

23 June 2021

Market Announcements Office
Australian Securities Exchange
Level 5, 20 Bridge Street
Sydney NSW 2000

Australian Family Lawyers enters into an agreement to acquire leading Melbourne Family Law Firm Kordos Lawyers

The Board of AF Legal Group Ltd (**ASX: AFL**) (**Company** or **AFL**) is pleased to announce that it has today signed a binding heads of agreement to acquire 100% of the assets of Kordos Lawyers (**Kordos Lawyers**).

For the last 16 years, Berger Kordos has been a leading Melbourne Family Law Firm when they demerged from a National firm. Due to the retirement of the Berger Kordos partnership, Bill Kordos has continued the work and tradition of Berger Kordos under his firm Kordos Lawyers. The firm has offices in the Melbourne CBD and will merge 6 lawyers into the AFL business including 3 accredited specialists. With a focus in Family Law litigation advocacy the firm has established a reputation for quality legal advice. The team at Kordos Law has historically serviced over 150 clients each year and generated \$2.5m in revenue per annum.

Grant Dearlove Executive Chairman of AFL commented, "We are excited to welcome Bill and Kordos Lawyers to the team. Victoria is the original home of AFL where business commenced only 6 years ago. Despite our successful growth in the region, the acquisition of Kordos Lawyers will accelerate our significance in the Melbourne market particularly in the more affluent demographic where Kordos Lawyers has practiced so successfully".

Bill Kordos, Managing Partner of Kordos Lawyers commented, "The team at Kordos lawyers has always had the aspiration to modernise our service delivery and be part of a national offering. We have observed how successful AFL has been in achieving this to date and are excited to be a part of that journey. We believe that our merged business in Melbourne will accelerate the growth of AFL and offer Australians more ways to retain and receive the best family law service possible in our state of Victoria".

The consideration to be paid to the vendor of Kordos Lawyers for 100% of its assets includes upfront consideration of \$125,000 in cash and \$125,000 in shares. In addition, a total of \$375,000 in deferred cash consideration and \$375,000 in deferred share consideration will be paid in three annual instalments subject to minimum performance conditions at the completion of the financial periods ending 30 June 2022, 30 June 2023 and 30 June 2024. All cash consideration is expected to be funded from existing cash reserves. The targeted completion date for the transaction is 1 July 2021 and the transaction is expected to be materially earnings accretive for the Company.

The transaction is subject to the completion of due diligence by the Company and the Company obtaining all necessary approvals to give effect to the acquisition, including any applicable shareholder approvals. Accordingly, the Company is currently in consultation with ASX regarding the application of Chapter 11 of the ASX Listing Rules to the transaction, which may require that the Company seek shareholder approval. The Company will provide an update if it is required to seek shareholder approval and will issue a notice of general meeting as soon as practicable or once completion occurs.

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

For any enquiries, please contact the undersigned on +61 2 8272 1400.

Yours faithfully

A handwritten signature in black ink, appearing to read "M. Niewidok".

Maggie Niewidok
Company Secretary

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