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AFH FINANCIAL GROUP PLC
("AFH" or the "Company")

ACQUISITION OF CIB WEALTH LIMITED

The Board of AFH, a leading financial planning led investment management firm, is pleased to announce the acquisition of the assets of Rochester-based CIB Wealth Management LLP ("CIB") which was completed on 27th February 2015 (the "Acquisition"). CIB's 5 financial advisers, including the principal of the business, Jonathan Dalby, have joined AFH on completion.

CIB was formed in 2010 by Jonathan and Nicola Dalby and has some £41 million of funds under management.

Under the terms of the Acquisition, the maximum consideration payable by AFH is £973,350. The initial consideration will be satisfied by a cash payment upon completion of £453,600, satisfied from the Company's existing cash resources, and the issue of 31,500 ordinary shares of 10p each in the Company (the "Consideration Shares") to Jonathan Dalby, the owner of CIB, at a price of 150p per Consideration Share. Further deferred consideration of up to £472,500 will be payable over the next 26 months in two tranches and dependent upon performance criteria of CIB over the next two years. The deferred consideration is expected to be settled 90% through cash and 10% through the issue of new ordinary shares of AFH based on the prevailing mid-market price of AFH's ordinary shares on the date the deferred consideration is paid.

Application has been made for the admission of the Consideration Shares to trading on AIM. The Consideration Shares will rank *pari passu* in all respects with the existing ordinary shares of the Company. The Consideration Shares are expected to be admitted to trading on AIM on 4 March 2015.

Following the issue of the Consideration Shares, the issued share capital of the Company will comprise of 19,492,754 ordinary shares of 10 pence, each with one voting right. The Company does not hold any ordinary shares in treasury. Therefore the total number of ordinary shares and voting rights in the Company is 19,492,754.

The above figure may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or change to their interest in, the share capital of the Company under the FCA's Disclosure and Transparency Rules.

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

"The acquisition of CIB represents an excellent opportunity for AFH to develop our presence in the South East of England.. The CIB transaction represents our eighth acquisition since listing on AIM in June 2014 and adds over £40 million of funds under management to the group. Importantly, it also provides CIB advisers the opportunity to develop their own client bases with the support and infrastructure of a larger business and to build a future capital value through AFH's in-house adviser

practice buy-out scheme. I am particularly pleased to welcome Jonathan as an AFH shareholder and I am looking forward to working with both him and his team in the years to come."

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