

Rights issue offer booklet

LawFinance Limited

ACN 088 749 008

A partially underwritten one (1) for one (1) non-renounceable pro rata entitlement offer of Shares in LawFinance Limited at A\$0.064 per Offer Share to raise up to A\$35,952,670 (subject to rounding).

You should read this Booklet in full

This Booklet contains important information. You should read this Booklet in full and seek advice from your stockbroker, accountant or other professional adviser if you have any questions about your investment in the Company or about the impact of the transactions described in this Booklet. If you have any questions in relation to how to participate in the Entitlement Offer after reading this Booklet, please contact the Company's registry, Automic Pty Ltd on 1300 288 664 (callers within Australia) or +61 2 9698 5414 (callers outside Australia).

This Booklet does not provide financial advice and has been prepared without taking into account your particular objectives, financial situation or needs.

This Booklet may not be distributed outside of Australia or New Zealand except in such other countries and to the extent contemplated under this Booklet.

Not for release or distribution in the United States (except by the Company to Approved US Shareholders).

These materials do not constitute an offer of securities for sale in the United States or to, or for the account or benefit of, "U.S. Persons" (as defined in Regulation S under the United States *Securities Act of 1933*, as amended (**Securities Act**)) and may not be sent or disseminated, directly or indirectly, in the United States or to any U.S. Person in any place. The Offer Shares have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and may not be offered, sold or otherwise transferred in the United States or to, or for the benefit of, any U.S. Person except in compliance with the registration requirements of the Securities Act and any other applicable state securities laws or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws.

Legal Adviser

Automic Legal Pty Ltd



Important information

This Booklet has been prepared by LawFinance Limited ACN 088 749 008 (**Company**).

This Booklet is not a prospectus under the *Corporations Act 2001* (Cth) (**Corporations Act**) and has not been lodged with ASIC. This Booklet is dated 20 January 2020 and a copy was lodged with ASX on that date.

This Booklet and the accompanying Entitlement and Acceptance Form relate to a 1 for 1 (1 new Offer Share for every 1 existing Share) partially underwritten, non-renounceable pro rata entitlement offer to subscribe for Offer Shares at the Issue Price as announced by the Company to ASX on 14 January 2020 (**Entitlement Offer**).

On 14 January 2020, the final terms of the Entitlement Offer were announced to ASX. Further detail is contained in that announcement, which is attached at Section C of this Booklet.

The Entitlement Offer is being made pursuant to section 708AA of the Corporations Act (as modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84*) which allows rights issues to be offered without a prospectus, provided certain conditions are satisfied.

No cooling off rights

Cooling off rights do not apply to an investment in Offer Shares. You cannot, in most circumstances, withdraw your Application once it has been accepted. Further, Entitlements cannot be traded on the ASX or any other exchange, nor can they be privately transferred.

No Entitlements trading

The Entitlements are non-renounceable and cannot be traded on ASX or any other exchange, nor can they be privately transferred.

Not financial product advice

The information contained in this Booklet is not financial product advice, does not purport to contain all the information that you may require in evaluating a possible acquisition of Offer Shares in the Company and has been prepared without taking into account the investment objectives, financial situation or needs of you or any particular investor.

You should conduct your own independent review, investigation and analysis of the Company and the Offer Shares which are the subject of the Entitlement Offer. You should obtain any professional advice you require to evaluate the merits and risks of an investment in the Company before making any investment decision based on your investment objectives.

Risks

Please refer to Section E of this Booklet, which includes a non-exhaustive summary of the risk factors associated with an investment in the Company.

Foreign jurisdictions

This Booklet is being sent to all Shareholders on the share register as at 7.00 p.m. (AEDT) on 17 January 2020 (**Record Date**) with a registered address in Australia or New Zealand (**Eligible Shareholders**).

The Entitlement Offer does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer and no action has been taken to register the Offer Shares or otherwise permit a public offering of the Offer Shares in any jurisdiction other than Australia and New Zealand. Return of the Entitlement and Acceptance Form shall be taken by the Company to constitute a representation by you that there has been no breach of any such laws. Eligible Shareholders who are nominees, trustees or custodians are therefore advised to seek

independent advice as to how to proceed. The distribution of this document outside Australia or New Zealand may be restricted by law.

United States

This Booklet must not be taken into, distributed or released in the United States or distributed to any U.S. Person or to any person acting for the account or benefit of a U.S. Person. Persons who come into possession of this Booklet should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

The information in this Booklet does not constitute an offer to sell, or the solicitation of an offer to buy, any Offer Shares in the United States or to any U.S. Person. Offer Shares may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. The Offer Shares to be offered and sold in the Entitlement Offer have not been and will not be registered under the Securities Act or under the securities laws of any state or other jurisdiction of the United States. Accordingly, the Offer Shares in this Entitlement Offer may only be offered and sold outside the United States, to persons that are not U.S. Persons or acting for the account or benefit of U.S. Persons.

New Zealand

This Booklet has not been registered, filed with or approved by any New Zealand regulatory authority under the *Financial Markets Conduct Act 2013* (New Zealand). This Booklet is not an investment statement, prospectus or product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that an investment statement, prospectus or product disclosure statement under New Zealand law is required to contain.

The Offer Shares are not being offered or sold to the public in New Zealand other than to existing Shareholders of the Company with registered addresses in New Zealand, to whom the offer of Offer Shares is being made in reliance on the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2016* (New Zealand).

Other jurisdictions

The Offer Shares may not be offered or sold in any jurisdiction except to persons to whom such offer or sale is permitted under applicable law.

Nominees

Nominees and custodians may not distribute this Booklet or any other materials related to the Entitlement Offer, and may not permit any beneficial shareholder to participate in the Entitlement Offer, in any country outside Australia or New Zealand except, with the consent of the Company, to beneficial shareholders resident in certain other countries where the Company may determine it is lawful and practical to make the Entitlement Offer.

Governing law

This Booklet, the Entitlement Offer and the contracts formed on receipt of your Application are governed by the law applicable in New South Wales. Each Shareholder who applies for Offer Shares submits to the non-exclusive jurisdiction of the courts of New South Wales.

Future performance

This Booklet may contain certain forward-looking statements. The words "anticipate", "believe", "expect", "project", "forecast", "estimate", "likely", "intend", "should", "could", "may", "target", "objective", "plan" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Due care and attention has been used in the preparation of forecast information. Such forward-looking statements are not guarantees of future performance

and involve known and unknown risks, uncertainties and other factors (many of which are beyond the control of the Company) that may cause actual results to differ materially from those expressed or implied in such statements. There can be no assurance that actual outcomes will not differ materially from these statements. You should also have regard to the "Risk Factors" in Section E of this Booklet.

Past performance

Past performance information given in this Booklet is provided for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance.

Underwriter

Lucerne Australia Pty Ltd (**Underwriter**) has partially underwritten the Entitlement Offer for A\$20 million. The Underwriter has appointed sub-underwriters such that its relevant interest will not trigger the provisions of Chapter 6 of the Corporations Act. Therefore, pursuant to the agreements in place and structure of the Offer, the Company is of the view that no Eligible Shareholder, Underwriter or sub-underwriter will individually obtain or exceed voting power of more than 19.9% as a result of the Entitlement Offer.

The terms of the underwriting agreement are described in Section F of this Booklet. Neither the Underwriter, any sub-underwriter nor any of their affiliates, related bodies corporate (as defined in the Corporations Act), nor their respective directors, employees, officers, representatives, agents, partners, consultants and advisers (together the **Underwriter Parties**), have authorised, permitted, approved or verified any forward looking statements or caused the issue or lodgement, submission, dispatch or provision of this Booklet (or any other materials released by the Company) and none of them makes or purports to make any statement in this Booklet and there is no statement in this Booklet which is based on any statement by any of them.

To the maximum extent permitted by law, the Underwriter and Underwriter Parties expressly disclaim all liabilities (including, without limitation, any liability arising from fault or negligence on the part of any person) and any direct, indirect, consequential or contingent loss or damage whatsoever arising from, make no representations regarding, and take no responsibility for, any part of this Booklet and make no representation or warranty as to the currency, accuracy, reliability or completeness of this Booklet.

Financial data

All dollar values are in United States dollars (US\$) except where otherwise indicated.

Disclaimer of representatives

No person is authorised to give any information, or to make any representation, in connection with the Entitlement Offer that is not contained in this Booklet.

Any information or representation that is not in this Booklet may not be relied on as having been authorised by the Company or its related bodies corporate in connection with the Entitlement Offer. Except as required by law, and only to the extent so required, none of the Company, or any other person, warrants or guarantees the future performance of the Company or any return on any investment made pursuant to this Booklet.

Taxation

There will be tax implications associated with participating in the Entitlement Offer and receiving Offer Shares. This Booklet does not contain or constitute tax advice and does not take account of the individual circumstances of particular Eligible Shareholders. The Company recommends that you consult your professional tax adviser in connection with the Entitlement Offer.

Privacy

The Company collects information about each applicant provided on an Entitlement and Acceptance Form for the purposes of processing the Application and, if the Application is successful, to administer the applicant's shareholding in the Company.

By submitting an Entitlement and Acceptance Form, you will be providing personal information to the Company (directly or through the Registry). The Company collects, holds and will use that information to assess your Application. The Company collects your personal information to process and administer your shareholding in the Company and to provide related services to you. The Company may disclose your personal information for purposes related to your shareholding in the Company, including to the Registry, the Company's related bodies corporate, agents, contractors and third-party service providers, including mailing houses and professional advisers, and to ASX and regulatory bodies. You can obtain access to personal information that the Company holds about you. To make a request for access to your personal information held by (or on behalf of) the Company, please contact the Company through the Registry.

Trading Offer Shares

The Company will have no responsibility and disclaims all liability (to the maximum extent permitted by law) to persons who trade Offer Shares they believe will be issued to them before they receive their holding statements, whether on the basis of confirmation of the allocation provided by the Company or the Registry or otherwise, or who otherwise trade or purport to trade, Offer Shares in error or which they do not hold or are not entitled to.

Defined terms

Capitalised terms used in this Booklet have the meaning given to those terms in the glossary in Section G of this Booklet.

Letter from the Chair of the Board

20 January 2020

Dear Shareholder

On behalf of the Directors, I am pleased to offer you the opportunity to participate in a 1 for 1 (1 new Offer Share for every 1 existing Share) partially underwritten, non-renounceable pro rata entitlement offer to subscribe for Offer Shares at the Issue Price as announced by the Company to ASX on 14 January 2020 to raise up to approximately A\$36 million (subject to rounding and before costs) (**Entitlement Offer**).

Offer details

Under the Entitlement Offer, Eligible Shareholders are being offered the opportunity to subscribe for 1 Offer Share for every 1 existing Share held on the Record Date of 7.00 p.m. (AEDT), 17 January 2020 at the Issue Price of A\$0.064 per Offer Share.

The Entitlement Offer includes a shortfall facility under which Eligible Shareholders who take up their full Entitlement will be invited to apply for additional Offer Shares in the Entitlement Offer from a pool of those Entitlements not taken up by other Shareholders of the Company (**Shortfall Facility**). There is no guarantee that Applicants under this Shortfall Facility will receive all or any of the additional Offer Shares that they applied for under the Shortfall Facility. The Board of the Company reserves its right to alter the allocation policy and to allocate and issue additional Offer Shares under the Shortfall Facility at their discretion.

Participation in the Entitlement Offer is optional and open to Eligible Shareholders, being holders of fully paid ordinary shares in the Company on the Record Date of 7.00 p.m. (AEDT), 17 January 2020 whose address on the share register is in Australia or New Zealand. As the Entitlement Offer is non-renounceable, your right to participate in the Entitlement Offer is not transferable. You may not trade your Entitlement on ASX or transfer it to another person.

Eligible Shareholders who do not take up their Entitlement will not receive any value for their Entitlement and their proportionate economic interest in the Company will be diluted. All Offer Shares will rank equally with existing Shares in the Company.

The terms and conditions of the Entitlement Offer and your personalised Entitlement and Acceptance Form are provided in this Booklet. I urge you to read these materials in their entirety and seek your own financial, taxation and other professional advice in relation to the Entitlement Offer, before you decide whether or not to participate. The Entitlement Offer opens on 20 January 2020 and is expected to close at 5.00 pm (AEDT) on 14 February 2020.

The proceeds of approximately A\$36 million (subject to rounding and before costs) from the Entitlement Offer will be used by the Company as follows:

- to repay existing debt of at least A\$12.5 million;
- to provide working capital for new funding; and
- to pay the costs of the Entitlement Offer.

The Entitlement Offer will reduce the Company's debt and improve its balance sheet.

Strategic Capital Raising

The Entitlement Offer forms part of a series of transactions to enhance the Company's balance sheet, reduce costs and to fund the growth in its U.S. medical lien funding business, National Health Finance (NHF). As announced on 24 December 2019, the Company undertook a A\$5 million equity placement with existing and new sophisticated investors at an issue price of A\$0.064 (**Placement**). Pursuant to the Placement, 78,125,000 new fully paid ordinary shares were issued by the Company on 2 January 2020. Funds raised by the Placement have been and will be used for working capital purposes.

In addition to the Entitlement Offer and Placement, the Company announced on 24 December 2019 that it would undertake, subject to obtaining shareholder approval, the following transactions to convert debt into debt and equity instruments:

- US\$3.4 million – existing convertible bonds – to be converted to equity at A\$0.064 per share;
- US\$17.3 million – existing subordinated debt – convert to a new capitalising converting note with a A\$0.10 per share conversion option and a 6% capitalised coupon; and
- US\$22.1 million – existing NHF Vendor loans converting to options, as follows:

No of Options	Exercise Price	Expiry Date
24,000,000	A\$0.25	28 September 2021
22,500,000	A\$0.40	28 September 2022
25,000,000	A\$0.60	28 September 2023

Any outstanding interest on the above facilities will be converted on the same terms.

Underwriting arrangements

The Entitlement Offer is partially underwritten for A\$20 million by Lucerne Australia Pty Ltd (**Underwriter**). The Underwriter has appointed sub-underwriters such that its relevant interest will not trigger the provisions of Chapter 6 of the Corporations Act. Therefore, pursuant to the agreements in place and structure of the Offer, the Company is of the view that no Eligible Shareholder, Underwriter or sub-underwriter will individually obtain or exceed voting power of more than 19.9% as a result of the Entitlement Offer. The terms of the underwriting agreement are described in Section F of this Booklet.

If you have any questions in relation to how to participate in the Entitlement Offer, please contact the Registry on 1300 288 664 (callers within Australia) or +61 2 9698 5414 (callers outside Australia) or consult your financial or other professional adviser.

On behalf of the Directors, I invite you to consider participating in the Entitlement Offer and look forward to your ongoing support of the Company.

Yours sincerely,



Mr Tim Storey
Chair of the Board
LawFinance Limited

A. Key dates for the Entitlement Offer*

Event	Date*
Announcement of Entitlement Offer	Tuesday, 14 January 2020
Ex-date for Entitlement Offer	Thursday, 16 January 2020
Record Date	7.00 p.m. (AEDT), Friday, 17 January 2020
Entitlement Offer opens Dispatch of Booklet and Entitlement and Acceptance Form	Monday, 20 January 2020
Entitlement Offer closes (Closing Date)	5.00 p.m. (AEDT), Friday, 14 February 2020
Shares quoted on a deferred settlement basis	Monday, 17 February 2020
Announcement of results of the Entitlement Offer	Wednesday, 19 February 2020
Issue and allotment of Offer Shares under the Entitlement Offer	Friday, 21 February 2020
Dispatch of holding statements	Friday, 21 February 2020
Commencement of trading of new Offer Shares	Monday, 24 February 2020

****The above timetable is indicative only and subject to change. The quotation of Shares is subject to ASX approval. Subject to approval of the Underwriter, the ASX Listing Rules and the Corporations Act and other applicable laws, the Company reserves the right to vary these dates, including the Closing Date, without notice, including extending the period of the Entitlement Offer or accepting late applications, either generally or in particular cases or bringing forward the Closing Date at its discretion. Any extension of the Entitlement Offer will have a consequential effect on the issue date of the Shares. All dates and times in the timetable above are in Sydney, Australia time.***

B. How to apply

1 Please read the whole of this Booklet

The Entitlement Offer is being made pursuant to section 708AA of the Corporations Act (as modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84*) which allows rights issues to be offered without a disclosure document or prospectus, provided certain conditions are satisfied.

As a result, it is important for Shareholders to read and understand the publicly available information on the Company and the Entitlement Offer prior to accepting their Entitlement. In particular, in considering whether or not to accept their Entitlements, Shareholders should refer to the attached materials, plus the Company's other periodic and continuous disclosure announcements available at www.asx.com.au.

2 Consider the Entitlement Offer in light of your particular investment objectives and circumstances

Please consult with your stockbroker, accountant or other independent financial adviser if you have any queries or are uncertain about any aspect of the Entitlement Offer. In particular, please refer to the risk factors in Section E of this Booklet which describe some of the key risks in relation to an investment in the Company.

3 Who is eligible to participate?

The Entitlement Offer is being extended to Eligible Shareholders who are Shareholders that meet all of the following criteria:

- (a) they were registered as a holder of Shares on the Record Date;
- (b) they have a registered address in Australia or New Zealand;
- (c) they are not in the United States or a U.S. Person or acting for the account or benefit of such persons; and
- (d) they are eligible under all applicable securities laws to receive an offer under the Entitlement Offer.

The Entitlement Offer is not being extended to any Shareholder with a registered address outside Australia or New Zealand. By returning a completed Entitlement and Acceptance Form, making a payment in accordance with the instructions in the Entitlement and Acceptance Form, you will be taken to have represented and warranted that you satisfy each of the above criteria.

Eligible Shareholders who hold Shares in the capacity of trustee, nominee or custodian (or in any other capacity) for a person that would not satisfy the criteria of an Eligible Shareholder cannot take up Entitlements on behalf of that person.

Shareholders should note that the Company is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of Shares. Where any holder is acting as a nominee for a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Entitlement Offer is compatible with applicable foreign laws. Nominees may not distribute this Booklet, the Entitlement and Acceptance Form, or any other material relating to the Entitlement Offer to anyone in the United States, anyone acting for the account or benefit of a person in the United States, or in any other jurisdiction in which it would be unlawful. Any failure to adhere to these restrictions may result in violation of applicable securities laws.

The Company reserves the right to reject any Application that it believes comes from a person who is not an Eligible Shareholder.

4 Ineligible Shareholders

Having regard to the number of such Shareholders, their holdings, the compliance costs required to extend the Entitlement to those Shareholders and representations received from certain Shareholders (that hold the majority of the shares of Ineligible Shareholders), the Company has determined that it is unreasonable to extend the Entitlement Offer to Shareholders of the Company who as of the Record Date are not an Eligible Shareholder (**Ineligible Shareholder**).

The shareholdings of Ineligible Shareholders will be diluted as a result of the Entitlement Offer.

5 Your options

Eligible Shareholders may take the following actions:

- (a) take up all of their Entitlement;
- (b) take up a proportion of their Entitlement;
- (c) allow all or part of their Entitlement to lapse; or
- (d) take up all of their Entitlement and apply for Additional Shares under the Shortfall Facility.

As your Entitlement is non-renounceable, you will not be able to trade your Entitlement on ASX or otherwise dispose of your Entitlement to any other party.

Shareholders who do not take up their Entitlements in full will not receive any payment or value from the Company for those Entitlements they do not take up. Shareholders who do not take up their Entitlements in full will have their percentage interest in the Company reduced.

Fractions arising in the calculation of Entitlements have been rounded down to the next whole number of Offer Shares.

6 Complete the accompanying Entitlement and Acceptance Form or pay by BPAY®

If you decide to participate in the Entitlement Offer, you may do so by completing and returning the Entitlement and Acceptance Form and attaching or making payment by following the instructions set out on the Entitlement and Acceptance Form (which includes by BPAY®).

If you take no action you will not be allocated any Offer Shares.

7 Acceptance of the Entitlement Offer and payment

You may take up all or part of your Entitlement by completing the Entitlement and Acceptance Form and attaching or making payment by following the instructions set out on the Entitlement and Acceptance Form.

Your completed Entitlement and Acceptance Form must be accompanied by one of the payment methods described on that Acceptance Form. If paying by cheque it must be in Australian currency for the amount of your Application monies, payable to "LawFinance Limited" and crossed "Not Negotiable". Details for BPAY® or electronic funds transfer are below.

You should ensure that sufficient funds are held in relevant account(s) to cover the Application monies. If the amount of your cheque for Application monies (or the amount for

which the cheque clears in time for allocation) is insufficient to pay in full for the number of Offer Shares you have applied for in your Entitlement and Acceptance Form, you will be taken to have applied for such lower number of whole Offer Shares as your cleared Application monies will pay for (and to have specified that number of Offer Shares on your Entitlement and Acceptance Form).

If your payment is being made by BPAY® or via electronic funds transfer:

- (a) you do not need to submit the personalised Entitlement and Acceptance Form but are taken to make each of the statements and representations in that form;
- (b) if you subscribe for less than your Entitlement or do not pay for your full Entitlement, you are taken to have accepted your Entitlement in respect of such whole number of Offer Shares which is covered in full by your Application monies; and
- (c) it is your responsibility to ensure that your payment is received by the Registry by no later than the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment, and you should therefore take this into consideration when making payment.

Any payment received for more than your final allocation of Offer Shares will be refunded after the Offer Shares are issued. No interest will be paid to Applicants on any payment received or refunded.

8 Shortfall Facility

Eligible Shareholders, other than Directors and related parties of the Company, may, in addition to taking up their Entitlements in full, apply for Additional Shares in excess of their Entitlements. Additional Shares will only be available where there is a shortfall between Applications received from Eligible Shareholders and the number of Offer Shares proposed to be issued under the Entitlement Offer. Additional Shares will be issued at the same Issue Price as the Offer Shares (A\$0.064). However, there is no guarantee that Eligible Shareholders who apply for Additional Shares under this Shortfall Facility will receive all or any of the Additional Shares.

The Directors reserve their right to alter the allocation policy and to allocate and issue Additional Shares under the Shortfall Facility at their discretion. Subject to any changes at the Directors' discretion, the allocation policy for Additional Shares subscribed for pursuant to the Shortfall Facility will be as follows:

- (a) Eligible Shareholders who have applied for Additional Shares through the Shortfall Facility will receive the Additional Shares they have applied for unless there is an oversubscription for Additional Shares through the Shortfall Facility, in which case Eligible Shareholders will receive Additional Shares on a pro rata basis having regard to their holdings as at the Record Date;
- (b) if any shortfall remains after the allocation to the Eligible Shareholders as provided above, up to A\$20 million of the resulting shortfall will be acquired by the Underwriter and sub-underwriters, subject to the terms and conditions of the underwriting agreement (as summarised in Section F of this Booklet); and
- (c) if any shortfall remains, the resulting shortfall may be allotted at the discretion of the Board within 3 months of the Closing Date pursuant to ASX Listing Rule 7.2 (exception 3). In exercising this discretion, the Board will take into consideration a number of factors including the possible dilution to existing shareholders, the financial needs of the Company, the issue price (which will be no less than A\$0.064) and the proposed use of funds.

Eligible Shareholders who apply for Additional Shares may be allocated a lesser number of Additional Shares than applied for, or may be allocated no Additional Shares at all, in which case excess Application monies will be refunded without interest.

The Entitlement Offer is partially underwritten for A\$20 million by the Underwriter. In relation to this amount, the Underwriter has appointed sub-underwriters.

Refund amounts in excess of \$1.00, if any, will be paid in Australian dollars. You will be paid by cheque sent by ordinary post to your address as recorded on the share register (the registered address of the first-named in the case of joint holders). Alternatively, you will be paid by direct deposit where the Registry holds bank account details in respect of your shareholding.

The Directors reserve their right to alter the allocation policy and to allocate and issue Additional Shares under the Shortfall Facility at their discretion.

If you wish to subscribe for Additional Shares in addition to your Entitlement, then you should nominate the maximum number of Additional Shares you wish to subscribe for on the Entitlement and Acceptance Form and make payment for your full Entitlement plus the Additional Shares (at A\$0.064 per Offer Share).

If your payment is being made by BPAY® or via electronic funds transfer:

- (a) you do not need to submit the personalised Entitlement and Acceptance Form but are taken to make each of the statements and representations in that form; and
- (b) if your payment exceeds the amount payable for your full Entitlement, you are taken to have accepted your Entitlement in full and to have applied for such number of Additional Shares which is covered in full by your Application monies.

If you apply for Additional Shares under the Shortfall Facility and your Application is successful (in whole or in part) your Additional Shares will be issued at the same time as other Offer Shares are issued under the Entitlement Offer.

In addition, no Shares under the Entitlement Offer will be issued to any Eligible Shareholder, sub-underwriter or the Underwriter if, in the view of the Directors, to do so would result in a breach of the ASX Listing Rules, the Corporations Act or any other applicable law.

9 Mail or deliver

It is important to note that the Entitlement Offer is scheduled to close at 5.00 pm (Sydney time) on 14 February 2020. To participate in the Entitlement Offer, your payment must be received no later than this date. Your completed Entitlement and Acceptance Form, together with Application monies, should be delivered as follows:

Mailing address:
LawFinance Limited
C/- Automic Group
GPO Box 5193
Sydney NSW 2001

Hand delivery address: **(Please do not use this address for mailing purposes)**
LawFinance Limited
C/- Automic Group
Level 5
126 Phillip Street
Sydney NSW 2000

If your payment is being made by BPAY® or electronic funds transfer, you do not need to mail or deliver the personalised Entitlement and Acceptance Form.

10 If you wish to do nothing and allow your Entitlements to lapse

If you do not wish to take up your Entitlement, you can simply do nothing.

If you have not completed your personalised Entitlement and Acceptance Form and it has not been received by the Registry at the address above by the Closing Date (or alternatively have not made a payment through BPAY® or by electronic funds transfer before that time), then your Entitlement will lapse.

11 Entitlement and Acceptance Form

A payment made through BPAY® or electronic funds transfer or a completed and lodged Entitlement and Acceptance Form together with the payment of requisite Application monies constitutes a binding offer to acquire Offer Shares on the terms and conditions set out in this Booklet and, once lodged or paid, cannot be withdrawn. If the Entitlement and Acceptance Form is not completed correctly, it may still be treated as a valid Application for Offer Shares. The Company's decision whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form, is final and binding.

By making a payment by BPAY® or electronic funds transfer, or by completing and returning your personalised Entitlement and Acceptance Form with the requisite Application monies, you will also be deemed to have given the following acknowledgements, representations and warranties on behalf of each person on whose account you are acting:

- (a) you acknowledge that you have read and understood this Booklet and your personalised Entitlement and Acceptance Form in their entirety;
- (b) you agree to be bound by the terms of the Entitlement Offer, the provisions of this Booklet and the Company's Constitution;
- (c) you authorise the Company to register you as the holder(s) of Offer Shares allotted (and any Additional Shares, where applicable) to you;
- (d) you declare that all details and statements in the personalised Entitlement and Acceptance Form are complete and accurate;
- (e) you declare you are over 18 years of age and have full legal capacity and power to perform all of your rights and obligations under the personalised Entitlement and Acceptance Form;
- (f) you acknowledge that once the Company receives your personalised Entitlement and Acceptance Form or any payment of Application monies via BPAY® or electronic funds transfer, you may not withdraw your Application or funds provided except as allowed by law;
- (g) you agree to apply for and be issued up to the number of Offer Shares specified in the personalised Entitlement and Acceptance Form (including any Additional Shares where applicable), or for which you have submitted payment of any Application monies via BPAY® or electronic funds transfer, at the Issue Price per Offer Share;
- (h) you authorise the Company, the Registry and their respective officers or agents to do anything on your behalf necessary for Offer Shares (and any Additional Shares, where applicable) to be issued to you, including to act on instructions of the Registry upon using the contact details set out in your personalised Entitlement and Acceptance Form;

- (i) you declare that you were the registered holder(s) at the Record Date of the Shares indicated on the personalised Entitlement and Acceptance Form as being held by you on the Record Date;
- (j) you acknowledge that the information contained in this Booklet and your personalised Entitlement and Acceptance Form is not investment advice nor a recommendation that Offer Shares (and any Additional Shares, where applicable) are suitable for you given your investment objectives, financial situation or particular needs;
- (k) you acknowledge that this Booklet is not a prospectus, does not contain all of the information that you may require in order to assess an investment in the Company and is given in the context of the Company's past and ongoing continuous disclosure announcements to ASX;
- (l) you acknowledge the statement of risks in the "Risk Factors" in Section E of this Booklet and that investments in the Company are subject to risk;
- (m) you acknowledge that none of the Company, its related bodies corporate, affiliates and directors, or their respective officers, partners, employees, representatives, agents, consultants or advisers, guarantees the performance of the Company, nor do they guarantee the repayment of capital;
- (n) you agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Entitlement Offer and of your holding of Shares on the Record Date;
- (o) you authorise the Company to correct any errors in your personalised Entitlement and Acceptance Form or other form provided by you;
- (p) you represent and warrant that the law of any place does not prohibit you from being given this Booklet and the personalised Entitlement and Acceptance Form, nor does it prohibit you from making an Application for Offer Shares (or where applicable, Additional Shares) and that you are otherwise eligible to participate in the Entitlement Offer;
- (q) you are an Eligible Shareholder and are not in the United States and are not a person (including nominees or custodians) acting for the account or benefit of a person in the United States and are not otherwise a person to whom it would be illegal to make an offer or issue Offer Shares under the Entitlement Offer;
- (r) you acknowledge that the Offer Shares have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold in the United States except in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and applicable US state securities laws;
- (s) you have not and will not send any materials relating to the Entitlement Offer to any person in the United States or to any person (including nominees or custodians) acting for the account or benefit of a person in the United States; and
- (t) you agree that if in the future you decide to sell or otherwise transfer the Offer Shares, you will only do so in transactions where neither you nor any person acting on your behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person in the United States or who is acting for the account or benefit of a person in the United States.

12 Brokerage and stamp duty

No brokerage fee is payable by Eligible Shareholders who accept their Entitlement. No stamp duty is payable for subscribing for Offer Shares under the Entitlement Offer or for Additional Shares under the Shortfall Facility.

13 When will I receive my Offer Shares?

It is currently expected that the Offer Shares will be issued, and that confirmation of the issue of the Offer Shares will be dispatched, on or around 21 February 2020.

It is the responsibility of each Eligible Shareholder applying for Offer Shares to confirm their holding before trading in those Offer Shares (and any Additional Shares, where applicable) on a deferred settlement basis. Any person who sells Offer Shares before receiving confirmation of their holding in the form of their confirmation statement will do so at their own risk. The Company and the Registry disclaim all liability, whether in negligence or otherwise, to any person who trades in Offer Shares before receiving their confirmation statement, whether on the basis of a confirmation of allocation provided by the Company, the Registry, a broker or otherwise.

14 Enquiries

If you have any questions about whether to accept the Entitlement Offer, please consult your financial adviser, accountant or other professional adviser.

If you have any questions in relation to how to participate in the Entitlement Offer, please contact the Registry on 1300 288 664 (callers within Australia) or +61 (0) 2 9698 5414 (callers outside Australia) or consult your financial or other professional adviser.

C. Announcement



ASX Announcement (ASX:LAW)

14 January 2020

Partially Underwritten Non-Renounceable Rights Issue

The Board of LawFinance Limited (**Company**) is pleased to formally announce and launch a partially underwritten 1 for 1 (1 new share for every 1 existing share) non-renounceable pro rata entitlement offer (**Entitlement Offer**) to raise up to A\$35,952,670 (before costs and subject to rounding) via the issue of up to 561,760,467 fully paid ordinary shares (subject to rounding) (**Shares**) at an issue price of A\$0.064 per Share, as announced on 24 December 2019.

The Entitlement Offer forms part of the broader strategic capital raising announced earlier on 24 December 2019.

Eligible shareholders of the Company will only be those who are shareholders of the Company on the share register as at 7.00 pm (AEDT) on Friday, 17 January 2020 (**Record Date**) with a registered address in Australia or New Zealand (**Eligible Shareholders**).

The Entitlement Offer will be partially underwritten for A\$20 million by Lucerne Australia Pty Ltd (**Underwriter**). The Underwriter has appointed sub-underwriters such that its relevant interest will not trigger the provisions of Chapter 6 of the Corporations Act. Therefore, pursuant to the agreements in place and structure of the Offer, the Company is of the view that no Eligible Shareholder, Underwriter or sub-underwriter will individually obtain or exceed voting power of more than 19.9% as a result of the Entitlement Offer.

All Shares issued under the Entitlement Offer will rank equally with existing fully paid ordinary shares in the Company as of the date of this announcement.

The proceeds from the Entitlement Offer will be used by the Company for the following purposes:

- reduce existing debt of at least A\$12.5 million;
- provide capital for new funding; and
- pay the costs of the Entitlement Offer.

The Entitlement Offer will reduce the Company's debt and improve its balance sheet.

The Entitlement Offer is non-renounceable and the rights will not be able to be traded on the ASX and will not be transferable.

Eligible Shareholders wishing to participate in the Entitlement Offer should carefully read the Offer Booklet and accompanying personalised Entitlement and Acceptance Form which are expected to be dispatched on or around Monday, 20 January 2020. A copy of the Offer Booklet will be announced on the ASX and available on the Company's website.

The Entitlement Offer will include a shortfall facility under which Eligible Shareholders who take up their full Entitlement will be invited to apply for additional Shares in the Entitlement Offer from a pool of those Entitlements not taken up by other Shareholders (**Shortfall Facility**). There is no guarantee that applicants under this Shortfall Facility will receive all or any of the additional Shares

applied for under the Shortfall Facility, and sole discretion with respect to allocation remains with the Board.

Update on strategic capital raising

As advised in the Company's announcement on 24 December 2019, an EGM will be called to seek shareholder approval to convert existing debt into debt and equity instruments. At this stage the Company anticipates that the EGM will be held in February/March 2020.

Key Dates of the Entitlement Offer

Event	Date*
Announcement of Entitlement Offer	Tuesday, 14 January 2020
Ex-date for Entitlement Offer	Thursday, 16 January 2020
Record Date	7.00 pm (AEDT), Friday, 17 January 2020
Entitlement Offer opens Dispatch of Booklet and Entitlement and Acceptance Form	Monday, 20 January 2020
Entitlement Offer closes (Closing Date)	5.00 pm (AEDT), Friday, 14 February 2020
Shares quoted on a deferred settlement basis	Monday, 17 February 2020
Announcement of results of the Entitlement Offer	Wednesday, 19 February 2020
Issue and allotment of Offer Shares under the Entitlement Offer	Friday, 21 February 2020
Dispatch of holding statements	Friday, 21 February 2020
Commencement of trading of new Offer Shares	Monday, 24 February 2020

**The above timetable is indicative only and subject to change. The quotation of Shares is subject to ASX approval. Subject to approval of the Underwriter, the ASX Listing Rules and the Corporations Act and other applicable laws, the Company reserves the right to vary these dates, including the Closing Date, without notice, including extending the period of the Entitlement Offer or accepting late applications, either generally or in particular cases or bringing forward the Closing Date at its discretion. Any extension of the Entitlement Offer will have a consequential effect on the issue date of the Shares. All dates and times in the timetable above are in Sydney, Australia time.*

Authorised by:



Diane Jones
Chief Executive Officer

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LawFinance Limited
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D. Investor Presentation



Investor Presentation

Equity Capital Raising
December 2019

Executive Summary

- The Company is undertaking a capital reorganisation to simplify and grow the balance sheet, in order to facilitate growth for its US subsidiary National Health Finance (NHF).
- Since the acquisition of NHF in September 2018, LAW management has been focused on corporatising the business, investing in people and processes, and identifying the most attractive areas for expansion. Management has a strong track record, having achieved the same outcome with the Australian business.
- Company growth has been constrained by a stretched balance sheet and the reorganisation will resolve this and provide funding to execute the US expansion plans.
- NHF's receivables command an unlevered return on assets of 23%.
- Indications from the last 12 months are that under the stewardship of the LAW management team, returns are improving considerably.
- The Company has successfully raised US\$3.4m (A\$5.0m) through a Placement to existing and new institutional investors and is raising up to an additional US\$24.4m (A\$36.0m) via a 1 for 1 Entitlement Offer.
- Both the Placement and Entitlement Offer are being made at A\$0.064 per share
- The Entitlement Issue has been partially underwritten by Lucerne Australia Pty Ltd ("Lucerne") for US\$13.6m (A\$20.0m), which will be the "Minimum Raising" under this Offer.
- Proceeds will be used to repay US\$8.5m (A\$12.5m) of subordinated debt, with the balance applied to loan book growth and working capital.
- In addition, other debts within the business totalling US\$25.6m (A\$37.7m) will be converted into equity and out of the money options, with a further US\$17.3m (A\$25.5m) of subordinated debt being restructured into a Capitalising Converting Note.
- This will significantly expand the equity base of the Company and result in a US\$5.4m (A\$8.0m) saving in the annual cash interest expense.

FX: AUDUSD: 0.68



Company Snapshot (LAW.ASX)

Capital structure (post Minimum Raising)

Share Price (20/12/2019)	\$0.072
Fully paid ordinary shares	874.3m
Warrants	452.7m
Market Capitalisation (at last traded price)	A\$62.9m
Cash (proforma)	A\$13.5m
Drawn Debt (proforma)	A\$184.0m
Enterprise Value (proforma)	A\$233.4m

Asset Backing by Division

	Asset value
National Health Finance (USA) - Medical Lien Funding	US\$85.0m
JustKapital Finance (Australia) – Disbursement Funding	US\$29.0m
Litigation Funding - Lawsuit Financing (in run-off)	US\$14.0m
Total Group	US\$128.0m
Total Group (AUD)	A\$188.2m

FX assumed in this presentation: AUD/USD: 0.68

Capital Structure Reorganisation

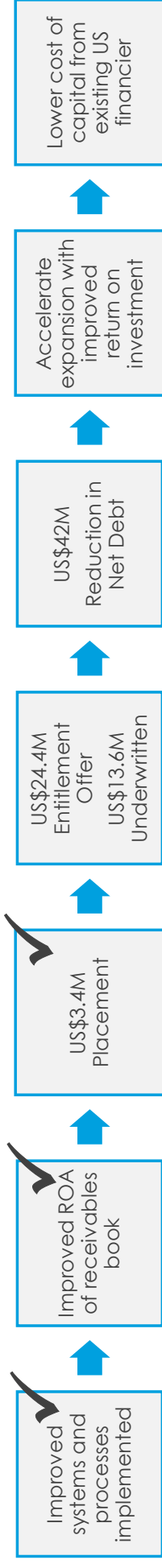
Existing Shareholders (pre transactions)

David Wattel – NHF founder	107.6m	22.2%
Mark Siegel – NHF founder	107.6m	22.2%
Washington H. Soul Pattinson	43.8m	9.1%
Lucerne Asset Mgt and associates	42.3m	8.7%
EGP Capital Pty Ltd	40.5m	8.4%

Board & Management

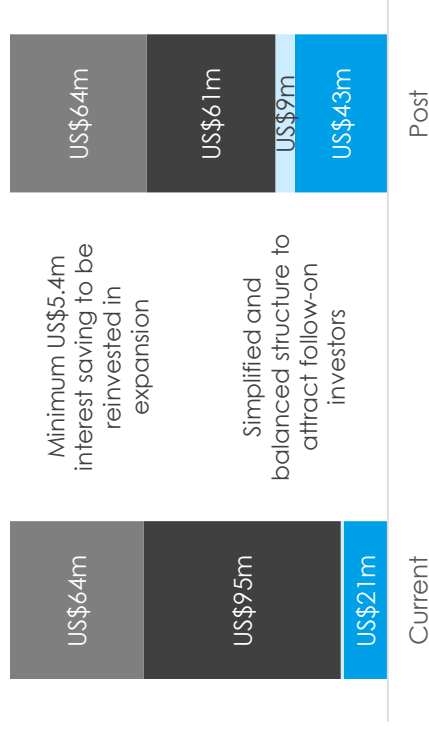
Tim Storey	Non-Executive Chairman
Diane Jones	CEO, Executive Director
Anthony Murphy	Non-Executive Director
David Wattel	Executive Director
Anthony Hersch	Chief Operating Officer
Craig Beaton	Chief Financial Officer
Richard Cruz	Chief Operating Officer - NHF
Sarika Merchant	Chief Financial Officer - NHF

Reorganisation plan



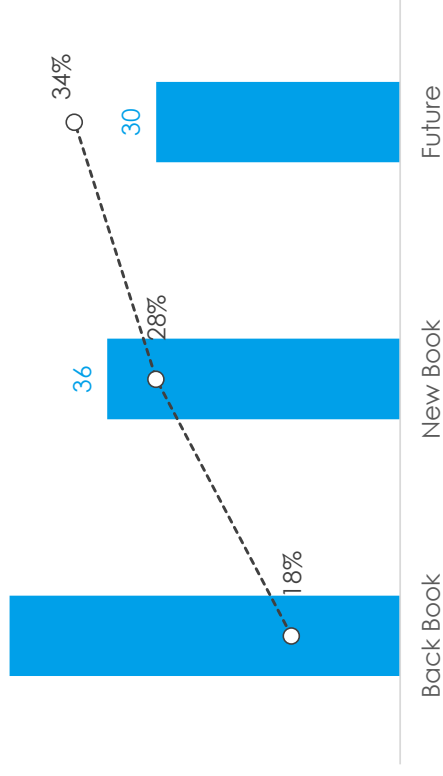
Enterprise Value

■ Market Cap ■ Cash ■ Corporate Debt ■ Book Financing



Rising Returns

■ Average Months to collect --○-- Effective Interest Rate



Total: US\$168m

US\$159m

Capital Structure Reorganisation

*Market Cap value assumes a share price of 6.4c



Operating Divisions

A US market leader in the personal injury medical receivables financing industry. Funding medical bills, where the not-at-fault accident victim's insurance claim has not been settled and is subject to litigation.

National Health Finance (NHF)

- ☐ Funding medical bills through liens
- ☐ Remove burdensome administration for medical practitioners
- ☐ Expected Realisation¹: US\$85.0m

An Australian market leader in funding of out-of-pocket expenses (disbursements) for law firms. Repayment for the disbursements funded is not contingent on the outcome of the case.

JustKapital Finance (JKF)

- ☐ Funding expert reports
- ☐ Funding other out of pocket expenses
- ☐ Expected Realisation¹: US\$29.0m

In run-off - Funding of all fees and disbursements associated with large scale litigation. Funding agreements signed with plaintiff to share success of outcome.

Litigation Funding (Australia)

- ☐ Cases externally financed
- ☐ Cases expected to complete in FY2020
- ☐ Expected Proceeds: US\$14.0m

1. As at 31 October 2019.

Proven management team to repeat past success

JustCapital Finance

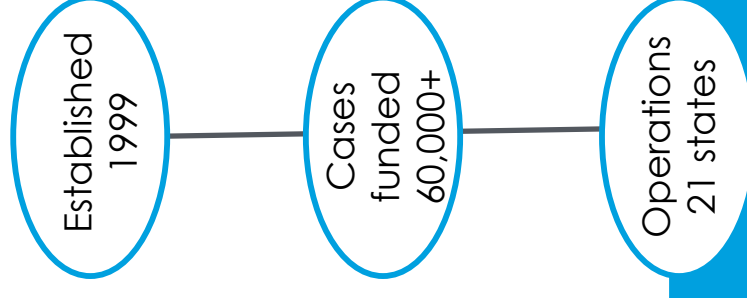
- ✓ Deployed fully integrated end to end Netsuite system
- ✓ Corporatised target business post acquisition
- ✓ Introduced robust processes and procedures
- ✓ Developed targeted marketing plan for go-market strategy
- ✓ Rollout of business across the country
- ✓ Reduced cost of capital from 13.5% to 8.7%
- ✓ 300% growth in book of receivables post acquisition

National Health Finance

- ✓ Deployed fully integrated end to end Netsuite system
- ✓ Corporatised target business post acquisition
- ✓ Introduced robust processes and procedures
- ✓ Developed targeted marketing plan for go-market strategy
- 🕒 Currently operates in 21 states
- 🕒 Cost of capital is currently 13% plus a 1% undrawn line fee
- 🕒 Targeted growth plan underway



NHF - the US expansion opportunity





Executive Summary – The NHF Business

LawFinance (LAW) is a diversified financing business that specialises in personal injury funding in both Australia and the US.

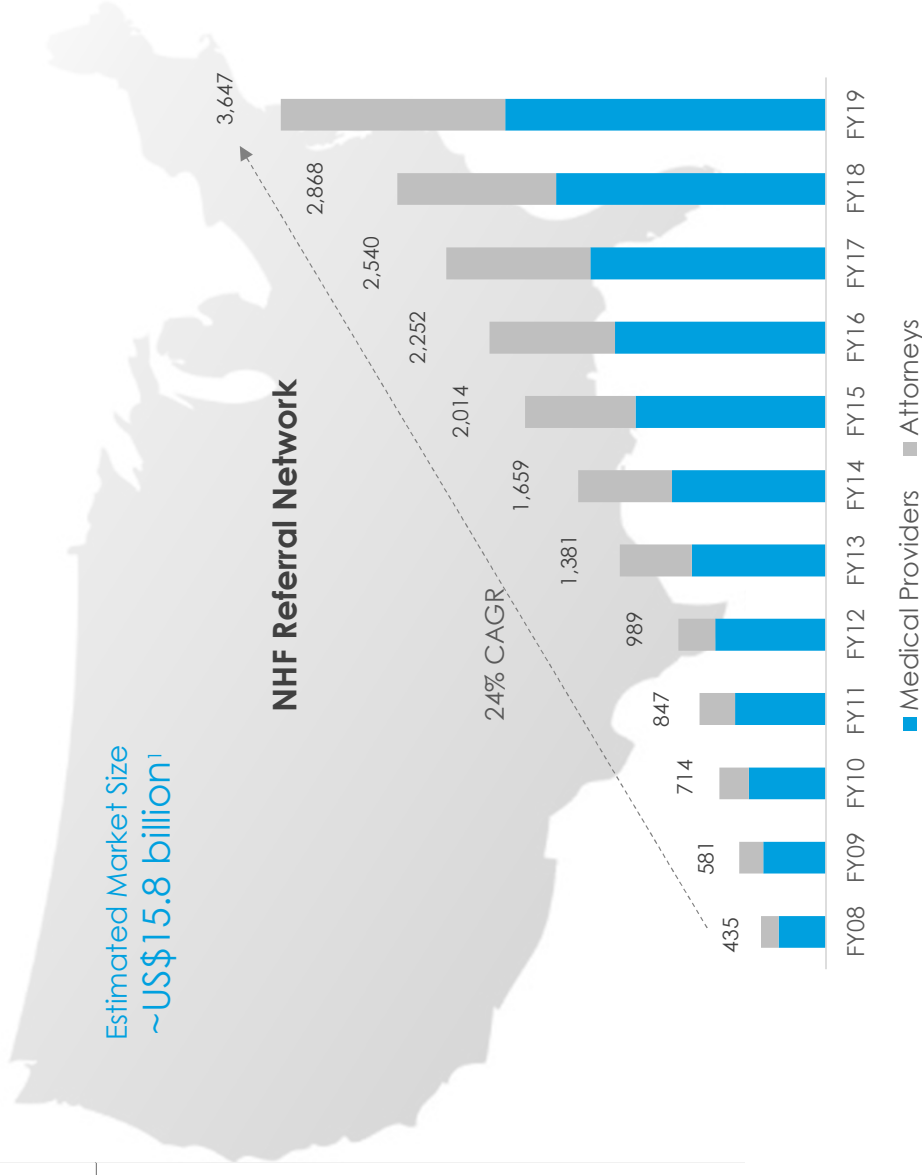
THE BUSINESS	THE ISSUE	NHF SOLUTION
A subsidiary of LAW, National Health Finance (NHF) has been pre-funding the medical expenses of insured motor vehicle accident victims since 1999	The United States does not have the Australian equivalent of "Medicare"	NHF connects injured parties (who otherwise may not receive treatment) with attorneys and medical professionals
NHF recoups its investment from the at fault driver's insurance company at a multiple of the amount originally funded	As a result, many US citizens cannot afford the upfront cost of medical treatment required following an accident whilst waiting for the insurance pay-out	NHF has an extensive network of more than 3,500 attorneys and medical providers
NHF's funding product provides a positive solution to the victim, the attorney and the medical professional	Substantial market opportunity: estimated market size of approx. US\$15.8 billion*	Win-Win-Win: The victim gets treated sooner, whilst the attorney and medical provider get paid sooner

*Source: Adidem Law

NHF opportunity

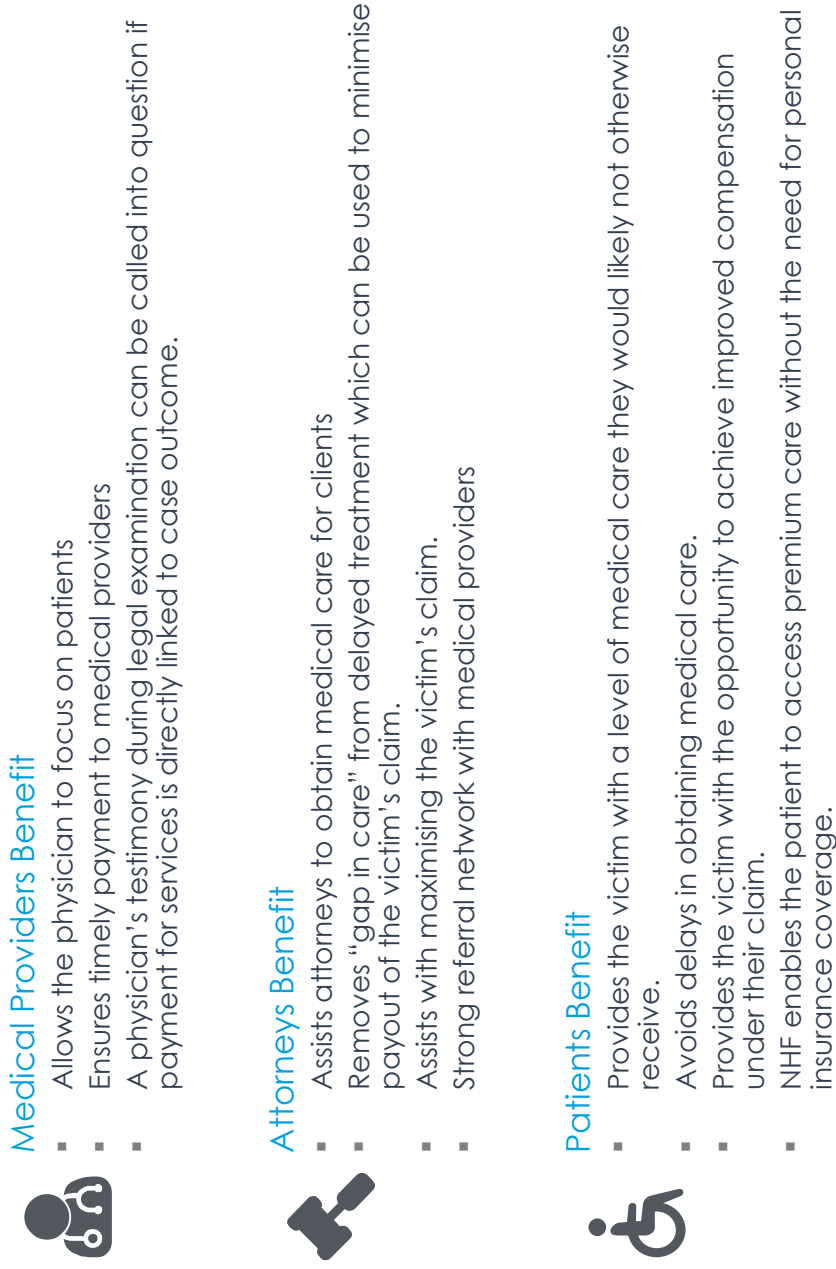
NHF currently funds less than 1% of the total addressable market and has the internal infrastructure and a relationship network to grow to +5% in the years ahead.

- NHF has been operating for 20 years and is one of the top five largest personal injury financiers in the United States.
- NHF operates in a large addressable market created by an underfunded and complex US healthcare system.
- The deployment of technology platform Netsuite has allowed management to harness its referral network of 3,600+ medical specialists & attorneys and more effectively manage its receivables book.
- After a year of investment, access to further capital allows NHF to better capture the funding opportunity.



¹Estimated market size calculation: 2.35 million people injured in car accidents per year (50% at fault) + 8,000,000 "slip and fall" accidents per year which we assume that 5% of accidents are worth funding multiplied by an average claim size of \$10,000; ((2.35m * 50%) + (8m * 5%)) * \$10,000. Source: Adidem Law.

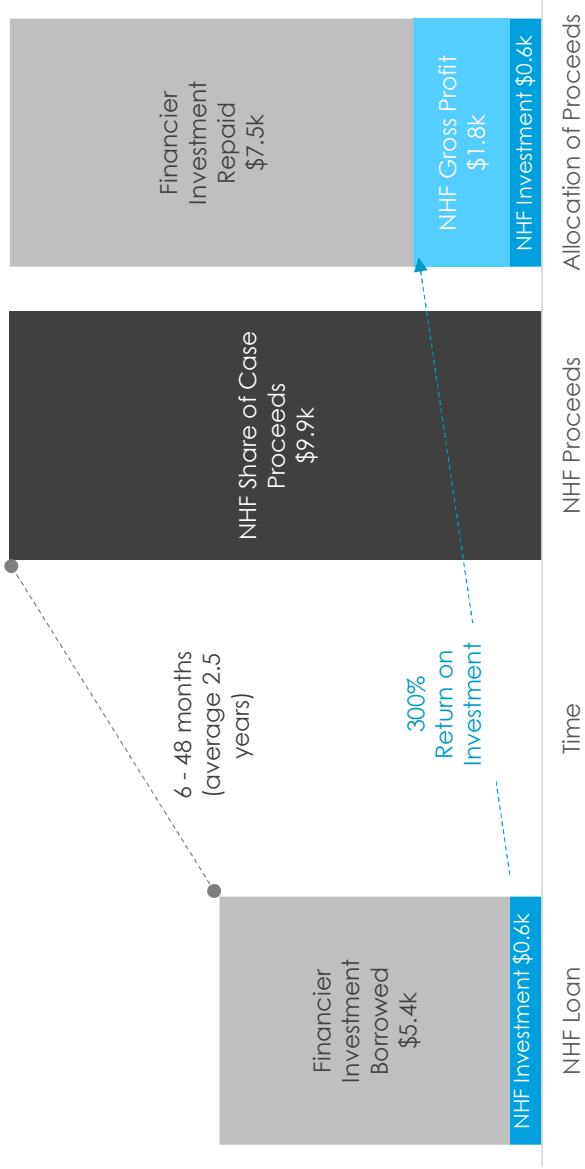
NHF’s business model is beneficial to each entity that is party to the claim



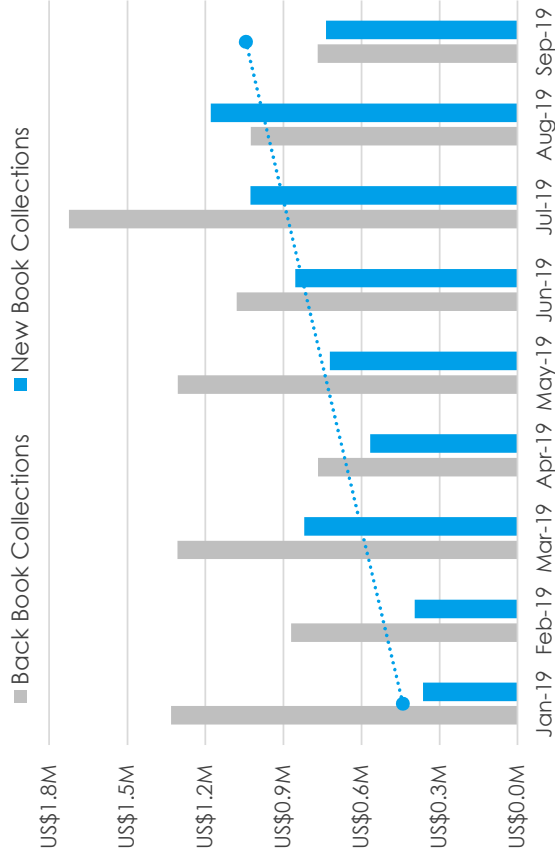
NHF – exceptional returns with low risk

- The model is well established and, for victims with less comprehensive healthcare and insurance coverage, forms an integral part in the US healthcare system.
- Due to the significant financing available on these funding opportunities, the return on NHF's investment is extremely high.
- The existing receivables book is earning 23% annual interest rate equivalent after losses (~1.65x money loaned).
- The payback on the 1.65x money loaned can range between less than 12 months and up to 4 years (equity IRR 30%+). This depends on which US-jurisdiction (state) the funding takes place.
- After this reorganisation, NHF will have access to US\$35m in available headroom under its US facility.

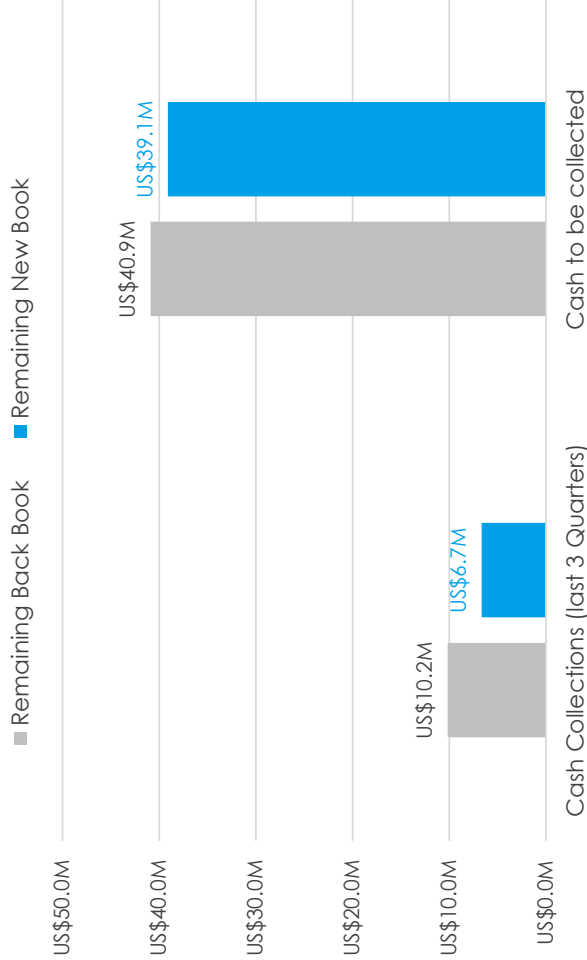
Example Receivable Funding of \$6.0k to pay medical costs of victim



Cash Collections Monthly



Expected Cash to be Collected



- NHF enjoys a regular inflow of cash from its existing books of receivables – these are broken down in the Back Book (receivables that predate the purchase of the business by LawFinance) and New Book (receivables that have been originated in the last 18 months).
- There is a steady uptrend in the New Book collections, which will improve further as it matures.
- Most of the Expected Cash to be Collected will be received in the next 30 months.

Improving Returns

CASH Generation - Annualised	Last 3 Qtrs.	Target Run Rate
NHF (US)		
Cash Collections	22.5	32.0
US Financing Expenses	-6.0	-6.0
NHF Gross Cashflow	16.5	26.0
JKL (Aus.)		
Cash Collections	5.5	5.5
Aus. Financing Expenses	-1.9	-1.9
JKL Gross Cashflow	3.6	3.6
LAW Group		
Group Gross Cashflow	20.1	29.7
Operating Expense	-10.6	-10.6
Cash Interest	-11.2	-5.8
Tax	0.0	0.0
CASH GENERATED	-1.7	13.3

- The Target Run Rate demonstrates the expected improvement in the business based on:
 - The lower interest cost derived from this reorganisation.
 - The cash to be collected from the Existing Book (US\$85m over 30 months - see previous slide), which will be reinvested into new receivables.
- We expect to further enhance this return through four initiatives:
 1. Receivable funding growth – post transaction the group will have US\$35M of headroom in the US and ~US\$6M in Australia to fund further growth.
 2. The NHF New Book is performing better, generating 50%+ higher returns for each dollar deployed.
 3. Post Reorganisation, management will explore various methods to reduce the cost of funding in the US.
 4. These figures exclude an expected US\$14M to be received from the successful run-off of the Litigation Funding division.

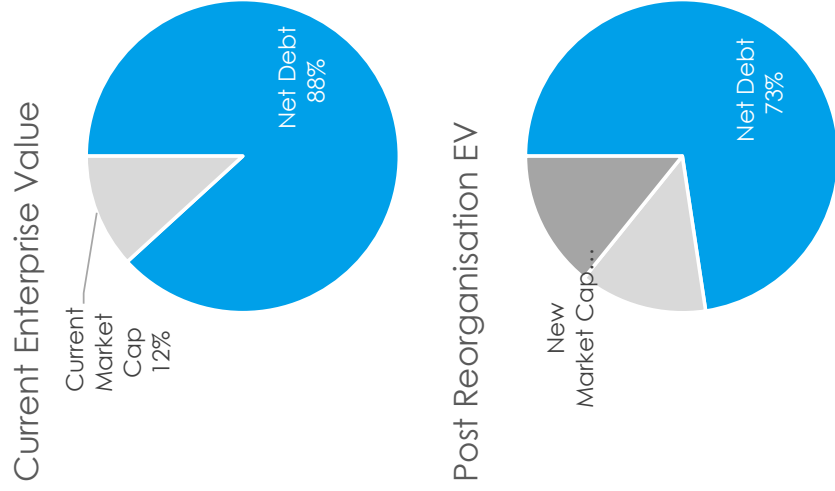


Reorganisation & Offer

The increased equity platform will allow for rapid US expansion

- The capital structure of LAW will be simplified and improved by a US\$42.0m (A\$61.2m) reduction in Net Debt.
- The post transaction Market Capitalisation of LAW will increase by 81% to US\$42.8m (A\$62.9m).
- Subordinated debts of US\$17.3m (A\$25.5m) will be swapping into a Capitalised Converting Notes resulting in a significant cash interest saving.
- The US\$42.0m reduction in Net Debt consists of:
 - US\$22.1m - NHF Vendor Loan and Promissory Note exchanged for options
 - US\$8.5m – Corporate Debt being Repaid
 - US\$3.4m – Convertible Notes converting to Equity
 - US\$7.7m – Increase in Cash to US\$9.2m

The increase in the equity of the business will allow management to draw down on existing debt facilities and rapidly scale the NHF operation where there is a very significant opportunity for exceptionally high returns on investment.



LAWFINANCE

Offer & Timetable

Placement and Entitlement Offer

- LawFinance is raising a minimum of US\$17.0m (A\$25.0m) via a Placement (completed) and Entitlement offer.
- The Entitlement Offer to shareholders is based on a 1 for 1 ratio with Placement Participants entitled to apply for shares under the offer.
- Both offers will be priced at 6.4cps in line with the Convertible Notes that will also be converting into equity.
- The offer will be conducted as a Non-Renounceable Entitlement Offer partially underwritten by Lucerne Investment Partners

■ This equates to:

- 11.1% discount to the last close (7.2cps)
- 12.4% discount to the 7 day VWAP (7.3cps)
- 15.8% discount to the 30 day VWAP (7.6cps)

Timetable (indicative - subject to change)

Institutional Placement Open	Monday, 23 December 2019
Institutional Placement Close	Tuesday, 24 December 2019
Institutional Placement Settlement	Tuesday, 31 December 2019
Entitlement Offer Record Date/ Ex Date	Monday 13 January 2020
Entitlement Offer Open	Thursday 16 January 2020
EGM to seek shareholder approval	Friday, 14 February 2020
Entitlement Offer Close	Friday 14 February 2020

Sources & Uses

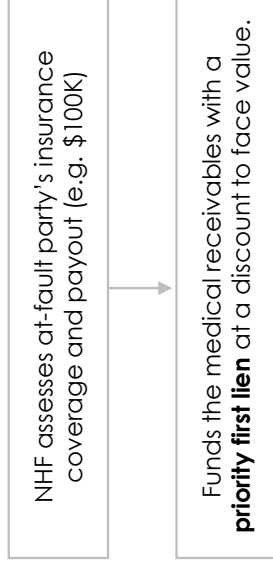
Sources of Cash	US\$M	Uses of Cash	US\$M
Entitlement Underwriting	13.60	Repay Subordinated Debts	8.50
Placement (closed)	3.40	Capital for new funding	8.16
-	-	Costs of Offer	0.34
Total	17.00	Total	17.00

NHF Case Assessment

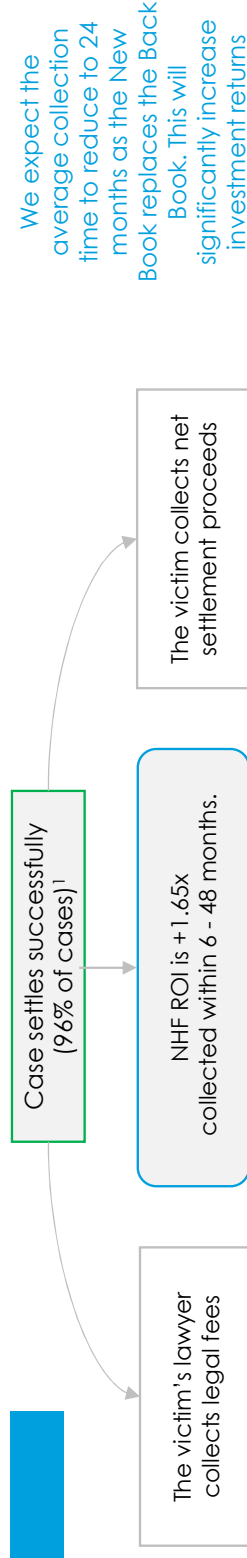
1. CASE ASSESSMENT



2. DETERMINE INSURANCE COVERAGE



3. CASE SETTLEMENT



Key Performance Indicators

(US\$m); Dec Y/E	4Q2018	1Q2019	2Q2019	3Q2019	4Q2019	1Q2020	2Q2020
Cash Collections							
USA	5.7	5.1	5.3	6.5			
Australia	2.5	2.0	2.4	2.8			
Total	8.2	7.1	7.7	9.3	0.0	0.0	0.0
Originations							
USA	4.7	7.1	5.8	6.0			
Australia	2.4	1.8	1.9	2.1			
Total	7.1	8.9	7.7	8.2	0.0	0.0	0.0
Net Receivables							
USA	96.0	105.3	102.1	98.6			
Australia	27.1	27.9	28.0	27.5			
Total	123.1	133.2	130.1	126.1	0.0	0.0	0.0
Deferred profit including Fair Value (reported half yearly)							
USA	20.4		23.2				
Australia	5.8		5.3				
Total	26.2		28.4	0.0			0.0
FX (AUD/USD)	0.7058	0.7087	0.7020	0.6754	0.0000	0.0000	0.0000

Due to the challenges of providing a P&L that accurately reflects the economics of the business while we await the profit recognition under AASB 9 to *catch-up*, management will be providing updates on the key performance indicators of the operations.

Deferred Profit is an internal measure and reflects the profit that has been earned but not yet recognised through the P&L. This figure will include Fair Value adjustments, which removes the reduction in the profit from the time value of money to give the actual profit which will flow through the P&L in future years.

Net Receivable is equal to the gross receivable/claim amount less discounts, time value of money, write offs and credit risk. The net amount receivable is the amount we expect to collect over time

NHF Business Model

Illustrative model

Origination cost	1,000	...Our contribution				
Receivable funding	9,000	...debt financing				
Cash invested to fund medical costs	10,000	...cash to be invested				
Expected Return multiple	1.65x	...return on investment net of provision for losses				
Expected Return	16,500					
Cashflow	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Cash collection profile	-	5%	25%	35%	30%	5%
Cash invested	-10,000					
Cash collected		825	4,125	5,775	4,950	825
Operating costs		-990	-165	-165	-165	-165
Interest		-1,193	-1,372	-1,029	-422	0
Cashflow	-10,000	-1,357	2,588	4,581	4,363	660

SUMMARY

Gross Cash Received	16,500
Costs & Interest	-5,667
Net Cash Received	10,833
Debt Repaid	-9,000
Net Cash return	1,833
Our contribution	1,000
Return on cash invested	83%
Capital Structure Reorganisation	

- We invest US\$1,000 and finance US\$9,000, which is used to purchase the medical lien (for the medical expenses) of the accident victim.
- The victim's law firm initiates legal action against the at-fault driver's insurance company for compensation to cover medical costs, other expenses and pain & suffering.
- In most cases the parties settle the claim and on average NHF has enjoyed a 1.77x return on the Cash Invested (we assume 1.65x in future).
- Cash Collection profile – sometimes cases complete in year 1, sometimes not until year 5 - the sooner the better for the victim and NHF.
- Overall, using these conservative inputs, NHF makes US\$1,833 return on each US\$1000 invested after costs.
- **By improving the speed of collection and reducing the cost of financing, we expect to be able to increase this return.**

In this example we have used a Cash collection profile that reflects the various maturities across a typical book.

Disclaimer & Forward Looking Statements

This Presentation is provided by LawFinance Limited (LAW).

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

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 LAW 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.



THANK YOU

LawFinance Limited (LAW.ASX)

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E. Risk Factors

This section identifies the areas the Directors regard as the main risks associated with an investment in the Company.

Eligible Shareholders should be aware that an investment in the Company involves many risks, which may be higher than the risks associated with an investment in other companies. Eligible Shareholders should read the whole of this Booklet and consult with their professional advisers for legal, business, financial or tax advice in order to fully appreciate such matters and the manner in which the Company intends to operate before any decision is made to apply for Offer Shares.

The following is a non-exhaustive summary of the key risks associated with an investment in the Company:

General Risks

- (a) ***Nature of investment:*** Any potential investor should be aware that subscribing for Offer Shares (and any Additional Shares, where applicable) involves risks. The Offer Shares (and any Additional Shares, where applicable) to be issued pursuant to this Entitlement Offer carry no guarantee with respect to the payment of dividends, return on capital or the market value of those Offer Shares (and any Additional Shares, where applicable). An Applicant may not be able to recoup their initial investment. Specifically, the risks include:
 - (i) the price at which the Applicant is able to sell the Offer Shares (and any Additional Shares, where applicable) is less than the price paid due to changes in market conditions;
 - (ii) the Applicant is unable to sell the Offer Shares (and any Additional Shares, where applicable); and
 - (iii) the Company is placed in receivership or liquidation making it reasonably foreseeable that Shareholders could receive none, or only some of their initial investment.
- (b) ***Economic factors:*** The operating and financial performance of the Company is influenced by a variety of general local and global economic and business conditions including the levels of consumer confidence and spending, business confidence and investment, employment, inflation, interest rates, exchange rates, access to debt and capital markets, fiscal policy, monetary policy and regulatory policies. A prolonged deterioration in any number of the above factors may have a material adverse impact on the Company's business and financial performance.
- (c) ***Management actions:*** The Directors will, to the best of their knowledge, experience and ability (in conjunction with their management) endeavour to anticipate, identify and manage the risks inherent in the activities of the Company, but without assuming any personal liability for the same, with the aim of reducing, avoiding and mitigating the impact of risks on the performance of the Company and its securities.
- (d) ***Insurance arrangements:*** The Company maintains insurance within ranges of coverage the Company believes to be consistent with industry practice and having regard to the nature of activities being conducted. No assurance, however, can be given that the Company will be able to obtain such insurance coverage at reasonable

rates or that any coverage it arranges will be adequate and available to cover any such claims.

- (e) **Operational risks and costs:** The Company will be exposed to operational risks and costs present in the current business. Operational risk has the potential to have a material adverse effect on the Company's financial performance and position as well as reputation. The Company will endeavour to take appropriate action or obtain appropriate insurance to mitigate these risks, however certain residual risk will remain with the Company.
- (f) **Currency fluctuations:** Currency fluctuations may affect the Company's capital costs that the Company incurs in its operations.
- (g) **Business risks:** There are risks inherent in doing business, such as unexpected changes in regulatory requirements, trade barriers, longer payment cycles, problems in collecting accounts receivable, network and infrastructure issues and potentially adverse tax consequences, any of which could adversely impact on the success of the Company's operations.
- (h) **Future capital needs:** Further funding may be required to advance the business objectives of the Company or for working capital purposes. The business operated by the Company relies on cash collections and access to funding to grow. The collection periods of more than 12 months provide a greater reliance to the Company to access capital in order to facilitate growth of its business. There is a risk that despite efforts from the Company and its management, expansion efforts will fail, which will adversely affect the Company's growth and profitability. Moreover, there can be no assurance that additional funding will be available on satisfactory terms or at all. Any inability to obtain funding may adversely affect the financial condition of the Company and, consequently, the value of its Shares. Any additional equity financing may be dilutive to Securityholders and any debt financing, if available, may involve restrictive covenants, which may limit the Company's operations and business strategy.
- (i) **Share market conditions:** The price of the Company's Shares will be influenced by international and domestic factors which may cause the market price of the securities to fall and may be subject to varied and unpredictable influences on the market for equities. Shareholders should be aware that there are risks associated with any securities investment. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

Specific Risks

- (a) **Equity Underwriting:** The Company has entered into an underwriting agreement under which the Underwriter has agreed to partially underwrite the Entitlement Offer for A\$20 million, subject to the terms and conditions of the underwriting agreement summarised in Section F. Prior to settlement of the Entitlement Offer, there are certain events which, if they were to occur, may affect the Underwriter's obligation to underwrite the Entitlement Offer. If certain conditions are not satisfied or certain events occur under the underwriting agreement, the Underwriter may terminate the agreement which may require the Company to search for alternative financing. If the underwriting agreement is terminated for any reason, then the Company may not receive the full amount of the proceeds expected under the equity raising, its financial position might change, and it might need to take other steps to raise capital.

- (b) **Competition:** New competitors may enter the market place in which the Company operates and affect the Company's financial performance. New or increased competition has the potential to impact the Company's relationships with its partners which may in turn reduce the funding opportunities available to the Company.
- (c) **Exposure to fraudulent claims:** While the Company currently has safeguards in place, there is the possibility that the Company could be exposed to potential personal injury fraud.
- (d) **Reliance on debt financing:** The Company is reliant on debt financing for the purchase of medical liens and funding of disbursements. The ability of the Company to continue to have access to funding for future activities is dependent on a number of factors including compliance with the covenants contained in its existing debt financing arrangements, general economic, political, capital and credit market conditions. Any breaches of existing covenants or changes in the conditions noted could adversely affect the Company's ability to operate its business or refinance its debt. As announced to the ASX on 31 October 2019, Shareholders should note that the Company has breached certain financial covenants relating to both its U.S. senior financing facility (limit of US\$80 million) and the Syndicated Acquisition Facility (limit of A\$42 million). A Forbearance Agreement has been entered into with the Company's U.S. Financier. The Company continues to work with the Syndicated Acquisition Facility lenders and has requested forbearance. The discussions are ongoing in relation to this request.
- (e) **Reliance on capital:** The funding business operated by the Company relies on cash collections and access to funding to grow. The Company has extended average collection periods (longer than 12 months) which results in a greater reliance on access to capital in order to facilitate growth of its business.
- (f) **Recoverability of debts:** There is no guarantee that all amounts that are stated as being recoverable (Accounts Receivable) will actually be recovered. Amounts not recovered will have an adverse impact on the Company's financial position.
- (g) **Reliance on partner network:** The Company relies on its partner provider network to facilitate relationships between it and local personal injury attorneys, medical practitioners, hospitals and patients, allowing the Company to scale rapidly. There is the risk that these relationships could deteriorate over time.
- (h) **Key personnel:** Shareholders will be dependent on the Company's management to assess financing opportunities as they arise. The continued success of the Company may be at risk if certain of these key personnel cease to be involved in the management of the Company.
- (i) **Cost of being a multinational firm:** Following the acquisition of NHF in 2018, the Company incurs costs in complying with the reporting requirements of multiple jurisdictions, which is inherent to multinational companies such as the Company.
- (j) **Changes in the regulatory environment:** Changes to laws, regulations and accounting standards which apply to the Company from time to time could materially and adversely impact upon the operating and financial performance and cash flows of the Company. Specifically, it is possible that the law may change

which may adversely impact the Company's business model and the industry in which it operates. As the industry of purchasing medical liens grows, there is the possibility that regulators will increase their level of scrutiny of the business and impose regulatory changes that may impact on the Company's business.

There is no guarantee as to how existing laws and regulations will be applied in the future. The key laws and regulations governing the Company's business (in particular, the NHF business), if they were to change, are summarised as follows:

- (i) the federal Anti-Kickback Statute (42 U.S.C. § 1320a-7b) (and similar applicable US state laws) makes it a felony offence for anyone to knowingly and wilfully offer, pay, solicit or receive remuneration if one purpose of the act is to induce patient referrals or the purchase, order or the arranging for or recommending the purchase or order of items or services, for which payment may be made in whole or in part by any federal or state healthcare program. Payments or inducements offered directly to patients, such as coupons, discounts, fee waivers and giveaways are also prohibited;
 - (ii) the Federal Stark Law (42 U.S.C. § 1395nn) prohibits physicians from referring Medicare patients for designated health services to any entity with which the physicians or an immediate family member of the physician has an interest or financial relationship, unless an exception applies. Federal Stark Law also prohibits the designated health services entity from submitting claims to Medicare for those services resulting from a prohibited referral;
 - (iii) the Health Insurance Portability and Accountability Act of 1996 (Pub. L. No. 104-191), the Health Information Technology for Economic and Clinical Health Act (Pub. L. No. 111-5), and their implementing regulations set forth at 45 C.F.R. Part 160, 162 and 164 as amended are the mandated federal privacy regulation for medical information. As a general rule, protected health information must be kept confidential and cannot be used or disclosed without a person's authorisation; and
 - (iv) other laws and regulations including consumer protection and usury laws, insurance laws and laws regulating security interests.
- (k) ***Significant dilution of existing Shareholdings in the Company:*** Shareholders who do not take up their Entitlements in full will have their percentage interest in the Company reduced. The exact amount of dilution will depend on the level of shareholder participation. Given the structure of the Entitlement Offer (1 new Offer Share for every 1 existing Share) this will mean that the dilution to existing Shareholders who do not take up their Entitlements in full may be significant. At completion of the Entitlement Offer, if the full Entitlement is taken up, it is anticipated that the Company's share capital will increase from 561,760,467 Shares (which includes the Placement Shares issued on 2 January 2020) to approximately 1,123,520,934 Shares. In circumstances where the Entitlement Offer is fully subscribed (which is partially underwritten), for Shareholders who do not take up their full Entitlement, the Shareholder will have their percentage interest in the Company reduced by up to approximately 50% as compared to their percentage interest in the Company as at the Record Date.

The Entitlement Offer is partially underwritten for A\$20 million by the Underwriter. In relation to this amount, the Underwriter has appointed sub-underwriters. Accordingly, pursuant to the underwriting and sub-underwriting arrangements, at least A\$20 million worth of Shares (312,500,000 Shares) will be issued, which will result in a minimum dilutionary impact of up to approximately 36%.

However, the above dilutionary impact percentages set out the aggregated impact of the issue of Shares that could be issued under the Entitlement Offer, and no Shares will be issued to any Eligible Shareholder, Underwriter or sub-underwriter if to do so would increase that person's voting power above 19.9% or otherwise result in a breach of the ASX Listing Rules, Corporations Act or any other applicable law.

F. Additional information

1 Strategic Capital Raising

The Entitlement Offer forms part of a series of transactions to enhance the Company's balance sheet, reduce costs and to fund the growth in its U.S. medical lien funding business, NHF.

As announced on 24 December 2019, the Company undertook a A\$5 million equity placement with existing and new sophisticated investors at an issue price of A\$0.064 (**Placement**). Pursuant to the Placement, 78,125,000 new fully paid ordinary shares were issued by the Company on 2 January 2020. Funds raised by the Placement have been and will be used for working capital purposes.

In addition to the Entitlement Offer and Placement, the Company announced on 24 December 2019 that it would undertake, subject to obtaining shareholder approval, the following transactions to convert debt into debt and equity instruments:

- US\$3.4 million – existing convertible bonds – to be converted to equity at A\$0.064 per share;
- US\$17.3 million – existing subordinated debt – convert to a new capitalising converting note with a A\$0.10 per share conversion option and a 6% capitalised coupon; and
- US\$22.1 million – existing NHF Vendor loans converting to options, as follows:

No of Options	Exercise Price	Expiry Date
24,000,000	A\$0.25	28 September 2021
22,500,000	A\$0.40	28 September 2022
25,000,000	A\$0.60	28 September 2023

Any outstanding interest on the above facilities will be converted on the same terms.

2 Quotation and trading

The Company has applied to ASX for the official quotation of the Offer Shares in accordance with the ASX Listing Rules. Subject to approval being granted by ASX, it is expected that normal trading of Offer Shares will commence on or about 24 February 2020.

3 Underwriting information

Lucerne Australia Pty Ltd (**Underwriter**) has agreed to partially underwrite up to A\$20 million of the Offer Shares under the Entitlement Offer which comprises the shortfall. The Underwriter has appointed sub-underwriters such that its relevant interest will not trigger the provisions of Chapter 6 of the Corporations Act. Therefore, pursuant to the agreements in place and structure of the Offer, the Company is of the view that no Eligible Shareholder, Underwriter or sub-underwriter will individually obtain or exceed voting power of more than 19.9% as a result of the Entitlement Offer.

Existing debt of at least A\$12.5 million owed to the Underwriter and sub-underwriters will be repaid with the proceeds of the Offer Shares.

As is customary for these types of arrangements, the Underwriter's obligations to underwrite the Offer Shares under the Entitlement Offer which comprises the shortfall is subject to the satisfaction of certain conditions and the usual representations and warranties.

In connection with the underwriting, the Company will pay underwriting and management fees totalling A\$575,000 as follows:

- a 3% underwriting fee on a total of A\$7.5 million underwritten (or A\$225,000);
- a 1% underwriting fee in relation to the balance of the A\$12.5 million underwritten amount (or A\$125,000); and
- a 3% management fee on A\$7.5 million (or A\$225,000).

If certain events occur, the Underwriter has the right to terminate the underwriting agreement. In summary, these events include:

- (a) Breach
 - (i) the Company is in breach of the underwriting agreement or any of the Company's representations or warranties in the underwriting agreement are not true or correct when made or taken to be made;
 - (ii) the Company contravenes any provision of the Corporations Act, its constitution or any regulation or any requirements of ASIC or ASX,
- (b) Information
 - (i) any statement made or any information provided by or on behalf of the Company to the Underwriter in connection with the Entitlement Offer and purpose of the Entitlement Offer, and any disclosures (including the Entitlement Offer documents and any other announcements, advertisements, presentations and telephone conferences in whatever form) made by or on behalf of the Company with the Company's consent, is misleading or deceptive or likely to mislead or deceive in a material particular, whether by omission or otherwise,
- (c) Specific changes
 - (i) the Company withdraws the Entitlement Offer for any reason;
 - (ii) the Company is unable or is unlikely to be able to issue the Offer Shares in accordance with the Indicative Timetable;
 - (iii) the Company becomes insolvent, or circumstances arise or may reasonably be expected to arise in consequence of which the Company may cease to be solvent or able to pay its debts as and when they fall due, or a liquidator, provisional liquidator, administrator, receiver and manager or other similar official is appointed in relation to either of it or any of its assets, or steps have been taken for such an appointment;
 - (iv) an event occurs which is or is likely, in the Underwriter's opinion, to give rise to:
 - (A) a material adverse change in the assets, liabilities, financial position or performance, forecasts or prospects of the Company; or
 - (B) a material adverse change in the nature of the business conducted by the Company,
- (d) Regulatory/Legal Action
 - (i) the ASX makes an official statement to any person, or indicates to the Company, or the Underwriter (whether or not by way of an official statement) that existing Shares in the Company will be suspended from

quotation, the Company will be removed from the official list or that quotation of any of the Offer Shares will not be granted by the ASX in accordance with the Indicative Timetable or any such event occurs;

- (ii) any regulatory body commences any public action against an officer of the Company in his or her capacity as an officer of the Company or announces that it intends to take any such action or an officer of the Company is charged with an indictable offence or is disqualified from managing a corporation under the Corporations Act or civil or criminal proceedings are brought against the Company or any officer of the Company in relation to any fraudulent, misleading or deceptive conduct whether or not in connection with the Entitlement Offer, or

(e) Delay

- (i) any event in the Indicative Timetable is delayed by more than two ASX trading days without the consent of the Underwriter (not to be unreasonably withheld).

In respect of clauses 3(a)(i) and 3(e)(i) above, the Underwriter may not terminate unless it has reasonable and bona fide grounds to believe and does believe that the event:

- is likely to give rise to a material liability of the Underwriter under any law or regulation;
- has or is likely to have a material adverse effect on the marketing, settlement or outcome of the Entitlement Offer or the likely trading price of the Shares in the Company; or
- has resulted in or is likely to result in a material change in the financial position, performance or prospects of the Company (or would in the absence of any contractual obligation have or be likely to have such a material adverse effect) from that which existed at the date of the underwriting agreement other than as disclosed to ASX prior to the date of the underwriting agreement.

4 Ranking of Offer Shares

Offer Shares (including any Additional Shares) issued under the Entitlement Offer will rank equally with existing Shares on issue.

5 Withdrawal

The Company reserves the right to withdraw all or part of the Entitlement Offer at any time, subject to applicable laws. If the Company exercises this right, it will refund Application monies in relation to Offer Shares not already issued in accordance with the Corporations Act without the payment of interest.

6 Use of funds

If the Entitlement Offer is fully subscribed, the Company will raise A\$35,952,670 (subject to rounding and before costs and expenses). The Company intends to apply the funds to the following purposes:

- reduce existing debt of at least A\$12.5 million;
- provide capital for new funding; and
- pay the costs of the Entitlement Offer.

7 Effect on capital structure

Assuming that the partially underwritten Entitlement Offer (to raise up to approximately A\$36 million, of which A\$20 million is underwritten) is fully subscribed and all Offer Shares (including any Additional Shares) are issued and allotted, the Company's issued share capital will increase from 561,760,467 Shares (which includes the Shares issued under the Placement) to approximately 1,123,520,934 Shares (subject to rounding).

8 Potential effect on control

The potential effect the Entitlement Offer will have on the control of the Company, and the consequences of that effect, will depend on a number of factors, including investor demand. The risks associated with dilution and/or control are also set out in Section E of this Booklet.

The potential effect on control from the Entitlement Offer is summarised below:

- (a) if all Eligible Shareholders take up their entitlements under the Entitlement Offer, then the Entitlement Offer will have no significant effect on the control of the Company;
- (b) if some Eligible Shareholders do not take up all of their entitlements under the Entitlement Offer, then the interests of those Eligible Shareholders in the Company will be diluted;
- (c) the proportional interests of shareholders of the Company who are not Eligible Shareholders will be diluted because such shareholders are not entitled to participate in the Entitlement Offer;
- (d) Eligible Shareholders that apply for additional Shares under the Shortfall Facility (under which any shortfall between applications received and the number of Shares proposed to be issued under the Entitlement Offer may be applied for by those who have accepted their Entitlements in full) may increase their interests beyond their Entitlement. This could result in the dilution of the interests of shareholders of the Company who do not accept their entitlements in full, who do not apply for additional Shares under the Shortfall Facility, and shareholders of the Company who are not Eligible Shareholders; and
- (e) the Entitlement Offer is partially underwritten for A\$20 million by the Underwriter. The Underwriter has appointed sub-underwriters such that its relevant interest will not trigger the provisions of Chapter 6 of the Corporations Act.

Therefore, pursuant to the agreements in place and structure of the Offer, the Company is of the view that no Eligible Shareholder, Underwriter or sub-underwriter will individually obtain or exceed voting power of more than 19.9% as a result of the Entitlement Offer.

9 Substantial shareholders

As at 15 January 2020, it is the Company's understanding based on public disclosure that the Company has five substantial shareholders. Following completion of the partially underwritten Entitlement Offer, assuming that the Entitlement Offer is fully subscribed, the possible maximum resultant voting power has been calculated as follows:

Substantial Shareholder (and associated entities)	Shareholding as of Record Date*	Voting power as at 15 January 2020	Entitlement	Resultant shareholding based on 100% Entitlement	Resultant voting power based on 100% Entitlement
Mr Mark Siegel	107,548,702 Shares	19.14%	N/A – Ineligible Shareholder	107,548,702 Shares	9.57%
Mr David Wattel	107,548,701 Shares	19.14%	N/A – Ineligible Shareholder	107,548,701 Shares	9.57%
Lucerne Asset Management Pte Ltd and associates (an entity associated with the Underwriter)	59,556,153 Shares	10.60%	N/A - Lucerne has advised the Company that it will not take up its Entitlement.	148,493,653 Shares**	13.22%
EGP Capital Pty Ltd	68,800,000 Shares	12.25%	68,800,000 Shares	153,225,000 Shares ***	13.64%
Washington H Soul Pattinson & Company Limited	43,750,000 Shares	7.79%	43,750,000 Shares	87,500,000 Shares	7.79%

*based on most recent Form 604

** based on underwritten amount, taking into consideration agreed sub-underwriting arrangements

*** includes Shares subscribed for as part of a sub-underwriting agreement

10 No cooling off rights

Cooling off rights do not apply to an investment in Offer Shares (nor to Additional Shares, where applicable). You cannot, in most circumstances, withdraw your Application once it has been accepted. Further, Entitlements cannot be traded on the ASX or any other exchange, nor can they be privately transferred.

11 Taxation

The Directors do not consider it appropriate to give Eligible Shareholders advice regarding the taxation consequences of applying for Offer Shares (including any Additional Shares) under this Booklet.

Taxation implications will vary depending upon the individual circumstances of individual Eligible Shareholders. Eligible Shareholders are strongly recommended to obtain their own professional advice (including taxation advice) before deciding whether to accept the Entitlement Offer or apply for Additional Shares under the Shortfall Facility.

Neither the Company, nor any of its officers or employees or advisers, accepts any liability or responsibility in respect of any statement concerning taxation consequences, or in respect of the taxation consequences, of the Entitlement Offer or the acquisition or disposal of securities in connection with the Entitlement Offer.

G. Glossary

In this Booklet, the following capitalised terms have the following meanings (unless the context requires otherwise).

Additional Shares	Offer Shares which comprises the shortfall, which may be applied for by Eligible Shareholders in excess of their Entitlement.
Announcement	the ASX announcement relating to the Entitlement Offer, as announced by the Company to ASX on 14 January 2020 and included in section C of this Booklet.
Applicant	an Eligible Shareholder who submits an Entitlement and Acceptance Form.
Application	an application for Offer Shares lodged in accordance with the instructions in this Booklet and the Entitlement and Acceptance Form.
ASIC	Australian Securities & Investments Commission.
ASX	ASX Limited ACN 008 624 691 or the market operated by it as the context requires.
ASX Listing Rules	the listing rules of the ASX.
Booklet	this entitlement offer booklet.
Closing Date	5.00 pm (Sydney time) on 14 February 2020, or such other date as the Company determines.
Company or LAW	LawFinance Limited ACN 088 749 008.
Corporations Act	the <i>Corporations Act 2001</i> (Cth).
Director	a director of the Company.
Eligible Shareholder	a Shareholder who is a registered holder of Shares on the Record Date with a registered address in Australia or New Zealand.
Entitlement and Acceptance Form	your personalised application form enclosed with this Booklet.
Entitlement	the number of Offer Shares for which an Eligible Shareholder is entitled to subscribe under the Entitlement Offer (ignoring the Shortfall Facility).
Entitlement Offer	a 1 for 1 (1 new Share for every 1 existing Share) partially underwritten non-renounceable pro rata entitlement offer to subscribe for Offer Shares at the Issue Price set out in this Booklet and the Entitlement and Acceptance Form as announced by the Company to ASX on 14 January 2020.

Ineligible Shareholder	a Shareholder who is not an Eligible Shareholder.
Issue Date	21 February 2020, or such other date as the Company determines.
Issue Price	A\$0.064, being the price per Offer Share.
Offer Period	the period commencing on the Opening Date and ending on the Closing Date.
Offer Shares	the new Shares offered under the Offer.
Opening Date	20 January 2020.
Record Date	7.00 pm (AEDT) on 17 January 2020.
Register	the register of Shareholders.
Registry	Automic Pty Ltd.
Section	a section in this Booklet.
Securities Act	the United States <i>Securities Act of 1933</i> , as amended.
Share	a fully paid ordinary share in the Company.
Shareholder	a registered holder of a Share.
Shortfall Facility	the mechanism by which the Company may place the shares that comprise the shortfall as described in clause 8 of Section B.
Underwriter	Lucerne Australia Pty Ltd ACN 606 629 538 (AFSL 481217).
U.S. Person	a “U.S. Person” as defined in Regulation S under the Securities Act.