

2022 Half-Year Results

Investor Presentation



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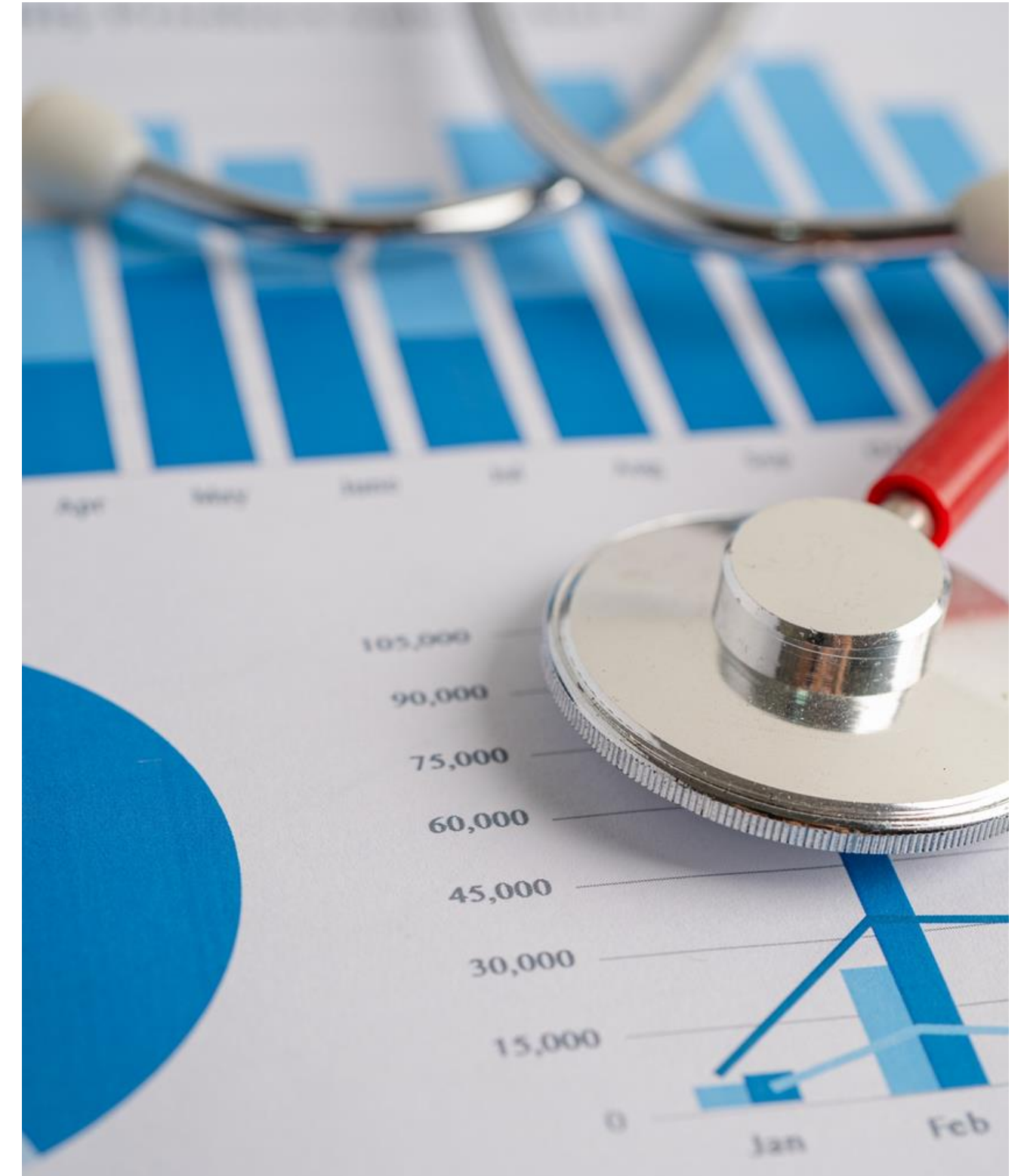
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HIGHLIGHTS

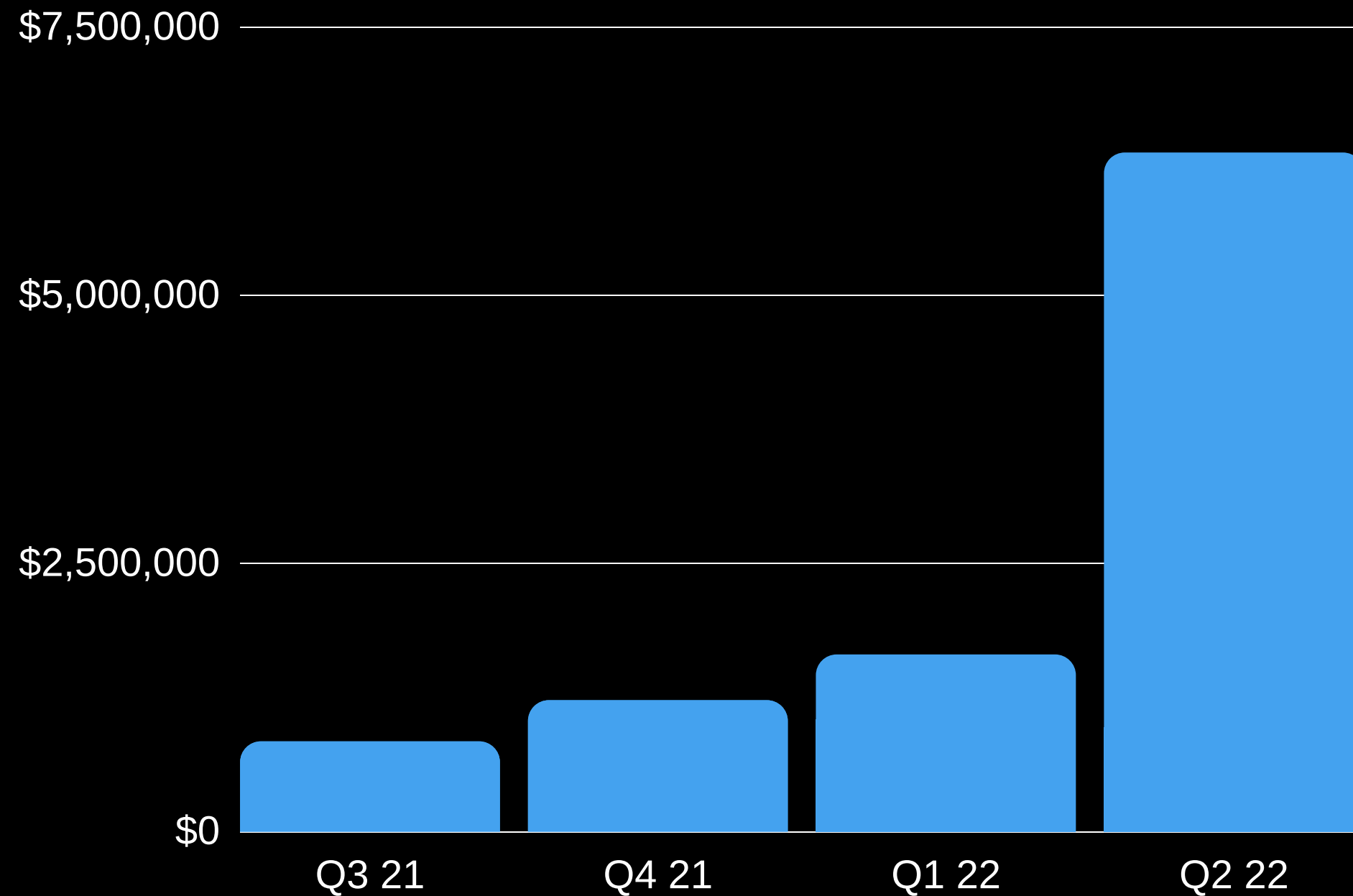
- Continuing momentum in originations during H1 2022
- Originations pipeline the strongest since the recapitalization and restructure in 2021
- Multiple on Capital Employed (excl. Michigan) in excess of 1.5x in H1 22 (1.4x incl. Michigan)
- Operational costs on target despite wage pressure due to the tight labor markets and inflation
- Trident Health Group joint venture (Trident HG) nearing commercial relationship with a hospital services company that manages more than 1,300 acute care hospitals



Note: "\$" means US Dollar and "A\$" means Australian Dollar throughout this presentation

STRONG H1 22 IN ORIGINATIONS

Quarterly origination of medical receivables



\$8 MILLION

Origination in H1 22*

(highest in more than 2 years despite stricter vetting and underwriting criteria)

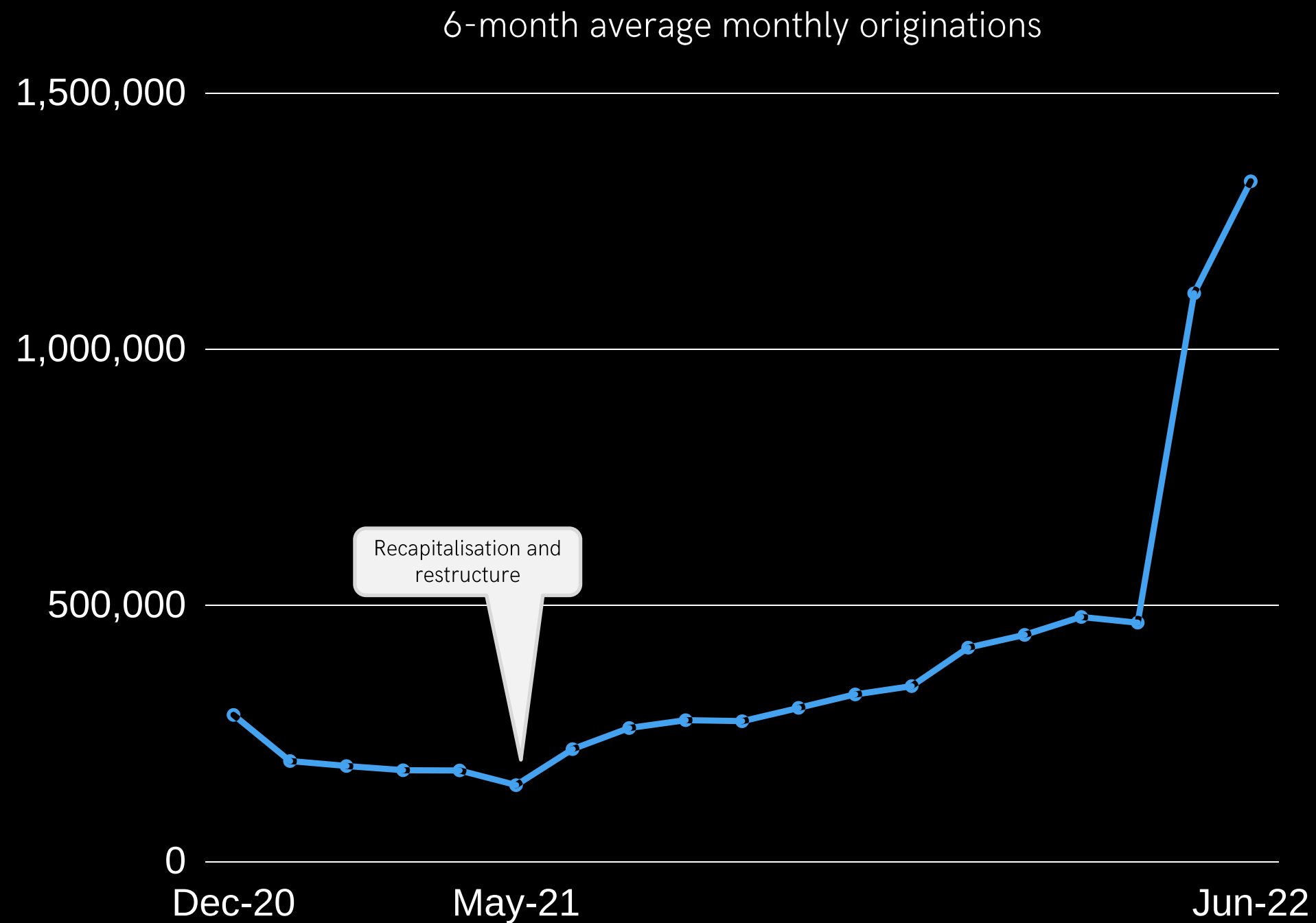
75%

LOC funding in H1 22

(strong push in new letter of credit funding product)

* \$5.3 million of origination relates to the Portfolio Transaction announced on 1 April 2022, \$4.7m remains available for the counterparty for additional funding

CONSISTENT INCREASE

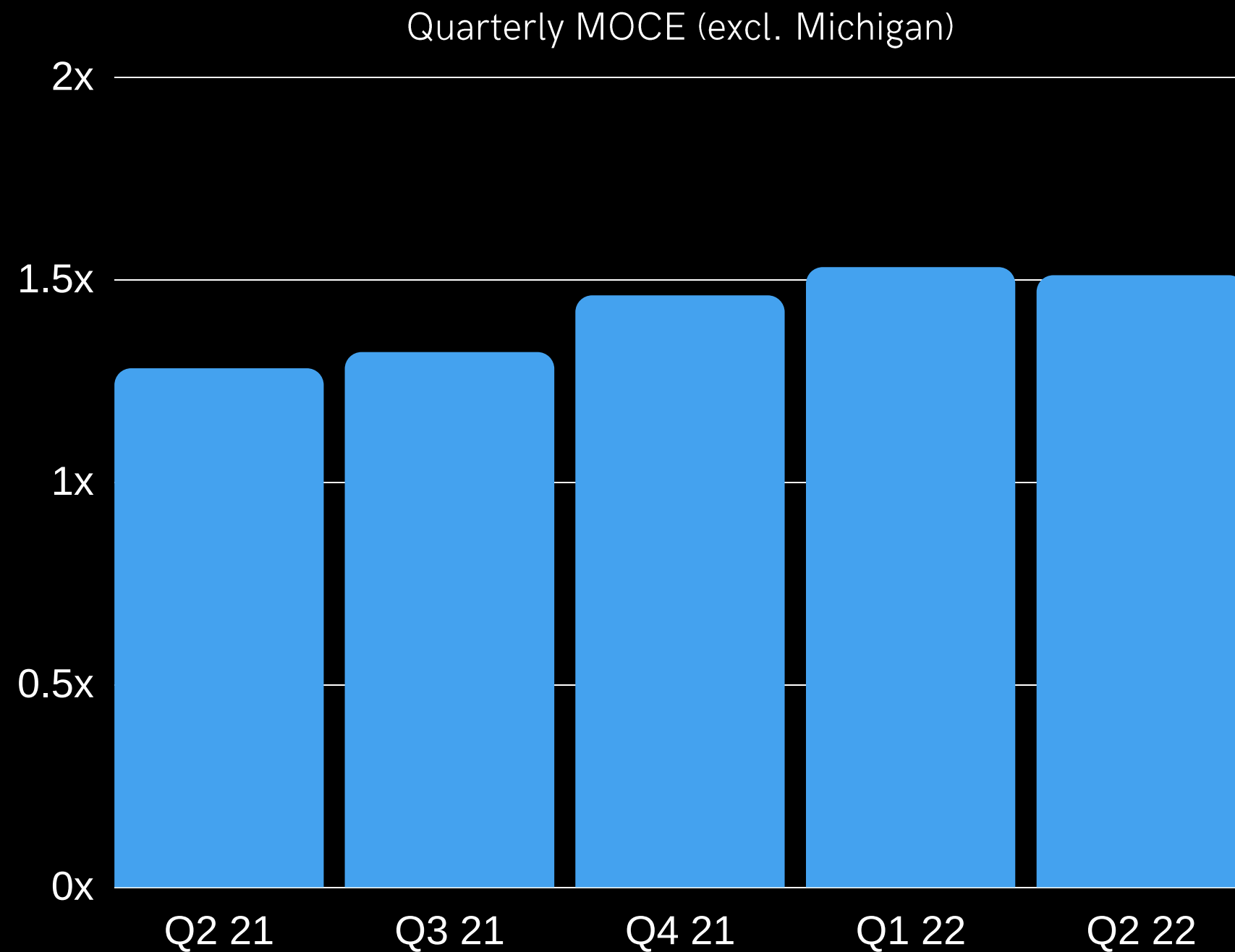


\$1.3 MILLION

Average monthly origination in H1 22

(consistent increase in 6-month average origination since the recapitalization and restructure)

TRENDING BACK TO PRE-COVID LEVELS



1.5X

**Multiple of Capital
Employed in Q2 22**

(Excluding Michigan receipts,
MOCE of 1.4x incl. Michigan)

\$604K

H1 22 Monthly Run Rate

(in-line with target for full year 2022)

<\$540K

Target H2 22 Monthly Run Rate

(10%+ reduction from H1 22)

OPEX

LawFinance tracked in-line with FY22
stated target of \$600k per month for
H1 22.

Despite industry-wide wage pressure, we
have been able to offset these by
reducing staff numbers.

Trident Health Group Joint Venture Update



- Trident HG has been in discussions with a large hospital management group to become an approved supplier
 - This group manages over 1,300 acute care hospitals in the US
- Commercial agreement is close and Trident HG is expecting to receive legal contracts in Q3
 - Which would add Trident HG to first hospital contract in quarterly contract modification
- Trident HG expects operationalization in Q4 2022



Highlights

Company Overview

Financial Results

Questions?

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

- 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

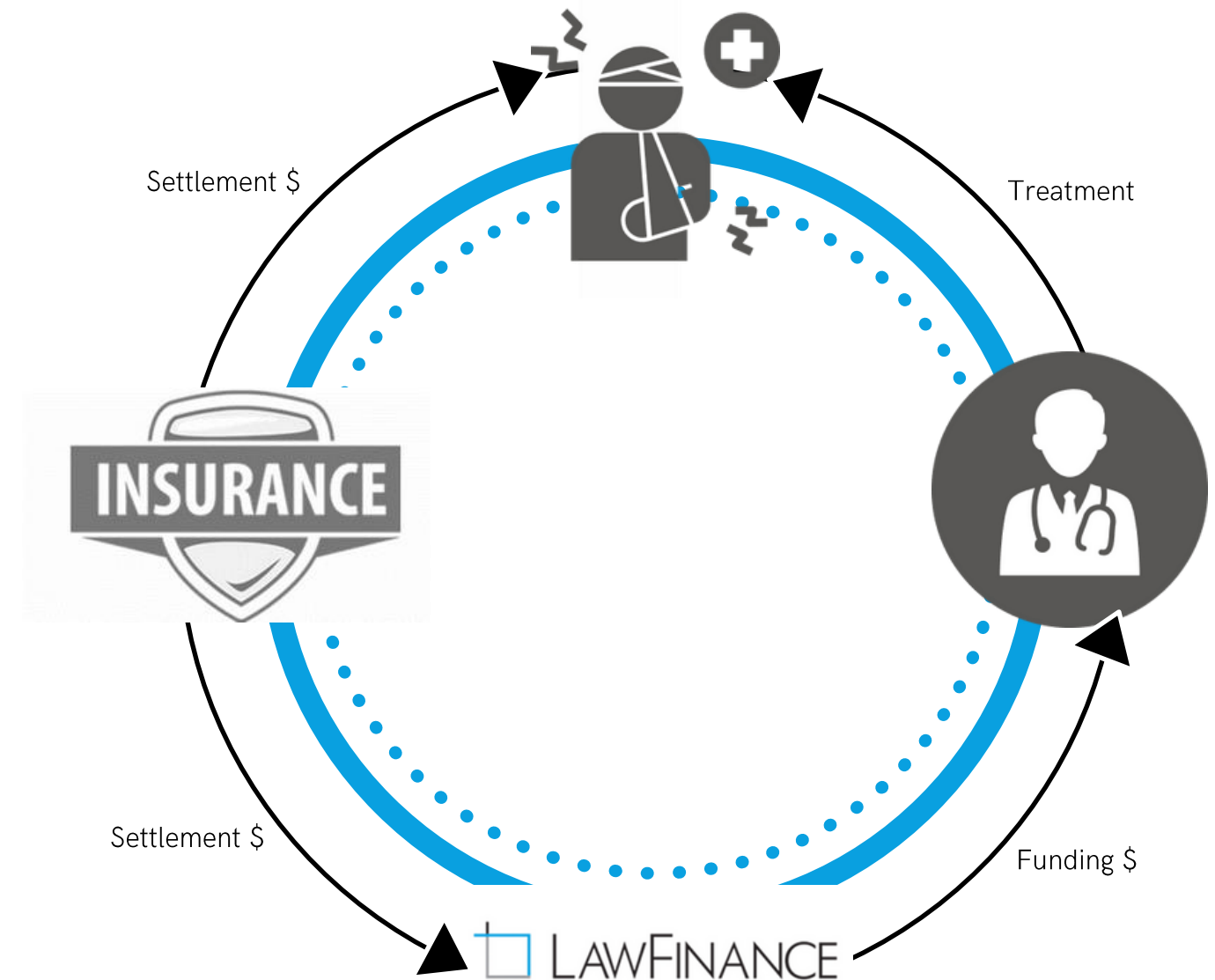
The potential addressable market is incredible

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

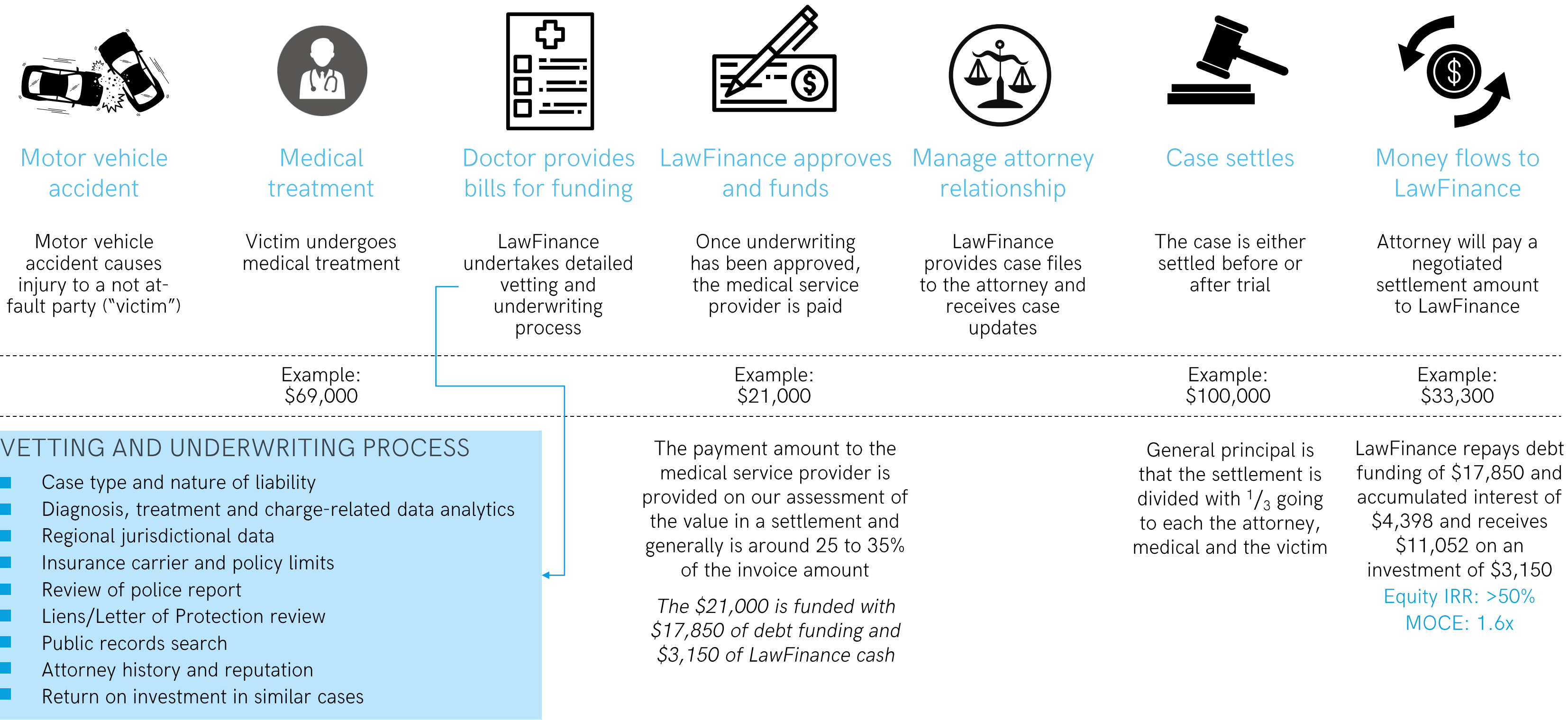
WE FUND THE IMMEDIATE NEED

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

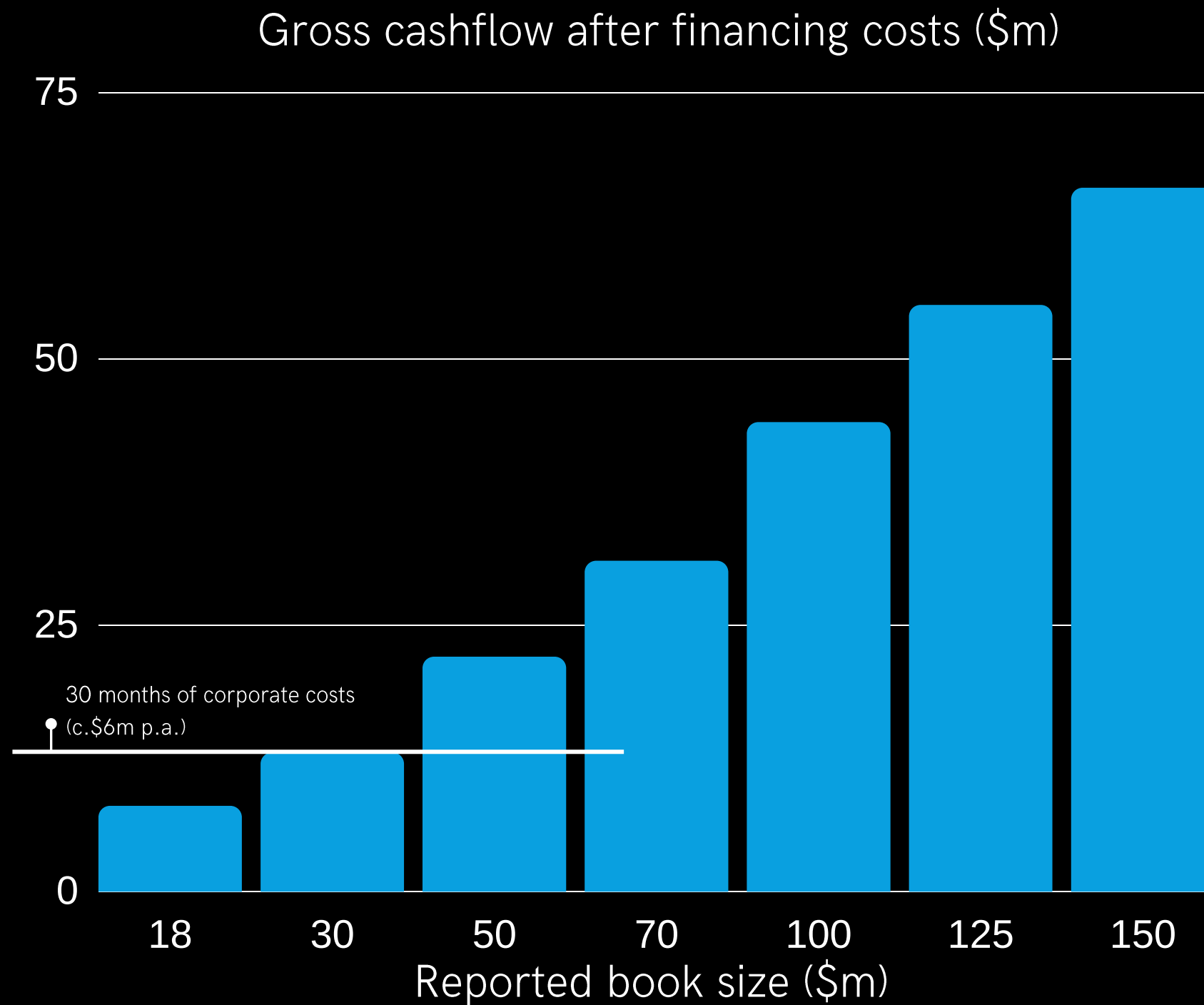
- Provide cashflow to medical service providers who may otherwise not treat victims
- Assist attorneys pursuing the claims with a detailed pack of bills and medical records
- At-fault driver's insurer settles which pays for the attorney services, the victim's compensation and the medical expenses



FUNDING PROCESS OVERVIEW



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 (before opex)

> 1.5

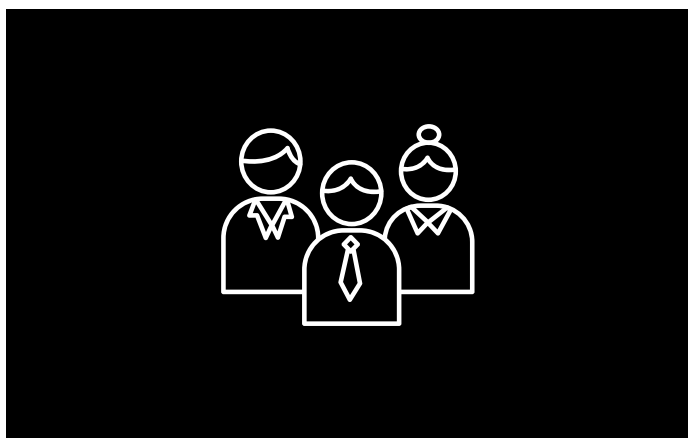
Multiple of Capital Employed

30 MONTHS

Average settlement period

SOURCES OF GROWTH

Several avenues to significantly grow the business



ORGANIC GROWTH

Large network of doctors,
attorneys and brokers



PORTFOLIO PURCHASES

Large books are offered
regularly



ER CONCIERGE

Direct agreements with hospital
systems to service victims



TRIDENT HEALTH GROUP

Replace government funding for
accident victims



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

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



Highlights

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STATUTORY BALANCE SHEET

- Improvement in net assets (7%) funded by capital raise completed in May somewhat offset by a reduction in cash balance
- Accounts receivable grew by 12% for the first half of 2022 year driven primarily by the growth in letter of credit funding
- Accounts receivable as at 30 June 2022 are comprised of the PFG Book (\$24.9m) and the EFI Book (\$21.6m)
- The PFG book of accounts receivable is comprised of \$18.9m of owned medical lien claims and \$6m of collateralised letters of credit

Consolidated financial position (\$'000)	1H22	FY21
Cash	3,182	5,101
Accounts receivable	46,537	41,442
Intangible assets	--	--
Other	1,420	1,628
Total Assets	51,139	48,171
Accounts payable	1,952	2,067
Borrowings - Asset Backed Lending	40,092	38,289
Borrowings - SAF and Other	18,496	17,852
Other	390	441
Total Liabilities	60,930	58,649
Net Assets	(9,791)	(10,478)

STATUTORY P&L

- Gross Profit of \$3.3m represents a \$4.5m improvement on the prior period as returns on collections improved in the first half
- Opex, comprising of employee benefits expense and administration and other expenses, totaled to \$3.7m in 1H22 and represented a 21% reduction on the prior period. This figure also included redundancy costs and incentive payments (STI) totaling to \$0.5m, of which \$0.3m (after tax STI) was reinvested by the employees in the May capital raise.
- Finance costs have reduced by 42% in the first half of 2022, following the successful restructure of debts in 2021. These finance costs include capitalised SAF interest of \$0.8m.

Profit & Loss Statement (\$'000)	1H22	1H21
Net loss from medical lien funding	3,117	(1,850)
Interest income - letter of credit	90	--
Other revenue	112	685
Total revenue	3,319	(1,165)
Non-supplier related cost of sales	(21)	(28)
Gross (loss)	3,298	(1,193)
Interest income	7	1
Employee benefits expense	(2,428)	(1,961)
Depreciation and amortisation expense	(77)	(163)
Impairment of assets	--	(196)
Administration and other expenses	(1,275)	(2,723)
Finance costs	(4,365)	(7,515)
(Loss) before income tax benefit/(expense) from continuing operations	(4,840)	(13,750)
Income tax benefit/(expense)	--	1,528
(Loss) after income tax benefit/(expense) from continuing operations	(4,840)	(12,222)
(Loss) after income tax expense from discontinued operations	--	(788)
Closing Balance	(4,840)	(13,010)
<i>Items that may be reclassified subsequently to profit or loss</i>		
Foreign currency translation	921	1,375
Restructuring gain on debt to equity conversion	--	18,900
Other comprehensive income/(loss) for the year, net of tax	921	20,275
Closing Balance	(3,919)	7,265

STATUTORY CASH FLOWS (1)

- Collections on the PFG Book improved as a result of higher returns and maturity of the book
- Operational expenses (Payments to Suppliers and Employees in the cashflow statement) are consistent with guidance of \$600k per month
- H1 22 included fewer non-recurring cash expenses such as redundancy, adviser fees and other restructure and recapitalisation expenses

Cashflow Statement (\$'000)	HY2022	HY2021
Cash collections from customers (inclusive of GST)		
<i>PFG book – medical liens settled</i>	4,026	3,977
<i>PFG book - lines of credit - principal repaid</i>	3	-
<i>EFI book – medical liens settled</i>	2,341	2,016
<i>Disbursement funding - settled</i>	-	2,929
New origination payments		
<i>Medical lien claims acquired</i>	(2,242)	(1,131)
<i>Lines of credit funding</i>	(5,954)	-
<i>Disbursement funding</i>	-	(635)
Payments to suppliers and employees	(3,624)	(7,025)
Disbursement funding division		
<i>Drawdowns from working capital facilities</i>	-	629
<i>Repayment of working capital facilities</i>	-	(2,176)
<i>Interest and fees related to working capital facilities</i>	-	(658)
PFG working capital facility		
<i>Interest payments</i>	(1,006)	-
<i>Net debt movement</i>	2,648	260
EFI working capital facility		
<i>Interest payments</i>	(1,502)	(2,058)
<i>Principal payments</i>	(303)	-
Atalaya working capital facility		
<i>Interest payments</i>	-	(1,277)
<i>Net debt movement</i>	-	(1,995)
Interest received	-	1
Interest paid	-	(5)
Net Operating Cashflow	(5,613)	(7,148)

STATUTORY CASH FLOWS (2)

- Collections on the PFG Book improved as a result of higher returns and maturity of the book
- Operational expenses (Payments to Suppliers and Employees in the cashflow statement) are consistent with guidance of \$600k per month
- H1 22 included fewer non-recurring cash expenses such as redundancy, adviser fees and other restructure and recapitalisation expenses

Cashflow Statement (\$'000)	HY2022	HY2021
Payments for Property, Plant and Equipment	(5)	(79)
Payments for Litigation Portfolio	-	(200)
Cash balance transfer associated with the sale of disbursement funding and litigation case funding business	-	(194)
Net Investment Cashflow	(5)	(473)
Proceeds from issue of shares (net of issue costs)	3,979	12,737
Proceeds from borrowings	71	2,910
Repayment of borrowings	(302)	(910)
Repayment of lease liabilities	(18)	(142)
Interest related to Borrowings	(7)	(767)
Net Financing Cashflow	3,723	13,828
Movement in cash	(1,895)	6,207
Opening Balance	5,101	5,197
Effect on exchange rate changes	(24)	(424)
Closing Balance	3,182	10,980

MANAGEMENT TEAM

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

DR ANTHONY PIRIE

SVP Sales & Marketing

Graduated from National University of Health Sciences. Founded a multidisciplinary health care group with nine Chicagoland locations.

THANK YOU

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