

21 January 2016



Escher Group Holdings plc

Year-end 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 year end trading update for the year ended 31 December 2015.

Group revenue is expected to be approximately US\$22.0m (2014: US\$21.1m), up 4%. Adjusted EBITDA* is expected to nearly double to approximately US\$4.0m (2014: US\$2.1m). Net debt at 31 December 2015 has been reduced to US\$2.7m (2014: \$5.3m).

Escher's core business, Retail Services, continued to perform well with strong growth in maintenance and support revenue, following previously reported new business wins. Additionally Escher secured a key contract to provide *permanent tsb* with a retail banking solution to its one million customers.

During 2015, the Group continued to invest in its early stage businesses, Digital and Interactive Services. Successful implementations in the UK, Isle of Man and Ireland have created the foundation for an increasing subscription revenue stream during 2016 and beyond.

As highlighted previously, Escher continues to make good progress in developing its subscription and maintenance revenues, having implemented significant contracts in Germany and the US. Licensing revenues will continue to be uneven and difficult to forecast, as most new postal customers require one-off licensing agreements.

Currently, the Group's visible and recurring revenues for 2016 are expected to amount to more than 50% of the total 2016 revenue target. Subscription and maintenance revenues are typically multi-year in nature, of a higher margin and are not dependent on new license sales.

Escher expects to publish its full year results in the week commencing 7 March 2016.

Liam Church, Escher's Chief Executive, commented:

"We have continued to make good progress in developing our emerging businesses and increasing our forward visibility, as well as completing the rollout of our software to new customers and securing new contracts. Additionally, two major customers are now in maintenance and support, which has enabled us to recognise the associated revenues."

* 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[®], a Transaction Services Platform, enables our customers to expand their offerings, providing new services, reducing costs and increasing efficiency.

The Riposte[®] 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.