

Frontier Smart Technologies Group Ltd

(‘Frontier’ or the ‘Group’)

Half Year Trading Update

“Strong first half performance”

Frontier (AIM: FST), a pioneer in technologies for Digital Audio devices, announces the following trading update for the six months ended 30 June 2017.

The Group expects to report H1 revenues of circa £19.7 million, up 44% on H1 2016 (£13.7 million) with a significant improvement in EBITDA¹ to approximately £1.1 million (loss of £35,000 in H1 2016).

Revenue growth has been driven by the switch-off of FM radio in Norway, the introduction of the EU Radio Equipment Directive (‘RED’) in June 2017 (the latter encouraging some customers to bring forward orders from the second half of the year) and the first revenues for Smart Audio (expected to be circa £1.4 million for the first half). The Group has also benefited from the decline in Sterling against the US Dollar since H1 2016, with revenues expected to increase 26% in US Dollar terms for the first half of 2017. The decline in the dollar in the last few weeks may mean that there will be less of an impact in the second half.

The outcome for the full year will be determined over the next few weeks by the order intake for the Christmas period. The Group will update the market on progress at the time of the half year results in late September 2017.

As at 30 June 2017, the cash balance was £4.8 million (31 December 2016: £3.4 million) which translates to a net cash position of £1.3 million (31 December 2016: net debt £0.7 million).

Anthony Sethill, CEO of Frontier Smart Technologies Group Ltd, said:

“Trading for the first half of the year has been stronger than anticipated but it is too early to determine Frontier’s full year profitability. Whilst some of the drivers of growth in H1 are short-

term in nature, the underlying trends for our Radio business are positive. This strong performance in Radio provides a solid foundation on which to build our presence in Smart Audio.”

¹ EBITDA means earnings from continuing operations before interest, tax, depreciation and amortisation and non-cash share-based payments.

The announcement contains information which, prior to its disclosure, was inside information for the purposes of the Market Abuse Regulation.

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For further enquiries:

Frontier Smart Technologies Group Ltd

+44 (0) 20 7391 0630

Anthony Sethill, Chief Executive Officer

Jonathan Apps, Chief Financial Officer

Peel Hunt LLP (Nominated Adviser and Broker)

+44 (0) 20 7418 8900

Edward Knight / Euan Brown

Buchanan (Financial PR)

+44 (0) 20 7466 5000

Henry Harrison-Topham / Steph Watson

FST@buchanan.uk.com

About Frontier Smart Technologies

Frontier is a pioneer in software and hardware technologies for Digital Audio devices. The Group has one operating division, Frontier Silicon, which provides solutions for Digital Radio and Smart Audio devices.

Frontier Silicon was incorporated in 2001. Customers include many leading consumer audio brands: Altec Lansing, Bose, Bowers & Wilkins, Brookstone, Denon, Grundig, harman/kardon (JBL), Jensen, Onkyo, Panasonic, Philips, Pioneer, Pure, Roberts, Sony, TechniSat, Yamaha, and many more.

The Group is headquartered in London, with engineering, sales and operations teams in Cambridge, Timisoara (Romania), Hong Kong, and Shenzhen. Please visit <http://www.frontiersmart.com/>