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VIOLATION OF THE RELEVANT LAWS OF SUCH JURISDICTION**

**FOR IMMEDIATE RELEASE**

**1 July 2019**

**CASH OFFER**

**for**

**FRONTIER SMART TECHNOLOGIES GROUP LIMITED**

**(“FRONTIER”)**

**By**

**SCIENCE GROUP PLC**

**(“SCIENCE GROUP”)**

**1. Introduction**

Science Group announces a firm intention to make a cash offer at **35 pence** per share for the entire issued and to be issued ordinary share capital of Frontier which Science Group and its Affiliates do not already own.

- **The offer price of 35 pence per Frontier Share represents a substantial premium of 137.3 per cent. to the closing mid-market Frontier share price at 17 May 2019, being the last trading day prior to the announcement of Science Group’s approach to Frontier.**
- **The Offer, which will have an acceptance condition of 50 per cent. plus one share, gives Frontier Shareholders a deliverable path to realise the value in their Frontier Shares in cash and at a premium.**
- **In addition, Science Group has today instructed Panmure Gordon to buy up to 10 million Frontier shares in the market at a price per share equal to the Acquisition Consideration, giving Frontier Shareholders immediate trading liquidity should they wish to sell their Frontier Shares before completion of the Offer.**
- **As at close of business on 28 June 2019, Science Group was interested in 11,510,521 Frontier Shares representing 28.3 per cent. of the voting rights in Frontier. Science Group does not anticipate supporting any proposals made in respect of Frontier by any alternative bidder.**
- **Science Group considers that there are potential benefits for both companies to be derived from Frontier becoming part of Science Group and believes that Frontier’s management and employees would benefit from the greater opportunities that Science Group can offer.**

## 2. The Offer

Under the terms of the Offer, Frontier Shareholders will be entitled to receive:

**in respect of each Frontier Share 35 pence in cash**

The Offer represents:

- (a) a premium of 137.3 per cent. to the closing mid-market share price of Frontier on 17 May 2019 of 14.75 pence per share, being the last trading day prior to the announcement of Science Group's approach to Frontier; and
- (b) a premium of 161.6 per cent. to the closing mid-market share price of Frontier on 9 May 2019 of 13.4 pence per share, being the date of the trading update issued by the board of directors of Frontier.

Science Group encourages all Frontier Shareholders to accept the Offer, which it considers to be at an attractive premium, particularly in view of the financial situation and operating performance of Frontier as set out in the trading update made by Frontier on 9 May 2019.

Unless extended at the sole discretion of Science Group, the Offer will be available for acceptance for **14 calendar days** from the date of posting of the Offer Document to Frontier Shareholders or, if applicable, the making of the Offer by any alternative method (the "Offer Period"). There is no certainty that Science Group will extend the Offer beyond the First Closing Date and Frontier Shareholders are encouraged to accept the Offer in a timely manner or, if they wish to sell their shares and receive payment more quickly, to use the Panmure Gordon Trading Facility described in Section 3 below.

The Offer will be conditional on, among other things, Science Group securing valid acceptances of the Offer in respect of Frontier Shares which, taken together with all other Frontier Shares which Science Group and its Affiliates (and/or their respective nominee(s)) have acquired or agreed to acquire (whether under the Offer or otherwise) carry in aggregate more than **50 per cent.** of the voting rights exercisable at a general meeting of Frontier. As at close of business on 28 June 2019 (being the latest practicable date before publication of this Announcement), Science Group was interested in 11,510,521 Frontier Shares representing 28.3 per cent. of the voting rights in Frontier. Shares acquired by Science Group through the Panmure Gordon Trading Facility will, therefore, count towards reaching the acceptance condition.

## 3. Acquisition of Frontier Shares

Science Group recognises that:

- many Frontier Shareholders hold Frontier Shares as Depositary Interests and/or in nominee accounts;
- the process of accepting any offer (such as the Offer) and completing the related administration can be burdensome; and
- there may be a significant delay between accepting any offer (such as the Offer) and receiving payment.

**To simplify the process and accelerate payment for Frontier Shareholders, Science Group has instructed Panmure Gordon to buy up to 10 million Frontier shares in the market at a price per share equal to the Acquisition Consideration at any time from today up to the end of the Offer Period. The sale of such Frontier Shares through the Panmure Gordon Trading**

**Facility will be the simplest and quickest method to receive sale proceeds and to ensure certainty.**

Frontier Shareholders who are institutional investors interested in selling their Frontier Shares to Science Group should contact Panmure Gordon at +44 (0) 20 7886 2500 or erik.anderson@panmure.com.

Science Group reserves the right to terminate or amend the Panmure Gordon Trading Facility at any time and without notice.

#### **4. Background to and Reasons for the Offer**

Science Group is an international consultancy providing science-based product development, advisory and regulatory services. Frontier is a pioneer in technologies for Digital Radio and Smart IoT Devices. Science Group considers that there are potential benefits for both organisations to be derived from Frontier becoming part of Science Group and initiated discussions with Frontier in December 2018. These discussions included the possibility of Science Group making an offer for the entire issued and to be issued share capital of Frontier.

Following the informal discussions, on 8 May 2019, Science Group made a formal proposal to Frontier including an indicative offer. On 9 May 2019, Frontier issued a trading update advising that the "*short-term trading outlook for the Group is challenging*" and that the "*Board anticipates an H1 2019 Trading EBITDA loss of US\$2.2 million*". Furthermore, at 30 April 2019, Frontier's net debt had increased by US\$1.4 million since 31 December 2018. This statement on 9 May 2019 was in contrast to the guidance provided by Frontier on 17 January 2019 and 20 March 2019.

This material reduction in Frontier's financial forecast for the current financial year followed a similar profile to the prior year. On 8 March 2018, the Frontier Board issued the preliminary results for 2017 including an outlook statement which declared that "*In FY 2018, the Board expects to see modest growth in revenues and EBITDA, as the Group continues to invest in Smart Audio*". However, on 23 May 2018, the Frontier Board announced that "*Challenging trading conditions in Q2-2018 are likely to have an adverse impact on the Group's FY 2018 trading performance.*"

In summary, Frontier's revenue will have declined from US\$53.0 million in 2017 to forecast sales of US\$36.6 million in 2019. Furthermore, Frontier's cash position has deteriorated from net cash of US\$4.0 million at 31 December 2017 to net debt of US\$3.9 million at 30 April 2019.

Consistent with the decline in operating performance, between 1 January 2018 and 9 May 2019, the date of the Frontier trading update, Frontier's share price declined by 92 per cent.

Subsequent to the Frontier trading update, Frontier requested that Science Group reconfirm the indicative offer given on 8 May 2019, which was done on 10 May 2019. However, on 20 May 2019, Frontier announced Science Group's interest to the market. Frontier also announced the proposed price of the indicative offer which, in Science Group's opinion, was unnecessary and a breach of trust. Science Group terminated the discussions and announced that it held 9.0 per cent. of the voting shares of Frontier. Subsequent announcements on 29 May 2019 and 6 June 2019 recorded the progressive increase in the Science Group shareholding to the current level of 11,510,521 shares equivalent to 28.3 per cent. of the voting shares of Frontier.

Frontier is incorporated in the Cayman Islands and is therefore not within the jurisdiction of the City Code. However, in the Frontier announcement of 20 May 2019, the Frontier Board declared that it intended "*to adhere to the general principles of the Code*". While Science Group has repeatedly tried to constructively engage with Frontier, throughout the past 7 weeks, in the opinion of Science Group, Frontier has taken actions which have had the effect of frustrating the proposed acquisition, contrary to the principles of the City Code. These actions have included significant increases to Executive Director emoluments.

On 14 June 2019, Frontier announced that it had received an approach from a second potential bidder and that *“The Board is urgently seeking to clarify the pricing, conditionality and deliverability of this second approach”*. Science Group acknowledged the Frontier announcement but, in view of the Science Group shareholding of 28.3 per cent., questioned the proposed structure and deliverability of this alternative bid. In contrast to the Frontier announcement on 20 May 2019 related to Science Group’s interest, Frontier has adopted an inconsistent policy in not naming the other interested party nor providing any details of the potential transaction.

On 24 June 2019, Science Group wrote to Frontier and requested an update on the progress made by Frontier in clarifying the second approach, whilst also reaffirming Science Group’s interest and emphasising the deliverability of the Science Group proposal (including by providing a detailed draft merger implementation agreement to effect a merger of the Cayman Islands entity with a wholly owned subsidiary of Science Group). Frontier acknowledged receipt and advised that Frontier was continuing urgently to seek clarification of the pricing, conditionality and deliverability of the second approach.

**It is now more than seven weeks since Science Group first formally approached Frontier but no material progress has been made. It is more than two weeks since Frontier notified the market that they were “urgently” seeking clarification on the pricing, conditionality and deliverability of the second approach but no further clarification has been provided to Science Group or the market. In view of the significant deterioration in the financial position of Frontier, as set out in the trading update on 9 May 2019, as a major shareholder in Frontier with 28.3 per cent. of the voting shares, Science Group has been left with no alternative but to make this Offer directly to Frontier Shareholders.**

Prior to this Announcement, Frontier was again given the opportunity to engage with Science Group.

## **5. Conditions of the Offer, De-Listing and Compulsory Purchase**

The Offer will be subject to the Conditions and further terms set out in Appendix 1 of this Announcement and to the full terms and conditions to be set out in the Offer Document and the Form of Acceptance in due course. In particular, the Offer will be conditional on Science Group securing valid acceptances of the Offer in respect of Frontier Shares which, taken together with all other Frontier Shares which Science Group and its Affiliates (and/or their respective nominee(s)) has acquired or agreed to acquire (whether under the Offer or otherwise) carry in aggregate more than **50 per cent.** of the voting rights exercisable at a general meeting of Frontier.

As at 28 June 2019 (being the latest practicable date before publication of this Announcement), Science Group was interested in 11,510,521 Frontier Shares representing 28.3 per cent. of the voting rights in Frontier.

If the Offer becomes or is declared unconditional in all respects and Science Group has by virtue of its shareholdings and acceptances of its Offer acquired, or agreed to acquire, issued share capital carrying at least 75 per cent. of the voting rights of Frontier, Science Group intends to procure the making of an application by Frontier for cancellation of the admission to trading of Frontier Shares on AIM. A notice period of not less than 20 Business Days prior to the cancellation will commence on the date on which the Offer becomes or is declared unconditional in all respects provided Science Group has obtained 75 per cent. or more of the voting rights as described above or otherwise as soon as Science Group obtains 75 per cent. or more of the voting rights as described above.

If the Offer becomes or is declared wholly unconditional and sufficient acceptances are received to enable Science Group to apply the provisions of section 88 of the Companies Law of the Cayman Islands in connection with the Offer, Science Group intends to apply such provisions to acquire

compulsorily any Frontier Shares not acquired or agreed to be acquired by or on behalf of Science Group pursuant to the Offer or otherwise on the same terms as the Acquisition.

For the avoidance of doubt, Frontier Shareholders who sell Frontier Shares through the Panmure Gordon Trading Facility will not be subject to any of the Conditions set out in Appendix 1. This facility provides immediate trading liquidity for Frontier Shareholders that wish to sell their Frontier Shares before completion of the Offer.

## 6. Information on Science Group

Science Group is an international consultancy providing applied science, product development, technology advisory and regulatory services to a client base in medical, food & beverage, industrial and consumer markets.

For the year ended 31 December 2018, Science Group revenue was £48.7 million and adjusted operating profit was £7.7 million. Statutory profit before tax was £4.9 million resulting in basic earnings per share ("EPS") of 10.7 pence and adjusted basic EPS of 14.7 pence. Science Group's gross cash balance at 31 December 2018 was £21.5 million with net funds of £8.8 million. Following the year end, as announced on 20 February 2019, Science Group's bank debt was increased by an additional £4.75 million such that at 30 April 2019, Science Group had gross cash balances in excess of £26 million.

Science Group's long-term debt is secured against the Group's significant freehold property assets in Harston, near Cambridge, and Epsom, Surrey. These facilities provide not only an attractive financial and operating model for an evolving science-based organisation requiring a diverse range of laboratories and offices, but also an excellent working environment for Science Group employees.

## 7. Information on Frontier

Frontier is a pioneer in technologies for Digital Radio and Smart IoT devices. According to the Frontier 2018 Annual Report and Accounts, Frontier Smart Technologies is

- (i) the world's leading provider of chips, modules and software for consumer DAB and Smart Radios; and
- (ii) a leading solution provider for third party brands building smart audio devices based on the streaming and voice platforms of Google, Amazon and Apple, a position Frontier is using to address opportunities in the broader non-audio Smart IoT space.

For the year ended 31 December 2018, Frontier reported revenue of US\$41.8 million and a loss from continuing operations of US\$2.7 million. In the prior year to 31 December 2017, Frontier reported revenue of US\$53.0 million and a loss from continuing operations of US\$1.7 million. Net assets at 31 December 2018 were US\$18.9 million including retained earnings of negative US\$175.5 million.

On 9 May 2019, Frontier issued a trading update advising that the "*short-term trading outlook for the Group is challenging*" and that the "*Board anticipates an H1 2019 Trading EBITDA loss of US\$2.2 million*". Furthermore, at 30 April 2019, Frontier's net debt had increased by US\$1.4 million since 31 December 2018. This statement was in contrast to the guidance provided by Frontier on 17 January 2019 and 20 March 2019.

This material reduction in Frontier's financial forecast for the current financial year followed a similar profile to the prior year. On 8 March 2018, the Frontier Board issued the preliminary results for 2017 including an outlook statement which declared that "*In FY 2018, the Board expects to see modest growth in revenues and EBITDA, as the Group continues to invest in Smart Audio*".

However, on 23 May 2018, the Frontier Board announced that "*Challenging trading conditions in Q2-2018 are likely to have an adverse impact on the Group's FY 2018 trading performance.*"

In summary, Frontier's revenue will have declined from US\$53.0 million in 2017 to forecast sales of US\$36.6 million two years later. Furthermore, Frontier's cash position has deteriorated from net cash of US\$4 million at 31 December 2017 to net debt of US\$3.9 million at 30 April 2019.

Consistent with the deterioration in operating performance, between 1 January 2018 and 9 May 2019, the date of the Frontier trading update, Frontier's share price declined by 92 per cent.

As set out in the Frontier 2018 Annual Report, Frontier has a revolving credit facility of £5.0 million which at 31 December 2018 was fully drawn. The loan "*carries certain covenants on the business which are monitored at a historic and forecast level on a monthly and quarterly basis by the Board*". The Frontier announcement on 9 May 2019 did not provide any detail as to the headroom relative to the bank covenants, despite the reported challenging trading environment and deteriorating cash position. Science Group has requested on several occasions that Frontier should update the market regarding bank debt covenant terms and headroom but Frontier has ignored all such requests.

## **8. Financing of the Acquisition**

The Acquisition Consideration payable by Science Group pursuant to the Offer will be funded using the existing cash resources of Science Group. The aggregate amount required to satisfy full acceptance of the Offer would be approximately £10.2 million, excluding the shares already owned by Science Group and the shares held in the Frontier employee benefit trust.

At 31 December 2018, the audited accounts of Science Group reported gross cash of £21.5 million. Science Group further reported an increase in Science Group's bank facilities, secured on Science Group's freehold property assets, on 20 February such that at 30 April 2019, Science Group had gross cash balances in excess of £26.0 million.

Science Group has confirmed to Panmure Gordon that, at the time of making the Offer, sufficient cash resources are readily available to Science Group to satisfy the total Acquisition Consideration payable pursuant to the terms of the Offer.

## **9. Employees and Management**

Science Group considers Frontier's employees to be one of its main assets and a key element for its future growth and success. Science Group believes that Frontier's management and employees would benefit from enhanced career development opportunities in a business of greater size and scope that incorporates the skills and talents present in both Science Group and Frontier.

Science Group confirms that, following completion of the Acquisition, it intends to safeguard the existing employment rights of Frontier employees, in accordance with contractual and statutory requirements.

Science Group would anticipate relocating the Frontier operations at Sawston, near Cambridge, into Science Group's main site at Harston, both of which are located on the south side of the city. This would enable greater integration of the businesses and provide Frontier employees with an attractive working environment.

Science Group has not been provided with access to internal Frontier data and therefore has only been able to undertake diligence from industry information and publicly available data. Accordingly, Science Group has not been able to undertake any substantial analysis in order to formulate detailed plans or intentions regarding the impact of the Acquisition on the Frontier business.

## 10. Merger Procedure

Frontier is incorporated in the Cayman Islands. The Frontier Board, in its various forms over the past 14 years, has elected not to move the incorporation to the United Kingdom. In the opinion of Science Group, this corporate structure introduces costs and complexity

Frontier net retained losses, as reported in its Annual Report and Accounts for 2018, totalled US\$175.6 million. The Frontier Annual Report also states that the Frontier Group has tax losses in the UK of approximately US\$31 million. As set out in the trading update on 9 May 2019, Frontier does not anticipate making a profit in the 2019 financial year. As a result, Science Group considers that, in the foreseeable future, the potential tax benefits derived from a Cayman Islands incorporation are less important than the benefits to be derived from the simplification of the corporate structure.

Science Group therefore anticipates undertaking a statutory merger of Frontier, the Cayman Islands company, with a UK subsidiary of Science Group as soon as practicable after the Offer has become wholly unconditional. For Frontier Shareholders that accept the Offer (or sell their shares through the Panmure Gordon Trading Facility), this activity will have no consequences. For Frontier Shareholders (if any) who elect not to sell their Frontier Shares through either of these methods, Science Group announces that:

- (a) the statutory merger will be undertaken in accordance with the Companies Law;
- (b) the statutory merger will require approval by 75% of those shareholders voting (Science Group will be entitled to vote its Frontier Shares in favour of any such statutory merger); and
- (c) the price offered at the time of effecting the statutory merger may be lower than the Acquisition Consideration.

**The price offered in consideration of any statutory merger may be adjusted downwards from the Acquisition Consideration if any of the following have occurred prior to implementation of the statutory merger:**

- (a) any fees incurred after 1 May 2019 by Frontier related to the potential acquisition of Frontier, including but not limited to financial and legal adviser fees, are or are expected to be in excess of £350,000;
- (b) any changes to Director, or key employee, remuneration or emoluments outside of normal operating practice, made after 1 May 2019, including any bonuses or changes in employment terms;
- (c) any accelerated vesting or exercise of share options, unless contractually obliged and not subject to remuneration committee or independent director discretion;
- (d) any changes to the forecasts of Frontier relative to the information provided to the market on 9 May 2019;
- (e) any material adverse change affecting the Frontier Group; and/or
- (f) any other matter reasonably considered by the Science Group Board to have a material impact on the valuation of Frontier, including but not limited to the matters set out in Appendix 1.

**For the avoidance of doubt, Frontier Shareholders that accept the Offer (or sell their shares through the Panmure Gordon Trading Facility) will not be subject to the potential price**



**adjustments set out in this paragraph. Science Group therefore encourages all Frontier Shareholders to accept the Offer once made or to sell their shares to Science Group through the Panmure Gordon Trading Facility.**

The statutory merger, if implemented, will be effected under the Companies Law of the Cayman Islands.

## **11. Overseas Shareholders**

Unless otherwise determined by Science Group, and permitted by applicable law and regulation, the Offer will not be made available, directly or indirectly, in or into, or by the use of mails or any means or instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of any Restricted Jurisdiction and the Offer will not be capable of acceptance by any such use, means, instrumentality or facilities or from or within any Restricted Jurisdiction.

The availability of the Offer to Overseas Shareholders may be affected by the laws of the jurisdiction in which they are resident.

Persons who are resident in any jurisdiction or territory other than the United Kingdom or the United States should obtain appropriate, independent professional advice in the relevant jurisdiction without delay and observe any applicable legal or regulatory requirements.

Frontier Shareholders who are resident in the United States should refer to the Important Notices section of this Announcement.

## **12. General**

The Frontier Shares will be acquired by Science Group under the Offer fully paid and free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature whatsoever and together with all rights attaching to them on or after the date of this Announcement, including, without limitation, voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid, or any other return of capital (whether by way of reduction of share capital or share premium account or otherwise) made on or after this Announcement.

If, any dividend, and/or other distribution and/or other return of capital is announced, declared, paid or becomes payable in respect of the Frontier Shares on or after the date of this Announcement, Science Group reserves the right in its sole discretion to reduce the Acquisition Consideration by the amount of the dividend or other distributions, in which case any reference in this Announcement to the Acquisition Consideration will be deemed to be a reference to the Acquisition Consideration as so reduced, and the relevant eligible Frontier Shareholder will be entitled to receive and retain such dividend and/or other distribution and/or other return of capital. To the extent that such a dividend and/or other distribution and/or other return of capital is announced, declared, paid or becomes payable and is or shall be: (i) transferred pursuant to the Acquisition on a basis which entitles Science Group to receive the dividend or distribution or return of capital in respect of all Frontier Shares and to retain it; or (ii) cancelled, the Acquisition Consideration payable shall not be subject to change in accordance with this paragraph. Any exercise by Science Group of its rights referred to in this paragraph shall not be regarded as constituting any revision or variation of the Offer.

Science Group and its advisers have not had access to Frontier's non-public information or documentation and accordingly have been unable to perform any due diligence on such information or documentation. All information relating to Frontier and the Frontier Group has been sourced



from publicly available information and has not been subject to comment or verification by Frontier or the relevant member of the Frontier Group or their respective directors.

Science Group has requested that Frontier instructs its registrars to provide a copy of the register of members of Frontier to reflect the position as at close of business on the date of this Announcement including details of both participant and account IDs for holdings in CREST. It has also sought confirmation from Frontier that it will instruct its registrar to comply with the other provisions of Appendix 4 of the City Code in order to enable mailing of the Offer Document to Frontier Shareholders and acceptance of the Offer by Frontier Shareholders who hold their Frontier Shares in CREST.

Your attention is drawn to the further information contained in the Appendices which form part of, and should be read in conjunction with, this Announcement.

## **Enquiries**

### **Science Group**

Martyn Ratcliffe, Chairman

Sarah Cole, Company Secretary

Tel: +44 (0) 1223 875 200

### **Panmure Gordon (Financial Adviser, Nominated Adviser and Broker to Science Group)**

Dominic Morley / Alina Vaskina (Corporate Finance) Tel: +44 (0) 20 7886 2500

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### **MHP Communications (PR Adviser to Science Group) Tel: +44 (0) 20 3128 8100**

Reg Hoare / Pete Lambie

The person responsible for arranging for the release of this Announcement on behalf of Science Group is Sarah Cole.

## ***IMPORTANT NOTICES***

*Panmure Gordon (UK) Limited is acting exclusively for Science Group and for no one else in relation to the matters described in this Announcement and is not advising any other person and accordingly will not be responsible to anyone other than Science Group for providing the protections afforded to the customers of Panmure Gordon (UK) Limited or for providing advice in relation to the matters described in this Announcement.*

*The statements contained in this Announcement are not to be construed as legal, business, financial or tax advice. If you are in any doubt about the Offer or the contents of this Announcement, you should consult your own legal, financial and/or tax adviser for legal, business, financial and/or tax advice.*

## ***Further information***

*This announcement is not intended to, and does not, constitute or form part of any offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of any securities, or the solicitation*

*of any vote or approval in any jurisdiction, pursuant to the Offer or otherwise. The Offer will be made solely by means of the Offer Document and the Form of Acceptance accompanying the Offer Document, which will contain the full terms and conditions of the Offer, including details of how the Offer may be accepted. Any response to the Offer should be made only on the basis of information contained in the Offer Document. Frontier Shareholders are advised to read the formal documentation in relation to the Offer carefully once it has been despatched.*

*This announcement has been prepared for the purposes of complying with English law and the rules of AIM and the information disclosed may not be the same as that which would have been disclosed if this Announcement had been prepared in accordance with the laws and regulations of any jurisdiction outside the United Kingdom.*

### **Overseas Shareholders**

*The release, publication or distribution of this Announcement and/or any accompanying documents (in whole or in part) in jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe, any applicable restrictions and legal and regulatory requirements.*

*Frontier Shareholders who are in any doubt regarding such matters should consult an appropriate independent adviser in the relevant jurisdiction without delay. Any failure to comply with such restrictions and/or requirements may constitute a violation of the securities laws of any such jurisdiction.*

*This announcement has been prepared for the purpose of complying with English law and the information disclosed may not be the same as that which would have been disclosed if this Announcement had been prepared in accordance with the laws of jurisdictions outside the United Kingdom.*

*The Offer will be subject to the applicable requirements of English Law, the AIM Rules and the FCA. Frontier is not subject to the City Code or any requirements of the Panel.*

*Unless otherwise determined by Science Group, and permitted by applicable law and regulation, the Offer will not be made available, directly or indirectly, in or into or from, or by the use of mails or any means or instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of any Restricted Jurisdiction and the Offer will not be capable of acceptance by any such use, means, instrumentality or facilities or from or within any Restricted Jurisdiction.*

*Accordingly, copies of this Announcement and all documents relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction and persons receiving such documents (including any custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction. Any person (including any custodian, nominee or trustee) who has a contractual or legal obligation, or may otherwise intend, to forward this Announcement and/or any other related document to a jurisdiction outside the United Kingdom should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdiction and must not mail, send or otherwise forward or distribute them in, into or from any Restricted Jurisdiction. Doing so may render any purported acceptance of the Offer invalid.*

### **Notes to U.S. holders of Frontier Shares**

*The Offer is being made in the United States pursuant to Section 14(e) of, and Regulation 14E under, the US Exchange Act, subject to the exemptions provided by Rule 14d-1(c) and otherwise in accordance with the requirements of Cayman law. Accordingly, the Offer will be subject to disclosure and other procedural requirements, including with respect to withdrawal rights, offer timetable, settlement procedures and timing of payments that are different from those applicable under US domestic tender offer procedures and law.*

*The Offer is being made for the securities of a Cayman-incorporated company with its shares admitted to trading on AIM. The Offer is subject to AIM Rule disclosure requirements, which are different from certain United States disclosure requirements. The financial information on Frontier included in this Announcement has been extracted from Frontier financial statements which are stated by Frontier to have been prepared in accordance with IFRS and may therefore not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.*

*The receipt of cash pursuant to the Offer by a US holder of Frontier Shares may be a taxable transaction for US*

*federal income tax purposes and under applicable US state and local, as well as foreign and other, tax laws. Each Frontier Shareholder is urged to consult his or her independent professional adviser immediately regarding the tax consequences of accepting the Offer. Furthermore, the payment and settlement procedure with respect to the Offer will differ from the United States payment and settlement procedures, particularly with regard to the date of payment of consideration.*

*The Offer will be made (including in the United States) by Science Group and no one else. None of Panmure Gordon nor any of its affiliates will be making the Offer in or outside the United States.*

*It may be difficult for US holders of Frontier Shares to enforce their rights and any claim arising out of US federal securities laws, since Science Group is incorporated under the laws of England and Frontier is incorporated under the laws of the Cayman Islands and some or all of their officers and directors are residents of non-US jurisdictions. In addition, most of the assets of Science Group and Frontier are located outside the United States. US holders of Frontier Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgment.*

*This Announcement does not constitute an offer of securities for sale in the United States or an offer to acquire securities in the United States. No offer to acquire securities or to exchange securities for other securities has been made, or will be made, directly or indirectly, in or into, or by the use of the mails of, or by any means or instrumentality of interstate or foreign commerce or any facilities of a national securities exchange of, the United States or any other country in which such offer may not be made other than: (i) in accordance with the tender offer requirements under the US Exchange Act, or the securities laws of such other country, as the case may be; or (ii) pursuant to an available exemption from such requirements.*

*Neither the US Securities and Exchange Commission nor any US state securities commission has approved or disapproved the Offer, passed comment upon the fairness or merits of the Offer or passed comment upon the adequacy or completeness of this Announcement. Any representation to the contrary is a criminal offence in the United States.*

*To the extent permitted by applicable law, in accordance with normal UK market practice, Science Group or its nominees or brokers (acting as agents) or their respective affiliates may from time to time make certain purchases of, or arrangements to purchase, shares or other securities in Frontier, other than pursuant to the Offer, at any time prior to completion of the Offer (including, without limitation, under the Panmure Gordon Trading Facility). These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any such purchases, or arrangements to purchase, will comply with all applicable UK and Cayman rules, the AIM Rules and Rule 14e-5 under the Exchange Act to the extent applicable. In addition, in accordance with, and to the extent permitted by normal UK market practice, Panmure Gordon and its affiliates will continue to act as exempt principal traders in Frontier Shares and engage in certain other purchasing activities consistent with their respective normal and usual practice and applicable law. To the extent required by the applicable law, any information about such purchases will be disclosed on a next day basis to a Regulatory Information Service including the Regulatory News Service on the London Stock Exchange website, [www.londonstockexchange.com](http://www.londonstockexchange.com). To the extent that such information is made public in the United Kingdom, this information will also be deemed to be publicly disclosed in the United States.*

#### **Cautionary note regarding forward-looking statements**

*This Announcement contains statements about Science Group and Frontier which are, or may be deemed to be, "forward-looking statements" and which are prospective in nature. All statements other than statements of historical fact included in this Announcement may be forward-looking statements. They are based on current expectations and projections about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of forward-looking words such as "plans", "expects", "is expected", "is subject to", "budget", "scheduled", "estimates", "forecasts", "predicts", "intends", "anticipates", "believes", "targets", "aims", "projects", "future-proofing" or words or terms of similar substance or the negative of such words or terms, as well as variations of such words and phrases or statements that certain actions, events or results "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. Forward-looking statements may include statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of Science*

*Group's or Frontier's operations and potential synergies resulting from the Offer; and (iii) the effects of global economic conditions on Science Group's or Frontier's business.*

*These forward looking statements are not guarantees of future financial performance and have not been reviewed by the auditors of Science Group or Frontier. Such forward looking statements involve known and unknown risks and uncertainties that could significantly affect expected results and are based on certain key assumptions. Many factors could cause actual results to differ materially from those projected or implied in any forward looking statements. Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward looking statements, which speak only as of the date of this Announcement. All subsequent oral or written forward looking statements attributable to Science Group or any of its members, directors, officers or employees or any persons acting on its behalf are expressly qualified in their entirety by the cautionary statement above. Science Group disclaims any obligation to update any forward looking or other statements contained herein, except as required by applicable law.*

*No member of Science Group, nor any of its associates, directors, officers, employees or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this Announcement will actually occur.*

*Other than in accordance with its legal or regulatory obligations, Science Group is not under any obligation and Science Group expressly disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.*

*All subsequent oral or written forward-looking statements attributable to Science Group, or any of its associates, directors, officers, employees or advisers, are expressly qualified in their entirety by the cautionary statement above.*

#### ***No profit forecasts or estimates***

*No statement in, or referred to in, this Announcement or incorporated by reference into this Announcement is intended as or shall be deemed to be a profit forecast or estimate for any period. No statement in, or referred to in, this Announcement or incorporated by reference into this Announcement should be interpreted to mean that cash flow from operations, free cash flow, earnings or earnings per share for Frontier, Science Group or the Enlarged Group (as applicable) for the current or future financial years would necessarily match or exceed the historic published cash flow from operations, free cash flow, earnings or earnings per share for Frontier, Science Group or the Enlarged Group (as applicable).*

#### ***Publication on website and availability of hard copies***

*A copy of this Announcement will be available free of charge subject to certain restrictions relating to persons resident in Restricted Jurisdictions on Science Group's website at [www.sciencegroup.com](http://www.sciencegroup.com) as soon as reasonably practicable following the date of publication of this Announcement.*

*Save as expressly referred to in this announcement, neither the contents of Science Group's website (nor the contents of any website accessible from hyperlinks on Science Group's website) are incorporated into, or form part of, this Announcement.*

#### ***No representations***

*No adviser, dealer, salesperson or other person is authorised by Science Group to give any information or to make any representations with respect to the Offer other than such information or representations contained in this Announcement and, if given or made, such information or representations must not be relied upon as having been authorised by Science Group.*

#### ***Rounding***

*Certain figures included in this Announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.*

#### ***Definitions***

*Certain words and terms used in this Announcement are defined in Appendix 3 of this Announcement.*

#### ***Time***

*All times shown in this Announcement are London times, unless otherwise stated.*

## APPENDIX 1

### CONDITIONS TO AND FURTHER TERMS OF THE OFFER

#### Part A: Conditions to the Acquisition

The Offer will be governed by English Law and will be subject to the exclusive jurisdiction of the English courts. The Offer will be made on the terms and subject to the conditions set out in this Appendix 1 and the Offer Document and, in the case of Frontier Shares in certificated form, in the Form of Acceptance.

#### Conditions

The Offer will be subject to the following Conditions:

#### Acceptance Condition

- (a) valid acceptances of the Offer having been received (and not, where permitted, withdrawn) by no later than 1.00 p.m. (London time) on the First Closing Date of the Offer as specified in the Offer Document (or such later time(s) and/or date(s) as Science Group may decide) in respect of Frontier Shares which, taken together with all other Frontier Shares which Science Group its Affiliates (and/or their respective nominee(s)) has acquired or agreed to acquire (whether pursuant to the Offer or otherwise), carry in aggregate more than 50 per cent. of the voting rights then normally exercisable at a general meeting of Frontier;

for the purposes of this Condition:

- (a) Frontier Shares which have been unconditionally allotted but not issued before the Offer becomes or is declared unconditional as to acceptances, whether pursuant to the exercise of any outstanding subscription or conversion rights or otherwise, shall be deemed to carry the voting rights they will carry upon issue;
- (b) valid acceptances shall be deemed to have been received in respect of Frontier Shares which are treated for the purposes of section 88 of the Companies Law as having been acquired or contracted to be acquired by Science Group, whether by virtue of acceptance of the Offer or otherwise; and
- (c) all percentages of voting rights and share capital are to be calculated by reference to the percentage held and in issue outside treasury,

in addition, the Acquisition will be conditional upon the following Conditions and, accordingly, the Offer will not become or be declared wholly unconditional unless the following Conditions (as amended if appropriate) have been satisfied, or where relevant, waived:

#### General Third Party clearances

- (b) the waiver (or non-exercise within any applicable time limits) by any relevant government or governmental, quasi-governmental, supranational, statutory, regulatory, environmental or investigative body, court, trade agency, association, institution, any entity owned or controlled by any relevant government or state, or any other body or person whatsoever in any jurisdiction (each a **Third Party**) of any termination right, right of pre-emption, first refusal or similar right (which is material in the context of the Wider Frontier Group taken as a whole) arising as a result of or in connection with the Acquisition including, without limitation, its implementation and financing or the proposed direct or indirect acquisition of any shares or other securities in, or control of, Frontier by Science Group or any member of the Science Group;
- (c) no Third Party having decided to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference, or enacted, made or proposed any statute, regulation, decision or order, or having taken any other steps which would or might reasonably be expected to:
- (i) require, prevent or delay the divestiture, or alter the terms envisaged for any proposed divestiture by any member of the Wider Science Group or any member of the Wider Frontier Group of all or any portion of their respective businesses, assets or property or impose any limitation on the ability of any of them to conduct their respective businesses (or any of them) or to own any of their respective assets or properties or any part thereof which in any such case would be material in the context of the Wider Frontier Group taken as a whole;



- (ii) require, prevent or delay the divestiture by any member of the Wider Science Group of any shares or other securities in Frontier;
- (iii) impose any limitation on, or result in a delay in, the ability of any member of the Wider Science Group directly or indirectly to acquire or to hold or to exercise effectively any rights of ownership in respect of shares or loans or securities convertible into shares or any other securities (or the equivalent) in any member of the Wider Frontier Group or the Wider Science Group or to exercise management control over any such member;
- (iv) otherwise adversely affect the business, assets, profits or prospects of any member of the Wider Science Group or of any member of the Wider Frontier Group;
- (v) make the Acquisition or its implementation or the acquisition or proposed acquisition by Science Group or any member of the Wider Science Group of any shares or other securities in, or control of Frontier void, illegal, and/or unenforceable under the laws of any jurisdiction, or otherwise, directly or indirectly, restrain, restrict, prohibit, delay or otherwise interfere with the same, or impose additional conditions or obligations with respect thereto, or otherwise challenge or interfere therewith;
- (vi) require any member of the Wider Science Group or the Wider Frontier Group to offer to acquire any shares or other securities (or the equivalent) or interest in any member of the Wider Frontier Group or the Wider Science Group owned by any third party;
- (vii) impose any limitation on the ability of any member of the Wider Frontier Group to co-ordinate its business, or any part of it, with the businesses of any other members; or
- (viii) result in any member of the Wider Frontier Group ceasing to be able to carry on business under any name under which it presently does so,

and all applicable waiting and other time periods during which any such Third Party could institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference or any other step under the laws of any jurisdiction in respect of the Acquisition or the acquisition or proposed acquisition of any Frontier Shares having expired, lapsed or been terminated;

- (d) all necessary filings or applications having been made in connection with the Acquisition and all statutory or regulatory obligations in any jurisdiction having been complied with in connection with the Acquisition or the acquisition by any member of the Wider Science Group of any shares or other securities in, or control of, Frontier and all authorisations, orders, recognitions, grants, consents, licences, confirmations, clearances, permissions and approvals or the proposed acquisition of any shares or other securities in, or control of, Frontier by any member of the Wider Science Group having been obtained in terms and in a form satisfactory to Science Group from all appropriate Third Parties or persons with whom any member of the Wider Frontier Group has entered into contractual arrangements and all such authorisations, orders, recognitions, grants, consents, licences, confirmations, clearances, permissions and approvals together with all authorisations orders, recognitions, grants, licences, confirmations, clearances, permissions and approvals necessary or appropriate to carry on the business of any member of the Wider Frontier Group remaining in full force and effect and all filings necessary for such purpose have been made and there being no notice or intimation of any intention to revoke or not to renew any of the same at the time at which the Acquisition becomes otherwise unconditional and all necessary statutory or regulatory obligations in any jurisdiction having been complied with;

**Certain matters arising as a result of any arrangement, agreement etc.**

- (e) there being no provision of any agreement, arrangement, licence, permit or other instrument to which any member of the Wider Frontier Group is a party or by or to which any such member or any of its assets may be bound, entitled or subject, which in consequence of the Acquisition or the proposed acquisition of any shares or other securities in Frontier or because of a change in the control or management of Frontier or otherwise, could or might reasonably be expected to result in any of the following:
  - (i) any moneys borrowed by or any other indebtedness (actual or contingent) of, or grant available to any such member, being or becoming repayable or capable of being declared repayable immediately or earlier than their or its stated maturity date or repayment date or the ability of any such member to borrow moneys or incur any indebtedness being withdrawn or inhibited or being capable of becoming or being withdrawn or inhibited;



- (ii) any such agreement, arrangement, licence, permit or instrument or the rights, liabilities, obligations or interests of any such member thereunder being terminated or modified or affected or any obligation or liability arising or any action being taken or arising thereunder;
- (iii) any assets or interests of any such member being or falling to be disposed of or charged or any right arising under which any such asset or interest could be required to be disposed of or charged other than in the ordinary course of business;
- (iv) the creation or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property or assets of any such member;
- (v) the rights, liabilities, obligations or interests of any such member in, or the business of any such member with, any person, firm or body (or any arrangement or arrangements relating to any such interest or business) being terminated, adversely modified or affected;
- (vi) the value of any such member or its financial or trading position or prospects being prejudiced or adversely affected;
- (vii) any such member ceasing to be able to carry on business under any name under which it presently does so; or
- (viii) the creation or acceleration of any liability, actual or contingent, by any such member,

and no event having occurred which, under any provision of any agreement, arrangement, licence, permit or other instrument to which any member of the Wider Frontier Group is a party or by or to which any such member or any of its assets may be bound, entitled or subject, would or might reasonably be expected to result in any of the events or circumstances as are referred to in sub-paragraphs (i) to (viii) of this condition;

**No material transactions, claims or changes in the conduct of the business of the Frontier Group**

- (f) no member of the Wider Frontier Group having, since 31 December 2018;
  - (i) save as between Frontier and wholly-owned subsidiaries of Frontier or for Frontier Shares issued pursuant to the vesting of awards (provided that such vesting happens automatically as a matter of contract and neither the board of Frontier nor the remuneration committee of Frontier have any discretion to prevent such vestings), granted under the any Frontier Share Plans, issued or agreed to issue, authorised or proposed the issue of additional shares of any class;
  - (ii) save as between Frontier and wholly-owned subsidiaries of Frontier or for the grant of options and awards under the Frontier Share Plans (provided that such vesting happens automatically as a matter of contract and neither the board of Frontier nor the remuneration committee of Frontier have any discretion to prevent such vestings), issued or agreed to issue, authorised or proposed the issue of securities convertible into shares of any class or rights, warrants or options to subscribe for, or acquire, any such shares or convertible securities;
  - (iii) recommended, declared, paid or made or proposed to recommend, declare, pay or make any bonus, dividend or other distribution whether payable in cash or otherwise;
  - (iv) merged or demerged with any body corporate or acquired or disposed of or transferred, mortgaged or charged or created any security interest over any assets or any right, title or interest in any asset (including shares and trade investments) or authorised or proposed or announced any intention to propose any merger, demerger, acquisition or disposal, transfer, mortgage, charge or security interest, in each case, other than in the ordinary course of business;
  - (v) made or authorised or proposed or announced an intention to propose any material change in its loan capital;
  - (vi) issued, authorised or proposed the issue of any debentures or, save in the ordinary course of business, incurred or increased any indebtedness or become subject to any contingent liability;
  - (vii) purchased, redeemed or repaid or announced any proposal to purchase, redeem or repay any of its own shares or other securities or reduced or, save in respect to the matters mentioned in sub-paragraph (i) above, made any other change to any part of its share capital;
  - (viii) implemented, or authorised, proposed or announced its intention to implement, any reconstruction, amalgamation, scheme, commitment or other transaction or arrangement otherwise than in the

- ordinary course of business or entered into or changed the terms of any contract with any director or senior executive;
- (ix) entered into or varied or authorised, proposed or announced its intention to enter into or vary any contract, transaction or commitment (whether in respect of capital expenditure or otherwise) which is of a long term, onerous or unusual nature or magnitude or which is or could be restrictive on the businesses of any member of the Wider Frontier Group or the Wider Science Group or which involves or could involve an obligation of such a nature or magnitude or which is other than in the ordinary course of business;
  - (x)(other than in respect of a member which is dormant and was solvent at the relevant time) taken any corporate action or had any legal proceedings started or threatened against it for its winding-up, dissolution or reorganisation or for the appointment of a receiver, administrative receiver, administrator, trustee or similar officer of all or any of its assets or revenues or any analogous proceedings in any jurisdiction or had any such person appointed;
  - (xi) entered into any contract, transaction or arrangement which would be restrictive on the business of any member of the Wider Frontier Group or the Wider Science Group other than to a nature and extent which is normal in the context of the business concerned;
  - (xii) waived or compromised any claim;
  - (xiii) entered into any contract, commitment, arrangement or agreement otherwise than in the ordinary course of business or passed any resolution or made any offer (which remains open for acceptance) with respect to or announced any intention to, or to propose to, effect any of the transactions, matters or events referred to in this condition and which is material in the context of the Wider Frontier Group;
  - (xiv) having made or agreed or consented to any change to:
    - (A) the terms of the trust deeds constituting the pension scheme(s) established by any member of the Wider Frontier Group for its directors, employees or their dependents;
    - (B) the contributions payable to any such scheme(s) or to the benefits which accrue or to the pensions which are payable thereunder;
    - (C) the basis on which qualification for, or accrual or entitlement to, such benefits or pensions are calculated or determined; or
    - (D) the basis upon which the liabilities (including pensions) of such pension schemes are funded, valued or made; or
  - (xv) proposed, agreed to provide or modified the terms of any share option scheme, incentive scheme or other benefit relating to the employment or termination of employment of any person employed by the Wider Frontier Group,

and, for the purposes of paragraphs (iii), (iv), (v) and (vi) of this condition, the term **Frontier Group** shall mean Frontier and its wholly-owned subsidiaries;

**No adverse change, litigation or regulatory enquiry**

- (g) since 31 December 2018:
  - (i) no adverse change or deterioration having occurred in the business, assets, financial or trading position or profits or prospects of operational performance of any member of the Wider Frontier Group which is material in the context of the Wider Frontier Group taken as a whole and no circumstances have arisen which would or might reasonably be expected to result in such adverse change;
  - (ii) no litigation, arbitration proceedings, prosecution or other legal proceedings to which any member of the Wider Frontier Group is or may become a party (whether as a plaintiff, defendant or otherwise) and no investigation by any Third Party against or in respect of any member of the Wider Frontier Group having been instituted announced or threatened by or against or remaining outstanding in respect of any member of the Wider Frontier Group;
  - (iii) no contingent or other liability having arisen or become apparent to Science Group which would be likely to materially and adversely affect any member of the Wider Frontier Group; and
  - (iv) no steps having been taken which are likely to result in the withdrawal, cancellation, termination or modification of any licence held by any member of the Wider Frontier Group which is necessary for the proper carrying on of its business;

### **No discovery of certain matters**

(h) Science Group not having discovered:

- (i) that any financial, business or other information concerning the Wider Frontier Group as contained in the information publicly disclosed at any time by or on behalf of any member of the Wider Frontier Group is materially misleading, contains a material misrepresentation of fact or omits to state a fact necessary to make that information not materially misleading;
- (ii) that any member of the Wider Frontier Group partnership, company or other entity in which any member of the Wider Frontier Group has a significant economic interest and which is not a subsidiary undertaking of Frontier is subject to any liability (contingent or otherwise) which is not disclosed in the annual report and accounts of Frontier for the year ended 31 December 2018; or
- (iii) any information which affects the import of any information disclosed at any time by or on behalf of any member of the Wider Frontier Group and which is material in the context of the Wider Frontier Group;

(i) Science Group not having discovered that:

- (i) any past or present member of the Wider Frontier Group has failed to comply with any and/or all applicable legislation or regulation, of any jurisdiction with regard to the use, treatment, storage, carriage, disposal, spillage, release, discharge, leak or emission of any waste or hazardous substance or any substance likely to impair the environment or harm human health or animal health or otherwise relating to environmental matters or the health and safety of humans, or that there has otherwise been any such storage, carriage, disposal, spillage, release, discharge, leak or emission (whether or not the same constituted a non-compliance by any person with any such legislation or regulations, and wherever the same may have taken place) any of which storage, carriage, disposal, spillage, release, discharge, leak or emission would be likely to give rise to any liability (actual or contingent) on the part of any member of the Wider Frontier Group; or
- (ii) there is, or is likely to be, for that or any other reason whatsoever, any liability (actual or contingent) of any past or present member of the Wider Frontier Group to make good, repair, reinstate or clean up any property now or previously owned, occupied, operated or made use of or controlled by any such past or present member of the Wider Frontier Group, under any environmental legislation, regulation, notice, circular or order of any government, governmental, quasi-governmental, state or local government, supranational, statutory or other regulatory body, agency, court, association or any other person or body in any jurisdiction; and
- (iii) circumstances exist whereby a person or class of persons would be likely to have any claim or claims in respect of any product, or process of manufacturing or materials used therein currently or previously manufactured, sold or carried out by any past or present member of the Wider Frontier Group.

### **Anti-corruption, sanctions and criminal property**

(j) Science Group not having discovered that:

- (i) (a) any past or present member, director, officer or employee of the Wider Frontier Group is or has at any time engaged in any activity, practice or conduct which would constitute an offence under the Bribery Act 2010, the U.S. Foreign Corrupt Practices Act of 1977 or any other applicable anti-corruption legislation or (b) any person that performs or has performed services for or on behalf of the Wider Frontier Group is or has at any time engaged in any activity, practice or conduct in connection with the performance of such services which would constitute an offence under the Bribery Act 2010, the U.S. Foreign Corrupt Practices Act of 1977 or any other applicable anti-corruption legislation;
- (ii) any asset of any member of the Wider Frontier Group constitutes criminal property as defined by section 340(3) of the Proceeds of Crime Act 2002 (but disregarding paragraph (b) of that definition);
- (iii) any past or present member, director, officer or employee of the Frontier Group, or any other person for whom any such person may be liable or responsible, has engaged in any business with, made any investments in, made any funds or assets available to or received any funds or assets from: (a) any government, entity or individual in respect of which U.S. or European Union persons, or persons operating in those territories, are prohibited from engaging in activities or doing business, or from receiving or making available funds or economic resources, by U.S. or European Union laws or regulations, including the economic sanctions administered by the United States Office of Foreign Assets Control, or HM Treasury in the UK; or (b) any government, entity or individual targeted by

any of the economic sanctions of the United Nations, the United States, the European Union or any of its member states; or

- (iv) no member of the Frontier Group being engaged in any transaction which would cause Science Group to be in breach of any law or regulation upon its acquisition of Frontier, including the economic sanctions of the United States Office of Foreign Assets Control, or HM Treasury in the UK, or any government, entity or individual targeted by any of the economic sanctions of the United Nations, the United States, the European Union or any of its member states.

**Frontier Register of Members**

- (k) Frontier having instructed its registrars to provide all information to Science Group and/or the Receiving Agent appointed by Science Group in connection with the Offer that it would be required to provide to Science Group if the Offer was subject to the City Code and Frontier's registrar having complied in full with such instruction.

**Part B: Waiver and invocation of Conditions**

1. To the extent permitted by law, Science Group reserves the right to waive, in whole or in part, all or any of the Conditions in Part A of this Appendix 1.
2. The Offer will lapse unless all of the Conditions set out in Part A of this Appendix 1 have been fulfilled or where appropriate, have been determined by Science Group to be waived or to be or remain satisfied, by midnight (London time) on the 21st day after the later of (i) the First Closing Date; and (ii) the date on which the Offer becomes or is declared unconditional as to acceptances (or, in each case, such later date as Science Group may determine).
3. Science Group shall be under no obligation to waive (if capable of waiver), to determine to be or remain satisfied or to treat as fulfilled any of the Conditions set out in Part A of this Appendix 2 by a date earlier than the latest date specified above in paragraph 2 of this Part B for the fulfilment or waiver thereof, notwithstanding that the other Conditions may at such earlier date have been waived or fulfilled and that there are at such earlier date no circumstances indicating that any of such Conditions may not be capable of fulfilment.

## **APPENDIX 2**

### **SOURCES OF INFORMATION AND BASES OF CALCULATION**

In this Announcement, unless otherwise stated or the context requires, the following bases and sources have been used;

- (a) the financial information relating to Frontier is extracted (without adjustment) from the audited financial statements of Frontier for the relevant year and/or from regulatory announcements made by Frontier; and
- (b) all prices and closing prices for Frontier Shares are derived from Thomson Reuters Datastream.

## APPENDIX 3

### DEFINITIONS

The following definitions apply throughout this Announcement (unless the context otherwise requires):

<b>Acceptance Condition</b>	the Condition as to acceptances set out in paragraph (a) of Part A of Appendix 1 of this Announcement
<b>Acquisition</b>	the proposed acquisition of the entire issued and to be issued share capital of Frontier by Science Group, other than those Frontier Shares already owned by Science Group and its Affiliates
<b>Acquisition Consideration</b>	the cash amount of 35 pence per Frontier Share payable by Science Group pursuant to the Acquisition, as adjusted in accordance with the terms of the Acquisition as set out in this Announcement and to be set out in the Offer Document and Form of Acceptance
<b>Affiliates</b>	in relation to a party, any person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, the party, and for these purposes a party shall be deemed to control a person if such party possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of the person, whether through the ownership of over 50 per cent. of the voting securities or the right to appoint over 50 per cent. of the relevant board of directors by contract or otherwise, but, in relation to Science Group, specifically excluding Frontier and each other member of the Frontier Group
<b>AIM</b>	the Alternative Investment Market of the London Stock Exchange
<b>AIM Rules</b>	the AIM Rules for companies issued by the London Stock Exchange as at March 2018
<b>Announcement</b>	this announcement made on 1 July 2019 by Science Group of its intention to make an offer for the entire issued and to be issued share capital of Frontier
<b>Business Day</b>	a day (other than a Saturday or Sunday or public or bank holiday in the UK) on which clearing banks are open for general business in London
<b>City Code</b>	the City Code on Takeovers and Mergers
<b>Companies Law</b>	the Companies Law (2018 Revision) of the Cayman Islands (as amended)
<b>Conditions</b>	the conditions to the Acquisition set out in Appendix 1 to this Announcement, and Condition means any one of them
<b>CREST</b>	the relevant system (as defined in the Regulations) in respect of which Euroclear is the Operator (as defined in the Regulations)



<b>CREST Manual</b>	the manual published by Euroclear for further information on the CREST system, as amended from time to time
<b>CREST member</b>	a person who has been admitted by Euroclear as a system member (as defined in the Regulations)
<b>CREST participant</b>	a person who is, in relation to CREST, a system-participant (as defined in the Regulations)
<b>CREST sponsor</b>	a CREST participant admitted to CREST as a CREST sponsor
<b>CREST sponsored member</b>	a CREST member admitted to CREST as a sponsored member
<b>Depository Interest</b>	the dematerialized depository interests which are transferred through the CREST system and represent the underlying Frontier Shares that are held on trust by the depository for the holders of the depository interests
<b>Digital Radio</b>	digital audio broadcasting radios
<b>Enlarged Group</b>	Science Group and its subsidiaries and its subsidiary undertakings following completion of the Acquisition
<b>Euroclear</b>	Euroclear UK & Ireland Limited, the operator of CREST
<b>FCA</b>	the UK Financial Conduct Authority or its successor from time to time
<b>FCA Handbook</b>	the FCA's Handbook of rules and guidance as amended
<b>First Closing Date</b>	1.00 p.m. (London time) on the date specified in the Offer Document as being the first closing date (or such later time(s) and/or date(s) as Science Group may decide)
<b>Form of Acceptance</b>	the form of acceptance and authority relating to the Offer accompanying the Offer Document
<b>Frontier</b>	Frontier Smart Technologies Group Limited, an exempted company incorporated in the Cayman Islands with limited liability with number FC031563
<b>Frontier Board</b>	the directors of Frontier at the date of this Announcement, collectively
<b>Frontier Group</b>	Frontier and its subsidiaries and subsidiary undertakings from time to time
<b>Frontier Share Plans</b>	any applicable employee share plans of Frontier
<b>Frontier Shareholders</b>	holders of Frontier Shares from time to time
<b>Frontier Shares</b>	the existing unconditionally allotted or issued and fully paid ordinary shares of 10 pence each in the capital of the Frontier (including such shares represented by Depository Interests) and any further such ordinary shares which are unconditionally allotted or issued and fully paid while the Offer remains open for acceptance or before such earlier time and date as

	Science Group may determine, not being earlier than the time and date on which the Offer becomes or is declared unconditional as to acceptances or, if later, the First Closing Date (but excluding any such ordinary shares held or which become held in treasury), and Frontier Share means any one of them
<b>Offer</b>	the cash offer to be made by Science Group to acquire the entire issued and to be issued share capital of Frontier (other than those Frontier Shares already owned by Science Group and its Affiliates or their respective nominee/(s)) on the terms and subject to the Conditions to be set out in the Offer Document and, in the case of Frontier Shares held in certificated form, the Form of Acceptance including, where the context so requires, any subsequent revision, variation, extension or renewal of such offer
<b>Offer Document</b>	the document to be sent to the Frontier Shareholders containing the terms and conditions of the Offer
<b>Overseas Shareholders</b>	Frontier Shareholders resident in, ordinarily resident in, or citizens or nationals of, jurisdictions outside the United Kingdom
<b>Panel</b>	the Panel on Takeovers and Mergers
<b>Panmure Gordon</b>	Panmure Gordon (UK) Limited of One New Change, London EC4M 9AF
<b>Panmure Gordon Trading Facility</b>	the facility to be provided by Panmure Gordon to enable Frontier Shareholders to sell their Frontier Shares to Science Group outside any Offer for consideration per Frontier Share equal to the Cash Consideration, details of which are set out in Section 3 of this Announcement
<b>Regulations</b>	the Uncertificated Securities Regulations 2001 (S.I. 2001/3755)
<b>Regulatory Information Service</b>	a regulatory information service as defined in the FCA Handbook
<b>Restricted Jurisdiction</b>	any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure if information concerning the Offer is sent or made available to Frontier Shareholders in that jurisdiction
<b>Scheme of Arrangement</b>	a scheme of arrangement under section 86 of the Companies, with or subject to any modification, addition or condition approved or imposed by the Courts of the Cayman Islands
<b>Science Group</b>	Science Group plc, a public company incorporated under the laws of England and Wales with registered number 06536543
<b>Science Group Board</b>	the directors of Science Group at the date of this Announcement, collectively

<b>significant interest</b>	a direct or indirect interest in ten per cent. or more of the equity share capital (as defined in the Companies Act)
<b>Smart IoT Devices</b>	smart internet of things devices
<b>UK or United Kingdom</b>	the United Kingdom of Great Britain and Northern Ireland
<b>uncertificated or in uncertificated form</b>	in relation to a share or other security, a share or other security which is recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST and title to which, by virtue of the Regulations, may be transferred by means of CREST
<b>United States or U.S.</b>	the United States of America, its territories and possessions, any state of the United States of America, the District of Columbia, and all other areas subject to its jurisdiction
<b>U.S. Exchange Act</b>	the U.S. Securities Exchange Act 1934, as amended and the rules and regulations promulgated thereunder
<b>Wider Frontier Group</b>	Frontier and its subsidiary undertakings, associated undertakings and any other undertaking in which Frontier and/or such undertakings (aggregating their interests) have a significant interest but excluding, for the avoidance of doubt, the Wider Science Group
<b>Wider Science Group</b>	Science Group and its subsidiary undertakings, associated undertakings and any other undertaking in which Science Group and/or such undertakings (aggregating their interests) have a significant interest but excluding, for the avoidance of doubt, the Wider Frontier Group
<b>£ or pounds sterling</b>	pounds sterling, the lawful currency for the time being of the UK and references to “pence” and “p” shall be construed accordingly
<b>US\$ or U.S. dollars</b>	U.S. dollars, the lawful currency for the time being of the United States