

12 January 2017

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 postal, retail and financial industries, publishes a trading update for the year to 31 December 2016.

- Group adjusted EBITDA* is expected to be in line with market expectations
- Strong cash generation throughout 2016 resulted in Escher achieving a small net positive cash position at year end (net debt at 31 December 2015: \$2.7m)
- Progress continued in developing subscription and maintenance revenues. Recurring revenue streams represented approximately 50% of turnover in 2016. Licensing revenues will continue to be uneven and difficult to forecast, as most postal customers require one-off licensing agreements.

Escher expects to publish its full year results in the week commencing 6 March 2017.

Liam Church, Escher's Chief Executive, commented:

"Major customer deployments in 2014 and 2015 created recurring, cash-generating, revenue streams which underpin the results in 2016 and going forward. We also arrived at a net cash-positive position."

"Looking forward, the tendency of major customers to look to us as a trusted adviser to accompany them in the evolution of their businesses, should allow us to continue to build further our recurring revenues."

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

Market abuse regulation

This announcement contains inside information for the purposes of Article 7 of Regulation (EU) No 596/2014.

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