

AFH Fin Group Plc

Acquisition

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AFH Financial Group Plc
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AFH FINANCIAL GROUP PLC

("AFH" or the "Company")

ACQUISITION OF EUNISURE LIMITED

The Board of AFH, a leading financial planning led wealth management firm, is pleased to announce the acquisition of the entire issued share capital of Eunisure Limited ("Eunisure"), a face to face adviser led financial planning business focused on the protection market based in Newmarket, Suffolk, which was completed on 1 June 2017 (the "Acquisition"). The vendor and current managing director Ralph Mortlock will remain on the board of Eunisure.

Under the terms of the Acquisition, the maximum consideration payable by AFH is £4.5 million, based on a targeted increase in Group profitability attributable to the core Eunisure business and introduced financial planning led investment management.

The consideration for the Acquisition is to be paid in cash. The initial consideration has been satisfied by a payment of £1,500,000 which has been funded from the Company's existing cash resources.

Further deferred consideration of up to £3,000,000 will be payable over the next 48 months in four tranches dependent upon set performance criteria of Eunisure being met in each 12 month period.

For the 12 month period ended 31 December 2016 Eunisure generated revenues of £5.6m, and reported profit before tax of £241,927 (which the Company estimates to be approximately £950,000 profit before tax on a pro forma basis).

Commenting, Alan Hudson, Chief Executive of AFH, said:

"The protection gap in the UK has been widely reported. Eunisure is one of the leading face to face advisory businesses in this sector with national coverage throughout the UK. I believe that the acquisition of Eunisure will significantly increase the distribution capacity of AFH whilst at the same time enabling Eunisure to develop rapidly in its core market.

Eunisure has a young adviser force and we look forward to developing a number of these advisers through our structured training programmes to mortgage advisory and full financial planning qualifications.

The deal has been structured to create shareholder value through additional financial planning opportunities and growth within the existing business and I look forward to working closely with Ralph to drive both Eunisure and the distribution of AFH's wealth management services in the future.

Yesterday's acquisition of Parker Sage together with Eunisure's today represents a step change in profitability for the group adding over £2 million of pro forma annualised EBITDA. In addition we continue to have a strong pipeline of future acquisition opportunities."

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