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**FairFX Group plc**

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

**Acquisition of City Forex Limited**

FairFX, the low-cost multicurrency payments and banking service, is pleased to announce that it has acquired the entire issued ordinary share capital of City Forex Limited ("City Forex") for a consideration of £6 million payable in cash ("Acquisition").

The Acquisition is a further milestone in the evolution of FairFX and is expected to be immediately earnings enhancing. Furthermore, it fits with FairFX's stated core growth themes, namely extracting increasing economies of scale whilst adding product innovation

City Forex's service offering is primarily focused on two key products, International Payments and Travel Currency, which is accessible to both business and consumer segments through its proprietary platform and its three central London based branches respectively.

Its high-quality customer base includes business customers that range from City-based businesses to SMEs around the UK. The City Forex International Payments division services approximately 2,000 business and 8,000 private client customers.

Within its Travel Currency division, City Forex fulfils almost 200,000 currency orders per annum across a number of supply verticals, including walk-in retail trade, the servicing of employee discount schemes, corporate accounts and supply partnerships such as that undertaken with FairFX.

City Forex has been a partner of FairFX since 2007 and provides the operations for FairFX's Travel Currency service - which is a key component of attracting and then retaining customers for FairFX. One of the benefits of combining the two companies is that the enlarged Group will control the entire supply chain for the Travel Currency service. In addition, City Forex's large and growing International Payments business is expected to provide economies of scale from banking partners when combined with existing FairFX volumes.

City Forex has built an innovative proprietary system that processes both the Travel Currency and International Payments businesses with a high degree of automation. The system will be combined with FairFX's existing platform to yield further efficiencies for the Group as well as increased capacity for growth. Furthermore, the City Forex platform has a customer-facing portal offering "self-serve" international payments to corporates at bespoke spreads (approximately 40% of City Forex business is conducted this way), which is a capability that FairFX was planning to add in 2018. The end-to-end nature of the platform, covering customer interface all the way through to automated settlement, represents a significant jump forward in functionality and efficiency for the Group.

The opportunities for revenue enhancement for the Group from cross-selling FairFX products to City Forex customers are considerable, particularly for the FairFX Corporate Expense Card and Platform. In addition, it is FairFX's intention to utilise its existing infrastructure and marketing methodology to engage with the City Forex customer base.

For the 12 months ended 31 October 2017, City Forex made revenue of £4.4 million from turnover of £570 million which generated an EBITDA (pre-exceptional items) of £0.7 million, a PBT of £0.3 million and had assets, excluding client cash and grossed up debtors and creditors, of £4.1 million.

The consideration of £6 million (which is subject to adjustments for cash and working capital and is on a cash-free, debt-free basis) will be paid from existing FairFX cash resources. The initial consideration for the Acquisition is £5.25 million with the remaining consideration of £0.75 million paid nine months after completion.

The Company has received Financial Conduct Authority approval for the change of control of City Forex Limited.

**Ian Strafford-Taylor, Chief Executive Officer, commented:** *"The acquisition of City Forex is a key milestone in the evolution of FairFX and will immediately enhance the Group's earnings. City Forex is a long-standing partner of FairFX, we know the Company and its people well and we are delighted to welcome them into the FairFX Group. This transaction fits perfectly with our stated strategy as it increases our scale, rationalises our supply chain and brings their innovative system within the Group."*

The information contained within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

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**About FairFX**

FairFX is a leading challenger brand in banking and payments that disintermediates the incumbent banks with a superior user experience and low cost operating model. This 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 provides banking and payment services to both personal and business customers through four channels: Currency Cards, Physical Currency, International Payments and Bank Accounts. The Currency Card and Physical Currency offerings facilitate multiple overseas payments at points of sale and ATM's whereas the International Payments channel supports wire transfer foreign exchange transactions direct to Bank Accounts. For Corporates, FairFX has a market-leading business-expenses solution based around its corporate prepaid platform and card that can yield significant savings on a Corporate's procurement through better controls and improved transparency and also streamline the procurement process thus saving administrative costs. Through the recent acquisition of CardOne, FairFX now has the capability to offer retail and business Bank Accounts with all the functionality you would expect from a Bank, namely faster payments, BACs, direct debits, international payments and a debit card.

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