

PRESS RELEASE - REGULATED INFORMATION
GLOBAL GRAPHICS PLC: TRADING UPDATE FOR THE QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2017

Cambridge (UK) Wednesday 11 October 2017 (18.00 CEST) - GLOBAL GRAPHICS PLC (Euronext: GLOG) provides a trading update for the third quarter and first nine months of the financial year ending 31 December 2017.

Gary Fry, Global Graphics CEO comments, "This quarter saw us take part in Labelexpo, the major international label exhibition. This sector is full of optimism and continues to show healthy growth. Currently, only a small percentage of label and packaging printing is produced digitally, giving huge potential to Global Graphics with our broad range of digital solutions.

"We were delighted to announce two significant new customers showing digital solutions at the exhibition, namely HP Indigo with their HP Production Pro Digital Front End for labels and packaging, and Durst with their Symphony workflow driving a new high-speed label printer. Three other undisclosed customers are now shipping products that include Global Graphics software technology. Meteor Inkjet also had two customers showing strong propositions on the show floor in Dantex and Mark Andy.

"Although the third quarter of any year is typically lighter on revenue, we have signed some significant accounts which we expect to be revenue enhancing in the coming months. It was also a particularly strong quarter for our font foundry URW++ whose underlying business is on a positive trend, reflecting the investments we have made.

"During the quarter we made a small strategic technology acquisition of Cambridge Grey Bit Limited, a research and development company specializing in advanced software for industrial inkjet printing. This acquisition broadens our technology portfolio in a strategically important area for the Company. It complements the advances we have already made in industrial inkjet with our ScreenPro screening engine and the acquisition of Meteor Inkjet. Of its two employees one has now joined the Global Graphics Software development team."

Financial highlights for the quarter and nine months ended 30 September 2017

The following information is unaudited.

For the quarter ended 30 September 2017

- Revenue for the quarter was €4.50 million (2016: €4.09 million)
- Gross profit for the quarter was €3.38 million, or 75% of sales (2016: €3.72 million, 91% of sales)
- EBITDA for the quarter was €0.61 million (2016: €1.47 million)
- Cash at 30 September 2017 was valued at €4.00 million (30 September 2016: €3.05 million)

For the nine months ended 30 September 2017

- Revenue for the period was €14.67 million (2016: €12.57 million)
- Gross profit for the period was €11.19 million, or 76% of sales (2016: €11.53 million, 92% of sales)
- EBITDA for the period was €2.36 million (2016: €4.77 million)

Segment sales analysis

The following table provides information about revenue for the Group's operating segments for the quarter and nine months ended 30 September 2017 and 2016.

| € 000s | Quarter ended 30 September | | Nine months ended 30 September | |
|----------------------|----------------------------|--------------|--------------------------------|---------------|
| | 2017 | 2016 | 2017 | 2016 |
| Print | 3,557 | 2,460 | 11,342 | 9,208 |
| eDoc | 128 | 1,075 | 1,261 | 1,521 |
| Fonts | 819 | 554 | 2,068 | 1,842 |
| Total revenue | 4,504 | 4,089 | 14,671 | 12,571 |

During the nine months ended 30 September 2016, a customer in the Print segment exercised a multi-year option in their contract which resulted in the recognition of revenue totalling €2.87 million during that period. There was no such item in the nine months ended 30 September 2017.

Gross profit

Following the acquisition of Meteor in December 2016, the Group's sales are now comprised of software and a significant proportion of hardware. The hardware revenue attracts a higher cost of sale, resulting in lower gross margins, so gross profit margins will be influenced by the mix of product that is sold during the period.

EBITDA

EBITDA is calculated by adding back interest, tax, depreciation and amortisation to net profit.

Cash

The Group continues to be free of any interest bearing debt, therefore, has no interest payments or capital repayments to make.

The terms of the acquisition of Meteor necessitates a deferred consideration payment, payable in cash, which is contingent on revenue. Two payments were made during the nine months ended 30 September 2017.

Acquisition of Cambridge Grey Bit Limited

On 27 September 2017, the Group acquired the entire issued share capital of Cambridge Grey Bit Limited ("CGB").

CGB is a research and development company specializing in advanced software for industrial inkjet printing and is based near Cambridge, UK. With this acquisition, CGB's expertise in screening and cross web calibration for single pass and scanning inkjet heads will be integrated into Global Graphics Software's technology offering.

Consideration for the acquisition was £75,000 in cash followed by deferred consideration contingent on revenue during the five year period from 27 September 2017 until 27 September 2022.

To date, CGB's revenue is not material in relation to the Group's revenue and is not expected to be material to the Group's Q4 or full year 2017 results.

About Global Graphics

Global Graphics PLC (Euronext: GLOG) <http://www.globalgraphics.com> is a leading developer of platforms for digital printing, including the Harlequin RIP®. Customers include [HP](#), [Canon](#), [Delphax](#), [Roland](#), [Kodak](#) and [Agfa](#). [The roots of the company go back to 1986](#) and to the iconic university town of Cambridge, and, today the majority of the R&D team is still based near here. The font foundry, [URW++ Design and Development GmbH](#), and the industrial printhead driver solutions specialists, [Meteor Inkjet](#), are subsidiary companies of Global Graphics PLC. Global Graphics has offices in: Boston, US; Tokyo, Japan; and Hamburg, Germany.

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