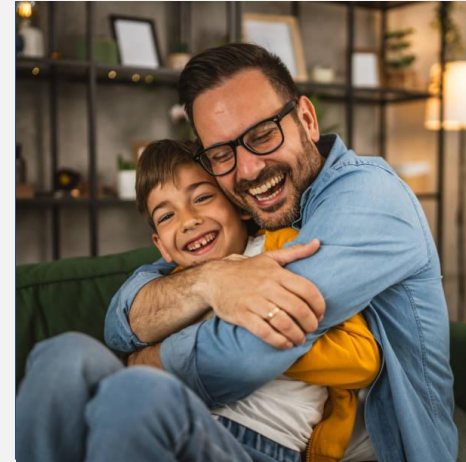




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# FY25 – Results

Investor Presentation  
29 August 2025



# FY25 Highlights



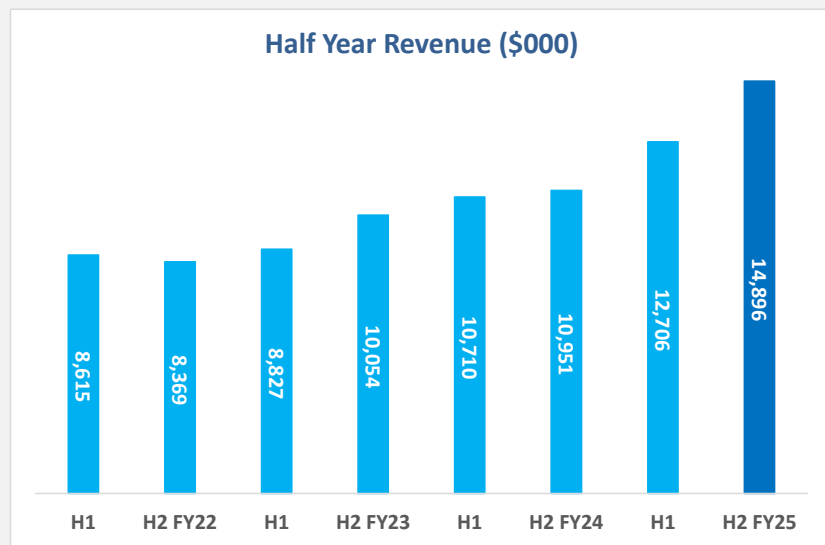
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- FY25 Revenue growth of 27% (v FY24)
- Normalised NPBT attributable to the owners of AF Legal for FY25 of \$1.4 million
- Acquisition in October 2024 of Armstrong Legal Criminal & Family Law practices
- Cultural transition to one that is people-first focused and practice-led
- Project Titan our replacement modern cloud-based PMS and DMS platform

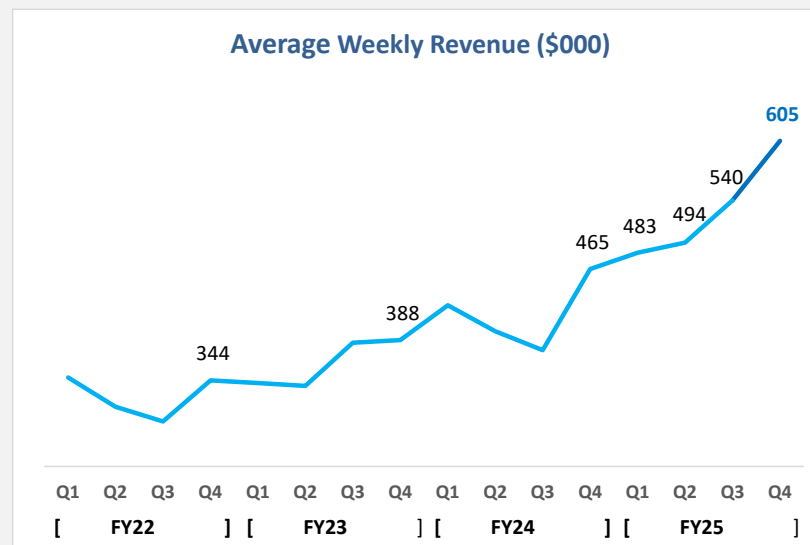
# Revenue momentum building, as is underlying profitability



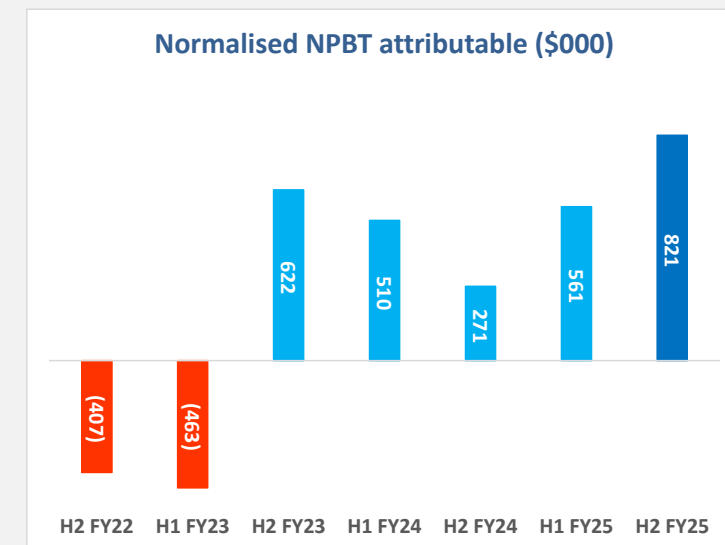
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Revenue growth  
has accelerated



Highest ever  
Average Weekly Revenue  
Above \$600k per week in  
Q4 FY25 and growing

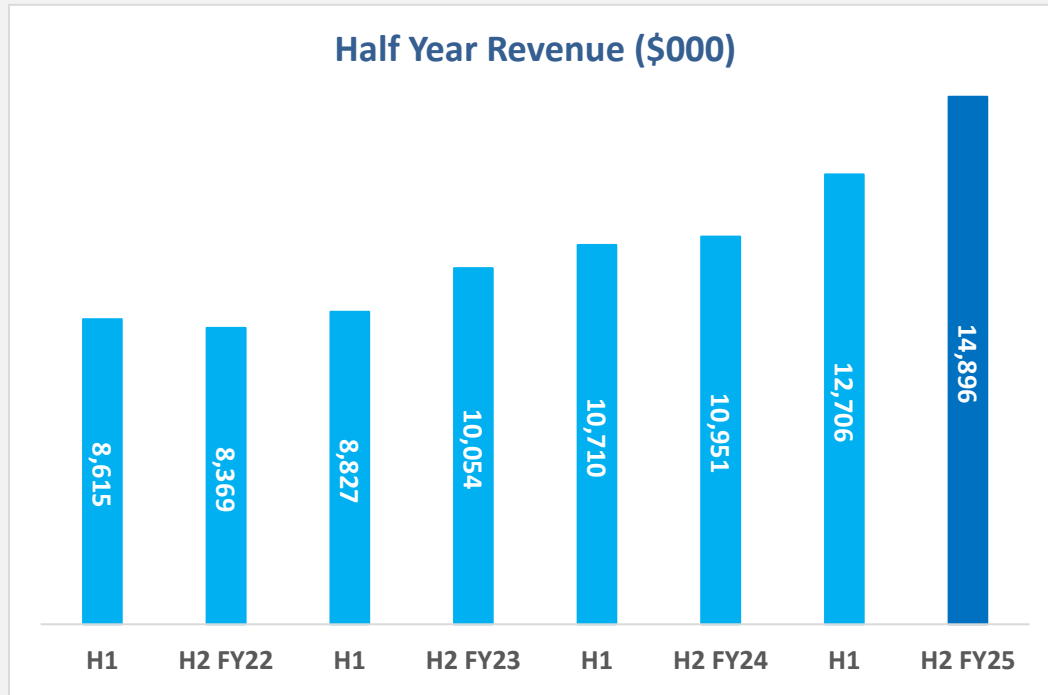


Normalised  
profitability trend  
continues to lift  
FY25 is up 77%  
on full year FY24

# Revenue growth has accelerated during FY25



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- **FY25 Revenue \$27.6 million** up by \$5.9 million or 27% on the prior year (FY24: \$21.7m)
  - excluding Armstrong impact (CWE comparable from Q4 FY25) FY25 was up 11%
- **Revenue of \$14.9 million for H1 FY25 represents our highest ever half-yearly revenue** with the period up by \$3.9 million or 36% on the prior corresponding period of H2 FY24 (pcp)
  - up 17% on the previous high achieved in the prior half (H1 FY25)

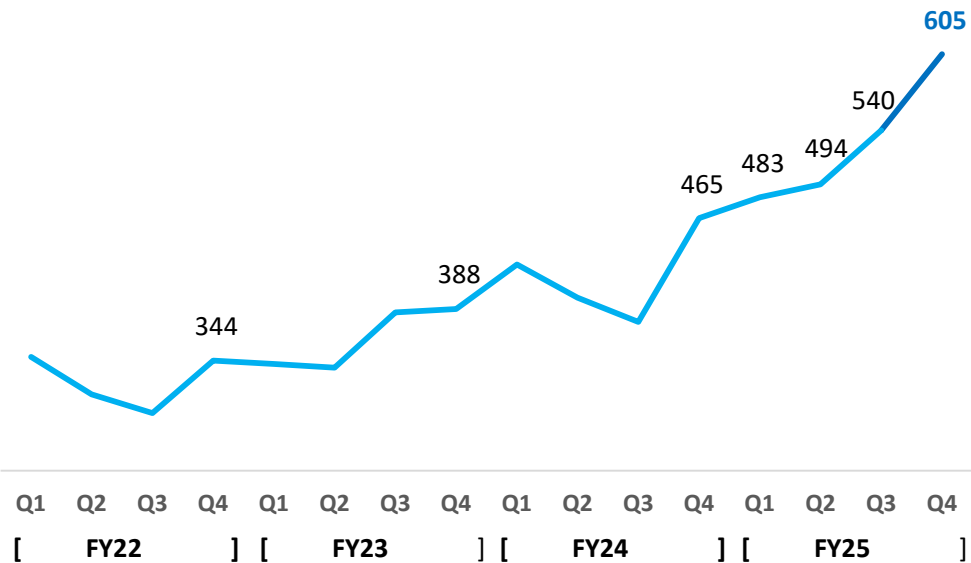
Revenue trends: FY25 ↑27% - H2 ↑36% - H1 ↑19%

# Revenue continues to hit new highs with more to come



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Average Weekly Revenue (\$000)



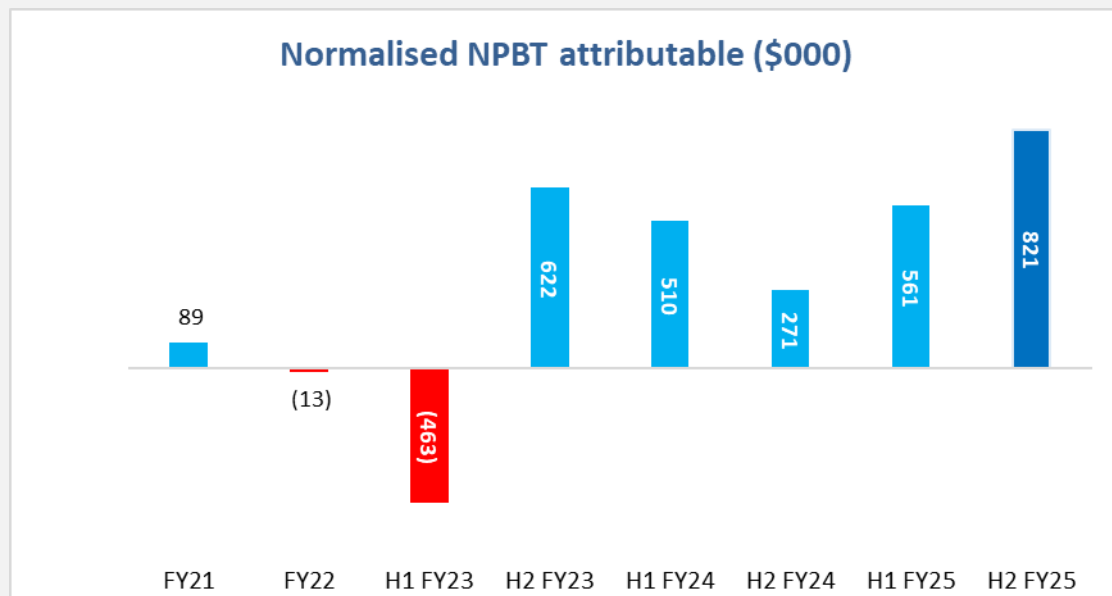
- Average Weekly Revenue (AWR) for Q4 FY25 above \$600k for the first time, at \$605k per week across Q4 but even higher towards the end of the quarter
  - Momentum is building in Family Law which was up 24% in Q4 on pcp (Q3 up 18% - H1 just 1.6%)
  - Armstrong CWE first comparable quarter in Q4 FY25 was up 14% on pcp
- Strong finish to May-Jun 2025 continues with first eight weeks of FY26 building further to mid \$600k levels
- The number of lawyers have grown by 20% across FY25 with other fee earners also growing by 30%

Growing teams are driving our revenue higher

# Our underlying profitable growth turnaround gains pace



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Normalised NPBT  
attrib FY21 to  
end H1FY23  
2.5 years  
Loss (\$0.4 million)

Normalised NPBT  
attrib H2FY23 to  
end H1 FY25  
2.5 years  
Profit \$2.8 million

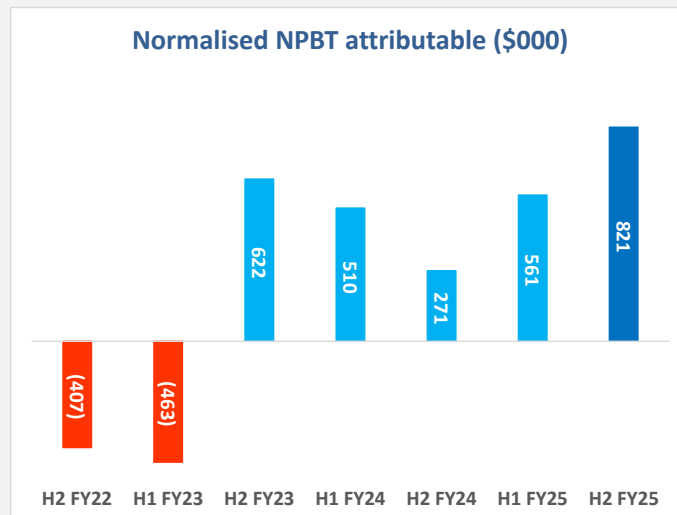
- Normalised NPBT attributable to owners of AF Legal Group over the past 2.5 years months has totalled \$2.8 million
- This represents a significant contrast to the preceding two and a half years which produced a loss of (\$0.4 million)
- Historically AF Legal Group Limited profitability was presented in many different ways including EBITDA, Underlying EBITDA, Underlying EBITDA pre AASB16, NPATA, etc
- Normalised NPBT attributable to owners of AF Legal Group is our preferred metric to gauge true profitability of our organisation from a shareholder view
  - Normalisation has been standardised with our current practice in the table on the prior slide and also in the adjacent graph to exclude any previous normalising of share-based payments

# FY25 our best year for both revenue and underlying profitability



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\$'000	FY25	H2 FY25	H1 FY25	FY24	FY23	FY22	FY21
Revenue	27,602	14,896	12,707	21,661	18,881	16,983	11,009
Average Weekly Revenue [AWR] (excl. Growth on prior FY)	531 27%	573	977	417 15%	363 11%	327 54%	212
NPBT	896	261	635	1,476	(7,556)	295	(495)
NPBT attributable to the owners of AF Legal Group Limited	64	(143)	207	607	(8,256)	(43)	(495)
Normalisation adjustments	1,501	1,054	447	174	8,415	31	584
Normalised NPBT	2,397	1,315	1,082	1,650	859	326	89
Normalised NPBT attributable to the owners of AF Legal Group Limited	1,382	821	561	781	159	(13)	89



- Normalised NPBT attributable to the owners of AF Legal Group for FY25 was a **profit of \$1.382 million, a \$0.6m or 77% increase** compared to the pcp (FY24: \$0.781m)
  - FY25 normalisation adjustments due to second Armstrong Legal acquisition costs \$145k, \$1.088m of Legal defence fees and \$268k for Project Titan costs
  - H2 FY24 normalisation adjustments due to the first Armstrong Legal acquisition costs of \$174k
- H2 FY25 saw a significant lift in normalised profitability, up 46% on H1 FY25
  - This was well ahead of the 17% lift in revenue which indicates our operating leverage model is delivering improving returns

# Statement of Profit or Loss

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2025

	2025 \$'000	2024 \$'000
Revenue	27,604	21,862
<b>Expenses</b>		
Cost of sales	(30)	(8)
Employee expenses	(16,763)	(13,082)
Administrative expenses	(4,134)	(3,197)
Other expenses	(4,007)	(2,441)
Share based payment expense	(48)	(51)
Depreciation	(1,553)	(1,214)
Amortisation	(173)	(393)
Impairment expense	-	-
<b>Total expenses</b>	<b>(26,708)</b>	<b>(20,386)</b>
<b>Profit/(Loss) before income tax</b>	<b>896</b>	<b>1,476</b>
Income tax expense/(benefit)	(171)	124
<b>Profit/(Loss) for the period after income tax</b>	<b>725</b>	<b>1,600</b>
Other comprehensive income	-	-
<b>Total comprehensive income/(loss) for the period</b>	<b>725</b>	<b>1,600</b>
<b>Profit/(Loss) for the period attributable to:</b>		
Non-controlling interest	623	638
The owners of AF Legal Group Limited	102	962
<b>Total comprehensive income/(loss) for the period attributable to:</b>		
Non-controlling interest	623	638
The owners of AF Legal Group Limited	102	962
<b>Total comprehensive income/(loss) for the period</b>	<b>725</b>	<b>1,600</b>

## ■ Statutory P&L as contained in the Annual Report

- Profit is best viewed from a normalised point of view, please refer to the previous slide
- Expenses in the Statutory P&L include one-off expenses and charges that have been adjusted into our Normalised NPBT attributable result of \$1.4m detailed on the previous slide
- These **one-off expenses and charges** are:
 

Business acquisition costs	\$0.145m
Project Titan	\$0.268m
Legal Defence Costs	<u>\$1.088m</u>
<b>Total FY25 Normalising Adjustments</b>	<b><u>\$1.501m</u></b>
- FY26 will see a further (up to) \$1.2m for Project Titan but we then expect normalised NPBT to approximate the statutory result from FY27 onwards



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# Balance Sheet

Consolidated Statement of Financial Position

As at 30 June 2025



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	30-Jun-25 \$'000	30-Jun-24 \$'000
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	2,213	2,317
Trade and other receivables	11,064	9,543
Other current assets	1,035	1,073
<b>TOTAL CURRENT ASSETS</b>	<b>14,312</b>	<b>12,933</b>
<b>NON-CURRENT ASSETS</b>		
Deferred tax assets	2,872	2,532
Right of use assets	2,984	3,208
Plant and equipment	816	743
Intangible assets	6,881	4,293
<b>TOTAL NON-CURRENT ASSETS</b>	<b>13,553</b>	<b>10,776</b>
<b>TOTAL ASSETS</b>	<b>27,865</b>	<b>23,709</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Trade and other payables	3,511	1,985
Current tax liabilities	171	221
Deferred consideration	375	625
Lease liabilities	1,330	981
Employee benefits	1,442	1,039
<b>TOTAL CURRENT LIABILITIES</b>	<b>6,829</b>	<b>4,851</b>
<b>NON-CURRENT LIABILITIES</b>		
Deferred tax liabilities	2,318	2,046
Lease liabilities	1,816	2,334
Deferred consideration	-	375
Borrowings	6,523	3,591
Provisions	329	269
Employee benefits	242	269
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>11,228</b>	<b>8,884</b>
<b>TOTAL LIABILITIES</b>	<b>18,057</b>	<b>13,735</b>
<b>NET ASSETS</b>	<b>9,808</b>	<b>9,974</b>

- **Net Total assets at \$9.8 million (30 June 2024: \$10.0m)**
- **Notable movements across FY25 mostly related to the second Armstrong Legal acquisition:**
  - **Cash and cash equivalents decrease of \$0.1 million**
    - Operating cash strong inflow but offset by outflows in investing and financing activities (see Cash Flow slide)
  - **Trade & Other Receivables up by \$1.5 million**
    - Up 16% on 27% revenue growth due to solid collections
    - This area will always be impacted by invoicing and collection timing issues especially with large matters, further scale will help minimise the impact going forward
  - **Intangible Assets and Borrowings**
    - Both impacted by the second Armstrong Legal acquisition in Q2 FY25, with \$2.6m increase due to Goodwill and the Brand/Website and a \$2.9m increase in borrowings to fund the acquisition and deferred consideration payments
  - **Other movements** included largely offsetting Right of use asset & Lease liability amounts

# Cash Flow

## Consolidated Statement of Cash Flows

For the year ended 30 June 2025

	2025 \$'000	2024 \$'000
<b>Cash Flows from Operating Activities</b>		
Receipts from customers	26,397	20,050
Payments to suppliers and employees	(22,762)	(19,009)
Net interest paid	(443)	(54)
Income tax paid	(328)	(442)
<b>Net cash provided by/(used in) operating activities</b>	<b>2,864</b>	<b>545</b>
<b>Cash Flows from Investing Activities</b>		
Purchase of fixed assets	(413)	(360)
Payment for Acquisition of Business	(2,483)	(2,733)
Payments for Deferred Consideration	(625)	(1,000)
Payments for purchase of intangible assets	(84)	(24)
	<b>(3,605)</b>	<b>(4,117)</b>
<b>Cash Flows from Financing Activities</b>		
Proceeds from issue of shares	-	1,733
Payment of dividends	(939)	(438)
Payments of lease liabilities	(1,356)	(1,049)
Net proceeds from/(payments for) borrowings	2,932	3,591
	<b>637</b>	<b>3,837</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(104)</b>	<b>265</b>
Cash and cash equivalents at the beginning of the financial period	2,317	2,052
<b>Cash and cash equivalents at the end of the financial period</b>	<b>2,213</b>	<b>2,317</b>

- Operating Cash delivered a full year inflow of \$2.9 million driven by strong revenue growth & our continued focus on debtors' management and cash collections
- The overall **outflow from investing activities of \$3.6 million** was primarily due to three payments:
  - Acquisition of Armstrong Criminal & Family Law practices and the armstronglegal.com.au brand and website (\$2.5m)
  - Earn out payments: first of two relating to the ACWE acquisition (\$375k) and final relating to the Kordos acquisition (\$250k)
- The **overall inflow from financing activities of \$0.6 million** was due to \$2.9m borrowings less regular payment of lease liabilities (\$1.4m) and dividend payments to non-controlling interests (\$0.9m)
- Overall, a **net cash outflow for FY25 of \$0.1 million**

*\* Adjusting for the impact of the repayment of lease liabilities (now in "Cash Flows from Financing Activities" under AASB16) this would represent a net cash inflow of \$1.5 million*

# Focus and Outlook



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## People-first culture

- GPTW lift to 84% in Oct-24 (Aug-23: 53%)
- Focus on onboarding, professional development, mentorship and care for the individual
- Focus on junior lawyers with a clear capability and professional development program and a defined career path
- Greater autonomy and involvement for our Practices & Practice Leaders and a high-performance culture characterised by open communication and mutual respect



## New Client Activity

- Sponsorship & Executive Producer of *Millie Vs – The Film* created by Barrister & Filmmaker Darren Mort (*Tommy*), “... investing in the power of narrative to transform lives”
- Increasingly focusing resources on SEO as a driver of digital lead flow
- Business development: Corporate services; new service offerings; maintain leading national media voice
- Expand Net Promoter Score client feedback across all our brands and markets



## Profitability

- Improving Normalised Profitability trend continued in H2 FY25
- High performance culture to drive revenue, incentivised through a more rewarding bonus scheme
- Cost reduction in corporate overheads and operational costs
- Invest in our most important resource, our people. Profitability and growth will naturally follow
- Roll out of Project Titan new PMS & DMS to maximise efficiency and effectiveness by early Q4



## Proven growth model

- Expand into new regions and continue lateral hires as low-risk expansion strategy
- Growing existing practices through increased recruitment activity
- Emphasis on cultural alignment
- NAB acquisition debt facility extended until January 2027 and drawn down for initial two AL acquisitions
- The Board retains its commitment to our longer-term growth aspirations through a combination of organic and inorganic growth opportunities

# Our Growth Strategy

*Grow bottom-line profitability through increased revenues delivering improved returns due to relatively fixed cost base and associated operating leverage advantages*



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Family Law - Organic	<ul style="list-style-type: none"> <li>Growing existing Family Law (FL) practices through team expansion</li> <li>Opening complementary FL practices feeding off existing network, expanding suburban footprint in major cities</li> <li>Future acquisition opportunities in relation to non-controlling interests in existing operations</li> </ul>	<ul style="list-style-type: none"> <li>Entered 2 new markets opening new serviced office locations in Geelong VIC &amp; Cockburn WA in late FY25</li> <li><a href="http://armstronglegal.com.au">armstronglegal.com.au</a> website acquisition in Oct-24 will assist organic growth in FL nationally</li> </ul>
Family Law - Acquisitions	<ul style="list-style-type: none"> <li>Regional expansion and infill opportunities where we currently do not have a presence represent acquisition-based market entry opportunities [e.g. Adelaide, Tasmania, Townsville, Toowoomba, Newcastle, etc.]</li> </ul>	<ul style="list-style-type: none"> <li>Acquisition of Armstrong Legal Family Law practice in Oct-24 will add further scale to FL</li> <li>Organic and/or greenfield option remains in play (e.g. Illawarra, Gold Coast)</li> </ul>
Complementary Areas of Law - Organic	<ul style="list-style-type: none"> <li>There are complementary areas of law currently under serviced by our existing business model which make sense for an organisation seeking to be more than a Family Law business and more of a business which is <i>Your Family's Lawyer</i></li> </ul>	<ul style="list-style-type: none"> <li>Some we do in a limited fashion in some locations, but further such expansion represents incremental revenue</li> <li>Future CWE &amp; CL geographic expansion will come through organic leveraging of the existing AF Legal office network</li> </ul>
Complementary Areas of Law - Acquisition	<ul style="list-style-type: none"> <li>Acquire legal businesses complementary to Family Law, which have significant opportunity for growth by leveraging our existing and growing Family Law practice network</li> <li>Armstrong Legal Contested Wills &amp; Estates (CWE) acquisition Apr-24 was our first such move into complementary areas of law</li> </ul>	<ul style="list-style-type: none"> <li>Armstrong Legal Criminal Law (CL) acquisition Oct-24 represents a further move into a third area of law</li> <li>Other areas of law will be considered for similar future acquisition-based growth opportunities</li> </ul>



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# Thank You