THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document and/or the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) ("FSMA") if you are in the United Kingdom or, if not, another appropriately authorised independent financial adviser. Investment in the Company is speculative and involves a high degree of risk. Your attention is also drawn to the section headed "Risk Factors" in Part II of this document.

If you have sold or otherwise transferred all of your Existing Ordinary Shares in Provexis in certificated form before the date the Company's shares were traded "ex-entitlement", please immediately forward this document, together with any accompanying Application Form to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. If you have sold only part of your holding of Existing Ordinary Shares, please contact your stockbroker, bank or other agent through whom the sale or transfer was effected immediately. However, this document and any accompanying documents should not be sent or transmitted in or into, any jurisdiction where to do so might constitute a violation of local securities law or regulations including, but not limited to, the United States, Canada, Japan, Australia, New Zealand, the Republic of Ireland or the Republic of South Africa.

The Directors, whose names and functions appear on page 9 of this document, and the Company accept responsibility, both collectively and individually, for the information contained in this document. To the best of the knowledge of the Directors and the Company (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

This document is not a prospectus for the purposes of the Prospectus Rules and has not been prepared in accordance with the Prospectus Rules. Accordingly, this document has not been, and will not be, reviewed or approved by the Financial Services Authority of the United Kingdom ("FSA"), pursuant to sections 85 and 87 of FSMA, London Stock Exchange or any other authority or regulatory body. This document is not an Admission Document but has been drawn up in accordance with the AIM Rules.

Provexis plc

(Incorporated in England and Wales with registered number 05102907)

Open Offer of up to 139,851,928 Ordinary Shares at 1.5 pence per share on the basis of 1 Offer Share for every 10 Existing Ordinary Shares with an Excess Application Facility

and

Notice of General Meeting

This document should be read as a whole. Your attention is drawn to the letter from the Chairman of Provexis which is set out in Part I of this document and which recommends that you vote in favour of the Resolutions to be proposed at the General Meeting and to the Risk Factors in Part II of this document.

The Offer Shares will rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid on the Existing Ordinary Shares after Admission.

The Open Offer closes at 11.00 a.m. on 26 July 2011. If you are a Qualifying Shareholder and wish to apply for Offer Shares under the Open Offer you should follow the procedure set out in Part III of this document and, where relevant, complete and return the accompanying Application Form.

The Existing Ordinary Shares are admitted to trading on AIM. Application will be made to London Stock Exchange plc for the Offer Shares to be admitted to trading on AIM. AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the UK Listing Authority. A prospective investor should be aware of the potential risks in investing in such companies and should make the decision to invest only after careful consideration and consultation with his or her own independent financial adviser. The London Stock Exchange has not itself examined or approved the contents of this document. Subject to the passing of the Resolutions at the General Meeting it is expected that admission to AIM and dealings in the Offer Shares will commence at 8.00 a.m. on 27 July 2011.

This document does not constitute an offer for sale or an invitation to subscribe for, or the solicitation of an offer to buy or subscribe for, Offer Shares in any jurisdiction where such an offer or solicitation is unlawful and, subject to certain exceptions is not for distribution in or into the United States, Canada, Japan, Australia, New Zealand, the Republic of Ireland or the Republic of South Africa. The Offer Shares will not be registered under the United States Securities Act of 1933 (as amended) or under the securities laws of any state of the United States or qualify for distribution under any of the relevant securities laws of Canada, Australia or Japan, nor has any prospectus in relation to the Offer Shares been lodged with or registered by the Australian Securities and Investments Commission or the Japanese Ministry of Finance. Overseas Shareholders and any person (including, without limitation, custodians, nominees and trustees) who has a contractual or other legal obligation to forward this document to a jurisdiction outside the UK should seek appropriate advice before taking any action.

Notice convening a General Meeting of the Company to be held at the offices of Shoosmiths, Apex Plaza, Forbury Road, Reading, Berkshire RG1 1SH on 25 July 2011 at 9.00 a.m. is set out at the end of this document. Shareholders will find enclosed with this document a Form of Proxy for use in connection with the General Meeting. To be valid, the Form of Proxy must be signed and returned in accordance with the instructions printed thereon so as to be received by Equiniti Limited at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6ZL as soon as possible but in any event by not later than 9.00 a.m. on 23 July 2011. Completion and posting of the Form of Proxy does not prevent a Shareholder from attending and voting in person at the General Meeting.

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OPEN OFFER STATISTICS

Market price per Ordinary Share[1]	1.525 pence
Number of Ordinary Shares in issue at the date of this document	1,398,519,280
Offer Price	1.5 pence
Number of Offer Shares to be offered for subscription by the Company	139,851,928
Estimated approximate maximum gross proceeds of the Open Offer[2]	£2.1 million
Number of Ordinary Shares in issue at Admission[2]	1,538,371,208
Percentage of the Enlarged Issued Share Capital represented by the Offer Shares[2]	9.1%

1 Based on the closing mid-market price of an Ordinary Share on 4 July 2011, being the last practicable date prior to the publication of this document.

2 Assuming the maximum take up under the Open Offer.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

	2011
Open Offer Record Date and time	5.00 p.m. on 1 July
Announcement of the Open Offer	5 July
Existing Ordinary Shares marked 'ex' by the London Stock Exchange	6 July
Open Offer Entitlements credited to stock accounts in CREST of Qualifying CREST Holders	6 July
Recommended latest time for requesting withdrawal of Open Offer Entitlements from CREST	4.30 p.m. on 20 July
Latest time for depositing Open Offer Entitlements into CREST	3.00 p.m. on 21 July
Latest time and date for splitting of Application Forms (to satisfy *bona fide* market claims only)	3.00 p.m. on 22 July
Latest time and date for receipt of Forms of Proxy for the General Meeting	9.00 a.m. on 23 July
General Meeting	9.00 a.m. on 25 July
Latest time and date for receipt of completed Application Forms and payment in full under the Open Offer or settlement of relevant CREST instruction (as appropriate)	11.00 a.m. on 26 July
Date of Admission and commencement of dealings of the Offer Shares	8.00 a.m. on 27 July
Offer Shares credited to CREST stock accounts	8.00 a.m. on 27 July
Date of despatch of definitive share certificates for Offer Shares	by 3 August

Notes:

(1) References to times in this document are to London time (unless otherwise stated)

(2) If any of the above times or dates should change, the revised times and/or dates will be notified by an announcement to an RIS

(3) The timing of the events in the above timetable and in the rest of this document are indicative only

(4) **In order to subscribe for Offer Shares under the Open Offer, Qualifying Shareholders will need to follow the procedure set out in Part III of this document and non CREST Shareholders will need to complete the accompanying Application Form. If Qualifying Shareholders have any queries on the procedure for acceptance and payment, or wish to receive another Application Form they should contact Equiniti, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA on 0871 384 2974 or, if calling from outside the UK on +44 121 415 0197, quoting, where relevant, the account number of their Application Forms. Calls to the Equiniti 0871 384 2974 number are charged at eight pence per minute (excluding VAT) from a BT landline. Other service provider's costs may vary. Calls to the Equiniti +44 121 415 0197 number from outside the UK are charged at applicable international rates. Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored randomly for security and training purposes. Equiniti cannot provide advice on the merits of the Open Offer nor give any financial, legal or tax advice. Equiniti will not give Qualifying Shareholders any other advice in connection with the Open Offer**

FORWARD-LOOKING STATEMENTS

This document contains statements about Provexis that are or may be ''forward looking statements''. All statements, other than statements of historical facts, included in the document may be forward-looking statements and are subject to, *inter alia*, the risk factors described in Part II of this document. Without limitation, any statements preceded or followed by, or that include, the words ''targets'', ''plans'', ''believes'', ''expects'', ''aims'', ''intends'', ''will'', ''may'', ''should'', ''anticipates'', ''projects'', ''would'', ''could'', ''continue'' or words or terms of similar substance or the negative thereof, are forward-looking statements. Forward-looking statements include statements relating to the following: management strategic vision, aims and objectives; the conduct of clinical trials; the Company's ability to find partners for the development and commercialisation of its products; the effect of competition; trends in results of operations; margin; and exchange rates. These forward-looking statements are not guarantees of future performance and have not been reviewed by the auditors of Provexis. These forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of any such person, or industry results, to be materially different from any results, performance or achievements expressed or implied by such forward-looking statements. These forward-looking statements are based on numerous assumptions regarding the present and future business strategies of such persons and the environment in which each will operate in the future. Investors should not place undue reliance on such forward-looking statements and, save as is required by law or regulation, Provexis does not undertake any obligation to update publicly or revise any forward-looking statements (including to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based). All subsequent oral or written forward-looking statements attributed to Provexis or any persons acting on their behalf are expressly qualified in their entirety by the cautionary statement above. All forward-looking statements contained in this document are based on information available to the Directors at the date of this document, unless some other time is specified in relation to them, and the posting or receipt of the document shall not give rise to any implication that there has been no change in the facts set forth herein since such date.

DEFINITIONS

The following definitions apply throughout this document unless the context otherwise requires:

"2006 Act"	the Companies Act 2006
"Acquisition"	the acquisition of the entire issued share capital of SiS which was completed on 24 June 2011
"Admission"	admission of the Offer Shares to trading on AIM
"AIM"	the Alterative Investment Market operated by the London Stock Exchange
"AIM Rules"	the AIM Rules for Companies published by the London Stock Exchange from time to time
"Application Form"	the application form to be used by Qualifying non-CREST Shareholders in connection with the Open Offer
"Basic Entitlement"	the basic *pro rata* Open Offer Entitlement of a Qualifying Shareholder
"Business Day"	a day (other than a Saturday or Sunday) on which commercial banks are open for general business in London, England
"certificated form" or **"in certificated form"**	an ordinary share recorded on a company's share register as being held in certificated form (namely, not in CREST)
"Company" or **"Provexis"**	Provexis plc
"Consideration"	the consideration paid by the Company to the Sellers for the Acquisition
"Consideration Shares"	the 35,335,689 Ordinary Shares at a price of 2.83 pence per Ordinary Share which were issued to Sellers to satisfy £1 million of the Consideration
"CREST"	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear UK & Ireland Limited is the operator (as defined in the CREST Regulations)
"CREST Member"	a person who has been admitted by CREST as a system member (as defined in the CREST Regulations)
"CREST Participant"	a person who is, in relation to CREST, a system-participant (as defined in the CREST Regulations)
"CREST Regulations"	the Uncertificated Securities Regulations 2001 (SI 2001/3755) as amended
"CREST Sponsor"	a CREST Participant admitted to CREST as a CREST sponsor
"CREST Sponsored Member"	a CREST Member admitted to CREST as a CREST sponsored member
"Directors" or **"Board"**	the directors of the Company or any duly authorised committee thereof
"Enlarged Issued Share Capital"	the 1,538,371,208 Ordinary Shares in issue on Admission, assuming full subscription under the Open Offer of all the Offer Shares
"Enlarged Group"	the enlarged Group following the Acquisition
"Equiniti" or **"Receiving Agent"**	Equiniti Limited of Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA
"Excess Application Facility"	the facility to enable Qualifying Shareholders to apply for Offer Shares in excess of their Basic Entitlements
"Excess CREST Open Offer Entitlements"	the Open Offer Entitlements to be credited to the stock accounts of Qualifying CREST Shareholders which are in excess of their Basic Entitlements
"Existing Ordinary Shares"	any or all of the 1,398,519,280 Ordinary Shares in issue at the date of this document, all of which are admitted to trading on AIM

“Excess Shares”	Offer Shares which are not taken up by Qualifying Shareholders pursuant to their Basic Entitlement and are offered to Qualifying Shareholders under the Excess Application Facility
“Form of Proxy”	the form of proxy accompanying this document for use in connection with the General Meeting
“General Meeting”	the general meeting of the Company to be held at Shoosmiths, Apex Plaza, Forbury Road, Reading, Berkshire RG1 1SH at 9.00 a.m. on 25 July 2011
“Group”	the Company, its existing subsidiaries and subsidiary undertakings
“London Stock Exchange”	London Stock Exchange plc
“Offer Price”	1.5 pence per Offer Share
“Offer Shares”	the 139,851,928 Ordinary Shares which are to be made available for subscription by Qualifying Shareholders under the Open Offer
“Open Offer”	the conditional offer to Qualifying Shareholders to subscribe for the Offer Shares at the Offer Price, as described in this document
“Open Offer Entitlements”	entitlements to subscribe for Offer Shares, allocated to a Qualifying Shareholder pursuant to the Open Offer as described in Part III of this document
“Open Offer Record Date”	5.00 p.m. on 1 July 2011
“Ordinary Shares”	ordinary shares of 0.1 pence each in the capital of the Company
“Overseas Shareholders”	Shareholders resident in, or citizens of, jurisdictions outside the United Kingdom
“Placing”	the placing of 166,666,662 Ordinary Shares in the Company at 1.5 pence
“Preliminary Results”	the preliminary results of the Company for the financial year ended 31 March 2011, as announced by the Company on 17 June 2011 and which are set out in full in Part IV of this document
“Prospectus Rules”	the Prospectus Rules published by the Financial Services Authority
“Qualifying CREST Shareholders”	Qualifying Shareholders whose Existing Ordinary Shares are on the register of members of the Company on the Open Offer Record Date and are held in uncertificated form
“Qualifying non-CREST Shareholders”	Qualifying Shareholders whose Existing Ordinary Shares are on the register of members of the Company on the Open Offer Record Date and are held in certificated form
“Qualifying Shareholders”	Shareholders whose names appear on the register of members of the Company on the Open Offer Record Date as holders of Existing Ordinary Shares and who are eligible to be offered Offer Shares in accordance with the terms and conditions set out in this document
“Resolutions”	the Shareholder resolutions as set out in the notice of General Meeting
“Sellers”	the persons from whom the Company acquired the entire issued share capital of SiS
“Share Purchase Agreement”	the sale and purchase agreement between the Company and the Sellers relating to the Acquisition
“Shareholders”	holders of Ordinary Shares
“SiS”	SiS (Science in Sport) Limited (Company No: 02742833), the Company subject to the Acquisition

"Takeover Code"	the City Code on Takeovers and Mergers issued by the Takeover Panel
"United Kingdom" or **"UK"**	the United Kingdom of Great Britain and Northern Ireland
"United States" or **"US"**	the United States of America, each State thereof, its territories and possessions (including the District of Columbia) and all other areas subject to its jurisdiction
"uncertificated" or **"in uncertificated form"**	an Ordinary Share recorded on a company's share register as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST

PART I

LETTER FROM THE CHAIRMAN

Provexis plc

(Incorporated in England and Wales with registered number 05102907)

Directors:	*Registered Office:*
Charles Dawson Buck *(Non-executive Chairman)*	Thames Court
Stephen Nigel Moon *(Chief Executive)*	1 Victoria St
Ian Ford *(Finance Director)*	Windsor
Steven Neil Morrison *(Chief Operating Officer)*	Berkshire
Philip Walker *(Executive Director)*	SL4 1YB
Dr. Neville Clifford Bain *(Non-executive director)*	
Krijn Rietveld *(Non-executive director)*	

5 July 2011

To Shareholders and, for information purposes only, to the holders of options over Ordinary Shares

Dear Shareholder,

Open Offer of up to 139,851,928 new Ordinary Shares at 1.5 pence per share on the basis of 1 Offer Share for every 10 Existing Shares with Excess Application Facility

1. Introduction

On 17 June 2011 the Board announced that it proposed to raise up to approximately £2.2 million (before expenses) by way of an Open Offer as soon as was reasonably practicable. Accordingly, the Company today announced details of the Open Offer. The Open Offer is being undertaken by the Company following completion of the Acquisition and the Placing.

The Open Offer is conditional on the passing of the Resolutions at the General Meeting. In the event that Shareholders do not approve the Resolutions, the Open Offer will not proceed. Shareholder approval is to be sought in respect of the Open Offer at the General Meeting which will be held at 9.00 a.m. on 25 July 2011 at the offices of Shoosmiths, Apex Plaza, Forbury Road, Reading, Berkshire RG1 1SH at which the Resolutions will be proposed. A notice convening the General Meeting is set out at the end of this document.

Qualifying Shareholders need to follow the procedure set out in Part III of this document and non-CREST shareholders will be required to complete the accompanying Application Form should they wish to take up their entitlements under the Open Offer. Qualifying Shareholders may also subscribe for Offer Shares above their Basic Entitlement if they so wish under the Excess Application Facility. Further particulars of the Open Offer and the Excess Application Facility are described in Part III of this document.

The purpose of this document is to provide Shareholders with information about the Open Offer.

2. The Company

The Company focuses on the discovery, development and commercialisation of functional foods, medical foods and dietary supplements. Functional foods are foods and dietary components which provide specific health benefits beyond basic nutrition. Medical foods are foods which are formulated to be consumed or administered enterally under the supervision of a physician and which are intended for specific dietary management of a disease or condition for which distinctive nutritional requirements, based on recognised scientific principles, are established by medical evaluation.

The Company's lead technology, Fruitflow®, is a patented natural extract from tomato which has been shown in human trials to reduce the propensity for aberrant blood clotting, typically associated with cardiovascular disease, which can lead to heart attack and stroke. Fruitflow® was the first food technology to have a health claim approved by the European Food Safety Authority under Article 13(5). The Company announced on 1 June 2010 that it had entered into a long-term alliance agreement with DSM Nutritional Products AG ("DSM") to develop Fruitflow® in major global markets.

The Company is also in the process of developing other functional food technology for commercialisation. NSP#3G plantain, an extract for the treatment of Inflammatory Bowel Disease, is being developed in a joint venture with The University of Liverpool and an extract for the treatment of Crohn's disease is currently in clinical trial. An extract containing isothiocyanates for the reduction of risk of certain cancers and systemic inflammation, including cardiovascular inflammation, is also being developed in conjunction with the Institute of Food Research. Technology owned by DSM for the management of blood glucose is being developed by Provexis under the terms of a Development Agreement with DSM and Provexis.

3. Current trading of the Company

The Company released its preliminary results for the year ended 31 March 2011 on 17 June 2011, the full text of which is set out in Part IV of this document.

4. Background to the Open Offer

On 17 June 2011, the Company announced that it had entered into a conditional agreement to purchase the entire issued share capital of SiS and had conditionally raised £2.5 million pursuant to the Placing.

SiS is a manufacturer of sports nutrition products for use by consumers and professional and elite athletes. The business was founded in 1992 by the Lawson family. SiS's products are used by elite and professional athletes including, amongst others, Olympic athletes, professional football teams, rugby teams and cyclists. Distribution of SiS's products is largely in the UK although there are distributors in some major global markets. SiS manufactures its products in leased facilities in the North West of England.

On 24 June 2011, the Company announced that the Placing and the Acquisition had been completed.

While the Directors at the time of the Placing believed, and continue to believe at the date of this document, that the Acquisition and the Placing were in the best interests of the Company and Shareholders as a whole, they consider that all Shareholders should be offered the opportunity to invest in the Company and to participate at the same price per Ordinary Share as those who subscribed under the Placing. At the time of the Placing, the Directors considered that an offer to existing Shareholders by way of a rights or other pre-emptive issue was not practicable or feasible due to the delays that would be incurred through the production and approval of a prospectus which would have to comply with the Prospectus Rules and be pre-vetted and approved by the FSA. In accordance with the intention set out in the announcement of the Placing and the Acquisition, the Company today announced details of the Open Offer to be made available to all Shareholders to subscribe for new Ordinary Shares at 1.5 pence per Offer Share, being the same price as the Placing Price, to raise up to approximately £2.1 million. The Company has been advised that Qualifying Shareholders can subscribe for, in aggregate up to the sterling equivalent of €2.5 million in Offer Shares without the Company having to produce a prospectus which would have both cost and timing implications for the Company.

5. Details of the Open Offer

Qualifying Shareholders are invited to apply for Offer Shares under the Open Offer at a price of 1.5 pence per Offer Share, payable in full on application and free of all expenses, *pro rata* to their existing shareholdings on the basis of:

1 Offer Share for every 10 Existing Ordinary Shares

held at the Open Offer Record Date. Entitlements of Qualifying Shareholders will be rounded down to the nearest whole number of Offer Shares. Fractional entitlements which would have otherwise arisen will not be issued. The Open Offer is subject to the passing of the Resolutions at the General Meeting and Admission becoming effective by 8.00 a.m. on 27 July 2011 (or such later date being not later than 8.00 a.m. on 3 August 2011, as the Company may decide).

The Offer Shares will, when issued and fully paid, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid after the date of Admission.

The Offer Shares have not been placed subject to clawback nor have they been underwritten. Consequently, there may be either no Open Offer Shares or fewer than 139,851,928 Offer Shares issued pursuant to the Open Offer.

The Open Offer has been structured so as to allow Qualifying Shareholders to subscribe for Ordinary Shares at the Offer Price *pro rata* to their existing holdings. Qualifying Shareholders may, in addition, make applications in excess of their Basic Entitlement. Once subscriptions under the Basic Entitlements have been satisfied, the Company shall scale back any excess applications on a *pro rata* basis in proportion to the total number of Excess Shares applied for under the Excess Application Facility. To the extent that Offer Shares are not subscribed for by Qualifying Shareholders, Open Offer Entitlements will lapse.

Subject to availability, the Excess Application Facility enables Qualifying Shareholders to apply for any whole number of Excess Shares in excess of their Basic Entitlement. Qualifying Non-CREST Shareholders who wish to apply to subscribe for more than their Basic Entitlement should complete the relevant sections on the Application Form. Qualifying CREST Shareholders will have Excess CREST Open Offer Entitlements credited to their stock account in CREST. The Excess Application Facility enables Qualifying CREST Shareholders to apply for Excess Shares in excess of their Basic Entitlement up to a maximum number of Excess Shares equal to 10 times the number of Existing Shares registered in their name as at the Record Date. If however Qualifying CREST Shareholders wish to apply for more than 10 times the number of Existing Shares registered in their name as at the Record Date, up to the maximum number of shares available under the Open Offer, the Qualifying CREST Shareholder should refer to paragraph 3 (ii) (c) of Part III. Excess applications may be allocated in such manner as the Directors determine, in their absolute discretion, and no assurance can be given that applications by Qualifying Shareholders under the Excess Application Facility will be met in full or in part or at all.

PLEASE NOTE: Qualifying Shareholders can apply for as few or as many Offer Shares as they wish but will only be guaranteed to receive their Basic Entitlement. Excess applications may be fulfilled entirely or may be scaled back depending on Qualifying Shareholder demand.

Settlement and dealings

Application will be made to the London Stock Exchange for the Offer Shares to be admitted to trading on AIM. It is expected that such Admission will become effective and that dealings will commence on 27 July 2011. Further information in respect of settlement and dealings in the Offer Shares is set out in paragraph 7 of Part III of this document.

Overseas Shareholders

Certain Overseas Shareholders may not be permitted to subscribe for Offer Shares pursuant to the Open Offer and should refer to paragraph 6 of Part III of this document.

6. Action to be taken in respect of the Open Offer

Shareholders (non-CREST)

If you are a Qualifying non-CREST Shareholder you will find an Application Form accompanying this document which gives details of your Basic Entitlements (as shown by the number of Basic Entitlements allocated to you). If you wish to apply for Offer Shares under the Open Offer (including additional Excess Shares under the Excess Application Facility), you should complete the enclosed Application Form in accordance with the procedure set out at paragraph 3 (i) of Part III of this document and on the Application Form itself and post it in the accompanying prepaid envelope, together with payment in full in respect of the number of Offer Shares applied for to Equiniti, so as to arrive as soon as possible and in any event so as to be received no later than 11.00 a.m. on 26 July 2011, having first read carefully Part III of this document and the contents of the Application Form.

Qualifying CREST Shareholders

If you are a Qualifying CREST Shareholder, no Application Form will be sent to you and you will receive a credit to your appropriate stock account in CREST in respect of the Open Offer Entitlements representing your Basic Entitlements and also in respect of your Excess CREST Open Offer Entitlements, except (subject to certain exceptions) if you are in the United States, or have a registered address in, or are resident in United States, Canada, Japan, Australia, New Zealand, the Republic of Ireland or the Republic of South Africa. If as a Qualifying CREST Shareholder you wish

to apply for more than your Excess CREST Open Offer Entitlement you should refer to the procedure for application set out in paragraph 3 (ii) (c) of Part III of this document. The relevant CREST instructions must have settled in accordance with the instructions in paragraph 3(ii) of Part III of this document by **no later than 11.00 a.m. on 26 July 2011**.

Qualifying Shareholders can apply for as few or as many Offer Shares as they wish but will only be guaranteed to receive up to their Basic Entitlement. Excess applications may be fulfilled entirely or may be scaled back depending on Qualifying Shareholder demand. In the event Excess Applications are scaled back any excess monies will be returned to non-CREST Shareholders by cheque and to CREST Shareholders through CREST.

Qualifying CREST Shareholders who are CREST Sponsored Members should refer to their CREST Sponsors regarding the action to be taken in connection with this document and the Open Offer.

7. Intentions of the Directors in relation to the Open Offer

A number of the Directors are Qualifying Shareholders and have committed themselves to apply to subscribe for Offer Shares pursuant to the Open Offer Entitlements attributable to their Existing Ordinary Shares.

Details of the Directors' interests in the Existing Ordinary Shares and the number of Offer Shares they intend to subscribe for is set out in the table below:

Name of Director	*Number of Existing Ordinary Shares held*	*Number of Offer Shares subscribed for*	*Number of Ordinary Shares held following Admission*	*% of Enlarged Issued Share Capital*
Mr Dawson Buck*	12,604,692	301,741	12,906,433	0.84%
Mr Stephen Moon	1,873,333	187,333	2,060,666	0.13%
Mr Steven Morrison	1,822,304	182,230	2,004,534	0.13%
Mr Philip Walker	—	—	—	—
Dr Neville Bain	5,608,416	—	5,608,416	0.36%
Mr Ian Ford	2,001,666	200,166	2,201,832	0.14%
Mr Krijn Rietveld**	—	—	—	—

* Of the 12,604,692 Ordinary Shares that Mr Dawson Buck is interested in 3,880,138 are held by a pension scheme of which Mr Dawson Buck is the beneficiary and 1,668,333 are held by a pension scheme of which a member of the family of Mr Dawson Buck is the beneficiary. The remaining 7,056,221 Ordinary Shares are held directly by Mr Dawson Buck.

** Mr Krijn Rietveld is a director of the Company, and a senior employee of DSM, which is part of Royal DSM NV. DSM Venturing BV, the corporate venturing unit of Royal DSM NV, holds 143,769,230 Existing Ordinary Shares in the Company.

8. General Meeting

You will find set out at the end of this document a notice convening the General Meeting to be held at the offices of Shoosmiths, Apex Plaza, Forbury Road, Reading, Berkshire RG1 1SH at 9.00 a.m. on 25 July 2011. The Resolutions to be proposed at the General Meeting are as follows:

1. an ordinary resolution to authorise the Directors, pursuant to section 551 of the 2006 Act, to allot the Offer Shares in relation to the Open Offer; and
2. a special resolution, pursuant to section 571 of the 2006 Act, to disapply the statutory pre-emption rights on the allotment of equity securities, pursuant to the Open Offer.

The authorities in Resolutions 1 and 2 will expire (unless previously revoked or varied by the Company in general meeting) on the date 15 months from the passing of such Resolutions or at the conclusion of the next annual general meeting, whichever occurs first. The authority and power in Resolutions 1 and 2 are in addition to any like authority or power previously conferred on the Directors.

9. Action to be taken

Shareholders will find attached to this document a Form of Proxy for use in connection with the General Meeting. The Form of Proxy should be completed and returned in accordance with the instructions thereon so as to be received by Equiniti Limited at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6ZL as soon as possible and in any event not later than 48 hours before

the time of the General Meeting. Completion and return of the Form of Proxy will not prevent a Shareholder from attending and voting at the meeting should he/she so wish.

10. Further information

You should read the whole of this document and not just rely on the information contained in this letter. In particular, you should consider carefully the "Risk Factors" set out in Part II of this document.

11. Recommendation

The Directors unanimously recommend Shareholders to vote in favour of the Resolutions as the Directors intend to do in respect of their beneficial shareholdings which amount to 23,910,411 Ordinary Shares, representing approximately 1.7% of the Company's existing issued Ordinary Share capital.

Yours sincerely

Dawson Buck
Chairman

PART II

RISK FACTORS

An investment in the Offer Shares involves a degree of risk. Accordingly, prospective investors should carefully consider the specific risk factors set out below in addition to the other information contained in this document before investing in the Offer Shares. The Directors consider the following risks and other factors to be the most significant for potential investors in the Company, but the risks listed do not purport to comprise all those risks associated with an investment in the Company and are not set out in any particular order of priority. Additional risks and uncertainties not currently known to the Directors may also have an adverse effect on the Company's business.

If any of the following risks actually occur, the Company's business, financial condition, capital resources, results or future operations could be materially adversely affected. In this event, the price of the Ordinary Shares could decline and investors may lose all or part of their investment. The investment offered in this document may not be suitable for all of its recipients. Before making an investment decision, prospective investors should consult a person authorised under the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities. A prospective investor should consider carefully whether an investment in the Company is suitable for him/her in the light of his/her personal circumstances and the financial resources available to him/her.

There are various risk and other factors associated with an investment of the type described in this document. In particular:

Specific risks relating to the Group

Provexis has a high degree of technological concentration

A large part of the Company's business is the discovery and development of functional and medical food technologies. While the Company has a portfolio of new food and supplement based technologies, its most advanced, and therefore, core technology is related to Fruitflow®. The success or failure of the Company to commercialise Fruitflow® is likely to have a significant impact on the Company's share price. Shareholders and prospective investors should therefore be aware that any investment in the Company involves a high degree of risk and should be made only by those investors with the necessary expertise to appraise the investment.

The Group's success is highly dependent on licensing partners

Part of the Group's strategy is based on securing licensing partners for its food and supplement technology pipeline. Such licences are expected to provide important funding to the Group through milestone and royalty payments. The Group may be unable to establish licensing arrangements on favourable terms, or at all, and any such arrangement or agreement may not prove successful. If the Group is unable to enter into licence agreements on favourable terms, or at all, the Company's operating results and financial condition could be adversely affected.

There can be no assurance that the Group's products will receive and maintain regulatory approval. The complexity and multijurisdictional nature of the applicable regulatory processes could result in delays in achieving such regulatory approval

Part of the Group's business is the development of new or emerging technologies in functional foods, medical foods and dietary supplements and in many cases these are subject to existing and new regulatory legislation governing their use or health claims pertaining to their use. No assurance can be given that any of the Group's technologies will be granted regulatory approval within the timescale envisaged by the Directors or that regulatory approval will be granted at all. In addition governments many amend regulations at any time.

The Group cannot guarantee that its licensing partners will devote sufficient resources to licences with the Group or that the Group's technology can be developed and commercialised without these licensing partners

The Group's success is dependent on its licensing partners and the ability of the Group to attract new licensing partners in the future. The Group's licensing partners have, and in the future are likely to have, substantial responsibility for some of the development and commercialisation of the Group's functional food and supplement technology. Certain of the Group's future licensing partners are likely to have significant discretion over the resources they devote to developing and promoting this technology. The Group's success, therefore, will depend on the ability and efforts of these outside parties in performing their responsibilities.

The Group's business will rely significantly on existing relationships with functional food and ingredient companies. If the relationship with any one of these companies is adversely affected, the future results of the Group's operations may be adversely impacted.

As the Group is unable to provide for all of its research, development, manufacturing, marketing or sales needs to commercialise its technology, the Group is also dependent on third party contractors and their services and upon their effort and skill in providing those services.

If the Company fails to maintain existing research collaborations, or sign future research collaborations, it will reduce its research activities appropriately

The costs of maintaining an in-house research capability are substantial. To off-set/mitigate these costs the Company undertakes the majority of its research infrastructure through external collaborations. The Company will seek to size its research activities based upon the number of active collaborations so as to maintain its affordability to the Group. Accordingly, if the Company fails to sign future research collaborations, or maintain existing research collaborations, it will reduce the size of its research activities appropriately.

The Board of the Company plans to source a pipeline of future functional food and supplement technology from both internal investment in research and through in-licensing or acquisition of early stage technologies. Any reduction in the size of the Company's research activities may reduce the Company's ability to add new early stage technology to its pipeline.

The Group has a history of operating losses and negative cash flow and may never become profitable

The Group is currently loss making. No assurance can be given that the operations of the Group will become profitable. These losses have arisen mainly from the costs incurred in research and development of its products and general administrative costs. The Group is likely to incur expenses considerably in excess of revenue in the near future.

The Company does not expect to pay dividends in the near future

The Company has not paid dividends in the past and does not expect that dividends will be paid in the foreseeable future. The declaration and payment of any dividends in the future and the amount of any future dividends will depend upon the results of operations, financial condition, cash requirements, future prospects, profits available for distribution and other factors deemed by Directors to be relevant at the time.

Attraction and retention of key employees

The Company's success will depend on its current and future executive management team. In common with similar sized companies, the Group has a small management team and, accordingly, the loss of any one member of the executive management team could have a materially adverse effect upon the Company's business and future. Whilst the Company has entered into service agreements with key personnel and has introduced appropriate incentive schemes, the retention of their services cannot be guaranteed.

No assurance can be made that the Group will be able to bring the technology it is developing to market

The development of functional foods, medical foods and dietary supplements involves a lengthy and complex process. Any technology which the Group wishes to offer commercially must be put through extensive research, development and testing which will be costly to the Group. This development can take a number of years. In addition, the Group or its potential licensing partners will need to obtain regulatory approvals to make any claims about technology before they can be marketed and there can be no assurance given that such approvals will be granted.

The products that the Group brings to market may not be commercially successful

The Group's success depends on acceptance of the Group's products by consumers and consequently the Group's progress may be adversely affected if it is unable to achieve market acceptance of its products. Some factors that may affect the rate and level of market acceptance of any of the Group's products include:

- the existence or entry onto the market of superior competing products;
- the price of the Group's products compared to competing products;
- public perception regarding the benefits of the Group's products compared to competing products;

- the effectiveness of the sales and marketing efforts of the Group's marketing/licensing partners;
- regulatory developments related to the manufacturing or use of the Group's products;
- the willingness of consumers to adopt new functional food, medical foods and dietary supplement products; and
- publicity concerning the product type in general.

The Group may be unable to successfully establish and protect its intellectual property which is significant to the Group's competitive position

The Group's success depends in part on its ability to obtain and maintain protection for its inventions and proprietary information, so that it can stop others from making, using or selling its inventions or proprietary rights. The Group owns a portfolio of patents and patent applications. There is a significant delay between the time of filing of a patent application and the time its contents are made public, and others may have filed patent applications for subject matter covered by the Group's pending patent applications without the Group being aware of those applications. The Group's patent applications may not have priority over patent applications of others and its pending patent applications may not result in issued patents. Even if the Group obtains patents, they may not be valid or enforceable against others. Moreover, even if the Group receives patent protection for some or all of its technologies, those patents may not give the Group an advantage over competitors.

To develop and maintain its competitive position, the Group also relies on unpatented trade secrets and improvements, unpatented knowhow and continuing technological innovation, which it protects with security measures it considers to be reasonable, including confidentiality agreements with its licensees, consultants and employees. The Group may not have adequate remedies if these agreements are breached and the Group's competitors may independently develop any of this proprietary information.

If the Group fails to obtain adequate protection for its intellectual property, the Group's competitors may be able to take advantage of the Group's research and development efforts. The Group's success will depend, in large part, on its ability to obtain and maintain patent or other proprietary protection for its technologies in general and, in particular, its Fruitflow® technology. The Group may not be able to obtain patent protection for the composition of matter of discovered compounds, processes developed by its employees or medical uses of compounds discovered through its technology. Legal standards relating to patents in functional foods, medical foods and dietary supplements and the scope of claims made under these patents are still developing. There is no consistent policy regarding the breadth of claims allowed. The Group's patent position is therefore highly uncertain and involves complex legal and factual issues.

Investors should consider the Group's business and prospects in light of the heightened risks and unexpected expenses and problems the Group may face as a business in an early stage of development in a rapidly evolving industry

Provexis' operating history makes it difficult for an investor to evaluate its business and prospects. The Group's technology pipeline may not result in any meaningful benefits to the Group. In addition, because the number of food and supplement technology candidates to which the Group can devote research and development and marketing efforts is limited by the availability of financial and scientific resources, the Group is exposed to the risk that the delay or failure to commercialise its technology will adversely affect its financial performance.

The Company may require additional funding

To the extent that the current cash resources of the Company and the funds received from the Open Offer are insufficient to cover the Group's liabilities in the longer term it may be necessary to seek additional funds through future equity or debt financings and there is no certainty that such funds would be available. Any such further financings, if available at all, may be on terms that are not favourable to the Company. Further, if adequate capital cannot be obtained, the Company's operating results and financial condition could be adversely affected.

The Group's competitors may have greater resources for developing, acquiring and commercialising new IP and food and drink products

The Group faces significant competition in the development, acquisition and commercialisation of new IP and food and drink products, including new functional and medical food products. These competitors include university technology transfer offices, venture capital firms, ingredient and food

producers. Some of these competitors have substantially greater financial, technical and human resources than the Enlarged Group and therefore may be better able to develop, acquire, commercialise or market their products. The Directors believe this risk is specifically high in relation to the SiS product range where a number of established competitors have substantial marketing resources.

Risks relating to the Acquisition

There may be numerous integration challenges and the Group's management may be diverted away from the core business activities

The Group may encounter numerous integration challenges as a consequence of the Acquisition, including challenges which are not currently foreseeable. During the integration process, the Group's management and resources may be diverted away from the existing business activities of Provexis due to personnel being required to assist in the integration process. Furthermore, the Group may not be able to retain personnel with the appropriate skill set for the tasks associated with the integration programme. This integration process may take longer than expected, or difficulties relating to the integration, of which the Directors are not yet aware, may arise. These difficulties may include the discovery of potential liabilities arising from the SiS's prior business activities and contractual commitments which were not apparent to Provexis from its legal, commercial and financial due diligence. This could adversely affect the implementation of the Directors' plans for the Group which may adversely affect its business or financial condition.

Acquisition benefits may fail to materialise and these benefits and/or the expected growth of SiS may be materially lower than estimated

This document contains statements in relation to the expected benefits of the Acquisition to the group. These statements refer to future actions and circumstances which, by their nature, involve risks, uncertainties and other factors. There is a risk that the expected benefits of the Acquisition will fail to materialise, or that they may be materially lower than have been estimated, which would have a significant impact on the prospects of the Group in the future.

General risks for investors

Suitability of Offer Shares as an investment

The Offer Shares may not be a suitable investment for all recipients of this document. Before making a decision, investors are advised to consult an appropriate independent investment adviser authorised under the Financial Services and Markets Act 2000 who specialises in advising on investments of this nature. The value of Ordinary Shares can go down as well as up and investors may get back less than their original investment.

Dilution of ownership of Existing Ordinary Shares upon allotment of the Offer Shares

If Qualifying Shareholders do not respond to the Open Offer by 11.00 a.m. on 26 July 2011, the latest date for application and payment in full in respect of their entitlements, their proportionate ownership and voting interest in the Ordinary Shares will be reduced and the percentage that their Existing Ordinary Shares represents of the Enlarged Issued Share Capital will be reduced accordingly.

Market information and nature of Ordinary Shares

Potential investors should be aware that the value of shares can rise or fall and that there may not be proper information available for determining the market value of an investment in the Company at all times. An investment in a share which is traded on AIM, such as the Ordinary Shares, may be difficult to realise and carries a high degree of risk. The ability of an investor to sell Ordinary Shares will depend on there being a willing buyer for them at an acceptable price. Consequently, it might be difficult for an investor to realise his/her investment in the Company and he/she may lose all of his/her investment.

General

Whilst the Company is applying for Admission of the Offer Shares to trading on AIM, there can be no assurance that an active trading market for the Offer Shares will ensue, or that it will be maintained. AIM is a market for emerging or smaller growing companies and may not provide the liquidity normally associated with the Official List or other exchanges. The future success of AIM and liquidity in the market for the Offer Shares cannot be guaranteed. In particular, the market for the

Offer Shares may be, or may become, relatively illiquid and therefore the Offer Shares may be or may become difficult to sell.

Share Price Volatility and Liquidity

The market price of the Ordinary Shares could be subject to significant fluctuations due to a change in investor sentiment regarding the Company or the industry in which the Company operates or in response to specific facts and events, including positive or negative variations in the Group's interim or full year operating results, regulatory updates, new licences and business developments of the Group and/or competitors. The market price of the Existing Ordinary Shares may not reflect the underlying value of the Group. Potential investors should be aware that the value of shares and the income from them can go down as well as up and that investment in a share which is traded on AIM might be less realisable and might carry a higher risk than a share quoted on the Official List.

PART III

DETAILS OF THE OPEN OFFER

1. Introduction

The Open Offer is conditional on the Resolutions being passed at the General Meeting and has been structured so as to allow Qualifying Shareholders the right to subscribe for Offer Shares at the Offer Price *pro rata* to their existing holdings. Qualifying Shareholders may apply for less than Basic Entitlement if they so wish. Qualifying Shareholders may in addition make applications for additional Offer Shares in excess of their Basic Entitlement under the Excess Application Facility. Once Basic Entitlements have been satisfied, the Company shall meet any excess applications in full or in part on a *pro rata* basis in proportion to the total number of additional Offer Shares applied for under the Excess Application Facility. To the extent that Offer Shares are not subscribed by existing Shareholders, Open Offer Entitlements will lapse. The Open Offer will proceed whether or not all the Offer Shares are subscribed for.

However, Excess Applications will be rejected if and to the extent that acceptance would result in the Qualifying Shareholder, together with those acting in concert with for the purposes of the Takeover Code, holding 30 per cent. or more of the Enlarged Issued Share Capital immediately following Admission.

2. Open Offer

The Company hereby invites Qualifying Shareholders to apply, on and subject to the terms and conditions set out herein and in the Application Form, and subject to the Articles of Association of the Company, for Offer Shares at a price of 1.5 pence per share, free from all expenses, payable in cash in full on application. The closing mid-market price for an Ordinary Share, as derived from the London Stock Exchange for 4 July 2011 (being the last practicable date before the publication of this document) was 1.525 pence. Subject to fulfilment of the conditions set out below and in the Application Form for Qualifying non-CREST Shareholders, Qualifying Shareholders are being given the opportunity to subscribe for the Offer Shares at the Offer Price payable in full on application and free of all expenses, *pro rata* to their existing shareholdings, on the basis of:

1 Offer Share for every 10 Existing Ordinary Shares

registered in their name at 5.00 p.m. on the Open Offer Record Date. Open Offer Entitlements of Qualifying Shareholders will be rounded down to the nearest whole number of Offer Shares. Fractional entitlements which would have otherwise arisen will not be issued.

In the Application Form, Qualifying Shareholders may make applications for Offer Shares in excess of their Basic Entitlement. The entitlements of Qualifying CREST Shareholders are equal to the number of Open Offer Entitlements standing to the credit of their stock account in CREST. In addition Qualifying CREST Shareholders may make application for Offer Shares in excess of their Basic Entitlement up to the number of Offer Shares standing to the credit of their stock account in CREST under the Excess Application Facility. Any monies paid in excess of the amount due in respect of an application by a Qualifying non CREST Shareholder will be returned to the applicant (at the applicant's risk and without interest) as soon as practicable thereafter, by way of cheque. Any monies paid in excess of the amount due in respect of an application by a Qualifying CREST Shareholder will be returned to the applicant as soon as possible through CREST following the allocation of Offer Shares. The action to be taken in relation to the Open Offer depends on whether, at the time at which application and payment is made, you have an Application Form in respect of your entitlement under the Open Offer or have Open Offer Entitlements credited to your stock account in CREST in respect of such entitlement. The Offer Shares issued pursuant to the Open Offer will, when issued and fully paid, rank *pari passu* in all respects with and will carry the same voting and dividend rights as, the Existing Ordinary Shares.

Shareholders can apply for as few or as many Offer Shares as they wish but will only be guaranteed to receive up to their Basic Entitlement. Excess applications under the Excess Application Facility may be fulfilled entirely or may be scaled back depending on Shareholder demand as described in this document.

The Open Offer is conditional upon the passing of the Resolutions at the General Meeting and upon Admission. It is expected that Admission will occur and dealings in the Offer Shares will commence on 27 July 2011. If such conditions are not fulfilled on or before 8.00 a.m. on 27 July 2011 (or such

later date, being not later than 8.00 a.m. on 3 August 2011, as the Company may decide) application monies for certificated shareholders are expected to be returned without interest by crossed cheque in favour of the applicant(s) (at the applicant's risk) by post, within 14 days after that date and any Open Offer Entitlements admitted to CREST will be disabled. CREST holders will have their application monies returned through CREST, any interest earned on the application monies will be retained for the benefit of the Company. The Open Offer is not a rights issue. Qualifying Shareholders should note that the Application Form is not a negotiable document and cannot be traded. Qualifying Shareholders should also be aware that in the Open Offer, unlike in a rights issue, any Offer Shares not applied for will not be sold in the market or placed for the benefit of Qualifying Shareholders who do not apply under the Open Offer.

The Offer Shares will represent approximately 9.1 per cent. of the Enlarged Issued Share capital (assuming full take up of all Offer Shares). Further terms of the Open Offer are set out in this Part III and, where relevant, in the Application Form.

3. Procedure for Application

The action to be taken by you in respect of the Open Offer depends on whether at the relevant time you have an Application Form in respect of your entitlement under the Open Offer or you have Open Offer Entitlements credited to your CREST stock account in respect of such entitlement. CREST Sponsored Members should refer to their CREST Sponsor, as only their CREST Sponsor will be able to take the necessary action specified below to apply under the Open Offer in respect of the Open Offer Entitlements of such members held in CREST. CREST members who wish to apply under the Open Offer in respect of their Open Offer Entitlements in CREST should refer to the CREST Manual for further information on the CREST procedures referred to below.

If for any reason it becomes necessary to adjust the expected timetable as set out in this document, the Company will make an appropriate announcement to a Regulatory Information Service operated by the London Stock Exchange giving details of the revised dates.

Qualifying non-CREST Shareholders (Shareholders who hold share certificates)

(i) *If you have an Application Form in respect of your Basic Entitlement under the Open Offer*

(a) General

Subject to the provisions set out in this Part III in relation to Overseas Shareholders, Qualifying non-CREST Shareholders will have received an Application Form enclosed with this document. The Application Form shows the number of Existing Ordinary Shares registered in your name on the Open Offer Record Date. It also shows the number of Offer Shares for which you are entitled to apply under the Open Offer, (on an initial *pro rata* basis) as shown by the total number of Offer Shares allocated to you. You may apply for less than your Basic Entitlement should you wish to do so. You may also apply for more than your Basic Entitlement under the Excess Application Facility. You may also hold such an Application Form by virtue of a legitimate market claim. The instructions and other terms set out in the Application Form constitute part of the terms of the Open Offer.

(b) Excess Application Facility

Subject to availability, the Excess Application Facility enables Qualifying Shareholders to apply for any whole number of Excess Shares in excess of their Basic Entitlement registered in their name as at the Open Offer Record Date. Qualifying Non-CREST Shareholders who wish to apply to subscribe for more than their Basic Entitlement should complete the relevant sections on the Application Form. Qualifying CREST Shareholders will have Excess CREST Open Offer Entitlements credited to their stock account in CREST and should refer to paragraph (ii)(c) of this Part III for information on how to apply for Excess Shares pursuant to the Excess Application Facility. Excess applications may be allocated in such manner as the Directors determine, in their absolute discretion, and no assurance can be given that applications by Qualifying Shareholders under the Excess Application Facility will be met in full or in part or at all.

(c) Market Claims

Applications may only be made on the Application Form which is personal to the Qualifying Shareholders(s) named thereon and may not be assigned, transferred or split except in the circumstances described below. **The Application Form represents the right to**

apply for Offer Shares and is not a document of title and cannot be separately traded. It is transferable only to satisfy legitimate market claims in relation to market purchases pursuant to the rules of the London Stock Exchange prior to the Existing Ordinary Shares being marked "ex" the entitlement to the Open Offer. Applications may be split or consolidated only to satisfy legitimate market claims up to 3.00 p.m. on 22 July 2011. Any Qualifying non-CREST Shareholder who has sold or transferred all or part of their holding of Existing Ordinary Shares prior to the date upon which the Existing Ordinary Shares were marked "ex" the entitlement to the Open Offer, should consult his stockbroker or other professional adviser as soon as possible since the invitation to acquire Offer Shares under the Open Offer may represent a benefit which can be claimed from him by the purchaser or transferee under the rules of the London Stock Exchange. Qualifying non-CREST Shareholders who have sold all of their registered holdings should, if the market claim is to be settled outside CREST, complete Box 10 on the Application Form and immediately send it to the purchaser or transferee or the bank, stockbroker or other agent through whom or by whom the sale or transfer was effected for transmission to the purchaser or transferee. The Application Form should not, however, subject to certain exceptions, be forwarded to or transmitted in or into the United States of America, Australia, New Zealand, Canada, Japan, the Republic of Ireland or the Republic of South Africa or any other prohibited jurisidictions.

(d) Application Procedures

Qualifying non-CREST Shareholders wishing to apply for Offer Shares should complete the Application Form in accordance with the instructions printed thereon and post it in the accompanying reply paid envelope or return it, together with payment in full for the number of Offer Shares applied for, to Equiniti, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, so as to arrive not later than 11.00 a.m. on 26 July 2011. After this time, applications will not be accepted. Should you need advice with regard to these procedures for acceptance, please contact Equiniti on 0871 384 2974 or, if calling from outside the UK on +44 121 415 0197. Calls to the Equiniti 0871 384 2974 number are charged at 8 pence per minute (excluding VAT) from a BT landline. Other service provider's costs may vary. Calls to the Equiniti +44 121 415 0197 number from outside the UK are charged at applicable international rates. Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored randomly for security and training purposes. Equiniti cannot provide advice on the merits of the Open Offer nor give any financial, legal or tax advice.

If any Application Form is sent by first class post within the United Kingdom, Qualifying non-CREST Shareholders are recommended to allow at least four business days for delivery. The Company may elect in its absolute discretion to accept Application Forms and remittances received after 11.00 a.m. on 26 July 2011. The Company may also in its sole discretion elect to treat an Application Form as valid and binding on the person(s) by whom or on whose behalf it is lodged, even if it is not completed in accordance with the relevant instructions, or if it does not strictly comply with the terms and conditions of application. Applications will not be acknowledged nor will receipts be issued for amounts paid on application. The Company, also reserves the right (but shall not be obliged) to accept applications in respect of which remittances are received prior to 11.00 a.m. on 26 July 2011 from an authorised person (as defined in FSMA) specifying the number of Offer Shares concerned and undertaking to lodge the relevant Application Form in due course.

(e) Payments

Payments must be made by cheque or bankers' draft in pounds sterling drawn on a branch in the United Kingdom of a bank or building society and must bear the appropriate sort code in the top right hand corner. Cheques, which must be drawn on the personal account of the individual investor where they have sole or joint title to the funds, should be made payable to "Equiniti *re:* "Provexis plc Open Offer". Third party cheques may not be accepted with the exception of building society cheques or bankers' drafts where the building society or Bank has confirmed the name of the account holder by stamping or endorsing the building society cheque/bankers' draft to such effect. It is recommended that, the account name should be the same as that shown on the application. Cheques or bankers' drafts will be presented for payment upon receipt. Post-dated cheques will not be

accepted. The Company reserves the right to instruct Equiniti to seek special clearance of cheques and bankers' drafts to allow the Company to obtain value for remittances at the earliest opportunity. No interest will be allowed on payments made before they are due and any interest earned on such payments will accrue for the benefit of the Company. It is a term of the Open Offer that cheques will be honoured on first presentation, and the Company may elect in its absolute discretion to treat as invalid, acceptances in respect of which cheques are not so honoured. If cheques or bankers' drafts are presented for payment before the conditions of the Open Offer are fulfilled, the application monies will be kept in a separate bank account pending fulfilment of such conditions. If all the conditions of the Open Offer have not been fulfilled or (where appropriate) waived by 8.00 a.m. on 27 July 2011 (or such later date as the Company may, in its absolute discretion, elect, but in any event not later than 8.00 a.m. on 3 August 2011), the Open Offer will lapse and application monies will be returned by post to applicants (at the applicants' risk), without interest, by crossed cheque in favour of the applicant(s) within 14 days after that date.

(f) Effect of Application

All documents and remittances sent by post by or to an applicant (or as the applicant may direct) will be sent at the applicant's own risk. By completing and delivering an Application Form, you (as the applicant(s)):

(i) agree that all applications, and contracts resulting there from, under the Open Offer shall be governed by, and construed in accordance with, the laws of England;

(ii) confirm that in making the application you are not relying on any information or representation other than such as may be contained in this document and you accordingly agree that no person responsible solely or jointly for this document or any part thereof or involved in the preparation thereof shall have any liability for any such information or representation not contained in this document;

(iii) represent and warrant that you are not a person who by virtue of being resident in or a citizen of any country outside the United Kingdom is prevented by the law of any jurisdiction from lawfully applying for Offer Shares; and

(iv) represent and warrant that if you have received some or all of your entitlements under the Open Offer from a person other than the Company, you are entitled to apply under the Open Offer in relation to such entitlements under the Open Offer by virtue of a legitimate market claim.

The instructions, notes and other terms set out in the Application Form, form part of the terms of the Open Offer.

If you do not wish to apply for any of the Offer Shares to which you are entitled under the Open Offer, you should not complete and return the Application Form.

If you are in doubt whether or not you should apply for any of the Offer Shares under the Open Offer, you should consult your independent financial adviser immediately. All enquiries in relation to the procedure for application for Qualifying non-CREST Shareholders under the Open Offer should be addressed to Equiniti, Aspect House, Spener Road, Lancing, West Sussex BN99 6DA, telephone 0871 384 2974 or, if calling from outside the UK on +44 121 415 0197. Calls to the Equiniti 0871 384 2974 number are charged at 8 pence per minute (excluding VAT) from a BT landline. Other service provider's costs may vary. Calls to the Equiniti +44 121 415 0197 number from outside the UK are charged at applicable international rates. Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored randomly for security and training purposes. Equiniti cannot provide advice on the merits of the Open Offer nor give any financial, legal or tax advice.

Qualifying CREST Shareholders (Shareholders who hold shares in CREST)

(ii) *If you have Basic Entitlements and Excess CREST Open Offer Entitlements credited to your stock account in CREST in respect of your entitlement under the Open Offer*

(a) General

The Directors have applied for the Offer Shares to be admitted to CREST with effect from Admission and Euroclear has agreed to such admission. Accordingly, settlement of transactions in the Offer Shares following Admission may take place within the CREST

system if the relevant Shareholder so wishes. CREST is a voluntary system and holders of Ordinary Shares who wish to receive and retain share certificates will be able to do so. Persons subscribing for Offer Shares as part of the Open Offer may, however, elect to receive Ordinary Shares in uncertificated form if they are a "system member" (as defined in the Uncertificated Securities Regulations 2000). In general, the Ordinary Shares that are held in uncertificated form under CREST will be subject to the rules, regulations and procedures governing CREST and its system members as in effect from time to time. Ownership of an Ordinary Share held in uncertificated form under CREST may only be transferred in compliance with the procedures of CREST in effect from time to time. Subject to the provisions set out in the relevant paragraph dealing with Overseas Shareholders in this Part III, each Qualifying CREST Shareholder will receive a credit to his stock account in CREST of his Open Offer Entitlements equal to the number of Offer Shares for which he is entitled to apply under the Open Offer.

The CREST stock account to be credited will be an account under the participant ID and member account ID that apply to the Existing Ordinary Shares held on the Open Offer Record Date by the Qualifying CREST Shareholder in respect of which the Basic Entitlements and Excess CREST Open Offer Entitlements have been allocated. If for any reason the Basic Entitlements and/or Excess CREST Open Offer Entitlements cannot be admitted to CREST, or the stock accounts of Qualifying CREST Shareholders cannot be credited by close of business on 6 July 2011, or such later time as the Company may decide, an Application Form will be sent out to each Qualifying CREST Shareholder in substitution for the Basic Entitlements and Excess CREST Open Offer Entitlements credited to his stock account in CREST. In these circumstances the expected timetable as set out in this document will be adjusted as appropriate and the provisions of this document applicable to Qualifying non-CREST Shareholders with Application Forms will apply to Qualifying CREST Shareholders who receive Application Forms.

CREST members who wish to apply for some or all of their Basic Entitlements and Excess CREST Open Offer Entitlements should refer to the CREST Manual for further information on the CREST procedures referred to below. Should you need advice with regard to these procedures, please contact Equiniti on 0871 384 2974 or, if calling from outside the UK on +44 121 415 0197. Calls to the Equiniti 0871 384 2974 number are charged at 8 pence per minute (excluding VAT) from a BT landline. Other service provider's costs may vary. Calls to the Equiniti +44 121 415 0197 number from outside the UK are charged at applicable international rates. Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored randomly for security and training purposes. Equiniti cannot provide advice on the merits of the Open Offer nor give any financial, legal or tax advice. If you are a CREST sponsored member you should consult your CREST sponsor if you wish to apply for Offer Shares as only your CREST sponsor will be able to take the necessary action to make this application in CREST.

(b) Market claims

The Basic Entitlements and Excess CREST Open Offer Entitlements will constitute a separate security for the purposes of CREST. Although Basic Entitlements and Excess Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of Basic Entitlements and Excess Open Offer Entitlements may only be made by the Qualifying CREST Shareholder originally entitled or by a person entitled by virtue of a legitimate market claim transaction. Transactions identified by the CREST Claims Processing Unit as "cum" the Basic Entitlement and Excess CREST Open Offer Entitlements will generate an appropriate market claim transaction and the relevant Basic Entitlement(s) and Excess Open Offer Entitlements will thereafter be transferred accordingly.

(c) Excess Application Facility

Qualifying Shareholders may apply to acquire Excess Shares using the Excess Application Facility, should they wish. The Excess Application Facility enables Qualifying CREST Shareholders to apply for Excess Shares in excess of their Basic Entitlement up to a maximum number of Excess Shares equal to 10 times the number of Existing Shares registered in their name as at the Record Date. If however Qualifying CREST Shareholders wish to apply for more than 10 times the number of Existing Shares registered in their names as at the Record Date, up to the maximum number of shares

available under the Open Offer the Qualifying CREST Shareholder should contact the Equiniti Shareholder Helpline on the number above who will arrange for the additional Excess CREST Open Offer Entitlements to be credited to the relevant CREST account of the Qualifying CREST Shareholder. Equiniti will only arrange for such additional Excess CREST Open Offer Entitlements to be credited following approval by the Company, who have absolute discretion as to whether to give such approval.

An Excess CREST Open Offer Entitlement may not be sold or otherwise transferred. Subject as provided in paragraph 6 of this Part III in relation to Overseas Shareholders, the CREST accounts of Qualifying CREST Shareholders will be credited with an Excess CREST Open Offer Entitlement in order for any applications for Excess Shares to be settled through CREST.

Qualifying CREST Shareholders should note that, although the Basic Entitlements and the Excess CREST Open Offer Entitlements will be admitted to CREST, they will have limited settlement capabilities (for the purposes of market claims only). Neither the Basic Entitlements nor the Excess CREST Open Offer Entitlements will be tradable or listed and applications in respect of the Open Offer may only be made by the Qualifying Shareholders originally entitled or by a person entitled by virtue of a *bona fide* market claim.

To apply for Excess Shares pursuant to the Open Offer, Qualifying CREST Shareholders should follow the instructions below and must not return a paper form and cheque.

Should a transaction be identified by the CREST Claims Processing Unit as "cum" the Basic Entitlement and the relevant Basic Entitlement be transferred, the Excess CREST Open Offer Entitlements will not transfer with the Basic Entitlement claim, but will be transferred as a separate claim. Should a Qualifying CREST Shareholder cease to hold all of his Existing Shares as a result of one or more *bona fide* market claims, the Excess CREST Open Offer Entitlement credited to CREST and allocated to the relevant Qualifying Shareholder will be transferred to the purchaser. Please note that a separate Unmatched Stock Event ("USE") instruction must be sent in respect of any application under the Excess CREST Open Offer Entitlement.

Fractions of Excess Shares will not be issued under the Excess Application Facility and fractions of Excess Shares will be rounded down to the nearest whole number.

The total number of Open Offer Shares is fixed and will not be increased in response to any applications under the Excess Application Facility. Applications under the Excess Application Facility will therefore only be satisfied to the extent that other Qualifying Shareholders do not apply for their Basic Entitlements in full or where fractional entitlements have been aggregated and made available under the Excess Application Facility. Applications under the Excess Application Facility shall be allocated in such manner as the Directors may determine, in their absolute discretion, and no assurance can be given that the applications by Qualifying Shareholders will be met in full or in part or at all. Excess monies in respect of applications which are not met in full will be returned to the applicant (at the applicant's risk) without interest as soon as practicable thereafter by way of cheque or CREST payment, as appropriate.

All enquiries in connection with the procedure for application of Excess CREST Open Offer Entitlements should be made to Equiniti on the shareholder helpline 0871 384 2974, or, if calling from overseas, +44 121 415 0197. Calls to this number are charged at eight pence (excluding VAT) per minute from a BT landline, other telephone provider costs may vary. Please note that Equiniti cannot provide financial advice on the merits of the Open Offer or as to whether applicants should take up their entitlement or apply for Excess Shares.

(d) USE Instructions

CREST members who wish to apply for Offer Shares in respect of all or some of their Basic Entitlements and Excess CREST Open Offer Entitlements in CREST must send (or, if they are CREST sponsored members, procure that their CREST sponsor sends) a USE instruction to Euroclear which, on its settlement, will have the following effect:

(i) the crediting of a stock account of Equiniti under the participant ID and member account ID specified below, with a number of Basic Entitlements and Excess CREST Open Offer Entitlements corresponding to the number of Offer Shares applied for; and

(ii) the creation of a CREST payment, in accordance with the CREST payment arrangements, in favour of the payment bank of Equiniti in respect of the amount specified in the USE instruction which must be the full amount payable on application for the number of Offer Shares referred to in paragraph (i) above.

(e) Content of USE Instructions in respect of Basic Entitlements

The USE instruction must be properly authenticated in accordance with Euroclear's specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

(i) the number of basic *pro rata* Offer Shares for which application is being made (and hence the number of the Open Offer Entitlement(s) being delivered to Equiniti);

(ii) the ISIN of the Basic Entitlement. This is GB00B59MLL91;

(iii) the participant ID of the accepting CREST Member;

(iv) the member account ID of the accepting CREST Member from which the Basic Entitlements are to be debited;

(v) the participant ID of Equiniti, in its capacity as a CREST receiving agent. This is 6RA53;

(vi) the member account ID of Equiniti, in its capacity as a CREST receiving agent. This is RA064501;

(vii) the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of Offer Shares referred to in paragraph (i) above;

(viii) the intended settlement date. This must be on or before 11.00 a.m. on 26 July 2011; and

(ix) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for an application under the Open Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 26 July 2011.

In order to assist prompt settlement of the USE instruction, CREST Members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE instruction:

(i) a contact name and telephone number (in the free format shared note field); and

(ii) a priority of at least 80.

CREST Members and, in the case of CREST Sponsored Members, their CREST Sponsors, should note that the last time at which a USE instruction may settle on 26 July 2011 in order to be valid is 11.00 a.m. on that day. In the event that the Open Offer does not become unconditional by 8.00 a.m. on 27 July 2011 or such later time and date as the Company may, in its absolute discretion, elect (being no later than 8.00 a.m. on 3 August 2011), the Open Offer will lapse, the Basic Entitlements admitted to CREST will be disabled and Equiniti will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as possible thereafter. The interest earned on such monies will be retained for the benefit of the Company.

(f) Content of USE Instructions in respect of Excess CREST Open Offer Entitlements

The USE instruction must be properly authenticated in accordance with Euroclear's specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

(i) the number of excess Offer Shares for which application is being made (and hence the number of the Excess CREST Open Offer Entitlement(s) being delivered to Equiniti);

(ii) the ISIN of the Excess CREST Open Offer Entitlement. This is GB00B5NNHL07;

(iii) the participant ID of the accepting CREST Member;

(iv) the member account ID of the accepting CREST Member from which the Excess CREST Open Offer Entitlements are to be debited;

(v) the participant ID of Equiniti, in its capacity as a CREST receiving agent. This is 6RA54;

(vi) the member account ID of Equiniti, in its capacity as a CREST receiving agent. This is RA064502;

(vii) the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of Offer Shares referred to in paragraph (i) above;

(viii) the intended settlement date. This must be on or before 11.00 a.m. on 26 July 2011; and

(ix) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for an application under the Open Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 26 July 2011.

In order to assist prompt settlement of the USE instruction, CREST Members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE instruction:

(i) a contact name and telephone number (in the free format shared note field); and

(ii) a priority of at least 80.

CREST members and, in the case of CREST Sponsored Members, their CREST Sponsors, should note that the last time at which a USE instruction may settle on 26 July 2011 in order to be valid is 11.00 a.m. on that day. Please note that automated CREST generated claims and buyer protection will not be offered on the Excess CREST Open Offer Entitlements security.

In the event that the Open Offer does not become unconditional by 8.00 a.m. on 27 July 2011 or such later time and date as the Company may, in its absolute discretion, elect (being no later than 8.00 a.m. on 3 August 2011), the Open Offer will lapse, the Excess Open Offer Entitlements admitted to CREST will be disabled and Equiniti will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as possible thereafter. The interest earned on such monies will be retained for the benefit of the Company.

(g) Deposit of Open Offer Entitlements into and withdrawal from CREST

A Qualifying non-CREST Shareholder's entitlement under the Open Offer as shown by the number of Open Offer Entitlements set out in his Application Form may be deposited into CREST (either into the account of the Qualifying non-CREST Shareholder named in the Application Form or into the name of a person entitled by virtue of a legitimate market claim). Similarly, Open Offer Entitlements held in CREST may be withdrawn from CREST so that the entitlement under the Open Offer is reflected in an Application Form. Normal CREST procedures (including timings) apply in relation to any such deposit or withdrawal, subject (in the case of a deposit into CREST) as set out in the Application Form.

A holder of an Application Form who is proposing to so deposit the Open Offer Entitlements set out in such form is recommended to ensure that the deposit procedures are implemented in sufficient time to enable the person holding or acquiring the Open Offer Entitlements following their deposit into CREST to take all necessary steps in connection with taking up the Open Offer Entitlements prior to 11.00 a.m. on 26 July 2011.

In particular, having regard to normal processing times in CREST and on the part of Equiniti, the recommended latest time for depositing an Application Form with the CREST Courier and Sorting Service, where the person entitled wishes to hold the Open

Offer Entitlements under the Open Offer set out in such Application Form as Open Offer Entitlements in CREST, is 3.00 p.m. on 21 July 2011, and the recommended latest time for receipt by Euroclear of a dematerialised instruction requesting withdrawal of Open Offer Entitlements from CREST is 4.30 p.m. on 20 July 2011, in either case so as to enable the person acquiring or (as appropriate) holding the Open Offer Entitlements following the deposit or withdrawal (whether as shown in an Application Form or held in CREST) to take all necessary steps in connection with applying in respect of the Open Offer Entitlements prior to 11.00 a.m. on 26 July 2011. Delivery of an Application Form with the CREST Deposit Form duly completed whether in respect of a deposit into the account of the Qualifying non-CREST Shareholder named in the Application Form or into the name of another person, shall constitute a representation and warranty to the Company and Equiniti by the relevant CREST Member(s) that it/they is/are not in breach of the provisions of the notes under the paragraph headed "Instructions for Depositing entitlements under the Open Offer into CREST' on page 2 of the Application Form, and a declaration to the Company and Equiniti from the relevant CREST Member(s) that it/they is/are not citizen(s) or resident(s) of the United States, Australia, Canada, Japan or the Republic of South Africa and, where such deposit is made by a beneficiary of a market claim, a representation and warranty that the relevant CREST Member(s) is/are entitled to apply under the Open Offer by virtue of a legitimate market claim.

(h) Validity of Application

A USE instruction complying with the requirements as to authentication and contents set out above which settles by no later than 11.00 a.m. on 26 July 2011 will constitute a valid application under the Open Offer.

(i) CREST Procedures and Timings

CREST Members and (where applicable) their CREST Sponsors should note that Euroclear does not make available special procedures in CREST for any particular corporate action. Normal system timings and limitations will therefore apply in relation to the input of a USE instruction and its settlement in connection with the Open Offer. It is the responsibility of the CREST Member concerned to take (or, if the CREST Member is a CREST Sponsored Member, to procure that his CREST Sponsor takes) such action as shall be necessary to ensure that a valid application is made as stated above by 11.00 a.m. on 26 July 2011. In this connection CREST Members and (where applicable) their CREST sponsors are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

(j) Incorrect or Incomplete Applications

If a USE instruction includes a CREST payment for an incorrect sum, the Company through Equiniti reserves the right:

(i) to reject the application in full and refund the payment to the CREST Member in question;

(ii) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of Offer Shares as would be able to be applied for with that payment at the Offer Price, refunding any unutilised sum to the CREST Member in question; or

(iii) in the case that an excess sum is paid, to treat the application as a valid application for all the Offer Shares referred to in the USE instruction refunding any unutilised sum to the CREST member in question.

(k) Effect of Valid Application

A CREST Member who makes or is treated as making a valid application in accordance with the above procedures will thereby:

(i) pay the amount payable on application in accordance with the above procedures by means of a CREST payment in accordance with the CREST payment arrangements (it being acknowledged that the payment to Equiniti's payment bank in accordance with the CREST payment arrangements shall, to the extent of the payment, discharge in full the obligation of the CREST Member to pay to the Company the amount payable on application);

(ii) request that the Offer Shares to which he will become entitled be issued to him on the terms set out in this document and subject to the Memorandum and Articles of Association of the Company;

(iii) agree that all applications and contracts resulting therefrom under the Open Offer shall be governed by, and construed in accordance with, the laws of England;

(iv) represent and warrant that he is not applying on behalf of any Shareholder who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of the United States, Australia, Canada, Japan, New Zealand, the Republic of Ireland or the Republic of South Africa and he is not applying with a view to reoffering, reselling, transferring or delivering any of the Offer Shares which are the subject of this application to, or for the benefit of, a Shareholder who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of the United States, Australia, Canada, Japan, New Zealand, the Republic of Ireland or the Republic of South Africa except where proof satisfactory to the Company has been provided to the Company and that he is able to accept the invitation by the Company without the compliance by it with any requirement which it (in its absolute discretion) regards as unduly burdensome, nor acting on behalf of any such person on a non-discretionary basis nor (a) person(s) otherwise prevented by legal or regulatory restrictions from applying for Offer Shares under the Open Offer;

(v) represent and warrant that he is not and nor is he applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in Section 93 (depository receipts) or Section 96 (clearance services) of the Finance Act 1986;

(vi) confirm that in making such application he is not relying on any information in relation to the Company other than that contained in this document and agrees that no person responsible solely or jointly for this document or any part thereof or involved in the preparation thereof, shall have any liability for any such other information and further agree that having had the opportunity to read this document, he will be deemed to have had notice of all the information concerning the Company contained therein;

(vii) represent and warrant that he is the Qualifying CREST Shareholder originally entitled to the Open Offer Entitlements or that he has received such Open Offer Entitlements by virtue of a legitimate market claim; and

(viii) represent and warrant that he is not a person who by virtue of being resident in or a citizen of any country outside the United Kingdom is prevented by the law of any jurisdiction from lawfully applying for Offer Shares.

(l) Company's discretion as to Rejection and Validity of Applications

The Company may in its sole discretion:

(i) treat as valid (and binding on the CREST Member concerned) an application which does not comply in all respects with the requirements as to validity set out or referred to in this section entitled "Procedure for Application";

(ii) accept an alternative properly authenticated dematerialised instruction from a CREST Member or (where applicable) a CREST Sponsor as constituting a valid application in substitution for or in addition to a USE instruction and subject to such further terms and conditions as the Company may determine;

(iii) treat a properly authenticated dematerialised instruction (in this sub-paragraph the "first instruction") as not constituting a valid application if, at the time at which Equiniti receives a properly authenticated dematerialised instruction giving details of the first instruction or thereafter, either the Company or Equiniti have received actual notice from Euroclear of any of the matters specified in Regulation 5(5)(a) in relation to the first instruction. These matters include notice that any information contained in the first instruction was incorrect or notice of lack of authority to send the first instruction; and

(iv) accept an alternative instruction or notification from a CREST Member or CREST Sponsored member or (where applicable) a CREST Sponsor, or extend the time for settlement of a USE instruction or any alternative instruction or notification, in the event that, for reasons or due to circumstances outside the control of any CREST member or CREST sponsored member or (where applicable) CREST sponsor, the CREST member or CREST sponsored member is unable validly to apply for Offer Shares by means of the above procedures. In normal circumstances, this discretion is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST) or on the part of the facilities and/or systems operated by Equiniti in connection with CREST.

4. Money Laundering Regulations

It is a term of the Open Offer that, to ensure compliance with the Money Laundering Regulations 2007, the money laundering provisions of the Criminal Justice Act 1993, Part VIII of the FSMA and the Proceeds of Crime Act 2002 (together with the provisions of the Money Laundering Sourcebook of the Financial Services Authority and the manual of guidance produced by the Joint Money Laundering Steering Group in relation to financial sector firms) (together, the ''Regulations''), that Equiniti may, in its absolute discretion, require verification of your identity to the extent that you have not already provided the same. Pending the provision to Equiniti of evidence of your identity, definitive certificates in respect of Offer Shares may be retained at its absolute discretion. If within a reasonable time after a request for verification of identity Equiniti has not received evidence satisfactory to it, the Company may, in its absolute discretion, terminate your Open Offer participation in which event the monies payable on acceptance of the Open Offer participation will, if paid, be returned without interest and net of bank charges by cheque to the applicant(s). To comply with the money laundering requirements, payment in respect of your Open Offer participation should be drawn from an account in your own name on a branch of a building society or bank in the United Kingdom and must bear the appropriate sort code in the top right hand corner.

Verification of identity will not usually be required if:

(a) you are an organisation required to comply with the EU Money Laundering Directive (No. 91 308 EEC);

(b) provided that you do not deliver your acceptance in person, if you make payment by way of a cheque drawn on an account in your name; or

(c) the aggregate subscription price for the relevant Offer Shares is less than the sterling equivalent of €15,000.

If it is not practicable for you to draw from an account in your name and you use a cheque or banker's draft drawn on a building society or bank then:

(i) you should write your name and address on the back of the cheque and record your date of birth against your name; and

(ii) request the building society or bank to print or write on the back of the cheque the full name and account number of the person whose building society or bank account is being debited and add their stamp.

Qualifying non-CREST Shareholders who are also requested or required to submit with the Application Form documentary evidence of identity and address, should provide one certified copy document from each of the following lists (as appropriate):

Personal identity documents (UK resident individuals)

- current signed passport;
- Northern Ireland Voter's Card;
- current full UK driving licence;
- benefits book or original notification letter from the Benefits Agency confirming the right to benefit; or
- HM Revenue & Customs tax notifications, e.g. tax assessment, statement of account or notice of coding.

Evidence of address (UK resident individuals)

- recent utility bill or utility statement (mobile telephone bills are not acceptable);

- local authority tax bill (current year);
- current UK driving licence (if not used for evidence of name);
- benefits book or original notification letter from the Benefits Agency confirming the right to benefit (provided one or other has not been used as evidence of personal identity); or
- HM Revenue & Customs correspondence addressed to you at stated address (provided HM Revenue & customs notifications have not been used as evidence of personal identity).

If you are not a UK resident individual such proof of identity may include:

- a certified copy of an official identity card; or
- a certified copy of a driving licence; or
- a certified extract from a full passport (i.e. a copy of the front cover and pages showing photograph, personal details and signature, date and place of issue and serial number); and a certified copy of satisfactory evidence of an address (e.g. utility bill or bank statement).

If you are a corporation, please supply:

- a certified copy of your articles of association or statutes or published accounts or certificate of incorporation or trade register entry or certificate of trade; and
- the names and addresses of all directors and specimen signatures; and
- evidence of identity and address as stated above for each director.

All certified documents must be certified by a professional person such as a lawyer or attorney, notary or an official entity such as an embassy, consulate or high commission of the country of issue.

5. Taxation and Stamp Duty

If you are in any doubt as to your tax position, or if you are subject to tax in a jurisdiction other than the United Kingdom, you should consult your professional adviser without delay.

6. Overseas Shareholders

In respect of persons not resident in the United Kingdom or who are citizens of countries other than the United Kingdom the Open Offer may be affected by the laws or regulatory requirements of jurisdictions outside the United Kingdom. It is the responsibility of each Overseas Shareholder to satisfy himself as to the full observance of the laws of any relevant jurisdiction in connection with the Open Offer. No person receiving a copy of this document and/or an Application Form in any territory other than the United Kingdom may treat the same as constituting an invitation or offer to him/her nor should he/she in any event use such Application Form unless in the relevant territory such an invitation could lawfully be made to him/her or such Application Form could be lawfully be used without compliance with any registration or other legal or regulatory requirements other than any which may have been fulfilled.

Subject to certain exceptions, Application Forms will not be sent to Overseas Shareholders nor will Open Offer Entitlements be credited to a stock account of Overseas Shareholders who are in the United States, Australia, Canada, Japan, New Zealand, the Republic of Ireland or the Republic of South Africa.

In particular, the Offer Shares have not been registered under the United States Securities Act of 1933 (as amended) or the relevant Canadian or Australian securities legislation and therefore the Offer Shares may not be offered, sold, transferred or delivered directly or indirectly in the United States of America, Canada, Australia, Japan, New Zealand, the Republic of Ireland or the Republic of South Africa or their respective territories and possessions. No application form will be accepted from, any Shareholder who is unable to give the warranty set out in the Application Form or who the Company or its agent has reason to believe is ineligible to apply.

It is the responsibility of any person receiving a copy of this document or an Application Form and wishing to make an application to subscribe for Offer Shares to satisfy himself/herself as to the full observance of the laws and regulatory requirements of any relevant territory, including the obtaining of all necessary governmental or other consents which may be required or observing any other formalities needing to be observed in such territory and the payment of any taxes due in such jurisdiction.

The Company and its agent reserves the right to treat as invalid any application, or purported application, to subscribe for Offer Shares pursuant to the Open Offer which appears to the Company or its agent to have been executed, effected or despatched in a manner which may involve a breach

of the securities legislation of any jurisdiction or which does not include the warranties set out in the Application Form. Completion of an Application Form shall constitute a warranty that the Shareholder is eligible to apply.

7. Settlement and Dealings

Application will be made to the London Stock Exchange for the Offer Shares to be admitted to trading on AIM. It is expected that the Offer Shares will be admitted to trading on AIM and that dealings will commence 27 July 2011. None of the Ordinary Shares are being made available to the public except under the terms of the Open Offer. For Qualifying non-CREST Shareholders, definitive share certificates for the Offer Shares are expected to be dispatched by first class post by 3 August 2011. For Qualifying CREST Shareholders, it is expected that the relevant account will be credited on the day of Admission.

Notwithstanding any other provision of this document, the Company reserves the right to issue any Offer Shares in certificated form. This right is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST) or on the part of the facilities and/or systems operated by the Company's registrars in connection with CREST. No temporary documents of title will be issued and pending despatch of the definitive share certificates, transfers of the Offer Shares will be certified against the register. All documents and remittances sent by or to an applicant (or his/her agent, as appropriate) will be sent through the post at the risk of the person entitled thereto.

8. Governing Law

The terms and conditions of the Open Offer as set out in this Part III and the Application Form shall be governed by, and construed in accordance with English Law. The Courts of England and Wales are to have exclusive jurisdiction to settle any dispute which may arise out of or connection with the Open Offer, this document and the Application Form.

By taking up their entitlements under the Open Offer in accordance with the instructions set out in this document and the Application Form, Qualifying Shareholders irrevocably submit to the jurisdiction of the Court of England and Wales and waive any objection to proceedings in any such Court on the grounds of venue or on the ground that proceedings have been bought to an inconvenient forum.

PART IV

PRELIMINARY RESULTS OF THE COMPANY FOR THE YEAR ENDED 31 MARCH 2011

Set out below is the full text of the Preliminary Results which were announced to the London Stock Exchange by the Company on 17 June 2011.

PRELIMINARY RESULTS FOR THE YEAR ENDED 31 MARCH 2011

Provexis plc (PXS.L), the life-science business that discovers, develops and licenses scientifically-proven functional food, medical food and dietary supplement technologies, announces its audited preliminary results for the year ended 31 March 2011.

Key highlights

- The Company has entered into a conditional agreement to acquire SiS (Science in Sport) Limited for a consideration of £8m, partially funded by a £2.5m conditional placing at 1.5 pence per share, which is expected to complete on 24 June 2011.
- Good progress to commercialise Fruitflow® heart-health technology in all major global markets under the Alliance Agreement with DSM Nutritional Products.
- Clinical trial for NSP#3G for Crohn's disease patients progressed through interim review with focus now on opening new trial centres to complete patient recruitment.
- Collaboration with Institute of Food Research for the reduction of cardiovascular inflammation and the reduction of risk of certain cancers making good progress with the first human trials underway.
- Agreement entered into with DSM Nutritional Products to develop technology for management of blood glucose.
- £2.5m total funding raised through Equity Financing Facility in June 2010 and October 2010.

Key financial results

- Loss attributable to owners of the parent £2.0m (2010: £1.6m).
- Cash balance £7.6m (2010: £7.0m).
- Loss per share 0.17p (2010: 0.18p).

Stephen Moon, Chief Executive Officer of Provexis plc, commented:

"We are delighted to announce that the Company has entered into a conditional agreement to acquire SiS (Science in Sport) Limited which is expected to complete on 24 June 2011. Science in Sport is a highly regarded and growing company in the substantial sector of sports nutrition. I believe there are strong synergies between the two businesses, with the existing scientific, regulatory and product development capability of Provexis available to further enhance the reputation of Science in Sport with elite and professional athletes. The revenue generating, profitable nature of the new business will help us to achieve our strategic goals, by adding a near term revenue stream to our longer-term pipeline development bias. Management of the enlarged business will be highly focused on growing revenues from our Fruitflow® heart-health Alliance with DSM Nutritional Products, the new Science in Sport business and continuing to build longer-term shareholder value from our pipeline."

Enquiries:

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Chairman's statement

The business has made substantial progress this year through the development of its long-term, global commercial agreement with DSM for our lead Fruitflow® technology, in addition to the broader pipeline being extended and developed.

I can announce that we are about to meet our objective of making an acquisition, as we today announce that the Company has entered into a conditional agreement to purchase SiS (Science in Sport) Limited, which is expected to complete on 24 June 2011. The business develops, manufactures and sells nutrition products for sports people and its heritage is in providing nutrition products for professional and elite athletes. In addition to bringing revenues and cash flow to the Company, there is a great synergy between the two businesses and we believe our existing scientific and regulatory skills will help the acquired business to cement further its reputation in its target sectors.

Following the signing of our Alliance Agreement with DSM on 1 June 2010, good progress has been made in the commercialisation of our lead heart-health Fruitflow® technology. DSM launched Fruitflow® to the industry in Europe in November 2010 and in the US in March 2011. DSM has made significant progress in marketing the technology in a broad range of global markets, attracting positive interest from a wide range of global, multinational and national brand owners in the functional food and dietary supplement sectors. We are pleased with the progress made by DSM.

Having a broader pipeline remains central to our strategy and progress has been made on a number of fronts. While we have been frustrated with the slow progress in patient recruitment for our NSP#3G Crohn's disease trial, an independent interim review of trial data has given us confidence to open further patient centres. Our collaboration with the Institute of Food Research, with an initial objective of developing a product for cardiovascular inflammation, is proceeding well and a first human trial is underway. We recently entered into a development agreement with DSM where the Company will bring its scientific and regulatory expertise to bear to commercialise DSM owned intellectual property.

With our first commercial deal for Fruitflow®, a major acquisition and the expansion of our pipeline, it has been a busy year and I would like to thank the executive team, all of our staff and our advisors for their efforts and professionalism.

Dawson Buck
Chairman

Chief Executive's statement

Strategy

We have continued to execute our strategy of discovery, development and licensing functional food, medical food and dietary supplements. Our intention to make acquisitions in order to develop shareholder value has been realised through our entering into a conditional agreement to acquire SiS (Science in Sport) Limited ("SiS"), which is expected to complete on 24 June 2011. We believe that there is good synergy between the two businesses and that our existing scientific and regulatory expertise can assist in making the SiS business a leader in claims-supported sports nutrition.

The Provexis business model now extends from discovery, through development and now to market by a combination of licensing and direct sales revenues. The Directors believe that this gives the business the correct balance of short-term revenues and long-term pipeline potential.

The executive team will continue to seek further acquisitions as part of the long-term aim to strengthen the pipeline. We have continued to invest in top quality management expertise in order to assist the Company in meeting its strategic goals and this policy will continue.

To support our strategy, we raised £2.5m via our Equity Financing Facility in June and October 2010, with a further £2.5m from the conditional placing announced today. Together, these fund raising events will enable us to undertake the acquisition of SiS, which is expected to complete on 24 June 2011, and deliver on our strategic plan in 2010/2011.

Fruitflow®

The Company announced on 1 June 2010 that it had entered into a long-term alliance with DSM Nutritional Products ("DSM") to develop Fruitflow® in all major global markets, through an effective commercialisation of current formats and pioneering new and significant applications (the "Alliance").

DSM launched Fruitflow® to the industry in Europe in November 2010 and in the US in March 2011. Manufacturing and supply chain for a cost effective syrup version of Fruitflow® has been secured. Also good progress has been made on optimising the powder version of Fruitflow®, suitable for formats such as tablets and capsules, and this format will be commercially available late in the summer.

Fruitflow® has been recognised in the industry for its strong science and innovation, being awarded the 'Most Innovative Health Ingredient' and winning the best innovation in the 'Heart Health' category at the major Health Ingredients Europe Conference in November 2010. In March 2011 the technology was awarded 'Best New Ingredient' at the 2011 NutrAwards held at the Nutracon 2011 exhibition in Anaheim, California.

The Alliance partners continue to collaborate on regulatory matters related to certain markets. In addition, the Provexis scientific team continues to support its counterparts in areas such as analytical methods and analysis, together with deepening the understanding of the core science.

DSM has made significant progress in marketing the technology in a broad range of global markets, attracting positive interest from a wide range of global, multinational and national brand owners in the functional food and dietary supplement sectors. The Directors are pleased with the progress being made in the marketplace by the Company's Alliance partner.

NSP#3G plantain extract

A fully independent Data Monitoring Committee ("DMC") has reviewed the data gathered from the first patients to complete the full 12 months of treatment in the Crohn's disease trial. Following their review, the DMC has confirmed that there are no negative findings associated with this initial dataset and no safety concerns related to the administration of the test product. The DMC recommended a further interim review of the study be conducted in Q4 2011. The interim review findings are in line with the Company's expectations.

Following this advice, Provexis intends to identify up to four additional trial centres to facilitate full recruitment of the remaining patients required, to enable it to complete the trial in the shortest feasible timeline. The Directors have previously noted that the recruitment of patients for clinical trials in the area of inflammatory bowel disease is recognised as being challenging across the industry. The Company remains committed to this key technology and believes that opening extra trial centres will expedite the trial and support initial commercial discussions with corporate partners.

The Company's Liverpool-based R&D team will also continue to research and characterise NSP#3G extracts for addressing C.difficile, the so-called hospital 'super bug', and antibiotic-associated diarrhoea.

Isothiocyanates

The isothiocyanate-based cardiovascular inflammation work in collaboration with Institute of Food Research ("IFR") is proceeding well. A novel extract has been developed and the first human trial has now commenced. A second trial will commence later this year, with a third and final trial to provide regulatory support for product launches being scheduled for 2012.

Blood glucose

We recently announced an agreement for development of DSM-owned intellectual property for the promotion of healthy blood glucose levels, following a period of assessment by Provexis. Under the agreement, it is the intention that Provexis will develop a cost effective product, carry out clinical trials and gain the necessary regulatory clearances. DSM will contribute intellectual property and know-how to the development programme. The partners will together identify the most appropriate commercialisation arrangements before the product is launched.

Outlook

The commercial progress of Fruitflow® is an important objective for the Company in the coming financial period and we expect to see progress as our Alliance partner DSM continues its marketing and selling efforts, in addition to launching the powder version for dietary supplements.

Integrating the SiS business is the second major objective and we look to complete this as quickly as possible in order to focus existing and new management members on growing revenues in this business.

It is important that we reach full recruitment in the Crohn's disease trial during this year, in order that commercial partnering discussions can commence. The isothiocyanate technology platform and the new blood glucose technology will both be accelerated in order we can bring these to market in the earliest possible time.

The management team will be focused on progress in the revenue generating areas of Fruitflow® and SiS, while not losing sight of the medium and long term importance of the broader pipeline. Cash management will continue to be an area of high importance. We will maintain our strategy of developing the capability of the overall Provexis team in line with our goals.

Stephen Moon
Chief Executive

Financial Review

International Financial Reporting Standards

The Financial Review should be read in conjunction with the Group financial information including the notes to the Group financial information.

Revenue and grant income

Revenue for the year ended 31 March 2011 was £50,086 (2010: £14,767).

Grant income for the year ended 31 March 2011 was £ Nil (2010: £80,000), the amount in 2010 being the final part of a £100,000 grant which was awarded to the Group in January 2009 by The Northwest Regional Development Agency (NWDA).

Research and development costs

Research and development (''R&D'') costs for the year ended 31 March 2011 were £1,268,874 (2010: £718,468), including £17,959 capitalised under IAS 38 (2010: £20,646), reflecting the recruitment of additional R&D staff, continuation of the clinical trial for the Group's NSP#3G technology for Crohn's disease and the commencement of isothiocyanate-based cardiovascular inflammation work in collaboration with the Institute of Food Research (''IFR'').

R&D expenditure comprises in-house costs (staff, R&D consumables, intellectual property, facilities and depreciation of R&D assets) and external costs (preclinical studies, manufacturing, regulatory affairs and clinical trials).

The Group's R&D team continues to research further claim areas for the Group's technologies.

The Group aims to achieve cost effective research and development and to bring products to market through licensing partners as soon as is practicable.

Administrative costs

Administrative costs for the year relating to continuing operations were £1,274,493 (2010: £1,184,859).

The Group's cost base and its resources have been and will continue to be tightly managed.

Taxation

A research and development tax credit of £221,218 (2010: £54,408) of which £71,228 related to the prior year in respect of research and development expenditure incurred has been recognised in the financial information and is shown as a debtor at 31 March 2011.

Losses and dividends

The loss attributable to owners of the parent for the year ended 31 March 2011 was £1,986,206 (2010: £1,648,180) and the loss per share was 0.17p (2010: 0.18p).

The directors do not recommend the payment of a dividend (2010: £ Nil).

Effect of change in accounting standard

The application of the following standard has resulted in the losses attributable to the non-controlling interest being accounted for in the financial information even where this resulted in the non-controlling interest having a deficit balance:

- IAS 27 (Amendment) 'Consolidated and Separate Financial Statements' effective for periods beginning on or after 1 July 2009.

For further Information about this change in accounting standard see the Principal risks and uncertainties section of the business overview.

Financial instruments

Information about the use of financial instruments by the Group is disclosed in notes 1 and 2.

Capital structure and funding

The group is funded entirely by equity funding.

On 31 March 2010 the Company announced that it had secured a 3 year Equity Financing Facility of up to £25m (the "EFF") with Evolution Securities Limited ("Evolution"). The EFF has been arranged by Darwin Strategic Limited ("Darwin"), an appointed representative of Evolution.

On 22 June 2010 the Company announced that it had raised a net £88,426 by drawing down on the EFF, allotting 2,135,000 new ordinary shares of 0.1p each to Darwin.

On 4 October 2010 the Company announced that it had raised a further net £2.4m by drawing down on the EFF, allotting 86,300,000 new ordinary shares of 0.1p each to Darwin.

The Directors are of the opinion that at 17 June 2011, the Group's liquidity and capital resources are adequate to deliver the current strategic objectives and 2011/12 business plan and that the Group meets going concern criteria. See also note 1.

Cash at bank at 31 March 2011 was £7,551,505 (31 March 2010: £7,049,134).

Post balance sheet events

As disclosed in note 23, on 1 June 2011 the Group announced an agreement to commercialise DSM owned intellectual property, through the development of a new product for the promotion of healthy blood glucose levels.

On 17 June 2011 the Group entered into a conditional agreement to acquire 100% of the issued share capital of SiS, a company which manufactures and sells sports nutrition products for a maximum consideration of £8m, subject to completion. £7m is payable in cash of which £250,000 is to be held in escrow against claims for one year or longer if claims have been notified but not settled. The balance of the consideration is £1m in Provexis shares, with a lock-in of two years.

The £7m cash consideration will be met by £4.5m from current cash reserves and £2.5m from a placing for new shares. The Company intends to undertake an Open Offer to shareholders of the Company as soon as is reasonably practicable after the completion of the Acquisition.

Principal risks and uncertainties

The Directors consider that the key risks of the Group are as set out below:

The Group's success will depend in part on its ability to obtain and maintain rigorous patent protection for its technologies both in the UK and internationally. The Group cannot give definitive assurance that pending or future patent applications will be granted or that patents granted will not be challenged, invalidated or held unenforceable.

The Group cannot assure that its intellectual property rights are sufficiently broad to prevent third parties from producing competing functional food, medical food and dietary supplement technologies similar in nature to its own. The Group also relies on protection of trade secrets, know-how and confidential and proprietary information. To mitigate this, the Group enters into non-disclosure agreements with employees, consultants and prospective commercial partners but cannot assure that such agreements will provide complete safeguards against unauthorised disclosure of confidential information.

The Group's commercial success will also depend in part on avoiding infringement of other third parties' patents or proprietary rights and the breach of any licences in connection with the pursuit of its technologies. Management is of the opinion that it does not infringe third parties' patents or other rights and is not aware of any such infringements but cannot assure that it will not be found in the future to infringe such rights.

The Group has a limited pipeline of new technologies and new indications for technologies already in development. As a result of regulatory and competitive uncertainties and the unpredictability of successful outcomes to new research and development, the Group cannot provide assurance that it will be able to develop and license these new technologies.

The Group continues to pursue acquisitions as part of its growth strategy. Such acquisitions may not realise expected benefits.

The Group may require additional funding. To the extent that the current cash resources of the Group and the funds received from the Open Offer are insufficient to cover the Group's liabilities in the longer term it may be necessary to seek additional funds through future equity or debt financings and there is no certainty that such funds would be available. Any such further financings, if available

at all, may be on terms that are not favourable to the Group. Further, if adequate capital cannot be obtained, the Group's operating results and financial condition could be adversely affected.

The Group currently employs fourteen people, excluding Non-executive Directors, and has a very small management team. Should it lose any key management resources and be unable to attract replacements of equivalent calibre to continue implementation of its business plan, future development and commercial activities could be materially adversely affected.

The Group relies on potential license partners to meet certain commercial and development milestones and their failure to achieve this, or other delays or cancellation of projects due to internal or market factors affecting potential license partners could affect the execution of the Group's business plan, with a material adverse effect on the business. In these circumstances the Group would look to raise additional funding through the issue of additional equity through rights issues, share placing and the exercise of share options but no assurance can be given regarding the successful outcome of such financing initiatives.

As noted previously the Group is not able to predict successful outcomes to research and development. The non-controlling interest share of Provexis (IBD) Limited's loss would need to be reversed if the project didn't come to fruition. At 31 March 2011 this would increase the loss attributable to the equity holders of the parent by £136,459 to £2,120,665.

Ian Ford
Finance Director

Consolidated statement of comprehensive income

	Notes	*Year ended 31 March 2011* £	*Year ended 31 March 2010* £
Revenue	1,3	50,086	14,767
Grant income	4	—	80,000
Research and development costs		(1,250,915)	(697,822)
Administrative costs		(1,274,493)	(1,184,859)
Loss from operations	5	(2,475,322)	(1,787,914)
Finance income	8	133,439	85,326
Loss before tax		(2,341,883)	(1,702,588)
Taxation	9	221,218	54,408
Loss and total comprehensive expense for the year		(2,120,665)	(1,648,180)
Attributable to:			
Owners of the parent	19	(1,984,206)	(1,648,180)
Non-controlling interest		(136,459)	—
		(2,120,665)	(1,648,180)
Loss per share to owners of the parent			
Basic and diluted – pence	10	0.17	0.18

Consolidated statement of financial position

Company number 05102907

	Notes	*As at 31 March 2011* £	*As at 31 March 2010* £
Non-current assets			
Goodwill	11,12	3,802,685	3,802,685
Other intangible assets	11	75,892	57,933
Plant and equipment	13	89,769	61,182
Total non-current assets		3,968,346	3,921,800
Current assets			
Trade and other receivables	14	253,249	274,638
Corporation tax asset	9	271,220	111,844
Cash and cash equivalents	15	7,551,505	7,049,134
Total current assets		8,075,974	7,435,616
Liabilities			
Current liabilities			
Trade and other payables	16	(563,190)	(295,498)
Total liabilities		(563,190)	(295,498)
Total net assets		11,481,130	11,061,918
Capital and reserves attributable to owners of the parent company			
Share capital	17	4,812,036	4,723,601
Share premium reserve	19	16,909,650	14,527,277
Warrant reserve	19	115,980	115,980
Merger reserve	19	6,273,909	6,273,909
Retained earnings	19	(16,493,986)	(14,578,849)
		11,617,589	11,061,918
Non-controlling interest		(136,459)	—
Total equity		11,481,130	11,061,918

Consolidated statement of cash flows

	Notes	*Year ended 31 March 2011* £	*Year ended 31 March 2010* £
Cash flows from operating activities			
Loss after tax		(2,120,665)	(1,648,180)
Adjustments for:			
Depreciation		28,697	20,908
Finance income		(133,439)	(85,326)
Taxation		(221,218)	(54,408)
Share-based payment charge		69,069	225,909
Operating cash outflow before changes in working capital		(2,377,556)	(1,541,097)
(Increase) / decrease in trade and other receivables		(5,898)	(66,737)
Increase / (decrease) in trade and other payables		267,692	61,525
Cash used in operations		(2,115,762)	(1,546,309)
Tax credits received		61,844	46,215
Net cash outflow from operating activities		(2,053,918)	(1,500,094)
Cash flows from investing activities			
Purchase of plant and equipment		(57,285)	(15,149)
Purchase of intangible assets		(17,959)	(20,646)
Interest received		148,339	70,347
Cash generated by investing activities		73,095	34,552
Cash flows from financing activities			
Proceeds from issue of share capital – share placings and open offer		2,684,534	7,130,293
Expenses paid on share issues		(201,340)	(401,779)
Proceeds from exercise of share options		—	107,899
Cash generated by financing activities		2,483,194	6,836,413
Net increase in cash and cash equivalents		502,371	5,370,871
Cash and cash equivalents at beginning of year	15	7,049,134	1,678,263
Cash and cash equivalents at end of year	15	7,551,505	7,049,134

Consolidated statement of changes in equity

	Share capital £	*Share premium* £	*Warrant reserve* £	*Merger reserve* £	*Retained earnings* £	*Total equity attributable to owners of the parent* £	*Non-controlling interests* £	*Total equity* £
At 31 March 2009	4,434,907	7,979,558	—	6,273,909	(13,156,578)	5,531,796	—	5,531,796
Share-based charges	—	—	—	—	225,909	225,909	—	225,909
Issue of shares – exercise of share options	3,482	104,417	—	—	—	107,899	—	107,899
Issue of shares – subscription 30 September 2010	40,969	915,185	—	—	—	956,154	—	956,154
Issue of shares – subscription 16 October 2010	159,031	3,633,544	—	—	—	3,792,575	—	3,792,575
Issue of shares – open offer 22 December 2010	85,212	1,894,573	—	—	—	1,979,785	—	1,979,785
Issue of warrants – equity financing facility 30 March 2011	—	—	115,980	—	—	115,980	—	115,980
Total comprehensive expense for the year	—	—	—	—	(1,648,180)	(1,648,180)	—	(1,648,180)
At 31 March 2010	4,723,601	14,527,277	115,980	6,273,909	(14,578,849)	11,061,918	—	11,061,918
Share-based charges	—	—	—	—	69,069	69,069	—	69,069
Issue of shares – EFF drawdown – 28-Jun-10	2,135	86,291	—	—	—	88,426	—	88,426
Issue of shares – EFF drawdown – 08-Oct-10	86,300	2,296,082	—	—	—	2,382,382	—	2,382,382
Total comprehensive expense for the year	—	—	—	—	(1,984,206)	(1,984,206)	(136,459)	(2,120,665)
At 31 March 2011	4,812,036	16,909,650	115,980	6,273,909	(16,493,986)	11,617,589	(136,459)	11,481,130

The total comprehensive expense for the year represents the total recognised income and expense for the year.

Notes to the preliminary results for the year ended 31 March 2011

1. Accounting policies

General information

Provexis plc is a public limited company incorporated and domiciled in the United Kingdom (registration number 05102907). The address of the registered office is Thames Court, 1 Victoria Street, Windsor, Berkshire SL4 1YB, UK.

The main activities of the Group are those of discovering, developing and licensing scientifically-proven technologies for the global functional food, medical food and dietary supplement sectors.

Basis of preparation

This preliminary announcement does not constitute the Company's statutory accounts for the year ended 31 March 2011 for the purposes of section 435 of the Companies Act 2006, but it is derived from those accounts. Statutory accounts for 2010 have been delivered to the Registrar of Companies. Statutory accounts for 2011 will be delivered following the Company's Annual General Meeting. The auditors have reported on both the 2010 and 2011 accounts: their reports were unqualified, did not draw attention to any matters by way of emphasis and did not contain any statement under section 498 (2) or (3) of the Companies Act 2006.

While the financial information included in this preliminary announcement has been prepared in accordance with the recognition and measurement criteria of International Financial Reporting Standards (IFRS), this announcement does not itself contain sufficient information to comply with IFRS. The Company expects to publish full financial statements for the year ended 31 March 2011 that comply with IFRS in June 2011.

The accounting policies set out below have been applied to all periods presented in these Group financial results and are in accordance with IFRS, as adopted by the European Union, and International Financial Reporting Interpretations Committee ("IFRIC") interpretations that were applicable for the year ended 31 March 2011.

The following new standards, amendments to standards and interpretations, applied for the first time from 1 April 2010:

- IFRS 3 (Revised) 'Business Combinations' effective for periods beginning on or after 1 July 2009;
- Improvements to IFRSs (2009) effective for periods beginning on or after 1 January 2010; and
- IFRS 2 (Amendment) 'Share-based Payment: Group Cash-settled Share-based Payment Transactions' effective for periods beginning on or after 1 January 2010.

The adoption of these standards and interpretations has not had any significant impact on the amounts reported in these financial results but may impact the accounting for future transactions and arrangements.

The application of the following standard has resulted in the losses attributable to the non-controlling interest being accounted for in the financial results even where this resulted in the non-controlling interest having a deficit balance:

- IAS 27 (Amendment) 'Consolidated and Separate Financial Statements' effective for periods beginning on or after 1 July 2009.

The Directors have determined that only one operating segment exists under the terms of International Financial Reporting Standard 8 'Operating Segments', as the Group is organised and operates as a single business unit and all activities are based in the UK.

The following new standards, amendments to standards and interpretations have been issued but are not effective for the year ended 31 March 2011. The new standards, amendments to standards and interpretations will be relevant to the Group but have not been adopted early as the Directors do not expect these standards and interpretations to have a material effect on the consolidated financial results:

- IFRS 9 'Financial Instruments' is effective from periods commencing on or after 1 January 2013.
- IAS 24 (Amended) 'Related party disclosures' is effective from periods commencing on or after 1 January 2011.

There are a number of standards, interpretations and amendments to published accounts not listed above which the Directors consider not to be relevant to the Group.

Going concern

The financial position of the Group, its cash flows and liquidity position together with the factors likely to affect its future development are set out in the Financial Review. In addition note 2 to the financial results includes the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and its exposure to credit and liquidity risk.

The Group made a loss for the year attributable to owners of the parent of £1,984,206 (2010: £1,648,180) and expects to make a further loss during the year ending 31 March 2012. At 31 March 2011 the Group had cash balances of £7,551,505 (2010: £7,049,134).

The directors have prepared projected cash flow information for a period including twelve months from the date of approval of these financial results and have reviewed this information as at the date of these financial results. Based on the level of existing cash, projected income and expenditure and other sources of funding, the Directors are satisfied that the Company and the Group have adequate resources to continue in business for the foreseeable future. Accordingly the going concern basis has been used in preparing the financial results.

Basis of consolidation

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The consolidated financial information presents the results of the Company and its subsidiaries, Provexis Nutrition Limited, Provexis Natural Products Limited and Provexis (IBD) Limited as if they formed a single entity (''the Group''). All subsidiaries share the same reporting date, 31 March, as Provexis plc. All intra group balances are eliminated in preparing the financial results.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill.

Non-controlling interest

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Revenue

Revenue comprises the fair value received or receivable for exclusivity arrangements, collaboration agreements, royalties and sales of the Group's Fruitflow® product net of value added tax.

The accounting policies for the principal revenue streams of the Group are as follows:

(i) Exclusivity arrangements and similar agreements are recognised as revenue in the accounting period in which the related services, or required activities, are performed or specified conditions are fulfilled in accordance with the terms of completion of the specific transaction.

(ii) Royalty income relating to the sale by a licensee of licensed product is recognised on an accruals basis in accordance with the substance of the relevant agreement and based on the receipt from the licensee of the relevant information to enable calculation of the royalty due.

(iii) Sales of the Group's Fruitflow® product are recorded net of value added tax when the significant risks and rewards of ownership have been transferred to the buyer.

Leased assets

Leases, which contain terms whereby the Group does not assume substantially all the risks and rewards incidental to ownership of the leased item are classified as operating leases. Operating lease rentals are charged to the statement of comprehensive income on a straight line basis over the lease term. The Group does not hold any assets under finance leases.

Intangible assets

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the identifiable net assets acquired. Goodwill on acquisition of subsidiaries is included in 'intangible assets'. Separately recognised goodwill is tested annually for impairment and carried at cost less accumulated impairment losses.

An impairment loss is recognised within administrative expenses in the consolidated statement of comprehensive income for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

Impairment losses on goodwill are not reversed.

Research and development

Certain Group products are in the research phase and others are in the development phase. Expenditure incurred on the development of internally generated products is capitalised if it can be demonstrated that:

- It is technically feasible to develop the product for it to be sold;
- Adequate resources are available to complete the development;
- There is an intention to complete and sell the product;
- The Group is able to sell the product;
- Sale of the product will generate future economic benefits; and
- Expenditure on the project can be measured reliably.

The value of the capitalised development cost is assessed for impairment annually. The value is written down immediately if impairment has occurred. Development costs are not being amortised as income has not yet been realised from the underlying technology.

Development expenditure, not satisfying the above criteria, and expenditure on the research phase of internal projects is recognised in the statement of comprehensive income as incurred.

Patents and trademarks

The costs incurred in establishing patents and trademarks are either expensed or capitalised in accordance with the corresponding treatment of the development expenditure for the product to which they relate.

Plant and equipment

Plant and machinery, fixtures, fittings and computer equipment and laboratory equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Depreciation is charged to the statement of comprehensive income on all plant and equipment at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight line basis over their estimated useful lives, which is 3 years for plant and machinery, fixtures, fittings and computer equipment and 5 years for laboratory equipment.

The assets' residual values and useful lives are determined by the Directors and reviewed and adjusted if appropriate at each balance sheet date in accordance with the Group policy for impairment of assets.

Impairment of assets

Assets that have a finite useful life but that are not yet in use and are therefore not subject to amortisation or depreciation are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment annually and when events or circumstances suggest that the

carrying amount may not be recoverable, an impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Goodwill is allocated to cash-generating units ('CGU') for the purpose of impairment testing to the extent that it is possible to allocate goodwill to a CGU on a non-arbitrary basis. A CGU is identified at the lowest aggregation of assets that generate largely independent cash inflows, and that which is looked at by management for monitoring and managing the business.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods. A reversal of an impairment loss is recognised immediately in the statement of comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Financial instruments

Financial assets

The Group's financial assets are comprised of 'trade and other receivables' and 'cash and cash equivalents'. They are recognised initially at their fair value and subsequently at amortised cost. The Group will assess at each balance sheet date whether there is objective evidence that the financial asset is impaired. If an asset is judged to be impaired the carrying amount of the asset will be adjusted to its impaired valuation.

Financial liabilities

The Group's financial liabilities comprise 'trade and other payables'. These are recognised initially at fair value and subsequently at amortised cost.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand.

Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants are recognised in the statement of comprehensive income in the same period to which the costs that they are intended to compensate are expensed.

Taxation

Current tax is provided at amounts expected to be recovered or to be paid using the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. When research and development tax credits are claimed they are recognised on an accruals basis and are included as a taxation credit.

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability on the balance sheet differs from its tax base, except for differences arising on:

- The initial recognition of goodwill
- The initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit; and
- Investments in subsidiaries where the Group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profits will be available against which the difference can be utilised.

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the deferred tax liabilities/(assets) are settled/(recovered). Deferred tax balances are not discounted.

Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority on either:

- The same taxable Group Company; or
- Different Group entities which intend to settle current tax assets and liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously, on each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Employee benefits

(i) Defined contribution plans

The Group provides retirement benefits to all employees and Executive Directors. The assets of these schemes are held separately from those of the Group in independently administered funds. Contributions made by the Group are charged to the statement of comprehensive income in the period in which they become payable.

(ii) Accrued holiday pay

Provision has been made at the balance sheet date for holidays accrued but not taken at the salary of the relevant employee at that date.

(iii) Share-based payment transactions

The Group operates an equity-settled, share-based compensation plan. Vesting conditions are service conditions and performance conditions only. Where share options are awarded to employees and others providing similar services, the fair value of the options at the date of grant is charged to the statement of comprehensive income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options when granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative charge is not adjusted for failure to achieve a market vesting condition. If market related terms and conditions of options are modified before they vest, the change in the fair value of the options, measured immediately before and after the modification, is also charged to the statement of comprehensive income over the remaining vesting period. If non-market related terms and conditions of options are modified before they vest, the number of instruments expected to vest at each balance sheet date, and therefore the cumulative charge, is therefore amended accordingly. Where equity instruments are granted to persons other than employees and others providing similar services, the statement of comprehensive income is charged with the fair value of goods and services received.

The proceeds received when options are exercised, net of any directly attributable transaction costs, are credited to share capital (nominal value) and the remaining balance to share premium.

National insurance on share options

All employee option holders sign statements that they will be liable for any employers national insurance arising on the exercise of share options.

Interest income

Interest income is recognised on a time-proportion basis using the effective interest rate method.

Warrants

The Group has issued warrants to Evolution Securities Limited as part of the Equity Financing Facility. These are considered to be outside the scope of share-based employee remuneration, and hence out of the scope of IFRS 2. These warrants have been measured at fair value at the date of grant using an appropriate options pricing model. This fair value has been held on the balance sheet

within prepayments and in the warrants reserve within equity. The prepayment will be released against share premium as the equity financing facility is utilised. The warrants reserve will be released to share premium when the warrants are exercised. If the warrants lapse then the reserve is transferred to retained earnings.

Critical accounting estimates and judgements

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and judgements are continually made and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable in the circumstances.

As the use of estimates is inherent in financial reporting, actual results could differ from these estimates. The Directors believe the following to be the key areas of estimation and judgement:

(i) Research and development

Under IAS 38 Intangible Assets, development expenditure which meets the recognition criteria of the standard must be capitalised and amortised over the useful economic lives of intangible assets from product launch. The Directors consider that the criteria to capitalise development expenditure were met in 2007 for one of the Group's products and have continued to be met since.

(ii) Share-based payments

The Group operates an equity-settled, share-based compensation plan. Employee and similar services received, and the corresponding increase in equity, are measured by reference to the fair value of the equity instruments at the date of grant, which is based upon certain assumptions over the future performance of the share price.

(iii) Goodwill and impairment

The recoverable amount of goodwill is determined based on value in use calculations of the cash-generating units to which it relates. The value in use calculations use pre-tax cash flow projections for nine years using data from the Group's latest internal forecasts. The revenue forecasts are extrapolated beyond nine years and costs are extrapolated beyond two years at growth rates of 2% (2010: between 2% and 7%). The results of the value in use calculations are reviewed by the Board.

The key assumptions for the value in use calculations are those regarding discount rates, revenue commencement dates, growth rates, absolute values of expected sales and expected margins and costs. Management estimate discount rates using pre-tax rates that reflect the current market assessment of the time value of money and the risks specific to the cash-generating unit. Revenue commencement dates are based on current planned launch dates. Growth rates, absolute values of expected sales and expected margins and costs are based on information received from commercial partners and market intelligence reports on expectations of future changes in the market.

Pre-tax cash flow projections are discounted to calculate value in use using a pre-tax discount rate. The pre-tax discount rate is based on a number of factors including the risk-free rate in the UK, the Group's estimated market risk premium, and a premium to reflect the inherent risk of the forecast income streams included in the Group's cash flow projections, which remain subject to contracts being agreed with prospective customers.

Further information is given in note 12 to these consolidated financial results.

2.1 Financial risk factors

The Group's activities inevitably expose it to a variety of financial risks: market risk (including currency risk, cash flow interest rate risk and fair value interest rate risk), credit risk and liquidity risk.

It is Group policy not to enter into speculative positions using complex financial instruments. The Group's primary treasury objective is to minimise exposure to potential capital losses whilst at the same time securing favourable market rates of interest on Group cash deposits using money market deposits with banks. Cash balances used to settle the liabilities from operating activities are also maintained in current accounts which earn interest at variable rates.

(a) Market risk

Foreign exchange risk

The Group primarily enters into contracts which are to be settled in UK pounds. However, some contracts involve other major world currencies including the US Dollar and the Euro. Where large contracts of more than £50,000 total value are to be settled in foreign currencies consideration is given to converting the appropriate amounts to or from UK pounds at the outset of the contract to minimise the risk of adverse currency fluctuations.

The Group incurred minimal expenditure in foreign currencies during the year, and the prior year, and consequently there is no material exposure to foreign currency rate risk.

Cash flow and fair value interest rate risk

The Group's interest rate risk arises from medium term and short term money market deposits. Deposits which earn variable rates of interest expose the Group to cash flow interest rate risk. Deposits at fixed rates expose the Group to fair value interest rate risk.

The Group analyses its interest rate exposure on a dynamic basis throughout the year.

(b) Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions as well as credit exposure in relation to outstanding receivables. Group policy is to place deposits with institutions with investment grade A2 or better (Moody's credit rating) and deposits are made in sterling only. The Group does not expect any losses from non-performance by these institutions. Management believes that the carrying value of outstanding receivables and deposits with banks represents the Group's maximum exposure to credit risk.

(c) Liquidity risk

Liquidity risk arises from the Group's management of working capital, it is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents and management monitors rolling forecasts of the Group's liquidity on the basis of expected cash flow.

The Group had trade and other payables at the statement of financial position date of £563,190 (2010: £295,498) as disclosed in note 16.

2.2 Capital risk management

The Group considers its capital to comprise its ordinary share capital, share premium, warrant reserve, merger reserve and accumulated retained earnings as disclosed in the consolidated statement of financial position.

The Group remains funded primarily by equity capital which reflects the development status of its products. The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for equity holders of the Company and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

2.3 Fair value estimation

The Group uses amortised cost, using the effective interest rate method, to determine subsequent fair value after initial recognition, for its financial instruments.

3. Segmental reporting

The Directors have determined that only one operating segment exists under the terms of International Financial Reporting Standard 8 'Operating Segments', as the Group is organised and operates as a single business unit and all activities are based in the UK.

4. Grant income

	Year ended 31 March 2011	*Year ended 31 March 2010*
	£	*£*
NWDA R&D grant income recognised in consolidated statement of comprehensive income	—	80,000
	—	80,000

5. Loss from operations

	Year ended 31 March 2011	*Year ended 31 March 2010*
	£	*£*
Loss from operations is stated after charging:		
Depreciation of plant and equipment	28,697	20,908
Operating lease costs – land and buildings	120,543	102,875
Equity-settled share based payment expense	69,069	225,909
Defined contribution pension expense	37,370	31,581

The total fees of the Group's auditor, BDO LLP, for services provided are analysed below:

	Year ended 31 March 2011	*Year ended 31 March 2010*
	£	*£*
Audit services		
Parent company	14,000	12,600
Subsidiaries	27,500	26,900
Tax services – compliance		
Parent company	4,000	3,600
Subsidiaries	10,600	8,400
Other services		
Tax advisory services	700	2,000
Parent company – share option scheme advice	—	8,000
Subsidiary – NWDA grant	—	3,000
Review of interim statement	5,000	5,000
Corporate finance	7,000	—
Total fees	68,800	69,500

6. Wages and salaries

The average monthly number of persons (including all Directors) employed by the Group during the year was as follows:

	Year ended 31 March 2011	*Year ended 31 March 2010*
Administrative staff	1	—
Research and development staff	8	7
Directors	6	6
	15	13

Their aggregate emoluments were:

	Year ended 31 March 2011	*Year ended 31 March 2010*
	£	*£*
Wages and salaries	953,287	733,879
Social security costs	102,944	71,980
Other pension and insurance benefits costs	48,089	38,266
Total cash settled emoluments	1,104,320	844,125
Accrued holiday pay	13,429	1,600
Share-based payment remuneration charge: equity settled	69,069	225,909
Total emoluments	1,186,818	1,071,634

7. Directors' emoluments

	Year ended 31 March 2011	*Year ended 31 March 2010*
	£	*£*
Directors		
Aggregate emoluments	594,299	502,144
Company pension contributions	20,695	18,822
Share based payment remuneration charge: equity settled	39,847	185,824
Gains made on exercise of directors' share options	—	20,082
Total Directors' emoluments	654,841	726,872

Emoluments disclosed above include the following amounts in respect of the highest paid Director:

	Year ended 31 March 2011	*Year ended 31 March 2010*
	£	*£*
Aggregate emoluments	246,985	183,169
Company pension contributions	8,832	7,980
Share based payment remuneration charge: equity settled	15,857	107,303
Total of the highest paid Director's emoluments	271,674	298,452

During the year, three Directors (2010: three Directors) participated in defined contribution pension schemes.

Directors' emoluments include amounts attributable to benefits in kind comprising private medical insurance on which the directors are assessed for tax purposes. The amounts attributable to benefits in kind are stated at cost to the Group, which is also the tax value of the attributable benefits.

8. Finance income

	Year ended 31 March 2011 £	*Year ended 31 March 2010* £
Bank interest receivable	133,439	85,326
	133,439	85,326

9. Taxation

	Year ended 31 March 2011 £	*Year ended 31 March 2010* £
Current tax income		
United Kingdom corporation tax research and development credit	150,000	50,000
Adjustment in respect of prior period		
United Kingdom corporation tax research and development credit	71,218	4,408
Taxation credit	221,218	54,408

The tax assessed for the year is different from the standard rate of corporation tax in the UK. The differences are explained below:

	Year ended 31 March 2011 £	*Year ended 31 March 2010* £
Loss before tax	2,341,883	1,702,588
Loss before tax multiplied by the standard rate of corporation tax in the UK of 28% (2010: 28%)	655,727	476,725
Effects of:		
Expenses not deductible for tax purposes	(12,435)	3,540
Difference between depreciation and capital allowances	8,005	(5,854)
Other short-term timing differences	(21,718)	(63,255)
Unutilised tax losses and other deductions arising in the year	(508,496)	(442,056)
Tax deduction for share options exercised	—	80,900
Additional deduction for R&D expenditure	178,917	50,000
Surrender of tax losses for R&D tax credit refund	(150,000)	(50,000)
Adjustments in respect of prior years	71,218	4,408
Total tax credit for the year	221,218	54,408

At 31 March 2011 the Group UK tax losses to be carried forward are estimated to be £14,488,679 (2010: £13,398,578).

Deferred tax

Deferred tax assets amounting to £4,093,379 (2010: £4,391,974) have not been recognised on the basis that their future economic benefit is not certain. Assuming a prevailing tax rate of 26% (2010: 28%) when the timing differences reverse, the unrecognised deferred tax asset comprises:

	Year ended 31 March 2011 £	*Year ended 31 March 2010 £*
Depreciation in excess of capital allowances	4,324	16,903
Other short term timing differences	6,773	—
Unutilised tax losses	3,767,057	3,639,702
Share-based payments	315,225	735,369
	4,093,379	4,391,974

Income tax asset receivable within one year	*31 March 2011 £*	*31 March 2010 £*
Corporation tax recoverable	271,220	111,844
	271,220	111,844

10. Loss per share

Basic and diluted loss per share amounts are calculated by dividing the loss attributable to owners of the parent by the weighted average number of ordinary shares in issue during the period.

There are 62,471,648 share options in issue (2010: 62,471,648) that are all currently anti-dilutive and have therefore been excluded from the calculations of the diluted loss per share.

Basic and diluted loss per share amounts are in respect of all activities.

	Year ended 31 March 2011	*Year ended 31 March 2010*
Loss for the year attributable to owners of the parent – £	1,984,206	1,648,180
Weighted average number of shares	1,150,836,614	937,060,783
Basic and diluted loss per share – pence	0.17	0.18

11. Intangible assets

	Goodwill £	Development costs £	Total £
Cost			
At 1 April 2010	7,265,277	57,933	7,323,210
Additions	—	17,959	17,959
At 31 March 2011	7,265,277	75,892	7,341,169
Amortisation and impairment			
At 1 April 2010	3,462,592	—	3,462,592
At 31 March 2011	3,462,592	—	3,462,592
Net book value			
At 31 March 2011	3,802,685	75,892	3,878,577
At 31 March 2010	3,802,685	57,933	3,860,618
Cost			
At 1 April 2009	7,265,277	37,287	7,302,564
Additions	—	20,646	20,646
At 31 March 2010	7,265,277	57,933	7,323,210
Amortisation and impairment			
At 1 April 2009	3,462,592	—	3,462,592
At 31 March 2010	3,462,592	—	3,462,592
Net book value			
At 31 March 2010	3,802,685	57,933	3,860,618
At 31 March 2009	3,802,685	37,287	3,839,972

Development costs represent costs incurred in registering patents that meet the capitalisation criteria set out in IAS 38, see also note 1.

12. Goodwill and impairment

Goodwill arising on consolidation represents the excess of the cost of an acquisition over the fair value of the Group's share of the net assets of the acquired subsidiary at the date of acquisition.

Goodwill arose on 23 June 2005 when the Company acquired the entire issued share capital of Provexis Natural Products Limited (formerly Provexis Limited), a private company engaged in research and development. Provexis Natural Products Limited has been consolidated using the purchase method and its results have been incorporated in the Group results from the date of acquisition.

Goodwill arising on business combinations is not amortised but is reviewed for impairment on an annual basis or more frequently if there are indications that goodwill may be impaired.

The recoverable amount of goodwill is determined based on value in use calculations of the cash-generating units to which it has been allocated.

The key assumptions for the value in use calculations are those regarding discount rates, revenue commencement dates, growth rates, absolute values of expected sales and expected margins and costs. Management estimate discount rates using pre-tax rates that reflect the current market assessment of the time value of money and the risks specific to the cash-generating unit. Revenue commencement dates are based on current planned launch dates. Growth rates, absolute values of expected sales and expected margins and costs are based on information received from commercial partners and market

intelligence reports on expectations of future changes in the market. The growth rates used are below the long-term growth rates for the Nutraceuticals industry.

The value in use calculations use pre-tax cash inflow projections for nine years using data from the Group's approved internal forecasts. The cash inflow forecasts are extrapolated beyond nine years at growth rates of 2% (2010: between 2% and 7%) for a further 6 years and thereafter at a nil growth rate in perpetuity. The results of the value in use calculations are reviewed by the Board.

The Directors believe that it is appropriate to use internally approved forecasts for a period of 9 years as this will give a more accurate estimate of the likely growth patterns in the early stages of the product's life than the application of a single growth rate.

The value in use calculations use pre-tax cash outflows for two to four years based on approved budgets. The cash outflow forecasts are extrapolated beyond two to four years at growth rates of 2% for a further 13 or 11 years (2010: 2%) and thereafter at a nil growth rate in perpetuity. The results of value in use calculations are reviewed by the Board.

The values used in the Group's internal forecasts reflect anticipated market developments, following discussions with prospective customers and suppliers. An element of the risk inherent in the forecast income streams, which remain subject to contracts being agreed with prospective customers, has been incorporated in the Group's pre-tax cash flow projections and discount rates.

Pre-tax cash flow projections have been discounted to calculate value in use using pre-tax discount rates of 15.8% and 29.8% (2010: 23%) reflecting the stage of development of their respective cash generating units. No impairment charge was required in the current or previous year.

The pre-tax discount rate is based on a number of factors including the risk-free rate in the UK, the Group's estimated market risk premium, and a premium to reflect the inherent risk of the forecast income streams included in the Group's cash flow projections, which remain subject to contracts being agreed with prospective customers.

13. Plant and equipment

	Fixtures, fittings and computer equipment £	*Laboratory equipment* £	*Total* £
Cost			
At 1 April 2010	49,784	85,967	135,751
Additions	15,010	42,275	57,285
Disposals	(196)	—	(196)
At 31 March 2011	64,598	128,242	192,840
Depreciation			
At 1 April 2010	39,251	35,318	74,569
Charge for the year	8,014	20,684	28,698
Disposals	(196)	—	(196)
At 31 March 2011	47,069	56,002	103,071
Net book value			
At 31 March 2011	17,529	72,240	89,769
At 31 March 2010	10,533	50,649	61,182

	Fixtures, fittings and computer equipment £	*Laboratory equipment* £	*Total* £
Cost			
At 1 April 2009	41,433	79,169	120,602
Additions	8,351	6,798	15,149
At 31 March 2010	49,784	85,967	135,751
Depreciation			
At 1 April 2009	34,549	19,112	53,661
Charge for the year	4,702	16,206	20,908
At 31 March 2010	39,251	35,318	74,569
Net book value			
At 31 March 2010	10,533	50,649	61,182
At 31 March 2009	6,884	60,057	66,941

14. Trade and other receivables

	31 March 2011 £	*31 March 2010* £
Amounts receivable within one year:		
Trade receivables	48,708	—
Other receivables	39,862	48,529
Total loans and receivables	88,570	48,529
Prepayments and accrued income	164,679	226,109
	253,249	274,638

The Directors consider that the carrying amount of these receivables approximates to their fair value.

All amounts shown under receivables fall due for payment within one year.

15. Cash and cash equivalents

	31 March 2011 £	*31 March 2010* £
Cash at bank and in hand	7,551,505	7,049,134
	7,551,505	7,049,134

16. Trade and other payables

	31 March 2011 £	*31 March 2010* £
Trade payables	91,529	87,409
Other taxes and social security	62,376	72,972
Accruals	409,285	135,117
Total financial liabilities measured at amortised cost	563,190	295,498

The Directors consider that the carrying amount of these liabilities approximates to their fair value.

All amounts shown fall due within one year.

17. Share capital

On 31 March 2010 the Company announced that it had secured a 3 year Equity Financing Facility of up to £25m (the "EFF") with Evolution Securities Limited ("Evolution"). The EFF was arranged by Darwin Strategic Limited ("Darwin"), an appointed representative of Evolution.

On 22 June 2010 the Company announced that it had raised a net £88,426 by drawing down on the EFF, allotting 2,135,000 new ordinary shares of 0.1p each to Darwin.

On 4 October 2010 the Company announced that it had raised a further net £2.4m by drawing down on the EFF, allotting 86,300,000 new ordinary shares of 0.1p each to Darwin.

The EFF agreement, provides the Company with a facility which (subject to certain limited restrictions) can be drawn down at any time over the 3 years ending on 29 March 2013. The timing and amount of any draw down is at the discretion of Provexis. Provexis is under no obligation to make a draw down and may make as many draw downs as its wishes, up to the total value of the EFF, by way of issuing subscription notices to Evolution. Following delivery of a subscription notice, Evolution will subscribe and Provexis will allot to Evolution new ordinary shares of 0.1p each ("Ordinary Shares").

The subscription price for any Ordinary Shares to be subscribed by Evolution under a subscription notice will be at a 7.5% discount to an agreed reference price determined during 5, 10 or 15 trading days following delivery of a subscription notice (the "Pricing Period"). The length of the Pricing Period is at the discretion of Provexis and is set at each relevant subscription notice. Provexis is also obliged to specify in each subscription notice a minimum price below which Ordinary Shares will not be issued.

Warrant reserve

In consideration of Evolution agreeing to provide the EFF the Company entered into a warrant agreement dated 30 March 2010 for the grant to Evolution of warrants to subscribe for up to ten million Ordinary Shares, such warrants to be exercisable at a price of 20 pence per share and to be exercisable at any time prior to the expiry of 36 months following the date of the warrant agreement.

The warrants were measured at fair value at the date of grant using a Black-Scholes model, with the following assumptions:

Date of grant	*Exercise price pence*	*Number of warrants*	*Share price at grant date pence*	*Expected volatility*	*Risk free rate*	*Expected life years*	*Fair value per share under warrant pence*
30-Mar-10	20.0	10,000,000	6.3	70%	1.77%	3	1.1598

An expected dividend yield of 0% was used in the above valuation.

The assumption made for the expected life of the warrants is not necessarily indicative of the exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may not necessarily be the actual outcome.

The total fair value of the warrants, £115,980, has been held on the balance sheet within prepayments and in the warrants reserve within equity. The prepayment will be released against share premium as the equity financing facility is utilised. The warrants reserve will be released to share premium when the warrants are exercised. If the warrants lapse then the reserve is transferred to retained earnings.

Evolution or the Company may terminate the EFF in specified circumstances. The issue of subscription notices is subject to specified pre-conditions. The Company has provided warranties and indemnities to Evolution and affiliated persons. If the aggregate price paid for the Ordinary Shares allotted under the EFF by the second anniversary of the EFF is not equal to or more than five million pounds (subject to certain exceptions), or if the EFF is terminated by Evolution in certain circumstances, then the Company will be required to pay a fee to Evolution amounting to 1% of the value of the facility in cash or by an issue of fully paid ordinary shares at the Company's discretion.

Share re-organisation

In August 2008, to facilitate a share placing, the company undertook a share re-organisation when It was agreed to sub-divide:

- each of the 401,724,366 then issued existing ordinary shares of 1p each in the capital of the Company into one new ordinary share of 0.1p and one Deferred Share of 0.9p; and
- each of the 148,275,634 unissued ordinary shares of 1p each into 10 new ordinary shares of 0.1p each,

The share re-organisation was approved at an EGM on 26 August 2008.

The rights attached to the new ordinary shares are substantially the same as the rights attached to the original, pre placing ordinary shares. The Deferred Shares have very limited rights which are deferred to the new ordinary shares and effectively carry no value as a result. Accordingly, the holders of the Deferred Shares are not entitled to receive notice of, attend or vote at general meetings of the Company; nor be entitled to receive any dividends or any payment on a return of capital until at least £10,000,000 has been paid on each new ordinary share. No application will be made for the Deferred Shares to be admitted to trading on AIM. No certificates for the Deferred Shares will be issued.

Full details of the share re-organisation were provided in a circular to shareholders on 1 August 2008. The circular is available to download from the Company's website www.provexis.com.

Allotted, called up and fully paid	*Ordinary 0.1p shares number*	*Deferred 0.9p shares number*	*Total number*
At 31 March 2010	1,108,081,929	401,724,366	1,509,806,295
Issued on subscription	88,435,000	—	88,435,000
At 31 March 2011	1,196,516,929	401,724,366	1,598,241,295

	Ordinary 0.1p shares £	*Deferred 0.9p shares £*	*Total £*
At 31 March 2010	1,108,082	3,615,519	4,723,601
Issued on subscription	88,435	—	88,435
At 31 March 2011	1,196,517	3,615,529	4,812,036

Allotted, called up and fully paid	*Ordinary 0.1p shares number*	*Deferred 0.9p shares number*	*Total number*
At 31 March 2009	819,387,796	401,724,366	1,221,112,162
Issued on exercise of share options	3,482,469	—	3,482,469
Issued on subscription	200,000,000	—	200,000,000
Issued on open offer	85,211,664	—	85,211,664
At 31 March 2010	1,108,081,929	401,724,366	1,509,806,295

	Ordinary 0.1p shares £	*Deferred 0.9p shares £*	*Total £*
At 31 March 2009	819,388	3,615,519	4,434,907
Issued on exercise of share options	3,482	—	3,482
Issued on subscription	200,000	—	200,000
Issued on open offer	85,212	—	85,212
At 31 March 2010	1,108,082	3,615,519	4,723,601

During the year ended 31 March 2011 the Company issued ordinary shares of 0.1p each as follows:

Date	*Reason for issue*	*Shares issued £*	*Number*
22.06.10	Share subscription	2,135	2,135,000
04.10.10	Share subscription	86,300	86,300,000
		88,435	88,435,000

During the year ended 31 March 2010 the Company issued ordinary shares of 0.1p as follows:

Date	*Reason for issue*	*Shares issued* £	*Number*
04.09.09	Exercise of share options	1,768	1,768,180
11.09.09	Exercise of share options	1,384	1,383,989
30.09.09	Share subscription	40,969	40,969,390
16.10.09	Share subscription	159,031	159,030,610
22.12.09	Open offer	85,212	85,211,664
19.02.10	Exercise of share options	330	330,300
		288,694	288,694,133

18. Share options

In June 2005 the Company adopted a new share option scheme for employees (''the Provexis 2005 share option scheme''). Under the scheme, options to purchase ordinary shares are granted by the Board of Directors, subject to the exercise price of the option being not less than the market value at the grant date. The options typically vest after a period of 3 years and the vesting schedule is subject to predetermined overall company selection criteria. In the event that the option holder's employment is terminated, the option may not be exercised unless the Board of Directors so permits. The options expire 10 years from the date of grant.

The Company undertook a reverse takeover of Provexis Natural Products Limited (''PNP'', formerly Provexis Limited) in June 2005 through a share for share exchange. Prior to the takeover the Company and PNP had granted EMI options and unapproved options. Options granted by the Company prior to the takeover remain subject to the same terms as contained in the individual share option contracts under which they were originally granted. The PNP EMI options and unapproved options were rolled over into options over the Company's ordinary shares, and these replacement options remain subject to the same terms as contained in the individual PNP share option contracts under which they were originally granted.

On 1 September 2008 the Company announced that further to an announcement on 1 August 2008 the Company's Remuneration Committee had approved the grant of options over 62,471,648 ordinary shares of 0.1p each to certain Directors and employees of the Company. As a condition of the grant of options, certain Directors surrendered 19,089,110 existing options and an additional 3,709,384 existing options were surrendered by other existing employees.

On 15 October 2009 the Company's Remuneration Committee modified the Performance Period and Performance Target of share options over 62,471,648 ordinary shares of 0.1p each held by the Executive Directors and employees of the Company.

Following the changes agreed to the Performance Period and Performance Target, share options over 27,305,073 ordinary shares of 0.1p each held by certain Directors and employees of the Company vested on 15 October 2009. Share options over 35,166,575 ordinary shares of 0.1p each held by certain Directors and employees of the Company will vest on 1 April 2011.

At 31 March 2011 the number of ordinary shares subject to options granted over the 2005 and prior option schemes were:

EMI options

	31 March 2011		*31 March 2010*	
	Weighted average exercise price (pence)	*Number*	*Weighted average exercise price (pence)*	*Number*
Outstanding at the beginning of the year	1.07	51,552,031	1.15	54,198,000
Granted during the year	—	—	—	—
Exercised during the year	—	—	2.75	(2,645,969)
Cancelled during the year	—	—	—	—
Outstanding at the end of the year	1.07	51,552,031	1.07	51,552,031

The exercise price of EMI options outstanding at the end of the year ranged between 0.9p and 6.28p (2010: 0.9p and 6.28p) and their weighted average contractual life was 7.3 years (2010: 8.3 years).

Of the total number of EMI options outstanding at the end of the year, 23,709,976 (2010: 23,709,976) had vested and were exercisable at the end of the year. Their weighted average exercise price was 1.3 pence (2010: 1.8 pence).

Unapproved options

	31 March 2011		31 March 2010	
	Weighted average exercise price (pence)	*Number*	*Weighted average exercise price (pence)*	*Number*
Outstanding at the beginning of the year	1.18	10,919,617	1.39	11,756,117
Granted during the year	—	—	—	—
Exercised during the year	—	—	4.20	(836,500)
Cancelled during the year	—	—	—	—
Outstanding at the end of the year	1.18	10,919,617	1.18	10,919,617

The exercise price of unapproved options outstanding at the end of the year ranged between 0.9p and 6.28p (2010: 0.9p and 6.28p) and their weighted average contractual life was 6.3 years (2010: 7.3 years).

Of the total number of unapproved options outstanding at the end of the year, 3,595,097 (2010: 3,595,097) had vested and were exercisable at the end of the year. Their weighted average exercise price was 1.7 pence (2010: 1.7 pence).

Grant of options

The fair values of the options have been estimated at the date of grant using a Black-Scholes model, using the following assumptions:

Tranche	*Date of grant*	*Exercise price pence*	*Number of options*	*Share price at grant date pence*	*Expected volatility*	*Risk free rate*	*Expected life years*	*Fair value per share under option pence*
1	06-Jun-07	2.875	17,304,347	2.75	78%	4.44%	10	1.42
2	29-Nov-07	3.38	2,751,479	3.00	65%	3.77%	10	1.06
3	26-Aug-08	0.9	44,166,575	0.87	65%	4.45%	10	0.585
4	01-Oct-08	0.9	12,000,000	0.725	65%	4.39%	10	0.485

An expected dividend yield of 0% has been used in all of the above valuations.

The expected life of the options is based on historical data and is not necessarily indicative of the exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may not necessarily be the actual outcome.

The total charge for the year relating to employee share-based payment plans was £69,069 (2010: £225,909) all of which related to equity settled share-based payment transactions.

The Company carried out a share re-organisation on 28 August 2008, which is further detailed in note 17 to the consolidated financial results.

Share options which had been granted prior to 28 August 2008 over existing ordinary shares with a nominal value of 1p each in the capital of the Company became options over new ordinary shares with a nominal value of 0.1p each in the capital of the Company. The options remain subject to the same terms as contained in the individual option contracts under which they were originally granted.

Share options issued after 28 August 2008 are options over new ordinary shares with a nominal value of 0.1p each in the capital of the Company.

19. Reserves

	Share premium reserve £	*Warrant reserve* £	*Merger reserve* £	*Retained earnings* £	*Total attributable to equity holders of the parent* £	*Non-controlling interest* £	*Total equity* £
At 1 April 2009	7,979,558	—	6,273,909	(13,156,578)	1,096,889	—	1,096,889
Loss for the year	—	—	—	(1,648,180)	(1,648,180)	—	(1,648,180)
Share-based charges	—	—	—	225,909	225,909	—	225,909
Issue of shares – exercise of share options	104,417	—	—	—	104,417	—	104,417
Issue of shares – subscription	4,548,729	—	—	—	4,548,729	—	4,548,729
Issue of shares – open offer	1,894,573	—	—	—	1,894,573	—	1,894,573
Warrants issued during the year – equity financing facility	—	115,980	—	—	115,980	—	115,980
At 31 March 2010	14,527,277	115,980	6,273,909	(14,578,849)	6,338,317	—	6,338,317
Loss for the year	—	—	—	(1,984,206)	(1,984,206)	(136,459)	(2,120,665)
Share-based charges	—	—	—	69,069	69,069	—	69,069
Issue of shares – subscription	2,382,373	—	—	—	2,382,373	—	2,382,373
At 31 March 2011	16,909,650	115,980	6,273,909	(16,493,986)	6,805,553	(136,459)	6,669,094

The following describes the nature and purpose of each reserve within total equity:

Share capital	Amount subscribed for share capital at nominal value.
Share premium	Amount subscribed for share capital in excess of nominal value.
Warrant reserve	The warrant reserve arose in March 2010 when the Group issued warrants to Evolution Securities Limited as part of the Equity Financing Facility (see Note 17).
Merger reserve	The merger reserve arose on the reverse takeover in 2005 of Provexis Natural Products Limited (formerly Provexis Limited) by Provexis plc through a share for share exchange.
Retained earnings	Cumulative net gains and losses recognised in the consolidated statement of comprehensive income.

20. Pension costs

The pension charge represents contributions payable by the Group to independently administered funds which during the year ended 31 March 2011 amounted to £37,370 (2010: £31,581). Pension contributions payable but not yet paid at 31 March 2011 totalled £26,051, in respect of pension contribution entitlements where employees had not yet provided details of the funds to which the contributions should be made (2010: £16,368). In addition, pension contributions payable in arrears at 31 March 2011 totalled £ Nil (2010: £1,189). All unpaid contributions are included in accrued social security costs at the balance sheet date.

21. Operating lease commitments

Future minimum rentals payable under non-cancellable operating leases are as follows:

	31 March 2011 £	*31 March 2010* £
Due within 1 year	90,500	86,500
	90,500	86,500

Operating lease payments represent rentals payable by the Group for various offices. The leases have various terms, escalation clauses and renewal rights typical of lease agreements for the class of asset.

22. Related party transactions

On 12 February 2010 the Company announced that it had entered into a Letter of Intent ("LOI") for its Fruitflow® technology with DSM Nutritional Products ("DSM").

The LOI provided a framework for the parties to develop a long-term Alliance Agreement (the "Agreement"), giving DSM exclusive global rights to Fruitflow®.

On 1 June 2010 the Company announced a long-term Alliance Agreement with DSM Nutritional Products, which will see the Company collaborate with DSM to develop Fruitflow® in all major global markets. DSM will invest substantially in the manufacture, technology development, marketing and sale of Fruitflow® in the coming years. Provexis will continue to contribute scientific expertise and will collaborate in areas such as cost of goods optimisation and regulatory matters. The financial model is based upon the division of profits between the two partners on an agreed basis, linked to certain revenue targets, following the deduction of the cost of goods and a fixed level of overhead from sales. The Company is working closely with DSM in various areas related to launch planning. It is not possible to determine the financial impact of the Alliance Agreement at this time.

DSM is classified as a related party of the Group in accordance with IAS 24 as it holds shares in the Group. Further, K Rietveld is a director of the Company, and a senior employee of DSM. The directors of Provexis (the "Directors"), having consulted with Evolution Securities Limited ("Evolution Securities"), the Company's nominated adviser, consider that the terms of the letter of intent and the Alliance Agreement are fair and reasonable insofar as Provexis's shareholders are concerned. In providing advice to the Directors, Evolution Securities has taken into account the Directors' commercial assessments.

On 1 June 2011 the Group announced an agreement to commercialise DSM owned intellectual property, through the development of a new product for the promotion of healthy blood glucose levels.

Key management compensation

The Directors represent the key management personnel. Details of their compensation and share options are given in note 7 and within the Remuneration report.

23. Post balance sheet events

On 1 June 2011 the Group announced an agreement to commercialise DSM owned intellectual property, through the development of a new product for the promotion of healthy blood glucose levels.

On 17 June 2011 the Group entered into a conditional agreement to acquire 100% of the issued share capital of SiS, a company which manufactures and sells sports nutrition products for a maximum consideration of £8m, subject to completion. £7m is payable in cash of which £250,000 is to be held in escrow against claims for one year or longer if claims have been notified but not settled. The balance of the consideration is £1m in Provexis shares, with a lock-in of two years. The £7m cash consideration will be met by £4.5m from current cash reserves and £2.5m from a placing for new shares. The Company intends to undertake an Open Offer to shareholders of the Company as soon as is reasonably practicable after the completion of the Acquisition.

Completion of the acquisition is dependent on the fulfilment of certain conditions, which had not been met at the date of approval:

- the admission by the London Stock Exchange of the consideration shares to AIM becoming effective in accordance with the AIM Rules; and
- a placing agreement between the Company and Evolution Securities Limited concerning the placing becoming unconditional in all respects (save for the condition in the placing agreement that the agreement concerning the Acquisition becomes unconditional).

Since the acquisition agreement entered into on 17 June 2011 is conditional, and completion has therefore not yet occurred, control is not deemed to have passed to the Company as at the date of approval of the financial information and there is therefore no requirement to provide IFRS 3 disclosures in respect of a post balance sheet acquisition. However, in the interests of full disclosure, we have included those disclosures for which information is available at the date of approval.

For the financial year ended 31 December 2010, SiS had unaudited turnover of £4.6 million (2009: £4.3 million (unaudited)) and unaudited profit before tax of £0.2 million (2009: £0.4 million (unaudited)). As at 31 December 2010, SiS had unaudited net assets of £0.96 million (2009: £0.8 million (unaudited)).

PART V

ADDITIONAL INFORMATION

1. Share Capital

The issued Ordinary Share capital of the Company: (i) as at the date of this document; and (ii) as it is expected to be after Admission (assuming maximum take up under the Open Offer) is set out below:

	£	*Number of Ordinary Shares*
(i)	1,398,519.28	1,398,519,280
(ii)	1,538,371.21	1,538,371,208

The Company has at the date of this document and will have following the Open Offer 401,724,366 deferred shares of 0.9 pence each.

2. Directors' interests

The interests (all of which are beneficial unless stated otherwise) of the Directors and their immediate families and of persons connected with them (within the meaning of Section 252 of the 2006 Act) in the issued share capital of the Company and the existence of which is known to, or could with reasonable due diligence be ascertained by, any Director as at the date of this document and as they are expected to be upon completion of the Open Offer are as follows:

	(i) At the date of this document		*(ii) On Admission*	
Name	*Number of Ordinary Shares*	*Percentage Existing Ordinary Shares*	*Number of Ordinary Shares*	*Percentage of Enlarged Issued Share Capital**
C D Buck **	12,604,692	0.90%	12,906,433	0.84%
S N Moon	1,873,333	0.13%	2,060,666	0.13%
I Ford	2,001,666	0.14%	2,201,832	0.14%
S N Morrison	1,822,304	0.13%	2,004,534	0.13%
P Walker	—	—	—	—
Dr N C Bain	5,608,416	0.40%	5,608,416	0.36%
K Rietveld ***	—	—	—	—

* taking account of the relevant Directors' proposed subscription under the Open Offer.

** Of the 12,604,692 Ordinary Shares that Mr Dawson Buck is interested in 3,880,138 are held by a pension scheme of which Mr Dawson Buck is the beneficiary and 1,668,333 are held by a pension scheme of which a member of the family of Mr Dawson Buck is the beneficiary. The remaining 7,056,221 Ordinary Shares are held directly by Mr Dawson Buck.

*** Mr Krijn Rietveld is a director of the Company, and a senior employee of DSM, which is part of Royal DSM NV. DSM Venturing BV, the corporate venturing unit of Royal DSM NV, holds 143,769,230 Existing Ordinary Shares in the Company.

Directors' Share Options

Name	*Number of Options*
C D Buck	—
S N Moon	38,117,620
I Ford	18,000,000
S N Morrison	20,000,000
P Walker	10,000,000
Dr N C Bain	—
K Rietveld	—

3. Litigation

The Group is not involved in any governmental, legal or arbitration proceedings which are having, may have or have had in the previous twelve months, a significant effect on the Group and/or the Group's financial position and, so far as the Directors are aware, there are no such proceedings pending or threatened against the Group.

4. Material Contracts

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by the Company and/or its subsidiaries in the two years immediately preceding the date of publication of this document and are or may be material to the Group:

4.1 On 17 June 2011 (1) the Company and (2) John Lawson and others ("Sellers") entered into an acquisition agreement ("Acquisition Agreement") pursuant to which the Company purchased the entire issued share capital of SiS on 24 June 2011. The consideration payable by the Company was £8 million of which £7 million was paid in cash and £1 million was satisfied by an issue of 35,335,689 fully paid Ordinary Shares ("Consideration Shares"). Under the terms of the Acquisition Agreement the Sellers gave certain warranties and a tax covenant to the Company. Of the £7 million paid in cash, £0.25 million was paid into an escrow account for a year pending any warranty or tax covenant claims by the Company under the Acquisition Agreement. The Consideration Shares (subject to certain exceptions) are subject to a lock-in period of two years from 24 June 2011.

4.2 On 17 June 2011 the Company and Evolution Securities Limited ("Evolution") entered into a placing agreement ("Placing Agreement") pursuant to which Evolution agreed, as agent for the Company, to use its reasonable endeavours to procure placees ("Placees") to subscribe for 166,666,662 new Ordinary Shares ("Placing Shares") at an issue price of 1.5 pence per Placing Share ("Placing Price"). Under the Placing Agreement the Company agreed to pay Evolution a corporate finance fee of £100,000 and a commission of £50,000 and the Company may, at its discretion, pay an additional fee to Evolution of £50,000. In consideration of Evolution entering into the Placing Agreement, the Company gave customary warranties to Evolution and certain indemnities to Evolution and affiliated persons.

4.3 On 30 March 2010 the Company and Evolution entered into an equity credit line agreement ("Equity Financing Facility") the benefit of which was assigned by Evolution to Darwin Strategic Limited ("Darwin") on 1 July 2010. The Equity Financing Facility provides the Company with an equity financing facility of up to £25 million which (subject to certain restrictions and any prior termination of the agreement in circumstances specified in the agreement) can be drawn down at any time in the three years following the date of the Equity Financing Facility. The timing and amount of any draw down is at the discretion of the Company. The Company may make as many draw downs as it wishes, up to £25 million, by issuing subscription notices to Darwin. Following delivery of a subscription notice Darwin will subscribe and the Company will allot to Darwin new Ordinary Shares. The subscription price for ordinary shares to be subscribed under a subscription notice will be at a 7.5 per cent. discount to an agreed reference price determined during 5, 10 or 15 trading days following delivery of a subscription notice (the "Pricing Period"). The length of the Pricing Period is at the discretion of the Company and is set at each relevant subscription notice. The Company is also obliged to specify in each subscription notice a minimum price below which Ordinary Shares will not be issued. The maximum number of Ordinary Shares which may be issued under any individual subscription notice will primarily be determined by reference to the average daily trading volume of Ordinary Shares over the 15 trading days preceding the issue of the relevant subscription notice, although this may be reduced in certain circumstances, including where the minimum price is not maintained. There is also an over-allotment facility available to the Company, under which (and subject to the agreement of Darwin) the Company may, at any time before the issue of the new Ordinary Shares pursuant to a particular draw-down, increase the amount of the draw-down by up to the aggregate undrawn amount under the Equity Financing Facility. Any subscription notice which the Company may issue will only be valid to the extent that it has the requisite shareholder authority to issue the maximum number of Ordinary Shares that Darwin may be required to subscribe under the relevant subscription notice. On any single draw-down, Ordinary Shares will not be issued to Darwin to the extent that this would equate to more than 25 per cent. of the enlarged issued ordinary share capital of the Company. Darwin or the Company may terminate the Equity Financing Facility in

specified circumstances. The issue of subscription notices is subject to specified pre-conditions. The Company has provided warranties and indemnities to Darwin and affiliated persons. If the aggregate price paid for the Ordinary Shares allotted under the Equity Financing Facility by the second anniversary of the Equity Financing Facility is not equal to or more than £5 million (subject to certain exceptions), or if the Equity Financing Facility is terminated by Darwin in certain circumstances, then the Company will be required to pay a fee to Darwin amounting to 1% of the value of the facility in cash or by an issue of fully paid Ordinary Shares at the Company's discretion.

4.4 On 30 March 2010 the Company and Evolution entered into a primary warrant agreement ("Warrant Agreement") which on 10 May 2010 was assigned by Evolution to Darwin. Under the Warrant Agreement Darwin is granted a warrant to subscribe from time to time for up to ten million Ordinary Shares in the Company (each exercise of the Warrant Agreement to be in respect of at least 2,500,000 Ordinary Shares or such lesser number as is the balance of the Ordinary Shares that are the subject to the Warrant Agreement) such warrants to be exercisable at a price of 20 pence per Ordinary Share and to be exercisable at any time prior to the expiry of 36 months following the date of the Warrant Agreement. The number and/or nominal value of the Ordinary Shares subject to the Warrant Agreement may be adjusted in certain circumstances to maintain the relative subscription rights of Darwin including, amongst others, on an issue of Ordinary Shares by way of capitalisation of the reserves of the Company (subject to certain exceptions), on a sub-division or consolidation of Ordinary Shares and on a reduction of capital. On an offer of Ordinary Shares to the holders of Ordinary Shares (whether by way or rights or otherwise), but not an offer by the Company to purchase its own shares, then unless the offer is made to Darwin as if the Warrant had been exercised in full, the subscription price for the Ordinary Shares under the Warrant Agreement shall be adjusted to maintain the relative subscription rights under the Warrant Agreement.

4.5 On 24 September 2009 in connection with the placing of 200,000,000 Ordinary Shares in the Company at 2.5p, as announced by the Company on 25 September 2009 ('Subscription'), the Company entered into subscription agreements with new and existing shareholders. Pursuant to the agreements the Subscription was effected in two parts with firstly an aggregate total of 40,969,390 Ordinary Shares being subscribed for conditional, *inter alia*, on the admission of the shares to trading on AIM and secondly an aggregate total of 159,030,610 Ordinary Shares being subscribed for conditional, *inter alia*, on the passing of certain resolutions at the general meeting of the Company held on 15 October 2009 and the admission of those shares to trading on the AIM, in each case at 2.5 pence per share. The Company paid certain commissions pursuant to the agreements and certain warranties were provided to the Company by investors.

5. General

The total cost and expenses payable by the Group in connection with the Open Offer (including professional fees, the costs of printing and the fees payable to the Registrars) are estimated to amount to approximately £92,500 (excluding VAT).

6. Availability of documents

This document will be available for a period of 12 months from the date of this document on the Company's website (www.Provexis.com) free of charge in accordance with the requirements of Rule 26 of the AIM Rules.

Dated: 5 July 2011

NOTICE OF GENERAL MEETING

Provexis plc

(Incorporated in England and Wales with registered number 05102907)

Notice is hereby given that a General Meeting of Provexis plc ("**the Company**") will be held at Shoosmiths, Apex Plaza, Forbury Road, Reading, Berkshire RG1 1SH on 25 July 2011 at 9.00 a.m. at which the following resolutions will be proposed as to resolution 1 as an ordinary resolution and as to resolution 2 as a special resolution:

1. THAT the Directors be and they are hereby generally and unconditionally authorised, pursuant to section 551 of the Companies Act 2006 (the "**Act**"), to exercise all the powers of the Company to allot Ordinary Shares of 0.1 pence each in the Company and to grant rights to subscribe for or convert any security into such shares up to an aggregate nominal amount of £139,852 pursuant to the Open Offer (as defined and described in the Circular to which this Notice is attached) which authority shall be in addition to all existing authorities conferred, which shall continue in full force and effect. The authority conferred by this resolution shall expire (unless previously revoked or varied by the Company in general meeting) on the conclusion of the next annual general meeting of the Company or the date 15 months from the date of passing of this resolution, whichever is the earlier, save that the Company may before such expiry, revocation or variation make an offer or agreement which would or might require relevant securities to be allotted after such expiry, revocation or variation and the Directors may allot relevant securities in pursuant of such offer or agreement as if the authority hereby conferred had not expired or been revoked or varied.

2. THAT, conditional upon the passing of resolution 1 above, in addition to all other existing powers of the Directors under section 570 of the Act which shall continue in full force and effect, the Directors are empowered under the said section 570 to allot equity securities (as defined by section 560 of the Act) for cash, pursuant to the authority conferred by resolution 1 above, as if section 561 (1) of the Act did not apply to any such allotment, provided that such allotments are made pursuant to Open Offer (as defined and described in the Circular to which this Notice is attached). Such power shall, subject to the continuance of the authority conferred by resolution 1, expire on the conclusion of the next annual general meeting of the Company or the date 15 months from the date of passing of this resolution, whichever is the earlier, but may be revoked or varied from time to time by special resolution save that the Company may before such expiry, revocation or variation make an offer or agreement which would or might require equity securities to be allotted after such expiry, revocation or variation and the Directors may allot equity securities in pursuance of such offer or agreement as if such power had not expired or been revoked or varied.

BY ORDER OF THE BOARD

Ian Ford
Company Secretary
5 July 2011

Registered Office
Thames Court
1 Victoria Street
Windsor
Berkshire
SL4 1YB

Notes

Entitlement to attend and vote

1. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those members registered on the Company's register of members at:
   1.1 6.00 p.m. on 23 July 2011; or
   1.2 if this General Meeting is adjourned, 6.00 p.m. on the day, 2 days before the adjourned General Meeting, shall be entitled to attend and vote at the General Meeting or adjourned meeting.

Appointment of proxies

2. If you are a member of the Company at the time set out in note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the General Meeting and you should have received a proxy form with this notice of General Meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.
3. A proxy does not need to be a member of the Company but must attend the General Meeting to represent you. Details of how to appoint the Chairman of the General Meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the General Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.

4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share and the proxy last delivered (regardless of its date or the date of its execution) shall be treated as replacing and revoking the others as regards that share, if the Company is unable to determine which was last delivered, none of them shall be treated as valid in respect of that share.
5. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If you indicate on your proxy form that your proxy ''may abstain from voting at his or her discretion'' or no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the General Meeting.

Proxy form

6. To appoint a proxy using the proxy form, the form must be:
   6.1 completed and signed;
   6.2 sent or delivered to Equiniti Limited at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6ZL;
   6.3 received by Equiniti Limited no later than 9.00 a.m. on 23 July 2011 or if this General Meeting is adjourned or a poll is taken subsequent to the date of this General Meeting not less than twenty four hours before the time appointed for the taking of the poll or forty eight hours for the adjourned General Meeting; and
   6.4 in the case of a member which is a company, executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.
7. Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must accompany the proxy form.

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