



8 July 2019

**Science Group plc**  
(the "Company")

**Investment in Frontier Smart Technologies Group Limited**  
(“Frontier”)

Science Group plc (AIM:SAG) welcomes the Frontier announcement issued on Friday 5 July regarding the clarification of the Frontier statement issued on 14 June 2019. Science Group concludes that:

- **Science Group’s Offer is the only offer for Frontier – as announced on 1 July and posted to Frontier Shareholders on 2 July 2019;**
- Contrary to previous indications by Frontier (14 June) regarding the alternative approach, it is now *“unlikely that the discussions will result in an offer for”* Frontier from this alternative source;
- Frontier’s discussions regarding a further alternative new proposal from the same party are at no more than a *“concept”* stage, after 3 weeks of *“urgently seeking to clarify”* this alternative approach. The basic transaction framework has not even been agreed and *“there is no meaningful prospect of agreeing Heads of Terms, less still entering into a definitive legal agreement, prior to the closing date of the Science Group Offer of 16 July 2019”*. This indicates that the *“potential, but uncertain”* discussions are preliminary and speculative; and
- Frontier’s operating performance and expectations for the current year remain unchanged following the significant downgrade it announced on 9 May 2019, which resulted in Frontier’s share price falling to a closing price of 13.4 pence.

In summary, despite the substantial premium being offered by Science Group relative to the share price on the date of the trading update, the Frontier Board are advising Frontier Shareholders to reject the Science Group Offer on the basis that at some undefined point in the future, Frontier may possibly agree a joint venture with an undefined party into which Frontier would transfer key assets. The structure and terms of this hypothetical activity are currently unknown to the Frontier Board and the potential value to be created and how any such value would be realised for Frontier Shareholders is completely unclear. Furthermore, even if this *“potential, but uncertain, prospect”* did develop, the Frontier Board may or may

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not grant Frontier Shareholders the opportunity to vote on this transfer of assets and the terms of any transaction.

Throughout the past 8 weeks, in the opinion of Science Group, Frontier has repeatedly taken actions which have had the effect of frustrating the proposed acquisition of Frontier by Science Group. This latest “*concept*” of a non-specific strategy being proposed by the Frontier Board can only be regarded similarly. It should be remembered that, at 31 December 2018, Frontier had net retained losses of \$175.5 million resulting from Frontier’s previous strategies and that between January 2018 and 9 May 2019, the current Frontier Board pursued a strategy that resulted in a share price decline of over 90%.

At the close of trading on 5 July 2019, Science Group held 11,879,601 shares, equivalent to 29.2% of the voting share capital of Frontier. Science Group reiterates its previous statements that it does not anticipate supporting any alternative “*potential corporate transaction*”.

**Science Group does not anticipate increasing the Offer price and reminds Frontier Shareholders that the Offer of 35 pence per share, represents:**

- a 161.6% premium to the closing share price on 9 May 2019, the date of the Frontier trading update; and
- a 137.3% premium to the share price on 17 May 2019, the last trading day prior to the announcement of Science Group’s approach.

Science Group also reminds Frontier Shareholders that the closing date for the Science Group Offer is **Tuesday 16 July 2019**. At the present time, and taking into account the Frontier announcement issued on 5 July, 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

**In conclusion, 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 Tuesday 16 July 2019.**

- Ends -

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