



30 April 2026

Q3 FY26 – Quarterly Update

- Q3 FY26 Revenue of \$8.7 million increased by \$1.7 million (24%) on the prior corresponding period (pcp) (Q3 FY25 \$7.0 million)
- Normalised Net profit before tax (NPBT) attributable to the owners of AF Legal Group was a profit of \$284k, down slightly (\$68k) on the pcp (Q3 FY25 \$352k)

\$'000	Q3 FY26	H1 FY26	Q2 FY26	Q1 FY26	FY25	H2 FY25	Q4 FY25	Q3 FY25
Revenue	8,696	17,828	8,837	8,991	27,602	14,896	7,870	7,026
Average Weekly Revenue [AWR] (excl. AWR Growth on prior Qtr)	669	686	680	692	531	573	605	540
<i>AWR Growth on prior Qtr</i>	-2%	20%	-2%	14%		17%	12%	9%
<i>AWR Growth on pcp</i>	24%	40%	38%	43%		36%	30%	43%
NPBT	561	1,465	660	806	896	261	(284)	545
NPBT attributable to the owners of AF Legal Group Limited	92	774	292	483	64	(143)	(393)	250
Normalisation adjustments	192	494	195	299	1,501	1,054	951	103
Normalisation adjustments (Attributable)	192	488	189	299	1,318	964	862	102
Normalised NPBT	753	1,959	855	1,105	2,397	1,315	667	648
Normalised NPBT attributable to the owners of AF Legal Group Limited	284	1,263	481	782	1,382	821	469	352

*Revenue and AWR are excluding disbursements

** Normalisation adjustments as previously disclosed with Q3 FY25 relating to legal defence fees

Revenue & Profitability

Q3 FY26 saw revenue of \$8.7 million, down slightly (\$0.1m or -1.6%) on the prior quarter (Q2 FY26 \$8.8 million) with January slightly weaker than December overall and also the first two weeks of March were softer than other adjacent weeks by a combined \$0.2m. Relative to the prior corresponding period (pcp) revenue was up \$1.7 million or 24% (Q3 FY25 \$7.0 million).

It is worth noting that Q3 FY26 represents the first fully comparable quarter following the Armstrong Legal acquisitions in calendar 2024.

Normalised NPBT attributable to the owners of the AF Legal Group for Q3 FY26 was a profit of \$284k, down slightly (\$68k) on the pcp (Q3 FY25 \$352k).

Q3 is traditionally a challenging period impacted by the extended summer school holidays and court closures. Additionally, Q3 has seen us add 5 new Accredited Specialists to our team. These new starters are an investment in the future as we elevate the quality of our team. The initial costs come as a slight drag on profitability until they come up to full productivity which most achieved by end of the quarter.

Whilst we are only 75% of the way through FY26 our revenue of \$27.6m is equal to our full year FY25 revenue.

Q3 included normalisation costs related to Project Titan costs expensed during the quarter of \$192k.

Balance Sheet and Cashflow

Q3 Net Assets of \$10.9 million reflecting minimal overall change compared to end of H1 FY26 (\$10.6m) with the following main investment movements:

- Q3 Cash and cash equivalents were down \$1.0 million with Trade and other receivables up \$1.3 million which is the normal Q3 trend following holiday impacts in late December and January before returning to usual revenue patterns from February onwards

Q3 Group operating cashflow is similarly seasonally impacted by December and January summer holidays and therefore, lower billing despite strong WIP input levels. Q3 FY26 saw a neutral cash generated from operating (inflow of \$3k) which represents a significant improvement on pcp (Q3 FY25: outflow of \$0.6m)

The \$1.0m decrease in cash was primarily due to payment of lease liabilities (\$0.4m), repayment of borrowings (\$0.2m) and dividends to minorities (\$0.3m)

Project Titan

Project Titan, our upgrade and migration to a new modern practice and document management system remains well on track for delivery in the current financial year and remains on budget. Clean up of legacy data from previous systems is largely complete. Workflows and processes have undergone extensive testing by multiple groups. Training of our Superusers (on the ground office experts) is ongoing ahead of the approaching go live date. The Group remains excited by the change and the associated time saving and process improvements it offers.

Outlook

We expect Q4 to see strengthening trends, particularly for May and June which are among the clearest months for public holiday and leave impacts. Our teams are growing in numbers and in quality and as all our new additions ramp up we anticipate increasing revenue trends across Q4 which given our operating leverage model should deliver well to the bottom line profitability.

Project Titan will go live during Q4 and there will be some interruption to the productivity during the cut across, as well as the impact of associated training.

The Board and Executive Management team remain committed to our combined organic and acquisition growth strategy and are confident this is the most appropriate manner to grow our revenue base, leverage our mostly fixed cost base and deliver greater bottom-line profitability.

-ENDS-

For any questions, please contact:

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