

# science group

14 June 2019

## Science Group plc

### Investment in Frontier Smart Technologies Group Limited ("Frontier")

Science Group plc ("Science Group") currently holds a total of 11,510,521 ordinary shares in Frontier, equivalent to 28.3% per cent. of the voting share capital of Frontier.

Science Group has continued to try to engage with Frontier but no tangible progress has been made since the first letter on 8 May 2019. In the opinion of Science Group, Frontier has consistently tried to frustrate Science Group's proposal, most recently by the notification to Science Group that deal-related bonuses have been granted to the Executive Directors of Frontier, equivalent to 6 months' salary in addition to their contractual rights. Were Frontier subject to the UK City Code on Takeovers and Mergers (the "Code"), such changes to director terms of employment (which Science Group considers material in the context of a transaction of this size) could be deemed a frustrating action requiring approval of the Takeover Panel and the bidder. The Frontier Board's asserted application of the principles of the Code continues to be highly selective.

#### Disclosure of Inside Information

On 12 June 2019, following a conversation with N+1 Singer, adviser to Frontier, Panmure Gordon (UK) Limited ("Panmure Gordon", adviser to Science Group) informed Science Group that N+1 Singer had disclosed information in relation to Frontier which it considered to be inside information ("Information") to Panmure Gordon without Panmure Gordon's prior consent. Science Group elected not to receive the Information and declined to be made inside. For the avoidance of any doubt, Science Group has not received the Information.

Science Group has been advised that, if Frontier cannot ensure the confidentiality of the Information and the Information includes inside information, Frontier has a regulatory obligation to disclose the Information to the market immediately and has written to Frontier accordingly. (Science Group and its advisers are not subject to any non-disclosure or confidentiality agreements in regard to the discussions with Frontier.) Science Group has not received any substantive reply to this letter.

Given that Panmure Gordon became a non-consenting recipient of the Information disclosed by N+1 Singer, and Science Group declined to receive the Information, Panmure Gordon has regrettably had to resign as Financial Adviser and Broker to Science Group in connection with the proposed transaction. Panmure Gordon will continue as Nomad and Corporate Broker to Science Group.

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## **Non-Applicability of UK Takeover Code**

Science Group reiterates that Frontier is not subject to the Code as set out in the announcement on 20 May 2019. This means that, among other provisions within the Code that do not apply, Science Group is:

- not under an obligation to make a mandatory offer for all the shares of Frontier should its shareholding exceed 30%;
- permitted to make any offer, should an offer be made, on less favourable terms than have been or may be used to make purchases in the market;
- permitted to make different arrangements or offers with different shareholders; and
- not subject to share trading restrictions in the Code.

Science Group may or may not make further purchases of Frontier shares in the market and may or may not make an offer for Frontier. There is no certainty that an offer will be made by Science Group nor as to the terms of any such offer should one be made.

- Ends -

## **For further information:**

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