

2021 Financial Results

Investor Presentation

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 LAWFINANCE



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03 HIGHLIGHTS

- Momentum building with organic originations matching plan since December 2021
- Returns on capital employed are steadily increasing to our post-COVID target of c.1.6x
- Actively assessing other large bulk acquisitions with a total funding opportunity in excess of \$30 million
- Establishing a new joint venture, Trident Health Group (Trident), which targets an annual market opportunity of >\$400 million in Arizona alone



What problem is LawFinance solving?

More than 40% of US drivers' healthcare insurance is inadequate if they are the victim of a motor vehicle accident

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- We fund the medical expenses for **not-at-fault** victims of motor vehicle accidents
- Victims are often unable to pay for their medical treatment upfront and must wait for the insurance claim to settle
- We fund the medical expenses (via the medical provider) until the insurance claim is paid out
- Without funding, victim will generally have to wait years for insurance payments, impacting their recovery

> \$200BN

Annual relevant US
accident-related
healthcare cost

(estimate for 2022)

< 1%

Estimate of portion that is
financed by our industry

THE OPPORTUNITY IS VAST

The potential addressable market is incredible

Currently, a large proportion of motor vehicle accident-related
healthcare costs are erroneously covered by Medicaid and
Medicare

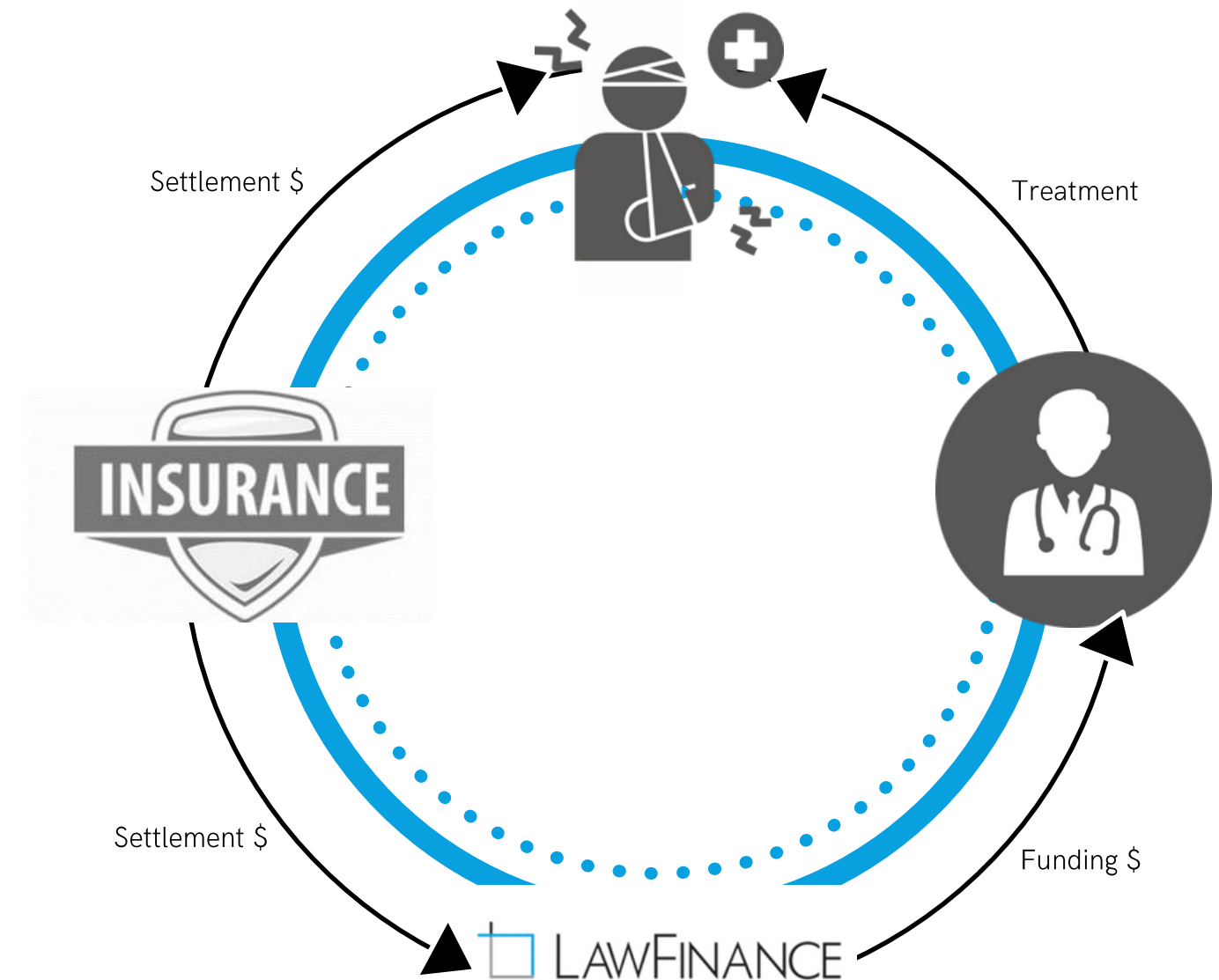
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WE FUND THE IMMEDIATE NEED

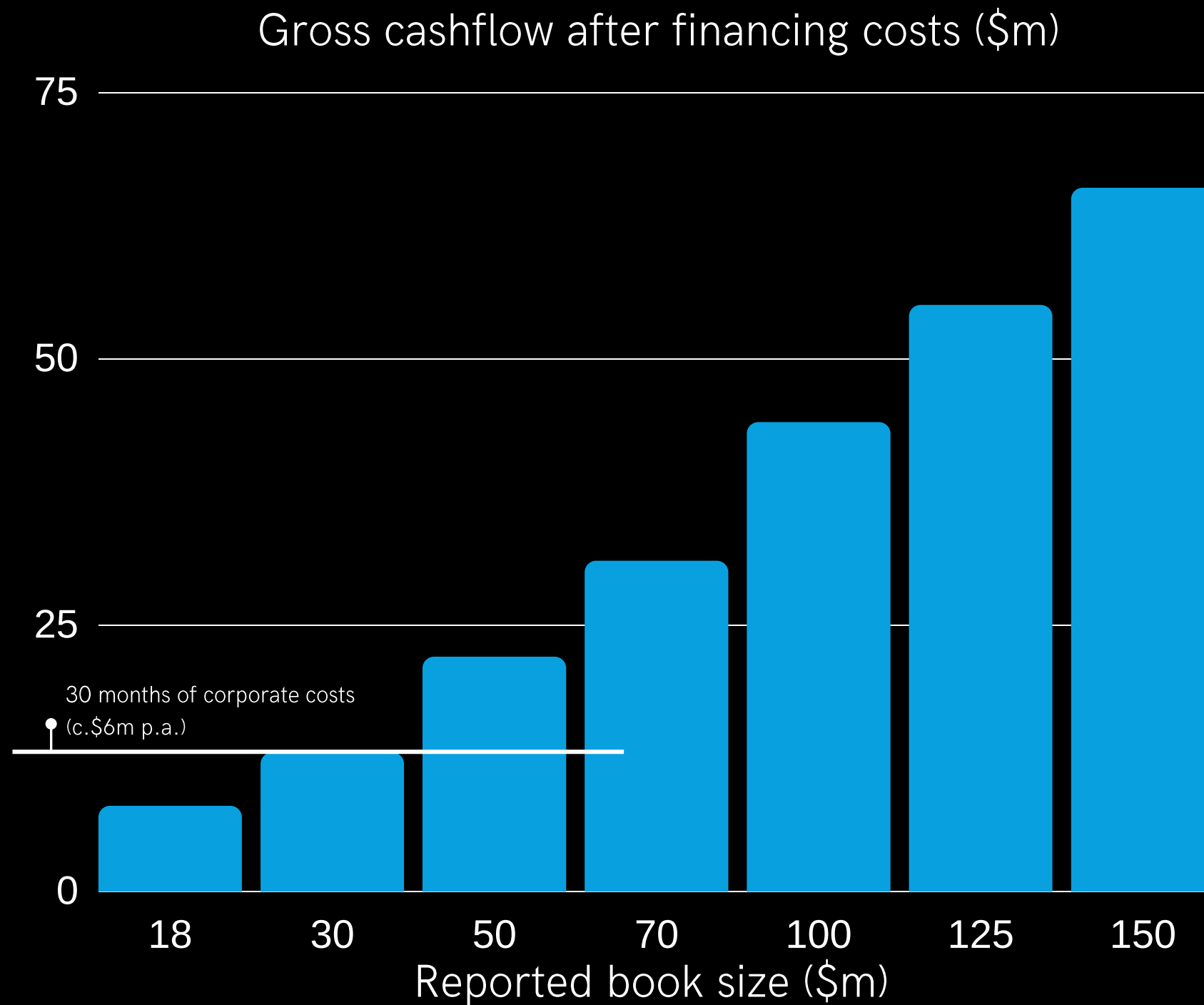
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Many motor vehicle accident victims would not have access to appropriate healthcare without funding

- Provide cashflow to medical service providers who may otherwise not treat victims
- Assist attorneys pursuing the claims with a detailed pack of bills and medical records
- At-fault driver's insurer settles which pays for the attorney services, the victim's compensation and the medical expenses



BUSINESS MODEL



Note:
Assumes MOCE of 1.5x, settlement in 30 months, debt advance rate of 85%, interest rate of 11.75% in year 1 and 7.5% thereafter. This is a simplified example as collections are generally spread between 6 months and 5 years

Our business model is simple:

We fund medical bills. As our book grows, so does our cashflow

> 40%

Equity IRR

> 1.5

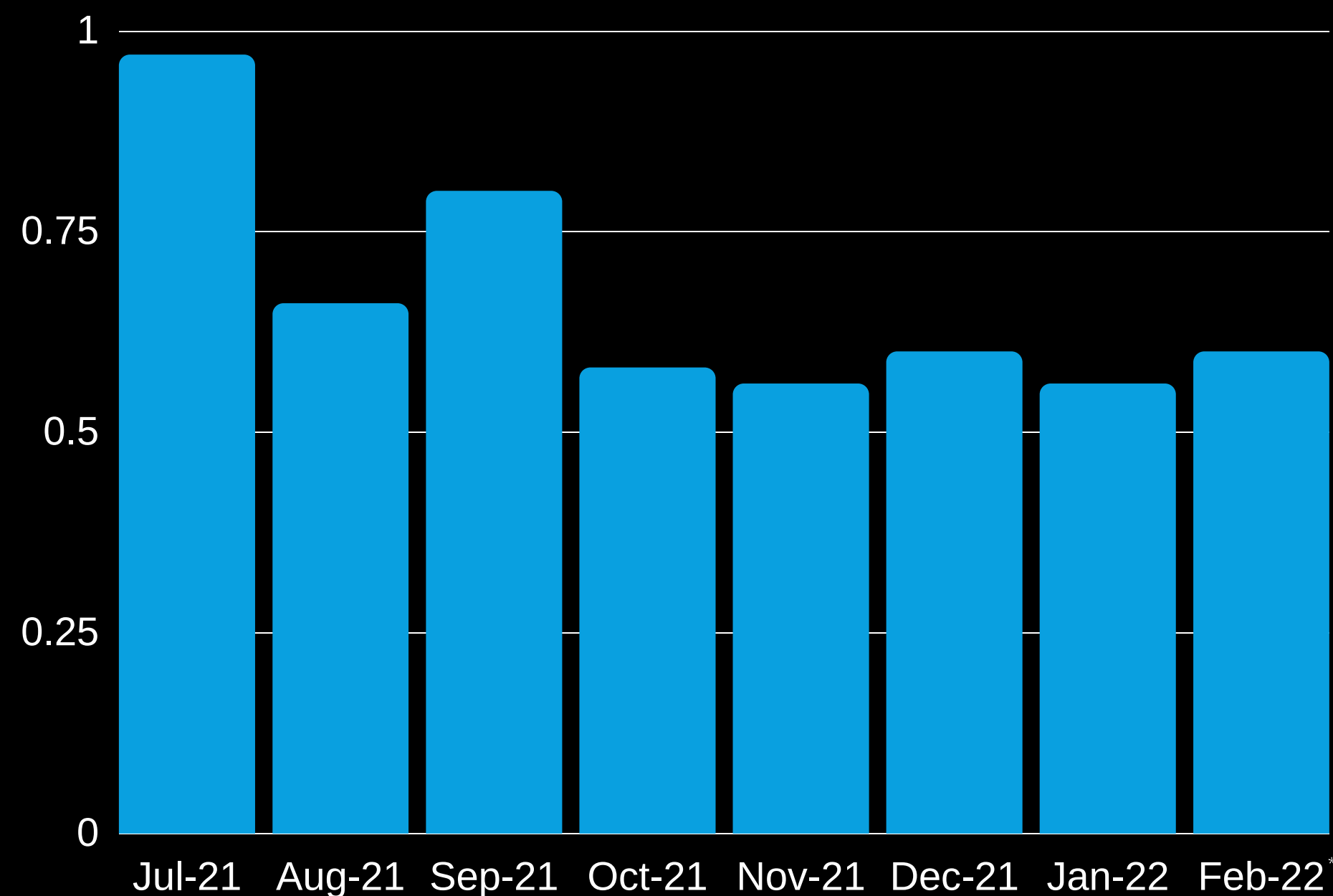
Multiple of Capital Employed

30 MONTHS

Average pay-back period

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Monthly collections (\$m)



Note: * Feb-22 is an estimate

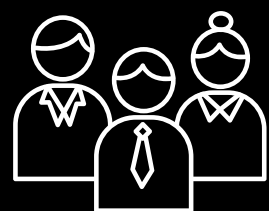
CONSISTENT CASHFLOW

- Our portfolio of generally small claims provide a predictable and consistent stream of monthly cashflows
- Monthly collections are expected to trend up with increasing scale, Michigan returning to normal operations* and MOCE increasing
- Our near-term objective is to reach c.\$2m of collections per month (break-even) and grow rapidly in the years ahead

* Michigan is currently collecting slower than usual due to the recent law change, court backlogs and the entitlement to a number of claims being worked through with other funders

SOURCES OF GROWTH

Several avenues to significantly grow the business



ORGANIC GROWTH

Large network of doctors,
attorneys and brokers

Organic and recurring
originations nearing \$1 million
over the last three months



PORTFOLIO PURCHASES

Large books are offered
regularly

Actively reviewing more than
\$30 million of funding
opportunities



ER CONCIERGE

Direct agreements with hospital
systems to service victims

Currently have four hospitals in
the ER Concierge programme
with active pipeline

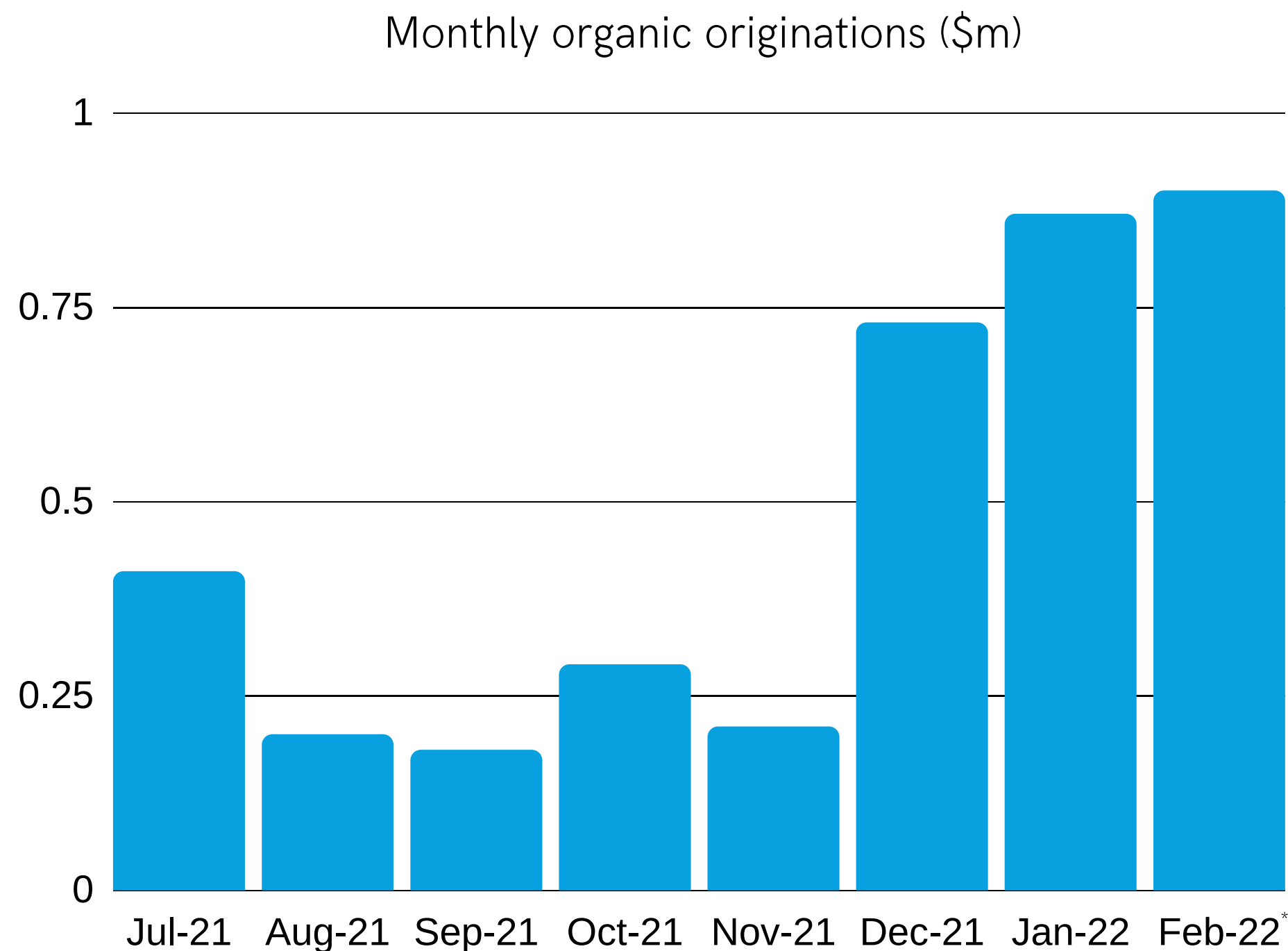


TRIDENT JOINT VENTURE

Replace government funding for
accident victims

Strong support from Medicaid
with pilot programme expected
to commence in short term

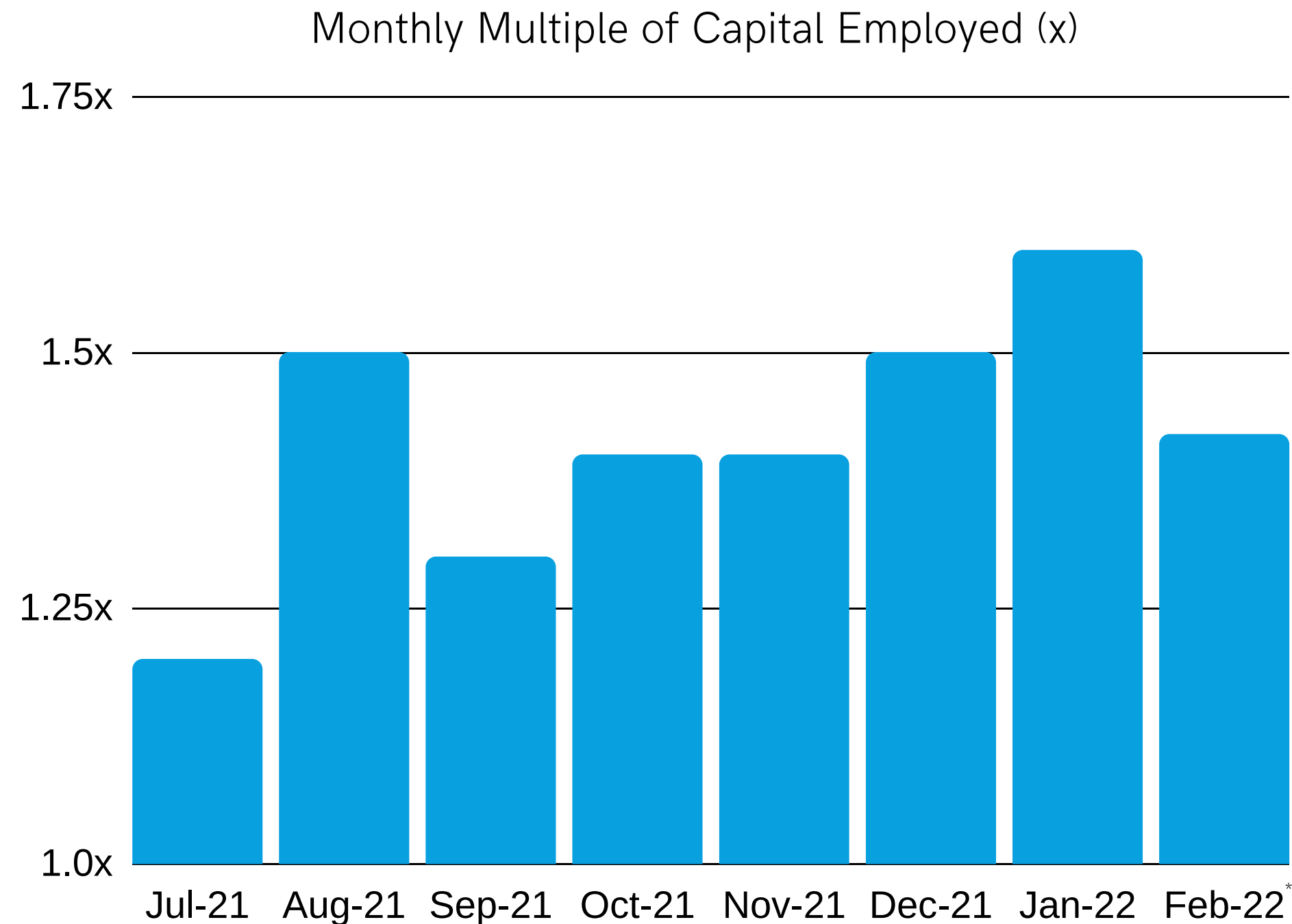
MOMENTUM IS BUILDING (1)



Note: * Feb-22 is an estimate

- The market for medical receivables is returning to normal trading conditions
- Significant growth in monthly organic originations in the last three months
- A large portion of the monthly originations is recurring business with new medical service provider relationships

MOMENTUM IS BUILDING (2)



Note: * Feb-22 is an estimate

- Our funding commands a return on investment that has historically averaged 1.6x
- Insurers were able to negotiate lower settlements during COVID as the courts were operating on low productivity
- Improved collection processes and the reduction of the "COVID discount" has seen a sharp recovery in our Multiple of Capital Employed (MOCE)

2 PORTFOLIOS

Opportunities in active review

5 PASSED ON

Passed on 5 portfolios we reviewed in last 6 months

3 MORE

Identified 3 further large portfolios

ACTIVELY REVIEWING >\$30 MILLION OF PORTFOLIO OPPORTUNITIES

We are actively reviewing two significant bulk portfolios

On one of these, we are close and are now in documentation stage with underwriting process expected to complete in March 2022 (c.\$8 million+ in funding)



Trident Joint Venture

THE AFFORDABLE CARE ACT (OBAMACARE) STATES THAT MEDICAID AND MEDICARE SHOULD NOT FUND TREATMENTS WHEN A PERSON IS INSURED ELSEWHERE

This means the healthcare expenses of a victim of a car accident must be claimed with the at-fault driver's insurer

Nevertheless, it is estimated that Medicaid and Medicare will be funding c.\$155 billion of accident-related healthcare costs in the US in 2022

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What is it?

An equally owned joint venture between LawFinance, a specialized receivables management company and a healthcare consulting company

What will it do?

Trident JV will fund complying accident-related ER hospital treatments, that would otherwise be funded by Medicaid/Medicare

What problem does it solve?

Where the at-fault party is insured these treatments should not be funded by Medicaid/Medicare, therefore the Trident JV makes hospital systems compliant with Affordable Care Act regulations

What is the opportunity?

With the strong support of AHCCCS (Medicaid administrator in Arizona), Trident intends to pilot the program with a medium-sized hospital system in the Phoenix area and roll it out to multiple hospitals across Arizona if proven successful

Trident Joint Venture

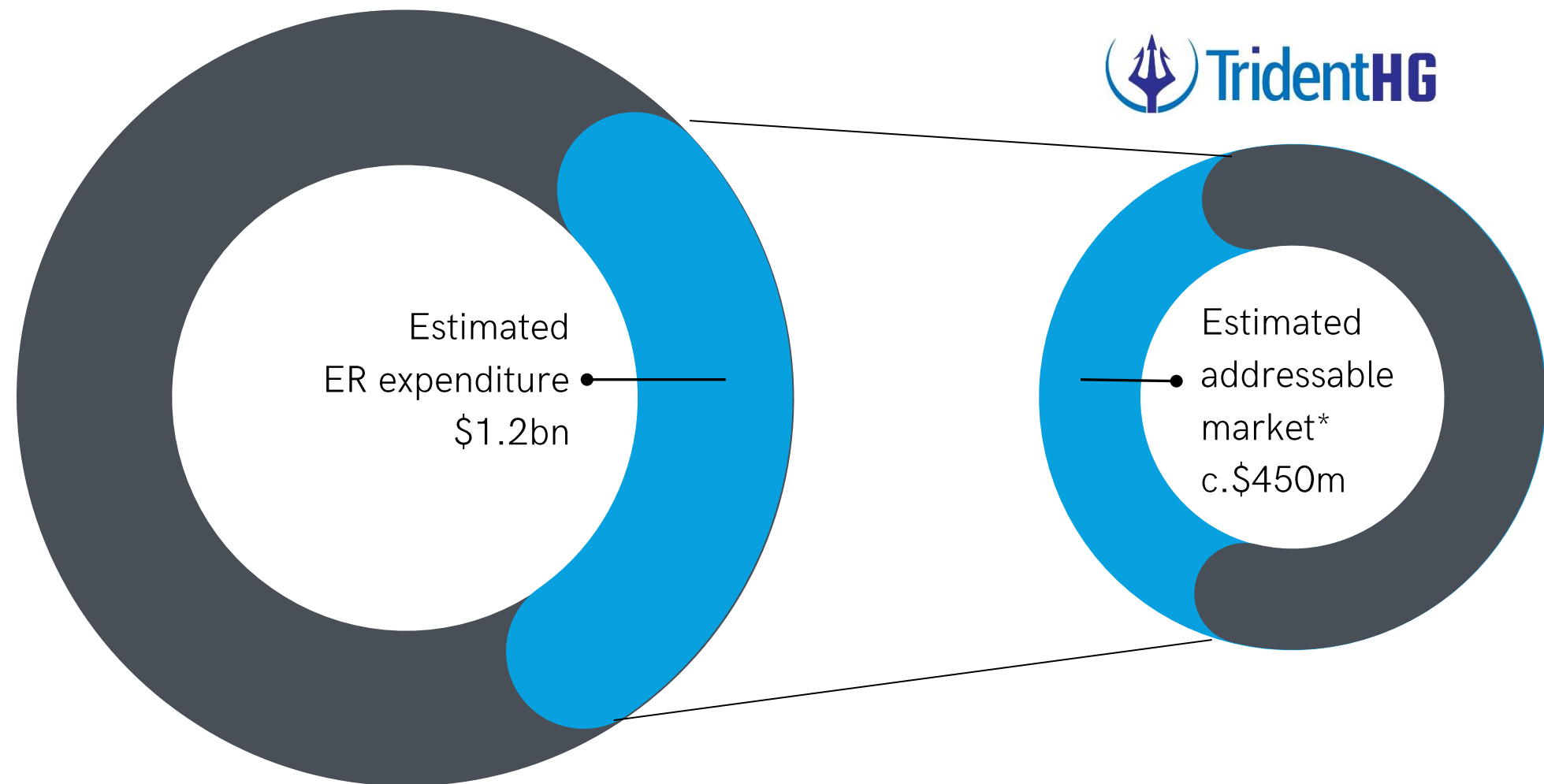
Our funding solution would be applicable in all US states, but the JV is initially focusing on Arizona

This funding solution is lower risk and is expected to enjoy a faster repayment profile for LawFinance

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MARKET OPPORTUNITY

Total accident-related Medicaid/Medicare expenditure in Arizona is estimated at \$3.5 billion in 2022



Our first pilot hospital system is expected to go live in Q2/Q3 2022

Source: Centers for Medicare & Medicaid Services, Optum Insight and Company estimates
Note: * Estimate based on our underwriting criteria



Overview

FY2021 Preliminary Financial
Results

Questions?

16 INTRODUCTION

- LawFinance was restructured during 2021 and is now led by a new management team

- The restructure coupled with the accounting standards for our financing products can make the Balance Sheet and Profit & Loss statement difficult to interpret

- The results for FY2021 do not reflect the outlook for the Company

- The improvement in the trading environment, provider relationships and operations are expected to result in a continued positive trajectory for FY22



STATUTORY BALANCE SHEET

Consolidated financial position (\$'000)	FY2021	FY2020
Cash	5,101	4,746
Accounts receivable	41,442	69,376
Intangible assets	--	10
Other	1,628	12,367
Total Assets	48,171	86,499
Accounts payable	2,067	6,789
Borrowings - Asset Backed Lending	38,289	59,295
Borrowings - SAF and Other	17,852	54,635
Other	441	13,339
Total Liabilities	58,649	134,058
Net Assets	(10,478)	(47,559)

- Significantly strengthened through the restructuring and equity raise with net assets improving by 78%
- Accounts receivable books decreased by 40% year on year driven by the derecognition of the Australian businesses
- Accounts receivable as at 31 December 2021 are comprised of the PFG Book (\$18.6m) and the EFI Book (\$22.9m)
- Accounts receivable valuations are expected to increase in the next reporting periods inline with improving returns

STATUTORY P&L

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Profit & Loss Statement (\$'000)	FY2021	FY2020
Net loss from medical lien funding	(3,079)	(9,311)
Other revenue	1,392	1,855
Total revenue	(1,687)	(7,456)
Non-supplier related cost of sales	(57)	(22)
Gross (loss)	(1,744)	(7,478)
Interest income	4	2
Foreign exchange gain	--	7
Impairment gain on financial liabilities	-	19,602
Employee benefits expense	(4,196)	(4,724)
Depreciation and amortisation expense	(349)	(470)
Impairment of assets	(75)	(38,307)
Administration and other expenses	(4,135)	(3,686)
Finance costs	(11,474)	(15,010)
(Loss) before income tax benefit/(expense) from continuing operations	(21,969)	(50,064)
Income tax benefit/(expense)	1,528	(12,810)
(Loss) after income tax benefit/(expense) from continuing operations	(20,441)	(62,874)
(Loss) after income tax expense from discontinued operations	(788)	(15,262)
Closing Balance	(21,229)	(78,136)
<i>Items that may be reclassified subsequently to profit or loss</i>		
Foreign currency translation	1,977	(1,680)
Restructuring gain on debt to equity conversion	18,910	-
Other comprehensive income/(loss) for the year, net of tax	20,887	(1,680)
Closing Balance	(342)	(79,816)

- Gross loss of \$1.7m included impairments of \$11m relating to a revaluation of certain large EFI Portfolio litigation cases and conservative assumptions for the remainder EFI Book and PFG Book which we expect will improve with continued improvement in recovery rates towards pre-COVID levels
- Corporate and operational expenses of \$8.3m in FY2021 is expected to reduce by more than 25% as a result of the cost saving programme implemented in the second half of FY21

CASH FLOW STATEMENT

Cashflow Statement (\$'000)	FY2021	FY2020
Receipts from Customers	15,156	28,179
Payment to Suppliers and employees	(10,662)	(8,398)
Payments for disbursements reports/medical lien funding	(3,577)	(11,506)
Transfer of redraw account balance to PFG controlled account - medical lien funding	(2,206)	--
Drawdown/Repayment from financing facilities	(6,152)	(12,720)
Interest related to facilities	(4,628)	(7,024)
Interest Received	3	2
Net Operating Cashflow	(12,066)	(11,467)
Payments for Property, Plant and Equipment	(154)	(16)
Payments for Litigation Portfolio	(394)	1,633
Net proceeds from term deposits	145	--
Net Investment Cashflow	(403)	1,617
Proceeds from issue of shares (net of issue costs)	12,737	8,649
Proceeds from Borrowings	2,914	28,689
Repayments of Borrowings	(1,290)	(25,391)
Interest related to Borrowings	(1,217)	(1,320)
Repayment of lease liabilities	(263)	(245)
Net Financing Cashflow	12,881	10,382
Movement in cash	412	532
Opening Balance	5,197	5,638
Effect on exchange rate changes	(508)	(973)
Closing Balance	5,101	5,197

FY2020 cashflow includes the discontinued businesses for the full year

FY2021 includes non-recurring cash expenses such as redundancy, adviser fees and other restructure and recapitalisation expenses

MANAGEMENT TEAM

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DANIEL KLEIJN

Chief Executive Officer

Prior to joining LawFinance, Daniel Kleijn was a Managing Director at Lazard and UBS focusing on M&A execution and funding across a variety of industries

PHIL SMITH

Chief Financial Officer

Phil Smith was a Director at Deloitte in their Turnaround team prior to joining LawFinance

RICHARD CRUZ

President and General Counsel

Richard Cruz is a former Personal Injury attorney and is licensed to practice in Arizona and Michigan

MARIALENA ZISKA

Chief Revenue Officer

Lena Ziska has more than 20 years of experience in marketing, communications and business development as a senior manager at eBay, Primavera and GE Capital.

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THANK YOU



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