

Despatch of Replacement Prospectus to Eligible Shareholders

LawFinance Limited ("LAW" or the "Company") advises that in accordance with the indicative Entitlement Offer timetable as provided in the Replacement Prospectus lodged on ASX on 13 April 2022, despatch of the Replacement Prospectus and personalised Entitlement and Acceptance Form to all eligible shareholders was completed today.

Eligible shareholders are invited to participate in the partially underwritten, non-renounceable entitlement offer of 7 New Shares for every 10 shares held by eligible shareholders as at 7:00pm (AEST) on Monday, 11 April 2022, and 1 free attaching unlisted option for every 2 New Shares issued, at an offer price of \$0.275 per New Share to raise up to a maximum of A\$7.85 million (underwritten up to a maximum of A\$4.32 million) ("Entitlement Offer"). Any New Shares not taken up under the Entitlement Offer will form the shortfall, which will be offered to Entitlement Offer participants and may be placed by the directors at their discretion at an offer price of \$0.275 per New Share with 1 free attaching option for every 2 New Shares.

Eligible shareholders are advised that the Entitlement Offer under the Replacement Prospectus is now open for subscriptions and the proposed closing date is Thursday, 28 April 2022.

If you have any questions concerning the Entitlement Offer, or the action you are required to take to subscribe for the new shares, please call the Entitlement Offer Information Line on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia) between 8:30am and 5:00pm (AEST) Monday to Friday.

The remaining indicative key dates of the Entitlement Offer (as set out on page 10-11 of the Replacement Prospectus) are as follows:

Event	Date*
Despatch of Replacement Prospectus to Eligible Shareholders Entitlement Offer opens	Thursday, 14 April 2022
Last day to extend the Entitlement Offer closing date	12:00pm on Friday, 22 April 2022
Entitlement Offer close	5:00pm on Thursday, 28 April 2022
Announcement of results of Entitlement Offer Issue of New Shares and Entitlement Options under the Entitlement Offer Despatch of holding statements and lodgement of Appendix 2A	Thursday, 5 May 2022
Expected date of quotation of New Shares issued under the Entitlement Offer on ASX	Friday, 6 May 2022
Annual General Meeting	May 2022
Last day to issue Shortfall Securities under the Shortfall Offer	Thursday, 28 July 2022

*The key dates for the Entitlement Offer are indicative only and may change without notice. The Company reserves the right to vary the dates set out above, including by extending the closing date of the Entitlement Offer, accepting late applications or withdrawing the offer



made under the Entitlement Offer at any time before the new shares and attached options are issued, subject to the *Corporations Act 2001* (Cth) and other applicable laws.

In accordance with ASX Listing Rule 7.7.1(b), the Company also confirms that it has despatched a letter to ineligible shareholders.

A copy of the letter to ineligible shareholders is enclosed with this announcement.

Authorised by:

Daniel Kleijn
CEO and Managing Director

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14 April 2022

Dear Shareholder

LawFinance Limited – Partially Underwritten, Non-renounceable pro-rata entitlement offer

Notification to Ineligible Shareholders

On Wednesday, 6 April 2022, LawFinance Limited (ASX:LAW) (**LawFinance** or **Company**) announced a partially underwritten, non-renounceable pro-rata entitlement offer to eligible shareholders to subscribe for 7 new fully paid ordinary shares in LAW (**New Shares**) for every 10 existing fully paid ordinary shares in LAW held by a shareholder in the Company with a registered address in Australia and New Zealand, or as otherwise determined by the Company, as at the record date of 7:00pm (Sydney time) on 11 April 2022 (**Eligible Shareholder**), and 1 free attaching option for every 2 New Shares issued (**Entitlement Options**), at an offer price of \$0.275 per New Share, to raise up to a maximum of \$7.85m (**Entitlement Offer**). Any New Shares not taken up pursuant to the Entitlement Offer will form the Shortfall which will be offered to Entitlement Offer participants and may be placed by the directors at their discretion at an offer price of \$0.275 per New Share with 1 free attaching option for every 2 New Shares subscribed for (**Shortfall Offer**). The Entitlement Offer is partially underwritten by Peloton Capital Pty Ltd up to a maximum of \$4.32 million.

Entitlement Options are exercisable at \$0.55 each at any time during the period commencing on the date of issue and ending on 30 April 2024 (**Option Exercise Period**).

The Entitlement Offer is being made by LawFinance under a prospectus in accordance with section 713 of the *Corporations Act 2001* (Cth) (the **Act**).

You are receiving this letter as unfortunately, according to our records, you are not an Eligible Shareholder for the purposes of the Entitlement Offer. Further information, including the eligibility criteria to participate and how your Entitlements will be dealt with, are set out below. **You are not required to do anything in response to this letter.** However, there may be financial implications for you as a result of the Entitlement Offer that you should be aware of, as described below.

Entitlement Offer

On 13 April 2022, the Company lodged a replacement prospectus with ASIC and ASX for the offer of securities under the Entitlement Offer (**Replacement Prospectus**). A copy of the Replacement Prospectus is available on the ASX website (asx.com.au) using the Company's ASX code: 'LAW'.

Any person who is an Eligible Shareholder may apply for the issue of New Shares pursuant to the Replacement Prospectus. An Eligible Shareholder is a Shareholder in the Company with a registered address in Australia and New Zealand, or as otherwise determined by the Company, as at the Record Date, being 7:00pm on 11 April 2022.

Any Shareholder that is not an Eligible Shareholder is an ineligible shareholder and is not entitled to be issued New Shares or Entitlement Options (**Ineligible Shareholder**).

Eligibility Criteria

The Company has determined, pursuant to ASX Listing Rule 7.7.1(a) and section 9A(3)(a) of the Act, that it would be unreasonable to make offers under the Entitlement Offer to shareholders who are not Eligible Shareholders. This is due to legal and regulatory requirements in countries other than Australia and New Zealand and the potential cost to the Company of complying with those requirements, compared with the relatively small number of shareholders in those countries, the relatively small number of existing LAW ordinary shares they hold and the relatively low value of New Shares to which those shareholders would otherwise be entitled to subscribe for. Determination of eligibility of investors for the purposes of the Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of the Company and the underwriters. The Company, its respective related bodies corporate and affiliates, and their respective directors, officers, partners, employees and agents disclaim all liability (to the maximum extent permitted by law) in respect of the determination as to whether a person is an Eligible Shareholder or an Ineligible Shareholder.

Unfortunately, according to our records, you did not satisfy the eligibility criteria for an Eligible Shareholder stated above. Accordingly, in compliance with ASX Listing Rule 7.7.1(b) and section 9A(3) of the Act, the Company wishes to advise you that it will not be extending the Entitlement Offer to you, and you will not be able to subscribe for New Shares under the Entitlement Offer. The documents relating to the Entitlement Offer will not be made available to you.

Treatment of Ineligible Shareholders' Entitlements

New Shares that would have been offered under the Entitlement Offer to shareholders determined by the Company to be Ineligible Shareholders, had they been entitled to participate in the Entitlement Offer, will be offered to Eligible Shareholders to subscribe for pursuant to the Shortfall Offer. As an Ineligible Shareholder, you will not receive any payment or value for any entitlements in respect of any New Shares that would have been offered to you if you had been an Eligible Shareholder.

No Action Required

This notice is to inform you about the Entitlement Offer. This letter is not an offer to issue New Shares to you, nor an invitation for you to apply for New Shares. You are not required to do anything in response to this letter.

On behalf of the Company's Board, we regret that you are not eligible to participate in the Entitlement Offer and thank you for your continued support.

Please contact me on +61 2 8072 1400 if you require any additional information.

Yours faithfully



Andrew Palfreyman
Company Secretary