

Acquisition

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AFH Financial Group Plc
28 July 2014

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

ACQUISITION OF FINLAY GOW
£40m added to AFH's total funds under management
Entrance into Scottish market

The Board of AFH is pleased to announce the acquisition of the assets of Edinburgh-based Finlay Gow & Company Limited ("Finlay Gow"), marking the Company's first acquisition since listing on AIM in June 2014 and the Company's entrance into the Scottish market.

Finlay Gow is a chartered financial planning firm and recent winner of the Chartered Financial Planners designation by the Chartered Insurance Institute (CII), the industry's gold standard. Today's acquisition will immediately add £40m in funds under management bringing the Company's total funds under management to £820m and total adviser count to 127. Finlay Gow reported recurring revenues of £175,000 during the financial year ended 31 March 2013.

Under the terms of the Company's ninth acquisition since the implementation of RDR, the maximum consideration payable by AFH is £675,000, satisfied by an initial cash payment upon completion of £337,500, followed by a further cash consideration of up to £337,500 payable over the next 26 months in two tranches and dependent on performance criteria of Finlay Gow over the next two years. Upon completion, Finlay Gow's directors, Andrew Bandura and David Whigham, will join AFH as advisers. The acquisition was completed on 25 July 2014.

Commenting on the Company's latest acquisition, Alan Hudson, Chief Executive of AFH, said:

"The last quarter has seen a significant level of activity at the Company – a period which has included two successful capital raisings, the acquisition of the assets of Norwich-based Omega Consulting and the Company's admission to AIM.

"We welcome Andrew, David and the existing clients of Finlay Gow into the AFH group. This acquisition marks the significant and growing importance of the Company's expansion strategy, increasing the firm's geographical presence across the UK."

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