

25 January 2019

**FairFX Group plc**

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

**Trading Update**

**Another year of significant growth and investment**

FairFX, the e-banking and international payments group, is pleased to announce the following trading update for the year ended 31<sup>st</sup> December 2018 ("FY18").

Full year turnover for the Group was £2.36 billion, an increase of 111% on the prior year (2017: £1.12 billion) and in line with management expectations. Turnover was up 22% excluding the effect of the acquisitions of CardOne Banking in August 2017 and City Forex in February 2018.

The Group has demonstrated strong growth during FY18 and expects to report adjusted EBITDA of approximately £7.5 million for the 12 month period (FY17: £1.0 million).

Growth was again driven by the Group's continued focus on its core products of International Payments (up 134%) and Prepaid Cards (up 8%). 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 30% compared to 2017. Furthermore, during FY18, 315,000 new UK domiciled retail customers were acquired bringing the total to 1,040,000 customers.

The Group has continued to invest in the CardOne business and platform to pursue identified opportunities which are expected to be realised during the current financial year.

The other key area of strategic focus for the Company has been to invest in the platform and rationalise the supply chain. Pleasingly, further advances were made during the year, including self-issuance of CardOne corporate cards under our Mastercard membership. One area of focus was the removal of a layer of the supply chain and improve margins across the corporate card division, and whilst good progress was made this was slower than the Board would have liked. The Board expects this to be finalised and to contribute improved margins during the current financial period.

**Outlook**

Whilst Brexit uncertainty depressed Sterling against the Dollar and Euro during FY18 weighing on customer sentiment and activity, the Group demonstrated significant growth through the year. Ongoing, and even potentially lengthened, Brexit negotiations continue to provide macro-economic headwinds for the business. The Board is pleased to confirm, however, it expects 2019 to be another year of significant growth.

*All figures contained in this announcement are subject to audit.*

*This announcement contains inside information.*

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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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