



ASX Announcement (ASX: **LAW**)

1 June 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 updates on 5 May 2023 and 11 May 2023.

The Company is pleased to confirm it has received the second instalment of US\$250,000 and expects to receive the third instalment of US\$250,000 today, being funding under the conditional funding transaction and debt restructure announced to the market on 31 March 2023 (**Funding Transaction**). The second instalment was received on 13 May 2023, and the third instalment is expected to be received today.

The Company is continuing to negotiate with lenders under its Secured Term Syndicated Facility Agreement (**SAF**) in relation to the Funding Transaction, including the terms of a legally binding agreement for the Funder to acquire the debt equity of the only SAF Lender who has indicated it is not supportive of the Funding Transaction (**Debt Trade**). The Company previously expected the Debt Trade would complete by 31 May 2023, however it now expects this will complete by 8 June 2023.

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 Company has secured certainty that the Funding Transaction will proceed. It anticipates that this will occur, and the voluntary suspension of the Company will be lifted, on or before pre-market open on Friday, 30 June 2023.

In the Directors' opinion, securing certainty that the Funding Transaction will proceed (in respect of which the Debt Trade completing is a key element, although many conditions will remain), is critical to the Company's continued financial viability, and continued trading of its securities between now and Friday, 30 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:

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