



ASX Announcement (ASX: JKL)

31 December 2018

Re-instatement to the Official List of ASX

The Board of LawFinance Limited (formerly JustKapital Limited) ACN 088 749 008 (**Company**) is delighted to confirm that ASX Limited (**ASX**) has approved the Company's application for re-instatement to the official quotation on ASX.

Capitalised terms which have not been otherwise defined in this document have the meaning given to them in the prospectus dated 12 September 2018 (**Prospectus**).

The Company provides the following information in satisfaction of the conditions in connection with the re-instatement of its securities to the official quotation of 483,635,467¹ ordinary fully paid shares.

1 **Issue of securities:** the Company has completed the issue of the following securities:

- 1.1 24,514,797 fully paid ordinary shares at A\$0.08 per share, issued after the close of the Offer under the Prospectus;
- 1.2 600,000 fully paid ordinary shares at A\$0.08 per share, being the shortfall shares issued under the Prospectus;
- 1.3 100 fully paid ordinary shares at A\$0.08 per share issued under the Cleansing Prospectus;
- 1.4 215,097,403 ordinary shares to David Wattel and Mark Siegel as consideration for the acquisition of their respective interests in NHF;
- 1.5 93,750,000 ordinary shares at \$0.08 per share to institutional investors (**Placement**);
- 1.6 208,500,000 warrants to WHSP, exercisable at \$0.14 on or before the expiry date of 28 September 2022 (**WHSP Warrants**);
- 1.7 121,380,000 warrants to other lenders in respect of a syndicated acquisition facility, exercisable at \$0.14 on or before the expiry date of 28 September 2022 (**New Investor Warrants**);
- 1.8 122,863,636 warrants to David Wattel and Mark Siegel as consideration for the acquisition of their respective interests in NHF, exercisable at \$0.14 on or before the expiry date of 28 September 2022 (**Founder Warrants**);
- 1.9 1,264,569 shares issued following conversion of Performance Rights; and
- 1.10 475,000 shares issued under the Company's Equity Incentive Plan.

¹ This figure includes 1,264,569 shares issued following conversion of Performance Rights and 475,000 shares issued under the Company's Equity Incentive Plan.

- 2 **Statement of commitments:** based on the actual amount of funds raised under the Prospectus, the Company provides the following updated information in relation to the sources and uses of proceeds:
- | | | |
|-----|---------------------------------|---------------|
| 2.1 | Rights Issue | A\$2,009,184 |
| 2.2 | Placement (underwritten) | A\$7,500,000 |
| 2.3 | Vendor loan to Company | A\$17,200,000 |
| 2.4 | Syndicated Acquisition Facility | A\$42,000,000 |

Residual funds raised will be used for the Company's working capital requirements, to support the growth of both the NHF and Company's businesses and also to fund Transaction costs.

The table below details the proposed sources and uses of funds with respect to the Transaction:

Sources (A\$M)		Uses (A\$M)	
Rights Issue*	2.0	34.4	Presidio consideration
Placement**	7.5	1.3	Founder note (tranche 1)***
Syndicated Acquisition Facility	42.0	0.9	3 rd party notes
		4.2	Offer costs
		10.7	Working capital****
Total	51.5	51.5	Total

* Includes additional \$48,000 raised under the Rights Issue Shortfall.

** \$2.34m raised under the Placement was offset against the Lucerne Group loan.

*** First repayment of Founder US\$10m promissory note; the remaining repayments are intended to be paid over the next 18 months.

**** The Working Capital amount was reduced by the \$2.34m offset against the Lucerne Group loan.

Based on the above sources and uses table, the Company raised sufficient funds to cover all the financial requirements at close and still retains sufficient working capital to operate the Merged Entity going forward.

- 3 **Completion of the Transaction:** as announced by the Company on 2 October 2018, all conditions precedent to the Transaction were satisfied or waived, and the Transaction was completed in the US on 28 September 2018 in accordance with the following agreements:
- 3.1 the Management Securities Purchase Agreement entered into between the Company, NHF, David Wattel and Mark Siegel for the purchase by the Company of all common units in NHF held by David Wattel and Mark Siegel; and
- 3.2 the Purchase and Sale Agreement entered into between the Company, Presidio Investors NHF, LP and Presidio Investors NHF 2, LP for the purchase of Presidio's interest in NHF.
- 4 **Voluntary escrow:** the number of securities subject to voluntary escrow and the escrow period applied to those securities is as follows:

Holder of Shares	Number of ordinary shares	Escrow period (expiry date)
David Wattel and Mark Siegel	215,097,403	31 December 2021
LawFinance management pursuant to the Executive Incentive Plan	2,695,729	31 December 2018
Litigation Management Pty Ltd (formerly held by Litman Holdings Pty Ltd)	7,333,333	At the conclusion of the second successful case settlement.
Total ordinary shares subject to voluntary escrow	225,126,465	-

Capital structure: the Company's capital structure is set out in the table below.

<u>LawFinance Share Capital</u>	Pre – Transaction		Post – Transaction	
	No ordinary shares	%	No ordinary shares	%
<u>LawFinance Existing Shares</u>	147,933,598	100%	147,933,598	30.59%
Rights Issue	-	-	24,514,797	5.07%
Rights Issue (shortfall)	-	-	600,000	0.12%
Shares issued under the Cleansing Prospectus			100	0.00%
Placement	-	-	93,750,000	19.38%
Shares issued under Performance Rights	-	-	1,264,569	0.26%
Shares issued under Equity Incentive Plan	-	-	475,000	0.10%
NHF Founders – scrip offer	-	-	215,097,403	44.48%
Total Shares on Issue (Undiluted Basis)*	147,933,598	100.00%	483,635,467	100.00%

*total shares on issue as at 31 December 2018 and does not include the exercise of all unlisted options, WHSP Warrants, New Investor Warrants, Founder Warrants and conversion of the convertible bonds.

<u>LawFinance Securities</u>	Pre – Transaction		Post – Transaction	
	No of Securities	%	No of Securities	%
<u>LawFinance Options</u> (exercisable at \$0.25 on or before 22/01/19)	1,500,000	100%	1,500,000	100%
<u>LawFinance Convertible Bonds</u> (exercisable at \$0.064 on or before 15/01/19)	50,000	100%	50,000	100%

<u>LawFinance Warrants</u>	Pre – Transaction		Post – Transaction	
	No of Warrants	%	No of Warrants	%
Founder Warrants	-	-	122,863,636	27.14%
WHSP Warrants	-	-	208,500,000	62.92%
New Investor Warrants	-	-	121,380,000	9.94%
Total Warrants on Issue	-	-	452,743,636	100.00%

The Company expects to re-commence trading on the morning of Wednesday, 2 January 2019 and have the official name on ASX changed to LawFinance Limited (ASX: LAW) effective 31 December 2018.

Authorised by:

A handwritten signature in black ink, appearing to read 'Diane Jones', enclosed within a hand-drawn oval.

Diane Jones
Chief Executive Officer

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