

science group

15 July 2019

Science Group plc

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

Science Group plc ("Science Group") notes the announcement by Frontier today. Science Group disagrees with the background set out by Frontier in its announcements today and on Friday 12 July 2019. It is disappointing that the board of Frontier has consistently failed to respect customary confidentiality of dialogue and has repeatedly ignored the conditions attached to proposals made by Science Group.

Science Group reiterates that its Offer is the only offer for Frontier – as announced on 1 July and posted to Frontier Shareholders on 2 July 2019, at a price of 35 pence per share.

Science Group was willing to consider an increase to the Offer price subject to certain conditions. The discussions last week were suspended when Frontier changed its position in relation to the restructuring of the Frontier Board and suspending the joint venture discussions. After Science Group suspended the talks, Frontier reverted to the original terms of the agreement. Unfortunately, time had been lost and there were, and remain, substantive issues outstanding. Science Group again attempted to encourage the board of Frontier to engage on Friday evening to try to resolve matters over the weekend, subject to certain conditions and resolution of all outstanding items, but received no response until Sunday evening.

Since 8 May 2019, Science Group has sought to constructively engage with Frontier. Despite the substantial deterioration in operating performance and the share price decline in excess of 90% (January 2018 to 9 May 2019), the board of Frontier has consistently rejected Science Group's approach.

Due to Frontier's position, which Science Group consider to be extremely disappointing and not in the best interests of Frontier's shareholders, customers or employees, Science Group now declares unequivocally that it will not increase the Offer.

At 12 July 2019, Science Group owns the equivalent of 36.6% of the voting share capital of Frontier. The closing date for the Science Group Offer is Tuesday 16 July 2019. At the present time, unless the Offer is declared unconditional as to acceptances, Science Group does not anticipate extending the Offer, nor the Panmure Gordon Trading Facility, but retains the option to do so if considered appropriate at the sole discretion of the Science Group Board.

Science Group encourages Frontier Shareholders to accept the Science Group Offer, or sell their shares through the Panmure Gordon Trading Facility, as soon as possible and in any event prior to the closing date of 1.00 p.m. on Tuesday 16 July 2019.

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With regard to the future strategy, Science Group will set out its intentions following the Offer closing. Science Group's strategic review, released on 24 January 2019, provides Science Group with a range of options, not all of which would require the statutory merger to be effected. However, as the largest shareholder in Frontier, in any event Science Group would anticipate seeking changes to the board of Frontier.

Finally, while the board of Frontier (in its various forms) had ample opportunity over the past 14 years, including the current board at the most recent Annual General Meeting in April 2019, to change the domicile of Frontier, it consistently elected not to do so. As a result, Frontier is not within the jurisdiction of the UK City Code on Takeovers and Mergers ("City Code") and the provisions and constraints within the City Code do not apply to Frontier.

- Ends -

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