

30 September 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 the following Market Update and accompanying investor presentation.

Trading Update

The Company has reported a strong start to the FY22 financial year with the following highlights:

- Year to date August 2021 (FY22 YTD) revenue was \$3.2m. This equates to an annual revenue run rate of \$19.2m, up +18% versus the Pro Forma FY21 revenue¹ of \$16.4m
- Strong FY22 YTD revenue growth up +136% versus pc²
- Highest revenue month on record was reported in August 2021
- Watts McCray acquisition FY22 YTD revenue is up +44% versus pc² and it reported its highest revenue month since September 2020 in August 2021
- FY22 YTD file openings and reported leads up +72% versus pc²
- Website visits have doubled for the period January 2021 to August 2021 versus pc²
- Acquisition integration of Kordos Law and Watts McCray is on track and well progressed. Approximately \$0.6m per annum of synergies have already been realised

The Company continues to review several organic and acquisitions growth opportunities in both family law and adjacent sectors and is conducting due diligence where appropriate.

Results disclosed in the Company's Unaudited Appendix 4E compared with the Company's 2021 Annual Report

The purpose of this disclosure is to provide an explanation for a material difference between the unaudited preliminary financial statements lodged with the ASX on 30 August 2021 (Appendix 4E) and the Company's 2021 Annual Report lodged with the ASX today (Annual Report) .

Upon further consideration of the acquisition accounting in relation to Watts McCray, an oversight in the determination of deferred consideration has been noted. The oversight has been rectified in the amounts disclosed in the Annual Report. The impact to the Annual Report was to increase deferred consideration and provisional goodwill by \$843,750. There was no impact to the Statement of Profit or Loss and Other Comprehensive Income.

¹ Pro Forma Profit & Loss includes the full year contribution from Strong Law, Watts McCray and Kordos Law from 1 July 2020

² Prior corresponding period

Date of Annual General Meeting

The Company would also like to advise shareholders that the 2021 Annual General Meeting (**AGM**) is scheduled for Friday, 5 November 2020 at 11.00am (AEDT). The AGM will be conducted as a virtual meeting, accessible online. Further details will be provided to shareholders in the Notice of AGM in due course.

This announcement has been authorised by the AFL board.

Yours faithfully

A handwritten signature in black ink, appearing to read "Grant Dearlove".

Grant Dearlove

Executive Chairman

For further information, please contact:

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