

21 June 2019

## Acquisition of Specialist Queensland Family Law Firm – Nita Stratton Funk & Associates Solicitors

The board of AF Legal Group Ltd (ASX: AFL) (Company) is pleased to announce that it has entered the Queensland legal market with the acquisition of Nita Stratton Funk & Associates Solicitors, NSF Mediations and 'www.divorcelawyers.com.au' (Transaction). Today, the board has approved the unconditional acquisition that is expected to complete on 28 June 2019.

Nita Stretton Funk & Associates Solicitors has been offering specialist family law advice to Queenslanders for 20 years. Principal Nita Stratton Funk and all staff will remain with the business (including 2 senior family law accredited specialists) operating from offices in Brisbane CBD and Rochdale.

*"AFL has moved expeditiously and prudently post our recent capital raise and ASX relisting to secure a place in the Queensland family law market. Empirically more divorces per capita are filed in Queensland" said Executive Chairman Grant Dearlove. "This now strategically positions AFL in the capital cities of the three largest family law markets in Australia and provides our platform for further growth".*

### Consideration and Valuation

The total upfront consideration payable is \$300,000, payable in cash and fully funded by existing cash reserves. The vendors are also entitled to receive further deferred cash consideration of up to \$100,000 on 31 January 2020, contingent upon future earnings. The Transaction consideration is 1.7x the 3 year average normalised EBITDA<sup>1</sup>. Any unbilled work in progress will remain in the business. The Transaction is expected to be earnings accretive.

*"Apart from its existing attributes Nita Stratton Funk & Associates Solicitors and [www.divorcelawyers.com.au](http://www.divorcelawyers.com.au) is the base upon which we can utilise our unique digital marketing model to reach Queensland clients in need of family law solutions. We aim to capitalise on the 20 years of success Nita Stratton Funk has secured from her Brisbane base and look to service clients immediately in the neighbouring markets of the Gold and Sunshine Coasts" commented Managing Director Edward Finn.*

Yours faithfully



Alistair McKeough  
Company Secretary

1. Based on unaudited management accounts adjusted for non-recurring, one off and non arms length transactions.

For personal use only