

11 December 2017

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

Telco acquisition

FD (AIM:FDP.L, ESM:FDP.I) announces that it has acquired the entire issued share capital of Telconomics09 S.L ("Telconomics"), a privately-held provider of telco analytics software, for a total consideration of up to €2.5m. The acquisition is expected to be earnings enhancing in its first full year and forms part of the Group's continuing strategy to target the telco market with its Kx technology, where it sees significant opportunities.

Acquisition rationale

Telconomics is based in Madrid, Spain and was formed in 2009 to provide analytics consulting for telco network operators. It has also recently developed a number of software products, notably INTEF, a platform to perform critical activities such as network development strategy, network planning and network optimisation. It is intended that INTEF will be subsumed into the Kx Telco Solutions suite, incorporating the kdb+ in-memory database, which enables real-time data ingestion and provides time series capabilities for operations support, fraud detection, clickstream analysis and proximity marketing.

According to industry analysts Ovum, the telco operations support systems market will reach \$17 billion in 2017. In attacking this market, Kx will target potential customers ranging from large telco network providers to service companies that manage network analytics on behalf of their clients.

The founders of Telconomics - Alfonso Campo, Javier Lazaro and Juan Blazquez - will remain in their current roles.

Terms of the Acquisition

The initial consideration for the acquisition is €0.9m (£0.8m) of which €0.4m (£0.4m) is payable in cash and €0.5m (£0.4m) is payable through the issue of 12,199 new ordinary shares in FD (the "Consideration Shares"). Deferred consideration of up to €1.6m (£1.4m) is payable on the achievement of certain performance targets over the three year period post acquisition. In the year to 31 December 2016, Telconomics generated revenue of €0.8m and EBITDA of €0.3m.

Application has been made for the 12,199 Consideration Shares to be admitted to trading on AIM and ESM and it is expected that admission will take place on 14 December 2017. The Consideration Shares will rank pari passu with the Company's existing ordinary shares in issue. Following admission of the Consideration Shares, the total issued share capital of the Company will be 25,418,501 ordinary shares.

Alfonso Campo, Chief Executive Officer of Telconomics, commented: "Kx is the perfect platform to handle the demanding challenges posed by the volume and velocity of data generated by telco networks. The combination of the solutions Telconomics has developed, based on our extensive industry experience, with the power of Kx provides a compelling proposition for operators seeking to optimise the performance of their networks."

Brian Conlon, Chief Executive Officer of Kx, commented: "Telco is one of our key target verticals and we believe that this acquisition will help turbo charge our growth in this area. The products, domain expertise and customer contacts provided by Telconomics, supplemented by our data science, machine learning and engineering resources, provide the opportunity for significant returns."

Enquiries

For further information please contact:

First Derivatives plc

Brian Conlon, Chief Executive Officer
Graham Ferguson, Chief Financial Officer
Ian Mitchell, Head of Investor Relations

+44(0)28 3025 2242

www.firstderivatives.com

Investec Bank plc (Nominated Adviser and Broker)

Andrew Pinder
Carlton Nelson
Sebastian Lawrence

+44 (0)20 7597 5970

Goodbody (ESM Adviser and Broker)

Linda Hickey
Finbarr Griffin

+353 1 667 0420

FTI Consulting

Matt Dixon
Dwight Burden
Darius Alexander
Niamh Fogarty

+44 (0)20 3727 1000

About FD

FD is a global technology provider with 20 years of experience working with some of the world's largest finance, technology, retail, pharma, manufacturing and energy institutions. The Group's Kx technology, incorporating the kdb+ time-series database, is a leader in high-performance, in-memory computing, streaming analytics and operational intelligence. Kx delivers the best possible performance and flexibility for high-volume, data-intensive analytics and applications across multiple industries. FD operates from 14 offices across Europe, North America and Asia Pacific, including its headquarters in Newry, and employs more than 2,000 people worldwide.

For further information, please visit www.firstderivatives.com and www.kx.com