



ASX Announcement (ASX: **LAW**)

3 July 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, 11 May 2023 and 1 June 2023.

The Company is continuing to negotiate 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**), including the terms of a legally binding agreement for the Funder to acquire the debt of the only SAF Lender who has indicated it is not supportive of the Funding Transaction (**Debt Trade**). The Debt Trade remains subject to negotiation and therefore the timing cannot be predicted with certainty but the Company currently expects this will complete by 7 July 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.

Further to the announcement on 31 March 2023, the Company confirms that the term of the existing Convertible Capital Note Deed Poll dated 5 June 2020 (**CCN**) has been extended until 30 September 2023 and the Company expects to receive signed extension forms from the holders of the CCNs today.

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. The Company continues to progress these conditions and currently expects to be able to provide an update to the market in relation to the status of the Funding Transaction by Tuesday 15 August 2023. As such, the Director's consider that continued trading of its securities between now and Tuesday 15 August 2023 is likely to be materially prejudicial to its ability to complete the Funding Transaction.

The Company intends to remain in a voluntary suspension until the earlier of the commencement of trading on 15 August 2023 or when the Company releases an announcement relating to the Debt Trade and the Funding Transaction.

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

Authorised by:

The Board of Directors

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