	(13,911,620)
Non-controlling interests		-	-
Total equity	(11,170,112)	(11,002,325)	(13,911,620)
Liabilities			
Non-current liabilities			
Borrowings	38,847,963	32,416,995	35,694,647
Current liabilities			
Borrowings	7,247,288	4,624,776	6,794,814
Trade and other payables	2,111,014	797,342	1,249,969
Total liabilities	48,206,265	37,839,113	43,739,430
Total equity and liabilities	37,036,153	26,836,788	29,827,810

Condensed Consolidated Statement of Cash Flows
For the six months ended 30 June 2017

	Unaudited Six months ended 30 June 2017 £	Unaudited Six months ended 30 June 2016 £	Audited Year ended 31 December 2016 £
Cash flows from operating activities			
Loss before taxation	(1,813,466)	(1,888,747)	(4,901,881)
Adjustments for:			
Finance Costs	2,335,221	1,726,289	4,302,403
Other reserves	-	-	60,049
Depreciation	7,131	-	37,950
Amortisation	-	-	37,000
(Increase)/Decrease in inventory	(23,841)	-	(14,828)
Increase in Loans and trade and other receivable	(7,367,094)	(8,082,791)	(13,826,960)
Increase/(Decrease) in trade and other payables	967,758	(2,239,243)	(168,550)
Cash (utilised) / generated from operations	(5,984,291)	(10,484,492	(14,474,817)
Finance costs paid	(2,335,221)	(1,726,289)	(4,302,403)
R & D Tax receipt	74,974	-	43,790
Net cash (used by) / generated from operating	(8,244,538)	(12,210,781	(18,733,430)
Cash flows from investing activities			
Payments to acquire tangible assets	-	-	(56,680)
Net cash generated from investing activities	-	-	(56,680)
Cash flows from financing activities			
Proceeds from issue of shares	4,480,000		
Proceeds from issue of debenture and other loans	3,605,790	13,785,314	17,489,356
Net cash generated from financing activities	8,085,790	13,785,314	17,489,356
Net (decrease)/increase in cash and cash	(158,748)	1,574,533	(1,300,754)
Cash and cash equivalents at the beginning of the period	1,783,282	3,084,036	3,084,036
Cash and cash equivalents at end of period	1,624,534	4,658,569	1,783,282

Condensed Consolidated Statement of Changes in Equity
For the six months ended 30 June 2017

	Attributable to owners of the parent				Total Equity
	Share capital	Other reserves	Accumulated losses	Total	
	£	£	£	£	£
As at 30 June 2016	50,000	15,000	(11,067,325)	(11,002,325)	(11,002,325)
Other reserves		60,049	-	60,049	65,049
Loss for the period	-	-	(2,969,344)	(2,969,344)	(2,969,344)
As at 31 December 2016	50,000	75,049	(14,036,669)	(13,911,620)	(13,911,620)
Share sale	4,480,000	-	-	4,480,000	4,480,000
Loss for the period	-	-	(1,738,492)	(1,738,492)	(1,738,492)
As at 30 June 2017	4,530,000	75,049	(15,775,161)	(11,170,112)	(11,170,112)

Share capital is the amount subscribed for shares at nominal value.

Other reserves represent the expenses recognised for share-based payments.

Accumulated losses represent the cumulative loss of the group attributable to equity shareholders.

Notes to the condensed financial statements

1. Basis of accounting

This interim report, which incorporates the financial information of the Group, has been prepared using the historical cost convention, on a going concern basis and in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union.

The same accounting policies and methods are used in the interims as compared with the most recent annual financial statements.

The interim condensed financial statements for the 6 months to June 2017 have been prepared in accordance with International Accounting Standard 34 "Interim Financial Report" and have not been audited by the external auditors of the Group.

The unaudited results for period ended 30 June 2017 do not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006.

The Board of Directors of the Group at its meeting on 27 September 2017 examined and approved the interim condensed financial results.

2. Standards and Interpretations adopted with no material effect on financial statements

There are no IFRS or IFRIC interpretations that are effective for the first time in this financial period that would be expected to have material impact on the company.
There are no other IFRS or IFRIC interpretations that are not yet effective that would be expected to have material impact on the company.

3. Loss per Share

	Unaudited	Unaudited	Audited
	Six Months ended 30 June	Six Months ended 30 June	Year ended 31 December
	2017	2016	2016
Loss per share:			
Basic (pence)	(0.062)	(0.378)	(19.43)
Diluted (pence)	(0.062)	(0.075)	(19.43)
Weighted average number of shares in issue	28,200,000	5,000,000	25,000,000
After subdivision		25,000,000	

Loss per ordinary share on the Company's loss for the financial period within the Condensed Company Statement of Financial Position.

Borrowing

	Unaudited As at 30 June 2017	Unaudited As at 30 June 2016	Audited As at 31 31 December 2017
	£	£	£
Non Current			
Debentures and other loans	38,847,963	32,416,995	35,694,647
Current			
Debentures and other loans	7,247,288	4,624,776	6,794,814
	46,095,251	37,041,771	42,489,461

All commissions due on debentures have been deferred against the debentures they relate to and have either been shown as non-current or current borrowings. All non-current borrowings are wholly repayable within five years.

The debentures are secured by first floating charge over all of the assets of the group, and bear interest as per below. Interest is paid in two half yearly instalments.

	Repayment date	Annual interest
2017 Debentures	31 December 2017	8.25%
2018 Debentures	31 December 2018	8.25%
2020 Debentures	31 December 2020	8.75%

In December 2015/2016 the Group successfully undertook an exchange of the 2015/2016 Debentures in The Just Loans Group Plc and Just Cash Flow Plc, both bearing 7.5% annual interest, with 2018 and 2020 Debentures in The Just Loans Group Plc, bearing 8.25% and 8.75% annual interest respectively.

Included within debentures and other loans is capitalised commission of £1,901,051. The 2015/16 Debentures, due 31 December were exchanged for a 3 and 5-year Debentures in The Just Loans Plc, its parent company at interest rates of 8.25% and 8.75% respectively. The remaining balance of £348,016 was due for repayment on maturity at 31 December 2016 and has been classified as current liabilities. This was subsequently paid in January 2017.

4. Share Capital

On the 19 October 2016, the Company undertook a subdivision of shares of 5 for 1.

The nominal value per share adjusted to £0.002 from £0.01.

The ordinary shares have attached to them full voting, dividend and capital distribution (including on

Winding up)right; they do not confer any rights of redemption.

On the 14 February 2017 issued 3,200,000 new ordinary shares at £1.40 per share for a total of £4,480,000

This is a result of the exchange by a number of debenture holders for their existing debentures in The Just Loans Group Plc and its subsidiaries Just Cash Flow Plc, Just Bridging Loans Plc and Just Finance Loans & Investments Plc.

5. Events after the reporting period (MISSING)

In July 2017, the Company signed a facility with SQN Secured Income Fund for a £10M facility allowing the Company to drawdown £2M per month. The Company has drawn £4M of this facility, drawing down £2M in July and August.

Since 1 July the Company has received £9.8m (of which £9.0m was received in September) from the institutional investor as proceeds from the £50m Bond issue.