

19 January 2017

**FairFX Group plc**

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

**FairFX to Acquire E-Money Licence through Acquisition of Q Money Limited**

FairFX, the low cost multicurrency payments service, is pleased to announce that it has agreed to acquire the entire issued ordinary share capital of Q Money Limited ("Q Money") with its associated e-money licence ("Acquisition").

The Acquisition is an important milestone in the evolution of FairFX and opens up many exciting opportunities for the Group.

Firstly, the e-money licence opens an array of options for FairFX to rationalise its cost base including the possibility of becoming the issuing bank of its own cards and internalising parts of the supply chain. By reducing the infrastructure cost and processes, FairFX will be able to more rapidly grow its product portfolio and gain competitive advantage unencumbered by existing cost and time constraints.

Secondly, FairFX believes that businesses, particularly SMEs, have been poorly served by banks for a long time. Creating a UK digital-banking product for businesses provides FairFX the opportunity to further diversify its revenue stream and to enter a market that it believes currently has relatively few participants. Growth in the Group's expense management platform has demonstrated demand and gaining an e-money licence allows the Group to expand this offering to encompass more products and services.

Thirdly, the e-money licence permits FairFX to take advantage of opportunities created by anticipated government legislation that is expected to open up direct access to the UK payments infrastructure.

In addition, as part of the Acquisition, Tony Quirke will become Chief Financial Officer of FairFX. Previously, Tony was CFO at Kalixa Pay, where he played a key part in the development and growth of the e-banking, card issuing and acquiring businesses.

The initial consideration payable for the Acquisition is £425,000, to be satisfied by £110,000 payable from existing cash and by the issue of 724,136 new ordinary shares of 1p each in the Company (the "Initial Consideration Shares") at an issue price of 43.5p. Further consideration of up to £825,000 may be payable to Q Money over the next 3 years, subject to the achievement of certain performance milestones, and will be satisfied by the issue of new ordinary shares of 1p each in the Company at an issue price of 43.5p.

The vendors of Q Money have entered into a lock-in arrangement whereby they have agreed not to dispose of any of the consideration shares they receive for a period of two years following their issuance (except in certain limited circumstances where an orderly market will apply) and thereafter via an orderly market agreement for a further three years.

Completion of the Acquisition is conditional upon the admission of the Initial Consideration Shares to trading on AIM which is expected to take place on 24 January 2017. Following admission of the Initial Consideration Shares, the enlarged share capital of the Company is expected to be 103,840,175 ordinary shares of 1p each in the Company ("Ordinary Shares").

The vendors of Q Money will retain an aggregate 20% economic interest in Q Money entitling them to 20% of any dividends paid by Q Money to the Group and/or 20% of any sale proceeds of Q Money should it be sold. Various protections have been put in place in respect of that economic interest including put and call options enabling that interest to be converted into Ordinary Shares in the event of an offer for the Company.

**Ian Strafford-Taylor, Chief Executive Officer, commented:** *"The acquisition of Q Money is an important strategic step for FairFX. The e-money licence will allow us to rationalise our supply chain, thereby reducing costs, but more importantly it widens our horizons in terms of the products and services we can provide to our customers and the speed at which we can deploy them. We can also internalise transactions within the FairFX ecosystem allowing FairFX customers to transact with each other in a far more efficient and cost-effective manner.*

*"In addition, I would like to welcome Tony to the senior management team as our CFO. Having begun to build out the senior team in 2016, his appointment means we are now well set to execute our future plans."*

This announcement contains inside information.

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**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.

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. Partners include easyjet, ThinkMoney, Pitney Bowes and Quintessentially. 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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