

April 26, 2021



LM Funding Announces Digital Assets Strategy

TAMPA, FL / ACCESSWIRE / April 26, 2021 /LM Funding America, Inc.

(NASDAQ:LMFA) ("LM Funding" or "LMFA"), a technology-based specialty finance company, today announced plans to purchase up to \$2 million in digital assets. The purchase of Bitcoin, Ether and other digital assets that are not securities is part of LMFA's capital allocation strategy. This purchase will represent approximately ten percent of LMFA's assets. In addition, LMFA is pursuing development of transactional capabilities involving digital assets both organically and through potential acquisitions.

"We believe certain digital assets already provide an alternative to storing value in cash and cash equivalents while the blockchain technology used by other digital assets will provide the backbone for a variety of transactions in the near future," said Bruce M. Rodgers, Chairman and CEO of LMFA. "The community associations that we service are required to maintain reserve accounts that could benefit from the value preservation features of some digital assets. Additionally, we foresee increased use of blockchain technology and digital assets throughout the real estate transactional ecosystem. Our interest in developing and acquiring transactional capabilities involving digital assets requires that we implement the corporate governance and internal controls necessary for a public company to hold and transact business using digital assets. We plan to purchase, hold, and account for our newly acquired digital assets using vendors who have established best practices within the digital asset ecosystem."

On January 28, 2021, LM Acquisition Opportunities, Inc., a special purpose acquisition company ("LMAO") sponsored by LMFA, completed an upsized initial public offering resulting in proceeds of \$103.5 million. Mr. Rodgers said, "We believe LMFA's digital asset strategy will make LMAO more attractive to potential targets operating financial technology businesses using digital assets."

LMFA intends to announce further developments, including digital asset purchases and material vendor relationships, as they materialize.

About LM Funding America:

LM Funding America, Inc., together with its subsidiaries, is a technology-based specialty finance company that provides funding to nonprofit community associations (Associations) primarily located in the state of Florida, as well as in the states of Washington, Colorado and Illinois, by funding a certain portion of the associations' rights to delinquent accounts that are selected by the Associations arising from unpaid Association assessments.

Forward-Looking Statements:

This press release may contain forward-looking statements made pursuant to the Private

Securities Litigation Reform Act of 1995. Words such as "anticipate," "believe," "estimate," "expect," "intend," "plan," and "project" and other similar words and expressions are intended to signify forward-looking statements. Forward-looking statements are not guaranties of future results and conditions but rather are subject to various risks and uncertainties. Some of these risks and uncertainties are identified in the company's most recent Annual Report on Form 10-K and its other filings with the SEC, which are available at www.sec.gov. These risks and uncertainties include, without limitation, uncertainty created by the COVID-19 pandemic, uncertainty regarding the success of the digital assets strategy announced in this press release, our ability to acquire new accounts in our specialty finance business at appropriate prices, our ability to hire and retain new employees, changes in governmental regulations that affect our ability to collect sufficient amounts on defaulted consumer receivables, changes in the credit or capital markets, changes in interest rates, and negative press regarding the debt collection industry. The occurrence of any of these risks and uncertainties could have a material adverse effect on the company's business, financial condition, and results of operations.

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SOURCE: LM Funding America Inc

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