



Investor Presentation

As of March 27, 2020



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Company Overview

Emergent Capital is a Specialty Finance Company That Invests Primarily in Life Settlements, Which Provide Liquidity for the Owners of Life Insurance Policies that Face a Short-Term Cash Need or can no Longer Afford Their Insurance Premiums

Life Settlements are Simply Life Insurance Policies That Individuals Have Sold Because They Either did not Need Them or Wanted Liquidity. Companies like Emergent Capital Buy Those Policies and Continue to make the Premium Payments on Them Until They Mature. At that Time, The company Files for and Receives the Face Amount of the Policy from the Insurance Carrier.

- **EMGC owns 27.5% Equity Investment that owns a portfolio of 533 life insurance policies (As of 12/5/2019)**
 - Aggregate death benefit of approximately \$2.5 billion
 - Assumes November 30, 2019 figures less the Sun Life Settlement
 - Portfolio is seasoned and well diversified
- **Headquartered in Boca Raton, Florida**
 - 7 full-time employees
- **Founded in 2006 and publicly traded since 2011**
 - Rebranded as Emergent Capital, Inc. (formerly Imperial Holdings, Inc.) in September 2015



Recent Developments

On August 16, 2019, Emergent closed a financing transaction with Palomino JV, LP in the ownership of its portfolio of life settlement policies and exited its former credit facility with Beal Bank

- This transaction allowed Emergent to **reduce its outstanding debt, provided the Company with a more sustainable capital structure, and aligned the company with Jade Mountain, a strong, like-minded financing partner**
- Following the transaction, Emergent owns 27.5% of White Eagle Asset Portfolio, L.P. (“White Eagle”), which owns the life settlement portfolio
- Restructuring was critical to maintain the viability of EMGC and retain its investment in its life settlement portfolio
- As part of the transaction with our new partner, structured annual distributions will provide consistent cash flow to Emergent to offset unpredictable and inherently lumpy distributions from maturing policies

Transaction Highlights & Benefits

\$366.2 MILLION

Amount paid by Palomino to acquire 72.5% interest in the White Eagle Portfolio

\$402.5 MILLION

Debt Reduction following closing of transaction

\$8.0 MILLION

Expected annual distributions from Palomino for next 3 years to offset Corp Overhead

Life Settlement Asset Portfolio

With a continuing ownership interest (27.5%) in a diverse and well-seasoned portfolio of life settlement assets, we see a significant opportunity to generate long-term value for shareholders

Portfolio Overview & Highlights (as of Dec. 5, 2019)

533

Life Insurance Policies
in Diverse Portfolio

\$2.5B

Approximate Face
Value of Life
Settlements

85.3 yrs old

Average Age
of Insured Party

6.9 years

Average Life
Expectancy of
Insured Party

Portfolio Overview

- The last known location of the insureds in the portfolio are concentrated with over 64.6% in 3 states
- The split between male and female is relatively even.
- Over 87% of policies are with insurance companies with a S&P rating of A or better.
- While the current average age is 85.3, over 88% are 80 years old or older.

Note: NDB = Net Death Benefit

Current Age	Count	%	\$ NDB	% NDB
70.1 to 75.0	4	1%	6,600,000	0%
75.1 to 80.0	51	10%	263,857,000	11%
80.1 to 85.0	223	42%	1,027,968,381	41%
85.1 to 90.0	175	33%	863,796,701	35%
90.1 to 95.0	62	12%	247,329,948	10%
95.1 to 100.0	18	3%	90,499,183	4%
Total	533	100%	\$2,500,051,213	100%
Avg. Wtd. Age: 85.3 Yrs.				

as of 12.05.2019

Residence	Count	\$ NDB	% NDB
Florida	167	755,965,700	30.2%
California	117	553,645,291	22.1%
New York	59	308,372,864	12.3%
All Others	190	882,067,358	35.3%
Total	533	\$2,500,051,213	100.0%

Gender	Count	\$ NDB	% NDB
Male	245	1,210,757,947	48%
Female	288	1,289,293,266	52%
Total	533	\$2,500,051,213	100%

S&P	Count	\$ NDB	% NDB
AA+	6	24,983,333	1.0%
AA	8	15,855,000	0.6%
AA-	290	1,366,834,217	54.7%
A+	148	756,945,614	30.3%
A	6	16,185,000	0.6%
All A- or Less	75	319,248,050	12.8%
Total	533	\$2,500,051,213	100%

Portfolio Overview

as of 12.05.2019

Portfolio	as of:	12/31/13	12/31/14	12/31/15	12/31/16	12/31/17	11/30/18	11/30/19	Q1, 2020
<u>Financed Policies:</u>									
Number of Policies		457	450	593	619	606	586	561	524
Death Benefit (\$millions)		\$2,276	\$2,252	\$2,794	\$2,935	\$2,868	\$2,776	\$2,644	\$2,453
Avg. Wtd. Age		79.7	80.6	81.6	82.4	83.4	84.3	85.2	85.5
Avg. Wtd. LE		11.1	10.4	9.7	9.0	8.3	8.9	7.1	6.8
Avg. Seasoning (yrs)		5.4	6.4	7.7	8.6	9.6	10.5	11.5	11.8
<u>Non-Financed Policies:</u>									
Number of Policies		155	157	39	2	2	2	2	-
Death Benefit (\$millions)		\$679	\$679	\$186	\$12	\$12	\$12	\$12	-
Avg. Wtd. Age		77.7	79.4	79.2	75.8	76.8	77.7	78.7	-
Avg. Wtd. LE		13.4	11.8	12.5	13.5	12.8	12.2	11.4	-
Avg. Seasoning (yrs)		5.3	6.7	6.8	7.6	8.6	9.5	10.5	-
<u>Total Portfolio:</u>									
Number of Policies		612	607	632	621	608	588	563	524
Death Benefit (\$millions)		\$2,955	\$2,931	\$2,979	\$2,947	\$2,880	\$2,788	\$2,656	\$2,453
Avg. Wtd. Age		79.2	80.4	81.4	82.4	83.4	84.3	85.2	85.5
Avg. Wtd. LE		11.6	10.7	9.9	9.0	8.3	8.9	7.1	6.8
Avg. Seasoning (yrs)		5.3	6.5	7.7	8.6	9.6	10.5	11.5	11.8

Projected Portfolio Performance – White Eagle

50th Percentile			
<u>Year</u>	<u>Expected Death Benefits</u>	<u>Expected Premiums</u>	<u>Expected Net Cash Flow</u>
3 Years	\$ 637,127,355	\$ 311,222,498	\$ 325,904,857
5 Years	\$ 1,075,913,206	\$ 500,201,203	\$ 575,712,003
10 Years	\$ 1,976,812,856	\$ 844,224,493	\$ 1,132,588,363

95th Percentile			
<u>Year</u>	<u>Expected Death Benefits</u>	<u>Expected Premiums</u>	<u>Expected Net Cash Flow</u>
3 Years	\$ 560,774,307	\$ 316,413,596	\$ 244,360,711
5 Years	\$ 984,969,314	\$ 509,681,178	\$ 475,288,136
10 Years	\$ 1,894,185,817	\$ 855,039,897	\$ 1,039,145,920

Expected Premiums – White Eagle

as of 11.30.2019

At 50 th Percentile	
<u>Year</u>	<u>Expected Premiums</u>
2020	\$ 101,736,974
2021	\$ 106,764,594
2022	\$ 102,720,931
2023	\$ 97,126,979
2024	\$ 91,851,726
Thereafter	\$ 614,607,622
Total	\$ 1,114,808,825

Waterfall – White Eagle

The waterfall for the Palomino (White Eagle) structure, as cash is received, is as follows:

- **First**, for the first 3 years, Palomino to pay \$8 million per year to Emergent to offset corporate overhead. These payments are agreed to be discontinued after 36 months in anticipation that the waterfall will produce income to Emergent to replace such payments;
- **Second**, to pay operating overhead of the Joint Venture (White Eagle);
- **Third**, to pay premiums on policies;
- **Fourth**, to replenish the Premium Reserve Account in the event that the \$30mm reserve needs to be tapped.
- **Fifth**, to maintain a reserve to allow the majority partner, Palomino, to realize a minimum 11% ROI on their investment. This calculation will be performed using their net investment, which declines as maturities occur;
- **Sixth**, after the funding of all reserves, once the ROI has exceeded 11% on Palomino's net investment, 27.5% and 72.5% of monies will be distributed to Emergent and Palomino, respectively;

Note: In the event that Emergent's ROI is reduced to fulfill the 11% ROI requirement on Palomino's investment, once the 11% is attained, Emergent's distribution will be increased to allow Emergent to catch up on any monies contributed to such and then the split will be 72.5% Palomino and 27.5% Emergent;

The agreement provides Emergent the right to use other, lower cost financing to reduce Palomino's investment by up to \$200 million. This would be helpful to Emergent as the 11% ROI minimum would be eliminated for the amount of the loan and be replaced by the simple interest on the loan amount.

Balance Sheet Highlights

	As of 11/30/19	
	(in thousands)	
Assets		
Cash and Cash Equivalents	\$	24,793
Investments in Life Settlements, FMV		1,297
Investment in Limited Partnership		137,849
Other Assets		1,773
Total Assets		165,712
Liabilities		
Debt		
Senior Unsecured Debt	\$	72,138
Senior Secured Debt		46,528
Other Liabilities		4,933
Total Liabilities		123,599
Stockholders' Equity	\$	42,113

- Senior Unsecured Debt: Fixed 5.0%, 2023 maturity
- Senior Secured Debt: Fixed 8.5%, 2021 maturity
- Examples of Cost Controls as a result of the 2017 Recapitalization:
 - Refinance of both Secured and Unsecured Debt resulting in decrease in interest expense;
 - Reduction in Company headcount currently at 7 ;
 - Reduction in numerous operating expenses

Income Statement Highlights

Income Statement Highlights				
	For the Three/Two Months Ended November 30,		For the Twelve/Eleven Months Ended November 30,	
<i>(in thousands)</i>				
	2019	2018	2019	2018
Total Income	\$ 7,412	\$ (237,289)	\$ 41,525	\$ (196,422)
Total Expenses	\$ 6,874	\$ (66,119)	\$ 20,900	\$ 26,525
Income (Loss)	\$ 538	\$ (171,170)	\$ 20,625	\$ (169,897)

- Total Stockholder's Equity currently reflects 15.25% discount rate, significantly more conservative than other industry participants and recent market transactions
- Each 50 bps decline in in the discount rate used to determine the FMV of the life settlement portfolio results in a \$3.8 million increase in the FMV

EMGC Cap Table (as of 11/30/2019)

Current Shares			
	<u>Outstanding</u>	<u>Diluted</u>	<u>Notes</u>
Outstanding Common Stock	59,572,779	59,572,779	21587 - Emergent Capital Common Accredited
Outstanding Common Stock	97,851,162	97,851,162	16911 - Emergent Capital Inc
Outstanding Restricted Stock	333,334	333,334	Officers and Senior Employees
Convertible Note Share Reserve	-	37,918,483	Assumes \$75,836,966 outstanding converting at \$2.00
Omnibus Plan	-	8,511,785	
Master Transaction Warrants	-	17,500,000	Currently exercisable, expires 2025, \$0.20 per share
Master Transaction Warrants	-	25,000,000	Exercise tied to conversion of convertible notes, expires 2025, \$0.20 per share
Total Shares	157,842,275	246,687,543	

Emergent Capital Management

Patrick J. Curry – Chairman & CEO



Mr. Curry currently serves as the President and Chief Executive Officer of PJC Investments, LLC. Previously, from 1997 to 2003, Mr. Curry served as Executive Vice President and a director of Central Freight Lines, Inc. From 1994 to 1997, Mr. Curry was the President and Chief Executive Officer of Universal Express Limited, LLC. From 1991 to 1993, Mr. Curry served as President and Chief Executive Offer of Lortex, Inc. Prior to these roles, Mr. Curry was also a licensed stock and bond broker for Legg Mason Wood Walker, Inc. and a financial analyst for Hercules Aerospace, Inc. Mr. Curry has previous experience in investing in entities in the life settlement business. Mr. Curry has a Bachelor of Business Administration in Finance from Texas A&M University.

Miriam Martinez - Senior Vice President and Chief Financial Officer



With more than 30 years in the financial services industry, Ms. Martinez is a highly accomplished business leader. She joined Emergent Capital in 2010 as senior vice president, finance and operations, and has been Chief Financial Officer since 2016 and Secretary since 2017. Ms. Martinez manages the company's financial resources and functions, participates in strategic planning and oversees operational departments including human resources and servicing.

Additional Notes

- Note (1): To avoid confusion, the December 5, 2019 policy number and face amounts are shown only to reflect the year ending November 30, 2019 disclosed figures adjusted for the Sun Life Settlement that occurred on December 5, 2019.
- Note (2): All figures for the years ending December 31, 2017 and prior reflect each 12-month period of activity. The fiscal year for Emergent was changed to November during 2018, so the figures reported for November 30, 2018 reflect 11 months of activity. The figures for the fiscal year ending November 30, 2019 reflect a full 12 months of activity for that fiscal year.

Company Contact

Corporate Information

5355 Town Center Road,
Suite 701, Boca Raton, FL 33486
phone: 561-995-4200
fax: 561-995-4201
info@emergentcapital.com
www.emergentcapital.com

Investor Relations Contact

Rob Fink
Fink IR
phone: 646.809.4048
IR@emergentcapital.com

