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A / F L E G A L

11 March 2024

## AFL ENTITLEMENT OFFER OPENS

On Thursday, 29 February 2024, AF Legal Group Limited (**AF Legal**) (ASX code: **AFL**) announced a pro-rata non-renounceable entitlement offer (**Entitlement Offer**) to raise up to \$2.95 million (before costs).

The Entitlement Offer opens today, Monday, 11 March 2024 and is expected to close at 5.00pm (Sydney time) on Thursday, 21 March 2024 (unless extended).

A copy of the Entitlement Offer Booklet has been lodged with the ASX today (available to view on the ASX website at <https://www.asx.com.au/markets/company/AFL>). AF Legal will not be printing / dispatching hard copies of the Entitlement Offer Booklet or Entitlement and Acceptance Forms. Instead, an electronic copy of the Entitlement Offer Booklet and Entitlement and Acceptance Form is available and accessible (using the Securityholder Reference Number (SRN) or Holder Identification Number (HIN) from the latest Holding Statement, and postcode) at the following link: <https://investor.automic.com.au>.

The Company has also distributed letters as applicable to eligible shareholders and ineligible shareholders with further information relevant to these categories of shareholders.

The Entitlement Offer Booklet and the Entitlement and Acceptance Form contains important information about the Entitlement Offer including how eligible shareholders can apply to participate in the Entitlement Offer. A copy of your personalised Entitlement and Acceptance Form can be accessed at <https://investor.automic.com.au/#/home>.

Eligible shareholders can contact the Automic share registry on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia), or at [corporate.actions@automic.com.au](mailto:corporate.actions@automic.com.au), at any time between 9:00am and 7:00pm (Sydney time) on Monday to Friday.

Authorised for release by the Board of AF Legal Group Limited.

-ENDS

For any questions, please contact:

Priyamvada (Pia) Rasal - Company Secretary  
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# AF Legal Group Ltd

ACN 063 366 487

## ENTITLEMENT OFFER BOOKLET

Details of a 1 for 4 pro rata non-renounceable entitlement offer of New Shares in the Company at an offer price of \$0.15 per New Share

The Offer opens on Monday, 11 March 2024  
and closes at **5.00pm (Sydney, Australia time) on Thursday, 21 March 2024 (unless extended)**

### IMPORTANT NOTICE

**This Entitlement Offer Booklet is an important document accompanied by an Entitlement and Acceptance Form. If you are an Eligible Shareholder, this is an important document that requires your immediate attention. It should be read in its entirety. This document is not a prospectus under the Corporations Act and has not been lodged with ASIC.**

**If you have any questions, you should consult your stockbroker, solicitor, accountant or other professional adviser or contact the Company's Share Registry, Automic Registry Services, on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia), or at [corporate.actions@automic.com.au](mailto:corporate.actions@automic.com.au), at any time between 9:00am and 7:00pm (Sydney time) on Monday to Friday.**

**NOT FOR DISTRIBUTION OR RELEASE, DIRECTLY OR INDIRECTLY, IN OR INTO  
THE UNITED STATES OF AMERICA**

## IMPORTANT NOTICES

### General

This Entitlement Offer Booklet (other than the ASX Announcement and Investor Presentation in Section 4) is dated 11 March 2024. Capitalised terms in this section have the meaning given to it in Section 7 of this Entitlement Offer Booklet.

This Entitlement Offer is being made without a prospectus under section 708AA of the *Corporations Act 2001* (Cth) (as modified by *ASIC Corporations (Non-Traditional Rights Issue) Instrument 2016/84* and *ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73*) (**Corporations Act**). This Entitlement Offer Booklet does not contain all of the information which a prospective investor may require to make an informed investment decision. The information in this Entitlement Offer Booklet does not constitute financial product advice and does not take into account your investment objectives, financial situation or particular needs.

This Entitlement Offer Booklet is important and should be read in its entirety before deciding to participate in the Entitlement Offer. This Entitlement Offer Booklet is not a prospectus under the Corporations Act and has not been lodged with ASIC.

The Company may make additional announcements after the date of this Entitlement Offer Booklet and throughout the period that the Entitlement Offer is open that may be relevant to your consideration about whether you should participate in the Entitlement Offer.

No party other than the Company has authorised or caused the issue of this Entitlement Offer Booklet, or takes any responsibility for, or makes, any statements, representations or undertakings in this Entitlement Offer Booklet or for any action you take in reliance on this Entitlement Offer Booklet.

By paying for your New Shares through BPAY® or EFT in accordance with the instructions on the Entitlement and Acceptance Form, you acknowledge that you have read this Entitlement Offer Booklet and you have acted in accordance with and agree to the terms of the Entitlement Offer detailed in this Entitlement Offer Booklet.

### No overseas offerings

This Entitlement Offer Booklet and the accompanying Entitlement and Acceptance Form do not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make that offer or invitation. In particular this Entitlement Offer Booklet does not constitute an offer to Ineligible Shareholders. Shares may not be offered or sold, directly or indirectly, to persons in the United States of America.

This Entitlement Offer Booklet is not to be distributed in, and no offer of New Shares is to be made in countries other than Australia, New Zealand and Singapore. The distribution of this Entitlement Offer Booklet (including an electronic copy) in other jurisdictions may be restricted by law and, therefore, persons who come into possession of this Entitlement Offer Booklet should seek advice on and observe these restrictions. Any failure to comply with these restrictions may constitute a violation of applicable securities laws.

No action has been taken to register or qualify the Entitlement Offer, the Entitlements or the New Shares,

or otherwise permit the public offering of the New Shares, in any jurisdiction other than Australia, New Zealand and Singapore.

Foreign exchange control restrictions or restrictions on remitting funds from your country to Australia may apply. Each Application will be subject to all requisite authorities and clearances being obtained for the Company to lawfully receive any or all of the Application Monies.

### New Zealand

The New Shares are not being offered to the public within New Zealand other than to existing Shareholders with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021.

This Entitlement Offer Booklet has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

### Singapore

This Entitlement Offer Booklet and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this Entitlement Offer Booklet and any other document relating to the New Shares may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part 13 of the SFA or another exemption under the SFA.

This Entitlement Offer Booklet has been given to you on the basis that you are an existing holder of Shares. If you are not a Shareholder, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party in Singapore. On-sale restrictions in Singapore may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

### United States

None of the information in this Entitlement Offer Booklet or the personalised Entitlement and Acceptance Form accompanying it when it is dispatched to Eligible Shareholders (as set out in the "Key dates" section) constitutes an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to any person acting for the account or benefit of any person in the United States. Neither this Entitlement Offer Booklet (or any part of it) nor the personalised Entitlement and Acceptance Form, when made available, may be released or distributed, directly or indirectly, to persons in the United States.

Neither the Entitlements nor the New Shares have been, or will be, registered under the U.S. Securities Act and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the Securities Act and applicable US state securities laws.

#### **Notice to nominees – beneficial shareholders**

Nominees and custodians may not distribute this document, and may not permit any beneficial shareholder to participate in the Entitlement Offer, in any country outside Australia, New Zealand and Singapore except, with the consent of the Company, to beneficial shareholders resident in certain other countries where the Company may determine it is lawful and practical to make the Entitlement Offer.

#### **Definitions, currency and time**

Defined terms used in this Entitlement Offer Booklet are contained in Section 7. All references to currency are to Australian dollars and all references to time are to the time in Sydney, Australia unless otherwise indicated.

#### **Taxation consequences for Applicants**

There will be tax implications associated with participating in the Entitlement Offer and receiving New Shares. The Company recommends that you consult your own professional tax adviser in connection with the Entitlement Offer.

#### **No representations**

No person is authorised to give any information, or to make any representation, in connection with the Entitlement Offer which is not contained in this Entitlement Offer Booklet. Any information or representation in connection with the Entitlement Offer not contained in the Entitlement Offer Booklet may not be relied upon as having been authorised by the Company or any of its officers. Except as required by law, and only to the extent so required, none of the Company, or any other person, warrants or guarantees the future performance of the Company or any return on any investment made pursuant to this Entitlement Offer Booklet.

#### **Past performance**

Investors should note that the Company's past performance, including past share price performance, cannot be relied upon as an indicator of (and provides no guidance as to) the Company's future performance including the Company's future financial position or share price performance.

#### **Risks**

Refer to the Section 5 of this Entitlement Offer Booklet for a summary of general and specific risk factors that may affect the Company.

#### **Forward-looking statements**

This Entitlement Offer Booklet contains certain forward-looking statements with respect to the financial condition, results of operations, projects and business of the Company and certain plans and objectives of the management of the Company. Forward looking statements can generally be identified by the use of forward-looking words such as, "expect", "anticipate", "likely", "intend", "should", "could", "may", "predict", "plan", "propose", "will", "believe", "forecast", "estimate", "target" and other similar expressions. These forward-looking statements involve known and unknown risks,

uncertainties and other factors which are subject to change without notice, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not occur. Forward looking statements are provided as a general guide only and there can be no assurance that actual outcomes will not differ materially from these statements.

Neither the Company, nor any other person, gives any representation, warranty, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statement will actually occur. In particular, those forward-looking statements are subject to significant uncertainties and contingencies, many of which are outside the control of the Company. A number of important factors could cause actual results or performance to differ materially from the forward-looking statements. Investors should consider the forward-looking statements contained in this Entitlement Offer Booklet in light of those disclosures.

The Underwriter has not authorised, approved or verified any forward-looking statements.

#### **Disclaimer**

Determination of eligibility of investors for the purposes of the Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of the Company and the Underwriter. To the maximum extent permitted by law, each of the Company and the Underwriter and each of their respective affiliates disclaim any duty or liability (including for fault or negligence) in respect of that determination and the exercise or otherwise of that discretion. To the maximum extent permitted by law, the Underwriter excludes and disclaims all liability (including for fault or negligence) for any expenses, losses, damages or costs incurred by you as a result of your participation in or failure to participate in the Entitlement Offer and the information in this Entitlement Offer Booklet being inaccurate or due to information being omitted from this Entitlement Offer Booklet and makes no representation or warranty, express or implied, as to whether you or your related parties should participate in the Entitlement Offer nor does he make any representations or warranties, express or implied, as to the fairness, currency, accuracy, reliability or completeness of the information in this Entitlement Offer Booklet.

The Underwriter takes no responsibility for any part of this Entitlement Offer Booklet or any action taken by you on the basis of that information. To the maximum extent permitted by law, the Underwriter excludes and disclaims all liability (including, without limitation, any liability arising from fault or negligence on the part of any person) for any direct, indirect, consequential or contingent loss or damage whatsoever arising from the use of any part of this Entitlement Offer Booklet or otherwise arising in connection with it.

The Underwriter makes no recommendation as to whether you or your related parties should participate in the Entitlement Offer nor does the Underwriter make any representations or warranties, express or implied, to you concerning the Entitlement Offer or any such information, and by paying for your New Shares through BPAY® or EFT in accordance with the instructions on your personalised Entitlement and Acceptance Form you represent, warrant and agree that you have not relied on any statements made by the Underwriter in relation to the New Shares or the Entitlement Offer

generally and you further expressly disclaim that you are in a fiduciary relationship with the Underwriter.

### **Trading in New Shares**

To the maximum extent permitted by law, the Company, the Underwriter and each of their respective affiliates and related bodies corporate, and each of their respective directors, officers, partners, employees, consultants, advisers and agents will have no responsibility and disclaim all liability (to the maximum extent permitted by law) to persons who trade New Shares they believe will be issued to them before they receive their holding statements, whether on the basis of confirmation of the allocation provided by the Company or its Share Registry or otherwise, or who otherwise trade or purport to trade New Shares in error or which they do not hold or are not entitled to.

If you are in doubt as to these matters you should first consult with your stockbroker, solicitor, accountant or other professional adviser.

### **No Entitlements trading**

Entitlements are non-renounceable and cannot be traded on ASX or any other exchange, nor can they be privately transferred.

### **Interpretation**

In this Entitlement Offer Booklet, references to:

- 'you' are references to Eligible Shareholders and references to 'your Entitlement', 'your Entitlement and Acceptance Form' or similar expressions are references to the Entitlement or Entitlement and Acceptance Form of Eligible Shareholders; and
- 'Section' is a reference to a section of this Entitlement Offer Booklet.

**This document has been authorised for release to ASX by the Board.**

## LETTER FROM THE CHAIRMAN

Dear Shareholder,

On Thursday, 29 February 2024, AF Legal Group Ltd (ASX:AFL) (the **Company**) announced:

- the conditional acquisition by one of the Company's wholly-owned subsidiaries of the Contested Wills & Estates practice (**ACWE**) of Go To Court Lawyers Pty Ltd ACN 168 831 767 trading as Armstrong Legal (**Armstrong Legal**) (**Acquisition**); and
- that it intends to undertake a 1 for 4 pro-rata non-renounceable entitlement offer of new fully paid ordinary shares in the Company (**New Shares**) at an offer price of \$0.15 per New Share (**Offer Price**), to raise up to \$2.95 million (before costs) (**Entitlement Offer**). Part of the proceeds from the Entitlement Offer will be used to partly fund the Acquisition (see "Purpose of the Entitlement Offer and use of proceeds" section below for further details).

On behalf of the Board, I am pleased to invite you to participate in the Entitlement Offer.

The Entitlement Offer is partially underwritten by Christopher John McFadden<sup>1</sup> as trustee for Christoula Superannuation Fund (**Underwriter**). The Underwriter has committed to underwrite up to \$250,000 of the Shortfall Shares. The Company will not pay any underwriting fees to the Underwriter. A summary of the key terms of the Underwriting Agreement (including termination events) is contained in Section 2.10 of this Entitlement Offer Booklet.

### Purpose of the Entitlement Offer and use of proceeds

The proceeds from the Entitlement Offer will be used:

- for costs related to the Entitlement Offer;
- to partly fund the consideration for the Acquisition, integration costs and working capital requirements of the newly acquired business;
- to identify and fund future earning accretive acquisition opportunities.

Further details of the use of proceeds are set out in Section 2.5 of this Entitlement Offer Booklet.

### Details of the Acquisition

The Acquisition involves the Company, through a wholly-owned subsidiary<sup>2</sup>, acquiring from Armstrong Legal its ACWE practice, which manages all aspects of wills and estates disputes including contesting, challenging and defending wills. The consideration for the Acquisition is expected to be between \$3.004 million plus GST and \$3.754 million plus GST, comprised of an initial purchase price of \$3.004 million plus GST (subject to adjustments), with two potential earnout payments of up to \$375,000 plus GST each, subject to meeting revenue targets and payable after FY24 and FY25 accounts (respectively) have been settled.

Further information about the Acquisition, including its strategic rationale and financial impact, is detailed in the ASX Announcement and Investor Presentation (set out in Section 4 of this Entitlement Offer Booklet). Completion of the Acquisition is anticipated to occur by 2 April 2024.

### Entitlement Offer

This Entitlement Offer Booklet relates to the Entitlement Offer. Under the Entitlement Offer, Eligible Shareholders with a registered address in Australia, New Zealand or Singapore are entitled to subscribe

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<sup>1</sup> Christopher John McFadden is the Chief Executive Officer of the Company.

<sup>2</sup> Armstrong Contested Estates Pty Ltd ACN 674 675 793.

for 1 New Share for every 4 existing fully paid ordinary shares in the Company (**Shares**) held at 7.00pm (Sydney time) on Wednesday, 6 March 2024 (**Record Date**), at the Offer Price of \$0.15 per New Share.

The Offer Price represents a discount of:

- 13.79% to the TERP<sup>3</sup> of \$0.174 per Share; and
- 16.67% to the closing price of \$0.18 per Share on 28 February 2024, being the last trading day prior to the announcement of the Entitlement Offer.

New Shares issued under the Entitlement Offer will rank equally with Existing Shares.

The number of New Shares which you are entitled to subscribe for under the Entitlement Offer is set out in your personalised Entitlement and Acceptance Form that will accompany this Entitlement Offer Booklet when it is dispatched to Eligible Shareholders on Monday, 11 March 2024.

Under the Entitlement Offer, Eligible Shareholders that take up their full Entitlement may also apply for Additional New Shares in excess of their Entitlement at the Offer Price (**Shortfall Facility**). Additional New Shares will only be available under the Shortfall Facility to the extent that there are Entitlements under the Entitlement Offer that are not taken up by Eligible Shareholders. Applications under the Shortfall Facility will be subject to scale back if Eligible Shareholders apply for more Additional New Shares than available under the Shortfall Facility (see Section 3.6 of this Entitlement Offer Booklet for further information). The Directors (and their associates) are not entitled to participate in the Shortfall Facility.

The Entitlement Offer is non-renounceable and therefore your Entitlements cannot be traded on ASX or any other exchange, nor can they be privately transferred. This means that Eligible Shareholders who do not take up their full Entitlement will receive no value for those Entitlements and their percentage holding in the Company will be reduced.

### How to apply

To participate in the Entitlement Offer, you must ensure that payment of the Application Monies is received by the Share Registry, before the Closing Date of 5.00pm (Sydney, Australia time) on Thursday, 21 March 2024.

Eligible Shareholders who wish to take up their Entitlements must pay their Application Monies via BPAY® or EFT in accordance with the instructions on your personalised Entitlement and Acceptance Form.

You are not required to return your Entitlement and Acceptance Form. Payments by cheque will not be accepted.

Detailed payment instructions are set out in the personalised Entitlement and Acceptance Form that accompanies this Entitlement Offer Booklet.

### Additional information

The Board encourages you to read this Entitlement Offer Booklet carefully (in particular, Section 5 of this Entitlement Offer Booklet, which contains a number of key risks associated with an investment in the Company). You should also consult your stockbroker, solicitor, accountant or other professional adviser to evaluate whether or not to participate in the Entitlement Offer.

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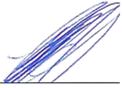
<sup>3</sup> The Theoretical ex-rights price (**TERP**) includes the New Shares to be issued under the Entitlement Offer. TERP is the theoretical price at which Shares should trade on ASX immediately after the ex-date for the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which Shares trade on ASX immediately after the ex-date for the Entitlement Offer will depend on many factors and may not be equal to TERP. TERP is calculated by reference to the closing price of the Company's Shares as traded on ASX on 28 February 2024.

**The Entitlement Offer closes at 5.00pm (Sydney time) on Thursday, 21 March 2024 (Closing Date).**

For further information regarding the Entitlement Offer, please contact the Share Registry on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia), or at [corporate.actions@automic.com.au](mailto:corporate.actions@automic.com.au), between 9:00am to 7:00pm (Sydney time) Monday to Friday.

On behalf of the Board, I encourage you to consider this investment opportunity and thank you for your ongoing support of the Company.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Richard Dennis', written over a horizontal line.

Richard Dennis  
Non-Executive Chairman

## SUMMARY OF ENTITLEMENT OFFER

Entitlement Offer	
<b>Ratio</b>	1 New Share for every 4 Shares held
<b>Offer Price</b>	\$0.15 per New Share
<b>Size</b>	Approximately 19.7 million New Shares
<b>Gross proceeds</b>	Approximately \$2.95 million

## KEY DATES

Event	Date
Announcement of the Entitlement Offer	Thursday, 29 February 2024
Record Date for Entitlement Offer	7.00pm (Sydney time) on Wednesday, 6 March 2024
Despatch of Entitlement Offer Booklets and Entitlement and Acceptance Forms to Eligible Shareholders Entitlement Offer opens	Monday, 11 March 2024
Entitlement Offer closes ( <b>Closing Date</b> )	5.00pm (Sydney time) on Thursday, 21 March 2024
Settlement of Entitlement Offer	Tuesday, 26 March 2024
Allotment of New Shares ( <b>Issue Date</b> )	Tuesday, 26 March 2024
New Shares issued under the Entitlement Offer commence trading on ASX on a normal settlement basis	Wednesday, 27 March 2024
Despatch of holding statements in respect of New Shares issued under the Entitlement Offer	Thursday, 28 March 2024

This timetable is indicative only and subject to change. The Directors may vary these dates subject to the Corporations Act and the Listing Rules. An extension of the Closing Date will delay the anticipated date for issue of the New Shares. The Directors also reserve the right not to proceed with the whole or part of the Entitlement Offer any time prior to allotment and issue of the New Shares. In that event, the relevant Application Monies (without interest) will be returned in full to Applicants.

The commencement of quotation of the New Shares is subject to confirmation from ASX.

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your application once it has been accepted. Eligible Shareholders wishing to participate in the Entitlement Offer are encouraged to make payment in accordance with the instructions set out on their Entitlement and Acceptance Form as soon as possible after the Entitlement Offer opens.

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## 1. SUMMARY OF OPTIONS AVAILABLE TO YOU

If you are an Eligible Shareholder<sup>4</sup>, you may take one of the following actions:

- take up all of your Entitlement by the Closing Date, being 5.00pm (Sydney time) on Thursday, 21 March 2024 (see Section 3.5 of this Entitlement Offer Booklet);
- take up all of your Entitlement and apply for Additional New Shares under the Shortfall Facility (see Section 3.6 of this Entitlement Offer Booklet);
- take up part of your Entitlement and allow the balance to lapse, in which case you will receive no value for your lapsed Entitlement (see Section 3.7 of this Entitlement Offer Booklet); or
- do nothing, in which case your Entitlement will lapse and you will receive no value for your lapsed Entitlement (see Section 3.8 of this Entitlement Offer Booklet).

The key considerations in relation to each of these options are briefly summarised in the table below.

If you are a Shareholder that is not an Eligible Shareholder, you are an “**Ineligible Shareholder**”. Ineligible Shareholders are not entitled to participate in the Entitlement Offer.

See Section 6.4 of this Entitlement Offer Booklet for the notice to nominees, trustees and custodians.

Options available to you	Key considerations
<b>Option 1:</b> Take up all of your Entitlement	<ul style="list-style-type: none"><li>• You may elect to purchase New Shares at the Offer Price (see Section 3.5 for instructions on how to take up your Entitlement).</li><li>• The Entitlement Offer closes at 5.00pm (Sydney time) Thursday, 21 March 2024 (<b>Closing Date</b>).</li><li>• The New Shares will be fully paid and rank equally in all respects with Existing Shares from their date of issue.</li></ul>
<b>Option 2:</b> Take up all of your Entitlement, and apply for Additional New Shares under the Shortfall Facility	<ul style="list-style-type: none"><li>• You may elect to purchase New Shares at the Offer Price (see Section 3.5 for instructions on how to take up your Entitlement).</li><li>• If you take up all of your Entitlement, you may elect to purchase Additional New Shares at the Offer Price (see Section 3.6 for instructions on how to take up Additional New Shares).</li><li>• The New Shares and the Additional New Shares will be fully paid and rank equally in all respects with Existing Shares from their date of issue.</li></ul>
<b>Option 3:</b> Take up part of your Entitlement	<ul style="list-style-type: none"><li>• You may elect to purchase New Shares at the Offer Price (see Section 3.5 for instructions on how to take up your Entitlement).</li><li>• If you do not take up your Entitlement in full, those Entitlements not taken up will lapse and you will not receive any payment or value for them.</li><li>• Your Entitlement is non-renounceable, which means it is non-transferable and cannot be traded on ASX or any other exchange, nor can it be privately transferred or disposed of.</li><li>• If you do not take up your Entitlement in full, you will have your percentage holding in the Company reduced as a result of the Entitlement Offer.</li></ul>

<sup>4</sup> See Section 2.2 of this Entitlement Offer Booklet for information on who is an “Eligible Shareholder”.

Options available to you	Key considerations
<p><b>Option 4:</b> Do nothing, in which case your Entitlement will lapse and you will receive no value for your lapsed Entitlements</p>	<ul style="list-style-type: none"> <li>• If you do not take up your Entitlement, you will not be allocated New Shares and your Entitlement will lapse.</li> <li>• Your Entitlement is non-renounceable, which means it is non-transferrable and cannot be sold, traded on ASX or any other exchange, nor can it be privately transferred or disposed of.</li> <li>• If you do not take up your Entitlement, you will not receive any payment or value for your Entitlement and will have your percentage holding in the Company reduced as a result of the Entitlement Offer.</li> </ul>

## 2. OVERVIEW OF THE ENTITLEMENT OFFER

### 2.1 Entitlement Offer

The Entitlement Offer is a non-renounceable pro rata offer of approximately 19.7 million New Shares at the Offer Price of \$0.15 per New Share, to raise approximately \$2.95 million (before costs). Under the Entitlement Offer, all Eligible Shareholders are entitled to subscribe for 1 New Share for every 4 Existing Shares held on the Record Date.

The Entitlement Offer is non-renounceable. Accordingly, Entitlements cannot be traded on the ASX or any other exchange, nor can they be privately transferred or disposed of.

The Entitlement Offer opens on Monday, 11 March 2024 and will close at 5.00pm (Sydney time) on Thursday, 21 March 2024.

The Entitlement Offer also comprises a shortfall facility under which New Shares attributable to Entitlements:

- (a) not taken up by Eligible Shareholders; and
- (b) that would have been offered to Ineligible Shareholders if they had been entitled to participate in the Entitlement Offer,

will be offered to Eligible Shareholders that have taken up their full Entitlement (**Shortfall Facility**). Eligible Shareholders may apply for New Shares (**Additional New Shares**) under the Shortfall Facility. Please see Section 2.4 for details of the allocation of Additional New Shares pursuant to the Shortfall Facility.

The Entitlement Offer is partially underwritten by Christopher John McFadden<sup>5</sup> as trustee for Christoula Superannuation Fund (ABN 15 373 738 925) (**Underwriter**). A summary of the key terms of the Underwriting Agreement (including termination events) is contained in Section 2.10 of this Entitlement Offer Booklet.

### 2.2 Eligible Shareholders

The Entitlement Offer constitutes an offer only to persons who:

- are registered as a holder of Shares as at the Record Date, being 7.00pm (Sydney time) on Wednesday, 6 March 2024;
- as at the Record Date, have a registered address in Australia, New Zealand or Singapore as recorded on the Company's share register;
- are not in the United States and are not acting for the account or benefit of a person in the United States (to the extent such person holds Shares for the account or benefit of such person in the United States); and
- are eligible under all applicable securities laws to receive an offer under the Entitlement Offer without any requirement for a prospectus or other disclosure document to be lodged or registered,

(**Eligible Shareholders**).

Shareholders who are not Eligible Shareholders are **Ineligible Shareholders**.

The Company has determined (having regard to ASX Listing Rule 7.7.1(a)) that it would be unreasonable to extend the Entitlement Offer to Shareholders who have a registered address

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<sup>5</sup> Christopher John McFadden is the Chief Executive Officer of the Company.

outside Australia, New Zealand or Singapore, having regard to the number of such holders in those places and the number and the value of the New Shares that they would be offered, and the costs of complying with the relevant legal and regulatory requirements in those places.

The Company, in its absolute discretion, reserves the right to determine whether a Shareholder is an Eligible Shareholder and therefore able to participate in the Entitlement Offer, or an Ineligible Shareholder and therefore unable to participate in the Entitlement Offer. Each of the Company and the Underwriter disclaims all liability to the maximum extent permitted by law in respect of the determination as to whether a Shareholder is an Eligible Shareholder or an Ineligible Shareholder.

By making a payment by BPAY® or EFT, you will be taken to have represented and warranted that you satisfy each of the criteria listed above to be an Eligible Shareholder. Nominees, trustees or custodians are, therefore, advised to seek independent professional advice as to how to proceed.

### 2.3 **Shortfall Facility**

Any New Shares not taken up by the Closing Date may be made available to those Eligible Shareholders who took up their full Entitlement and applied for Additional New Shares under the Shortfall Facility at the Offer Price.

There is no guarantee that Eligible Shareholders will receive the number of Additional New Shares applied for under the Shortfall Facility. See section 2.4 for further information on the Company's allocation policy.

The Directors (and their associates) are not entitled to participate in the Shortfall Facility.

### 2.4 **Allocation policy**

Subject to any changes at the Directors' discretion, the allocation policy for New Shares (and Additional New Shares) applied for under the Entitlement Offer will be as follows:

- (a) **(Entitlement Offer)** first, to any Eligible Shareholders who have taken up all or part of their Entitlements by the Closing Date;
- (b) **(Shortfall Facility)** second, to any Eligible Shareholders who have applied for Additional New Shares through the Shortfall Facility by the Closing Date, in each case, subject to the takeovers prohibition in section 606 of the Corporations Act. In allocating the Additional New Shares, the Directors may have regard to factors such as the number of New Shares that an Eligible Shareholder is entitled to subscribe for under their Entitlement relative to the number of Additional New Shares that they have applied for, the total number of Additional New Shares available under the Shortfall Facility, the number of Shares held by an Eligible Shareholder after completion of the Entitlement Offer, the identification of any Eligible Shareholders who are potential long term investors of the Company, the timeliness of application by particular Eligible Shareholders, the overall level of demand under the Entitlement Offer, and ensuring an appropriate Shareholder base going forward.

In the event of an oversubscription under the Shortfall Facility, Additional New Shares will be allocated on a pro rata basis as determined by the Directors; and

- (c) **(Shortfall Offer)** third, if any Shortfall Shares remains following the allocation of Additional New Shares under the Shortfall Facility, to the Underwriter in accordance with the Underwriting Agreement.

Subject to the terms of the Underwriting Agreement, the Directors reserve the right to issue any remaining Shortfall Shares to new investors or existing Shareholders within 3 months of the close of the Entitlement Offer at a price no less than the Offer Price. The allocation of the Shortfall Shares will be within the complete discretion of

the Company, having regard to factors such as the Company's desire to establish a wide spread of shareholders, the size and type of funds under management of particular investors, the likelihood that particular investors will be long-term shareholders, and any other factors the Directors consider appropriate.

No Shortfall Shares will be issued to an Applicant under this Entitlement Offer Booklet if the issue of New Shares would contravene the takeovers prohibition in section 606 of the Corporations Act. Similarly, no Shortfall Shares will be issued to any Directors (or their associates) unless prior Shareholder approval is obtained.

The Company reserves the right to scale back any Applications for Additional New Shares and Shortfall Shares in its absolute discretion, subject to the Underwriting Agreement.

## 2.5 Use of funds

The proceeds from the Entitlement Offer will be used:

- for costs related to the Entitlement Offer;
- to partly fund the consideration for the Acquisition, integration costs and working capital requirements of the newly acquired business;
- to identify and fund future earning accretive acquisition opportunities.

The table below provides a breakdown of the proposed use of funds from the Entitlement Offer based on maximum subscription:

Use of funds	\$ million (assuming maximum subscription)
Costs related to the Entitlement Offer	\$0.1 million
Partly funding:	
- the consideration for the Acquisition;	\$0.75 million
- integration costs; and	\$0.2 million
- working capital requirements of the new acquired business	\$0.3 million
Identifying and funding future earning accretive acquisition opportunities	\$1.60 million
<b>Total</b>	<b>\$2.95 million</b>

## 2.6 Effect of the Entitlement Offer on capital structure

As at the date of this Entitlement Offer Booklet, the capital structure of the Company is as follows:

Class of securities	Number of securities
Shares on issue	78,638,341
Unlisted performance rights	3,180,000

Assuming that the Entitlement Offer is fully subscribed and all New Shares (including any Additional New Shares) are allotted and issued, the Company's issued share capital will increase from 78,638,341 to approximately 98,297,926 Shares as set out in the table below:

<b>Class of securities</b>	<b>Number of securities based on maximum subscription</b>
Shares on issue	78,638,341
Number of New Shares offered under the Entitlement Offer <sup>1</sup>	19,659,585
<b>Total number of Shares on issue following the Entitlement Offer</b>	<b>98,297,926</b>
Unlisted performance rights	3,180,000

**Notes:**

1. The numbers may vary due to rounding of Entitlements and may increase as a result of rounding up of Entitlements.

## 2.7 Directors' interests and intentions

Each Director's relevant interest in Shares of the Company at the date of this Entitlement Offer Booklet and their Entitlements are set out in the table below:

<b>Director</b>	<b>Existing Shares</b>	<b>Percentage holding<sup>1</sup></b>	<b>Performance rights</b>	<b>Max. Entitlement<sup>2</sup></b>
Mr. Richard Dennis	Nil	Nil	Nil	Nil
Mr Peter Johns	10,845,300 <sup>3</sup>	13.79%	Nil	2,711,325
Dr Sarah Kelly	Nil	Nil	35,000	Nil

**Notes:**

1. Assuming 78,638,341 Shares on the date of this Entitlement Offer Booklet.
2. The numbers may vary due to rounding of Entitlements.
3. Held through Mr Peter Johns' associate, Westferry Operations Pty Ltd <Westferry Legal Services A/C> & <The Westferry Fund A/C>.

Mr Peter Johns has advised the Company that his associate, Westferry Operations Pty Ltd (**Westferry**), intends to take up its Entitlement under the Entitlement Offer in full.

## 2.8 Substantial Shareholders

Based on available information as at the date of this Entitlement Offer Booklet and to the extent known by the Company, those persons which together with their associates have a voting power in 5% or more of the Shares on issue are set out in the table below:

<b>Substantial Shareholder</b>	<b>Existing Shares</b>	<b>Voting power<sup>1</sup></b>	<b>Max. Entitlement<sup>2</sup></b>	<b>Max. Application amount</b>
Westferry Operations Pty Ltd	10,845,300	13.79%	2,711,325	\$406,699
Mrs Rosheeni Christina Dobbie	5,425,000	6.90%	1,356,250	\$203,438
Moat Investments Pty Ltd	4,055,764	5.16%	1,013,941	\$152,091

**Notes:**

1. Assuming 78,638,341 Shares on the date of this Entitlement Offer Booklet.
2. The numbers may vary due to rounding of Entitlements.

## 2.9 Potential effect of the Entitlement Offer on control

The potential effect of the Entitlement Offer will have on the control of the Company, and the consequences of that effect, will depend on a number of factors, including the extent to which Eligible Shareholders take up their entitlement to New Shares under the Entitlement Offer.

The potential effect on control is summarised below:

- (a) if all Eligible Shareholders take up their Entitlements under the Entitlement Offer, then the Entitlement Offer will have no significant effect on the control of the Company;
- (b) if some Eligible Shareholders do not take up all of their Entitlements under the Entitlement Offer, then the interests of those Eligible Shareholders in the Company will be diluted;
- (c) the proportional interests of Shareholders who are not Eligible Shareholders will be diluted because such Shareholders are not entitled to participate in the Entitlement Offer;
- (d) Eligible Shareholders that apply for Additional New Shares under the Shortfall Facility (under which any shortfall between applications received and the number of New Shares proposed to be issued under the Entitlement Offer may be applied for by those Eligible Shareholders who have accepted their Entitlements in full) may increase their interests beyond their Entitlement. This would result in the dilution of holdings of those who failed to take up their Entitlements in full and those who failed to apply for Additional New Shares;
- (e) Section 2.8 sets out the current shareholding and Entitlements of the Substantial Shareholders. In the scenario where:
  - (i) the Substantial Shareholders are the **only** Eligible Shareholders to take up their Entitlement (i.e. all other Eligible Shareholders do not participate in the Entitlement Offer);
  - (ii) each of the Substantial Shareholders takes up their respective Entitlement in full; and
  - (iii) the Underwriter takes up \$250,000 of Shortfall Shares in accordance with the Underwriting Agreement,

then the respective Shareholding and maximum voting power of each of the Substantial Shareholders and the Underwriter at completion of the Entitlement Offer is projected to be:

	Before Entitlement Offer		After Entitlement Offer	
	Shares	Voting power	Shares	Voting power
<b>Substantial Shareholders:</b>				
Westferry Operations Pty Ltd	10,845,300	13.79%	13,556,625	15.88%
Mrs Rosheeni Christina Dobbie	5,425,000	6.90%	6,781,250	7.94%

Moat Investments Pty Ltd	4,055,764	5.16%	5,069,705	5.94%
<b>Underwriter:<sup>1</sup></b>				
Christopher John McFadden atf Christoula Superannuation Fund	Nil	0%	1,666,667	1.95%

**Note:**

1. Mr Christopher John McFadden, in his personal capacity as the CEO of the Company, also holds 1,180,000 performance rights in the Company, which were approved by shareholders at the Company's last annual general meeting held on 14 November 2023.

The Company intends to market the Entitlement Offer to existing Shareholders to reduce as far as possible the requirement of the Underwriter to underwrite the Entitlement Offer.

In this regard, the Company considers that the Underwriter's backing of the Company is likely to be seen as a positive, making it more likely that the Company will be able to attract additional take up than would be the case if the Underwriter was not partially underwriting the Entitlement Offer.

The Company made the decision to enter into the Underwriting Agreement taking into account all other alternatives, including the availability and cost involved in third party underwriting.

## 2.10 Underwriting of the Entitlement Offer

The Company has entered into the Underwriting Agreement with the Underwriter, under which the Underwriter has been appointed to act as underwriter to the Entitlement Offer.

The material terms of the Underwriting Agreement are briefly summarised below:

- The Underwriter has committed to underwrite up to \$250,000 of the Shortfall Shares.
- No fees, commissions or other consideration will be paid to the Underwriter.
- The obligation of the Underwriter to underwrite the Entitlement Offer is subject to certain termination events (summarised below). However, no termination event entitles the Underwriter to exercise his termination rights unless such event:
  - has, or is likely to have, a material adverse effect on the success or settlement of the Entitlement Offer, the willingness of investors to subscribe for New Shares, or the price at which New Shares are sold on ASX; or
  - leads, or is likely to lead, to a contravention by the Underwriter of, or the Underwriter being involved in, a contravention of, the Corporations Act or any other applicable law.
- The Underwriting Agreement contains a number of representations and warranties given by the Company to the Underwriter, and a number of representations and warranties given by the Underwriter to the Company, which are standard for an agreement of this type.

Set out below is a summary of the termination events (which are qualified by the restrictions in paragraph (c) above):

- (Offer Documents):**
  - Any materially adverse new circumstance arises or becomes known which, if known at the time of issue of any of the Offer Documents, would have been included in the Offer Documents.

- (ii) Any Offer Document does not comply or ceases to comply with the Corporations Act and all applicable laws (including if a statement is or becomes false, misleading or deceptive, including by way of omission) in a material respect.
  - (iii) Any aspect of the Entitlement Offer does not or ceases to comply with the Corporations Act or the Listing Rules in any material respect.
- (f) **(ASIC action)** ASIC:
- (i) applies for certain orders under the Corporation Acts, or commences, or gives notice of intention to hold, a hearing or investigation under the Corporations Act or the *Australian Securities and Investments Commission Act 2001* (Cth), in relation to the Entitlement Offer or any Offer Document, unless such application, notice, hearing or investigation is not made public and is terminated or withdrawn (as applicable) by the earlier of 6.00pm on the fifth business day after it is made and 8.00am on the date of settlement of the Entitlement Offer; or
  - (ii) prosecutes or commences proceedings, or gives notice of an intention to prosecute or commence proceedings, against the Company, any related body corporate of the Company or any of their respective directors, officers, employees or agents in relation to the Entitlement Offer or any Offer Document.
- (g) **(withdrawal)** The Company withdraws the Entitlement Offer or the Offer fails to proceed.
- (h) **(cease of listing; suspension)** The Company ceases to be admitted to the official list of ASX, or its Shares are suspended from trading (other than with the Underwriter's prior written consent) or cease to be officially quoted.
- (i) **(ASX approval)** ASX does not approve, or withdraws or withholds its approval of, the granting of official quotation to the New Shares under the Entitlement Offer unconditionally or subject only to conditions acceptable to the Underwriter (acting reasonably) before 10.00am on the date of issue of the New Shares.
- (j) **(insolvency event)** A certain insolvency event occurs in respect of the Company or any of its related bodies corporate.
- (k) **(timetable)** An event specified in the timetable is delayed for more than 20 business days without the Underwriter's prior written consent.
- (l) **(ASIC determination)** ASIC makes a determination under section 708AA(3) of the Corporations Act with respect to the Company.
- (m) **(defective notice required but not issued)** The Company fails to notify the ASX of corrections to a defective cleansing notice within 10 business days of receipt of the Underwriter's written request to do so.
- (n) **(Share transactions)** Prior to or on the date of completion of the Entitlement Offer, the Company undertakes certain corporate actions (including converting or issuing Shares, granting options over Shares, issuing convertible notes, resolving to reduce its share capital, entering into or resolving to approve the terms of a buy-back agreement, or disposing or agreeing to dispose the whole or a substantial part of its business or property) without the Underwriter's prior written consent.
- (o) **(Takeovers Panel proceedings)** The Takeovers Panel makes a declaration of unacceptable circumstances in relation to the Entitlement Offer.

- (p) **(breach)** The Company fails to remedy its breach of any of its material obligations under the Underwriting Agreement to a material extent within 10 business days of receipt of the Underwriter's written request to do so or materially breaches any representation or warranty it has given under the Underwriting Agreement.

### 3. HOW TO APPLY

#### 3.1 Before making a decision

This Entitlement Offer Booklet (including the ASX Announcement and Investor Presentation set out in Section 4) should be read carefully and in its entirety before making any decision about your Entitlement. You should be aware that an investment in the Company involves risk. The key risks identified by the Company are set out in Section 5 of this Entitlement Offer Booklet.

#### 3.2 Your Entitlement

Your Entitlement is set out on the accompanying personalised Entitlement and Acceptance Form and has been calculated as 1 New Share for every 4 Existing Shares you held as at the Record Date, being 7.00pm (Sydney time) on Wednesday, 6 March 2024. If the result is not a whole number, your Entitlement will be rounded up to the nearest whole number.

If you have more than one registered holding of Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have separate Entitlements for each separate holding.

New Shares issued under the Entitlement Offer will be fully paid and rank equally in all respects with Existing Shares.

The Entitlement stated on your personalised Entitlement and Acceptance Form may be in excess of the actual Entitlement you may be permitted to take up. For example, you are not permitted to take up an Entitlement to the extent you are holding Shares for the account or benefit of a person in the United States (see Section 2.2 above).

#### 3.3 You cannot trade your Entitlement

Your Entitlement is personal and cannot be traded on the ASX or any other exchange, nor can it be privately transferred or disposed of. If you do not take up your Entitlement by 5.00pm (Sydney time) on Thursday, 21 March 2024, your rights will lapse.

By allowing your Entitlement to lapse, you will forgo any exposure to increases or decreases in the value of the New Shares had you taken up your Entitlement. Your interest in the Company will also be diluted.

The New Shares not subscribed for under the Entitlement Offer (including under the Shortfall Facility) (**Shortfall Shares**) may be taken up by the Underwriter or offered in accordance with the allocation policy in Section 2.4.

#### 3.4 Options available to Eligible Shareholders

If you are an Eligible Shareholder, you may do any one of the following:

- (a) take up all of your Entitlement (refer to Section 3.5 of this Entitlement Offer Booklet);
- (b) take up all of your Entitlement and apply for Additional New Shares under the Shortfall Facility (refer to Section 3.6 of this Entitlement Offer Booklet);
- (c) take up part of your Entitlement (refer to Section 3.7 of this Entitlement Offer Booklet); or
- (d) not take up any part of your Entitlement (refer to Section 3.8 of this Entitlement Offer Booklet).

You should note that if you do not take up all of your Entitlement, your percentage shareholding in the Company will be diluted. The New Shares not subscribed for under the Entitlement Offer (including under the Shortfall Facility) will form part of the Shortfall Shares.

### **3.5 Taking up all of your Entitlement**

If you wish to take up all of your Entitlement, you must make payment via BPAY® or EFT by following the instructions set out on the personalised Entitlement and Acceptance Form. Payment must be received by the Share Registry by no later than 5.00pm (Sydney time) on Thursday, 21 March 2024.

### **3.6 Taking up all of your Entitlement and applying for Additional New Shares**

If you take up all of your Entitlement, you may also apply for Additional New Shares under the Shortfall Facility at the Offer Price. Any Application Monies received for more than your full Entitlement will be treated as applying for as many Additional New Shares as it will pay for in full.

Additional New Shares will only be allocated to Eligible Shareholders if available, and subject to the Corporations Act, Listing Rules, the constitution of the Company and other applicable laws and regulations. Please refer to Section 2.4 for further information on the Company's allocation policy.

### **3.7 Taking up part of your Entitlement and allowing the balance to lapse**

If you wish to take up part of your Entitlement, you must make payment via BPAY® or EFT by following the instructions set out on the personalised Entitlement and Acceptance Form. Payment must be received by the Share Registry by no later than 5.00pm (Sydney time) on Thursday, 21 March 2024.

If the Company receives an amount that is less than the Offer Price multiplied by your Entitlement, your payment may be treated as an Application for as many New Shares as your Application Monies will pay for in full.

Eligible Shareholders who do not take up their Entitlements in full will not receive any value for those Entitlements they do not take up.

### **3.8 Allowing your Entitlement to lapse**

If you take no action, you will not be allotted your Entitlement.

Any Entitlements which you do not take up will lapse and those New Shares for which you would have otherwise been entitled under the Entitlement Offer may be acquired by Eligible Shareholders under the Shortfall Facility, or acquired by the Underwriter or offered in accordance with the allocation policy in Section 2.4.

By allowing your Entitlement to lapse you will forgo any exposure to increases or decreases in the value of the New Shares had you taken up your Entitlement. Your percentage interest in the Company will also be reduced as a result of the Entitlement Offer.

### **3.9 Payment and refunds**

Eligible Shareholders who wish to take up their Entitlement must make a payment for the application amount via BPAY® or EFT in accordance with the instructions set out on your personalised Entitlement and Acceptance Form.

You must ensure that your payment for the appropriate amount in Australian dollars is received by the Share Registry by no later than the Closing Date of **5.00pm (Sydney time) on Thursday, 21 March 2024**.

You are not required to return your Entitlement and Acceptance Form. Payments by cheque will not be accepted.

It is your responsibility to ensure that your BPAY® or EFT payment is received by the Share Registry by no later than the Closing Date of 5.00pm (Sydney time) on Thursday, 21 March 2024. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration in the timing of when you make payment.

The Company will treat you as applying for as many New Shares as your payment will pay for in full up to your Entitlement.

Any Application Monies received for more than your final allocation of New Shares will be refunded as soon as practicable after the close of the Entitlement Offer. No interest will be paid to applicants on any Application Monies received or refunded.

Refund amounts, if any, will be paid in Australian dollars. You will be paid by direct credit to the nominated bank account as noted on the share register as at the Closing Date. If you wish to advise or change your banking instructions with the Share Registry you may do so by following the instructions below before the Closing Date:

- Go to the Share Registry's investor portal at <https://investor.automic.com.au/#/home>;
- If you do not already have an account, select "register" to set up an account.
- If you already have an account, or once you have registered, login using your username and password.
- Once you have logged in, click on "profile" and then "edit" in the "payment details" section.
- Once you have added your payment details, click "save".

### 3.10 **Effect of participating in Entitlement Offer**

A payment made through BPAY® or EFT constitutes a binding offer to acquire New Shares on the terms and conditions set out in this Entitlement Offer Booklet and the accompanying Entitlement and Acceptance Form and, once paid, cannot be withdrawn.

By making a payment by BPAY® or EFT, you will also be deemed to have acknowledged, represented and warranted on your own behalf and on behalf of each person on whose account you are acting that:

- (a) you have received, read and understood this Entitlement Offer Booklet and your Entitlement and Acceptance Form in their entirety;
- (b) you agree to be bound by the terms of the Entitlement Offer, the provisions of this Entitlement Offer Booklet (and accompanying Entitlement and Acceptance Form), and the Company's constitution;
- (c) you authorise the Company to register you as the holder(s) of New Shares allotted to you under the Entitlement Offer;
- (d) all details and statements in your Entitlement and Acceptance Form are complete and accurate;
- (e) you are over 18 years of age and have full legal capacity and power to perform all of your rights and obligations under the Entitlement Offer;

- (f) you accept that there is no cooling off period under the Entitlement Offer and you acknowledge that once the Company receives any payment of Application Monies via BPAY® or EFT, you may not withdraw your Application or funds provided except as allowed by law;
- (g) you agree to apply for and be issued up to the number of New Shares for which you have submitted payment of any Application Monies via BPAY® or EFT, at the Offer Price per New Share;
- (h) you authorise the Company, the Underwriter, the Share Registry and their respective officers or agents to do anything on your behalf necessary for New Shares to be issued to you, including to act on instructions of the Share Registry upon using the contact details set out in your Entitlement and Acceptance Form;
- (i) you were the registered holder(s) at the Record Date of the Shares indicated on your Entitlement and Acceptance Form as being held by you on the Record Date;
- (j) the information contained in this Entitlement Offer Booklet and your Entitlement and Acceptance Form is not investment advice nor a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs;
- (k) this Entitlement Offer Booklet is not a prospectus, does not contain all of the information that you may require in order to assess an investment in the Company and is given in the context of the Company's past and ongoing continuous disclosure announcements to ASX;
- (l) you acknowledge the statement of risks in Section 5 of this Entitlement Offer Booklet, and that investments in the Company are subject to risk;
- (m) neither the Company nor the Underwriter warrants or guarantees the performance of the New Shares or the performance of the Company, nor do they guarantee any repayment of capital or return from the Company on any investment made pursuant to this Entitlement Offer;
- (n) you agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Entitlement Offer and of your holding of Shares on the Record Date;
- (o) you authorise the Company to correct any errors in any form provided by you;
- (p) for the benefit of the Company, the Underwriter and their respective related bodies corporate and affiliates, you represent and warrant that:
  - (i) you are not an Ineligible Shareholder and are otherwise eligible to participate in the Entitlement Offer; and
  - (ii) you are an Eligible Shareholder;
- (q) you acknowledge and agree that:
  - (i) determination of eligibility of investors for the purposes of the Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and Share Registry constraints and the discretion of the Company and/or the Underwriter; and
  - (ii) each of the Company and the Underwriter and their respective related bodies corporate and affiliates disclaim any duty or liability (including for fault, negligence and negligent misstatement) in respect of that

determination and the exercise of that discretion to the maximum extent permitted by law;

- (r) you represent and warrant that the law of any place does not prohibit you from being given this Entitlement Offer Booklet and the Entitlement and Acceptance Form, nor does it prohibit you from making an application for New Shares and that you are otherwise eligible to participate in the Entitlement Offer;
- (s) for the benefit of the Company, the Underwriter and its related bodies corporate and affiliates, you warrant and represent that you are not in the United States and you are not acting for the account or benefit of a person in the United States and you are not otherwise a person to whom it would be illegal to make an offer of or issue of New Shares under the Entitlement Offer and under any applicable laws and regulations;
- (t) you understand and acknowledge that neither the Entitlements nor the New Shares have been, or will be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction in the United States. Accordingly, you understand that the Entitlements may not be taken up by, and the New Shares may not be offered or sold, directly or indirectly, to persons in the United States or persons who are acting for the account or benefit of a person in the United States;
- (u) you are subscribing for or purchasing the New Shares outside the United States in an “offshore transaction” (as defined in Rule 902(h) under the U.S. Securities Act) in reliance on Regulation S under the U.S. Securities Act;
- (v) you are not engaged in the business of distributing securities;
- (w) you and each person on whose account you are acting have not and will not send this Entitlement Offer Booklet, the Entitlement and Acceptance Form or any other materials relating to the Entitlement Offer to any person in the United States or any other country outside Australia, New Zealand and Singapore;
- (x) if in the future you decide to sell or otherwise transfer the New Shares acquired under the Entitlement Offer you will only do so in the standard “regular way” brokered transactions on ASX where neither you nor any person acting on your behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, in the United States;
- (y) you are eligible under applicable securities laws to exercise Entitlements and acquire New Shares and Additional New Shares (as the case may be) under the Entitlement Offer;
- (z) if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are acting is resident in Australia, New Zealand or Singapore and is not in the United States and is not acting for the account or benefit of a person in the United States, and you have not sent this Entitlement Offer Booklet, the Entitlement and Acceptance Form or any information relating to the Entitlement Offer to any such person; and
- (aa) you make all other representations and warranties set out in this Entitlement Offer Booklet.

### 3.11 **Brokerage and stamp duty**

No brokerage fee is payable by Eligible Shareholders who accept their Entitlement. No stamp duty is payable for subscribing for New Shares under the Entitlement Offer.

### 3.12 **Enquiries**

If you have not received or you have lost your personalised Entitlement and Acceptance Form, or have any questions regarding the Entitlement Offer, please contact the Share Registry on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia). or at [corporate.actions@automic.com.au](mailto:corporate.actions@automic.com.au), at any time between 9:00am to 7:00pm (Sydney time) on Monday to Friday.

If you have any further questions, you should consult your stockbroker, solicitor, accountant or other professional adviser.

**4. ASX ANNOUNCEMENT AND INVESTOR PRESENTATION**



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29 February 2024

## Acquisition of Armstrong Legal's Contested Wills & Estates Practice and \$2.95 million Entitlement offer

- Conditional acquisition of the contested wills and estates practice of Go To Court Lawyers Pty Ltd (**GTC**) trading as Armstrong Legal for an initial purchase price of \$3.004 million plus GST (subject to adjustments) and potential earn-out payments of up to \$0.75 million plus GST.
- Concurrently, AFL is seeking to raise approximately \$2.95 million (before costs) by way of a non-renounceable entitlement offer.

### Acquisition of Armstrong Legal's Contested Wills & Estates Practice

The Board of AF Legal Group Limited (**AFL**) is pleased to announce the conditional acquisition by one of its wholly-owned subsidiaries of Armstrong Legal's contested wills and estates practice which manages all aspects of wills and estates disputes including contesting, challenging and defending wills. AFL will acquire the key components of this division of Armstrong Legal's business, being debtors, work-in-progress, client matters and direct staff.

Total consideration for the acquisition is expected to be between \$3.004 million plus GST and \$3.754 million plus GST comprised of an initial purchase price of \$3.004 million plus GST (subject to adjustments), with two potential earnout payments of up to \$375,000 plus GST each, subject to meeting revenue targets and payable after FY24 and FY25 accounts (respectively) have been settled.

The transaction is subject to several conditions precedent, namely:

- draw down under AFL's NAB facility becoming unconditional in accordance with its terms;
- GTC obtaining Westpac's consent to the transaction and encumbrances being released;
- AFL's wholly-owned subsidiary being registered as an incorporated legal practice with a legal practice director appointed covering each of New South Wales, Victoria and Queensland, and obtaining professional indemnity insurance;
- all employees of this division of Armstrong Legal's business accepting offers of employment with AFL's group; and
- there being no material adverse change before completion.

Subject to the satisfaction or waiver of the conditions precedent, the parties are aiming to complete the transaction by 2 April 2024.



The deal is an all-cash transaction with the initial purchase price to be funded by bank debt to be drawn on the recently extended \$9 million NAB finance facility. Part of the proceeds from the Entitlement Offer will be used to partly fund the acquisition, and for integration costs and working capital requirements of the newly acquired business (see further details below).

Further details relating to the acquisition are contained in the accompanying Investor Presentation entitled *"Time to grow, profitably - Acquisition of Armstrong Contested Wills & Estates and \$2.95 million Entitlement Offer"*.

### **\$2.95 million Entitlement Offer**

The Board is also pleased to announce a \$2.95 million Entitlement Offer to issue up to approximately 19.7 million new shares in AFL.

Eligible shareholders of the Company will be invited to participate in a non-renounceable, pro-rata entitlement offer on the basis of 1 new fully paid ordinary share in the Company (**New Share**) at an issue price of \$0.15 per New Share (**Offer Price**) for every 4 existing Shares held as at 7.00pm (Sydney time) on Wednesday, 6 March 2024 (**Record Date**) to raise \$2.95 million (before costs) (**Entitlement Offer**).

The Offer Price of \$0.15 per New Share represents a discount of:

- 13.79% to the TERP<sup>1</sup> of \$0.174 per Share; and
- 16.67% to the closing price of \$0.18 per Share on 28 February 2024, being the last trading day prior to the announcement of the Entitlement Offer.

The Entitlement Offer is being partially underwritten by AF Legal Group CEO Christopher McFadden as trustee for Christoula Superannuation Fund up to an amount of \$250,000. AFL will not pay any underwriting fees to the underwriter. A broker has not been engaged in relation to the Entitlement Offer and no separate placement of shares is being made.

The proceeds of the Entitlement Offer will be used:

- for costs related to the Entitlement Offer (approx. \$0.1 million);
- to partly fund the consideration for the acquisition (approx. \$0.75 million), integration costs (approx. \$0.2 million) and working capital requirements of the newly acquired business (approx. \$0.3 million); and
- to identify and fund future earning accretive acquisition opportunities (approx. \$1.60 million).

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<sup>1</sup> Theoretical ex-rights price (TERP) is calculated by reference to the closing price of \$0.18 on 28 February 2024 and includes the New Shares to be issued under the Entitlement Offer.



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Further details relating to the Entitlement Offer are contained in the accompanying Investor Presentation entitled *“Time to grow, profitably - Acquisition of Armstrong Contested Wills & Estates and \$2.95 million Entitlement Offer”*.

Eligible Shareholders will only be those who are shareholders on the share register of the Company as at the Record Date with a registered address in Australia, New Zealand or Singapore.

All New Shares issued under the Entitlement Offer will rank equally in all respects with existing Shares of the Company as of the date of this announcement.

Eligible Shareholders who take up their full entitlement under the Entitlement Offer will have the opportunity to apply for additional New Shares in excess of their entitlement through a shortfall facility (**Shortfall Facility**).

There is no guarantee that Eligible Shareholders who apply for additional New Shares under the Shortfall Facility will receive all or any of the additional New Shares applied for under the Shortfall Facility.

The Entitlement Offer is non-renounceable, and the rights will not be able to be traded on the ASX and will not be transferable.

Eligible Shareholders wishing to participate in the Entitlement Offer should carefully read the Entitlement Offer Booklet and accompanying personalised Entitlement and Acceptance Form which are expected to be despatched on or around Monday, 11 March 2024.

A copy of the Entitlement Offer Booklet will be announced on the ASX and available on the Company’s website.

### Indicative Timetable

The indicative timetable for the Entitlement Offer is below.

Event	Date <sup>(a)</sup>
Announcement of Entitlement Offer	Thursday, 29 February 2024
Lodgement of Appendix 3B with ASX	Thursday, 29 February 2024
Ex-date for Entitlement Offer	Tuesday, 5 March 2024
Record Date for determining Entitlements	7.00pm (Sydney time) on Wednesday, 6 March 2024



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Entitlement Offer opens Despatch of Booklet and Entitlement and Acceptance Form to Shareholders	Monday, 11 March 2024
Last day to extend Closing Date	Monday, 18 March 2024
Entitlement Offer closes ( <b>Closing Date</b> )	5.00pm (Sydney time) on Thursday, 21 March 2024
Shares quoted on a deferred settlement basis	Friday, 22 March 2024
Announcement of results of the Entitlement Offer	Tuesday, 26 March 2024
Allotment and issue of New Shares under the Entitlement Offer	Tuesday, 26 March 2024
Commencement of trading of New Shares	Wednesday, 27 March 2024
Despatch of holding statements in respect of New Shares	Thursday, 28 March 2024

Notes: <sup>(a)</sup> *The above timetable is indicative only and subject to change. The quotation of Shares is subject to ASX approval. Subject to the ASX Listing Rules and the Corporations Act and other applicable laws, the Company reserves the right to vary these dates, including the Closing Date, without notice, including extending the period of the Entitlement Offer or accepting late applications, either generally or in particular cases or bringing forward the Closing Date at its discretion. Any extension of the Entitlement Offer will have a consequential effect on the issue date of the Shares. All dates and times in the timetable above are in Sydney, Australia time.*

This announcement has been authorised by the Board of Directors of the Company.

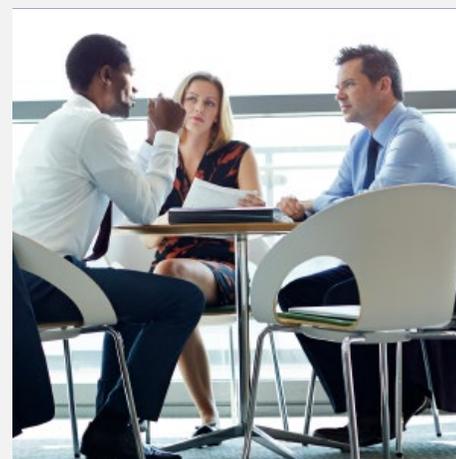
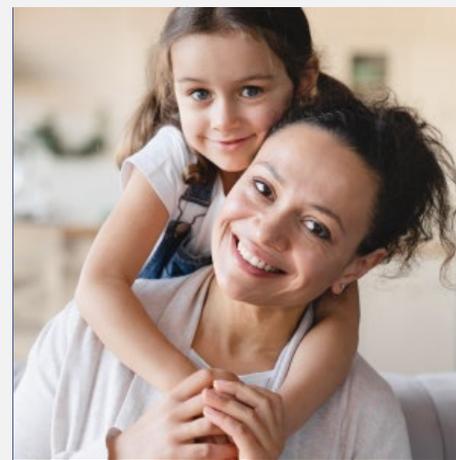


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# Time to grow, profitably

Acquisition of Armstrong Contested Wills & Estates  
and \$2.95 million Entitlement Offer

29 February 2024



# Important notices and disclaimer



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The following notice and disclaimer applies to this presentation dated 29 February 2024 (**Presentation**) and you should read this carefully before reading or making any other use of this Presentation or any information contained in this Presentation. By accepting, accessing or viewing this Presentation or attending an investor presentation or briefing, you represent and warrant that you are entitled to receive this Presentation in accordance with its restrictions, and agree to be bound by the limitations, contained within it.

**This Presentation has been prepared and authorised by AF Legal Group Ltd ACN 063 366 487 (AFL, AF Legal Group or the Company)** in connection with the Company's proposed pro-rata non-renounceable entitlement offer of fully paid ordinary shares in the Company (**New Shares**) to eligible shareholders of the Company under section 708AA of the *Corporations Act 2001* (Cth) (**Corporations Act**) as modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84* and *ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73* (**Entitlement Offer**). The Entitlement Offer is partly underwritten by Christopher John McFadden as trustee for the Christoula Superannuation Fund (**Underwriter**) up to \$250,000.

Part of the proceeds of the Entitlement Offer will be used to partly fund the Company's acquisition of the Contested Wills & Estates practice of Armstrong Legal (**Seller**) (**ACWE Acquisition**).

## Not an offer

This Presentation is for information only and does not constitute or form part of any offer to sell, purchase or subscribe for, recommendation of, or a solicitation or invitation of any offer to sell, purchase or subscribe for, any securities or any other financial products in any jurisdiction. This Presentation (or any part thereof) does not form the basis of, and cannot be relied on in connection with, any contract or commitment whatsoever.

This Presentation is not a prospectus, disclosure document, product disclosure document or any other offering document under Australian law or any other law. It will not be lodged with ASIC. Nothing contained in this Presentation constitutes financial product, investment, legal, tax or other advice or any recommendation. It does not take into account the investment objectives, financial situation or needs or any particular investor.

## No financial product advice

Before making an investment decision, shareholders or prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs and seek their own professional advice. The Company is not licensed to provide financial product advice in respect of the New Shares. No cooling-off rights apply to the acquisition of New Shares.

Each recipient of this Presentation should make its own enquiries and investigations regarding all information included in this Presentation including but not limited to the assumptions, uncertainties and contingencies which may affect future operations of the Company and the values and impact that different future outcomes may have on the Company.

The Entitlement Offer Booklet will be made available to eligible shareholders in Australia, New Zealand and Singapore. Any eligible shareholder in Australia, New Zealand and Singapore who wishes to participate in the Entitlement Offer should consider the Entitlement Offer Booklet in deciding whether to apply for New Shares under the Entitlement Offer. Any eligible shareholder who wishes to apply for New Shares under the Entitlement Offer will need to apply in accordance with the instructions contained in the Entitlement Offer Booklet and the Entitlement and Acceptance Form.

# Important notices and disclaimer (cont.)



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## Summary information

This Presentation contains summary information about the Company and its subsidiaries (**Group**) and their respective activities, which is current only as at the date of this Presentation (unless otherwise stated). The information in this Presentation is of a general nature and does not purport to be complete nor does it contain all the information which a prospective investor may require in evaluating a possible investment in the Company or that would be required to be included in a prospectus or product disclosure statement prepared in accordance with the requirements of the Corporations Act. This Presentation should be read in conjunction with the Company's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange (**ASX**), which are available at [www.asx.com.au](http://www.asx.com.au) (ASX:AFL).

Statements in this Presentation are made as at the date of this Presentation. The Company reserves the right to withdraw or vary the transactions described in this Presentation without notice, subject to the ASX Listing Rules, Corporations Act and other applicable law.

## Third party information

Certain information in this Presentation has been sourced from the Seller or its representatives or associates. While steps have been taken to review that information, no representation or warranty, expressed or implied, is made as to its fairness, accuracy, correctness, completeness or adequacy.

The Company undertook a due diligence process in respect of the ACWE Acquisition, which relied in part on the review of financial and other information provided by the Seller. Despite making reasonable efforts, the Company has not been able to verify the accuracy, reliability or completeness of all the information which was provided to it. If such information provided to, and relied upon by, the Company in its due diligence and in its preparation of this Presentation prove to be incorrect, incomplete or misleading, there is a risk that the actual financial position and performance of the ACWE business may be materially different to the expectations reflected in this Presentation.

## Market and industry data

Certain market and industry data used in connection with this Presentation may have been obtained from research, surveys or studies conducted by third parties, including industry or general publications. None of the Company, its representatives or advisers has independently verified any such market or industry data provided by third parties or industry or general publications.

## Effect of rounding

A number of figures, amounts, percentages, estimates, calculations of value and fractions in this Presentation are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this Presentation.

## Currency

All financial information in this Presentation is in Australian Dollars (\$ or AUD) unless otherwise stated.

## Investment risks

An investment in the Company is subject to known and unknown risks including possible loss of income and principal invested. The Company does not guarantee any particular rate of return or the performance of the Group, nor does it guarantee the repayment of capital from the Company or any particular tax treatment.

# Important notices and disclaimer (cont.)



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## Forward looking statements

This Presentation may contain statements that constitute "forward-looking statements". The forward-looking statements in this Presentation include statements regarding the Company's intent, belief or current expectations with respect to the timetable, conduct, effect and outcome of the Entitlement Offer and the use of proceeds therefore, statements about the plans, objectives and strategies of the management of the Group, statements about the industry and markets in which the Group operates, statements about the future performance of the Group's business activities and its financial condition, indicative drivers, forecasted economic indicators and the outcome of the Entitlement Offer and the use of proceeds. Words such as "will", "may", "expect", "indicative", "intent", "seek", "would", "should", "could", "continue", "plan", "probability", "risk", "forecast", "likely", "estimate", "anticipate", "believe", "aim" or similar words are used to identify forward-looking statements. The forward-looking statements contained in this presentation involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of the Company, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. There can be no assurance that actual outcomes will not differ materially from these forward-looking statements.

No representation, warranty or assurance (express or implied) is given or made in relation to any forward-looking statement by any person (including the Company, the Underwriter and their respective advisors, affiliates, related bodies corporate, directors, officers, partners, employees and agents (**Relevant Parties**)). To the maximum extent permitted by law, the Relevant Parties disclaim any responsibility for the accuracy or completeness of any forward-looking statements whether as a result of new information, future events or results or otherwise. Except as required by law or regulation (including the ASX Listing Rules), the Company disclaims any obligation or undertaking to update forward-looking statements in this Presentation to reflect any changes in expectations in relation to any forward-looking statement or change in events, circumstances or condition on which any statement is based.

## Past performance

Past performance and historical financial information in this Presentation is given for illustrative purposes only and should not be relied upon and is not an indication of future performance, including future share price information. Historical information in this presentation relating to the Company is information that has previously been released to the market. For further details on that historical information, please see past announcements released by the Company to the ASX.

## Geographical limitations

The distribution of this Presentation in jurisdictions outside Australia, New Zealand and Singapore may be restricted by law and you should observe any such restrictions. Any failure to comply with those restrictions may constitute a violation of applicable securities laws.

This Presentation may not be distributed or released in the United States. This Presentation does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. The New Shares to be offered and sold under the Entitlement Offer have not been, and will not be, registered under the U.S. Securities Act of 1933 (the U.S. Securities Act) or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered or sold, directly or indirectly, to any person in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any other applicable U.S. state securities laws.

# Important notices and disclaimer (cont.)



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## Information and liability

None of the Underwriter or any of its Relevant Parties, nor the advisors to the Company, have authorised, permitted or caused the issue, submission, dispatch or provision of this Presentation and none of them makes or purports to make any statement in this Presentation and there is no statement in this Presentation which is based on any statement by any of them. To the maximum extent permitted by law, the Company, the Underwriter and their respective Relevant Parties exclude and expressly disclaim:

- all duty and liability (including, without limitation, any liability arising from fault, negligence or negligent misstatement or otherwise) for any expenses, losses, damage or costs incurred by you as a result of participation in, or failure to participate in, the Entitlement Offer or the information in this Presentation, including without limitation any financial information and forward-looking information being inaccurate or incomplete in any way for any reason, whether by fault, negligence, negligent misstatement or otherwise;
- any obligations or undertaking to release any updates or revisions to the information in this Presentation to reflect any change in expectations or assumptions; and
- all liabilities in respect of, and make no representation or warranty, express or implied, as to the fairness, currency, accuracy, reliability or completeness of information in this Presentation or any constituent or associated presentation, information or material, or the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects or returns (or any event or results expressed or implied in any forward-looking statement) contained in or implied by the information in this Presentation or any part of it, or that this Presentation contains all material information about the Company or which a prospective investor or purchaser may require may require in evaluating a possible investment in the Company or acquisition of securities in the Company.

None of the Company, the Underwriter, or their Relevant Parties, have any obligation to update statements in this Presentation. The Company reserves the right to withdraw the Entitlement Offer or vary the timetable for the Entitlement Offer without notice.

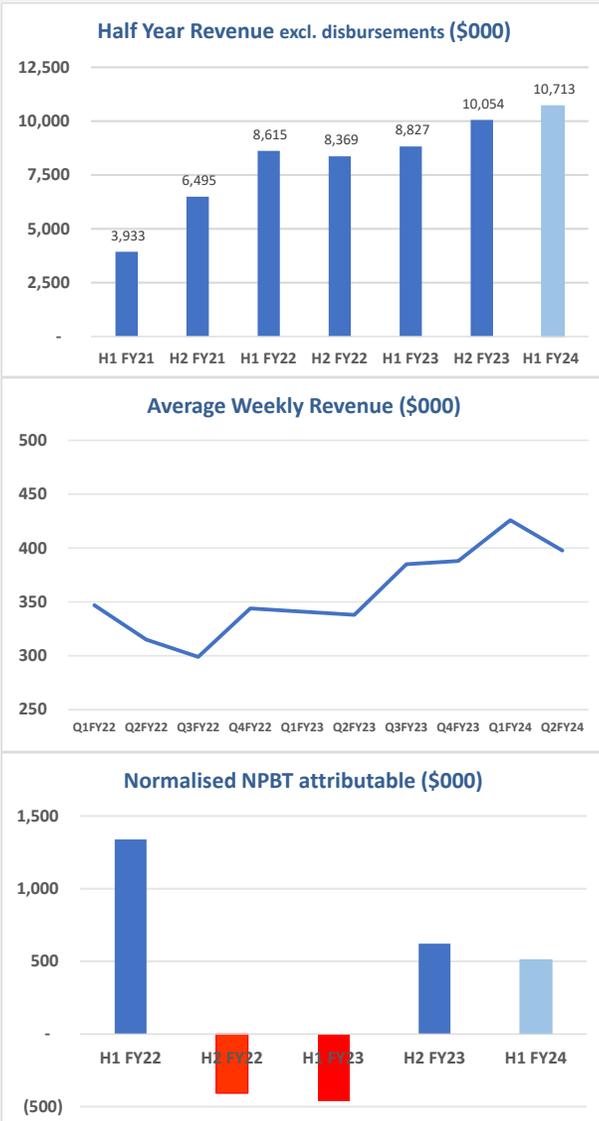


# Stabilisation complete, time to grow profitably

# Stabilisation complete



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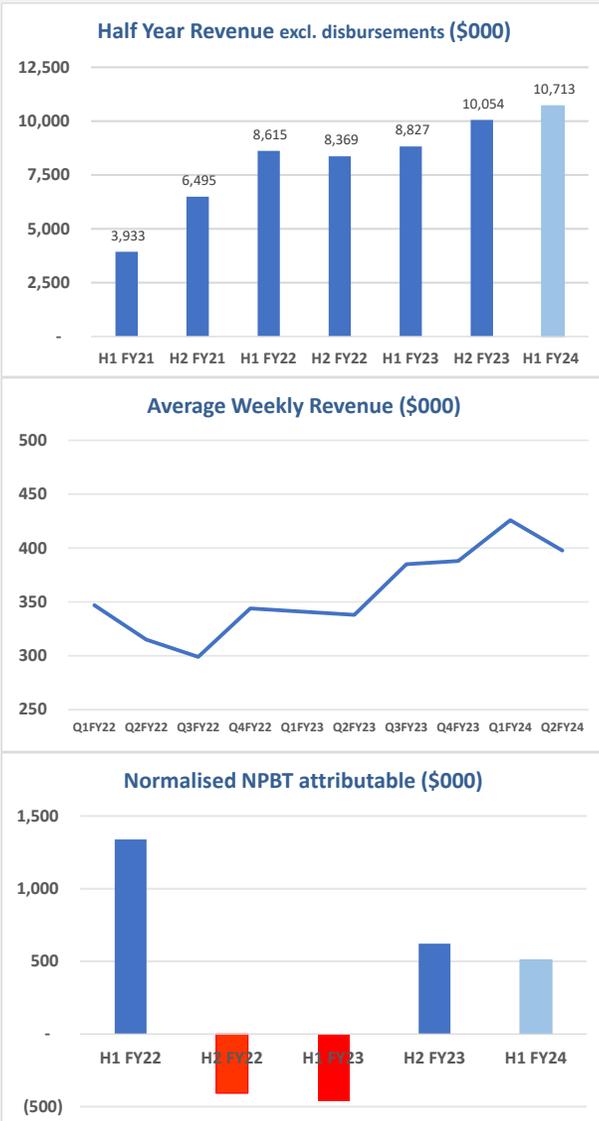


- The **history** of the AF Legal Group shows **breakeven** profitability across the **first three years** (FY20, FY21 & FY22) post listing in June 2019 despite significant but largely acquisition driven revenue growth
- This was followed by **FY23** where significant **one-off expenses and charges** (\$8.415m) resulted in an overall NPBT attributable **loss** of (\$8.26m) which after normalisation was a normalised NPBT attributable profit of \$159k
- Somewhat hidden in this full year view is the fact that **H2 FY23** delivered a pleasing **return to profitability** with NPBT attributable of \$622k, which showed the early fruits of our management refresh and our shift towards a people-first culture
- This **profitable trend has continued** with **H1 FY24** delivering a solid NPBT attributable of \$510k on revenue growth of **↑21%** relative to H1 FY23, also **↑6.5%** on H2 FY23
- Q2 FY24 did however show a drop back in average weekly revenue (some seasonality impact) which highlights our **current lack of scale**, leaving us overly sensitive to minor team member fluctuations impacting our revenue
- This **flows to our bottom line** as well, with our Q2 NPBT attributable of \$154k down from \$356k for Q1 FY24 due to our slight revenue contraction

# Time to grow profitably



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- Our **business model** is such that our **cost base** is relatively **fixed**, primarily but not solely comprised of the cost of our team members (fee earners and non-fee earners) and occupancy costs
- This means revenue underperformance negatively impacts our bottom line but the converse is equally true, revenue **over performance drops at a higher-than-average rate to our bottom-line profitability**
- The situation for AF Legal Group is clear. We have **stabilised** our business and extended our NAB finance facility out to end January 2027
- We have arrived at the point where it is **time to grow profitably**
- The goal of our growth strategy and the current acquisition in particular is to better **leverage our cost base** by **adding revenue** and accordingly gross margin (after fee earner costs) with **minimal incremental overhead costs** such that our **bottom-line profitability grows** at a disproportionately higher rate



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# Growth Strategy

# Our Growth Strategy

*Better leverage our cost base by adding revenue and accordingly gross margin (after fee earner costs) with minimal incremental overhead costs such that our bottom-line profitability grows at a disproportionately higher rate*



<p>Family Law - Organic</p>	<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, primarily focused around expanding suburban footprint in major cities</li> </ul>	<ul style="list-style-type: none"> <li>▪ Future acquisition opportunities in relation to non-controlling interests in existing operations</li> </ul>
<p>Family Law - Acquisitions</p>	<ul style="list-style-type: none"> <li>▪ Regional expansion and infill opportunities where we currently do not have a presence</li> <li>▪ Examples include Adelaide, Tasmania, Townsville, Toowoomba, Newcastle, etc..</li> </ul>	<ul style="list-style-type: none"> <li>▪ Acquisition of existing Family Law businesses will play a role as a market entry opportunity</li> <li>▪ Organic and/or greenfield option remains in play (e.g. Wollongong, Gold Coast)</li> </ul>
<p>Complementary Areas of Law - Organic</p>	<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> </ul>
<p>Complementary Areas of Law - Acquisition</p>	<ul style="list-style-type: none"> <li>▪ Armstrong Contested Wills &amp; Estates (<b>ACWE</b>) represents our first move into acquiring legal businesses which are complementary to Family Law, and which have significant opportunity for growth by leveraging our existing and growing Family Law practice network</li> </ul>	<ul style="list-style-type: none"> <li>▪ Future Contested Wills &amp; Estates geographic expansion will largely come through organic leveraging of the existing AF Legal Group office network. Acquisition opportunities may arise but are not anticipated in the early stages of any expansion</li> <li>▪ Longer term, other areas of law will be considered for similar future acquisition-based growth opportunities</li> </ul>



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# Executive Summary

# Executive Summary – ACWE Acquisition



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<p>Company Overview</p>	<ul style="list-style-type: none"> <li>ACWE practice manages all aspects of will disputes incl. contesting, challenging and defending wills</li> <li>ACWE is a division of Armstrong Legal, a business owned and operated by the seller, Go To Court Lawyers Pty Ltd (GTC) (acquired Dec-19)</li> </ul>	<ul style="list-style-type: none"> <li>AFL will acquire the ACWE division including key components of the division being debtors, work in progress, client matters and direct staff</li> </ul>
<p>Deal Metrics</p>	<ul style="list-style-type: none"> <li>Total consideration expected to be between \$3.004 million plus GST and \$3.754 million plus GST, comprised of:                             <ul style="list-style-type: none"> <li>Initial Purchase Price of \$3.004 million plus GST (subject to adjustments)</li> <li>Two potential earnout payments of up to \$375,000 plus GST each, subject to meeting revenue targets and payable after FY24 and FY25 accounts (respectively) have been settled</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>If, within two years after completion, less than 80% of the WIP and receivables has been collected, GTC must pay to the buyer the difference between the amount collected and 80% of the WIP and receivables</li> </ul>
<p>Conditions</p>	<ul style="list-style-type: none"> <li>The acquisition is subject to a number of conditions precedent, namely:                             <ul style="list-style-type: none"> <li>draw down under the Company’s NAB Finance Facility becoming unconditional in accordance with its terms</li> <li>GTC obtaining Westpac’s consent to the transaction and encumbrances being released</li> <li>the buyer being registered as an incorporated legal practice with a legal practice director appointed covering each of New South Wales, Victoria and Queensland, and obtaining professional indemnity insurance</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>all employees of ACWE accepting offers of employment with AFL’s group</li> <li>there being no material adverse change before completion</li> </ul>
<p>Timing</p>	<ul style="list-style-type: none"> <li>Subject to the satisfaction or waiver of the conditions precedent, the parties are aiming to complete on 2 April 2024</li> </ul>	

# Executive Summary – ACWE Acquisition



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Operational Highlights	<ul style="list-style-type: none"><li>ACWE operates on the east coast, in Sydney, Melbourne and Brisbane</li><li>Alun Hill leads ACWE from the Sydney office and is Doyles' recommended</li><li>Teams will transition to AF Legal Group offices across the balance of 2024</li></ul>	<ul style="list-style-type: none"><li>Alun and two other lawyers in the ACWE team are accredited specialists in wills and estates law</li><li>Existing team will be secured pre-completion with new Employment Agreements in place with retention incentives included</li></ul>
Financial Highlights	<ul style="list-style-type: none"><li>FY23 Revenue \$3.1 million, FY23 Debtors &amp; WIP \$3.8 million</li><li>FY24 &amp; FY25 Revenue hurdle \$2.475 million (conservative FY23 less 20%)</li><li>Completion targeted Debtors &amp; WIP \$3.7 million</li></ul>	<ul style="list-style-type: none"><li>FY24 Q4 contribution for AFL assumed to be positive but minimal</li><li>FY25 (1<sup>st</sup> full year of ownership) initial projection of Revenue circa \$3.0 million and NPBT of \$0.8 million</li></ul>
Transaction funding	<ul style="list-style-type: none"><li>All cash transaction funded with a combination of:<ul style="list-style-type: none"><li>bank debt by drawing down on the recently extended \$9 million NAB Finance Facility; and</li><li>funds raised through the partially underwritten Entitlement Offer</li></ul></li></ul>	

# Executive Summary – Entitlement Offer



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<p>Entitlement Offer overview</p>	<ul style="list-style-type: none"> <li>The Company is seeking to raise approximately \$2.9 million (before costs) by way of a 1 for 4 pro rata non-renounceable entitlement offer to eligible shareholders (<b>Entitlement Offer</b>)</li> <li>Approximately 19.7 million New Shares to be issued</li> <li>Eligible shareholders may apply for Additional New Shares in excess of their entitlement under a shortfall facility</li> <li>The Entitlement Offer is being partially underwritten by AF Legal Group CEO Christopher McFadden ATF the Christoula Superannuation Fund up to an amount of \$250,000</li> <li>AFL Non-Executive Director Peter Johns has advised that his associate, Westferry Operations Pty Ltd ATF The Westferry Fund (<b>Westferry</b>), will be taking up its full entitlement (c. \$400,000). Westferry currently holds 10,845,300 AFL shares (13.8% relevant interest in AFL)</li> </ul>
<p>Offer Price</p>	<ul style="list-style-type: none"> <li>The Offer Price is \$0.15 per New Share, representing:             <ul style="list-style-type: none"> <li>13.79% discount to the TERP of \$0.174*; and</li> <li>16.67% discount to the last traded price of \$0.18 on 28 February 2024</li> </ul> </li> </ul>
<p>Record Date</p>	<ul style="list-style-type: none"> <li>7.00pm (Sydney time) on Wednesday, 6 March 2024</li> </ul>
<p>Ranking</p>	<ul style="list-style-type: none"> <li>New Shares issued under the Entitlement Offer will rank equally in all respects with existing shares in the Company from their date of issue</li> </ul>
<p>Proposed use of Funds</p>	<ul style="list-style-type: none"> <li>The proceeds of the Entitlement Offer will be used:             <ul style="list-style-type: none"> <li>for costs related to the Entitlement Offer (approx. \$0.1 million);</li> <li>to partly fund the consideration for the acquisition (approx. \$0.75 million), integration costs (approx. \$0.2 million) and working capital requirements of the newly acquired business (approx. \$0.3 million); and</li> <li>to identify and fund future earning accretive acquisition opportunities (approx. \$1.60 million)</li> </ul> </li> <li>Additionally, the capital raise repairs our equity position which deteriorated due to the various write-downs and other one-off charges taken back in February 2023</li> </ul>

\* Theoretical ex-rights price (TERP) is calculated by reference to the closing price of \$0.18 on 28 February 2024 and includes the New Shares to be issued under the Entitlement Offer



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# Macro Trends

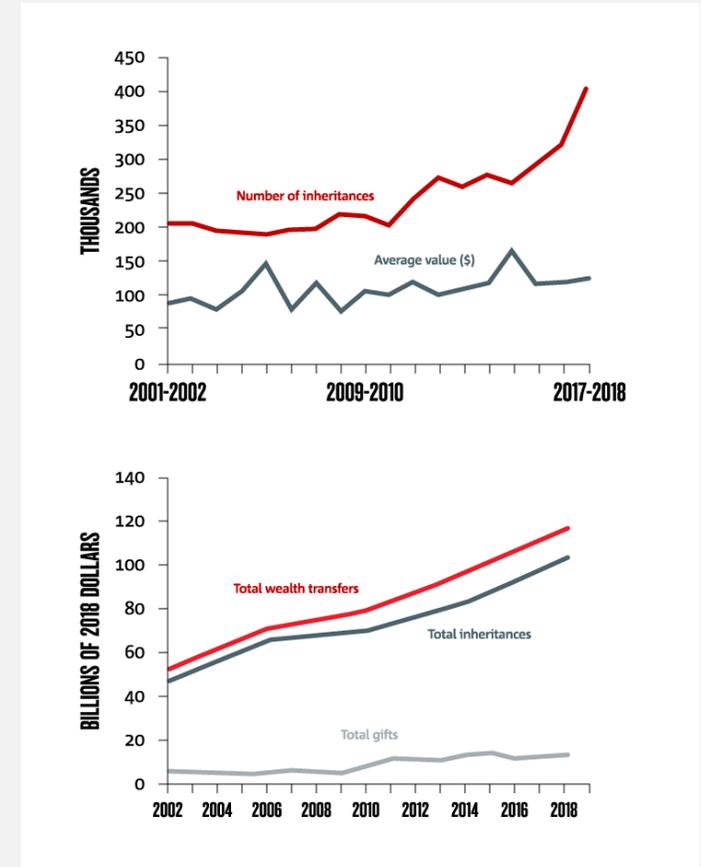
# “Largest intergenerational wealth transfer in history”



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- Contested Wills & Estates is an area of law that is **leveraged to an increase in asset values**. This not only increases the value of estates, it also increases the number of estates potentially subject to litigation as the value becomes sufficient to justify legal action if there is an underlying cause of action
- Australia is set for the **largest intergenerational wealth transfer in history**, with an estimated \$3.5 trillion in assets anticipated to change hands by 2050, according to Michael Saadie, Head of NAB Private Wealth and CEO of JBWere\*
- “The annual value of wealth transfers has more than doubled since 2002. This is expected to continue to grow, as most retirees do not draw down significantly on their superannuation savings. In fact, 40% have more money at death than they did at retirement”\*\*
- The increasing prevalence of blended families, dementia and cognitive decline and the heightened awareness of the right to challenge a will all play a part and such complexities are often not well catered for in low cost will options
- The average length of such matters of 12-24 months creates a working capital requirement which in many ways acts as a barrier to entry
- AF Legal Group bring the necessary funds for working capital, along with scale and a SEO-based, digitally-driven marketing sophistication. All in an environment without the intense competition seen in Personal Injury litigation, and with a more certain and secure outcome on each matter

The average number and value of inheritances received by financial year\*\*



\*Source: <https://www.nab.com.au/personal/private-wealth/get-ready-for-the-great-wealth-transfer>

\*\*Source: Vanguard, *Preparing for the biggest wealth transfer in history*



A / F L E G A L

# Armstrong Contested Wills & Estates

# Contested Wills & Estates



A / F L E G A L

- Armstrong Contested Wills & Estates has a well-established and high-quality team led by Alun Hill with three accredited specialists in wills and estates law, with Alun himself a Doyles' recommended Wills & Estates Litigation lawyer
- Alun has been with the business for 11 years, joining in 2013, well before the GTC acquisition of Armstrong Legal in December 2019
- The existing operations are centred on the east coast of Australia, with offices in Sydney, Melbourne and Brisbane
- Contested Wills & Estates is an area of law that is hard to replicate at any stage due to the need to support 12-24 months of working capital before cashflow arrives. Based on the structure of the deal we will benefit from taking on working capital that allows for minimal disruption to cashflow.
- Following an initial period of bedding the new business into the AF Legal Group we will look to expand geographically largely through organic expansion leveraging the existing AF Legal Group office network
- Such expansion will gain cost leveraging advantages through existing offices and back-office resourcing, such that a higher proportion of gross margin after salaries falls to the bottom line



**Armstrong Contested Wills & Estates Leadership Team**

*Clockwise from top right corner:*

Alun Hill – Head of Armstrong Contested Wills & Estates

Kelly Weston – Special Counsel Sydney

Luisa Di Bernardo – Managing Associate Melbourne

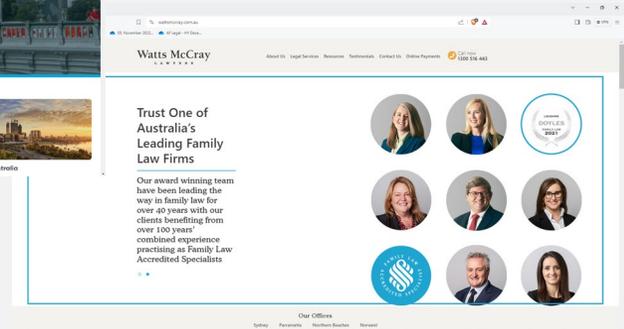
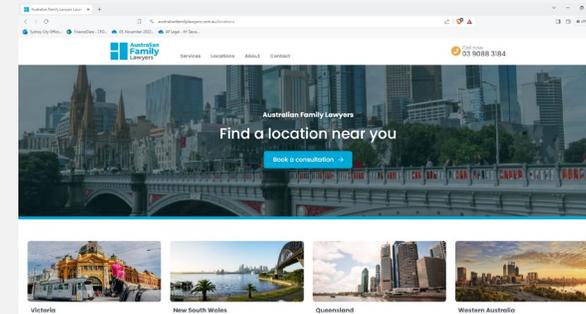
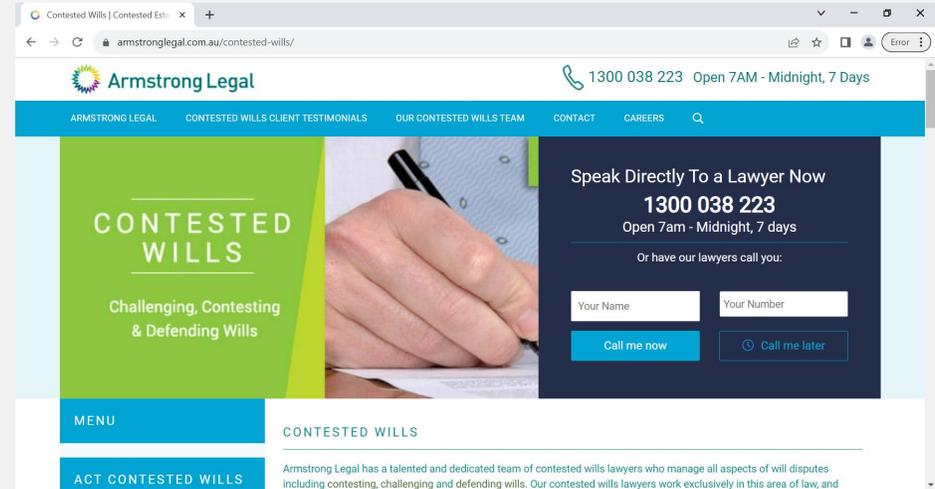
James Daly – Senior Associate Brisbane

# Contested Wills & Estates – digital strength



A / F L E G A L

- Deal has built in access to all contested estates leads from the Armstrong Legal and Go To Court websites over a period of five years, with these sites being among of the most highly visited non-government legal websites in Australia
  - Seller is incentivised to maintain it through both earn out hurdles and also due to it being key to supporting their continued growth across other areas of law
  - Site drove contested estate enquiries in excess of 7 per day across 2023 (2023 total >2,500 enquiries)
- AF Legal Group's own increasingly valuable website resources have benefited from a strong focus on SEO/organic traffic combined with ongoing thought leadership (e.g. Research Report), PR and a strong content/article strategy
  - ↑30% in new file openings (all v pcp)
  - ↑63% in website users for the digitally driven Australian Family Lawyers with organic growing ↑82% (113k growing to 206k)
  - Acquisition efficiency showing positive trends, increasing lead growth at a declining cost of acquisition (media spend ↓25%)



# Indicative Timetable



A / F L E G A L

Date(s)	Action
29 February 2024 (Thursday)	Announcement on ASX of ACWE Acquisition and Entitlement Offer
5 March 2024 (Tuesday)	Trading in AFL shares commences on ex-entitlement basis
7:00pm on 6 March 2024 (Wednesday)	Record date for Entitlement Offer
11 March 2024 (Monday)	Entitlement Offer opens, and despatch of Entitlement Offer Booklet
5:00pm on 21 March 2024 (Thursday)	Entitlement Offer closes
26 March 2024 (Tuesday)	Results of Entitlement Offer announced
26 March 2024 (Tuesday)	Settlement of Entitlement Offer
26 March 2024 (Tuesday)	Allotment of New Shares under the Entitlement Offer
27 March 2024 (Wednesday)	New Shares issued under Entitlement Offer commence trading on ASX
28 March 2024 (Thursday)	Despatch of holding statements in respect of New Shares
31 March – 1 April 2024	Completion of ACWE Acquisition and payment of first tranche of purchase price (approximately \$3 million cash payment, subject to adjustments) to Seller

The above dates are indicative and subject to change. AF Legal Group reserves the right to alter the timetable in its absolute discretion and without notice, subject to the ASX Listing Rules and Corporations Act and other applicable law. All times and dates are in reference to Sydney, Australia time.



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# Thank You

## 5. RISKS

The Directors consider that the following summary, which is not exhaustive, represents some of the major risk factors which Eligible Shareholders need to be aware of in evaluating the Company's business and risks of investing in the Company.

Eligible Shareholders should carefully consider the following factors in addition to the other information presented in this Entitlement Offer Booklet.

### 5.1 Acquisition Risks

#### (a) ***Reliance on information provided:***

- (i) The Company undertook a due diligence process in respect of the Acquisition, which relied in part on legal, financial and operational due diligence on information provided by or on behalf of Armstrong Legal. If any such information provided to, and relied upon by, the Company in its due diligence proves to be incorrect, incomplete or misleading, or if any of those due diligence enquiries failed to identify potential issues, there is a risk that the actual financial position and performance of ACWE may be materially different to the Company's understanding, which could have a material adverse (or positive) effect.
- (ii) There is also a risk that the due diligence conducted has not identified issues that would have been material to the decision to carry out the Acquisition. A material adverse issue that was not identified prior to the Acquisition taking place (or an issue that later proves to be more material than first anticipated) could have an adverse impact on the reputation, financial performance or operations of the Company (for example, the Company may later discover issues which were not identified through due diligence, are more than initially identified through due diligence, or for which there is no contractual protection). Due diligence cannot uncover all potential issues or historical non-compliance by Armstrong Legal, and reliance has, by necessity, been placed by those undertaking due diligence on the accuracy of information and confirmations provided by Armstrong Legal and its owners and representatives.
- (iii) Further, as is usual in undertaking mergers and acquisitions, the due diligence process undertaken identified a number of risks associated with ACWE, which the Company had to evaluate and manage. Certain risks cannot be avoided, and there is a risk that the approach taken by the Company may be insufficient to mitigate the risk, or that the materiality of these risks may have been underestimated or unforeseen or for which there is no contractual protection, and hence they may have a material adverse impact on the Company's operations, earnings and financial position.

#### (b) ***Completion risk:***

- (i) A condition precedent to the Acquisition completing is draw down under the NAB finance facility becoming unconditional in accordance with its terms.
- (ii) Completion of the Acquisition is also conditional on various other conditions precedent, including: obtaining state-based legal practice registrations; obtaining professional indemnity insurance; obtaining acceptable releases relating to business assets; key employees transferring to the Buyer; entering into the necessary real property licences; the absence of any material adverse effects.

- (iii) If, for any reason, any of the conditions are not satisfied or waived (where capable of being waived) by the time required, completion of the Acquisition may be delayed or may not occur on the current terms or at all. The Company will have incurred significant transaction costs in relation to the Acquisition even if it does not proceed. If the Acquisition does not complete for any reason, the Company will need to consider alternative uses for the relevant proceeds of the Entitlement Offer.
- (c) **Integration risk:** The integration of ACWE into the Company's existing business carries risk, including potential delays or costs in implementing necessary changes and difficulties in integrating various operations and systems. The success of the Acquisition, and the ability to realise the expected benefits of the Acquisition, are dependent on the effective and timely integration of the Company's existing business and ACWE following completion. There is a risk that integration could take longer, be more complex or involve more costs than expected, encounter unexpected challenges or issues (including differences in corporate culture, loss of or reduction in key personnel, expert capability or employee productivity, failure to retain employees of ACWE, or changes to operating models being required), or divert the attention of management, which impact on the integration process which in turn could cause the anticipated benefits of the Acquisition being less than estimated.

## 5.2 Entitlement Offer risks

- (a) **Dilution of existing Shareholdings in the Company:** Shareholders who do not take up their Entitlements in full will have their percentage interest in the Company reduced. Given the structure of the Entitlement Offer (1 New Share for every 4 existing Shares), dilution to existing Shareholders who do not take up their Entitlements in full may be material. At completion of the Entitlement Offer, if the full Entitlement is taken up, it is anticipated that the Company's share capital will increase from 78,638,341 Shares to approximately 98,297,926 Shares. For Shareholders who do not take up their Entitlements and in circumstances where any shortfall is fully subscribed, the Shareholder will have their percentage interest in the Company reduced.
- (b) **Underwriting risk:** The Company has entered into an Underwriting Agreement under which the Underwriter has agreed to partially underwrite the Entitlement Offer up to \$250,000, subject to the terms and conditions of the Underwriting Agreement. As noted in Section 2.10, the Underwriter may terminate the Underwriting Agreement if certain termination events occur. Termination of the Underwriting Agreement would have an adverse impact on the proceeds raised under the Entitlement Offer.

## 5.3 Specific business risks

- (a) **Reliance on marketing strategy:** A key pillar underpinning the Company's business model is its innovative digital marketing strategy. The Company uses innovative and cost-effective digital marketing techniques to acquire clients. There is no guarantee, however, that the Company's marketing strategy will continue to be successful and lead to attracting clients. If the strategy (or subsequent revised strategies) is not successful, the Company's future profitability will be adversely impacted.
- (b) **Regulatory environment:** the Company operates in the legal industry, which is subject to significant regulatory and legal oversight. Its business operations could be adversely affected by actions of State, Territory and Commonwealth governments as well as other regulatory bodies. Changes in government legislation, guidelines and regulations in the areas of law in which the firm practises, such as decreases in the maximum amount of legal fees which can be recovered could also adversely affect the Company.

- (c) **Conflict of duties:** Lawyers have a primary duty to the Courts and a secondary duty to their clients. There could be circumstances in which the lawyers of the Company are required to act in accordance with these duties and contrary to other corporate responsibilities and against the interests of Shareholders and the short-term profitability of the Company. An example is in settlement negotiations where the Company's duty to its client would be favoured over any short-term cash flow or funding needs of the Company's business.
- (d) **Professional liability and uninsured risk:** The provision of legal advice by the Company gives rise to the risk of potential liability for negligence or other similar client claims. Any such claims may cause financial and reputational damage to the Company. Although the Company maintains professional liability insurance to mitigate the financial risk, the Company's profitability may be adversely affected in the event that the insurance does not cover a potential claim (e.g. due to some disqualifying act of the lawyer involved), the claim exceeds the coverage available or the deductible on numerous claims in a period is material.
- (e) **Reliance on third party service providers:** the Company's competitive edge is its innovative digital marketing strategy that is distinct from how traditional law firms acquire clients. However, in implementing this strategy, the Company relies on third parties to provide paid marketing services. If there was a significant disruption to, or decline in the quality of, these services, it is likely that the Company would suffer a disruption to its operations and financial performance could be adversely impacted.
- (f) **Failure to retain or attract clients:** the Company's business depends on its ability to retain existing clients and, more importantly, attract new clients. There is a risk that the Company's clients reduce the use of its services or that the Company fails to attract new clients, both of which will have an adverse impact on revenue and growth. This is exacerbated by the non-recurrent nature of family law work, meaning successful attraction of new clients is paramount to the viability of the Company's business. The Company's ability to retain existing clients and attract new ones depends on many factors including the effectiveness of its digital marketing strategy, the quality of its service, cost effectiveness and pricing compared to its competitors. In addition, clients' use of the Company's services may be affected by external factors including changes to laws and regulations which affect the family and relationship law landscape.

#### 5.4 General risks

- (a) **Nature of investment:** Any potential investor should be aware that subscribing for New Shares involves risks. The New Shares to be issued pursuant to this Entitlement Offer carry no guarantee with respect to the payment of dividends, return on capital or the market value of those New Shares. An Applicant may not be able to recoup their initial investment. Specifically, the risks include:
  - (i) the price at which the Applicant is able to sell the New Shares is less than the price paid due to changes in market conditions;
  - (ii) the Applicant is unable to sell the New Shares; and
  - (iii) the Company is placed in receivership or liquidation making it reasonably foreseeable that Shareholders could receive none, or only some of their initial investment.
- (b) **Economic factors:** The operating and financial performance of the Company is influenced by a variety of general local and global economic and business conditions including the levels of consumer confidence and spending, business confidence and investment, employment, inflation, interest rates, exchange rates, access to debt and capital markets, fiscal policy, monetary policy and regulatory policies. A prolonged

deterioration in any number of the above factors may have a material adverse impact on the Company's business and financial performance.

- (c) **Management actions:** The Directors will, to the best of their knowledge, experience and ability (in conjunction with their management) endeavour to anticipate, identify and manage the risks inherent in the activities of the Company, but without assuming any personal liability for the same, with the aim of reducing, avoiding and mitigating the impact of risks on the performance of the Company and its securities.
- (d) **Business risks:** There are risks inherent in doing business, such as unexpected changes in regulatory requirements, trade barriers, longer payment cycles, problems in collecting accounts receivable, network and infrastructure issues and potentially adverse tax consequences, any of which could adversely impact on the success of the Company's operations.
- (e) **Future capital needs:** Further funding may be required to advance the business objectives of the Company or for working capital purposes. The business operated by the Company relies on cash collections and access to funding to grow. The collection periods of more than 12 months provide a greater reliance to the Company to access capital in order to facilitate growth of its business. There is a risk that despite efforts from the Company and its management, expansion efforts will fail, which will adversely affect the Company's growth and profitability. Moreover, there can be no assurance that additional funding will be available on satisfactory terms or at all. Any inability to obtain funding may adversely affect the financial condition of the Company and, consequently, the value of its Shares. Any additional equity financing may be dilutive to Shareholders and any debt financing, if available, may involve restrictive covenants, which may limit the Company's operations and business strategy.
- (f) **Share market conditions:** The price of the Company's Shares will be influenced by international and domestic factors which may cause the market price of the securities to fall and may be subject to varied and unpredictable influences on the market for equities. Shareholders should be aware that there are risks associated with any securities investment. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.
- (g) **Insurance arrangements:** The Company maintains insurance within ranges of coverage that the Company believes to be consistent with industry best practice and having regard to the nature of activities being conducted. However, no assurance can be given that the Company will be able to continue to obtain such insurance coverage at reasonable rates or that any coverage it arranges will be adequate and available to cover any such claims.
- (h) **Ability to attract and retain skilled personnel:** The responsibility of overseeing the day to day operations and the strategic management of the Company is substantially dependent upon its management and its key personnel. Whilst key personnel generally enter into service agreements with the Company, there may be a detrimental impact on the Company if they cease their employment or involvement with the Company. The future success of the Company also depends upon its continuing ability to attract and retain highly qualified personnel. Generally, the failure to attract and retain the necessary personnel could have a material effect upon the Company's business, results of operations and financial condition.
- (i) **Regulatory risk and government policy:** Changes in relevant taxation, interest rates and other legal, legislative and administrative regimes and government policies in Australia, may have an adverse effect on the assets, operations and ultimately the financial performance of the Company and the market price of its securities.

- (j) **Share market conditions:** The price of the Company's Shares will be influenced by international and domestic factors which may cause the market price of the securities to fall and may be subject to varied and unpredictable influences on the market for equities. Shareholders should be aware that there are risks associated with any securities investment. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

## **6. IMPORTANT INFORMATION**

### **6.1 Responsibility for Entitlement Offer Booklet**

This Entitlement Offer Booklet (including the ASX Announcement and Investor Presentation in Section 4 and the Entitlement and Acceptance Form) has been prepared by the Company. This Entitlement Offer Booklet is dated 11 March 2024 (other than the ASX Announcement and Investor Presentation, which were released to the ASX and published on the ASX website on the date shown on them). Statements made in this Entitlement Offer Booklet are made only as at the date of this Entitlement Offer Booklet. The information in this Entitlement Offer Booklet remains subject to change without notice.

No party other than the Company has authorised or caused the issue of this Entitlement Offer Booklet, or takes any responsibility for, or makes, any statements, representations or undertakings in this Entitlement Offer Booklet.

No person is authorised to give any information, or to make any representation, in connection with the Entitlement Offer that is not contained in this Entitlement Offer Booklet. Any information or representation that is not in this Entitlement Offer Booklet may not be relied on as having been authorised by the Company, or its related bodies corporate in connection with the Entitlement Offer.

### **6.2 Status of Entitlement Offer Booklet**

The Entitlement Offer is being made pursuant to provisions of the Corporations Act (as modified by *ASIC Corporations (Non-Traditional Rights Issue) Instrument 2016/84* and *ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73*) which allows rights issues to be conducted without a prospectus.

Neither this Entitlement Offer Booklet nor the Entitlement and Acceptance Form are required to be lodged or registered with ASIC. This Entitlement Offer Booklet is not a prospectus under the Corporations Act and no prospectus for the Entitlement Offer will be prepared. These documents do not contain, or purport to contain, all of the information that a prospective investor may require in evaluating an investment in the Company. They do not contain all the information which would be required to be disclosed in a prospectus.

As a result, it is important for Eligible Shareholders to carefully read and understand the information on the Company and the Entitlement Offer made publicly available, prior to accepting all or part of their Entitlement. In particular, please refer to this Entitlement Offer Booklet and other announcements made available at [www.asx.com.au](http://www.asx.com.au) (ASX:AFL).

This Entitlement Offer Booklet does not contain financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. Before deciding whether to apply for New Shares you should consider whether they are a suitable investment for you in light of your own investment objectives and financial circumstances and having regard to the merits or risks involved. After reading the Entitlement Offer Booklet (in particular, the statement of risks in Section 5 of this Entitlement Offer Booklet), if you have any questions about the Entitlement Offer, you should contact your stockbroker, accountant or other independent professional adviser.

### **6.3 Entitlement Offer Booklet availability**

Eligible Shareholders can obtain a copy of this Entitlement Offer Booklet by accessing the ASX website at [www.asx.com.au](http://www.asx.com.au) (ASX:AFL) or accessing the Company's website at <https://www.australianfamilylawyers.com.au/about-us/investor-announcements>. Persons who access the electronic version of this Entitlement Offer Booklet should ensure that they download and read the entire Entitlement Offer Booklet. The electronic version of this Entitlement Offer Booklet on the ASX website and the Company's website will not include a personalised Entitlement and Acceptance Form.

A replacement personalised Entitlement and Acceptance Form can be requested by contacting the Share Registry on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia), or at [corporate.actions@automic.com.au](mailto:corporate.actions@automic.com.au), at any time between 9:00am and 7:00pm (Sydney time) on Monday to Friday.

This Entitlement Offer Booklet (including the accompanying personalised Entitlement and Acceptance Form) may not be distributed or released to, or relied upon by, persons in the United States or that are acting for the account or benefit of a person in the United States.

#### 6.4 **Notice to nominees and custodians**

Nominees and custodians who hold Shares should note that the Entitlement Offer is not available to, and they must not purport to accept the Entitlement Offer in respect of:

- (a) beneficiaries on whose behalf they hold Existing Shares who would not satisfy the criteria for an Eligible Shareholder; or
- (b) Shareholders who are not eligible under all applicable securities laws to receive an offer under the Entitlement Offer.

Persons acting as custodians or nominees must not take up Entitlements or apply for New Shares on behalf of, or for the account or benefit of, a person in the United States and must not send any document relating to the Entitlement Offer to any person that is in the United States.

The Company is not required to determine whether or not any registered holder is acting as a nominee or custodian or the identity or residence of any beneficial owners of Shares. Where any holder is acting as a nominee for a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Entitlement Offer is compatible with applicable foreign laws. The Company is not able to advise on foreign laws. Eligible Shareholders who are nominees, trustees or custodians are therefore advised to seek independent advice as to how to proceed.

#### 6.5 **Ranking of New Shares**

New Shares (including any Additional New Shares and Shortfall Shares) issued under the Entitlement Offer will be fully paid and rank equally in all respects with existing Shares. The rights and liabilities attaching to the New Shares are set out in the Company's constitution, a copy of which is available on the Company's website at <https://www.australianfamilylawyers.com.au/about-us/corporate-governance>.

#### 6.6 **ASX quotation**

Subject to approval being granted, quotation of the New Shares issued under the Entitlement Offer is expected to commence on Wednesday, 27 March 2024 on a normal trading basis.

Holding statements will be dispatched in accordance with the Listing Rules. It is the responsibility of each applicant to confirm their holding before trading in New Shares.

Any applicant who sells New Shares before receiving confirmation of their holding in the form of a holding statement will do so at their own risk. The Company, the Underwriter and the Share Registry will have no responsibility for, and disclaim all duty and liability whether in fault, negligence, negligent misstatement or otherwise (to the maximum extent permitted by law) to persons who trade New Shares before receiving their holding statements, whether on the basis of confirmation of the allocation provided by the Company, the Share Registry or otherwise, or who otherwise trade or purport to trade New Shares in error or which they do not hold or are not entitled to. If you are in any doubt as to these matters, you should first consult with your stockbroker or other professional adviser.

## 6.7 **No cooling off**

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your application once it has been made.

## 6.8 **Continuous disclosure**

The Company is a 'disclosing entity' under the Corporations Act and is subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules, including the preparation of annual reports and half-yearly reports.

The Company is required to notify the ASX of information about specific events and matters as they arise for the purposes of the ASX making that information available to the stock markets conducted by the ASX. In particular, the Company has an obligation under the ASX Listing Rules (subject to certain exceptions) to notify the ASX immediately of any information which it is or becomes aware which a reasonable person would expect to have a material effect on the price or value of its Shares. That information is available to the public from the ASX.

## 6.9 **Taxation consequences**

The taxation consequences of any investment in New Shares will depend upon your particular circumstances. Potential investors must make their own enquiries concerning the taxation consequences of an investment in the Company. Applicants should consult their tax adviser for advice applicable to their individual needs and circumstances.

## 6.10 **Reconciliation**

In any entitlement offer, investors may believe that they own more Shares on the Record Date than they ultimately do. This may result in a need for reconciliation to ensure all Eligible Shareholders have the opportunity to receive their full Entitlement.

The Company may need to issue a small quantity of additional New Shares to ensure all Eligible Shareholders have the opportunity to receive their appropriate allocation of New Shares. The price at which these New Shares would be issued, if required, is the same as the Offer Price.

The Company reserves the right (in its absolute sole discretion) to reduce the number of Entitlements or New Shares allocated to Eligible Shareholders, or persons claiming to be Eligible Shareholders, if their claims prove to be overstated, or if they (or their nominees/custodians) fail to provide information to substantiate their claims. See Section 6.12 of this Entitlement Offer Booklet for further details.

## 6.11 **Rounding of Entitlements**

Where fractions arise in the calculation of an Entitlement, they will be rounded up to the nearest whole number of New Shares.

## 6.12 **Rights of the Company**

The Company reserves the right (in its absolute sole discretion) to reduce the number of Entitlements, New Shares or Additional New Shares allocated to Eligible Shareholders, or persons claiming to be Eligible Shareholders, if their claims prove to be overstated or if they (or their nominees/custodians) fail to provide information to substantiate their claims. In that case the Company may, in its discretion and subject to the terms of the Underwriting Agreement, require the relevant Shareholder to transfer excess New Shares to the Underwriter at the Offer Price per New Share. If necessary, the relevant Shareholder may need to transfer Existing Shares held by them or purchase additional Shares on-market to meet this obligation. The relevant Shareholder will bear any and all losses and expenses

caused by subscribing for New Shares in excess of their Entitlement and any actions they are required to take in this regard.

By applying under the Entitlement Offer, you irrevocably acknowledge and agree to do the above as required by the Company in its absolute discretion. You acknowledge that there is no time limit on the ability of the Company to require any of the actions set out above.

The Company also reserves the right to reject any acceptance of an Entitlement that it believes comes from a person who is not eligible to accept an Entitlement.

#### 6.13 **Risks**

Section 5 of this Entitlement Offer Booklet details important factors and risks that could affect the financial and operating performance of the Company. You should consider these risk factors in light of your personal circumstances, including financial and taxation issues, before making a decision in connection with the Entitlement Offer.

#### 6.14 **Governing Law**

This Entitlement Offer Booklet, the Entitlement Offer and the contracts formed on acceptance of the Entitlement Offer pursuant to the personalised Entitlement and Acceptance Forms are governed by the laws applicable in New South Wales, Australia. Each applicant for New Shares submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia.

#### 6.15 **Foreign jurisdictions**

This Entitlement Offer Booklet has not been, nor will it be lodged, filed or registered with any regulatory authority under the securities laws of any other country outside Australia.

##### New Zealand

The New Shares are not being offered or sold to the public within New Zealand other than to existing Shareholder of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021.

This Entitlement Offer Booklet has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

##### Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this Entitlement Offer Booklet and any other document relating to the New Shares may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part 13 of the SFA or another exemption under the SFA.

This Entitlement Offer Booklet has been given to you on the basis that you are an existing holder of Shares. If you are not a Shareholder, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party in Singapore. On-sale restrictions in Singapore may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

## United States

This Entitlement Offer does not constitute an offer in the United States, nor does it constitute an offer to a person who is a US Person (as defined in Rule 902 under the US Securities Act) or someone who is acting on behalf of a US Person.

The New Shares have not been, and will not be, registered under the US Securities Act and may not be offered or sold in the United States, or to, or for the account or benefit of, US Persons except under an available exemption from registration under the US Securities Act. These Shares may only be resold or transferred if registered under the US Securities Act or pursuant to an exemption from registration under the US Securities Act and in compliance with state securities laws. The Company is under no obligation and has no intention to register the New Shares in the United States.

### 6.16 **Ineligible Shareholders**

Shareholders who do not satisfy the criteria to be Eligible Shareholders are Ineligible Shareholders. The Company reserves the right to determine whether a Shareholder is an Eligible Shareholder or an Ineligible Shareholder.

The restrictions upon eligibility to participate in the Entitlement Offer arise because the Company has determined, pursuant to Listing Rule 7.7.1(a) and section 9A(3)(a) of the Corporations Act, that it would be unreasonable to extend the Entitlement Offer to Ineligible Shareholders. This decision has been made after taking into account the relatively small number of Shareholders in the jurisdictions in which the Ineligible Shareholders are located, the relatively small number and value of New Shares to which those Shareholders would otherwise be entitled to subscribe for and the potential cost of complying with legal and regulatory requirements in the jurisdictions in which the Ineligible Shareholders are located.

The Company, in its absolute discretion, may extend the Entitlement Offer to any Shareholder if it is satisfied that the Entitlement Offer may be made to the Shareholders in compliance with all applicable laws.

### 6.17 **Withdrawal of the Entitlement Offer**

Subject to applicable law, the Company reserves the right to withdraw all or part of the Entitlement Offer at any time before the issue of New Shares, in which case all Application Monies will be refunded without interest.

To the fullest extent permitted by law, you agree that any Application Monies paid by you to the Company will not entitle you to receive any interest and that any interest earned in respect of Application Monies will belong to the Company.

### 6.18 **Privacy Statement**

If you complete an application for New Shares, you will be providing personal information to the Company (directly or through the Share Registry). The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office authorised securities brokers, print service providers, mail houses and the Share Registry.

You can access, correct and update the personal information that is held about you. If you wish to do so, please contact the Share Registry at the relevant contact numbers set out in the Corporate Directory of this Entitlement Offer Booklet.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules.

## 7. GLOSSARY

In this Entitlement Offer Booklet:

**ABN** means Australian Business Number.

**ACWE** means the Contested Wills & Estates practice of Armstrong Legal.

**Additional New Shares** has the meaning given to that term in Section 2.1 of this Entitlement Offer Booklet.

**Applicant** means an Eligible Shareholder who has submitted a valid Application.

**Application** means the arranging for payment of the relevant Application Monies through BPAY® or EFT in accordance with the instructions on the Entitlement and Acceptance Form.

**Application Monies** means the aggregate amount payable for the New Shares applied for through BPAY® or EFT.

**Armstrong Legal** means Go To Court Lawyers Pty Ltd (ACN 168 831 767) trading as Armstrong Legal.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691) or, where the context requires, the securities exchange operated by it on which Shares are quoted.

**ASX Announcement** means the announcement released to ASX by the Company on Thursday, 29 February 2024 in connection with the Entitlement Offer, incorporated in Section 4 of this Entitlement Offer Booklet.

**Board** means the board of directors of the Company.

**BPAY®** means registered to BPAY Pty Ltd (ABN 69 079 137 518).

**CGT** means capital gains tax.

**Company** means AF Legal Group Ltd (ACN 063 366 487).

**Closing Date** means the day the Entitlement Offer closes, expected to be 5.00pm (Sydney, Australia time) on Thursday, 21 March 2024.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Directors** means the directors of the Company.

**EFT** means electronic funds transfer.

**Eligible Shareholder** has the meaning given to that term in Section 2.2 of this Entitlement Offer Booklet.

**Entitlement** means the right to subscribe for 1 New Share for every 4 Existing Shares held by Eligible Shareholders on the Record Date, pursuant to the Entitlement Offer.

**Entitlement and Acceptance Form** means the personalised entitlement and acceptance form that accompanies this Entitlement Offer Booklet.

**Entitlement Offer** means the non-renounceable pro rata entitlement offer of New Shares to Eligible Shareholders to raise approximately \$2.95 million (before costs) at the Offer Price on the basis of 1 New Share for every 4 Existing Shares held on the Record Date.

**Entitlement Offer Booklet** or **Offer Booklet** means this document (including the personalised Entitlement and Acceptance Form accompanying it).

**Existing Shares** means the Shares already on issue on the Record Date.

**GST** means goods and services tax imposed in Australia pursuant to the *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

**Ineligible Shareholder** has the meaning given to that term in Section 2.2 of this Entitlement Offer Booklet.

**Investor Presentation** means the presentation to investors released to the ASX on Thursday, 29 February 2024, incorporated in Section 4 of this Entitlement Offer Booklet.

**Listing Rules** means the official listing rules of ASX.

**Moat Investments** means Moat Investments Pty Ltd (ACN 133 697 122) (see Section 2.8 of this Entitlement Offer Booklet).

**New Shares** means Shares to be allotted and issued under the Entitlement Offer, including (as the context requires) to the Underwriter.

**Offer Documents** means:

- (a) the ASX Announcement;
- (b) the Investor Presentation;
- (c) the cleansing notice in respect of the Entitlement Offer sent to ASX in accordance with sections 708AA(2)(f) and 708AA(7) of the Corporations Act;
- (d) the Entitlement Offer Booklet; and
- (e) any notices regarding the Entitlement Offer sent to Eligible Shareholders, Ineligible Shareholders and holders of options in the Company in accordance with the Listing Rules and/or section 9A of the Corporations Act.

**Offer Price** means \$0.15 per New Share, being the price payable per New Share under the Entitlement Offer.

**Shortfall Facility** has the meaning given to that term in Section 2.1 of this Entitlement Offer Booklet.

**Record Date** means 7.00pm (Sydney, Australia time) on Wednesday, 6 March 2024.

**Rosheeni Dobbie** means Mrs Rosheeni Christina Dobbie (see Section 2.8 of this Entitlement Offer Booklet).

**Section** means a section of this Entitlement Offer Booklet.

**SFA** means the Securities and Futures Act 2001 of Singapore.

**Share** means a fully paid ordinary share in the capital of the Company.

**Share Registry** means Automatic Registry Services.

**Shareholder** means a registered holder of Shares.

**Shortfall Shares** has the meaning given to that term in Section 3.3 of this Entitlement Offer Booklet.

**Substantial Shareholders** means Westferry, Rosheeni Dobbie, and Moat Investments collectively.

**TFN** means tax file number.

**Underwriter** means Christopher John McFadden as trustee for Christoula Superannuation Fund (ABN 15 373 738 925).

**Underwriting Agreement** means the underwriting agreement entered into on 29 February 2024 between the Company and the Underwriter.

**U.S. Securities Act** means the United States Securities Act of 1933, as amended.

**Westferry** means Westferry Operations Pty Ltd (ACN 103 724 072) (see Section 2.7 of this Entitlement Offer Booklet).

## CORPORATE DIRECTORY

### Directors

Mr. Richard Dennis  
*Non-Executive Chairman*

Dr. Sarah Kelly OAM  
*Non-Executive Director*

Mr. Peter Johns  
*Non-Executive Director*

### Underwriter<sup>^</sup>

Christopher John McFadden as trustee for  
Christoula Superannuation Fund  
*<sup>^</sup>The Underwriter is underwriting up to \$250,000  
worth of shortfall shares*

### Registered Office

c/o Automic Pty Ltd  
Level 5, 126 Phillip Street  
Sydney NSW 2000

### Share Registry

Automic Registry Services  
Level 5, 126 Phillip Street  
Sydney NSW 2000  
Telephone (within Australia): 1300 288 664  
Telephone (outside Australia): (02) 9698 5414  
9:00am to 7:00pm (Sydney time)

### Legal adviser

Addisons  
Level 12, 60 Carrington Street  
Sydney NSW 2000

[EntityRegistrationDetailsLine1Envelope]  
 [EntityRegistrationDetailsLine2Envelope]  
 [EntityRegistrationDetailsLine3Envelope]  
 [EntityRegistrationDetailsLine4Envelope]  
 [EntityRegistrationDetailsLine5Envelope]  
 [EntityRegistrationDetailsLine6Envelope]

Holder Number:  
**[HolderNumberMasked]**

Shares held as at the Record Date at  
 7.00pm (SydneyTime) on 06 March 2024  
**[CumBalance]**

## ENTITLEMENT AND ACCEPTANCE FORM

**OFFER CLOSES 5.00PM (SYDNEY TIME) 21 MARCH 2024 (WHICH MAY CHANGE WITHOUT NOTICE)**

On 29 February 2024, AF Legal Group Ltd (the **Company**) announced its intention to raise up to \$2.95 million (before costs) by way of a pro-rata non-renounceable entitlement offer of new fully paid ordinary shares in the Company (**New Shares**) (**Entitlement Offer**). Under the Entitlement Offer, Eligible Shareholders are entitled to subscribe for 1 New Share for every 4 existing Shares held at 7:00pm (Sydney time) on 6 March 2024 (**Record Date**), at the Offer Price of \$0.15 per New Share.

The Entitlement Offer Booklet dated 11 March 2024 contains information about the Entitlement Offer and you should carefully read the entire Entitlement Offer Booklet before applying for any New Shares. This Entitlement and Acceptance Form should be read in conjunction with the Entitlement Offer Booklet. If you do not understand the information provided in the Entitlement Offer Booklet or you are in doubt as to how you should deal with it, you should seek professional advice. Other than as defined in this Entitlement and Acceptance Form, capitalised terms used in this Entitlement and Acceptance Form have the same meaning as defined in the Entitlement Offer Booklet.

### 1 ACCEPTANCE OF ENTITLEMENT OR PART THEREOF

	Payment Amount A\$ (\$0.15 per Share)	Number of Shares Applied
<b>Full Entitlement</b>	[EntPayable]	[Entitlement]
<b>Partial Entitlement</b>	[Grid for partial payment amount]	[Grid for partial shares applied]

### 2 APPLICATION FOR SHORTFALL SHARES

As an Eligible Shareholder, you are invited to apply for Shortfall Shares, providing you have taken up your full Entitlement.

	Payment Amount A\$ (\$0.15 per Shortfall Share)	Number of Shortfall Shares Applied
<b>Shortfall Application</b>	[Grid for shortfall payment amount]	[Grid for shortfall shares applied]

### 3 PAYMENT - YOU CAN PAY BY BPAY® OR ELECTRONIC FUNDS TRANSFER (EFT)

Payments must be made by BPAY® or by EFT and may not be made by cheque or money order. You do not need to return this form.

<b>Total Payment</b>	<b>A\$</b>	[Grid for total payment amount]
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Option A – BPAY®	Option B – Electronic Funds Transfer (EFT)
 <p><b>Bill Code:</b> TBC  <b>Ref No:</b> [BPayCRN]</p> <p>Contact your financial institution to make your payment from your cheque or savings account.</p> <p><b>Note:</b> You do not need to return this form if you have made payment via BPAY® or EFT. Your BPAY® reference number or unique EFT reference number will process your payment for your application for New Shares electronically.</p>	<p>The unique reference number which has been assigned to your Application is: [HolderId]-10182-AFL</p> <p>Funds are to be deposited in AUD currency directly to following bank account:</p> <p><b>Account name:</b> Automic Pty Ltd  <b>Account BSB:</b> TBC  <b>Account number:</b> TBC  <b>Swift Code:</b> WPACAU2S</p> <p><b>IMPORTANT:</b> You must quote your unique reference number as your payment reference/description when processing your EFT payment. Failure to do so may result in your funds not being allocated to your application and New Shares not being issued.</p>

#### 4 ELECT TO BE AN E-SHAREHOLDER

If you have received this form by post, you have NOT provided your email address or elected to receive all communications electronically.

As part of the Company's commitment to improving shareholder value, we encourage you to elect to receive all shareholder communications electronically.

By choosing this option you will:

- Support the company that you hold an ownership in by helping us to reduce the thousands of dollars spent on printing and postage costs each year;
- Receive your investor communications faster and in a more secure way; and
- Help the environment through the need for less paper.

SIMPLY SCAN THE QR CODE TO VISIT [HTTPS://INVESTOR.AUTOMIC.COM.AU](https://investor.automic.com.au) AND UPDATE YOUR COMMUNICATION PREFERENCE .



## INSTRUCTIONS FOR COMPLETION OF THIS FORM

The right to participate in the Entitlement Offer is optional and is offered exclusively to all Eligible Shareholders.

### ACCEPTANCE OF OFFER

By making a BPAY® or EFT payment:

- you represent and warrant that you have read and understood the Entitlement Offer Booklet and that you acknowledge the matters, and make the warranties and representations contained therein and in this Entitlement and Acceptance Form; and
- you provide authorisation to be registered as the holder of New Shares and any Additional New Shares acquired by you under the Entitlement Offer and agree to be bound by the Constitution of the Company.

#### 1 Acceptance of Full or Partial Entitlement for Shares

If you wish to accept your full Entitlement:

- make payment by BPAY® or EFT for your full entitlement by following the instructions on this Entitlement and Acceptance Form.

If you only wish to accept part of your Entitlement:

- calculate the payment amount for the portion of your Entitlement that you wish to take up in accordance with the partial Entitlement section of this Entitlement and Acceptance Form; and
- make payment by BPAY® or EFT for that portion of your Entitlement by following the instructions on this Entitlement and Acceptance Form.

#### 2 Applying for Additional New Shares under the Shortfall Facility

If you accept your full Entitlement and wish to apply for Shortfall Shares in excess of your Entitlement:

- make payment by BPAY® or EFT of the total payment amount for your full Entitlement AND your participation in the Shortfall Facility by following the instructions on this Entitlement and Acceptance Form.

Your application for Additional New Shares under the Shortfall Facility may not be successful (wholly or partially). The Company's decision in relation to the number of Additional New Shares in excess of your Entitlement to be allocated to you will be final. No interest will be paid on any application monies received and returned.

#### 3 Payment

By making a payment via BPAY® or EFT, you agree that it is your responsibility to ensure that funds are submitted correctly and received by the Share Registry by the Closing Date. Payment **must be received** by the Share Registry by **5:00pm (Sydney time) on 21 March 2024**.

By making payment of application monies, you certify that you wish to apply for New Shares under the Entitlement Offer as indicated on this Entitlement and Acceptance Form and acknowledge that your acceptance is irrevocable and unconditional.

It is your responsibility to ensure your BPAY® CRN or unique EFT reference number is quoted, as per the instructions in Section 3 of this Entitlement and Acceptance Form. If you fail to quote your BPAY® CRN or unique EFT reference number correctly, Automic may be **unable to allocate your payment and you may not be allocated any New Shares under the Entitlement Offer**. If you need assistance, please contact Automic.

**Payment by BPAY®:** You can make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. You can make payment via BPAY® using internet or telephone banking by quoting the BPAY® CRN set out in Section 3 of this Entitlement and Acceptance Form. Multiple acceptances must be paid separately.

**Payment by EFT:** You can make a payment via EFT. Multiple acceptances must be paid separately. Please use your unique EFT reference number set out in Section 3 of this Entitlement and Acceptance Form. This will ensure your payment is correctly assigned to your application electronically.

Applicants should be aware of Automic's financial institution's cut off-time, their own financial institution's cut-off time and associated fees with processing a funds transfer. It is the Applicant's responsibility to ensure funds are submitted correctly by the Closing Date, including taking into account any delay that may occur as a result of payments being made after 5:00pm (Sydney time) and/or on a day that is not a business day (payment must be made to be processed overnight). You do not need to return this Entitlement and Acceptance Form if you have made payment via BPAY® or EFT. Your BPAY® CRN or unique EFT reference number will enable your payment to be assigned to your application electronically and you will be deemed to have applied for such New Shares (including any Additional New Shares) for which you have paid.

#### 4 Elect to be an e-shareholder - receive communications by email

As a valued shareholder, the Company encourages you to elect to receive your shareholder communications electronically. This will ensure you receive all future important shareholder communications in a faster and more secure way and reduce the environmental footprint of printing and mailing.

If you require further information about the Offer, please contact Automic on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia) between 9:00am and 7:00pm (Sydney time).



A / F L E G A L

11 March 2024

Dear Shareholder

### **PARTICIPATION IN NON-RENOUCEABLE PRO-RATA ENTITLEMENT OFFER**

As you may be aware, AF Legal Group Ltd (ASX:AFL) (**Company**) is undertaking a non-renounceable pro-rata entitlement offer of one (1) new fully-paid ordinary share in the Company (**New Share**) for every four (4) fully-paid ordinary shares held by Eligible Shareholders (defined below) as at the Record Date (being 7.00pm (Sydney time) on Wednesday 6 March 2024), at an offer price of A\$0.15 per New Share (**Entitlement Offer**). The Entitlement Offer is partially underwritten by Christopher John McFadden ATF Christoula Superannuation Fund (ABN 15 373 738 925) up to an amount of A\$250,000.

The purpose of the Entitlement Offer is to raise up to approximately A\$2.95 million (before costs), which will be used:

- for costs related to the Entitlement Offer;
- to partly fund the consideration payable for the conditional acquisition by one of the Company's wholly-owned subsidiaries of the Contested Wills & Estates Practice of Go To Court Lawyers Pty Ltd ACN 168 831 767 trading as Armstrong Legal (**Acquisition**), integration costs and working capital requirements of the newly acquired business. For further information on the Acquisition, please see the Company's announcement to the ASX on 29 February 2024 titled "*Acquisition of Armstrong Legal's Contested Wills & Estates Practice and \$2.95 million Entitlement Offer*", which can be accessed at <https://www.asx.com.au/markets/company/AFL>; and
- to identify and fund future earning accretive acquisition opportunities.

### **Eligibility to participate in the Entitlement Offer**

The Entitlement Offer is being made to all shareholders who:

- are registered as a holder of shares in the Company as at the Record Date;
- as at the Record Date, have a registered address in Australia, New Zealand or Singapore as recorded on the Company's share register;
- are not in the United States and are not acting for the account or benefit of a person in the United States (to the extent such person holds Shares for the account or benefit of such person in the United States); and
- are eligible under all applicable securities laws to receive an offer under the Entitlement Offer without any requirement for a prospectus or other disclosure document to be lodged or registered, (**Eligible Shareholders**).

This letter is being sent to you as you are an Eligible Shareholder, and therefore eligible to participate in the Entitlement Offer. The Board of Directors of the Company is pleased to invite you to participate in the Entitlement Offer.

## Further information on the Entitlement Offer and how to apply

Full details of the Entitlement Offer and other important information regarding the Company and its activities are contained in the Entitlement Offer Booklet (**Offer Booklet**).

Your entitlement under the Entitlement Offer is set out on the personalised Entitlement and Acceptance Form accompanying the Booklet. Instructions on how and when to apply under the Entitlement Offer are set out in the Booklet.

Instructions on how to access the Entitlement Offer Booklet and Entitlement and Acceptance Form are set out on the next page of this letter.

We encourage you to read the Offer Booklet carefully and in its entirety before making a decision as to whether you wish to participate in the Entitlement Offer and further invest in the Company.

**To download the Offer Booklet and your Acceptance Form you have the following 3 choices:**

I already have an online account with the Automic Registry Services ("Automic")	I don't have an online account with Automic – but wish to register for one	I don't have an online account with Automic – but want to use Automic for this Offer only
<p>Go to: <a href="https://investor.automic.com.au">https://investor.automic.com.au</a></p> <p>Select: "Existing Users Sign In"</p> <p>Once you have successfully signed in, click on "Documents and Statements"</p> <p>Download the Offer Booklet and Acceptance Form</p> <p>Do not return your Acceptance Form</p>	<p>Go to: <a href="https://investor.automic.com.au/#/signup">https://investor.automic.com.au/#/signup</a></p> <p>Select: AF Legal Group Ltd from the dropdown list in the ISSUER field.</p> <p>Enter you holder number SRN / HIN (from your latest Holding Statement)</p> <p>Enter Postcode (Aust only) or Country of Residence (if not Australia)</p> <p>Tick box "I am not a robot", then Next.</p> <p>Complete prompts</p> <p>Once you have successfully signed in, click on "Documents and Statements"</p> <p>Download the Offer Booklet and Acceptance Form</p> <p>Do not return your Acceptance Form</p>	<p>Go to: <a href="https://investor.automic.com.au/#!/loginsah">https://investor.automic.com.au/#!/loginsah</a></p> <p>Select: AF Legal Group Ltd from the dropdown list in the ISSUER field</p> <p>Enter you holder number SRN / HIN (from your latest Holding Statement)</p> <p>Enter Postcode (Aust only) or Country of Residence (if not Australia)</p> <p>Tick box "I am not a robot", then Access</p> <p>Once you have successfully signed in, click on "Documents and Statements"</p> <p>Download the Offer Booklet and Acceptance Form</p> <p>Do not return your Acceptance Form</p>

If you are unable to access <https://investor.automic.com.au> online, you can obtain a copy of the terms and conditions and your Acceptance Form – initially by calling Automic on 1300 288 664 or emailing [corporate.actions@automic.com.au](mailto:corporate.actions@automic.com.au) and asking them to mail a paper copy of the terms and conditions and your Acceptance Form to you free of charge. After your request has been acknowledged by Automic you will need to provide your SRN or HIN and postcode to complete this request. To take up the Entitlement Offer using these paper copy documents, you will still need to make payment via BPay® or Electronic Funds Transfer.

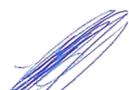
## Indicative Timetable

Event	Date
Announcement of the Entitlement Offer	Thursday, 29 March 2024
Record Date for determining Entitlements	7.00pm (Sydney time) on Wednesday, 6 March 2024
Entitlement Offer opens Despatch of Entitlement Offer Booklets and Entitlement and Acceptance Forms to Eligible Shareholders	Monday, 11 March 2024
Entitlement Offer closes ( <b>Closing Date</b> )	5.00pm (Sydney time) on Thursday, 21 March 2024
Shares quoted on a deferred settlement basis	Friday, 22 March 2024
Announcement of results of Entitlement Offer	Tuesday, 26 March 2024
Allotment and issue of New Shares under the Entitlement Offer	Tuesday, 26 March 2024
New Shares commence trading on ASX on a normal settlement basis	Wednesday, 27 March 2024
Despatch of holding statements in respect of New Shares	Thursday, 28 March 2024

*This timetable is indicative only and subject to change. The directors of the Company may vary these dates subject to the Corporations Act 2001 (Cth) and the ASX Listing Rules.*

If you have any questions about the Entitlement Offer, please do not hesitate to contact Automic on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia), or at [corporate.actions@automic.com.au](mailto:corporate.actions@automic.com.au), at any time between 9:00am and 7:00pm (Sydney time) on Monday to Friday.

Yours sincerely,



Richard Dennis  
Non-Executive Chairman  
**on behalf of the board of directors of AF Legal Group Ltd**



A / F L E G A L

11 March 2024

Dear Shareholder

## NON-RENOUCEABLE PRO RATA ENTITLEMENT OFFER

As you may be aware, AF Legal Group Ltd (ASX:AFL) (**Company**) is undertaking a non-renounceable pro-rata entitlement offer to eligible existing shareholders of the Company as at the Record Date (being 7.00pm (Sydney time) on Wednesday 6 March 2024), at an offer price of A\$0.15 per New Share (**Entitlement Offer**). The Entitlement Offer is partially underwritten by Christopher John McFadden ATF Christoula Superannuation Fund (ABN 15 373 738 925) up to an amount of A\$250,000.

The purpose of the Entitlement Offer is to raise up to approximately A\$2.95 million (before costs), which will be used:

- for costs related to the Entitlement Offer;
- to partly fund the consideration payable for the Company's acquisition of the contested estates business of Go To Court Lawyers Pty Ltd ACN 168 831 767 trading as Armstrong Legal (**Armstrong Legal**) (**Acquisition**), integration costs and working capital requirements of the newly acquired business. For further information on the Acquisition, please see the Company's announcement to the ASX on 29 February 2024 titled "*Acquisition and \$2.95 million Entitlement Offer*", which can be access at <https://www.asx.com.au/markets/company/AFL>; and
- to identify and fund future earning accretive acquisition opportunities.

Whilst it is the Board's desire to provide shareholders with an equal opportunity to participate in the Entitlement Offer and the future prospects of the Company, it is not practicable for the Company to comply with the securities laws of most overseas jurisdictions in which shareholders are located, having regard to the number of overseas shareholders in the relevant jurisdictions and the cost of complying with regulatory requirements in those jurisdictions.

After due consideration, the Board has determined that the Entitlement Offer would be extended to only those shareholders with a registered address in Australia, New Zealand or Singapore. As you do not satisfy the criteria for eligibility, the Company is regrettably unable to extend the Entitlement Offer to you.

We however value your continued support and welcome any questions you may have in relation to the Company and its activities.

You are not required to do anything in response to this letter.

If you have any questions about the Entitlement Offer, please do not hesitate to contact the Company's Share Registry, Automic, on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia), or at [corporate.actions@automic.com.au](mailto:corporate.actions@automic.com.au), at any time between 9:00am and 7:00pm (Sydney time) on Monday to Friday.

Yours sincerely,

Richard Dennis  
Non-Executive Chairman  
**on behalf of the board of directors of AF Legal Group Ltd**