FY26 Full Year Results

Year ended 30 June 2026

AF Legal Group Ltd (ASX: AFL) | 31 August 2026

FY26 at a glance: strong full-year growth, with a softer second half

$35.5m	$1.82m	$4.64m	$683k	85%
+29% on FY25	+32% on FY25	+42% on FY25	Record full year	Certified Nov-25
Revenue	Normalised NPBT attributable[1]	EBITDA (margin 12.9%)	Average weekly revenue	Great Place to Work®
FY25: $27.6m	FY25: $1.38m	FY25: $3.26m	Q4 peak: $694k	Aug-23: 53%

What went well

- ❑ Revenue grew across every practice area, reaching a record $35.5m
- ❑ Underlying profit rose for the fourth consecutive year, up 32%
- ❑ Project Titan — our new practice and document management systems — went live on time and within budget

Headwinds

- ❑ H2 revenue flat on H1 as growth normalised across all practice areas
- ❑ Around $0.7m of one-off costs reduced H2 profit and were not adjusted out of our underlying result
- ❑ Cash flow lagged as the Project Titan transition delayed billing and collections, and one-off payments absorbed cash
- ❑ Costs grew with the investment program — we enter FY27 with a renewed focus on cost discipline

1 Normalised net profit before tax attributable to owners of AF Legal Group Ltd — explained on slide 4. Non-IFRS measure, unaudited.

KEY MESSAGES

The four things to take away from FY26

Strong full-year growth

Revenue up 29% to $35.5m; underlying profit (Normalised NPBT attributable) up 32% to $1.82m — the fourth consecutive year of underlying profit growth.

A softer second half

H2 revenue was flat on H1, and H2 underlying profit of $0.56m (H1: $1.26m) was reduced by around $0.7m of one-off costs that we did not adjust out of the result.

A deliberate year of investment

New practice and document management systems, a restructured senior leadership team and deeper legal expertise — with the costs largely absorbed in FY26.

FY27 has started well

Average weekly revenue is above $730k over the first eight weeks (FY26 average: $683k), and no normalising adjustments are expected in FY27.

Underlying profit up 32% on revenue growth of 29%

$ million	FY26	FY25	Change
Revenue[1]	35.5	27.6	+29%
EBITDA	4.64	3.26	+42%
NPBT (statutory)	2.04	0.90	+$1.1m
NPBT attributable to owners	0.75	0.06	+$0.7m
One-off items adjusted out (attributable)	1.07	1.32	
Normalised NPBT attributable	**1.82**	**1.38**	**+32%**
Normalised NPBT margin	5.1%	5.0%	+0.1 pt

What "Normalised NPBT attributable" means

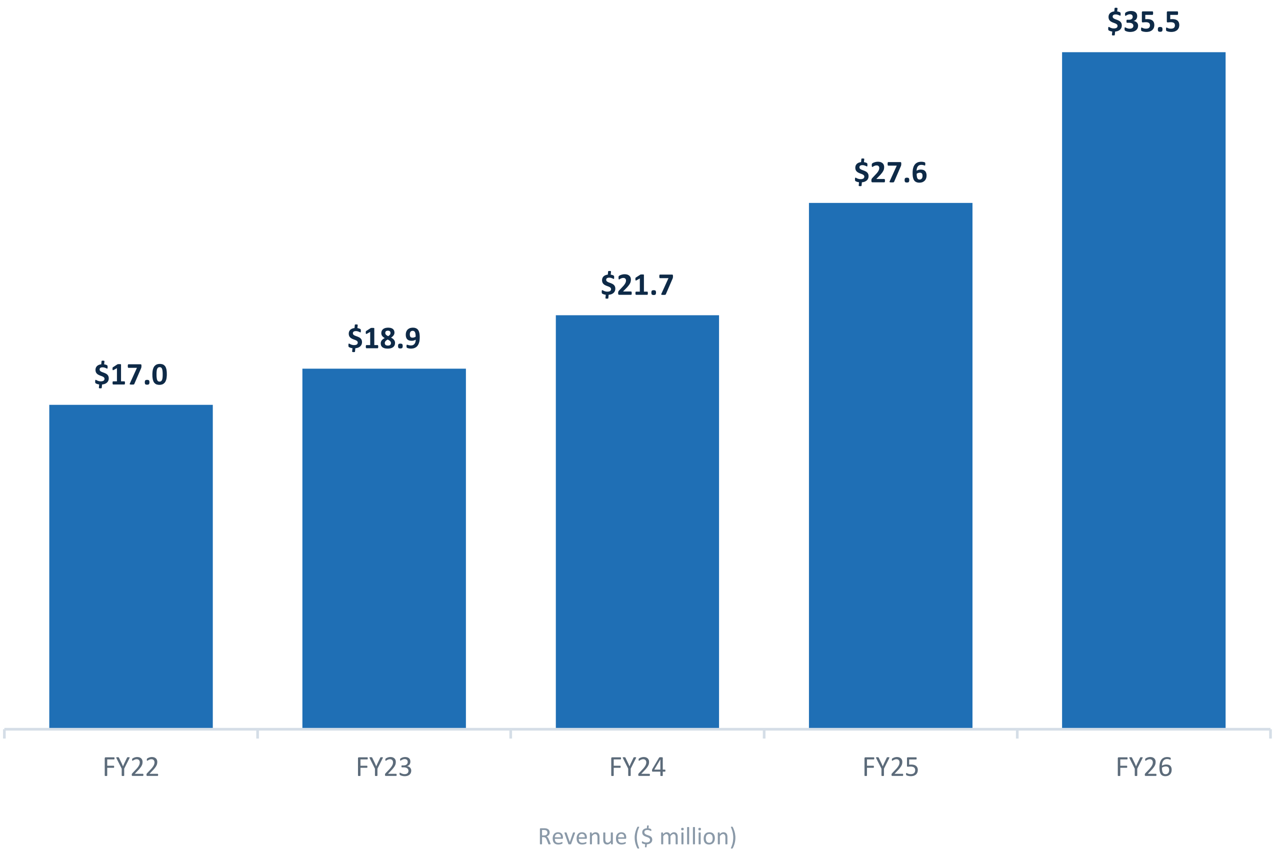
Profit before tax, **excluding identified one-off items** and **excluding the share of profit belonging to minority partners** in some of our practices.

It is the Board's primary measure of underlying performance, because it reflects the recurring earnings that belong to AFL shareholders.

One-off items adjusted out in FY26 totalled $1.26m ($1.07m attributable) — detailed on slide 7.

1 Revenue represents legal fees and excludes other income. Normalised measures are non-IFRS and unaudited. NPBT change shown in $m where percentages are not meaningful.

Revenue rose 29% to a record $35.5 million — up 88% over three years



Growth by practice area (vs FY25)

Family Law **+23%** (+$5.2m)
Organic growth across the national network

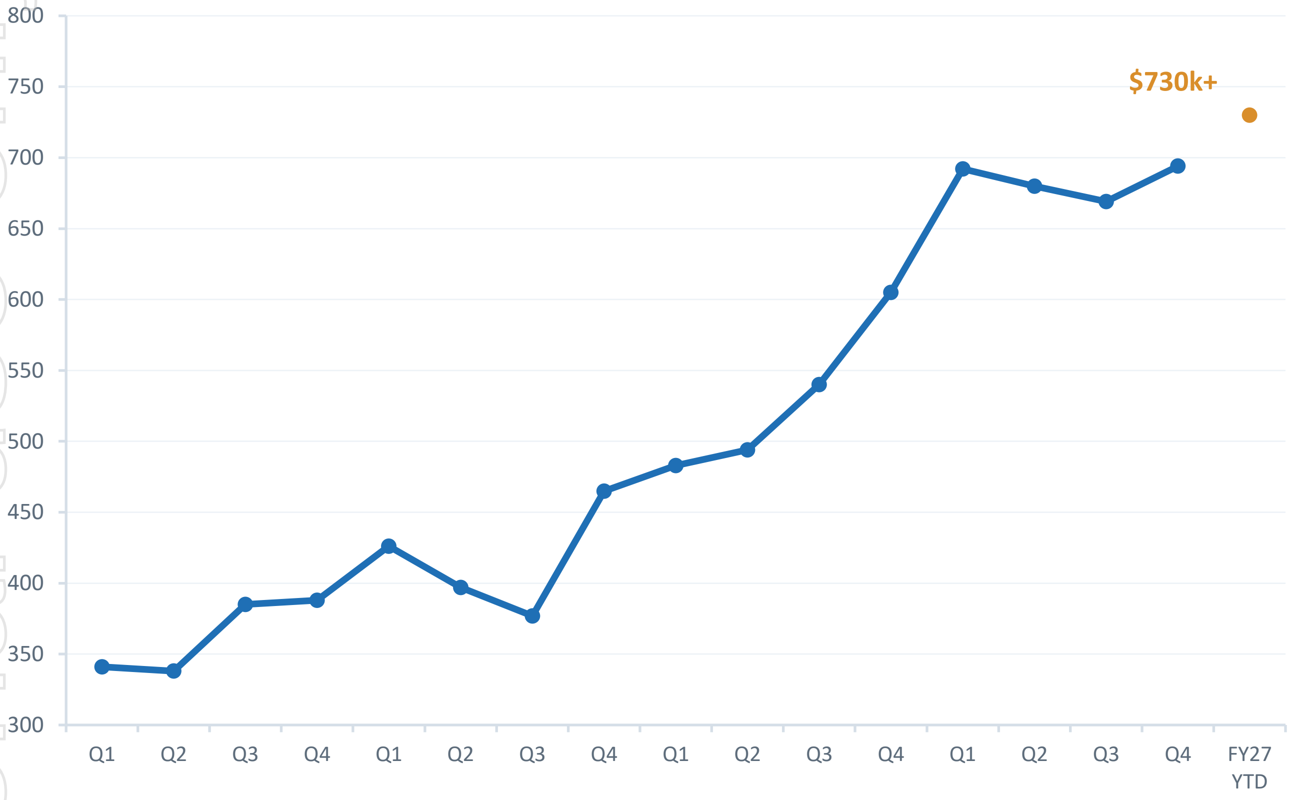
Contested Wills & Estates **+27%** (+$0.9m)
Continued growth since Apr-24 acquisition

Criminal Law **+151%** (+$1.8m)
Includes 4 months not in the FY25 base (acquired Oct-24) and new practices outside NSW

All practice areas grew. Criminal Law's headline rate is flattered by the non-comparable months; on comparable trading the growth story is broad-based rather than acquisition-driven.

REVENUE — SECOND HALF

H2 revenue held flat as growth normalised; FY27 has begun with renewed momentum



Average weekly revenue ($ thousand) — FY23 to FY26 by quarter, plus FY27 first 8 weeks

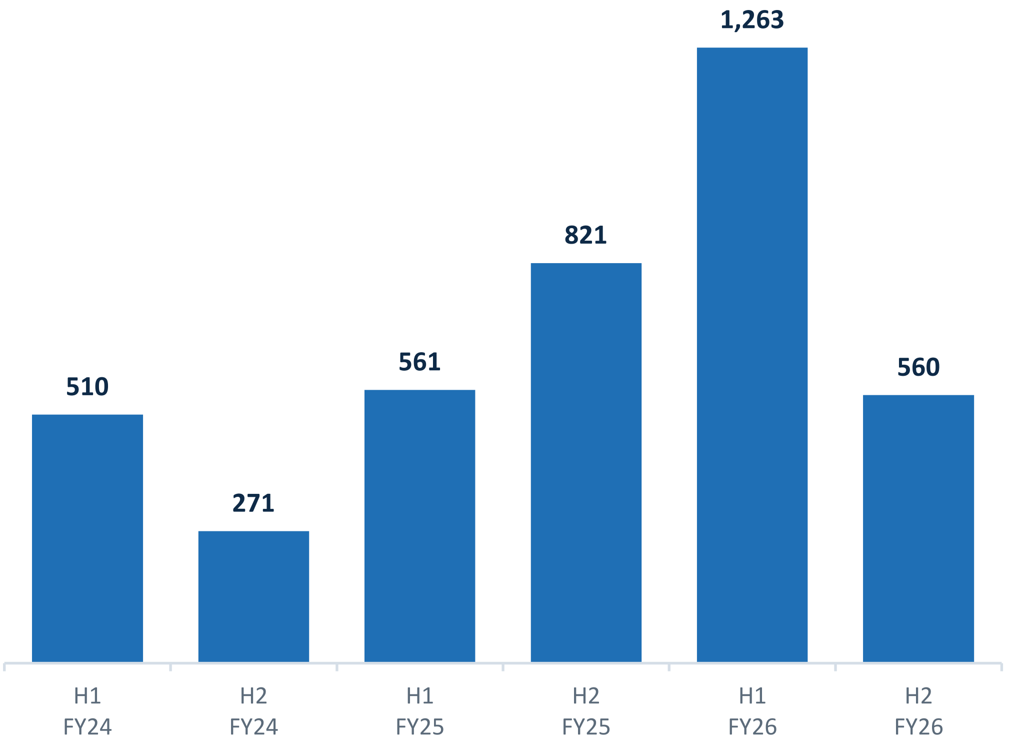
H2 revenue of $17.7m was up 19% on H2 FY25, but broadly flat on H1 (–0.6%).

This was the first half with no acquisition boost — all practice areas were in the comparative period for the first time.

Lawyer numbers were broadly flat across H2 (up 2%), and Q4 trading absorbed the disruption of the Project Titan go-live.

FY27 has started encouragingly: average weekly revenue is above $730k over the first eight weeks, and above $770k in the four weeks following the July school holidays. We are conscious these are early weeks.

H2 profit was reduced by ~$0.7m of one-off costs that we did not adjust out



Normalised NPBT attributable by half year ($ thousand)

Adjusted out of the underlying result ($1.26m)	
Project Titan implementation	$1.04m
Legal defence costs (matters from 2021–22)	$0.40m
Historic reconciliation adjustments (FY21–23)	$0.20m
Deferred consideration writeback (benefit)	($0.38m)

Absorbed in the H2 result — not adjusted out (~$0.7m), because although not expected to recur, they are a normal part of business and not strictly quantifiable	
Productivity disruption from Titan go-live	$0.2–0.3m
Senior management restructure	$0.30m
Increase in debtor & WIP provisions	$0.20m

❑ Normalised NPBT attributable margin was 5.1% of revenue (FY25: 5.0%)

❑ **No normalising adjustments are expected in FY27**

FY26 was a deliberate year of investment in systems, people and leadership

Systems — Project Titan

- New practice management (Aderant Expert) and document management (iManage) platforms across the whole firm
- Live on 18 May 2026 — on time and within budget, with two working days of downtime
- Productivity dipped as teams adapted; it has improved steadily since go-live

People

- Great Place to Work® 85% (Nov-25) — up from 53% in Aug-23 and maintained year on year
- Average lawyers and legal support numbers up 15% on FY25
- A significant lift in the expertise and seniority of practitioners joining the firm

Leadership

- Senior management team restructured in H2 to strengthen business partnering with our practices
- One-off restructure cost of $0.3m absorbed in the FY26 result
- Expanded and strengthened team in place for FY27

The cost of these investments landed in FY26; the capability they created is what FY27 will trade on.

Net assets grew to $10.8m; receivables reflect growth in longer-cycle work

Net assets of $10.8m, up $1.0m on 30 June 2025.

Trade & other receivables up $4.4m (+40%) — delayed billing in May around the Titan go-live, growth in Contested Wills & Estates (cash typically collected ~15 months after the work is performed) and overall business growth. $2.1m is now classified non-current to reflect the CWE collection profile.

Provisions reviewed and strengthened. A comprehensive review of debtor and WIP balances added $0.2m to provisions at 30 June 2026.

Payables up $2.2m, reflecting a larger workforce, increased activity and associated tax liabilities.

Debt funding

- Borrowings unchanged at $6.5m (NAB acquisition facility)
- Facility term runs to January 2027, so the balance is now classified as a current liability
- Discussions on extension or renewal have commenced and are expected to be finalised before the end of calendar 2026

$ million	FY26	FY25
Total assets	31.0	27.9
Total liabilities	20.3	18.1
Net assets	**10.7**	**9.8**

Cash flow absorbed one-off payments and investment in growth

$ million	FY26	FY25
Net operating cash flow	1.6	2.9
Net investing cash flow	(0.4)	(3.6)
Net financing cash flow	(2.4)	0.6
Net movement in cash	**(1.2)**	**(0.1)**
Cash at 30 June	1.0	2.2

Operating cash flow of $1.5m (FY25: $2.9m). The reduction largely reflects one-off payments — Project Titan ($1.0m) and the management restructure ($0.3m) — plus the working-capital impact of delayed billing around the Titan go-live.

Growth in Contested Wills & Estates requires working capital — revenue grew $0.9m with collections on average around 15 months after the work is performed.

Financing outflows of $2.3m mainly comprised $1.7m of lease repayments and $0.6m of dividends to non-controlling interests. No new borrowings were drawn.

In FY27, cash flows will not need to absorb the Titan and other one-off payments, leaving more cash available to strengthen the balance sheet, notwithstanding further growth in CWE.

A consistent strategy, pursued through five levers

Short–medium term aspiration: **$50 million revenue · $5 million NPBT attributable**

Family Law — organic

Grow existing practices through team expansion; open complementary practices off the existing network, including new serviced offices (Geelong, Cockburn, Mornington Peninsula).

Family Law — acquisition

Enter regions where we have no presence — e.g. Adelaide, Tasmania, Newcastle — through selective, low-risk acquisitions.

Complementary areas — organic

Expand Contested Wills & Estates and Criminal Law through the existing AF Legal office network, toward being "Your Family's Lawyer".

Complementary areas — acquisition

Armstrong Legal (CWE Apr-24, Criminal Law Oct-24) was the first move; similar opportunities in other areas of law will be considered.

Consultant model

Initial move in late FY26, deliberately limited in scope — only the highest-quality lawyers bringing their own work, flexibly integrated.

The Board remains committed to its longer-term growth aspirations through a combination of organic and inorganic opportunities.

FY27: revenue growth with improved operating leverage

Revenue growth to continue

FY27 is anticipated to see further revenue growth. Average weekly revenue is above $730k across the first eight weeks, against a FY26 average of $683k.

Operating leverage to improve

With a largely fixed cost base, we expect to re-establish the pattern of prior years — bottom-line growth exceeding top-line growth at the normalised NPBT level.

Few, if any, one-off costs

The one-off events of FY26 were concentrated in H2 and are behind us. No normalising adjustments are expected in FY27.

We are conscious that the second half of FY26 fell short of expectations. The investments made during the year — in systems, people and leadership — were deliberate, and they were made so that the growth we deliver in FY27 and beyond is profitable and sustainable.

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Appendix

Detailed financial information

APPENDIX A

Financial performance — FY22 to FY26

$'000	FY26	H2 FY26	H1 FY26	FY25	FY24	FY23	FY22
Revenue[1]	35,542	17,714	17,828	27,602	21,661	18,881	16,983
Average weekly revenue ($k)	683	681	686	531	417	363	327
AWR growth on pcp	29%	19%	40%	27%	15%	11%	54%
NPBT	2,041	576	1,465	896	1,476	(7,556)	295
NPBT attributable to owners	755	(19)	774	64	607	(8,256)	(43)
Normalisation adjustments	1,263	769	494	1,501	174	8,415	31
Normalisation adjustments (attributable)	1,068	579	488	1,318	174	8,415	31
Normalised NPBT	3,304	1,345	1,959	2,397	1,650	859	326
Normalised NPBT attributable to owners	**1,823**	**560**	**1,263**	**1,382**	**781**	**159**	**(13)**

1 Revenue represents legal fees and excludes other income. Source: FY26 results announcement, 31 August 2026.

From EBITDA to Normalised NPBT attributable — FY26

$ million	FY26
EBITDA	4.64
Depreciation & amortisation (incl. lease amortisation)	(1.93)
Interest	(0.67)
NPBT (statutory)	**2.04**
NPBT attributable to minority interests	(1.29)
NPBT attributable to owners of AF Legal Group	**0.75**
Normalisation adjustments (attributable)	1.07
Normalised NPBT attributable to owners	**1.82**

Normalised EBITDA (adding back the $1.07m of attributable one-off items) was $5.71 million.

Consolidated balance sheet (summary)

$'000	30 Jun 2026	30 Jun 2025
Cash and cash equivalents	1,028	2,213
Trade and other receivables (current)	13,330	11,064
Other current assets	997	1,035
Non-current assets (incl. $2.1m non-current receivables)	15,598	13,553
Total assets	**30,953**	**27,865**
Trade and other payables	5,772	3,511
Borrowings (current in FY26; facility term to Jan-27)	6,530	6,523
Lease liabilities	2,655	3,146
Other liabilities and provisions	5,295	4,877
Total liabilities	**20,252**	**18,057**
Net assets	**10,701**	**9,808**

Summary presentation derived from the audited consolidated statement of financial position; borrowings shown at combined current and non-current value.

Consolidated cash flow (summary)

$'000	FY26	FY25
Receipts from customers	31,146	26,397
Payments to suppliers and employees	(28,409)	(22,762)
Net interest and income tax	(1,076)	(771)
Net cash from operating activities	**1,661**	**2,864**
Net cash used in investing activities	(433)	(3,605)
Net cash provided by / (used in) financing activities	(2,413)	637
Net increase / (decrease) in cash	**(1,185)**	**(104)**
Cash and cash equivalents at 30 June	1,028	2,213

Summary presentation derived from the audited consolidated statement of cash flows.

Thank you

Chris McFadden — Chief Executive Officer
Chris@AFLegal.com.au | +61 3 8602 1900
Level 2, 326 William Street, Melbourne VIC 3000 | aflegal.com.au