

7 March 2016

FairFX Group plc

("FairFX" or "the Group" or "the Company")

Proposed Placing, strategic investment by Crystal Amber Fund and 2015 trading statement

£5.25 million investment to accelerate marketing strategy

Strong overall performance in 2015 due to focus on growing FairFX Card businesses

FairFX, the low cost multi-currency payments service, is pleased to announce a proposed placing to raise £5.25 million (before expenses), including a significant strategic investment from Crystal Amber Fund Limited ("Crystal Amber") of £5.0 million. The Company also provides an update ahead of its full year 2015 results.

Highlights of proposed investment:

- Proposed Placing totaling £5.25 million at 20p per share from new and existing investors;
- Crystal Amber investing £5.0 million as part of the Placing;
- Conditional Issue of Warrant to Crystal Amber over 7,500,000 new Ordinary Shares;
- Strategic investment will be used to accelerate FairFX's marketing activities and aggressively target the Corporate Card segment in 2016;
- FairFX will be funded to execute its proposed marketing and organic expansion strategy; and
- Crystal Amber will hold approximately 24.24% of the enlarged issued share capital following the issuance of the Placing Shares*.

* Conditional upon the FCA Condition being satisfied as further described in this announcement.

2015 trading highlights:

- Full year 2015 turnover up 32% to approximately £625 million;
- 75,039 new currency card customers acquired during the year, up 56% on 2014; and
- Across all product segments, a total of 103,338 new customers acquired during the year, up 20% on 2014.

An explanatory circular containing a notice of General Meeting of the Company to be held at the offices of Berwin Leighton Paisner LLP, Adelaide House, London Bridge, London, EC4R 9HA on 29 March 2016 at 11.00am, will shortly be posted to Shareholders (the "Circular") and will be made available to view on the Company's website at www.fairfxplc.com/investors. Unless otherwise defined, defined terms within this announcement have the same meanings as those to be set out within the circular. Definitions are also set out at the end of this announcement.

Introduction

FairFX, the low cost multi-currency payments service, today announces a conditional Placing of 26,250,000 new Ordinary Shares with Crystal Amber and other institutional investors to raise approximately £5.25 million (before expenses).

The Placing is conditional, inter alia, upon the Company obtaining approval from its Shareholders to grant the Directors authority to allot the Placing Shares and to dis-apply statutory pre-emption rights which would otherwise apply to the allotment of the Placing Shares. The Placing Shares will be issued in two tranches; the First Placing Shares and the Second Placing Shares, in order to provide the FCA with the appropriate notification and period of time to raise any objection, as required by the Payment Services Regulations 2009, prior to Crystal Amber acquiring a Qualifying Holding (as defined in such regulations) in the Company's subsidiary fairfxplc ("FCA Condition").

Background to and reasons for the Placing

The Directors believe that the strategic investment by Crystal Amber and other placees will enable FairFX to significantly accelerate its growth plans combining a more aggressive land-grab in both the retail and corporate customer segments, as well as rolling out its offering to other locations.

Accordingly, it is intended that the net proceeds of the Placing will be deployed by the Company across its key strategic initiatives. Specifically, marketing spend for all retail customers across TV and digital platforms will be bolstered, sales effort to corporates for the market-leading FairFX platform will be expanded and I.T. resources will be selectively added to speed up new product developments and overseas roll-outs.

The investment also provides FairFX with a key strategic institutional investor who can provide insight and advice to the business, as well as access to a business network which can help accelerate top-line sales growth.

Trading update for 2015

The Company is pleased to report that 2015 was another year of commendable progress, with turnover increasing by 32% to approximately £625 million. During the year 103,338 new customers were acquired across all of the Company's product segments (up 20% on 2014), taking its total number of customers to 508,048.

The Company's strategic focus on higher value products is delivering strong results with numbers of new Retail Card customers up 40%, year on year, new Wholesale Dealing customers up 44% and new Corporate Card customers up 40%. The combined total number of new Retail and Corporate card customers was 75,039, up 56% on the previous year (2014: 48,163). This growth correlated with the Company's marketing strategy of focusing on acquiring card customers over the lower margin cash-in-the-post customers.

FairFX expects to report its full year results in April 2016

Commenting on the strategic investment and 2015 trading, Chief Executive Officer, Ian Strafford-Taylor, said: "2015 was notable for the success of our stated strategy of a land-grab in the Retail Card space. The growth across Retail and Corporate

demonstrates the success of the marketing strategy, in terms of focusing on acquiring card customers over the lower margin cash-in-the-post customers.

"We are also absolutely delighted with the strategic tie-up with Crystal Amber. As well as representing a major endorsement of FairFX's business model and success to date, this investment provides the necessary resources to execute our land-grab strategy in 2016 and beyond and push aggressively into the Corporate Card space. We are extremely excited about what we will be able to deliver."

Richard Bernstein, Investment Adviser to Crystal Amber, commented: "We're delighted to conditionally acquire a significant holding in FairFX, an online business with more than 500,000 customers utilising its peer-to-peer payments platform. We've identified a hugely scalable business model and are looking forward to assisting FairFX to capitalise on its potential."

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The Placing

The Company has conditionally raised approximately £5.1 million (net of expenses) through the issue of the Placing Shares at the Issue Price, which represents a discount of approximately 29.8 per cent. to the closing middle market price of 28.5p per Existing Ordinary Share on 4 March 2016, being the last practicable date prior to the publication of this announcement.

The Placing is conditional, *inter alia*, upon the Company obtaining approval from its Shareholders to grant the Directors authority to allot the Placing Shares and to dis-apply statutory pre-emption rights which would otherwise apply to the allotment of the Placing Shares. The Placing Shares will be issued in two tranches; the First Placing Shares and the Second Placing Shares, in order to allow for the required FCA Consent Condition to be satisfied. The Placing is conditional upon the admission of the Placing Shares to trading on AIM. The Placing Shares will represent approximately 25.5 per cent. of the Company's issued ordinary share capital immediately following Second Admission.

If the FCA Consent Condition is not satisfied or waived, the Second Placing Shares will not be issued or admitted to trading on AIM. If the Placing is limited to the issuance of the First Placing Shares only, the gross proceeds of the Placing would be limited to approximately £1.80 million.

The Placing Agreement

Pursuant to the terms of the Placing Agreement, Cenkos, as agent for the Company, has conditionally agreed to use its reasonable endeavours to procure subscribers for the Placing Shares at the Issue Price.

The Placing Agreement is conditional upon, *inter alia*, the Resolutions set out in the Notice of General Meeting being duly passed at the General Meeting and First Admission becoming effective on or before 8.00am on 30 March 2016 (or such later time and/or date as the Company and Cenkos may agree, but in any event by no later than 8.00am on 30 June 2016). In addition the placing of the Second Placing Shares is conditional upon, *inter alia*, satisfaction or waiver of the FCA Consent Condition and Second Admission.

Settlement and dealings

Application will be made to the London Stock Exchange for the Placing Shares to be admitted to trading on AIM. It is expected that First Admission will occur on 30 March 2016. Application will be made for the Second Placing Shares as soon as is practicable following satisfaction or waiver of the FCA Consent Condition.

The Placing Shares will, when issued, rank in full for all dividends and other distributions declared, made or paid on the Ordinary Shares following Admission and otherwise *pari-passu* in all respects with the Existing Ordinary Shares.

Shareholdings post transaction and Concert Party

Following First Admission, it is expected that Crystal Amber will hold 7,750,000 Ordinary Shares, representing approximately 9.03 per cent. of the Company's enlarged issued share capital immediately following First Admission assuming no further shares are issued by the Company or purchased by Crystal Amber in the market. Following Second Admission, it is expected that Crystal Amber will hold 25,000,000 Ordinary Shares, representing approximately 24.24 per cent. of the Company's then issued share capital assuming no further shares are issued by the Company or purchased by Crystal Amber in the market. Following Second Admission and exercise of the Warrant in full, it is expected that Crystal Amber will hold 32,500,000 Ordinary Shares, representing approximately 29.38 per cent. of the Company's then issued share capital, assuming no further shares are issued by the Company or purchased by Crystal Amber in the market.

Following Second Admission and the exercise of the Warrant in full, it is expected that the Concert Party, further details of which are disclosed in the Company's Admission Document dated 1 August 2014 and is available to view on the Company's website at www.fairfxplc.com/investors, will hold approximately 51.2 per cent. of the Company's then issued share capital, assuming no further shares are issued.

Warrant

In consideration of Crystal Amber's strategic investment in the Company by way of its participation in the Placing, the Company has conditionally agreed with Crystal Amber to issue a warrant to subscribe for up to 7,500,000 Ordinary Shares at a price of 27 pence per Ordinary Share (the "Warrant") to Crystal Amber.

The issue of the Warrant is conditional upon granting of authority to issue shares and disapplication of pre-emption rights by Shareholders at the General Meeting and upon Second Admission occurring.

The Warrant, which will represent approximately 7.3 per cent. of the Company's issued share capital as enlarged by the Placing, can be exercised in up to three tranches, and must be exercised by the third anniversary of its issue, failing which it will lapse.

Board appointment

Following Second Admission, Crystal Amber will have the right to appoint a director to the board of the Company. This right shall cease if Crystal Amber holds less than 15 per cent. of the Company's issued share capital.

General Meeting

Set out at the end of the Circular will be a notice convening the General Meeting to be held at 11.00 am at the offices of Berwin Leighton Paisner LLP, Adelaide House, London Bridge, London, EC4R 9HA on 29 March 2016 for the purposes of considering and, if thought fit, passing the Resolutions.

Resolution 1, which will be proposed as an ordinary resolution, is to authorise the Directors

- (a) to allot the Placing Shares in connection with the Placing;
- (b) to issue the Warrant;
- (c) to allot Ordinary Shares up to an aggregate nominal amount of £256,220.13 being an amount equal to one third of the Company's issued share capital (excluding treasury shares) as at 4 March 2016. The Directors may exercise this authority to issue shares as consideration in any future business acquisitions carried out by the Company or any of its subsidiaries, from time to time. However the authority will only be exercised if the Directors consider that it is in the best interests of the Company at that time; and;
- (d) to issue an additional aggregate nominal amount of up to £256,220.13 being an amount equal to one third of the Company's issued share capital (excluding treasury shares) as at 4 March 2016. This additional authority is to be applied to rights issues only and is in accordance with the recommendations of the Rights Issue Review Group and the Association of British Insurers (the 'ABI'). Should the Directors exercise such further authority, they intend to comply with the ABI recommendations and stand for re-election at the next AGM of the Company if they wish to remain in office.

The authorities granted under this resolution replace those put in place at the last Annual General Meeting and will expire at the conclusion of the next Annual General Meeting of the Company or, if earlier, 30 June 2016.

Resolution 2, which will be proposed as a special resolution and which is subject to the passing of Resolution 1, dis-applies Shareholders' statutory pre-emption rights in relation to

- (a) the issue of the Placing Shares pursuant to the Placing;
- (b) the issue of the Warrant; and
- (c) the allotment of equity securities or sale of treasury shares for cash up to an aggregate nominal value of £76,866.04 (being approximately 10 per cent. of the Company's issued ordinary share capital (excluding treasury shares) as at 4 March 2016) without first offering the securities to existing shareholders. The resolution also dis-applies the statutory pre-emption provisions in connection with a rights issue and allows the Directors, in the case of a rights issue, to make appropriate arrangements in relation to fractional entitlements or other legal or practical problems which might arise. The authority provides the Company with the flexibility to allot shares or other securities for cash without first offering the securities to existing Shareholders; however the authority will only be exercised if the Directors consider it to be in the best interests of the Company at the time.

The disapplication replaces those put in place at the last Annual General Meeting and will expire at the conclusion of the next Annual General Meeting or, if earlier, 30 June 2016.

Action to be taken

A Form of Proxy for use at the General Meeting will accompany the Circular. The Form of Proxy should be completed and signed in accordance with the instructions thereon and returned to the Company's registrars, Capita Registrars Limited, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible, but in any event so as to be received by no later than 11.00am on 23 March 2016. The completion and return of a Form of Proxy will not preclude Shareholders from attending the General Meeting and voting in person should they so wish.

Directors' Recommendation

The Directors consider the Placing and Warrant issue to be in the best interests of the Company and its Shareholders as a whole and accordingly unanimously recommend Shareholders to vote in favour of the Resolutions to be proposed at the General Meeting as they intend to do so in respect of their own beneficial holdings amounting, in aggregate, to 2,127,750 Existing Ordinary Shares, representing approximately 2.8 per cent. of the existing issued ordinary share capital of the Company.

Placing Statistics

Issue Price	20 p
Number of Placing Shares to be issued	26,250,000
Total gross proceeds of the Placing	£5.25 million
Gross proceeds to be raised on First Admission	£1.80 million
Gross proceeds to be raised on Second Admission	£3.45 million
Proceeds receivable by the Company, net of expenses*	£5.1 million
Number of Existing Ordinary Shares	76,866,039
Number of Ordinary Shares in issue following First Admission	85,866,039
Number of Ordinary Shares in issue following Second Admission	103,116,039
Placing Shares as a percentage of the Existing Ordinary Shares	34.15%

*assuming Second Admission becomes effective

Expected timetable of principal events

Announcement of the Placing	7 March 2016
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Explanatory Circular and Form of Proxy posted to Shareholders (by first class post)	by 11 March 2016
Latest time and date for receipt of Form of Proxy	11.00am on 23 March 2016
General Meeting	11.00am on 29 March 2016
First Admission	8.00am on 30 March 2016
Second Admission	within 5 business days following satisfaction or waiver of the FCA Consent Condition
Where applicable, expected date for CREST accounts to be credited in respect of First Placing Shares in uncertificated form	30 March 2016
Where applicable, expected date for posting of share certificates for First Placing Shares	by 13 April 2016

Definitions

"Act"	the Companies Act 2006
"AIM"	the market of that name operated by the London Stock Exchange
"AIM Rules"	the AIM Rules for Companies published by the London Stock Exchange, as amended from time to time
"Board" or "Directors"	the directors of the Company
"Cenkos"	Cenkos Securities plc, the Company's nominated adviser and broker
"Company" or "FAIRFX"	FAIRFX Group plc, a company incorporated and registered in England and Wales under the Companies Act 1985 with registered number 8922461
"CREST"	the relevant system (as defined in the Uncertificated Securities Regulations 2001 SI 2001:No.3755 (as amended)) in respect of which Euroclear UK & Ireland Limited is the operator (as defined in those regulations)
"Crystal Amber"	Crystal Amber Fund Limited, a company incorporated under the laws of Guernsey with registered number 47213 whose registered office is at Heritage Hall, PO Box 225, Le Marchant Street, St. Peter Port, Guernsey GY1 4HY
"FCA"	The Financial Conduct Authority
"Existing Ordinary Shares"	the 76,866,039 Ordinary Shares in issue as at the date of this announcement
"First Admission"	the admission of the First Placing Shares issued pursuant to the Placing, expected to be admitted to trading on AIM on 30 March 2016
"First Placing Shares"	the 9,000,000 new Ordinary Shares to be issued to Crystal Amber and other placees, the issue of which does not require the FCA Consent Condition to be satisfied or waived
"Form of Proxy"	the form of proxy for use at the General Meeting, which accompanies the Circular
"General Meeting"	the general meeting of the Company to be held at 11.00am at the offices of Berwin Leighton Paisner LLP, Adelaide House, London Bridge, London, EC4R 9HA on 29 March 2016
"Issue Price"	20p per new Ordinary Share
"Notice of General Meeting"	the notice convening the General Meeting, which is set out at the end of the Circular
"Ordinary Shares"	ordinary shares of 1p each in the capital of the Company
"Placing"	the conditional placing of the Placing Shares by Cenkos, as agent for and on behalf of the Company, at the Issue Price pursuant to the terms of the Placing Agreement
"Placing Agreement"	the conditional agreement dated 7 March

	2016 and made between Cenkos and the Company in relation to the Placing, further details of which are set out in section 5 of the letter from the Chief Executive of the Company included within the Circular
"Placing Shares"	the First Placing Shares and the Second Placing Shares
"Resolutions"	the resolutions set out in the Notice of General Meeting which will be contained at the end of the Circular
"Shareholders"	holders of Ordinary Shares
"Second Admission"	the admission of the Second Placing Shares issued pursuant to the Placing
"Second Placing Shares"	the 17,250,000 new Ordinary Shares to be issued to Crystal Amber following the issue of the First Placing Shares and following satisfaction or waiver of the FCA Consent Condition
"Warrant"	the warrant instrument to be entered into between the Company and Crystal Amber on Second Admission, as further described within this announcement and the Circular

About FairFX

FairFX is a leading international payment services provider, incorporated in the UK in 2005. The Company has developed a cloud-based peer-to-peer payments platform that enables personal and business customers to make easy, low-cost multi-currency payments in a broad range of currencies and across a range of FX products all via one integrated system. The FairFX platform facilitates payments either direct to Bank Accounts or at 30 million merchants and over 1 million ATM's in a broad range of countries globally via Mobile apps, the Internet, SMS, wire transfer and MasterCard/VISA debit cards.

FairFX operates within the rapidly growing online multi-currency payments market and provides transactional services to both personal and business customers through four channels being Currency Cards, Physical Currency, FairPay and Dealing. The Currency Card and Physical Currency offerings facilitate multiple overseas payments at points of sale and ATM's whereas the FairPay and Dealing products support wire transfer foreign exchange transactions direct to Bank Accounts.

In addition, FairFX has entered into a number of "white-label" arrangements for the use of its P2P matching platform. Customers include easyjet, ThinkMoney and Pitney Bowes. FairFX has also partnered with Concur Technologies, Inc. a leading provider of integrated travel and expense management solutions with over 25 million users globally. Such relationships provide strong support for FairFX's customer acquisition strategy.

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