

October 26, 2020



Eckoh plc

("Eckoh", or "the Company", or "the Group")

Half year trading update
Robust performance, driven by high recurring revenues

Eckoh plc (AIM:ECK), the global provider of secure payment products and customer contact solutions, announces a trading update for the six months ended 30 September 2020.

Eckoh delivered a robust performance in the period and in line with Board expectations, generating comparable levels of profit to the prior year, reflecting the resilience of its business model. High levels of recurring revenue, a solid order book, enterprise clients and a strong balance sheet, combined with prudent cost control, have enabled Eckoh to manage the impact of the global pandemic effectively. This performance is a testament to the quality and commitment of our team, who have adapted well to the challenges and worked so effectively under the difficult conditions of recent months.

The first quarter of our financial year, April to June, was unsurprisingly challenging for new business, especially for larger deals, where many tender processes were put on hold. We have, however, seen momentum building in the second quarter, particularly for US Secure Payments contracts delivered in the Cloud. These projects are easier to execute and deliver in the current environment and illustrate ongoing demand for our innovative technology and solutions that are designed to safeguard our clients' migration to digital, remote working. US Secure Payment new contract value was \$5.9m compared to \$7.3m last year, but with a larger number of contracts won in the period.

Total revenue was slightly lower, excluding the large one-off Coral contract from last year, driven mainly by the expected decline in US Support (which declined from \$2.8m to \$1.1m in the period), and the initial revenue impact on the UK business from the pandemic. US Secure Payments enjoyed significant growth of 80%, reflecting demand driven by the long-term structural drivers of tightening regulation, and the risk of data breaches and fraud within challenging parts of our clients' operations.

In the UK, both new and total business were higher than last year, with total business contracted increasing 8% to £8.6m. We are seeing excellent levels of business coming from existing clients, and in August 2020, we secured a six-year renewal of our contract with Capita for the provision of services for the Congestion Charge to Transport for London, at a total contract value of £4m. There are a number of other sizeable renewals expected to close in the second half of our financial year.

US total business contracted was lower than last year, reflecting two previously highlighted factors: a tough prior year comparator in Coral (because of a large contract win that delivered \$3.9m in contract value and \$2.1m in revenue, and which was not expected to repeat), and the managed transition away from hardware-based Support business. In our full year results in June, we noted that third-party Support will continue to decline in the current financial year as we focus resources on the significant growth opportunity of Secure Payments.

Business performance and prudent balance sheet management has ensured Eckoh remains in a strong financial position, with net cash of £12.9m at 30 September 2020 (30 September 2019: £10.9m).

The Group expects to report its results for the six months ended 30 September 2020 on Tuesday, 24 November 2020.

This announcement contains inside information for the purposes of Article 7 of Regulation 596/2014.

For further information please contact:

Eckoh plc

Nik Philpot, Chief Executive Officer

Tel: 01442 458 300

Chrissie Herbert, Chief Financial Officer

www.eckoh.com

FTI Consulting LLP

Ed Bridges / Jamie Ricketts / Darius Alexander

Tel: 020 3727 1017

eckoh@fticonsulting.com

N+1 Singer (Nomad & Joint Broker)

Tel: 020 7496 3000

Shaun Dobson / Tom Salvesen / Justin McKeegan

www.n1singer.com

Canaccord Genuity Limited (Joint Broker)

Tel: 020 7523 8000

Simon Bridges / Emma Gabriel

www.canaccordgenuity.com

About Eckoh plc

Eckoh is a global provider of Secure Payment products and Customer Contact solutions, supporting an international client base from its offices in the UK and US.

Our Secure Payments products help our clients take payments securely from their customers through all engagement channels. The products, which include the patented CallGuard and ChatGuard, can be hosted in the Cloud or deployed on the client's site and remove sensitive personal and payment data from contact centres and IT environments. They offer merchants a simple and effective way to reduce the risk of fraud, secure sensitive data and become compliant with the Payment Card Industry Data Security Standards ("PCI DSS") and wider data security regulations. Eckoh has been a PCI DSS Level One Accredited Service Provider since 2010, securing over £2bn in payments annually.

Eckoh's Customer Contact solutions enable enquiries and transactions to be performed on whatever device the customer chooses, allowing organisations to increase efficiency, lower operational costs and provide a true Omnichannel experience. We also assist organisations in transforming the way that they engage with their customers by providing support and transition services as they implement our innovative customer contact solutions.

Our large portfolio of clients come from a broad range of vertical markets and includes government departments, telecoms providers, retailers, utility providers and financial services organisations.

For more information go to www.eckoh.com or email MediaResponseUK@eckoh.com