

## Appendix 4C

### Quarterly report for entities subject to Listing Rule 4.7B

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

**Name of entity**

LawFinance Limited

**ABN**

72 088 749 008

**Quarter ended ("current quarter")**

31 December 2019

Consolidated statement of cash flows	Current quarter \$USD'000	Year to date (12 months) \$USD'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	8,804	33,060
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(33)	(277)
(d) leased assets	-	-
(e) staff costs	(1,404)	(5,549)
(f) administration and corporate costs	(1,416)	(6,366)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	7
1.5 Interest and other costs of finance paid	(6)	(13)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>5,945</b>	<b>20,862</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(2)	(156)
(b) businesses (see item 10)	(5)	(498)
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$USD'000	Year to date (12 months) \$USD'000
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	634
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.3	Cash flows - loans (to)/from other entities	674	674
2.4	Dividends received (see note 3)	-	-
2.5	Other (disbursement funding, medical lien funding and litigation funding costs)	(6,551)	(30,814)
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(5,884)</b>	<b>(30,160)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	3,481	3,481
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	9,622	45,526
3.6	Repayment of borrowings	(7,786)	(25,039)
3.7	Interest and fees related to loans and borrowings	(3,024)	(12,591)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>2,293</b>	<b>11,377</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of quarter/year to date	3,408	3,696
4.2	Net cash from / (used in) operating activities (item 1.9 above)	5,945	20,862
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(5,884)	(30,160)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,293	11,377

Consolidated statement of cash flows		Current quarter \$USD'000	Year to date (12 months) \$USD'000
4.5	Effect of movement in exchange rates on cash held	15	2
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>5,777</b>	<b>5,777</b>

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$USD'000	Previous quarter \$USD'000
5.1	Bank balances	5,673	3,307
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (term deposits for Bank Guarantees)	104	101
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>5,777</b>	<b>3,408</b>

**6. Payments to directors of the entity and their associates**

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

Current quarter \$USD'000
228
-

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

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

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

Current quarter \$USD'000
-
-

**8. Financing facilities available**

*Add notes as necessary for an understanding of the position*

		<b>Total facility amount at quarter end \$USD'000</b>	<b>Amount drawn at quarter end \$USD'000</b>
8.1	Loan facilities	184,246	138,682
8.2	Credit standby arrangements	-	-
8.3	Other (please specify)	-	-

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

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

<b>9. Estimated cash outflows next quarter</b>	<b>\$USD'000</b>
9.1 Research and development	-
9.2 Product manufacturing and operating costs	-
9.3 Advertising and marketing	(50)
9.4 Leased assets	-
9.5 Staff costs	(1,510)
9.6 Administration and corporate costs	(1,087)
9.7 <b>Other*</b> (disbursement funding, medical lien funding and litigation funding costs, transaction costs, interest relating to loans & borrowings)	(13,285)
<b>9.8 Total estimated cash outflows</b>	<b>(15,932)</b>

**\* These estimated cash outflows will be made utilising the existing facilities available to the Group as detailed in Section 8.1, and from expected cash inflows (receipts from customers).**

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

### Compliance statement

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



Sign here: .....  
Chief Executive Officer

Date: 31 January 2020

Print name: Diane Jones

### Notes

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

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

**Attachment 'A' - LawFinance Limited**  
**Appendix 4C - 31 December 2019 - Section 8 - Financing facilities available**

Provider	Total facility amount at quarter end USD\$'000	Amount drawn at quarter end USD\$'000	Date of Repayment	Interest and fees payable (per annum)	Secured (Y/N)	Description of Financing Facility
Assetsecure Pty Limited	27,996	21,447	30/09/2022	8.70%	Y	This facility is used to fund the Australian disbursement funding business.
Atalaya Capital Management	80,000	41,603	25/04/2022	14.25%	Y	This facility is used to fund the US medical lien funding business.
Paradise Diversified Holdings Limited Partnership	4,163	4,163	31/08/2020	30.00%	Y	This facility is used to fund the US medical lien funding business
Convertible Bonds issue	3,500	3,500	20/03/2020	11.50%	N	These bonds were issued on 15 July 2016 - the funds were used to fund working capital and the litigation portfolio. After the company undertook a capital raising in November 2018 at A\$0.08 per ordinary share, the resulting conversion price of these Convertible Bonds is now A\$0.064 per ordinary share.
Lucerne Group	8,476	8,736	31/12/2019	13.50%	N	This facility was used to fund the litigation portfolio. It is expected to be repaid with receipts from the litigation portfolio.
Lucerne Group	2,800	2,907	31/12/2020	15.00%	N	This facility has been used to fund working capital.
FCCD (Australia) Pty Limited/Principis Master Fund SPC	4,899	3,915	17/07/2021	N/A	Y	This facility is used to fund certain cases within the litigation portfolio. A portion of the facility is repayable upon the completion of the cases funded or 17 July 2021 (whichever is the earliest) with the financier entitled to a share of the proceeds of the net profit from the cases funded.
D Wattel & M Siegel	122	122	28/09/2022	13.00%	N	This vendor loan relates to the purchase of NHF from its founders.
John Bannister	315	315	15/03/2020	11.00%	N	This vendor loan relates to the purchase of the Australian disbursement funding business. The repayment of the loan has been extended from 15 December 2019 to 15 March 2020.
Syndicated Acquisition Facility	29,396	29,396	28/09/2022	13.00%	Y	The facility was used to purchase NHF in September 2018, and for working capital.
Pitt Capital	1,252	1,252	30/06/2020	15.00%	Y	This facility was established to allow the deferral of costs associated with the purchase of NHF.
WH Soul Pattinson Limited	2,275	2,275	30/06/2020	13.00%	Y	This facility was established to assist the company with working capital capital requirements.
Lucerne Group	8,858	8,858	28/09/2020	19.00%	N	This facility was used to fund working capital of NHF prior to its purchase in September 2018.
Lucerne Group	2,550	2,550	9/08/2021	9.95%	N	This facility has been used to fund working capital.
Lucerne Group	714	714	13/09/2021	15.50%	N	This facility has been used to fund working capital.
Galloway & Galloway	1,180	1,180	31/05/2020	24.00%		This facility was established to assist the company with working capital capital requirements.
D Wattel & M Siegel	-	-	16/01/2020	0.00%	N	This facility was used to fund working capital of NHF prior to its purchase in September 2018.
Other NHF Subordinated Debt	1,000	1,000	Repayable on Demand	12.00%	N	This facility was used to fund working capital of NHF prior to its purchase in September 2018.
Other NHF Promissory Notes	3,000	3,000	31/12/2020	13.50%	Y	This facility has been used to fund working capital.
Other NHF Promissory Notes	250	250	30/06/2021	13.00%	Y	This facility has been used to fund working capital.
Other NHF Promissory Notes	1,500	1,500	31/07/2021	13.50%	Y	This facility has been used to fund working capital.
<hr/>						
	<b>\$ 184,246</b>	<b>\$ 138,682</b>				