

10 June 2019

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Scapa Group plc (“the Company”)

**Board update and
additional information on potential financial implications of contract termination**

Scapa Group plc (AIM: SCPA) announces that further to the announcement on 21 May 2019, Heejae Chae has agreed to retract his intention to step down and will remain as Group Chief Executive of the Company to execute against the current strategy.

Further to the announcement on 3 June 2019, Scapa continues to prepare its response and pursue all appropriate rights and remedies against ConvaTec Inc. (ConvaTec). The Company has taken steps to reduce the estimated impact on revenues and trading profit in FY20. Following a reduction in direct labour, but assuming no further mitigating actions at this stage, the estimated exposure to revenue and trading profit in FY20 could be c£28.0m and c.£13.0m, respectively. The figure includes the impact on other facilities which supply materials for ConvaTec products in Knoxville. The Company will continue to assess further revenue opportunities as well as reviewing its ongoing cost base.

The Company and Scapa Tapes North America LLC (together Scapa) refute that ConvaTec has any legitimate grounds to terminate the Master Supply Agreement (MSA) with Scapa Tapes North America LLC. Scapa will vigorously challenge and defend its rights under the MSA in its response to the New Jersey Action. Scapa is confident in asserting its rights and pursuing appropriate remedies.

Larry Pentz, Chairman of Scapa, commented:

“The Board is delighted that Heejae has agreed to continue as Group Chief Executive. The Board remains committed to its strategy and believes it has the right capabilities and management to fully deliver its growth priorities and we will not be distracted by the recent claims published by ConvaTec, which we will robustly contest.”

Heejae Chae, Group Chief Executive of Scapa, added:

“I am pleased to have accepted the Board’s invitation to remain as Group Chief Executive. I am confident in the foundations of the Company, which are strong. We have the right culture and excellent people in place to deliver against our current strategy, which is generating success. In particular, we have made significant strides in expanding our healthcare business and we are well positioned to take advantage of the many tech-transfer opportunities we are seeing in the medtech market. I remain fully committed to executing this strategy designed to create value for all stakeholders.”

For further information:

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About Scapa Group plc

Scapa Group plc is a diversified Healthcare and Industrial company focused on bringing best-in-class innovation, design and manufacturing solutions to its customers.

Healthcare

Scapa Healthcare is the trusted strategic partner of choice for the world's leading companies in Advanced Wound Care, Consumer Wellness and Medical Device Fixation. We partner with the top global MedTech companies to develop and manufacture innovative skin friendly medical device fixation and topical solutions, from inception through to market delivery, from our state-of-the-art facilities.

For further information, please visit www.scapahealthcare.com

Industrial

Scapa Industrial is a global supplier of bonding solutions and manufacturer of adhesive-based products which offer meaningful value in industrial applications due to their lightweight, easy-to-apply properties. We are recognised for our unparalleled range of products, including adhesive tapes, films and foams, and we can engineer custom designs for even the most unique applications.

For further information, please visit www.scapaindustrial.com