

7 January 2015

Escher Group Holdings plc

Trading statement

Escher Group Holdings plc (AIM: ESCH, "Escher" or "the Group"), a world-leading provider of outsourced, point of sale software to the postal industry, is providing a trading statement as a sizeable license agreement did not conclude before year end. Negotiations on this agreement are continuing into 2015.

Overall Group revenues are expected to be down 15% year-on-year and Adjusted EBITDA for the year ended 31 December 2014 will be materially below current market expectations.

Liam Church, Escher's CEO said:

"The second half of the last financial year has been disappointing as considerable pipeline activity has not yet converted into finalised agreements. However, we remain in a strong position going forward, given our product portfolio and international pipeline of opportunities."

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About Escher Group

Escher is a world leading developer and provider of outsourced, point-of-service software for use in the worldwide postal industry. Its core software, RiposteEssential™, enables post offices to expand upon their traditional offering, providing additional new services, reducing costs and increasing efficiency. Riposte® is a messaging middleware that enables applications operating on different computers to communicate with each other. The Riposte® software manages data, monitors the system status and communicates across the network. Escher Group operates across two divisions - a Retail Software Division and a Message Based Communications Division.

The Retail Software Solution (RiposteEssential™) serves the postal and courier markets. Transactions include mail and financial services and the system is integrated with utilities and financial services companies, banks and central and local governments.

Escher's Message Based Communications Division (RiposteTrEx™) is based on a digital post office box model and is designed to provide a national digital infrastructure linking governments, businesses and citizens via a secure platform.