



2 March 2017

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

Contract Win

FD (AIM: FDP.L, ESM: FDP.I) announces that it has signed a contract with a Fortune 500 engineering solutions company for the use of its Kx technology within precision manufacturing. Kx has been selected as the high-performance, time-series data historian and analytics platform in the next version of the client's fault detection product range, expected to be released in mid-2017. The client expects the use of Kx to provide a competitive advantage in its market and has therefore asked not to be named at this stage.

The client is a leading supplier of precision fault detection solutions which enable its customers to increase productivity, improve quality and maximise manufacturing equipment efficiency. The fault detection solution takes readings from thousands of sensors providing rapid ingestion, complex event processing, and compares these readings to historical data to detect anomalies and potential faults. With increasing numbers of sensors and frequency of readings now taking place, the performance of the client's existing solution had become sub-optimal and, following a successful proof of concept, it has decided to replace it with Kx. Initial benchmarking shows that, by incorporating Kx, the product is capable of handling many millions of sensor reads per second, representing a significant change in the product's performance and scalability.

FD will receive revenue as existing customers of the fault detection solution upgrade to the version powered by Kx. The total expected value over a five year period places this contract amongst some of the larger software contracts FD has signed. In addition to the use of Kx within its fault detection solutions, the client has identified additional potential uses of Kx within its operations and FD is working with the client to develop these additional opportunities.

The use of Kx for fault detection is one application of the use of sensor data to aid efficiency within manufacturing, also known as the Industrial Internet of Things (IIoT). According to ABI Research, the addressable market for analytics and other value-added services for the IIoT is expected to reach \$80-120 billion by 2018.

Brian Conlon, Chief Executive Officer of FD, commented: "This is a flagship contract win for Kx in the Industrial Internet of Things, secured through our ability to demonstrate higher performance, greater scalability, and lower total cost of ownership than competing solutions. We see considerable potential for Kx to establish itself as a market-leading solution for streaming analytics on sensor data, particularly within manufacturing environments."

For further information please contact:

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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 1,700 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