

17 January 2017

**FairFX Group plc**

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

**Trading Statement**

**Strong growth, accelerated in second half of year**

FairFX, the low cost multi currency payments service, is pleased to provide the market with a trading update for the year ended 31 December 2016.

Turnover for the twelve months ended 31<sup>st</sup> December 2016 was up 27% and exceeded £795 million (2015: £627 million), which was ahead of management expectations. In addition, revenue for the same period is expected to show similar growth and also surpass management expectations. Growth accelerated during 2016, with total turnover in the second half being 45% ahead of the same period in 2015. Growth was driven by continued focus on the core products of International Payments (up 49%) and Prepaid Cards (up 25%). Accordingly, excluding the lower margin cash-in-the-post business, turnover growth was approximately 40% for the year. In keeping with the Group's stated strategic objective of growing the Corporate segment of the business, usage of the Company's corporate card platform rose by 98% compared to 2015. Furthermore, during the period 80,082 new retail customers were acquired bringing the total to 588,130, with a much higher focus on card customers over cash-in-the-post customers.

The Company's overall focus in 2017 will be on continuing its broad-based growth targeting the higher margin core segments of the business. In Prepaid Cards the focus will be dual-driven, with a combination of marketing-led acquisition of new customers and maximizing the revenue yield of the existing customer base through cross-selling, improved retention techniques and re-activation. 2016 saw significant investment in improving data collection and analysis at FairFX and this will be used to both highlight areas for improvement across our services and for enhanced CRM.

In International Payments, the focus will be on combining the online platform (FairPay) with the wholesale/dealing platform to form one seamless product for payments, and thereby give the customer the choice of "self-serve" or speaking to our dealing team. This, combined with broadening the range of payments made possible by lowering the minimum transfer amount and adding new currencies, is expected to provide further growth.

For the Corporate Platform, additional functionality is currently being worked on which will further enhance the product and we see great potential in the Corporate sector for FairFX going forward. In addition, new corporate customer acquisition will be driven by targeted marketing augmented by new affiliate relationships.

Another key area for 2017 will be to review the business's supply chain and infrastructure. The Company is now past the critical mass at which it has the operational efficiency to insource many processes with commensurate improvements in efficiency as well as cost savings leading to improved gross margin. The supply-chain review will cover all aspects of the Company from card issuance to processing to banking partners.

**FairFX CEO, Ian Strafford-Taylor, commented:**

*"The performance of FairFX during 2016 gives us great confidence for the prospects for 2017 and beyond. The Company gathered momentum as the year progressed as borne out by the growth figures for the second half of the year. We have a clear roadmap internally for what we will work on in the first half of 2017 and we see this year as another exciting period for FairFX."*

This announcement contains inside information.

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**About FairFX**

FairFX is a leading online 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 over 35 million merchants and over 1 million ATM's in a broad range of countries globally via Mobile apps, the Internet, 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.

For Corporates, FairFX has a market-leading business-expenses solution based around its corporate prepaid card allied to a platform allowing the Corporate to better control expenses and improve transparency whilst removing administrative burdens from staff.

In addition, FairFX has entered into a number of "white-label" arrangements for the use of its P2P matching platform. Customers include easyjet and ThinkMoney. 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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