



PRESS RELEASE

FOR IMMEDIATE RELEASE:

Aquesta Financial Holdings, Inc. Announces Private Placement of \$15.2 Million of Equity Capital

CORNELIUS, NC – Feb 1, 2019 -- Aquesta Financial Holdings, Inc (“Aquesta”) (OTC Markets symbol AQFH), the parent company of Aquesta Bank, announced today that it has successfully closed a \$15.0 million private placement of shares (the “Shares”) of common stock and a newly issued series of convertible perpetual preferred stock (“Preferred Stock”). The Shares were issued at \$11.50 per share and net proceeds from the offering were approximately \$14.1 million. Castle Creek Capital LLC (“Castle Creek”), a California based private equity firm and leading investor in the financial institutions sector, was the investor in the offering. Certain members of Aquesta’s Board of Directors have also agreed to purchase an additional \$200,000 of Aquesta common stock in the transaction.

Net proceeds from the private placement transaction will support Aquesta’s continued organic growth and expansion in the Carolinas. Following the closing of the private placement, Castle Creek owns 9.9 percent of Aquesta’s voting common stock and the entirety of a new class of non-voting Preferred Stock, which is convertible into voting and non-voting shares of Aquesta common stock under certain circumstances. Castle Creek also received a warrant for 150,000 shares of Aquesta voting common stock, exercisable at a price of \$11.50 per share, in whole or in part and at any time or from time to time, during the next seven years.

Aquesta CEO and President Jim Engel, stated “Castle Creek is a sophisticated and experienced investor specializing in community banks. We are very pleased that they have chosen to invest in Aquesta. Their investment is a validation of Aquesta’s strength, strategy and market opportunity. Aquesta recently announced its strongest quarter and year since it was formed more than 12 years ago. This investment will allow us to continue to expand and better serve our community.”

Aquesta’s subsidiary, Aquesta Bank, has branches in Cornelius, Davidson, Huntersville, Mooresville, Charlotte, and Wilmington, North Carolina, and loan production offices in Raleigh, North Carolina, Charleston, South Carolina and Greenville, South Carolina.

Sandler O’Neill & Partners, L.P. served as the sole placement agent for the private placement. Wyrick Robbins Yates & Ponton LLP served as legal counsel to Aquesta and Troutman Sanders LLP served as legal counsel to Sandler O’Neill & Partners, L.P.

For additional information, please contact Jim Engel, CEO and President of Aquesta Financial Holdings, Inc. at 704-439-4343 or visit us online at www.aquesta.com.

Additional Information

The common stock, preferred stock and the warrant were offered and sold in a private transaction and such securities have not been registered under the Securities Act of 1933, as amended, or the securities laws of any state. Such securities may not be offered or sold absent registration under applicable securities laws or an

applicable exemption from such registration. This press release does not constitute an offer to sell or a solicitation of an offer to buy any securities, nor shall there be any sale of securities in any state or jurisdiction in which such an offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

Forward Looking Statement Disclaimer

Information in this press release may contain forward looking statements that might involve risks and uncertainties that could cause actual results to differ materially. These risks and uncertainties include without limitation, the effects of future economic conditions, governmental fiscal and monetary policies, legislative and regulatory changes, and changes in interest rates.