



26 February 2015

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

FD acquires Prelytix for up to \$20m to boost presence in marketing technology sector

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 Prelytix Inc. ("Prelytix") for an initial consideration of US\$7.5m (£4.9m) and a maximum total consideration of US\$20m (£13.0m). The acquisition, which will be earnings enhancing in the Company's financial year to 29 February 2016, expands FD's presence in the fast-growing marketing technology sector.

The acquisition of Prelytix forms part of FD's strategy to penetrate additional vertical sectors, beyond its core in capital markets, using the capabilities of the Delta platform and kdb+. The combination of an established innovative business in the marketing technology sector, along with the capabilities of FD's software will accelerate the route to market for both companies.

Acquisition rationale

Prelytix, a Massachusetts-based software company, specialises in providing predictive analytics generated from the billions of data points produced by numerous sources such as real-time advertising data, website traffic and social media. Many of the world's largest technology companies such as EMC, HP and IBM are current Prelytix customers.

Prelytix has been partnering with the Company's marketing division, Market Resource Partners, to provide these predictive analytics as part of the Delta Marketing Cloud, the launch of which was announced in January 2015. The acquisition of Prelytix is a logical step and creates one of the first end to end marketing technology firms.

In the year to 31 December 2014, Prelytix reported revenues of \$2.0m and \$0.1m of operational EBITDA. The net assets of Prelytix on acquisition will be \$0.1m.

Mike Kelly and Marc Laplante, co-Founders of Prelytix, commented: "The data we provide results in better intelligence about prospects and higher revenue opportunities for our clients. While Prelytix has achieved rapid growth to date, the size of the data sets we analyse and the complexity of the analytics that has to be performed against it to unlock the full value of the data, has been a limiting factor in our ability to scale our business. With FD and the Delta platform, we look forward to being able to focus on increasing our customer base and providing even more sophisticated analytics to help clients maximise their revenue opportunities."

Terms of the Acquisition

The initial consideration for the acquisition is US\$7.5m (£4.9m), of which US\$6m (£3.9m) is payable in cash and US\$1.5m (£1.0m) through the issue of 74,572 FD new ordinary shares. Deferred consideration of up to US\$12.5m (£8.1m) is payable on the achievement of agreed revenue targets over the period to 28 February 2018.

Brian Conlon, Chief Executive Officer of FD, commented: "Digital marketing is one of a number of vertical markets challenged by rapid growth in data volumes. This acquisition creates a unique end to end technology marketing firm with industry leaders at the helm backed by a software platform and a team of data scientists. This offers the potential to generate significant revenues for the Company. The acquisition of Prelytix follows our £15.3m share placing earlier this month to accelerate opportunities in Fast Data and we continue to target additional vertical markets in which we have the capability to disrupt. We look forward to updating the market in due course."

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About First Derivatives

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, Sydney, Toronto, Philadelphia, Dublin and its headquarters in Newry.

For further information please visit www.firstderivatives.com.