

FDTechnologies

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FD Technologies plc
(“FD Technologies”, the “Company” or the “Group”)

Conclusion of Structure Review: merger of MRP with CONTENTgine and intention to separate KX and First Derivative

FD Technologies (AIM: FDP.L, Euronext Growth: FDP.I) announces an update to its structure review announced by the Board in October 2023, which considered the optimal organisational structure and allocation of capital to best deliver value for shareholders.

A separate RNS has also been released providing an update on trading, covering the performance of KX and First Derivative.

Structure review

The Board has been considering the appropriate structure of the Group for more than a year, taking independent advice throughout. In October 2023 a formal review of the options to maximise value was announced, which included extensive consultation with shareholders and input from advisers. Following that process, the Board has unanimously concluded that the separation of its three businesses is in the best interest of all shareholders.

As a first step towards this goal the Group is pleased to announce that it has agreed to an all-share merger of its MRP business with CONTENTgine, a provider of B2B technology buyer insights and lead generation. Further details of this transaction are provided below.

The Board will take a measured approach to the separation of KX and First Derivative, particularly with respect to the timing of any transaction, having regard to market conditions to ensure that a divestment of First Derivative reflects its value. The Company looks forward to engaging closely with its investors as the process progresses.

The changes announced today represent a major transformation of FD Technologies and reflect the determination of the management and Board to realise value for all stakeholders from a unique portfolio of businesses with different capital needs and future opportunities. As we progress this plan, we will review the appropriate Board composition and update the market in due course.

Merger of MRP with CONTENTgine

FD Technologies has concluded that a highly complementary all-share merger of its MRP business with CONTENTgine is the best decision for the Group and creates a top-tier provider in the B2B demand generation services market.

CONTENTgine tracks content engagement across 650 B2B software and technology categories, identifying which organisations have the highest propensity to buy. The combination with MRP’s enterprise demand generation products and services will create an end-to-end provider covering the entire B2B technology sales and marketing process. The

combined customer base includes some of the largest brands in enterprise technology and the merged business will be led by MRP CEO Christopher Rack, assisted by the three founders of CONTENTgine.

For the financial year ending 28 February 2023, MRP generated revenue of £41.5m and adjusted EBITDA of £1.4m while in the six months ending 31 August 2023 it generated revenue of £15.7m and an adjusted EBITDA loss of £0.2m. In the second half of the financial year MRP continued to incur a loss. The combined entity is expected to be profitable from the first quarter and generate a cash EBITDA run-rate of £5m by the end of calendar 2024. As we deliver scale and operational savings it is expected that profitability will continue to grow.

While it is not expected to be utilised, the Group has made available a \$5m debt facility for the next 12 months to the combined business.

FD Technologies will own 49% of the combined entity, which will be reflected as an associate investment rather than consolidated in Group financial statements. The net asset value of MRP at the date of the transaction was approximately £19m.

Donna Troy, Chair of FD Technologies, said: “FD Technologies has an exciting collection of assets and at this stage in the evolution of these businesses and against the current market valuation, it is the right decision to take transformative action to separate them and realise value for shareholders. I am confident we can address some of the recent short term trading issues with the actions we have announced today in the trading statement and with focus and input from our management and Board we will ensure we maximise the potential across the portfolio.”

Seamus Keating, CEO of FD Technologies, said: “The conclusion of the structure review provides a clear path to create value for shareholders. As a first step, we are pleased to announce the merger of MRP with CONTENTgine to create a leader in the demand generation services market. This transaction creates a strong, attractive business as the sector consolidates. We will now focus on the separation of KX and First Derivative and will update shareholders as the process progresses.”

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About FD Technologies

FD Technologies is a group of data-driven businesses that unlock the value of insight, hindsight and foresight to drive organisations forward. The Group comprises KX, which provides software to accelerate AI-driven innovation and First Derivative, providing consulting services which drive digital transformation in financial services and capital markets. FD Technologies operates from 13 locations across Europe, North America and Asia Pacific, and employs more than 2,400 people worldwide.

For further information, please visit www.fdtechnologies.com and www.kx.com