

26 February 2021

Non-renounceable Entitlement Offer - Entitlement Offer Booklet

As announced on ASX on 18 February 2021, AF Legal Group Ltd (ASX: AFL) (**Company** or **AFL**) announced it will undertake a non-renounceable, pro rata entitlement offer to existing shareholders on the basis of 1 new fully paid ordinary share in the Company (**Share**) at an issue price of \$0.50 per Share for every 6.15 existing Shares held as at 7.00 pm (AEDT) on Tuesday, 23 February 2021 (**Record Date**) to raise A\$5m (before costs and subject to rounding) (**Entitlement Offer**).

The Entitlement Offer is open to all shareholders who have a registered address in Australia, New Zealand, Singapore or Hong Kong and hold Shares on the Record Date.

The Company confirms that it will today despatch the attached Entitlement Offer Booklet to shareholders.

Further information

If you have any queries regarding the entitlement offer, please consult your professional adviser or please contact AFL's Share Registry on 1300 288 664 (callers within Australia) or +61 2 9698 5414 (callers outside Australia). For other questions, you should consult your stockbroker, solicitor, accountant, financial adviser or other professional adviser.

This announcement has been authorised for release to the ASX by the Company Secretary.

Maggie Niewidok
Company Secretary
AF Legal Group Ltd

RIGHTS ISSUE OFFER BOOKLET

AF Legal Group Limited
ACN 063 366 487

A 1 for 6.15 (1 new Offer Share for every 6.15 existing Shares) non-renounceable pro rata entitlement offer of shares in AF Legal Group Limited at A\$0.50 per Offer Share to raise up to A\$5m (subject to rounding).

You should read this Booklet in full

This Booklet contains important information. You should read this Booklet in full and seek advice from your stockbroker, accountant, or other professional adviser if you have any questions about your investment in the Company or about the impact of the transactions described in this Booklet. If you have any questions in relation to how to participate in the Entitlement Offer after reading this Booklet, please contact the Company's registry, Automic Registry Services on 1300 288 664 (callers within Australia) or +61 2 9698 5414 (callers outside Australia).

This Booklet does not provide financial advice and has been prepared without taking into account your particular objectives, financial situation or needs.

This Booklet is not for release to US wire services or distribution in the United States.

Legal Adviser
Automic Legal Pty Ltd

 **AUTOMIC GROUP**

Important information

This Booklet has been prepared by AF Legal Group Limited ACN 063 366 487 (**AFL or Company**).

This Booklet is not a prospectus under the *Corporations Act 2001* (Cth) (**Corporations Act**) and has not been lodged with ASIC. This Booklet is dated 26 February 2021 and a copy was lodged with ASX on that date.

This Booklet and the accompanying Entitlement and Acceptance Form relate to a 1 for 6.15 (1 new Offer Share for every 6.15 existing Shares) non-renounceable pro rata entitlement offer to subscribe for Offer Shares at the Issue Price as announced by the Company to ASX on 18 February 2021 (**Entitlement Offer**).

The Entitlement Offer is being made pursuant to section 708AA of the Corporations Act (as modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84*) which allows rights issues to be offered without a prospectus, provided certain conditions are satisfied. This Booklet is not a prospectus or a product disclosure statement and does not contain all of the information that would be required to be disclosed in a prospectus or product disclosure statement.

No cooling off rights

Cooling off rights do not apply to an investment in Offer Shares. You cannot, in most circumstances, withdraw your Application once it has been accepted.

No Entitlements trading

The Entitlements are non-renounceable and cannot be traded on the ASX or any other exchange, nor can they be privately transferred.

Not financial product advice

The information contained in this Booklet is not financial product advice, does not purport to contain all the information that you may require in evaluating a possible acquisition of Offer Shares in the Company and has been prepared without taking into account the investment objectives, financial situation or needs of you or any particular investor.

You should conduct your own independent review, investigation and analysis of the Company and the Offer Shares which are the subject of the Entitlement Offer. You should obtain any professional advice you require to evaluate the merits and risks of an investment in the Company before making any investment decision based on your investment objectives.

Risks

Please refer to Section D of this Booklet, which includes a non-exhaustive summary of the risk factors associated with an investment in the Company.

Foreign jurisdictions

This Booklet is being sent to all Shareholders on the share register as at 7.00 pm (AEDT) on 23 February 2021 (**Record Date**) with a registered address in Australia, New Zealand, Singapore, or Hong Kong (**Eligible Shareholders**).

The Entitlement Offer does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer and no action has been taken to register the Offer Shares or otherwise permit a public offering of the Offer Shares in any jurisdiction other than Australia, New Zealand, Singapore and Hong Kong. Return of the Entitlement and Acceptance Form shall be taken by the Company to constitute a representation by you that there has been no breach of any such laws.

The distribution of this document outside Australia may be restricted by law. Persons who come into possession of this Booklet should observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

United States

This Booklet may not be released to US wire services or distributed in the United States or to any person acting for the account or benefit of a person in the United States.

The information in this Booklet does not constitute an offer to sell, or the solicitation of an offer to buy, any Offer Shares in the United States. Offer Shares may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. The Offer Shares have not been, and will not be, registered under the Securities Act or under the securities laws of any state or other jurisdiction of the United States. Accordingly, the Offer Shares may only be offered and sold outside the United States to persons that are not acting for the account or benefit of a person in the United States.

New Zealand

This Booklet has not been registered, filed with, or approved by any New Zealand regulatory authority under the *Financial Markets Conduct Act 2013* (New Zealand). This Booklet is not an investment statement, prospectus or product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that an investment statement, prospectus or product disclosure statement under New Zealand law is required to contain.

The Offer Shares are not being offered or sold to the public in New Zealand other than to existing Shareholders of the Company with registered addresses in New Zealand, to whom the offer of Offer Shares is being made in reliance on the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2016* (New Zealand).

Singapore

This Booklet and any other materials relating to the Offer Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this Booklet and any other document relating to the Offer Shares may not be issued, circulated or distributed, nor may the Offer Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This Booklet has been given to you on the basis that you are an existing holder of the Company's shares. If you are not such a shareholder, please return this Booklet immediately. You may not forward or circulate this Booklet to any other person in Singapore.

Any offer is not made to you with a view to the Offer Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Offer Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

Hong Kong

WARNING: The contents of this Booklet have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the Entitlement Offer. If you are in doubt about any contents of this Booklet, you should obtain independent professional advice.

Other jurisdictions

The Offer Shares may not be offered or sold in any jurisdiction except to persons to whom such offer or sale is permitted under applicable law, as determined by the Company based upon advice from counsel.

Nominees

Nominees and custodians may not distribute this Booklet or any other materials related to the Entitlement Offer, and may not permit any beneficial shareholder to participate in the Entitlement Offer, in any country outside Australia, New Zealand, or Singapore except, with the consent of the Company, to beneficial shareholders resident in certain other countries where the Company may determine it is lawful and practical to make the Entitlement Offer. See "Who is eligible to participate?" in Section B of this Booklet for further information.

Governing law

This Booklet, the Entitlement Offer and the contracts formed on receipt of your Application are governed by the law applicable in New South Wales. Each Shareholder who applies for Offer Shares submits to the non-exclusive jurisdiction of the courts of New South Wales.

Future performance

This Booklet may contain certain forward-looking statements. The words "anticipate", "believe", "expect", "project", "forecast", "estimate", "likely", "intend", "should", "could", "may", "target", "objective", "plan" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Due care and attention has been used in the preparation of forecast information. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors (many of which are beyond the control of the Company) that may cause actual results to differ materially from those expressed or implied in such statements. There can be no assurance that actual outcomes will not differ materially from these statements. You should also have regard to the "Risk Factors" in Section D of this Booklet.

Past performance

Past performance information given in this Booklet is provided for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance.

Financial data

All dollar values are in Australian dollars (A\$) except where otherwise indicated.

Disclaimer of representatives

No person is authorised to give any information, or to make any representation, in connection with the Entitlement Offer that is not contained in this Booklet.

Any information or representation that is not in this Booklet may not be relied on as having been authorised by the Company or its related bodies corporate in connection with the Entitlement Offer. Except as required by law, and only to the extent so required, none of the Company, or any other person, warrants or guarantees the future performance of the Company or any return on any investment made pursuant to this Booklet.

Taxation

There will be tax implications associated with participating in the Entitlement Offer and receiving Offer Shares. This Booklet does not contain or constitute tax advice and does not take account of the individual circumstances of Eligible Shareholders.

The Directors do not consider it appropriate to give Eligible Shareholders advice regarding the taxation consequences of applying for Offer Shares (including any Additional Shares) under this Booklet.

Taxation implications will vary depending upon the individual circumstances of individual Eligible Shareholders. Eligible Shareholders are strongly recommended to obtain their own professional advice (including taxation advice) before deciding whether to accept the Entitlement Offer or apply for Additional Shares under the Shortfall Facility.

Neither the Company, nor any of its officers or employees or advisers, accepts any liability or responsibility in respect of any statement concerning taxation consequences, or in respect of the taxation consequences, of the Entitlement Offer or the acquisition or disposal of securities in connection with the Entitlement Offer.

Privacy

The Company collects information about each applicant provided on an Entitlement and Acceptance Form for the purposes of processing the Application and, if the Application is successful, to administer the applicant's shareholding in the Company.

By submitting an Entitlement and Acceptance Form, you will be providing personal information to the Company (directly or through the Registry). The Company collects, holds, and will use that information to assess your Application. The Company collects your personal information to process and administer your shareholding in the Company and to provide related services to you. The Company may disclose your personal information for purposes related to your shareholding in the Company, including to the Registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory bodies. You can obtain access to personal information that the Company holds about you. To make a request for access to your personal information held by (or on behalf of) the Company, please contact the Company through the Registry.

Trading Offer Shares

The Company will have no responsibility and disclaims all liability (to the maximum extent permitted by law) to persons who trade Offer Shares they believe will be issued to them before they receive their holding statements, whether on the basis of confirmation of the allocation provided by the Company or the Registry or otherwise, or who otherwise trade or purport to trade Offer Shares in error or which they do not hold or are not entitled to.

Defined terms

Capitalised terms used in this Booklet have the meaning given to those terms in the glossary in Section F of this Booklet.

Letter from the Chairperson

26 February 2021

Dear Shareholder

On behalf of the Directors, I am pleased to offer you the opportunity to participate in a 1 for 6.15 (1 new Offer Share for every 6.15 existing Shares) non-renounceable pro rata entitlement offer to subscribe for Offer Shares at the Issue Price as announced by the Company to ASX on 18 February 2021 to raise up to A\$5m (before costs and subject to rounding) (**Entitlement Offer**). The Entitlement Offer will not be underwritten.

Acquisition strategy

AFL's strategy is to become the largest family and relationship law firm in Australia and then expand its model in other areas of law, overseas geographies and other professional services sectors. In 2015, when it commenced, AFL's strategy was to substantially increase its market share through organic growth. Post listing in June 2019, organic growth has been enhanced through our AFL 2.0 digital marketing strategy and two additional pillars in our growth hierarchy were introduced namely lateral hires and acquisitions. These have aided our geographic expansion and supplemented AFL's strong organic growth. We have strengthened our operational platform and established a team of specialist lawyers to lead our legal offering. We are now placed to visit a pipeline of opportunities to support our next stage.

AFL is currently reviewing a number of acquisition opportunities. All acquisition opportunities are assessed using a selective and disciplined acquisition criteria focused on four key pillars:

- (a) Value – meet earnings accretion metrics for shareholders
- (b) Model – provide clear path to implement the client acquisition and business model (e.g. culture, people, systems, NewLaw innovation, process etc.)
- (c) Strategy – add to the strategic purpose (e.g. new geography, market segments, expansion in scale, new business unit or division, etc.)
- (d) Structure – a transaction structure that incorporates retention, performance, and reward for key stakeholders that is focussed on long term sustainability and aligned with shareholder expectations

It is anticipated that future acquisitions will provide AFL with the following benefits:

- (a) First mover advantage – the first national specialist family law firm with a view to expanding into other sectors
- (b) Critical mass – the largest network of accredited family law specialists in Australia to serve larger population bases
- (c) Economies of Scale – cost savings from the replication of the model can be reinvested into marketing initiatives without diluting margins
- (d) Value arbitrage – AFL will be able to undertake acquisitions at attractive small business multiples before any synergies
- (e) New segments – moving from a middle market concentration to larger clients (assets and structures)

The proceeds from the Entitlement Offer are anticipated to help to fund future acquisitions.

Please note that this Entitlement Offer is not inter-conditional with any acquisition and if you should choose to invest under the Entitlement Offer the Offer Shares issued to you will be added to your existing shareholding irrespective of whether or not any acquisition proceeds.

Irrespective of any outcome of proposed acquisitions, the Directors believe that undertaking the Entitlement Offer is in the best interests of the Company. I recommend Shareholders pay careful attention to Section D of this Booklet which outlines the risks involved in participating in the Entitlement Offer.

Use of Funds

The proceeds from the Entitlement Offer will be used by the Company for some or all of the following:

- acquisition costs; and
- costs associated with the Entitlement Offer.

Offer details

The Entitlement Offer will include a shortfall facility under which Eligible Shareholders who take up their full Entitlement will be invited to apply for additional Offer Shares in the Entitlement Offer from a pool of those Entitlements not taken up by other Shareholders of the Company (**Shortfall Facility**). There is no guarantee that applicants under this Shortfall Facility will receive all or any of the additional Offer Shares that they applied for under the Shortfall Facility. The Directors reserve their right to alter the allocation policy at their discretion, subject to the provisions of the Listing Rules and Corporations Act. In addition, the Directors may at their discretion allocate all or a portion of any remaining Shortfall within three months of the Closing Date, pursuant to ASX Listing Rule 7.2 (exception 3).

Participation in the Entitlement Offer is optional and open to Eligible Shareholders, being holders of fully paid ordinary shares in the Company at 7.00 pm (AEDT) on Tuesday, 23 February 2021 (**Record Date**) whose address on the share register is in Australia, New Zealand, Singapore or Hong Kong. As the Entitlement Offer is non-renounceable, your right to participate in the Entitlement Offer is not transferable. You may not trade your Entitlement on ASX or transfer it to another person.

Eligible Shareholders who do not take up their Entitlement will not receive any value for their Entitlement and their proportionate economic interest in the Company will be diluted. All Offer Shares will rank equally with existing Shares in the Company.

The terms and conditions of the Entitlement Offer and your personalised Entitlement and Acceptance Form are provided in this Booklet. I urge you to read these materials in their entirety and seek your own financial, taxation and other professional advice in relation to the Entitlement Offer, before you decide whether to participate.

The Entitlement Offer opens on Friday, 26 February 2021 and is expected to close at 5.00 pm (AEDT) on Friday, 19 March 2021. If you have any questions in relation to how to participate in the Entitlement Offer, please contact the Registry on 1300 288 664 (callers within Australia) or +61 2 9698 5414 (callers outside Australia) or consult your financial or other professional adviser.

On behalf of the Directors, I invite you to consider participating in the Entitlement Offer during this exciting period for the Company.

Yours sincerely,

A handwritten signature in black ink, appearing to read "G Dearlove", written in a cursive style.

Mr Grant Dearlove
Executive Chairperson
AF Legal Group Limited

A. Key dates and offer terms for the Entitlement Offer

Indicative Timetable – Entitlement Offer

Event	Date ^(a)
Announcement of Entitlement Offer	Thursday, 18 February 2021
Lodgment of Appendix 3B with ASX	Thursday, 18 February 2021
Ex-date for Entitlement Offer	Monday, 22 February 2021
Record Date for determining Entitlements	Tuesday, 23 February 2021
Entitlement Offer opens Dispatch of Booklet and Entitlement and Acceptance Form to Shareholders	Friday, 26 February 2021
Last day to extend Closing Date	Tuesday, 16 March 2021
Entitlement Offer closes (Closing Date)	5.00 pm (AEDT), Friday, 19 March 2021
Shares quoted on a deferred settlement basis	Monday, 22 March 2021
Announcement of results of the Entitlement Offer	Tuesday, 23 March 2021
Allotment and issue of Offer Shares under the Entitlement Offer	Wednesday, 24 March 2021
Commencement of trading of new shares	Thursday, 25 March 2021
Last date to issue any remaining Shortfall shares (if any)	Friday, 18 June 2021

Notes: ^(a) *The above timetable is indicative only and subject to change. The quotation of Shares is subject to ASX approval. Subject to the ASX Listing Rules and the Corporations Act and other applicable laws, the Company reserves the right to vary these dates, including the Closing Date, without notice, including extending the period of the Entitlement Offer or accepting late applications, either generally or in particular cases or bringing forward the Closing Date at its discretion. Any extension of the Entitlement Offer will have a consequential effect on the issue date of the Shares. All dates and times in the timetable above are in Sydney, Australia time.*

Entitlement Offer	
Ratio	1 Offer Shares for every 6.15 Shares
Issue Price per Offer Share	A\$0.50
Number of Offer Shares offered under this Booklet	10,000,000

B. How to apply

1 Please read the whole of this Booklet

The Entitlement Offer is being made pursuant to section 708AA of the Corporations Act (as modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84*) which allows rights issues to be offered without a disclosure document or prospectus, provided certain conditions are satisfied.

As a result, it is important for Shareholders to read and understand the publicly available information on the Company and the Entitlement Offer prior to accepting their Entitlement. In particular, in considering whether or not to accept their Entitlements, Shareholders should refer to the attached materials, plus the Company's other periodic and continuous disclosure announcements available at www.asx.com.au.

2 Consider the Entitlement Offer in light of your particular investment objectives and circumstances

Please consult with your stockbroker, accountant, or other independent financial adviser if you have any queries or are uncertain about any aspect of the Entitlement Offer. In particular, please refer to the risk factors in Section D of this Booklet which describe some of the key risks in relation to an investment in the Company.

3 Who is eligible to participate?

The Entitlement Offer is being extended to Eligible Shareholders who are Shareholders that meet all the following criteria:

- (a) they were registered as a holder of Shares on the Record Date;
- (b) they have a registered address in Australia, New Zealand, Singapore, or Hong Kong;
- (c) they are not in the United States or acting for the account or benefit of a person in the United States; and
- (d) they are eligible under all applicable securities laws to receive an offer under the Entitlement Offer.

The Entitlement Offer is not being extended to any Shareholder with a registered address outside Australia, New Zealand, Singapore, or Hong Kong. By returning a completed Entitlement and Acceptance Form and making a payment in accordance with the instructions in the Entitlement and Acceptance Form, you will be taken to have represented and warranted that you satisfy each of the above criteria.

Eligible Shareholders who hold Shares in the capacity of trustee, nominee, or custodian (or in any other capacity) for a person that would not satisfy the criteria of an Eligible Shareholder cannot take up Entitlements on behalf of that person, provided, however, that any such Eligible Shareholder may not take up Entitlements on behalf of a person in Hong Kong without the written consent of the Company.

Shareholders should note that the Company is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of Shares. Where any holder is acting as a nominee for a foreign person, that holder, in dealing with its beneficiary, will need to assess, consistent with the restrictions set forth in this clause 3, whether indirect participation by the beneficiary in the Entitlement Offer is compatible with applicable foreign laws. Nominees may not distribute this Booklet, the Entitlement and Acceptance Form, or any other material relating to the Entitlement Offer to anyone in the United States, anyone acting for the account or benefit of a person in the

United States, or in any other jurisdiction in which it would be unlawful. Any failure to adhere to these restrictions may result in violation of applicable securities laws.

The Company reserves the right to reject any Application that it believes comes from a person who is not an Eligible Shareholder.

4 Ineligible Shareholders

Having regard to the number of such Shareholders, their holdings and the compliance costs required to extend the Entitlement Offer to those Shareholders, the Company has determined that it is unreasonable to extend the Entitlement Offer to Shareholders of the Company who as of the Record Date are not an Eligible Shareholder (**Ineligible Shareholder**).

The shareholdings of Ineligible Shareholders will be diluted as a result of the Entitlement Offer.

5 Your options

Eligible Shareholders may take the following actions:

- (a) take up all of their Entitlement;
- (b) take up a proportion of their Entitlement;
- (c) allow all or part of their Entitlement to lapse; or
- (d) take up all of their Entitlement and apply for Additional Shares under the Shortfall Facility.

As your Entitlement is non-renounceable, you will not be able to trade your Entitlement on ASX or otherwise dispose of your Entitlement to any other party.

Shareholders who do not take up their Entitlements in full will not receive any payment or value from the Company for those Entitlements they do not take up. Shareholders who do not take up their Entitlements in full will have their percentage interest in the Company reduced.

6 Acceptance of the Entitlement Offer and payment

If you decide to participate in the Entitlement Offer, you may do so by completing and returning the Entitlement and Acceptance Form and attaching or making payment by following the instructions set out on the Entitlement and Acceptance Form (which includes by BPAY®).

If you take no action you will not be allocated any Offer Shares.

Your completed Entitlement and Acceptance Form must be accompanied by a cheque in Australian currency for the amount of your Application monies, payable to "AF Legal Group Limited" and crossed "Not Negotiable".

You should ensure that sufficient funds are held in relevant account(s) to cover the Application monies. If the amount of your cheque for Application monies (or the amount for which the cheque clears in time for allocation) is insufficient to pay in full for the number of Offer Shares you have applied for in your Entitlement and Acceptance Form, you will be taken to have applied for such lower number of whole Offer Shares as your cleared Application monies will pay for (and to have specified that number of Offer Shares on your Entitlement and Acceptance Form).

If your payment is being made by BPAY® or via electronic funds transfer:

- (a) you do not need to submit the personalised Entitlement and Acceptance Form but are taken to make each of the statements and representations in that form;

- (b) if you subscribe for less than your Entitlement or do not pay for your full Entitlement, you are taken to have accepted your Entitlement in respect of such whole number of Offer Shares which is covered in full by your Application monies; and
- (c) it is your responsibility to ensure that your payment is received by the Registry by no later than the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment, and you should therefore take this into consideration when making payment.

Any payment received for more than your final allocation of Offer Shares will be refunded after the Offer Shares are issued. No interest will be paid to applicants on any payment received or refunded.

7 Shortfall Facility

Eligible Shareholders (other than directors and related parties of the Company) may, in addition to taking up their Entitlements in full, apply for Additional Shares in excess of their Entitlements, subject to the Corporations Act and ASX Listing Rules. Additional Shares will only be available where there is a shortfall between Applications received from Eligible Shareholders and the number of Offer Shares proposed to be issued under the Entitlement Offer. Additional Shares will be issued at the same Issue Price as the Offer Shares (A\$0.50). However, there is no guarantee that Eligible Shareholders who apply for Additional Shares under this Shortfall Facility will receive all or any of the Additional Shares.

Subject to the Corporations Act and the ASX Listing Rules, the Company reserves its right to issue the Shortfall at the discretion of the Directors within three (3) months of the Closing Date pursuant to ASX Listing Rule 7.2 (exception 3). In exercising this discretion, the Directors will take into consideration a number of factors including the possible dilution to existing Shareholders, the financial needs of the Company, the issue price (which will be no less than the Issue Price) and the proposed use of funds.

8 Allocation Policy

The Directors reserve their right to alter the allocation policy and to allocate and issue Additional Shares under the Shortfall Facility at their discretion. Subject to any changes at the Directors' discretion, the allocation policy for Additional Shares subscribed for pursuant to the Shortfall Facility will be as follows:

- (a) to any Eligible Shareholders who have taken up their full Entitlement and have applied for Additional Shares through the Shortfall Facility by the Closing Date, unless there is an oversubscription for Additional Shares, in which case Additional Shares may be subject to scale-back and Eligible Shareholders will receive Additional Shares on a pro rata basis having regard to the proportion of over subscription for Additional Shares; and
- (b) thereafter, if any Shortfall remains, the resulting Shortfall may be allotted and issued to either existing Shareholders or new investors (or both) at the discretion of the Directors, subject to the price of the Shares being no less than the Issue Price, within 3 months of the Closing Date of the Entitlement Offer.

Eligible Shareholders who apply for Additional Shares may be allocated a lesser number of Additional Shares than applied for, or may be allocated no Additional Shares at all, in which case excess Application monies will be refunded without interest.

Refund amounts in excess of \$1.00, if any, will be paid in Australian dollars. You will be paid by direct deposit where the Registry holds bank account details in respect of your

shareholding. Alternatively, you will be paid by cheque sent by ordinary post to your address as recorded on the share register (the registered address of the first-named in the case of joint holders).

If you wish to subscribe for Additional Shares in addition to your Entitlement then you should nominate the maximum number of Additional Shares you wish to subscribe for on the Entitlement and Acceptance Form and make payment for your full Entitlement plus the Additional Shares (at A\$0.50 per Offer Share).

If your payment is being made by BPAY® or via electronic funds transfer:

- (a) you do not need to submit the personalised Entitlement and Acceptance Form but are taken to make each of the statements and representations in that form; and
- (b) if your payment exceeds the amount payable for your full Entitlement, you are taken to have accepted your Entitlement in full and to have applied for such number of Additional Shares which is covered in full by your Application monies.

If you apply for Additional Shares under the Shortfall Facility and your Application is successful (in whole or in part) your Additional Shares will be issued at the same time as other Offer Shares are issued under the Entitlement Offer.

In addition, no Shares under the Entitlement Offer or Shortfall Facility will be issued to any Eligible Shareholder if, in the view of the Directors, to do so would result in a breach of the ASX Listing Rules, the Corporations Act or any other applicable law.

9 Minimum subscription

There is no minimum subscription for the Offer Shares. Completion of the Entitlement Offer is not subject to meeting any minimum level of subscription.

10 Maximum subscription

Maximum amount that will be raised under the Entitlement Offer is A\$5m (before costs).

11 No underwriting

The Entitlement Offer will not be underwritten.

12 Rounding Entitlements

Where fractions arise in the calculation of an Entitlement, normal rule of rounding applies i.e. any fraction less than 0.5 is rounded down and any fraction equal to or greater than 0.5 is rounded up to the next whole number.

13 Mail or deliver

It is important to note that the Entitlement Offer is scheduled to close at 5.00 pm (AEDT) on Friday, 19 March 2021. To participate in the Entitlement Offer, your payment must be received no later than this date. Your completed Entitlement and Acceptance Form, together with Application monies, should be delivered as follows:

Mailing address:
AF Legal Group Limited
c/- Automic Group
GPO Box 5193
Sydney NSW 2001

Hand delivery address: **(Please do not use this address for mailing)**

AF Legal Group Limited
c/- Automic Group
Level 5
126 Phillip Street
Sydney NSW 2000

If your payment is being made by BPAY® or electronic funds transfer, you do not need to mail or deliver the personalised Entitlement and Acceptance Form.

14 If you wish to do nothing and allow your Entitlements to lapse

If you do not wish to take up your Entitlement, you can simply do nothing. As this Entitlement Offer is non-renounceable, you cannot trade your Entitlement on the ASX or any other exchange, nor can they be privately transferred.

If you have not completed your personalised Entitlement and Acceptance Form and it has not been received by the Registry at the address above by the Closing Date (or alternatively have not made a payment through BPAY® or by electronic funds transfer before that time), then your Entitlement will lapse.

15 Entitlement and Acceptance Form

A payment made through BPAY® or electronic funds transfer or a completed and lodged Entitlement and Acceptance Form together with the payment of requisite Application monies constitutes a binding offer to acquire Offer Shares on the terms and conditions set out in this Booklet and, once lodged or paid, cannot be withdrawn. If the Entitlement and Acceptance Form is not completed correctly it may still be treated as a valid Application for Offer Shares. The Company's decision on whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final and binding.

By making a payment by BPAY® or electronic funds transfer, or by completing and returning your personalised Entitlement and Acceptance Form with the requisite Application monies, you will also be deemed to have given the following acknowledgements, representations and warranties on behalf of each person on whose account you are acting:

- (a) you acknowledge that you have read and understood this Booklet and your personalised Entitlement and Acceptance Form in their entirety;
- (b) you agree to be bound by the terms of the Entitlement Offer, the provisions of this Booklet and the Company's constitution;
- (c) you authorise the Company to register you as the holder(s) of Offer Shares allotted to you;
- (d) you declare that all details and statements in the personalised Entitlement and Acceptance Form are complete and accurate;
- (e) you declare you are over 18 years of age and have full legal capacity and power to perform all of your rights and obligations under the personalised Entitlement and Acceptance Form;
- (f) you acknowledge that once the Company receives your personalised Entitlement and Acceptance Form or any payment of Application monies via BPAY® or electronic funds transfer, you may not withdraw your Application or funds provided except as allowed by law;

- (g) you agree to apply for and be issued up to the number of Offer Shares specified in the personalised Entitlement and Acceptance Form (including any Additional Shares where applicable), or for which you have submitted payment of any Application monies via BPAY® or electronic funds transfer, at the Issue Price per Offer Share;
- (h) you authorise the Company, the Registry and their respective officers or agents to do anything on your behalf necessary for Offer Shares to be issued to you, including to act on instructions of the Registry upon using the contact details set out in your personalised Entitlement and Acceptance Form;
- (i) you declare that you were the registered holder(s) at the Record Date of the Shares indicated on the personalised Entitlement and Acceptance Form as being held by you on the Record Date;
- (j) you acknowledge that the information contained in this Booklet and your personalised Entitlement and Acceptance Form is not investment advice nor a recommendation that Offer Shares are suitable for you given your investment objectives, financial situation, or particular needs;
- (k) you acknowledge that this Booklet is not a prospectus, does not contain all of the information that you may require in order to assess an investment in the Company and is given in the context of the Company's past and ongoing continuous disclosure announcements to ASX;
- (l) you acknowledge the statement of risks in the "Risk Factors" in Section D of this Booklet and that investments in the Company (which includes the acquisition of Offer Shares) are subject to risk;
- (m) you acknowledge that none of the Company, its related bodies corporate, affiliates and directors, or their respective officers, partners, employees, representatives, agents, consultants or advisers, guarantees the performance of the Company, nor do they guarantee the repayment of capital;
- (n) you agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Entitlement Offer and of your holding of Shares on the Record Date;
- (o) you authorise the Company to correct any errors in your personalised Entitlement and Acceptance Form or other form provided by you;
- (p) you represent and warrant that the law of any place does not prohibit you from being given this Booklet and the personalised Entitlement and Acceptance Form, nor does it prohibit you from making an Application for Offer Shares (or where applicable, Additional Shares) and that you are otherwise eligible to participate in the Entitlement Offer;
- (q) you are an Eligible Shareholder and are not in the United States and are not a person (including nominees or custodians) acting for the account or benefit of a person in the United States and are not otherwise a person to whom it would be illegal to make an offer or issue Offer Shares under the Entitlement Offer;
- (r) you acknowledge that the Offer Shares have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold in the United States except in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and applicable US state securities laws;

- (s) you have not and will not send any materials relating to the Entitlement Offer to any person in the United States; and
- (t) you agree that if in the future you decide to sell or otherwise transfer the Offer Shares, you will only do so in transactions where neither you nor any person acting on your behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person in the United States or who is acting for the account or benefit of a person in the United States.

16 Brokerage and stamp duty

No brokerage fee is payable by Eligible Shareholders who accept their Entitlement. No stamp duty is payable for subscribing for Offer Shares under the Entitlement Offer or for additional Offer Shares under the Shortfall Facility.

17 When will I receive my Offer Shares?

It is currently expected that the Offer Shares will be issued, and that confirmation of the issue of the Offer Shares will be dispatched, on or around 24 March 2021.

It is the responsibility of each Eligible Shareholder applying for Offer Shares to confirm their holding before trading in those Offer Shares on a deferred settlement basis. Any person who sells Offer Shares before receiving confirmation of their holding in the form of their confirmation statement will do so at their own risk. The Company and the Registry disclaim all liability, whether in negligence or otherwise, to any person who trades in Offer Shares before receiving their confirmation statement, whether on the basis of a confirmation of allocation provided by the Company, the Registry, a broker or otherwise.

18 Enquiries

If you have any questions about whether to accept the Entitlement Offer, please consult your financial adviser, accountant, or other professional adviser.

If you have any questions in relation to how to participate in the Entitlement Offer, please contact the Registry on 1300 288 664 (callers within Australia) or +61 2 9698 5414 (callers outside Australia) or consult your financial or other professional adviser.

C. Announcement

The Company's announcement lodged with ASX on 18 February 2021, a copy of which can be accessed at: <https://www.australianfamilylawyers.com.au/about-us/investor-announcements> or www.asx.com.au.

D. Risk Factors

This section identifies the areas the Directors regard as risks associated with an investment in the Company.

Eligible Shareholders should be aware that an investment in the Company involves many risks, which may be higher than the risks associated with an investment in other companies. Eligible Shareholders should read the whole of this Booklet and consult with their professional advisers for legal, business, financial or tax advice in order to fully appreciate such matters and the manner in which the Company intends to operate before any decision is made to apply for Offer Shares.

The following is a non-exhaustive summary of the key risks associated with an investment in the Company:

General Risks

- (a) ***Nature of investment:*** Any potential investor should be aware that subscribing for Offer Shares involves risks. The Offer Shares to be issued pursuant to this Entitlement Offer carry no guarantee with respect to the payment of dividends, return on capital or the market value of those Offer Shares. An Applicant may not be able to recoup their initial investment. Specifically, the risks include:
 - (i) the price at which the Applicant is able to sell the Offer Shares is less than the price paid due to changes in market conditions;
 - (ii) the Applicant is unable to sell the Offer Shares; and
 - (iii) the Company is placed in receivership or liquidation making it reasonably foreseeable that Shareholders could receive none, or only some of their initial investment.
- (b) ***Economic factors:*** The operating and financial performance of the Company is influenced by a variety of general local and global economic and business conditions including the levels of consumer confidence and spending, business confidence and investment, employment, inflation, interest rates, exchange rates, access to debt and capital markets, fiscal policy, monetary policy and regulatory policies. A prolonged deterioration in any number of the above factors may have a material adverse impact on the Company's business and financial performance.
- (c) ***Management actions:*** The Directors will, to the best of their knowledge, experience and ability (in conjunction with their management) endeavour to anticipate, identify and manage the risks inherent in the activities of the Company, but without assuming any personal liability for the same, with the aim of reducing, avoiding and mitigating the impact of risks on the performance of the Company and its securities.
- (d) ***Business risks:*** There are risks inherent in doing business, such as unexpected changes in regulatory requirements, trade barriers, longer payment cycles, problems in collecting accounts receivable, network and infrastructure issues and potentially adverse tax consequences, any of which could adversely impact on the success of the Company's operations.
- (e) ***Future capital needs:*** Further funding may be required to advance the business objectives of the Company or for working capital purposes. The business operated by the Company relies on cash collections and access to funding to grow. The collection periods of more than 12 months provide a greater reliance to the Company to access capital in order to facilitate growth of its business. There is a risk that despite efforts from the Company and its management, expansion efforts will fail, which will

adversely affect the Company's growth and profitability. Moreover, there can be no assurance that additional funding will be available on satisfactory terms or at all. Any inability to obtain funding may adversely affect the financial condition of the Company and, consequently, the value of its Shares. Any additional equity financing may be dilutive to Shareholders and any debt financing, if available, may involve restrictive covenants, which may limit the Company's operations and business strategy.

- (f) ***Dilution of existing Shareholdings in the Company:*** Shareholders who do not take up their Entitlements in full will have their percentage interest in the Company reduced. Given the structure of the Entitlement Offer (1 new Offer Share for every 6.15 existing Shares), dilution to existing Shareholders who do not take up their Entitlements in full may be material. At completion of the Entitlement Offer, if the full Entitlement is taken up, it is anticipated that the Company's share capital will increase from 61,522,008 Shares to approximately 71,522,008 Shares. For Shareholders who do not take up their Entitlements and in circumstances where any shortfall is fully subscribed, the Shareholder will have their percentage interest in the Company reduced by approximately 13.98%.
- (g) ***Share market conditions:*** The price of the Company's Shares will be influenced by international and domestic factors which may cause the market price of the securities to fall and may be subject to varied and unpredictable influences on the market for equities. Shareholders should be aware that there are risks associated with any securities investment. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.
- (h) ***Insurance arrangements:*** The Company maintains insurance within ranges of coverage that the Company believes to be consistent with industry best practice and having regard to the nature of activities being conducted. However, no assurance can be given that the Company will be able to continue to obtain such insurance coverage at reasonable rates or that any coverage it arranges will be adequate and available to cover any such claims.
- (i) ***Ability to attract and retain skilled personnel:*** The responsibility of overseeing the day to day operations and the strategic management of the Company is substantially dependent upon its management and its key personnel. Whilst key personnel generally enter into service agreements with the Company, there may be a detrimental impact on the Company if they cease their employment or involvement with the Company. The future success of the Company also depends upon its continuing ability to attract and retain highly qualified personnel. Generally, the failure to attract and retain the necessary personnel could have a material effect upon the Company's business, results of operations and financial condition.
- (j) ***Regulatory risk and government policy:*** Changes in relevant taxation, interest rates and other legal, legislative and administrative regimes and government policies in Australia, may have an adverse effect on the assets, operations and ultimately the financial performance of the Company and the market price of its securities.
- (k) ***Share market conditions:*** The price of the Company's Shares will be influenced by international and domestic factors which may cause the market price of the securities to fall and may be subject to varied and unpredictable influences on the market for equities. Shareholders should be aware that there are risks associated with any securities investment. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

Specific Risks

- (l) **Reliance on marketing strategy:** A key pillar underpinning the Company's business model is its innovative digital marketing strategy. The Company uses innovative and cost-effective digital marketing techniques to acquire clients. There is no guarantee, however, that the Company's marketing strategy will continue to be successful and lead to attracting clients. If the strategy (or subsequent revised strategies) is not successful, the Company's future profitability will be adversely impacted.
- (m) **Regulatory environment:** the Company operates in the legal industry, which is subject to significant regulatory and legal oversight. Its business operations could be adversely affected by actions of State, Territory and Commonwealth governments as well as other regulatory bodies. Changes in government legislation, guidelines and regulations in the areas of law in which the firm practises, such as decreases in the maximum amount of legal fees which can be recovered could also adversely affect the Company.
- (n) **Conflict of duties:** Lawyers have a primary duty to the Courts and a secondary duty to their clients. There could be circumstances in which the lawyers of the Company are required to act in accordance with these duties and contrary to other corporate responsibilities and against the interests of Shareholders and the short-term profitability of the Company. An example is in settlement negotiations where the Company's duty to its client would be favoured over any short-term cash flow or funding needs of the Company's business.
- (o) **Professional liability and uninsured risk:** The provision of legal advice by the Company gives rise to the risk of potential liability for negligence or other similar client claims. Any such claims may cause financial and reputational damage to the Company. Although the Company maintains professional liability insurance to mitigate the financial risk, the Company's profitability may be adversely affected in the event that the insurance does not cover a potential claim (e.g. due to some disqualifying act of the lawyer involved), the claim exceeds the coverage available or the deductible on numerous claims in a period is material.
- (p) **Reliance on third party service providers:** the Company's competitive edge is its innovative digital marketing strategy that is distinct from how traditional law firms acquire clients. However, in implementing this strategy, the Company relies on third parties to provide paid marketing services. If there was a significant disruption to, or decline in the quality of, these services, it is likely that the Company would suffer a disruption to its operations and financial performance could be adversely impacted.
- (q) **Failure to retain or attract clients:** the Company's business depends on its ability to retain existing clients and, more importantly, attract new clients. There is a risk that the Company's clients reduce the use of its services or that the Company fails to attract new clients, both of which will have an adverse impact on revenue and growth. This is exacerbated by the non-recurrent nature of family law work, meaning successful attraction of new clients is paramount to the viability of the Company's business. The Company's ability to retain existing clients and attract new ones depends on many factors including the effectiveness of its digital marketing strategy, the quality of its service, cost effectiveness and pricing compared to its competitors. In addition, clients' use of the Company's services may be affected by external factors including changes to laws and regulations which affect the family and relationship law landscape.

- (r) **Changes in technology:** the use of technology in the legal industry has evolved in recent years. In particular, advances in artificial intelligence threaten to replace many functions traditionally performed by lawyers (e.g. discovery and contract drafting), which has increased the pressure on law firms to provide more innovative and cost-effective services. The Company's success will depend, in part, on its ability to grow its business in response to changing technologies, client and user demands and competitive pressures. Failure to do so may impact the success of the Company's business. Further, the cost of responding to changing technologies is unpredictable and may impact on the Company's profitability.
- (s) **Competition:** the legal industry is a highly competitive global industry. There is a risk that existing or new global and domestic competitors could gain market share through product innovation, price discounting or aggressive marketing campaigns which would have an adverse impact on the Company's revenue and profitability. The Company does not have any control over the conduct of its competitors. In addition, there is a risk that the Company could lose clients and market share if it fails to adapt to technological and regulatory changes or client expectations at the same rate as its competitors.
- (t) **Brand and reputation:** The Company believes that establishing and maintaining its brand in the family law sector is critical to growing its business. This will depend largely on its ability to deliver successful marketing campaigns and produce outstanding results within its existing client base. A number of factors may impact negatively on the Company's brand including the actions of its employees and external industry participants. If the Company fails to successfully establish and maintain its brand, its business and operating results could be adversely affected.
- (u) **Data loss or corruption and security breaches:** The Company's computer systems and the systems of its service providers are integral to its business operations. The provision of legal services is dependent on the proper functioning of these systems. Failures or breaches of those computer systems have the ability to cause disruptions to the Company's business operations. It could also lead to unauthorised disclosure of clients' data, resulting in reputational damage, claims from clients and regulatory scrutiny and fines. This could adversely affect the Company's revenue and financial performance. Although the Company has strategies and protections in place to minimise security breaches and to protect data, these strategies might not be successful.
- (v) **Future profitability or dividends are not assured:** no assurance as to future profitability or dividends can be given as these are dependent on future earnings and working capital requirements of the Company, which are affected by factors beyond the Company's control. Potential investors should note that there can be no guarantees with respect to the payment of dividends and return of capital.

E. Additional information

1 Use of funds

If the Entitlement Offer is fully subscribed, the Company will raise A\$5m (before expenses).

The proceeds from the Entitlement Offer will be used for some or all of the following:

- (a) acquisition costs; and
- (b) costs associated with the Entitlement Offer.

The table below provides a breakdown of the proposed use of funds from the Entitlement Offer based on maximum subscription:

Use of funds	Maximum subscription
Acquisition costs	\$4,750,000
Estimated costs associated with the Entitlement Offer ^(a)	\$250,000
Total	\$5,000,000

Notes: (a) This includes an estimate of ASX fees for quotation of Offer Shares based on the issue of the maximum amount of Offer Shares offered under this Booklet. The fee is calculated in accordance with Table 1C in the ASX Schedule of Listing Fee's set out in Guidance Note 15A, where the fee for quotation of additional equity securities for a value between \$2,500,001 to \$10m is \$10,430 +0.16468015% on excess over \$2.5m.

2 Effect on capital structure

As at the date of this Booklet, the capital structure of the Company is outlined below:

Class of Security ^(a)	Number of Securities
Shares on issue	61,522,008
Unlisted and unvested Performance Rights expiring 4 December 2022	1,425,000
Unlisted and unvested Performance Rights expiring 29 January 2024	2,625,000

Notes: (a) The Company does not have any Options on issue as at the date of this Booklet.

Assuming that the Entitlement Offer is fully subscribed and all Offer Shares (including any Additional Shares) are allotted and issued, the Company's issued share capital will increase from 61,522,008 Shares to approximately 71,522,008 Shares (subject to rounding) as set out in the table below:

Capital Structure	Number based on maximum subscription	%
Shares on issue	61,522,008	86.02%
Number of Offer Shares offered under this Booklet ^(a)	10,000,000	13.98%
Total Shares^(b)	71,522,008	100

Notes: (a) This is subject to rounding of Entitlements.

^(b) This assumes no further Shares are issued prior to the Record Date and the Entitlement Offer is fully subscribed.

3 Potential effect on control

The potential effect the Entitlement Offer will have on the control of the Company, and the consequences of that effect, will depend on a number of factors, including Shareholder and investor demand. However, given the structure of the Entitlement Offer, the Entitlement Offer may have a material effect on the control of the Company.

The potential effect on control is summarised below:

- (a) if all Eligible Shareholders take up their Entitlements under the Entitlement Offer, then the Entitlement Offer will have no significant effect on the control of the Company;
- (b) if some Eligible Shareholders do not take up all of their Entitlements under the Entitlement Offer, then the interests of those Eligible Shareholders in the Company will be diluted;
- (c) the proportional interests of Shareholders who are not Eligible Shareholders will be diluted because such Shareholders are not entitled to participate in the Entitlement Offer;
- (d) Eligible Shareholders that apply for Additional Shares under the Shortfall Facility (under which any shortfall between applications received and the number of Offer Shares proposed to be issued under the Entitlement Offer may be applied for by those who have accepted their Entitlements in full) may increase their interests beyond their Entitlement. This would result in the dilution of holdings of those who failed to accept their Entitlements in full and those who failed to apply for Additional Shares;
- (e) currently there is one shareholder with voting power above 17.68%, being Oscar Churchill Pty Ltd (**Oscar Churchill**), an entity associated with Mr Edward Finn, a Director of the Company. If Oscar Churchill is the only Eligible Shareholder to take up their Entitlement, and it takes up its full Entitlement while all other Eligible Shareholders do not participate in the Entitlement Offer, the interest of Oscar Churchill is projected to be as follows:

Shareholder	Holding at Record Date			Holding at completion of Entitlement Offer	
	Number	Voting Power	Entitlement	Number	Voting Power ^(b)
Oscar Churchill	10,875,000 Shares ^(a)	17.68 %	1,767,660 Shares	12,643,660 Shares	19.98 %

Notes: ^(a) Based on the most recent Appendix 3Y- Change of Director's Interest Notice lodged with ASX on 30 September 2020.

^(b) Maximum voting power is calculated on the basis that the relevant Shareholder does not acquire additional Shares prior to Record Date, takes up its full Entitlement and that it is the only Eligible Shareholder to participate in the Entitlement Offer.

- (f) as set out in the table above, the voting power of Oscar Churchill is projected to increase if, in the relevant scenario, Oscar Churchill is the only participant in the Entitlement Offer and they subscribe for their full Entitlement. Under this scenario

Oscar Churchill's maximum voting power at completion of the Entitlement Offer is projected to be 19.98%, however this will decrease if other Eligible Shareholders participate in the Entitlement Offer.

4 Quotation and trading

The Company has applied to ASX for the official quotation of the Offer Shares in accordance with the ASX Listing Rules. Subject to approval being granted by ASX, it is expected that normal trading of Offer Shares will commence on or about 25 March 2021.

5 Ranking of Offer Shares

Offer Shares (including any Additional Shares) issued under the Entitlement Offer will rank equally with existing Shares on issue.

6 Withdrawal

The Company reserves the right to withdraw all or part of the Entitlement Offer at any time, subject to applicable laws. If the Company exercises this right, it will refund Application monies in relation to Offer Shares not already issued in accordance with the Corporations Act without the payment of interest.

F. Glossary

In this Booklet, the following capitalised terms have the following meanings (unless the context requires otherwise).

Additional Shares	Offer Shares which comprises the shortfall, which may be applied for by Eligible Shareholders in excess of their Entitlement.
AEDT	Australian Eastern Daylight Time as observed in Sydney, New South Wales.
Announcement	the ASX announcement relating to the Entitlement Offer, as announced by the Company to ASX on 18 February 2021 and can be accessed via the link included in Section C of this Booklet.
Application	an application for Offer Shares lodged in accordance with the instructions in this Booklet and the Entitlement and Acceptance Form.
ASIC	Australian Securities & Investments Commission.
ASX	ASX Limited ACN 008 624 691 or the market operated by it as the context requires.
ASX Listing Rules or Listing Rules	the official listing rules of the ASX and any other rules of the ASX which are applicable while the Company's securities are quoted on the ASX, as amended or replaced from time to time, except to the extent of any express written waiver by the ASX.
Booklet	this entitlement offer booklet.
Closing Date	5.00 pm (AEDT) on Friday, 19 March 2021, or such other date as the Company determines.
Company or AFL	AF Legal Group Limited ACN 063 366 487.
Corporations Act	the <i>Corporations Act 2001</i> (Cth).
Director	a director of the Company.
Eligible Shareholder	a Shareholder who is a registered holder of Shares on the Record Date with a registered address in Australia, New Zealand, Singapore and Hong Kong.
Entitlement and Acceptance Form	your personalised application form enclosed with this Booklet.
Entitlement	the number of Offer Shares for which an Eligible Shareholder is entitled to subscribe under the Entitlement Offer (disregarding the Shortfall Facility).
Entitlement Offer	a 1 for 6.15 (1 new Share for 6.15 existing Shares) non-renounceable pro rata entitlement offer to subscribe for Offer

Shares at the Issue Price set out in this Booklet and the Entitlement and Acceptance Form as announced by the Company to ASX on Thursday, 18 February 2021.

Ineligible Shareholder	a Shareholder who is not an Eligible Shareholder.
Issue Date	Wednesday, 24 March 2021, or such other date as the Company determines.
Issue Price	A\$0.50, being the price per Offer Share.
Offer Period	the period commencing on the Opening Date and ending on the Closing Date.
Offer Shares	the new Shares offered under the Entitlement Offer.
Opening Date	Friday, 26 February 2021.
Option	an option to acquire a Share.
Performance Right	a right to acquire a Share upon the satisfaction of vesting conditions and/or performance hurdles (if any).
Record Date	7.00 pm (AEDT) on Tuesday, 23 February 2021.
Register	the register of Shareholders.
Registry	Automic Pty Ltd.
Section	a section in this Booklet.
Securities	mean the Offer Shares and any other right or any other equity interest in the Company.
Securities Act	the United States <i>Securities Act of 1933</i> , as amended.
Share	a fully paid ordinary share in the Company.
Shareholder	a registered holder of a Share.
Shortfall	the number of Offer Shares offered under the Entitlement Offer for which valid Applications have not been received from Eligible Shareholders before the Closing Date.
Shortfall Facility	the mechanism by which the Company may place the shares that comprise the Shortfall as described in paragraph 7 of Section B of this Booklet.

[EntityRegistrationDetailsLine1Envelope]
[EntityRegistrationDetailsLine2Envelope]
[EntityRegistrationDetailsLine3Envelope]
[EntityRegistrationDetailsLine4Envelope]
[EntityRegistrationDetailsLine5Envelope]
[EntityRegistrationDetailsLine6Envelope]

Holder Number:
[HolderNumberMasked]

Shares held as at the Record Date at
7.00PM AEDT on 23 February 2021
[CumBalance]

ENTITLEMENT AND ACCEPTANCE FORM

OFFER CLOSES 5.00PM AEDT ON 19 MARCH 2021 (WHICH MAY CHANGE WITHOUT NOTICE)

As an Eligible Shareholder you are entitled to acquire New Shares in AF Legal Group Ltd below for the amount payable. Your entitlement is to **1 new fully paid ordinary share (Share) for every 6.15 existing Shares held at the Record Date for the Offer Price of \$0.50 per Share**. The Offer Booklet dated 26 February 2021 contains information about investing in the Shares and you should carefully read the Offer Booklet before applying for Shares. This Entitlement and Acceptance Form should be read in conjunction with the Offer Booklet. If you do not understand the information provided in the Offer Booklet or you are in doubt as to how you should deal with it, you should seek professional advice. Other than as defined in this Entitlement and Acceptance form, capitalised terms have the same meaning as defined in the Offer Booklet.

1 ACCEPTANCE OF ENTITLEMENT OR PART THEREOF

	Payment Amount A\$ (\$0.50 per New Share)	Number of New Shares Applied
<input type="checkbox"/> Full Entitlement	[EntPayable]	[Entitlement]
<input type="checkbox"/> Partial Entitlement	<div> <div></div><div></div><div></div> </div> , <div> <div></div><div></div><div></div> </div> , <div> <div></div><div></div><div></div> </div> , <div> <div></div><div></div> </div>	<div> <div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div> </div>

2 APPLICATION FOR ADDITIONAL SHARES

As a Shareholder, you are invited to apply for additional Shares, providing you have taken up your full Entitlement. Should you wish to apply for additional New Shares please complete the following sections.

	Payment Amount A\$ (\$0.50 per New Share)	Number of New Shares Applied
<input type="checkbox"/> Shortfall Shares	<div> <div></div><div></div><div></div> </div> , <div> <div></div><div></div><div></div> </div> , <div> <div></div><div></div><div></div> </div> , <div> <div></div><div></div> </div>	<div> <div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div> </div>

Insert the Payment Amount & number of New Shares applied for. No fractional shares will be issued. If the dollar amount above in section 2, divided by the issue price (\$0.50), is a fraction of a New Share, the New Shares allotted will be rounded to the nearest whole number.

3 MAKE YOUR PAYMENT BY BPAY®, ELECTRONIC FUNDS TRANSFER (EFT) OR CHEQUE

Total Payment A\$	<div> <div></div><div></div><div></div> </div> , <div> <div></div><div></div><div></div> </div> , <div> <div></div><div></div><div></div> </div> , <div> <div></div><div></div> </div>
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Option A – BPAY®



Biller Code: 285916
Ref No: [BPayCRN]

Contact your financial institution to make your payment from your cheque or savings account.

Note: You do not need to return this form if you have made payment via BPAY®. Your BPAY® reference number will process your payment for your share subscription electronically.

Option B – Electronic Funds Transfer (EFT)

The unique reference number which has been assigned to your Application is: **AFL[HolderId]**

Funds are to be deposited in AUD currency directly to following bank account:

Account name: Automic Pty Ltd

Account BSB: 036011

Account number: 576069

Swift Code: WPACAU2S

IMPORTANT: You must quote your unique reference number as your payment reference/ description when processing your EFT payment. Failure to do so may result in your funds not being allocated to your application and New shares subsequently not issued.

Note: You do not need to return this form if you have made payment via EFT. Your unique reference number will process your payment for your share subscription electronically.

Option C – Cheque, Bank Draft or Money Order

Cheque Number

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BSB

--	--	--

Account Number

--	--	--	--	--	--

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Cheques must be drawn on an Australian branch of a financial institution in Australian currency, made payable to "AF Legal Ltd" and crossed "Not Negotiable". Return your cheque and this application form to: Automic Group, Level 5, 126 Phillip Street, Sydney New South Wales 2000 by the Closing Date.

4 PROVIDE YOUR CONTACT DETAILS & ELECT TO BE AN E-SHAREHOLDER

Return to our Share Registry by email to hello@automicgroup.com.au

Telephone Number

()

Contact Name (PLEASE PRINT)

Email Address

--

AFL[HolderId]

INSTRUCTIONS FOR COMPLETION OF THIS FORM

The Offer is being made to all Shareholders with a registered address in Australia, New Zealand, Singapore or Hong Kong who are registered as the holder of Shares at 7.00PM AEDT on the Record Date (**Eligible Shareholders**).

ACCEPTANCE OF OFFER

By returning the Entitlement and Acceptance Form with payment to the Share Registry or making a BPAY or EFT payment:

- you represent and warrant that you have read and understood the Offer Booklet and that you acknowledge the matters, and make the warranties and representations contained therein and in this Entitlement and Acceptance Form;
- you provide authorisation to be registered as the holder of New Shares acquired by you and agree to be bound by the Constitution of the Company.

1 Acceptance of Full or Partial Entitlement for New Shares

Select the value of New Shares you wish to accept under the Entitlement Offer.

If you wish to accept for New Shares less than your full entitlement, enter the number of New Shares you wish to accept, which must be less than your full Entitlement, which is set out overleaf. No fractional Shares will be allotted, therefore if the dollar amount paid divided by the issue price (\$0.50) is a fraction of a Share, the Shares allotted will be rounded to the nearest whole number of Shares.

2 Application for additional New Shares under the Shortfall Offer

You can only apply for additional Shortfall Shares if you have applied for your full entitlement in section 1. Please specify the amount by entering the total amount payable & the number of New Shares for which you are applying.

No fractional Share will be allotted, therefore if the dollar amount paid divided by the issue price (\$0.50) is a fraction of a New Share, the New Shares allotted will be rounded to the nearest whole number.

There is no guarantee that Eligible Shareholders will receive New Shares applied for under the Shortfall Offer. Please refer to the Company's Allocation Policy set out in the Offer Booklet for further information.

3 Payment

Payment by BPAY: You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. **To BPAY® this payment via internet or telephone banking use your reference number quoted on the front of this form.** Multiple acceptances must be paid separately. Applicants should be aware of their financial institution's cut-off time (the payment must be made to be processed overnight).

You do not need to return this form if you have made payment via BPAY®. Your BPAY® reference number will process your payment to your entitlement electronically and you will be deemed to have applied for such Shares for which you have paid.

Payment by EFT: You can make a payment via Electronic Funds Transfer "EFT". Multiple acceptances must be paid separately. Applicants should be aware of their financial institution's cut-off time and any associated fees with processing a funds transfer.

Please ensure you use your unique reference number located on the reverse page. This will ensure your payment is processed correctly to your application electronically.

You do not need to return this form if you have made payment via EFT. Your unique reference number will process your payment to your entitlement electronically and you will be deemed to have applied for such New Shares for which you have paid.

Payment by Cheque: Cheques must be drawn on an Australian branch of a financial institution in Australian currency, made payable to "AF Legal Ltd" and crossed "Not Negotiable". Please ensure sufficient funds are held in your account. If you provide a cheque for an incorrect amount the Company may treat you as applying for as many New Shares as your cheque will pay for. Your completed Application Form and cheque must be received by the Share Registry: Automic Group, GPO Box 5193 Sydney NSW 2001 prior to the close of the Entitlement Offer at 5.00 pm (AEDT) on 19 March 2021.

The Company and the Share Registry accept no responsibility for incorrect, delayed or misdelivered Application Forms or payments.

4 Contact Details

Please enter a contact number we may reach you on between the hours of 9:00am and 5:00pm AEDT. We may use this email* or number to contact you regarding your acceptance of the New Shares, if necessary.

*By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible)

If you require further information about the Entitlement Offer, please contact Automic on 1300 288 664 or +61 2 9698 5414 between 9:00am and 5:00pm (AEDT).