

1 April 2015

**First Derivatives PLC
("FD" or the "Company")**

FD acquires Affinity Systems for up to £7.7m to enter new vertical markets

FD (AIM:FDP.L, ESM:FDP.I), a leading provider of software and consulting services, today announces it has acquired the entire issued share capital of Affinity Systems Limited ("Affinity") for a maximum total consideration of CAD\$14.5m (£7.7m). Affinity is a provider of software development and consultancy services and has recently released a software solution that addresses enterprise big data challenges.

The acquisition of Affinity expands the Company's software and consulting services within the Internet of Things, particularly in industries such as utilities, healthcare and finance and supports FD's strategy to penetrate additional vertical sectors using the capabilities of its Delta platform and kdb+ to capture and analyse large volumes of data, including streaming data.

Acquisition rationale

Affinity, based in Ontario, Canada, employs 45 people and specialises in software development that addresses complex problems across a range of industries, combining third-party and proprietary software. It has a strong track record of project delivery, working with some of the largest and most prestigious organisations in Canada, including New Brunswick Power and London Hydro. In recent years Affinity has focused on big data opportunities around sensor data management and reporting.

Affinity was appointed as a consulting, sales and training partner of Kx Systems, in which FD holds a 65% interest, in February 2014. Since then it has engaged in a number of projects across industries using Kx's kdb+ database at the heart of the solution. Affinity played a key role in the design, development, and testing of the Meter Data Management and Repository (MDM/R) Data Mart for the Independent Electricity System Operator of Ontario. The Data Mart enables the retrieval and querying of smart meter data processed by the MDM/R system, and was designed to process tens of millions of records a second, support hundreds of billions of records, and respond to time-series queries with millisecond latency.

Over the past two financial years, Affinity has augmented its traditional IT consultancy by developing its own Sensor Data Management (SDM) solution. SDM is built on kdb+ and supported by Affinity's high-performance technology that has been proven for applications such as smart meter data management, high-velocity web page creation and real-time financial data distribution. This transaction creates the platform to address the SDM market across several vertical sectors.

In the year to 30 June 2014 Affinity reported revenue of CAN\$4.3m (£2.3m) and CAN\$0.3m (£0.2m) earnings before tax. Net assets at 30 June 2014 were CAN\$1.8m (£1.0m).

Leslie Goldsmith and Hugh Hyndman are the Joint Managing Directors of Affinity and will remain in their current roles following the transaction. Mr Goldsmith commented: "Affinity differentiates itself on its deep domain knowledge and its ability to solve complex problems through the development of well-architected solutions. In recent years this has led us deeper into big data applications with low latency challenges. Through our relationship with Kx Systems, we have been able to create products that leverage the power of kdb+ to ingest and analyse vast quantities of data across a number of vertical sectors." Mr Hyndman added, "With the resources of FD available to us, we expect to be able to accelerate our product development and bring it to market globally at an accelerated pace."

Terms of the Acquisition

The initial consideration for the acquisition is CAD\$ 7.0m (£3.7m), of which CAD\$5.25m (£2.8m) is payable in cash and CAD\$1.75m (£0.9m) through the issue of 78,190 FD new ordinary shares (the "Consideration Shares"). Deferred consideration of up to CAD\$7.5m (£4.0m), to be satisfied in cash and/or new ordinary shares, is payable on the achievement of agreed revenue targets over the period to 28 February 2018.

Application has been made for the Consideration Shares to be admitted to trading on AIM and the ESM and it is expected that admission will also take place on 7 April 2015.

The Consideration Shares will rank *pari passu* with the Company's existing ordinary shares.

The current total issued share capital of the Company is 23,165,961 ordinary shares. Following admission of the Consideration Shares the total issued share capital of the Company will increase to 23,244,151 ordinary shares. This figure may be used by Shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a charge to their interest in, the Company under the Financial Conduct Authority's Disclosure and Transparency Rules. The Company does not hold any shares in treasury and therefore the total number of voting rights in the Company will be 23,244,151.

Brian Conlon, Chief Executive Officer of FD, commented: "Affinity is a natural fit for FD. Both the strategy of developing software products built on kdb+, one of the world's most powerful databases, and the cultural ethos of Affinity, mirror that of FD. While we have applied our domain knowledge within capital markets, Affinity brings the Company expertise across a number of new vertical sectors. We see this as an exciting opportunity for the Company to grow its revenues and diversify its customer base."

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About FD

FD is a global technology provider with nearly 20 years of experience of working with some of the world's largest finance, technology and energy institutions. It holds a 65% stake in Palo Alto-based Kx Systems, developer of the world-leading database technology, kdb+. It employs over 1,200 people worldwide and has operations in London, New York, Stockholm, Singapore, Hong Kong, Tokyo, Sydney, Toronto, Philadelphia, Dublin, Belfast and its headquarters in Newry.

For further information, please visit www.firstderivatives.com

About Affinity

For 25 years, Affinity Systems has been building world-class custom software solutions. Affinity combines broad industry experience with deep technical knowledge to deliver unrivalled and insightful solutions that exceed expectations. Affinity has an extensive record of tackling complex software challenges from design and development through implementation and support. In partnership with Kx Systems and Microsoft, Affinity has developed sophisticated software solutions for big data challenges for clients in the energy, financial and telecommunication sectors.

For further information please visit www.affsys.com