



JOHN.BRIDGEMAN

NSX Announcement

JOHN BRIDGEMAN LIMITED

ACN 603 477 185

(NSX:JBL)

12 December 2016

Business update

On 21 November 2016, John Bridgeman Limited (NSX:JBL) announced the entry into an Investment Management Agreement with JB Markets Pty Ltd, an Australian owned, licensed financial services company which operates as a securities and derivatives broker and dealer for wholesale and retail clients. John Bridgeman Limited holds an indirect minority interest in JB Markets Pty Ltd through its shareholding in JB Broking Ltd.

JB Broking Ltd has recently entered into a contract for the acquisition of the companies which own and operate the Crown Currency Exchange and King's Currency Exchange businesses. These businesses have a corporate history of more than 30 years, and provide retail foreign exchange services through a network of well-established and trusted foreign currency exchange stores, with plans to expand in terms of geographical location and services in the coming year.

The first tranche of this acquisition completed last week, with the balance anticipated to occur by the end of January 2017.

The Board of JB Broking Ltd has advised John Bridgeman Limited that it has resolved to explore various liquidity opportunities, including undertaking a capital raising and/or applying for a stock exchange listing in the New Year. The company intends to offer stock at a conservative multiple of 14.9 times forecast earnings, compared to the average multiple of global peers at 25 times earnings. Management of JB Broking Ltd has forecast a net profit of \$5,579,000 for the fiscal year 2017 and a market valuation of \$83 million.

The Board of John Bridgeman Limited believes that its investment in JB Broking Ltd offers significant potential for value creation.

Managing Director, Stuart McAuliffe, said, "We believe the financial technology (FinTech) space is one of the most significant opportunities globally, with research indicating that investment in this sector is forecast to grow at an annual compound growth rate of 76.38%.¹ John Bridgeman Limited is well placed to take advantage of innovation and new technology that is disrupting traditional financial institutions. John Bridgeman Limited and its management are leading front-end users of technology and innovations particularly in derivatives globally, which provide significant liquidity to markets, exchanges and financial institutions. This investment provides access to expert personnel and systems, and increases our participation in foreign exchange, derivatives and global derivatives exchange interaction, international payments and transfers, advisory, insurance and finance."

ENDS

Stuart McAuliffe
Managing Director
John Bridgeman Limited

¹ *Fintech in Australia – Trends, Forecasts and Analysis 2015 – 2020*, by Frost & Sullivan