



ASX Announcement (ASX: **LAW**)

11 May 2023

## MARKET UPDATE

LawFinance Limited (**LAW / the Company**) (ASX:**LAW**) would like to provide the following market update following its request for voluntary suspension on 27 April 2023, and its market update on 5 May 2023.

The Company is still negotiating with lenders under its Secured Term Syndicated Facility Agreement (**SAF**) in relation to the conditional funding transaction and debt restructure announced to the market on 31 March 2023 (**Funding Transaction**). The terms of the Funding Transaction, including the conditions to funding, are detailed in that announcement.

In connection with these negotiations, the Funder has advised that they continue to negotiate terms for a legally binding agreement to acquire the debt of the only SAF Lender who had indicated they were not supportive of the Funding Transaction (**Debt Trade**). Based on the information provided by the Funder, the Company now expects the Debt Trade to complete by 31 May 2023.

Payment of the second instalment of US\$250,000, which was due by 25 April 2023 (**Second Instalment**), continues to be delayed as the Company works to procure unanimous support for the Funding Transaction (including the LAW Restructure) from all SAF Lenders. The Company now expects to receive the Second Instalment by Friday, 12 May, and can confirm funds have been released by the Funder.

The remaining funding to be provided under the Funding Transaction is subject to a number of conditions, some of which are outside the control of LAW and there is no guarantee that those conditions will be satisfied or that any of this further funding will be obtained. If the conditions are not satisfied and the Funding Transaction does not proceed, LAW may no longer be able to continue as a going concern.

The Company intends to remain in a voluntary suspension until the Debt Trade has completed and the Second Instalment has been received. It anticipates that this will occur, and the voluntary suspension of the Company will be lifted, on or before pre-market open on Thursday, 1 June 2023.

In the Directors' opinion, securing certainty that the Funding Transaction will proceed (which requires the Debt Trade to complete), and payment of the Second Instalment, is critical to the Company's continued financial viability, and continued trading of its securities between now and Thursday, 1 June 2023 is likely to be materially prejudicial to its ability to complete that transaction.

Further updates will be provided in line with the Company's continuous disclosure obligations.

### Authorised by:

The Board of Directors

### For investor enquiries:

Phil Smith

Chief Financial Officer / Company Secretary

LawFinance Limited

Tel: + 61 2 9696 0220

Email: [phil.smith@lawfinance.com.au](mailto:phil.smith@lawfinance.com.au)