

AGM Statement - Move to AIM on track for Q2 2014

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AFH Financial Group PLC
("AFH" or the "Group")

AGM Statement
Move to AIM on track for Q2 2014

In advance of the Group's Annual General Meeting (AGM) which is to be held at 11-00am today at AFH House, Buntsford Drive, Stoke Heath, Bromsgrove B60 4JE, the Directors of AFH (ISDX: AFHP), a leading Independent Financial Advisory ("IFA") and discretionary wealth management firm, are pleased to provide the market with the following update regarding the Group's continued success during the initial months of 2014 and its proposed move to AIM.

Current Trading

Trading in the first five months of the current financial year has been in line with the Directors' expectations, with the full contribution of acquisitions made in 2013 reflected in increased revenue for the period. The Directors are pleased to report that recurring revenue remains at the 50% level reported in the 2013 financial statements and gross margins remain above 50%.

During the period since the Group's year-end, AFH has continued to strengthen its operating management team, in addition to the Board appointments announced in February 2014. The cost of continuing to build an infrastructure to support the current and anticipated growth of the Group has been achieved to date without impacting margins and further investment is expected throughout the current financial year.

Whilst the Group did not make significant acquisitions during the period under review, the pipeline of prospective acquisitions remains strong and further acquisitions are anticipated during the current financial year.

Successful Equity subscription

In April 2014, the Group announced a successful equity subscription, raising GBP 1.6 million of further funding for the Company to be used to provide additional working capital for AFH and to finance potential future acquisitions. Following the subscription the Group had cash reserves of GBP4.8 million with no secured debt.

Move to AIM

In February 2014, the Group announced its intention to move to the AIM market of the London Stock Exchange in Q2 2014. The timetable for this move remains on target and further announcements are expected in due course.

Commenting Alan Hudson, Chief Executive of AFH, said:

"The current year has started strongly, in line with expectations. The disruption caused by the structural changes in early 2013 was not repeated and proposed legislation will create new opportunities for the Group and the sector in the medium term. The Directors remain confident that the Group is well positioned to take advantage of market opportunities as they arise".

The Directors of AFH Financial Group PLC are responsible for the content of this announcement.

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