



January 24, 2022

IMPORTANT: Pause in GWG sales and the January 15, 2022 interest, maturity, dividend, and redemption payments

We appreciate the opportunity to provide you information on GWG Holdings, Inc. (“GWGH” or the “Company”) and the status of your investment with GWGH. We greatly value the trust we have built with you and appreciate your patience as we work diligently to make our forward decisions with the goal to maximize value for GWGH’s investors.

GWGH has paused L Bond sales retroactively to January 10, 2022 while GWGH works with its advisors to identify and evaluate options available to the Company. While asset sales may provide near-term liquidity, the value the Company expects to receive in those transactions would likely be at a significant discount to the fair market value of the assets, and, without a reliable expectation of when the Company can get back to a sustainable capital raise with the L Bonds, the Company believes it is not in the best interest of GWGH’s investors to pursue these transactions at this time. Also, GWGH did not make its January 15, 2022 interest and maturity payments on its L Bonds and paid the January 15, 2022 dividends on its Redeemable Preferred Stock and Series 2 Redeemable Preferred Stock in additional shares of the applicable series of preferred stock in accordance with the terms of the certificates of designation for the Redeemable Preferred Stock and Series 2 Redeemable Preferred Stock, while continuing to defer requests for redemptions.

This week GWGH retained the services of a restructuring financial advisor, FTI Consulting, Inc., and Mayer Brown LLP as restructuring legal advisor to assist the Company’s Board of Directors and management in identifying and evaluating alternatives with respect to its capital structure and liquidity, as well as available options for maximizing the value of GWGH’s assets and meeting its financial obligations, given the Company’s current financing options and current state of its L Bond sales.

As disclosed in the GWGH periodic reports filed with the SEC and incorporated into the L Bond prospectus, GWGH relies to a significant extent on L Bond sales to meet our ongoing financial obligations. Our December 2021 and January 2022 L Bond sales were significantly lower than previous L Bonds sales results, and significantly lower than the sales we experienced upon re-opening L Bond sales after a voluntary suspension of sales in 2019. We are also unable to reliably estimate when L Bond sales could return to a level that we would generally expect to assist in meeting our ongoing financial obligations.

On April 17, 2021, GWGH voluntarily suspended its L Bond offerings based on the delayed filing of its Form 10-K for the year ended December 31, 2020 (“2020 Form 10-K”), as GWGH worked with its auditors and the Office of the Chief Accountant (“OCA”) of the Securities and Exchange Commission (“SEC”) to resolve two accounting questions relevant to the financials.

After the conclusion of the consultation with OCA and the audit of the restated financials arising from the consultation, GWGH filed its 2020 Form 10-K on November 5, 2021, and its Form 10-Q filings for the periods ended on March 31, 2021, June 30, 2021, and September 30, 2021 on November 10, 12, and 19, respectively. With GWGH’s current financial information then available in the market, the Company reopened the sale of the L Bonds on December 1, 2021. During the eight months GWGH was not selling L Bonds in 2021, the Company used liquidity reserves and financings of our assets to fund operations and service our debt obligations.

As disclosed in its 2020 Form 10-K, on October 6, 2020, GWGH received a subpoena to produce documents from the SEC’s Division of Enforcement, informing GWGH of the existence of a non-public, fact-finding investigation into GWG Holdings. That investigation is ongoing.

Also, as disclosed in the Company's January 6, 2022 Form 8-K, the Company's independent registered public accounting firm, Grant Thornton LLP, notified GWGH on December 31, 2021, that it declined to stand for re-appointment as the Company's independent registered public accounting firm. As reflected in that 8-K, the auditors had no disagreement with management on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure which, if not resolved to Grant Thornton's satisfaction, would have caused Grant Thornton to make reference to the subject matter of the disagreement in connection with its audit report. GWGH has since been in contact with potential replacement independent registered public accounting firms that generally have noted that it is unlikely the firms will be able to complete an audit of the Company's financial statements for the year ended December 31, 2021 to be included in its annual report for such period ("2021 Form 10-K") prior to the March 31, 2022 deadline. Accordingly, it is likely that GWGH would elect to continue the pause the sale of its L Bonds if the 2021 Form 10-K is not timely filed.

We are beginning our work with our advisors immediately and expect that the process of identifying and considering various alternatives will take at least three to six weeks, and may take longer.

We know many will have questions, and we don't yet have all the answers, but we are committed to finding the best path forward. Please also [review the 8-K](#) we filed with the SEC on January 18, 2022 and GWGH's other filings with the SEC. We also plan to post investor updates on the [GWGH website](#).

Again, we greatly value the trust we have built with you and will work diligently to make our forward decisions with the goal to maximize value for GWGH's investors. If you have any questions or need further details, please reach out to your financial advisor or registered representative or the GWG Investor Services team at Invest@gwgh.com.

Sincerely,

Murray Holland

President & CEO

GWG Holdings, Inc.

Securities offered through Emerson Equity LLC a registered broker dealer, member FINRA, SIPC. Emerson is not an affiliate of GWGH.

GWG Holdings files annual, quarterly and current reports, and other information with the SEC. Our SEC filings, and any amendments thereto, are available on the SEC's Internet site at <http://www.sec.gov>. Alternatively, the issuer, any underwriter or any dealer participating in the offering of L Bonds will arrange to send you the prospectus for the L Bonds if you request it by calling toll-free 1-877-494-2388.

The information provided herein does not constitute an offer to sell securities or the solicitation of an offer to buy securities. An offer to sell securities can only be made by a prospectus, pursuant to a registration statement, and any amendments thereto, then effective and on file with the Securities Exchange Commission ("SEC"). Investors must read the entire prospectus for investment conditions, risk factors, minimum requirements fees and expenses and other pertinent information with respect to the offerings.

Securities are being offered on a best-efforts basis on behalf of GWG Holdings by Emerson Equity, LLC, Member FINRA, SIPC, and Managing Broker-Dealer for the Issuer. GWG Holdings and Emerson are not affiliated entities.

