

30 June 2017

**ECSC Group plc
("ECSC" or the "Company")**

Pre-Close Trading Update

ECSC Group plc (AIM: ECSC), a provider of cyber security services, provides the following update on trading for the financial year ending 31 December 2017 ("FY17").

Market Background

The market background for cyber security remains positive. Recent high profile incidents have helped cyber security remain a priority for corporate boards.

Investment in Operational Infrastructure

The Company has embarked upon a strategy of organic growth, based upon investment in its operational infrastructure, to build ECSC into a leading cyber security business. Good progress has been made so far this year in scaling the operations, with the growth in headcount and new operating locations all developing in line with management expectations.

Sales Pipeline

The newly expanded sales team has completed a phase of induction and training during FY17 and has been permitted a short period of time to establish and build the sales pipeline of new business. The sales team is currently on track to meet internal targets set for pipeline generation.

Whilst the Board is pleased with new sales pipeline generation, the conversion of sales pipeline into reported revenue is taking longer than anticipated. This has resulted in Consulting revenues falling six weeks behind the originally anticipated growth curve and Managed Services wins falling behind slightly longer.

Trading Update – Full Year FY17

Whilst the Board remains confident of the long-term success of the business, the delays it sees in sales conversion will lead to a lower level of revenue in FY17 than originally expected. Given that the investment in the cost base has been completed as planned, this lower level of revenue will result in an increase in the expected EBITDA loss for full year FY17. The Board is focussing on monitoring the ramp-up of reported revenue very closely and managing the cost base accordingly.

Conclusion

The Board continues to believe that the organic growth strategy of the Company is appropriate for the positive market background and that the long-term outlook for ECSC is encouraging.

Ian Mann (Chief Executive Officer) commented: **“The scale-up of the operations has progressed well so far. Whilst the new sales team is bedding-in, we are experiencing a delay in revenue growth that will directly impact FY17 results. However, we are seeing encouraging sales pipeline growth and the management team remains focussed on harnessing the market backdrop for the longer-term benefit of the Company.”**

The Board looks forward to providing a further update on progress in due course.

The information contained within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

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Notes to Editors

ECSC is a proven provider of cyber security services with a blue-chip client base that offers a comprehensive range of solutions.

The Company has over 16 years' experience in the design, implementation and management of cyber security solutions. ECSC's consultancy-led approach, and its combination of custom methodologies and in-house proprietary technologies, enables the Company to provide individually tailored services to its clients. The Company has significant intellectual property, including bespoke products delivering remotely managed cyber security services and custom-made internal support and delivery systems.

The Company floated on AIM in December 2016 to accelerate its growth strategy and to take advantage of the importance attached to cyber security by company boards as a result of the recent proliferation of high profile cyber security breaches.