



Disclaimer & Forward Looking Statements

This Presentation is provided by Law Finance Limited (the Group).

You should not rely upon anything in this presentation and/or any information obtained from the Group, its Directors or their associates in deciding whether or not to seek to participate in the shares of the Group. This is not an offer to subscribe for securities in the Group.

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 Group 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.



Operating Divisions

An Australian market leader in funding of out-of-A US market leader in the personal injury In run-off - Funding of all fees and medical lien financing industry. Funding medical disbursements associated with large scale pocket expenses (disbursements) and short-term litigation. Funding agreements signed with loans for law firms. Repayment for the bills, where the not-at-fault accident plaintiff to share success of outcome. disbursements funded is not contingent on the victim's insurance claim has not been settled outcome of the case. and is subject to litigation. Litigation Funding (Australia) National Health Finance (USA) JustKapital Finance (Australia) Funding medical bills through Funding medical reports 11 Cases funded liens Funding other out of pocket Managing administration for 4 Cases now externally financed medical practitioners expenses Collating the medical 4 Cases settled. Funds received Short Term Loans records necessary for a legal from one case and awaiting funds from 3 cases. case

Net Receivables¹ & Short Term

Loans: A\$36.8m²

Net Receivables¹: A\$131.8m³

Expected Proceeds: A\$20.0m (if

all cases are successful)

¹ Net Receivables is calculated as total gross invoiced amount (or Gross Receivables) less a provision for un-recoverability or doubtful debts.

Net Receivables and Short Term Loans as at 30 June 2018.

³ Using an AUD/USD of 0.72



FY2018 Results Summary

Turnaround in Operating Performance

Record net revenue of \$5.8 million, +47% versus FY17.

Gross margin improvement to \$5.5 million (FY17 gross margin: \$3.7 million).

Underlying earnings¹ before interest, tax, depreciation and amortisation (EBITDA) of +\$1.7 million, a +\$3.7 million improvement on FY17.

Statutory Net Loss of \$6.6 million including \$3.6 million in non-recurring acquisition and restructuring costs.

Received \$3.3 million on first case settlement in 2H18, resulting in a profit of \$1.9 million (a ROI of 132%).

Expect to receive cash proceeds of \$6.5 million from a further two case settlements in September 2018 with an additional case settlement (subject to Federal Court approval) expected in 2H19². Proceeds will be used to repay corporate debt.

Remaining seven cases expected to be completed prior to end of FY20.

National Health Finance acquisition to proceed, subject to shareholder approval. EGM to be held on 26 September 2018.

1. Before due diligence and transaction costs associated with NHF transaction

^{2.} These cases were part of the litigation portfolio acquired by JustKapital on 11 July 2016. Under the acquisition arrangements the seller is entitled to participate in a share of the "free carry" generated by the portfolio. There is presently a dispute with the seller as to this participation entitlement.



FY2018 Results Highlights

Net loan receivables grew 25% to \$35.6 million¹ (FY17: \$28.5 million¹).

Cash collections of \$13.2 million² achieving a 40% growth rate from FY2017.

Funded over 10,000 cases with over 160 active clients. Expansion into VIC, WA and SA still in early stages.

Overhead expenses declined 12% versus FY17 to \$5.8 million with strong cost control a continued focus.

Wind down of Litigation Funding business progressing well, with \$3.3 million collected in 2H18, and a further 3 cases completed (with one case subject to Court approval) in 1H19. The remaining 7 funded cases are expected to complete by December 2019.

Announced acquisition of National Health Finance for \$68.8 million³:

- Funding secured through \$42 million secured syndicated acquisition facility and \$7.5 million fully underwritten placement, with key cornerstone investor Pitt Capital Partners Limited, a wholly owned subsidiary of Washington H Soul Pattinson Limited.
- Conditional Securities Purchase Agreements signed.
- Shareholder vote on 26 September 2018.

Outlook for FY19:

- Target net domestic loan receivables: +\$44.5 million¹ (+25% increase on FY2018).
- Further operating expenditure reduction. Target of \$3.7 million (excluding NHF)
- Corporate debt will be reduced as litigation funding cases are finalised.
- 1. Net Receivables is calculated as total gross invoiced amount (or Gross Receivables) less a provision for discounts or doubtful debts.
- 2. JustKapital Finance cash collections only (excludes proceeds from Litigation Funding portfolio)
- 3. Using an AUD/USD of 0.77.





We are one of the market leaders in both Australia and the US. Our services are high margin, acyclical and have limited competition. We have growth opportunities in both jurisdictions

ыl

AUSTRALIA - opportunity

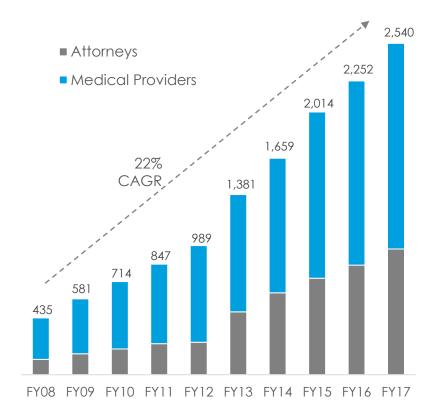
We expect to collect over A\$28m in cash receivables over the next two years from existing accounts. We anticipate steady growth, improving cash generation and there is both the opportunity for transaction derived growth and expansion into ancillary financing services



US - opportunity

We expect to collect over A\$130m in cash receivables over the next four years from existing accounts. In the last five years our network has doubled and we now have access to capital to go after a market that is under-serviced and has the potential for significant growth

NHF Referral Network





What problem are we solving?



THE PROBLEM

In both Australia and the US, before accident victims can receive compensation from a legal claim, they often incur unfunded out-of-pocket expenses



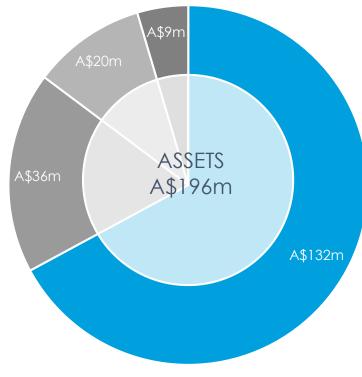
THE SOLUTION - AUSTRALIA

We pay for the independent medical reports and other costs incurred to demonstrate that the accident victim's injuries were sustained during the accident



THE SOLUTION - US

We fund the medical expenses on behalf of the victim that are not covered by their health, accident or other insurance. The medical expenses form part of the victim's litigation claim against the third party insurer



- NHF Net Receivable
- LawFinance Loans & Net Receivables
- Litigation book (expected future realisations)
- Cash



NHF's business model is beneficial to each entity that is party to the claim



Medical providers Benefit

- Allows the physician to focus on patients
- Ensures timely payment to medical providers
- A physician's testimony during legal examination can be called into question
 if payment for services is directly linked to case outcome.



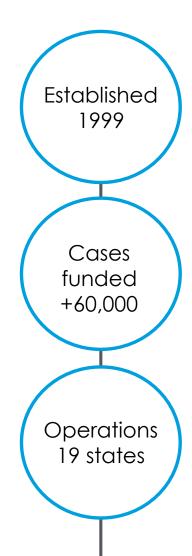
Attorney's Benefit

- Assists attorneys to obtain medical care for clients
- Removes "gap in care" from delayed treatment which can be used to minimise payout of the victim's claim.
- Assists with maximising the victim's claim.
- Strong referral network with medical providers



Patient's Benefit

- Provides the victim with a level of medical care they would likely not otherwise receive.
- Avoids delays is obtaining medical care.
- Provides the victim with the opportunity to achieve improved compensation under their claim.
- NHF enables the patient to access premium care without the need for personal insurance coverage.





The transaction marries NHF's potential with LawFinance's expertise

NHF's potential

- The addressable market for Personal Injury victims is estimated at US\$19.7 billion.
- NHF's underwriting process has been established for over 19 years.
- NHF's origination and risk management systems are well established and efficient.
- Our network wants to do more business.

LawFinance's expertise

- LawFinance has previously demonstrated its ability to rapidly integrate and scale, more than doubling the Net Receivables of its disbursement funding business since acquisition in 2016.
- LawFinance has critical case assessment and management experience to overlay on NHF's existing systems and processes.
- As an ASX listed company LawFinance has more expertise in capital markets.

Working together

- The management teams having been working together for over 12 months.
- We are currently working on implementing a new financial system (NetSuite) to synchronise with LawFinance's.
- LawFinance and NHF are working together with our primary financing facility lender.
- We are investigating the potential of launching our 3D MRI product to Australia.



The scale of the market



ESTIMATED MARKET SHARE: 16%

MARKET POSITION: Top three

GROWTH: Underserviced - addresses US\$20B personal injury claims

market



ESTIMATED MARKET SHARE: 35%

MARKET POSITION: Top two

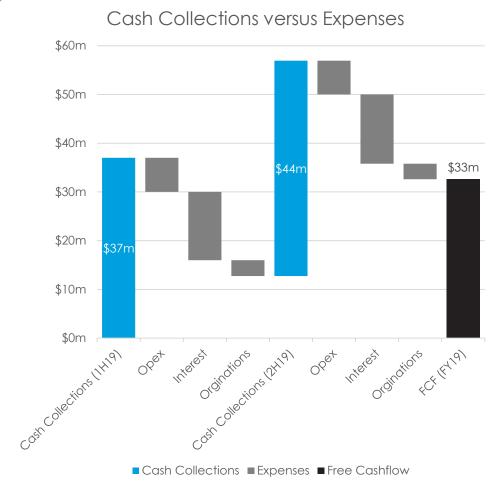
GROWTH: GDP Plus

Net Receivables – this is based on management best estimation of the market size, but due to the lack of transparency or independent analysis this may prove to be inaccurate



Growth and Income

- With A\$189m in assets (Net Receivables and Litigation proceeds) to collect in the coming years (<4 years), we expect to enjoy significant cash inflows for the foreseeable future.
- This is well in excess of our operating costs, interest expenses, and costs to originate new business.
- In the coming years, expected excess cash (~A\$33m in FY19) will be used to repay corporate debts, to pay the amortisation of debt on existing financing facilities, with the balance available to repay the Syndicated Acquisition Loan raised to acquire NHF.
- In the medium term we expect to be highly cash generative.



Excludes cash to be collected from litigation funding portfolio.

Free cashflow before financing facilities – Cash collection less opex, less interest and cash cost of new purchases net of financing, before tax.



Integration plan and milestones

Phase 1: next 6 months

- Financial integration deploy NetSuite across NHF and merge accounts
- Appoint key personnel to provide more managerial support
- Review all existing facility financing arrangements
- (This improve NHF Cash Collections and implement autonomy and automation.)
- Accelerate originations in US and Australia
- Continue rollout of NHF 3D render product
- Change Year-end to December and change to US\$ reporting

Phase 2: 6-12 months

- Complete realisation of Litigation Funding operations
- Improve existing facility financing arrangements
- Reorganise financing to include term debt
- Continue rollout of NHF 3D render product



RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**: "That, for the purpose of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's Annual Financial Report for the financial year ended 30 June 2018."

Note: The vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Exclusion Statement: In accordance with the Corporations Act, LawFinance will disregard any votes cast on Resolution 1 by or on behalf of a member of the KMP, or any of that person's Closely Related Parties (such as close family members and any controlled companies of those persons) (each a **Restricted Voter**). However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy appointed in writing that specifies how the proxy is to vote on Resolution 1; and
- (b) it is not cast on behalf of a Restricted Voter.

If you appoint the person chairing the Meeting (**Chair**) and you are not a Restricted Voter, by submitting the Proxy Form you authorise the Chair to exercise the proxy even though Resolution 1 is connected directly or indirectly with the remuneration of a KMP, and you will be taken to have directed the Chair to vote in accordance with his or her stated intention to vote in favour of Resolution 1. If you do not want your vote exercised in favour of Resolution 1, you should direct the Chair to vote "against", or to abstain from voting on, this Resolution.



RESOLUTION 2 – RE-ELECTION OF MR TIM STOREY AS DIRECTOR

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That Mr Tim Storey, a Director who retires by rotation in accordance with the Company's Constitution and ASX Listing Rule 14.5, and being eligible offers himself for re-election as a Director of the Company, effective immediately."

RESOLUTION 3 – RE-ELECTION OF MR ANTHONY MURPHY AS DIRECTOR

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That Mr Anthony Murphy, a Director appointed as an additional Director and holding office until the next general meeting of the Company after his appointment in accordance with the Company's Constitution and ASX Listing Rule 14.4, be re-elected as a Director of the Company, effective immediately."

RESOLUTION 4 – RE-ELECTION OF MS DIANE JONES AS DIRECTOR

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That Ms Diane Jones, a Director appointed as an additional Director and holding office until the next general meeting of the Company after his appointment in accordance with the Company's Constitution, be re-elected as a Director of the Company, effective immediately."



RESOLUTION 5 – APPROVAL OF ISSUE OF SHARES UPON CONVERSION OF PERFORMANCE RIGHTS TO DIANE JONES.

To consider and, if thought fit, to pass with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rules 10.14 and 10.12 (exception 4) and for all other purposes, the Shareholders of the Company approve the issue of 719,366 Shares (upon the conversion of 719,366 Performance Rights) to Diane Jones (or her nominee) on the terms and conditions set out in the Explanatory Memorandum which accompanies and forms part of this Notice of Meeting."

- Voting Exclusion Statement: The Company will disregard any votes cast in favour of Resolution 5 by or on behalf of:
- a) any Director of the Company who is eligible to participate in the employee incentive scheme in respect of which the approval is sought; or
- b) an Associate of those persons.

However, the Company will not disregard a vote if:

- a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.



RESOLUTION 6 – APPROVAL OF FUTURE ISSUE OF SECURITIES ON THE CONVERSION OF CONVERTIBLE BONDS

To consider and, if thought fit, to pass with or without amendment, the following resolution as an **ordinary resolution**:

"That for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to be authorised to undertake the issue of up to 78,125,000 Shares to various sophisticated and professional investors, on the terms and in the proportions set out in the Explanatory Memorandum."

Voting Exclusion Statement: The Company will disregard any votes cast in favour of Resolution 6 by or on behalf of:

- (a) a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company); and
- (b) an Associate of those persons.

However, the Company will not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Accordingly, the Company will disregard any votes by any investors and their Associates who hold Convertible Bonds.



RESOLUTION 7 – ADOPTION OF NEW CONSTITUTION

To consider and, if thought fit, to pass with or without amendment, the following resolution as a special resolution:

"That, for the purposes of section 136 of the Corporations Act and for all other purposes, the constitution of the Company be repealed and replaced with a constitution in the form of the document tabled at this Meeting and signed by the Chair for the purposes of identification, effective immediately."

