

1 August 2017

# Escher Group Holdings plc

## Half-year trading update

Escher Group Holdings plc (AIM: ESCH, "Escher" or the "Group"), a world leading provider of outsourced point-of-service software for use in the worldwide postal, retail and financial industries, publishes a trading update for the six months to 30 June 2017 and maintains its financial expectations for the full year.

Group revenues will total approximately US\$9.4m for H1 2017 (H1 2016: US\$12.3m). Adjusted EBITDA\* is expected to be approximately US\$1.4m (H1 2016: US\$3.4m).

Recurring revenues now represent 64% of the Group's turnover (H1 2016: 52%) which demonstrates the ongoing evolution of the business. These revenues underpin Escher's profitability.

As expected, one-off software licence sales in H1 2017 were lower than in H1 2016 while maintenance and service revenues remain buoyant as the Group transitions towards a recurring revenue model.

The Group has continued to invest in new product areas and operations, specifically in exploring the possibility of adding a second "leg" to the business in the activity of Licensing and Permitting platforms.

Net cash at 30 June 2017 was US\$0.1m (31 December 2016: US\$0.1m).

**Liam Church**, CEO Escher Group, commented:

***"As anticipated, our licence sales in the first half were modest as compared to those of H1 2016. Nevertheless, the strength of our recurring and repeating revenue streams enabled us to deliver US\$1.4m in adjusted EBITDA."***

***"Overall, our pipeline of business for H2 2017 gives the Board confidence that expectations for the full year are deliverable."***

The Group expects to publish its half-year results for the six months ended 30 June 2017 in mid-September.

*\*Operating profit before, depreciation, amortisation, share based payments and exceptional items.*

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### About Escher Group

Escher is a world-leading provider of outsourced, point-of-service software for use in the worldwide postal, retail and financial industries. Its core software, Riposte<sup>®</sup>, a Transaction Services Platform, enables our customers to expand their offerings, providing new services, reducing costs and increasing efficiency. The Riposte<sup>®</sup> Platform securely extends the retail branch network. Our technology creates new revenue opportunities, streamlines operations, and its flexibility allows it to be deployed across multiple platforms and devices, giving the ultimate freedom of choice when it comes to channel and hardware selection. Our focus is to ensure the success of our customers by delivering the very best in innovative technology for their business.