



7 August 2019

Science Group plc
(the "Company")

Response to announcement by Frontier Smart Technologies Group Limited
(“Frontier”)

Science Group plc (AIM:SAG) notes the announcement and trading update issued by Frontier (AIM:FST) today.

On 29 July 2019, following months of trying to get the Frontier Board to engage with Science Group, an EGM requisition was sent to Frontier. (Contrary to the implication in the Frontier announcement today, the Frontier Board has been aware of the EGM requisition for nine days.) As a result, the Frontier Board finally agreed to engage and, on 30 July 2019, Frontier and Science Group announced the proposed changes to the Frontier Board *“subject to completion of standard pre-appointment diligence checks by N+1 Singer as Nomad to Frontier and completion of Science Group due diligence.”* Following a request from Frontier’s Adviser, Science Group confirmed that subject to satisfactory progress, the EGM notice would be withdrawn at the appropriate time.

Since that time, Frontier has provided information to Science Group which has been reviewed. The implications of the analysis by Science Group of that information have been provided to Frontier and its Advisers on a timely basis. The analysis and discussions have been intensive including meetings with operating management on Monday and Tuesday of this week. In Science Group’s opinion, the strategy of Frontier needs to be significantly revised from that which has demonstrably failed over the past 18 months but Science Group remains excited by the Frontier business, its employees and the potential opportunities for collaboration.

Science Group highlight the Frontier clarification today regarding bank covenants and credit facility. This became apparent to Science Group during the due diligence activities and was raised to Frontier in a timely manner. As a result, Martyn Ratcliffe and Sarah Cole (the proposed Directors) advised Frontier that they considered it would be imprudent to accept the role of Director on the Frontier Board unless or until certain strategic and financial matters

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were addressed, in advance of their appointments. Frontier and its Advisers were first notified on Wednesday 31 July 2019 of this situation.

Science Group has requested to speak directly to Clydesdale Bank but to date this has not been possible. In Science Group's opinion, Frontier would benefit significantly from a refinancing to eliminate the bank covenant risk and provide the financial stability that Frontier requires. Science Group has provided an outline structure of a possible refinancing to Frontier. However, despite the seriousness of the situation, the Frontier Board has not engaged with Science Group on this matter in any meaningful way.

Frontier shareholders should recall that throughout the Offer period, including on 15 July, the Frontier Board maintained its position that it "*strongly recommends that Shareholders neither accept the Science Group Offer on its current terms, per the offer document distributed to shareholders on 2 July 2019, nor sell any Frontier shares via the Panmure Gordon dealing facility.*" The Offer and the Panmure Gordon Trading Facility were closed on 19 July 2019.

Science Group holds the equivalent of 47.6% of Frontier voting shares.

- Ends -

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