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ECSC Group PLC
19 June 2019

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

AGM Statement

ECSC (AIM: ECSC), the provider of cyber security services, announces that at today's Annual General Meeting ('AGM'), ECSC's Chairman, David Mathewson, will make the following statement to shareholders:

ECSC is pleased to update investors as to the Company's progress for the first five months to the end of May 2019.

ECSC expects annual revenues for the 2019 financial year to be broadly in line with current market expectations, and to be EBITDA profitable (excluding the impact of share-based payments) for the full year 2019.

Following strong results for 2018, with growth of 35%, overall revenues for this year to-date have been flat compared with 2018. The Board believes that the continued UK economic uncertainty is currently dampening demand and delaying some projects. However, in accordance with the Group's strategy to increase the proportion of managed service revenues and long-term contracts, the Managed Services Division (which includes managed service recurring revenue and incident response) has performed strongly with year-on-year growth of over 60%. Managed service recurring revenues have increased by 29%.

The latest cash balance stood at £350,000, and in addition the Board has agreed the terms of an invoice discounting facility of £500,000 with Barclays.

New client acquisition has also grown strongly with 49 new client wins so far this year, an increase on the rate for 2018.

ECSC's new Channel Partner Programme, launched at the end of 2018, has already recruited 40 partners, who are now producing new client wins. The Board expects the contribution from this programme to accelerate throughout the year.

The UK Information Commission's Office ('ICO') has recently indicated that the new GDPR related fines for cyber security breaches are soon to be issued, and these are expected to further strengthen the demand for cyber security services.

Ian Mann, CEO of ECSC, commented:

"We are delighted with the progress on developing the Partner Programme, and how quickly it is generating new client wins and revenue. We believe we are well positioned to build on the significant organic growth achieved in 2018, and the Board remains confident of the Group's ability to generate further strong revenue and profit growth during the 2020 financial year."

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