

For immediate release

25 January 2018

Frontier Smart Technologies Group Ltd

(‘Frontier’ or the ‘Group’ or the ‘Company’)

Trading update

“Strong financial performance in 2017”

Frontier (AIM: FST), a pioneer in technologies for Digital Radio and Smart Audio devices, announces the following unaudited trading update for the year ended 31 December 2017 (‘FY 2017’) ahead of the announcement of its full year results.

The Group expects to report a strong financial performance for FY 2017, with revenue growth and EBITDA in line with current market expectations.

Revenue for the financial year is expected to be up c. 28% at c. £41.2 million (FY 2016: £32.1 million) and underlying EBITDA is anticipated to be c. £1.9 million (FY 2016: £0.7 million). In constant exchange rates, revenues are expected to be up 23% to approximately US\$53.2 million (FY 2016: US\$43.4 million). As at 31 December 2017, the Group had a solid cash position of £5.8 million (FY 2016: £3.4 million) and a net cash position of £2.9 million (FY 2016: £0.7 million).

The improvement in EBITDA has been driven by growth in the Group’s established Radio business and the Group’s first material revenues from its Smart Audio division.

The Radio business continued to generate positive cashflows in 2017. Frontier maintained its sector leadership and market volumes benefited from the switch-off of FM in Norway and underlying growth in other European markets. In Smart Audio, the Group has secured numerous design wins for its Minuet platform. To date, 20 models have been released and, since the year-end, the Group has announced its first voice-enabled design wins, which are expected to reach mass production in the first half of 2018.

The Group continues to expect modest growth in revenues and EBITDA for FY 2018. As previously indicated, Radio is likely to plateau following the completion of Norway’s FM switch-off. In Smart Audio, while initial indications are encouraging, the market for third-party voice-enabled speakers remains early-stage, and the division remains in a development phase with plans in 2018 for a slight increase in R&D expenditure. This is to finalise the development of Frontier’s SmartSDK, the Group’s

voice-enabled streaming software solution, and enable it to address the three major eco-systems of Google Voice Assistant (GVA), Alexa Voice Services (AVS) and Apple Airplay 2.

Anthony Sethill, CEO of Frontier Smart Technologies, said:

“2017 was a good year for Frontier with revenues performing well and EBITDA more than doubling. Our strategic objectives for 2018 are to maintain the positive cashflows delivered by Radio, whilst investing in software engineering for the Smart Audio division in order to cement Frontier’s position as the leading multi-ecosystem voice-enabled solution provider.”

The Group expects to publish its full year results for the year to 31 December 2017 in March 2018. A further announcement will be made in due course.

- Ends -

This trading update is based upon unaudited management accounts and has been prepared solely to provide additional information on trading to the shareholders of Frontier. It should not be relied on by any other party for other purposes. Certain statements made in this update are forward-looking statements. Such statements have been made by the Directors in good faith using information available up until the date that they approved this update. Forward-looking statements should be regarded with caution because of the inherent uncertainties in economic trends and business risks.

For further enquiries:

Frontier Smart Technologies Group Ltd

+44 (0) 20 7391 0630

Anthony Sethill, Chief Executive Officer

Jonathan Apps, Chief Financial Officer

N+1 Singer (Nominated Adviser and Broker)

+44 (0) 20 7496 3000

Shaun Dobson / James Hopton

Buchanan (Financial Communications)

+44 (0) 20 7466 5000

Henry Harrison-Topham / Steph Watson / Gemma Mostyn-Owen

FST@buchanan.com

About Frontier Smart Technologies

The Frontier Smart Technologies Group is a pioneer in technologies for digital audio devices. The original company, Frontier Silicon, was incorporated in 2001. Customers include many leading consumer audio brands: Bose, Denon, Grundig, harman/kardon, Hama, JBL, Marshall, Onkyo, Panasonic, Philips, Pioneer, Pure, Roberts, Sony, TechniSat, UrbanEars, Yamaha, and many more. The Company is headquartered in London, with engineering, sales and operations teams in Cambridge, Timisoara (Romania), Hong Kong, and Shenzhen.

For more information, see: www.frontiersmart.com