



12 January 2016

**First Derivatives plc
("FD", the "Company" or the "Group")**

FD acquires QuantumKDB

FD (AIM: FDP.L, ESM: FDP.I), a leading provider of software and consulting services, announces that it has acquired the entire issued share capital of QuantumKDB (UK) Limited ("Quantum") for total consideration of up to £2.2m. The acquisition provides the Group with complementary consultancy expertise to support the growth of its Kx business and is expected to be earnings enhancing in the first full year following acquisition*.

Acquisition rationale

Quantum was founded in 2011 by its CEO Kieran Lucid and provides Kx consulting in the UK, US and Hong Kong. The majority of its clients operate in capital markets and the acquisition will strengthen the Group's relationship with certain key clients as well as adding to the existing customer base. Quantum has a total of 15 consultants with strong experience in Kx technology. In its latest financial year to 13 September 2015, Quantum reported profit before tax of £0.3m and had net assets of £0.25m at acquisition.

Terms of the Acquisition

The initial consideration for the acquisition is £1.7m of which £0.6m is payable in cash and £1.1m is payable through the issue of 72,940 new ordinary shares in FD (the "Consideration Shares"). Deferred consideration of up to £0.5m is payable on the achievement of certain targets on the 12 month anniversary of the acquisition.

Application has been made for the 72,940 Consideration Shares to be admitted to trading on AIM and ESM and it is expected that admission will take place on 15 January 2016. The Consideration Shares will rank pari passu with the Company's existing ordinary shares in issue. Following this allotment, the total issued share capital of the Company will increase to 23,921,972 ordinary shares.

Kieran Lucid, Chief Executive Officer of Quantum, commented: "As the home of Kx technology, FD is a natural fit for us. We are joining at a time of rapid expansion in the Kx client base across industry sectors, as more and more clients appreciate the benefits of this technology that has dominated capital markets for more than 10 years. We are excited about drawing on the expertise we've gained to assist the Group in its ambitious plans for the future."

Brian Conlon, Chief Executive Officer of FD, commented: "We are experiencing increasing demand for Kx skills from existing and potential customers and the acquisition of Quantum will add to our existing capabilities and support our growth plans. We welcome its staff to the Group."

**This statement does not constitute a profit forecast.*

Enquiries

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About FD

FD is a global technology provider with 20 years of experience. The Group's Kx technology is used by some of the world's largest finance, technology and energy institutions. FD employs over 1,500 people worldwide and has operations in London, New York, Stockholm, Singapore, Hong Kong, Tokyo, Sydney, Palo Alto, Toronto, Philadelphia, Dublin, Belfast and its headquarters in Newry.

For further information, please visit www.firstderivatives.com