

28 August 2019

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

**Frontier Investment Update and Buy-Back**

Science Group plc (AIM:SAG) announces that on 27 August 2019, the Company purchased 8,062,745 shares in the capital of Frontier Smart Technologies Group Limited ("Frontier") at a price of 25 pence per share. Following these purchases, and subsequent to the subscription for new shares which were today admitted to trading on AIM, Science Group holds a total of 31,510,176 shares in the capital of Frontier, equivalent to 70.3% per cent. of the voting share capital of Frontier.

As a result, Science Group intends to initiate discussions with Frontier to effect a statutory merger ("Merger") between Frontier and a wholly owned subsidiary ("MergerCo") of Science Group in accordance with the applicable Cayman Islands law. If the Merger is approved:

- MergerCo will be the surviving company;
- Frontier will cease to exist;
- each Frontier share issued and outstanding immediately prior to the effective time of the Merger will be converted into the right to receive 25 pence in cash per Frontier share without interest; and
- the Frontier shareholders will not have any shareholder interest in MergerCo.

Any Frontier shareholders who dissent to the Merger in accordance with applicable Cayman Islands law will be entitled only to those rights as are granted by the Companies Law of the Cayman Islands. A circular to Frontier shareholders will be distributed in due course by Frontier and the Merger will require the approval of not less than 75% of Frontier shareholders present and entitled to vote at an extraordinary general meeting of the Frontier shareholders. Science Group is entitled to vote its Frontier shares and intends to vote its entire shareholding in favour of the Merger.

Furthermore, following the material increase in the Science Group shareholding, in the event that Clydesdale Bank demand repayment of the Frontier bank facility or seek to invoke additional fees related to the December covenant waiver, Science Group has now agreed to reduce the interest rate on the Standby Facility put in place last week to 5.0% above 3 month LIBOR. All other terms of the Standby Facility remain unchanged.

The share trading facility to enable shareholders to sell their Frontier shares to Science Group at 25 pence per share is anticipated to remain open until 6 September 2019. Science Group encourages Frontier shareholders to utilise this facility to sell their shares as soon as possible.

**Science Group Buy-Back**

The Science Group buy-back programme operated through Panmure Gordon has been suspended during 2019. This programme will recommence on 30 August 2019 in accordance with the parameters set out in the announcement dated 19 April 2018.

- Ends -

**For further information:**

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The information contained within this announcement is considered by the Company to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014 ("MAR"). Upon the publication of this announcement via a Regulatory Information Service, this inside information will be considered to be in the public domain.

**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 Merger 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.

Please be aware that addresses, electronic addresses and certain other information provided by Frontier shareholders (**Frontier Shareholders**), persons with information rights and other relevant persons in connection with the receipt of communications from Frontier may be provided to Science Group during the period until implementation of the Merger.

**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 or the United States may be restricted by law (**Restricted Jurisdiction**) and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom or the United States 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 AIM Rules 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 Merger will be subject to the applicable requirements of Cayman Islands law, the AIM Rules and the FCA. Frontier is not subject to the City Code or any requirements of the Panel.

Copies of this announcement and all documents relating to the Merger will not be, 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 or the United States 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.

### **Notes to U.S. holders of Frontier shares (Frontier Shares)**

The receipt of cash pursuant to the Merger 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 the Merger. Furthermore, the payment and settlement procedure with respect to the Merger will differ from the United States payment and settlement procedures, particularly with regard to the date of payment of consideration.

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 Merger, passed comment upon the fairness or merits of the Merger or passed comment upon the adequacy or completeness of this announcement. Any representation to the contrary is a criminal offence 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” 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.

These forward-looking statements are not guarantees of future financial performance and have not been reviewed by the auditors of Science Group. 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 respective 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 respective 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.

#### **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 or Science 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 or Science Group (as applicable).

#### **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 Merger 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.

#### **Time**

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

