

## **Loan note issue to raise £1.9 million**

RNS Number : 8338Z  
AFH Financial Group Plc  
16 December 2014

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**AFH FINANCIAL GROUP PLC**

**("AFH" or the "Company")**

**Unsecured loan note issue raises an initial £1.9 million for AFH to accelerate its growth**

**Issue of unsecured loan notes**

The Board of AFH, a leading financial planning led investment management firm, is pleased to announce that, further to the announcement of 1 December 2014, the Company has received applications from investors by the first closing date for approximately £1.9 million of unsecured loan notes (the "Notes") and indications of further applications to be received through SIPPs in January 2015. The Directors have agreed to exercise their discretion to accept these applications up until 31 January 2015 to allow these investors to participate.

The Notes pay a coupon of 7.5 per cent. per annum and have a redemption date of 12 December 2018. For every £1,000 of Notes subscribed for the Noteholder will receive warrants to subscribe, on redemption of the Notes, for 200 new ordinary shares in the Company at a price of £2.00

per new ordinary share. As a result of the applications received, the Company will issue warrants to the Noteholders to subscribe for 375,000 new ordinary shares in the Company. Further details of the terms of the Notes are set out in the information memorandum published by the Company on 1 December 2014, a copy of which will be available shortly on the Company's website ([www.afhfinancialgroup.com](http://www.afhfinancialgroup.com)).

The Notes and the warrants are expected to be issued by 19 December 2014 following receipt of cleared funds from the Noteholders.

#### Use of proceeds

The proceeds from the issue of the Notes will be used by AFH for general corporate purposes, in particular in pursuit of its stated strategy of continuing to grow its business through strategic acquisitions outside of its traditional core geographical locations.

Commenting on today's statement, Alan Hudson, AFH's CEO, said: "**We are delighted to have raised £1.9 million from the first tranche with further investment in the bonds expected in January. The funds will be utilised to accelerate AFH's stated strategy of acquisitive growth. Selective acquisitions include both small and medium sized IFA businesses that are located outside of AFH's traditional core geographical locations and seeking the benefits of being part of a larger organisation. With increasing funds under management AFH remains well-placed on becoming a leading UK financial planning-led wealth manager.**"

Our ability to raise additional funding through the issue of these Notes will facilitate the board's ability to enhance earnings attributable to shareholders from future acquisitions whilst maintaining gearing, all of which is unsecured, at a conservative level.

We look forward to continuing to deliver a strong operating performance and expect to announce the Company's **consolidated audited results for the year ended 31 October 2014 during March 2015.**"

Enquiries:

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The company news service from the London Stock Exchange

