

24 May 2021

Market Announcements Office
Australian Securities Exchange
Level 5, 20 Bridge Street
Sydney NSW 2000

Market Update

The Board of AF Legal Group Ltd (**ASX: AFL**) (**Company**) is pleased to provide a market update for shareholders.

Office expansion in Western Australia

AFL will be opening a new office in Western Australia in Joondalup in Perth's North. It opened its first office in the Perth CBD in November 2020. The Joondalup office is its second office in Western Australia creating a total of 15 offices nationwide representing the largest family law firm in Australia. This new office will be led by a senior lateral hire that has been recruited in the region.

Executive Chairman Grant Dearlove commented, "Our lateral recruitment and office expansion in Perth's North has been fuelled by the success of our client acquisition model in Western Australia. Through our analysis we were confident it was a State that utilised digital avenues for relationship law and the level of enquiry we are generating in the region is already equivalent to our Queensland and New South Wales markets. We continue to be encouraged by the effectiveness of our client acquisition model as we scale and its success has again increased the speed of our expansion plans".

Family Court System funding boost

The family court system in Australia was awarded a significant funding boost as part of the 2021-22 Federal Budget. The additional funding of \$100m over 4 years will help to introduce much needed support to judges and reforms that will lead to a reduction in delays and improve safety outcomes for litigants involved in family law and other disputes. It is expected that the extra funding and other reforms to the system will reduce the backlog of cases and cases not finalised within a year from 40% to 10%.

Acquisition Update

AFL is in the final stages of completing the acquisition of Watts McCray with the transaction expected to be completed in early June 2021. An investor presentation with further information will be provided at the completion of the transaction. In addition to the Watts McCray acquisition, AFL is assessing a number of organic, lateral hire and acquisition opportunities and will update the market as and when these opportunities progress.

The Board would also like to advise shareholders that file openings for the second half period from January to April 2021 were up over 35% versus the previous corresponding period and a full year update will be provided at the completion of the financial year.

The Board of AFL has approved this announcement.

For more information, please contact the undersigned on +61 2 8072 1400.

Yours faithfully



Maggie Niewidok
Company Secretary