

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00. Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

LawFinance Limited

ABN

72 088 749 008

Quarter ended ("current quarter")

31 March 2019

Consolidated statement of cash flows	Current quarter \$USD'000	Year to date (3 months) \$USD'000
1. Cash flows from operating activities		
1.1 Receipts from customers	7,175	7,175
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(33)	(33)
(d) leased assets	-	-
(e) staff costs	(1,391)	(1,391)
(f) administration, corporate costs, due diligence and transaction costs	(1,114)	(1,114)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other	-	-
1.9 Net cash from / (used in) operating activities	4,638	4,638

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(110)	(110)
(b) businesses (see item 10)	(493)	(493)
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$USD'000	Year to date (3 months) \$USD'000
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.3	Cash flows - loans (to)/from other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (disbursement funding, medical lien funding and litigation funding costs)	(9,228)	(9,228)
2.6	Net cash from / (used in) investing activities	(9,831)	(9,831)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	12,664	12,664
3.6	Repayment of borrowings	(4,110)	(4,110)
3.7	Interest and fees related to loans and borrowings	(3,020)	(3,020)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	5,534	5,534

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	3,696	3,696
4.2	Net cash from / (used in) operating activities (item 1.9 above)	4,638	4,638
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(9,831)	(9,831)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	5,534	5,534

Consolidated statement of cash flows		Current quarter \$USD'000	Year to date (3 months) \$USD'000
4.5	Effect of movement in exchange rates on cash held	7	7
4.6	Cash and cash equivalents at end of quarter	4,044	4,044

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$USD'000	Previous quarter \$USD'000
5.1	Bank balances	3,931	3,584
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (term deposits for Bank Guarantees)	113	112
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	4,044	3,696

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$USD'000
233
-

The payments above to directors includes payments to companies associated with directors for consulting fees.

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$USD'000
7
-

Amounts paid to Wattel & York – administration and corporate costs – David Wattel (director) of LawFinance Limited is a founding member of Wattel & York – Attorneys at Law.

8. Financing facilities available

Add notes as necessary for an understanding of the position

		Total facility amount at quarter end \$USD'000	Amount drawn at quarter end \$USD'000
8.1	Loan facilities	183,145	136,072
8.2	Credit standby arrangements	-	-
8.3	Other (please specify)	-	-

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

Refer to Attachment 'A' at the end of this Appendix 4C for details of the above financing facilities.

9. Estimated cash outflows next quarter	\$USD'000
9.1 Research and development	-
9.2 Product manufacturing and operating costs	-
9.3 Advertising and marketing	(73)
9.4 Leased assets	-
9.5 Staff costs	(1,508)
9.6 Administration and corporate costs	(629)
9.7 Other* (investment in disbursement funding, medical lien funding and litigation funding, including associated interest expense)	(17,398)
9.8 Total estimated cash outflows	(19,608)

*** These estimated cash investments will be funded utilising the existing facilities available to the Group as detailed in Section 8.1, with US\$47m of current facility headroom.**

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity		
10.2 Place of incorporation or registration		
10.3 Consideration for acquisition or disposal		
10.4 Total net assets		
10.5 Nature of business		

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:
Chief Executive Officer

Date: 30 April 2019

Print name: Diane Jones

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

Total facility amount at quarter end USD\$'000	Amount drawn at quarter end USD\$'000	Date of Repayment	Interest and fees payable (per annum)	Secured (Y/N)	Description of Financing Facility
24,805	20,786	30/09/2020	8.95%	Y	This facility is used to fund the Australian disbursement funding business.
80,000	43,407	25/04/2022	14.25%	Y	This facility is used to fund the US medical lien funding business.
8,583	8,583	31/12/2019	13.50%	N	This facility was used to fund the litigation portfolio. It is expected to be repaid within 12 months.
2,835	2,835	31/12/2020	15.00%	N	This facility has been used to fund working capital.
4,961	-	17/07/2021	N/A	Y	This facility is used to fund certain cases within the litigation portfolio. A portion of the cases funded or 17 July 2021 (whichever is the earliest) with the proceeds of the net profit from the cases funded.
12,988	12,988	28/09/2022	13.00%	N	This vendor loan relates to the purchase of NHF from its founders.
828	828	22/01/2019	7.50%	N	This vendor loan relates to the purchase of the Australian disbursement funding business. The loan is currently being renegotiated, which will extend the repayment date to co-incide with the completion of the business.
29,765	29,765	28/09/2022	13.00%	Y	The facility was used to purchase NHF in September 2018, and for working capital purposes.
5,380	5,380	28/09/2019	15.00%	N	This facility was used to fund working capital of NHF prior to its purchase in September 2018.
9,000	9,000	16/01/2020	0.00%	N	This facility was used to fund working capital of NHF prior to its purchase in September 2018.
1,000	1,000	Repayable on Demand	12.00%	N	This facility was used to fund working capital of NHF prior to its purchase in September 2018.
3,000	1,500	31/12/2020	13.50%	Y	This facility has been used to fund working capital.
\$ 183,145	\$ 136,072				