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Litigation Update

In our half year results release of 27 February 2025, AF Legal Group referenced legal defence fees relating to two separate matters.

The first concerned a claim against AF Legal Group arising from the events by which a senior lawyer joined our group in 2022 when under previous management. This matter was settled by the parties yesterday. The settlement was made without any admission but involves the payment of a settlement sum from AF Legal Group to the applicant.

It is estimated that the settlement sum and legal costs associated with this matter will amount to an expense of \$550k-\$600k in the second half of FY25. This amount includes the \$100k normalisation recorded in our recent third quarter update. This and the earlier legal expenses set out in our H1 FY25 results will be included in the FY25 statutory result. We will separate all "one-off legal expenses" in a set of normalised results to assist investors.

The second matter relates to investigations by a regulatory authority. Our lawyers work under the jurisdiction of many regulators including law societies in each state and territory. This matter relates to one lawyer and one regulator and dates back to 2021. The lawyer has practiced without incident since and continues to practice. We have supported the lawyer in question to make detailed submissions in defence of matters referenced in the investigation. This is anticipated to see a further \$100k in legal expenses be incurred in the current half. The submissions are currently being considered by the investigating authority. Unlike the settled matter, the regulatory investigation does not involve any claim for damages or compensation.

No other legal practitioner across the AF Legal Group is currently subject to any proceedings or known investigation by an industry regulator.

Underlying performance across the group in April has been pleasing and we remain confident of achieving our guidance that second half normalised NPBT attributable to shareholders will be higher than the \$561k achieved in the first half of FY25.

-ENDS-

This announcement was approved for release to the ASX by AFL's Board of Directors.

For any questions, please contact:

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