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AF Legal Group Limited
and its controlled entities
ABN 82 063 366 487

Appendix 4D
Half-year information
For the half-year ended
31 December 2025



1. DETAILS OF REPORTING PERIODS

The current reporting period is the 6-month period from 1 July 2025 to 31 December 2025. The previous corresponding reporting period (pcp) was the 6-month period from 1 July 2024 to 31 December 2024, except for the Consolidated Statement of Financial Position, where comparatives are balances as at 30 June 2025.

2. RESULTS FOR ANNOUNCEMENT TO THE MARKET:

Key information	Dec-25 \$'000	Dec-24 \$'000	% Change
Revenue from ordinary activities	17,828	12,706	40%
Profit/(Loss) after tax from ordinary activities	1,010	564	79%
Profit/(Loss) after tax from ordinary activities attributable to owners	493	282	75%

H1 FY26 was impacted by the following normalised adjustments detailed below in Table 1.

Table 1: H1 FY26 Normalising Adjustments:

Project Titan	\$0.482m
Legal defence fees	\$0.012m
Total H1 FY26 Normalising Adjustments	\$0.494 million
Total H1 FY26 Normalising Adjustments (Attributable to Owners)	\$0.488 million

The normalising adjustments for H1 FY26 of \$0.494 million relate almost entirely to Project Titan costs expensed during the first half of financial year 2026 which we flagged in earlier announcements. Project Titan remains on budget and set to be delivered in FY26.

Adjusting for these one-off expenses, H1 FY26 saw a continuation of and an improvement upon the steady profitable growth seen across H2 FY25. The business generated a new half-year record revenue of \$17.8 million, up by 40% (\$5.1 million) compared to pcp and up by 20% (\$2.9 million) compared to H2 FY25. These comparatives are impacted by the additional revenue resulting from the second Armstrong Legal acquisitions (Oct-24) which is comparable now from Nov-25 onwards.

H1 FY26 Normalised Net Profit Before Tax attributable (NNPBT attributable) to the owners of AF Legal Group Limited (AFL Group) of \$1.263 million was our highest half year result yet, continuing our growing profitability trend since the significant round of adjustments made at H1 FY23. Continued profitable growth is expected across H2 FY26.

Please also refer to the attached Director's Report and Interim Financial Statements for the half-year ended 31 December 2025 and the attached press release and investor presentation.

The remainder of the information requiring disclosure to comply with listing rule 4.2A is contained in the attached Director's Report and Interim Financial Statements for the half-year ended 31 December 2025, the attached press release and investor presentation, and the additional information below.

Earnings per share	Dec 2025 cents	Dec 2024 cents	% Change
Basic earnings per share (cents)	0.54	0.31	73%
Diluted earnings per share (cents)	0.53	0.30	76%

Dividends

Interim dividends were declared and paid during the financial half-year ended 31 December 2025. Withnall Cavanagh & Co Pty Ltd paid dividends of \$7,000 per share on 100 shares on issue (totalling \$700,000), and AF Legal (Gold Coast) Pty Ltd paid dividends of \$1,500 per share on 100 shares on issue (totalling \$150,000). The total dividends paid amounted to \$850,000, which were distributed as follows: \$469,500 to AF Legal Pty Ltd and \$380,500 to non-controlling interests.

Net tangible assets per share (cents)	Dec 2025 cents	Dec 2024 cents	% Change
Net tangible assets per share (cents)	3.99	3.73	7%

Control gained or lost over entities

The Company did not incorporate any new entities during the current financial period.

Dividend reinvestment plans

No dividend reinvestment plans were paid or proposed during the current financial period.

Details of associates and joint venture entities

Not applicable

Review

The financial statements were subject to a review by the auditors and the review report is attached as part on the Interim Financial Statements.

Attachments

The Interim Report of AF Legal Group Limited for the half-year ended 31 December 2025 is attached.

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AF Legal Group Limited
and its controlled entities
ABN 82 063 366 487

Interim Financial Statements
For the half-year ended
31 December 2025

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Directors' Report

The Directors of AF Legal Group Limited (the "Company") submit herewith the Financial Report of the Company, and its controlled entities (together the "Group") for the half year ended 31 December 2025. To comply with the provisions of the Corporations Act 2001, the Directors report as follows:

DIRECTOR DETAILS

The following persons were Directors of the Company during the half year and up to the date of this report:

Mr. Rick Dennis
Mr. Peter Johns
Ms. Emma Fredericks

COMPANY SECRETARY

The Company Secretary during the half year and up to the date of this report is:

Ms. Stephanie So

Principal Activities

The Group's principal activities are in the areas of Family Law, Contested Wills and Estates Law and Criminal Law. The Group provides advice to clients in respect of these areas of law together with related and ancillary services such as litigation.

REVIEW OF OPERATIONS AND FINANCIAL RESULTS

Earnings and result

Earnings

Net profit after tax ("NPAT") for the financial half-year ended 31 December 2025 (H1 FY26), was a profit for the period attributable to the owners of AF Legal Group Limited of \$0.493 million. Financial half-year ended 31 December 2024 (H1 FY25) was a profit of \$0.282 million.

Net profit before tax ("NPBT") for the period (attributable to both the owners of AF Legal Group Limited and the Non-controlling interests) is a profit of \$1.465 million up 131% or \$0.830m relative to the pcp (H1 FY25: \$0.635m).

Key elements of the result include:

Revenue

Revenue, which excludes disbursements, for the financial half-year ended 31 December 2025 (H1 FY26), of \$17.8 million represents a new half-year record, up by \$2.9 million or 20% on H2 FY25 revenue of \$14.9 million, and up by \$5.1 million or 40% relative to pcp of \$12.7 million (H1 FY25).

Revenue growth relative to both the previous half (H2 FY25) and pcp (H1 FY25) was strong across all divisions and brands:

- Family Law: up \$2.0 million or 17% on previous half (H2 FY25) and up \$3.4 million or 31% on pcp (H1 FY25)
- Contested Wills & Estates: up \$0.5 million or 26% on previous half and up \$0.6 million or 41% on pcp
- Criminal Law: up \$0.4 million or 37% on previous half with pcp largely non-comparable due to late Oct-24 acquisition

Expenses

Expenses of \$16.3 million increased by \$1.7 million (12%) compared to H2 FY25 of \$14.6 million and \$4.3 million (36%) compared to pcp (H1 FY25) \$12.1 million. Adjusting for the normalising adjustments, expenses of \$15.9 million increased by \$2.3 million (17%) compared to H2 FY25 of \$13.6 million and \$4.2 million (37%) compared to pcp (H1 FY25) \$11.6 million.

Leveraging benefits of increased scale are evident, with all increases below the Revenue increases of 20% relative to the previous half (H2 FY25) and the 40% revenue increase relative to pcp. With revenue growth exceeding cost growth this is a positive sign that we are growing off a stabilised cost base.

Normalised earnings

There were normalisation adjustments for H1 FY26 and H2 FY25, results are summarised below in Table 1 and Table 2 respectively:

Table 1: H1 FY26 – Normalising adjustments:

Project Titan	\$0.482 million
Legal defence fees	\$0.012 million
Total Normalising Adjustments	\$0.494 million

Table 2: H1 FY25 – Normalising adjustments:

Business acquisition costs – ACL & ALFL	\$0.137 million
Legal defence fees	\$0.310 million
Total Normalising Adjustments	\$0.447 million

Both periods include normalisation adjustments with the latest half relating almost entirely to Project Titan costs expensed during the first half of financial year 2026, which we flagged in earlier announcements. Normalising adjustments for H1 FY25 relate to business acquisition costs for the second Armstrong acquisition and for legal defence fees, all of which have been thoroughly discussed in previous announcements.

Normalised Net profit before tax (“NNPBT”) for the period (attributable to both the owners of AF Legal Group Limited and the Non-controlling interests) is a profit of \$1.263 million up 125% or \$0.702m relative to the pcp (H1 FY25: \$0.561m) and up 54% or \$0.442m relative to the previous half year period (H2 FY25: \$0.821m)

Statement of financial position

Net assets at \$10.6 million were up \$0.8m on the financial year ended 30 June 2025 position of \$9.8 million.

Most notable movements were:

- Cash and cash equivalents up by \$0.6 million
- Trade and other receivables up by \$0.8 million or 7% which compares favourably to 20% revenue lift half on half
- Trade payables up by \$0.5 million or 15%
- Borrowings reduced by \$0.4 million in line with regular debt repayment schedule
- Right of use asset and liabilities decreased by \$0.6 million with no significant new leases

It is important to note that with the cash balance of \$2.8 million, \$0.8 million is held within AFL Withnalls with a further \$0.1 million related to cash deposits backing bank guarantees in place.

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Operating cash flow

The operating cash flow for the half-year period recorded a pleasing inflow of \$2.4 million. This compares favourably with the full-year inflow of \$2.9 million for financial year 2025. This is reflective of the revenue performance, up \$2.9 million (20%) on H2 FY25 revenue with Trade and other receivables up by just \$0.8m (7%) since end of FY25.

The overall net increase in operating cash was used in part for \$1.6 million in financing activities (\$0.4m reduction in borrowings, \$0.8m reduction in lease liabilities and \$0.4 million dividends paid out to non-controlling interests). Investing activities used \$0.2 million predominantly for the payments for fixed assets.

FUTURE PROSPECTS AND MATERIAL BUSINESS RISKS

H1 FY26 Strength

H1 FY26 delivered strong revenue growth, with normalised net profit attributable to shareholders increasing at a higher rate. This reflects the continued success of our growth strategy, where rising revenues translate into improved returns due to our relatively fixed cost base and associated operating leverage.

Other Achievements

Our people-first, practice-led culture is emerging as a meaningful competitive advantage, supporting both attraction and retention of high-quality legal talent. Our third Great Place to Work (GPTW) survey maintained the significant uplift achieved in the prior year, delivering an overall satisfaction score of 85% (2024: 84%, 2023: 53%).

Across H1 FY26, our Lawyer and Legal Support team grew by 32% relative to H1 FY25.

Among our Q2 starters was a Family Law Accredited Specialist, bringing the total number of Accredited Specialists in our family law practices to 11. We have already signed a further three Family Law Accredited Specialists in early calendar 2026 and remain in active discussions with others. We expect the total to exceed 15 in the near term. We also have six Accredited Specialists across Wills & Estates and Criminal Law.

New senior hires require time to reach full productivity, and these appointments represent an investment that will deliver over time as workloads build. Fully utilised senior practitioners also drive increased activity for support staff, creating additional operating leverage.

We are implementing several enhancements to our non-fee earner support functions, scheduled for completion during Q3. These changes reflect the need for our support infrastructure to keep pace with a business that has more than doubled revenue in three years. The focus is on strengthening business partnering so that practice leaders work more closely with support teams to drive productivity and efficiency.

Marketing, Digital & Client Onboarding

During H1, the Group continued to diversify lead generation channels to support growth and improve marketing efficiency. Key outcomes included:

- Engagement of a specialist to review the client onboarding process, improving conversion rates and maximising marketing return
- Digital-driven family law brands delivered a 23% increase in file openings v pcp, with 12% greater efficiency (cost per digital file)
- Armstrong Legal achieved a 40% increase in digital file openings v H2 FY25, supported by increased team capacity

The onboarding review delivered a material uplift in lead-to-appointment conversion through redesigned telephony configuration and intake workflow:

- Phone conversion rates doubled

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- 87% of callers now speak to an agent within 60 seconds
- Overflow service usage reduced by 60%
- Expected to support approximately \$0.8 million in incremental revenue by year-end.

Additional initiatives included:

- Transformation of the New Client Team model and Salesforce redesign
- Appointment of an additional Armstrong Legal triage lawyer
- Strengthened phone capability across paralegals
- Targeted automation and business intelligence reporting to improve lead prioritisation, data integrity and conversion visibility

Brand & Reputation

We have strengthened our position as national thought leaders, with regular commentary in The Australian, major metropolitan mastheads and the Australian Financial Review. Our Millie Film sponsorship events attracted more than 270 aligned professionals across Perth, Gold Coast, Melbourne and Brisbane, reinforcing referral networks. Client satisfaction remains strong with above-benchmark Net Promoter Scores and a 73% increase in 5-star reviews v pcp.

Project Titan

Project Titan, our initiative to replace multiple practice and document management systems with a single modern cloud-based platform, continues to progress well. The new system will improve access to emerging technologies, including AI-enabled tools, and deliver efficiency, time and cost benefits. It will enhance the user experience for our legal teams and support our positioning as an employer of choice, while improving the client experience. The project remains on track and on budget for go-live in late FY26. We expect final costs associated with Project Titan will be expensed and normalised in H2 FY26.

Trends & Outlook

Q2 Average Weekly Revenue (AWR) of \$680k (Q1: \$692k) reflects the seasonal slowdown from late November and the impact of court and office closures in late December. January is similarly affected by the summer holiday period, which also influences Q3. February AWR has returned to October–November levels, and we expect Q3 to broadly align with Q2. Q4 will experience Easter related slowdowns, though these should be more than offset by recent and ongoing hires and what is generally a seasonally strong period in May and June

The Board remains committed to the Group's long term growth ambitions, supported by a combination of organic expansion and targeted inorganic opportunities. We are focussed on our aspirational target of \$50m in revenue and an improved profit margin which would see a profit attributable to shareholders of \$5m. We aim to achieve this while being – indeed because we are - the best place in Australia for lawyers to practice our areas of law.

Subsequent Events

No matters or circumstances have arisen since the end of the financial half-year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future reporting periods.

Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest dollar.

Auditor's Independence Declaration

The auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors report.

This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Rick Dennis

27 February 2026

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**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF AF LEGAL GROUP LIMITED**

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2025, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of AF Legal Group Limited and the entities it controlled during the half year.

PKF

PKF BRISBANE AUDIT



SHAUN LINDEMANN
PARTNER

27 FEBRUARY 2026
BRISBANE

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 31 December 2025

	Note	31-Dec-25 \$'000	31-Dec-24 \$'000
Revenue	3	17,828	12,706
Expenses			
Employee expenses		10,862	7,883
Administrative expenses	4	2,697	2,088
Other expenses	5	1,398	990
Share based payment expense	6	119	24
Interest expense		344	287
Depreciation		884	709
Amortisation		59	90
Profit/(Loss) before income tax		1,465	635
Income tax expense/(benefit)	7	455	71
Profit/(Loss) for the period after income tax		1,010	564
Other comprehensive income		-	-
Total comprehensive income/(loss) for the period		1,010	564
Profit/(Loss) for the period attributable to:			
Non-controlling interest		517	282
The owners of AF Legal Group Limited		493	282
Total comprehensive income/(loss) for the period attributable to:			
Non-controlling interest		517	282
The owners of AF Legal Group Limited		493	282
Total comprehensive income/(loss) for the period		1,010	564
Earnings per share for profit/(loss) attributable to the ordinary equity holders of the Company:			
Basic earnings per share (cents)		0.54	0.31
Diluted earnings per share (cents)		0.53	0.30

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Consolidated Statement of Financial Position

As at 31 December 2025

	Note	31-Dec-25 \$'000	30-Jun-25 \$'000
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		2,802	2,213
Trade and other receivables	8	11,845	11,064
Other current assets		780	1,035
TOTAL CURRENT ASSETS		15,427	14,312
NON-CURRENT ASSETS			
Deferred tax assets		2,858	2,872
Right of use assets		2,370	2,984
Plant and equipment		795	816
Intangible assets	9	6,861	6,881
TOTAL NON-CURRENT ASSETS		12,884	13,553
TOTAL ASSETS		28,311	27,865
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		4,050	3,511
Current tax liabilities		241	171
Deferred consideration		375	375
Lease liabilities		1,364	1,330
Borrowings	10	900	-
Employee benefits		1,454	1,442
TOTAL CURRENT LIABILITIES		8,384	6,829
NON-CURRENT LIABILITIES			
Deferred tax liabilities		2,393	2,318
Lease liabilities		1,193	1,816
Borrowings	10	5,199	6,523
Provisions		334	329
Employee benefits		252	242
TOTAL NON-CURRENT LIABILITIES		9,371	11,228
TOTAL LIABILITIES		17,755	18,057
NET ASSETS		10,556	9,808

Consolidated Statement of Financial Position (cont.)

As at 31 December 2025

	Note	31-Dec-25 \$'000	30-Jun-25 \$'000
EQUITY			
EQUITY ATTRIBUTABLE TO THE OWNERS OF AF LEGAL GROUP LIMITED			
Issued capital	11	131,778	131,622
Accumulated losses		(121,959)	(122,452)
Reserves		59	96
TOTAL EQUITY ATTRIBUTABLE TO THE OWNERS OF AF LEGAL GROUP LIMITED		9,878	9,266
Non-controlling interests		678	542
TOTAL EQUITY		10,556	9,808

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

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Consolidated Statement of Changes in Equity
For the half-year ended 31 December 2024

	Note	Issued capital	Share based payment reserve	Accumulated Profit/(Loss)	Total equity attributable to the owners of AF Legal Group Limited	Non-controlling interests	Total
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2024		131,607	276	(122,767)	9,116	858	9,974
Comprehensive profit							
Profit for the period		-	-	282	282	282	564
Total comprehensive profit/(loss)		-	-	282	282	282	564
Transactions with owners in their capacity as owners and other transfers							
Issue of performance rights	6	-	24	-	24	-	24
Lapsed of performance rights		-	(228)	228	-	-	-
Total transactions with owners and other transfers		-	(204)	228	24	-	24
Dividends paid		-	-	-	-	(253)	(253)
Balance at 31 December 2024		131,607	72	(122,257)	9,422	887	10,309

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Consolidated Statement of Changes in Equity (cont.)

For the half-year ended 31 December 2025

	Note	Issued capital	Share based payment reserve	Accumulated Profit/(Loss)	Total equity attributable to the owners of AF Legal Group Limited	Non-controlling interests	Total
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2025		131,622	96	(122,452)	9,266	542	9,808
Comprehensive profit							
Profit for the period		-	-	493	493	517	1,010
Total comprehensive profit/(loss)		-	-	493	493	517	1,010
Transactions with owners in their capacity as owners and other transfers							
Issue of performance rights	6	-	47	-	47	-	47
Issue of shares to employees	6	156	-	-	156	-	156
Lapsed of rights		-	(84)	-	(84)	-	(84)
Total transactions with owners and other transfers		156	(37)	-	119	-	119
Dividends paid		-	-	-	-	(381)	(381)
Balance at 31 December 2025		131,778	59	(121,959)	9,878	678	10,556

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

Consolidated Statement of Cash Flows
For the half-year ended 31 December 2025

	Note	31-Dec-25 \$'000	31-Dec-24 \$'000
Cash Flows from Operating Activities			
Receipts from customers		17,047	13,932
Payments to suppliers and employees		(14,111)	(10,519)
Interest received		-	1
Interest expense		(254)	(190)
Income tax paid		(297)	(210)
Net cash provided by/(used in) operating activities		2,385	3,014
Cash Flows from Investing Activities			
Purchase of fixed assets		(176)	(287)
Payment for internally developed intangible assets		(38)	(37)
Payment for deferred consideration		-	(625)
Payment for business acquisition	12	-	(2,483)
Net cash provided by/(used in) investing activities		(214)	(3,432)
Cash Flows from Financing Activities			
Repayment of lease liabilities		(751)	(634)
Proceeds / (repayment) of borrowings		(450)	2,301
Payment of dividends		(381)	(253)
Net cash provided by/(used in) financing activities		(1,582)	1,414
Net increase/(decrease) in cash and cash equivalents		589	996
Cash and cash equivalents at the beginning of the financial period		2,213	2,317
Cash and cash equivalents at the end of the financial period		2,802	3,313

The above consolidated statement of cash flows should be read
in conjunction with the accompanying notes

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Notes to the Financial Statements

For the half-year ended 31 December 2025

1. Material Accounting Policies

AF Legal Group Limited (the “Company”) is a public company listed on the Australian Securities Exchange (trading under the code “AFL”) and its controlled entities (the “Group”), incorporated in Australia and operating in Australia. The Company’s ordinary shares are publicly traded on the Australian Securities Exchange.

The consolidated financial statements were authorised for issue on 27 February 2025 in accordance with a resolution of the Directors of the Company.

Basis of Preparation

These general-purpose financial statements for the interim reporting period ended 31 December 2025 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general-purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2025 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The condensed consolidated financial statements have been prepared on the basis of historical costs except for the statement of cash flows. Cost is based on the fair values of consideration given in exchange for assets. The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the policies stated below.

The financial report is presented in Australia dollars and is prepared on a going concern basis.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Segment reporting

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources. One business segment has historically been identified (family law) and operations are only located in one geographical segment being Australia. The recent acquisitions of other law areas are being integrated into the business but not yet included in the internal reports that are reviewed and used in assessing performance and determining the allocation of resources to the extent available in order to disclose segment information in these interim financial statements.

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Notes to the Financial Statements
For the half-year ended 31 December 2025

2. Critical Accounting Judgements and Key Accounting Estimates and Assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Goodwill and other indefinite life intangible assets

The Group tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill has suffered any impairment, in accordance with the accounting policy stated in the full annual report. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital, and growth rates of the estimated future cash flows. Refer to Note 9 for further information.

The Group assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience, historical collection rates and forward-looking information that is available. The allowance for expected credit losses, as disclosed in Note 8, is calculated based on the information available at the time of preparation. The actual credit losses in future years may be higher or lower.

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Notes to the Financial Statements
For the half-year ended 31 December 2025

3. Revenue

	31-Dec-25	31-Dec-24
	\$'000	\$'000
Legal fees	17,818	12,705
Other income	10	-
Interest income	-	1
	17,828	12,706

4. Administrative expenses

	31-Dec-25	31-Dec-24
	\$'000	\$'000
Compliance costs	231	168
Computer and software expenses*	1,073	514
Marketing and advertising	674	542
Premises	325	259
Others	394	605
	2,697	2,088

*Computer and software expenses include \$482k of Project Titan costs expensed in H1 FY25

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Notes to the Financial Statements
For the half-year ended 31 December 2025

5. Other expenses

	31-Dec-25	31-Dec-24
	\$'000	\$'000
Insurance	186	176
Legal and professional fees	259	185
Telephone and internet	86	63
Office costs	289	198
Transaction costs	-	137
Bad debts	255	31
Others	323	200
	1,398	990

6. Share based payment expense

	31-Dec-25	31-Dec-24
	\$'000	\$'000
Share based payment expense	119	24

Notes to the Financial Statements
For the half-year ended 31 December 2025

7. Income tax expense/benefit

	31-Dec-25	31-Dec-24
	\$'000	\$'000
Current tax	338	349
Deferred tax	85	(278)
Adjustments for current tax of prior periods	28	-
Adjustments for deferred tax of prior periods	4	-
	455	71
Deferred income tax expense/(income) included in income tax expense comprises:		
Decrease/(increase) in deferred tax assets	14	(220)
Increase/((Decrease) in deferred tax liabilities	75	(58)
	89	(278)
Numerical reconciliation of income tax expense to prima facie tax payable		
Total profit/(loss) before income tax	1,465	635
Tax at the Australian tax rate of 25% (2025: 25%)	366	159
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
Permanent differences	57	(14)
Adjustment for current tax of prior periods	28	-
Adjustment for deferred tax of prior periods	4	(74)
Income tax expense/(benefit)	455	71

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Notes to the Financial Statements
For the half-year ended 31 December 2025

8. Trade and other receivables

	31-Dec-25	30-Jun-25
	\$'000	\$'000
Trade receivables	6,356	6,583
Provision for doubtful debts	(405)	(405)
	5,951	6,178
Work in progress	5,894	4,886
	11,845	11,064

	Gross amount	Past due and impaired	Past due but not impaired			
			<30 days	30-60 days	61-90 days	90+ days
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
31-Dec-25	6,356	405	1,396	626	498	3,431
30-Jun-25	6,583	405	1,718	553	345	3,562

Aged component primarily relates to Contested Wills & Estates pay at end of matter and Family Law deferred settlement arrangements, with the majority of these secured against assets and/or entitlements in deceased's estates

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Notes to the Financial Statements
For the half-year ended 31 December 2025

9. Intangible assets

Goodwill	Note	31-Dec-25	30-Jun-25
		\$'000	\$'000
Opening balance		5,874	4,142
Goodwill from business combination	12	-	1,732
Net carrying amount		5,874	5,874
Brand			
Opening balance		944	-
Additions	12	-	944
Net carrying amount		944	944
Website			
Opening balance		63	151
Additions		12	32
Less: Amortisation expense		(32)	(120)
Net carrying amount		43	63
Total Intangible assets		6,861	6,881

Notes to the Financial Statements
For the half-year ended 31 December 2025

10. Borrowings

		31-Dec-25	30-Jun-25
		\$'000	\$'000
NAB Finance Facility	Current	900	-
	Non-Current	5,199	6,523

The Group secured a \$9.0 million corporate markets loan facility to fund the prior year acquisitions. The borrowing limit has been reduced to \$7.4 million due to facility limit amortisation as per the agreement. The facility is for a term of 3 years to January 2027.

The covenants of the facility are as follows:

- Debt Service Cover Ratio: to be greater than 2.00 times, calculated on a rolling 12-month basis defined as EBITDA divided by Interest Expense plus Scheduled Principal Repayments
- Gross Leverage Ratio: to be less than 2.25 times at all times, calculated on a rolling 12-month basis and defined as Gross Debt divided by EBITDA

The Group complied with terms of the covenant during H1 FY26 and is not expecting any breaches during H2 FY26

The facility interest rate is the drawn margin 3.4% + BBSY

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Notes to the Financial Statements
For the half-year ended 31 December 2025

11. Issued capital

	Dec-2025 Shares	Dec-25 \$'000	Jun 2025 Shares	Jun-25 \$'000
Ordinary shares fully paid	92,735,568	131,778	91,435,568	131,622
Balance at the end of the period	92,735,568	131,778	91,435,568	131,622

Movement in ordinary share capital:

Details	Date	Shares	Issue price (\$)	\$'000
Balance	1-Jul-25	91,435,568	-	131,622
Issue of shares - ESOP	10-Nov-25	1,300,000	0.12	156
Balance	31-Dec-25	92,735,568	-	131,778

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12. Interest in subsidiaries

The subsidiaries listed below have share capital consisting solely of ordinary shares which are held directly by the Group. The proportion of ownership interests held equals the voting rights held by the Group. Each subsidiary's principal place of business is also its country of incorporation.

Name of subsidiary	County of incorporation	Ownership interest	
		31 Dec 2025 %	31 Dec 2024 %
AF Legal Pty Ltd	Australia	100%	100%
Watts McCray (NSW) Pty Ltd	Australia	100%	100%
Withnall Cavanagh & Co Pty Ltd	Australia	51%	51%
Watts McCray (Illawarra) Pty Ltd	Australia	75%	75%
AF Legal (Gold Coast) Pty Ltd	Australia	75%	75%
AF Legal Armstrong Legal Holding Pty Ltd	Australia	100%	100%
Armstrong Legal Trading Pty Ltd	Australia	100%	100%
AF Legal AAA Holding Pty Ltd	Australia	100%	100%
AF Legal AAA Trading Pty Ltd	Australia	100%	100%
AF Legal BBB Holding Pty Ltd	Australia	100%	100%
AF Legal BBB Trading Pty Ltd	Australia	100%	100%

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Notes to the Financial Statements
For the half-year ended 31 December 2025

13. Commitments and Contingencies

As at 31 December 2025, the Group has no material commitments except as disclosed below:

On the 31 December 2024 the Group entered into new supplier commitments as part of Project Titan (project aimed at replacing the existing practice management and document management IT systems). The commitment with suppliers ranged from three to five years for a total commitment of \$1.5 million. In accordance with accounting standard AASB138 and IFRIC March 2021 agenda decision these costs and associated project costs are not capitalised and instead expensed as incurred and then normalised.

The Group was aware of the following contingencies:

Legal defence fees relate to engagement of lawyers to defend an industry regulator investigation. Whilst the formal proceeding has now concluded with no further associated costs expected, the industry regulator investigation is still ongoing, with no certainty on possible liability. The matters date back to 2022 and 2021 respectively. The Company continued to expense incurred legal fees during the first half year of the FY26 accounts.

Other than the matters above, no other commitments and contingencies were noted at balance date.

14. Events after the Reporting Period

No matters or circumstances have arisen since the end of the financial half-year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future reporting periods.

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Directors' Declaration

In the Directors' opinion:

1. the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
2. the attached financial statements and notes give a true and fair view of the Company's financial position as at 31 December 2025 and of its performance for the financial period ended on that date; and
3. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors made pursuant to s.303(5)(a) of the Corporations Act 2001.



Rick Dennis

Non-Executive Chairman

27 February 2026

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF AF LEGAL GROUP LIMITED

Conclusion

We have reviewed the accompanying half-year financial report of AF Legal Group Limited ("the Company") and its subsidiaries ("the Group") which comprises the consolidated statement of financial position as at 31 December 2025, and consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001* including:-

- (a) giving a true and fair view of the Group's financial position as at 31 December 2025, and of its financial performance for the half-year ended on that date; and
- (b) complying with the Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Independence

In conducting our review, we have complied with the auditor independence requirements of the *Corporations Act 2001*. In accordance with the *Corporations Act 2001*, we have given the directors of the Company a written Auditor's Independence Declaration.

Responsibility of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the *Corporations Regulations 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.



Auditor's Responsibilities for the Review of the Financial Report

Our responsibility is to express a conclusion on the half year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2025 and its performance for the half year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

PKF

PKF BRISBANE AUDIT

A handwritten signature in black ink, appearing to read 'S Lindemann', written over a light blue horizontal line.

SHAUN LINDEMANN
PARTNER

27 FEBRUARY 2026
BRISBANE

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