

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.** If you are in any doubt about the contents of this document or as to what action you should take, you are recommended immediately to seek your own financial advice from your stockbroker, bank manager, solicitor or other independent adviser who specialises in advising on the acquisition of shares and other securities and is authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the UK, or, if you are not resident in the UK, from another authorised independent adviser. The whole of this document should be read. Your attention is drawn in particular to the section entitled "Risk Factors" in Part II of this document that describes certain risks associated with an investment in the Company.

If you have sold or otherwise transferred all your Provoxis Ordinary Shares, please forward this document, together with the accompanying Form of Proxy, as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected as soon as possible for onward transmission to the purchaser or transferee. If you have sold only part of your holding of Provoxis Ordinary Shares you should retain these documents.

The distribution of this document together with the accompanying Form of Proxy into jurisdictions other than the UK may be restricted by law. Persons into whose possession these documents come should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

All of the Science in Sport Ordinary Shares which are to be issued pursuant to the Demerger are to be issued to holders of Provoxis Ordinary Shares on the register of members of Provoxis at the Demerger Record Time. This document has been prepared in connection with the Demerger and, unless the context otherwise requires, assumes that the Shareholder Resolutions in the Notice of Meeting at the end of this document will be passed at the General Meeting to be held on 15 July 2013 and that the Demerger is effected.

The Directors, whose names are set out on page 10 of this document, and the Company, collectively and individually, accept responsibility for all the information contained in this document. To the best of the knowledge and belief 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.

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# Provoxis PLC

*(Incorporated and registered in England and Wales under the Companies Act 1985 with registered number 05102907)*

## **Proposed Reduction of Capital, Demerger of S i S (Science in Sport) Limited and Notice of General Meeting**

### **Nominated Adviser and Broker Cenkos Securities plc**

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You should read the whole of this document. Your attention is drawn to the letter from the Chairman of the Company which is set out on pages 11 to 21 of this document which recommends that you vote in favour of the Resolutions to be proposed at the General Meeting referred to in this document.

Notice of a General Meeting of the Company to be held at the offices of Shoosmiths LLP, Apex Plaza, Forbury Road, Reading RG1 1SH at 10.00a.m. on 15 July 2013 is set out at the end of this document. Provoxis Shareholders will find enclosed with this document a Form of Proxy for use in connection with the Resolutions to be proposed at the General Meeting. To be valid the Form of Proxy must be completed and returned in accordance with the instructions printed thereon to the Company's Registrar, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA so as to be received as soon as possible but in any event no later than 48 hours before the time fixed for the General Meeting, being 10.00 a.m. on 15 July 2013. The completion and return of the Form of Proxy will not preclude Provoxis Shareholders from attending the General Meeting and voting in person should they subsequently wish to do so. Whether or not you intend to attend the General Meeting, you are encouraged to complete and return the enclosed Form of Proxy in accordance with the instructions printed on the form.

For a discussion of the risk factors relating to the Demerger, the Provoxis Group (in the context of the Demerger), the Science in Sport Group (in the context of the Demerger) and the Science in Sport Ordinary Shares please see "Risk Factors" in Part II of this document.

Cenkos is authorised and regulated by the FCA. Cenkos is acting as nominated and financial adviser to the Company in connection with the matters described in this document. Persons receiving this document should note that Cenkos will not be responsible to anyone other than the Company for providing the protections afforded to customers of Cenkos or for advising any other person on the arrangements described in this document. Cenkos has not authorised the contents of, or any part of, this document and no liability whatsoever is accepted by Cenkos for the accuracy of any information or opinions contained in this document or for the omission of any information. No representation or warranty, express or implied, is made by Cenkos as to, and no liability whatsoever is accepted by Cenkos in respect of, any of the contents of this document (without limiting the statutory rights of any person to whom this document is issued).

It is the responsibility of any person receiving a copy of this document outside of the United Kingdom, to satisfy themselves as to the full observance of the laws and regulatory requirements of the relevant territory in connection therewith, including obtaining any governmental or other consents which may be required or observing any other formalities required to be observed in such territory and paying any other issue, transfer or other taxes due in such other territory. Persons (including, without limitation, nominees and trustees) receiving this document should not distribute or send this document into any jurisdiction when to do so would, or might, contravene local securities laws or regulations.

THE CONTENTS OF THIS DOCUMENT ARE NOT TO BE CONSTRUED AS LEGAL, FINANCIAL OR TAX ADVICE.

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## **OVERSEAS SHAREHOLDERS**

The implications of the Demerger for, and the distribution of this document to, Overseas Shareholders may be affected by the laws of the relevant jurisdictions in which such Overseas Shareholders are located. Such Overseas Shareholders should inform themselves about, and observe, all applicable legal requirements.

It is the responsibility of any person into whose possession this document comes to satisfy themselves as to their full observance of the laws of the relevant jurisdiction in connection with the Demerger and the distribution of this document, including the obtaining of any governmental, exchange control or other consents which may be required and/or compliance with other necessary formalities which are required to be observed and the payment of any issue, transfer or other taxes due in such jurisdiction.

**Overseas Shareholders should consult their own legal and tax advisers with respect to the legal and tax consequences of the Demerger in their particular circumstances.**

**The Science in Sport Ordinary Shares have not been and will not be registered under the US Securities Act, or under the securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States, except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. There will be no public offer of the Science in Sport Ordinary Shares in the United States.**

**The Science in Sport Ordinary Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or any US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Science in Sport Ordinary Shares or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States.**

## **FORWARD LOOKING STATEMENTS**

Certain statements contained herein constitute forward-looking statements. The forward-looking statements contained herein include statements about the expected effects of the Provexis Reduction of Capital and the Demerger, the expected timing and scope of the Provexis Reduction of Capital and the Demerger and other statements other than in relation to historical facts. Forward-looking statements are statements which contain, without limitation, words such as “intends”, “anticipates”, “targets”, “estimates”, “believes”, “should”, “plans”, “will”, “expects” and similar expressions or statements that are not historical facts. The statements are based on the assumptions and assessments by the Board of Provexis and are naturally subject to uncertainty and changes in circumstances. By their nature, forward- looking statements involve risk and uncertainty and the factors described in the context of such forward-looking statements in this document could cause actual results and developments to differ materially from those expressed in or implied by such forward-looking statements. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by such forward-looking statements. These factors include, but are not limited to, the satisfaction or waiver of the conditions to the Demerger, local and global political and economic conditions, future revenues of Provexis being lower than expected, expected cost savings from the Provexis Reduction of Capital and the Demerger or other future transactions not being realised fully or in line with expected timeframes, competitive pressures in the industry increasing, foreign exchange rate fluctuations and interest rate fluctuations (including those from any potential credit rating decline) and legal or regulatory developments and changes. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements.

Neither Provexis, nor any of its respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied by any forward-looking statements contained herein will actually occur. Other than in accordance with their legal or regulatory obligations (including under the AIM Rules, the Disclosure and Transparency Rules of the Financial Conduct Authority and the City Code on Takeovers and Mergers), Provexis is not under any obligation and expressly disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

<i>Event Time and/or date</i>	<i>2013</i>
Date of this document	28 June
Latest time and date for receipt of Forms of Proxy	10.00 a.m. on 13 July
General Meeting	10.00 a.m. on 15 July
Latest time and date for lodging transfers of Provexis Shares in order for the transferee to be registered at the Demerger Record Time	4.30 p.m. on 6 August*
Demerger Record Time	5.00 p.m. on 6 August*
Issue of the Science in Sport Cancellation Shares by Provexis	6.00 p.m. on 6 August
Court hearing to confirm the Provexis Reduction of Capital	7 August*
Effective Date of the Provexis Reduction of Capital	8 August*
Demerger Effective Date (issue of Science in Sport Ordinary Shares)	9 August*
Estimated time and date for the admission of the Science in Sport Ordinary Shares (including the Science in Sport Placing Shares) to trading on AIM	8.00 a.m. on 9 August*
CREST accounts credited with Science in Sport Ordinary Shares (including the Science in Sport Placing Shares)	8.00 a.m. on 9 August*
Expected date for despatch of definitive share certificates for Science in Sport Ordinary Shares	By 23 August*

(1) The times and dates set out in the expected timetable of principal events above and mentioned throughout this document may be adjusted by Provexis and Science in Sport in consultation with Cenkos, in which event details of the new times and dates will be notified to the London Stock Exchange, and where appropriate, Provexis Shareholders.

(2) All references in this document to times are to London time unless otherwise stated.

\* These dates are indicative only and will depend, amongst other things, on the dates on which the Court confirms the Provexis Reduction of Capital and on which the Provexis Reduction of Capital becomes effective.

## STATISTICS

Number of Provexis Ordinary Shares in issue at the date of this document	1,518,650,979
Provexis Ticker (AIM trading symbol)	PXS
Current ISIN	GB00B0923P27

Information and statistics in relation to Science in Sport following the Demerger are set out in the Science in Sport Admission Document enclosed with this document.

## DEFINITIONS

In this document, where the context permits, the expressions set out below shall bear the following meanings:

“Act”	the Companies Act 2006
“AIM”	the market of that name operated by the London Stock Exchange
“the AIM Rules”	the AIM Rules for Companies setting out the rules and responsibilities in relation to AIM companies published by the London Stock Exchange as amended from time to time
“AIM Rules for Nominated Advisers”	the AIM Rules for Nominated Advisers setting out the eligibility, ongoing obligations and certain disciplinary matters in relation to nominated advisers published by the London Stock Exchange as amended from time to time
“Alliance Agreement”	the alliance agreement, signed on 1 June 2010, between Provexis and DSM to commercialise the Fruitflow range of products
“Articles”	the articles of association of Provexis in force at the date of this document
“Business Day”	a day other than a Saturday or Sunday on which banks are open for commercial business in the City of London
“certificated” or “certificated form”	the description of a share or other security which is not in uncertificated form (that is not in CREST)
“Company” or “Provexis”	Provexis plc, a company incorporated in England and Wales with registered number 05102907
“Continuing Provexis Group”	Provexis and its subsidiaries and subsidiary undertakings following completion of the Demerger, excluding those companies which will form part of the Science in Sport Group
“Court”	the High Court of Justice of England and Wales
“CREST”	the relevant system (as defined in the CREST Regulations) for paperless settlement of share transfers and the holding of shares in uncertificated form which is administered by Euroclear UK & Ireland Limited
“CREST Manual”	the compendium of documents entitled CREST Manual issued by CRESTCo from time to time and comprising the CREST Reference Manual, the CREST Central Counterparty Service Manual, the CREST International Manual, the CREST Rules, CCSS Operations Manual, and the CREST Glossary of Terms
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended
“CREST Rules”	the rules from time to time issued by CRESTCo governing the admission of securities to and the operation of the CREST UK System
“CREST UK System”	the facilities and procedures of the relevant systems of which CRESTCo is the Approved Operator pursuant to the CREST Regulations
“CRESTCo”	Euroclear UK and Ireland Limited, the operator of the CREST UK System or such other person as may for the time being be approved by HM Treasury as operator under the CREST Regulations
“Darwin”	Darwin Strategic Limited
“Deferred Shares”	the deferred shares of 0.9p each in the capital of the Company

“Demerger”	the proposed demerger of SiS from the Provexis Group to be effected by way of a capital reduction demerger on the terms and subject to the conditions set out in the Demerger Agreement
“Demerger Agreement”	the agreement between Provexis and Science in Sport relating to the demerger of SiS from the Provexis Group entered into on 28 June 2013, a summary of the principal terms of which is set out in paragraph 7.1 of Part VI of this document
“Demerger Effective Date”	the time at which the demerger becomes effective, expected 9 August 2013
“Demerger Record Time”	5.00 p.m. on 6 August 2013
“Demerger Resolution”	the resolution numbered 3.2 set out in the Notice of General Meeting
“Directors” or “Board”	the directors of the Company whose names appear on page 10 of this document
“DSM”	DSM Nutritional Products AG
“Form of Proxy”	the form of proxy accompanying this document for use in connection with the General Meeting
“Fruitflow Business”	the division within the Provexis Group that owns Fruitflow and, under the Alliance Agreement, works alongside DSM to commercialise Fruitflow in all major global markets
“FCA”	the UK Financial Conduct Authority
“General Meeting”	the general meeting (or any adjournment thereof) of the Provexis Shareholders to be convened pursuant to the Notice of General Meeting set out at the end of this document
“HMRC”	HM Revenue & Customs
“IFRS”	International Financial Reporting Standards, as adopted for use in the European Union
“London Stock Exchange”	London Stock Exchange plc
“Nominated Adviser”, “Nomad” or “Cenkos”	Cenkos Securities plc, a company incorporated in England and Wales with registered number 05210733 and having its registered office at 6.7.8. Tokenhouse Yard, London EC2R 7AS
“Notice of General Meeting”	the notice convening the general meeting contained in this document
“Overseas Shareholders”	Provexis Shareholders with registered addresses outside the UK or who are incorporated in, registered in or otherwise resident or located in, countries outside the UK
“Placees”	purchasers for the Science in Sport Placing Shares, as procured by Cenkos pursuant to the Science in Sport Placing Agreement
“Provexis Group”	in respect of any period prior to the Demerger Effective Date, Provexis and its subsidiaries and subsidiary undertakings including those companies which form part of the Science in Sport Group and, in respect of any period following the Demerger Effective Date, the Continuing Provexis Group
“Provexis Ordinary Shares”	ordinary shares of 0.1 pence each in the capital of Provexis
“Provexis Reduction Court Hearing”	the hearing at which the Provexis Reduction Court Order is made
“Provexis Reduction Court Order”	the order of the Court granted at the Provexis Reduction Court Hearing to confirm the Provexis Reduction of Capital
“Provexis Reduction of Capital”	the proposed Court approved reduction of capital by Provexis by the cancellation of the Deferred Shares followed by the cancellation of the Science in Sport Cancellation Shares and the reduction of Provexis’ share premium account

“Provexis Share Register”	the register of members of the Company
“Provexis Shareholders”	the holders from time to time of Provexis Ordinary Shares
“Redeemable Shares”	the 50,000 redeemable shares of £1 each to be allotted and issued in the Company
“Registrar”	Equiniti Limited, Aspect house, Spencer Road, Lancing, West Sussex BN99 6DA
“Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001 No. 01/3755)
“Remuneration Committee”	the remuneration committee of the Board
“Resolutions”	each of the resolutions which are set out in the Notice of General Meeting
“Science in Sport”	Science in Sport plc, a company incorporated in England and Wales, with registered number 08535116
“Science in Sport Admission”	the admission to trading on AIM of the Science in Sport Ordinary Shares
“Science in Sport Admission Document”	the document comprising an admission document relating to Science in Sport for the purposes of the Science in Sport Admission (together with any supplements or amendments thereto)
“Science in Sport Board”	the board of directors of Science in Sport from time to time
“Science in Sport Business”	the Science in Sport Business which develops and manufactures sports nutrition products for use by consumers and professional and elite athletes
“Science in Sport Cancellation Shares”	ordinary shares of 0.1 pence each in the capital of Provexis having the right to all income and capital derived from Provexis’ holding of the SiS Ordinary Shares
“Science in Sport Group”	the companies that own, market and distribute Science in Sport branded products from time to time which will include Science in Sport and its subsidiaries and subsidiary undertakings from the Demerger Effective Date
“Science in Sport Ordinary Shares”	ordinary shares of 10 pence each in the capital of Science in Sport
“Science in Sport Placing”	the conditional placing by Cenkos of the Science in Sport Placing Shares on behalf of Science in Sport, all at the Science in Sport Placing Price pursuant to and on the terms of the Science in Sport Placing Agreement
“Science in Sport Placing Agreement”	the conditional agreement dated 28 June 2013 between (i) Cenkos; and (ii) Science in Sport; (iii) the Science in Sport Board relating to the Science in Sport Placing, further details of which are set out in paragraph 8.2 of Part VI of this document
“Science in Sport Placing Price”	56 pence per Science in Sport Placing Share
“Science in Sport Placing Shares”	the new Science in Sport Ordinary Shares to be issued pursuant to the Placing
“Science in Sport Shareholders”	holders of Science in Sport Ordinary Shares from time to time
“SDRT”	stamp duty reserve tax
“Shareholder Resolutions”	the resolutions to approve the Provexis Reduction of Capital and the Demerger to be proposed at the General Meeting, as set out in the Notice of General Meeting at the end of this document
“SiS”	S i S (Science in Sport) Limited, a company incorporated in England and Wales with registered number 02742833
“SiS Ordinary Shares”	ordinary shares of £1 each in the capital of SiS

“subsidiary”	has the meaning given in section 1159 of the Act
“subsidiary undertaking”	has the meaning given in section 1162 of the Act
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“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 Uncertificated Securities Regulations 2001, as amended, may be transferred by means of CREST
“US” or “United States”	the United States of America, its territories and possessions, any state of the United States and the District of Columbia
“US Securities Act”	the US Securities Act of 1933, as amended
“VAT”	value added tax

All quoted share prices contained in this document have been rounded to the nearest pence.

Unless otherwise indicated, all references in this document to times are to London times

## DIRECTORS, SECRETARY AND ADVISERS

<b>Directors</b>	Dawson Buck Stephen Moon Ian Ford John Clarke Krijn Rietveld	<i>Non-Executive Chairman</i> <i>Chief Executive Officer</i> <i>Finance Director</i> <i>Non-Executive Director</i> <i>Non-Executive Director</i>
<b>Company Secretary</b>	Ian Ford	
<b>Registered Office of the Company</b>	Kings Road House 2 Kings Road Windsor Berkshire SL4 2AG United Kingdom	
<b>Nominated Adviser and Broker</b>	Cenkos Securities plc 6.7.8 Tokenhouse Yard London EC2R 7AS	
<b>Auditors to the Company</b>	Chantrey Vellacott DFK LLP Prospect House 58 Queens Road Reading RG1 4RP	
<b>Solicitors to the Company</b>	Shoosmiths LLP Apex Plaza, Forbury Road Reading RG1 1SH	
<b>Solicitors to the Nominated Adviser</b>	Causeway Law Third Floor, Tower 42 25 Old Broad Street London EC2N 1HQ	
<b>Financial PR</b>	Haggie Partners LLP 4 Sun Court 66-67 Cornhill London EC3V 3NB	
<b>Registrars</b>	Equiniti Limited Aspect House Spencer Road Lancing West Sussex BN99 6DA	

## PART I

### LETTER FROM THE CHAIRMAN OF PROVEXIS PLC

(Incorporated and registered in England and Wales under the Companies Act 1985, with registered number 05102907)

#### Directors:

Dawson Buck (*Non-Executive Chairman*)  
Stephen Moon (*Chief Executive Officer*)  
Ian Ford (*Finance Director*)  
John Clarke (*Non-Executive Director*)  
Krijn Rietveld (*Non-Executive Director*)

#### Registered Office:

Kings Road House  
2 Kings Road  
Windsor  
Berkshire SL4 2AG  
United Kingdom

28 June 2013

To: *Provexis Shareholders and, for information purposes only, to the holders of options to subscribe for Provexis Ordinary Shares*

Dear Shareholder,

#### Proposed Reduction of Capital, Demerger of SiS and Notice of General Meeting

#### 1. Introduction

Provexis comprises two divisions: the Fruitflow Business and the Science in Sport Business. Following a strategic review to evaluate the best options for maximising shareholder value, the Board of Provexis has today announced its intention to split the Provexis Group into two separate AIM quoted businesses. In order to achieve this, the Board is seeking Shareholder approval to demerge SiS from the Provexis Group. It is proposed that this separation will be effected by way of a demerger of SiS to a new company called Science in Sport plc. Science in Sport will seek admission of its entire issued and to be issued ordinary share capital to trading on AIM on or around 9 August 2013. The Demerger is conditional, *inter alia*, upon the approval of Provexis Shareholders at the General Meeting and the confirmation of the Provexis Reduction of Capital by the Court.

If the Demerger proceeds, the Provexis Shareholders who are registered on the Provexis Share Register at the Demerger Record Time will receive:

one Science in Sport Ordinary Share for every one hundred Provexis Ordinary Shares

then held by them (save that all fractional entitlements to a Science in Sport Ordinary Share will be rounded up to the nearest whole number).

Provexis Shareholders will continue to own their existing Provexis Ordinary Shares. The Provexis Ordinary Shares will continue to be traded on AIM. The Demerger is expected to become effective on 9 August 2013.

It is proposed that, following the Demerger, Provexis will remain the ultimate holding company for the Fruitflow Business.

In order to provide ongoing working capital for each of the demerged businesses and to pay the costs associated with the Demerger, the Company today announces that Science in Sport has undertaken a conditional placing to raise £2.25 million (before commission and expenses) by the issuance of 4,018,000 Science in Sport Placing Shares at a price of 56 pence per share. On Science in Sport Admission, Science in Sport is expected to have a market capitalisation of £10.9 million, based on the Science in Sport Placing Price.

The purpose of this document is to:

- (i) set out the background to and reasons for the Demerger;
- (ii) explain why the Board believes that the Demerger is in the best interests of Provexis Shareholders as a whole;

- (iii) explain the Resolutions to be put to the Provexis Shareholders at the General Meeting to be held on 15 July 2013; and
- (iv) unanimously recommend that Provexis Shareholders vote in favour of the Resolutions.

The size of the Demerger means that the approval of the Demerger Resolution by the Provexis Shareholders is required pursuant to Rule 15 of the AIM Rules.

## **2. Background to and reasons for the Demerger**

The Company has historically focused on the discovery, development and commercialisation of functional foods, medical foods and dietary supplements. Following the acquisition of SiS Business in June 2011, the Company's focus was expanded to cover sports nutrition which accounts for a large proportion of the functional food market.

On 1 June 2010 the Company announced the Alliance Agreement with DSM for the commercialisation of its Fruitflow technology. The establishment of the Alliance Agreement was a significant milestone in the history of the Company. Under the Alliance Agreement, Provexis is responsible for contributing scientific expertise necessary for the successful commercialisation of Fruitflow, while DSM carries out final product development, manufacturing, marketing and selling of the product. Profits from the Alliance Agreement are shared between Provexis and DSM on an agreed basis, linked to various performance milestones. The Directors believed at the time of signing the Alliance Agreement, and still retain the belief, that the commercialisation of Fruitflow is best undertaken in conjunction with DSM as it enables Provexis to leverage the resources and relationships of DSM in the major global markets.

Since June 2010, the contribution of Provexis as part of the Alliance Agreement has reduced as the focus of commercialising Fruitflow has been on developing new formats, manufacturing, marketing and selling; all services principally undertaken by DSM. As the contribution required from Provexis to fulfil its obligations under the Alliance Agreement has reduced, the Board has undertaken on-going cost cutting measures to control the cost base of the Provexis Group. Since its last financial year end, Provexis has also closed its facility at the University of Aberdeen, as a continuation of the cost cutting exercise.

The Board now believes it is appropriate to further reduce the operating costs of the Provexis Group associated with the Fruitflow Business, given that the investment phase of Fruitflow is complete, in order to minimise the cost of services supplied under the Alliance Agreement by Provexis, and to maximise operating profit as Fruitflow revenues develop. The Board believes this action will maximise Provexis Shareholder value over the short, medium and long term. To this end, the Board has resolved to reduce the annual fixed operating costs of the Fruitflow Business, to approximately £0.25 million per annum, whilst fully maintaining its contribution to the Alliance Agreement. The key strategy of Provexis going forward will be to fulfil its responsibilities under the Alliance Agreement, such as protecting the intellectual property of Fruitflow and assisting DSM with scientific work required to further commercialise Fruitflow, whilst also managing the relationship with DSM. The Board believe that these obligations can be met with a very small team comprising two part-time executives, together with two non-executive Directors to oversee strategy and governance matters. Subject to completion of the Demerger, each member of the existing executive Board will enter into new agreements with Provexis that reflect the services required to manage the Fruitflow Business only. All other operational staff currently employed by the Provexis Group will become employees of the Science in Sport Group following completion of the Demerger. John Clarke, currently a Non-Executive Director of the Company, will be resigning from Provexis at the Demerger Effective Date.

Further to the above, the Board does not believe that the market fully appreciates the value of the Science in Sport Business while it is combined with the Fruitflow Business. Businesses with similar characteristics and revenue growth to the Science in Sport Business historically command a multiple of sales valuation, something which has not been recognised in the valuation of the Provexis Group since the acquisition of Science in Sport.

Furthermore it is the opinion of the Board that the two divisions are less likely to maximise their potential performance if they continue to be operated as part of one group. Given these factors, the Board, together with Cenkos, has evaluated several options for maximising

shareholder value, giving due consideration to a range of alternatives and factors. The Board concluded unanimously that a demerger, in which Provexis Shareholders remain shareholders in both businesses, would be the best way of maximising shareholder value.

In summary, the Board has therefore concluded that the Demerger is in the best interests of both the Fruitflow Business and the Science in Sport Business and will deliver value to shareholders over time by:

- allowing Provexis and Science in Sport to pursue their strategic objectives independently with greater control over resources and opportunities;
- allowing the Fruitflow Business or the Science in Sport Business independently to secure additional funding, as demonstrated by the Science in Sport Placing;
- allowing the Science in Sport Business to showcase its revenue growth, improving operating margins and prospects;
- minimising the cost base of the Fruitflow Business, thereby maximising its profit potential;
- allowing the sale of either the Fruitflow Business or the Science in Sport Business on a standalone basis which would be more attractive to any potential suitors; and
- providing Provexis Shareholders with added flexibility in their investment decisions.

The Demerger will create two distinct entities with different strategic, operational and economic characteristics and with separate operational management teams.

### **Working capital position of Provexis**

As set out in the annual results of the Company for the 12 month period ended 31 March 2013, the Provexis Group incurred a loss before tax of £4.7 million. As at 31 May 2013, the Provexis Group had net cash of £0.3 million.

If the Demerger is not approved by Provexis Shareholders the Board will be limited in its ability to implement the strategies of both the Provexis Business and the Science in Sport Business. Further, the Company would quickly be forced to seek further finance, most likely through the Provexis Group's existing equity draw down facility with Darwin or through an equity fundraising with existing Provexis Shareholders, albeit, that such funds realised may be insufficient to meet the on-going working capital requirements of the Company. The Board believe either of these fundraising routes, even if they raised sufficient funds to meet the working capital requirements of the Company, would diminish the value of the Provexis Group. Accordingly, the Directors unanimously recommend that Provexis Shareholders vote in favour of the Resolutions.

Provexis Shareholders should be aware that if the Resolutions are not approved at the General Meeting and the Science in Sport Admission does not take place on or around 9 August 2013, the net proceeds of the Science in Sport Placing will not be received by the Science in Sport Business.

Subject to the Resolutions being approved at the General Meeting and the Science in Sport Placing taking place, the Directors believe the Provexis Group will have sufficient working capital, assuming no revenue or external funding, until March 2015.

### **3. Information on the Fruitflow Business**

Fruitflow is a patented natural extract from tomatoes 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. The extract is available in two formats, a syrup and a spray-dried powder and can be included in a broad range of food, beverage and dietary supplement formats. Fruitflow was the first food technology to have a health claim approved by the European Food Safety Authority under Article 13(5) of Regulation (EC) No. 1924/2006 on Nutrition and Health Claims. The Company announced on 1 June 2010 that it had entered into the Alliance Agreement with DSM to develop Fruitflow in major global markets, through sales as an ingredient to brand owners in the food, beverage and dietary supplement categories.

A total of 17 commercialised products on the market use either the syrup or powder versions of Fruitflow.

#### **4. Information on SiS**

SiS is a manufacturer of sports nutrition products for use by consumers and professional and elite athletes. The business was founded in 1992 and acquired by the Company in June 2011. SiS is the official sports nutrition supplier to Rapha Condor JLT, Belkin Pro Cycling, Madison Genesis, Pro Team Astana and Team Katusha. It is also the official supplier of sports drinks and sports nutrition to the GB Rowing Team. In addition SiS retains Sir Chris Hoy and GB Triathlete Helen Jenkins as official brand ambassadors. Distribution of SiS's products is largely in the UK although there are distributors in some major global markets. SiS manufactures the majority of its products in leased facilities in Nelson.

For the financial year ended 31 March 2013, SiS had net turnover of £5.5 million and an underlying operating profit of £0.1 million. As at 31 March 2013, SiS had total net assets of £0.7 million.

#### **5. Summary of how the Demerger is to be effected**

The Demerger is to be effected by Provexis returning to Provexis Shareholders capital in an amount equal to the market value of the SiS Ordinary Shares as at the Demerger Effective Date. The return of capital to Provexis Shareholders will be satisfied by the transfer by Provexis to Science in Sport of the SiS Ordinary Shares and the allotment and issue of Science in Sport Ordinary Shares credited as fully paid to the holders of Provexis Ordinary Shares who are registered on the Provexis Share Register at the Demerger Record Time in accordance with the terms of the Demerger Agreement.

This will involve:

- (i) the allotment and issue of the Science in Sport Cancellation Shares credited as fully paid;
- (ii) the cancellation of the Deferred Shares of £3.6 million, followed by the cancellation of the Science in Sport Cancellation Shares and the reduction of Provexis' share premium account, which is expected to amount to £8.5 million in aggregate;
- (iii) the return of capital by Provexis to Provexis Shareholders of an amount equal to the market value of the SiS Ordinary Shares. The return of capital to Provexis Shareholders will be satisfied by the transfer by Provexis to Science in Sport of the SiS Ordinary Shares and the allotment and issue of Science in Sport Ordinary Shares credited as fully paid by Science in Sport to Provexis Shareholders who are registered on the Provexis Share Register at the Demerger Record Time on the basis of one Science in Sport Ordinary Share for every one hundred Provexis Ordinary Shares then held.

Science in Sport's share capital comprises one ordinary share and 50,000 redeemable shares and, therefore, the Board intends to allot and issue Redeemable Shares in Provexis prior to the Demerger becoming effective in order to ensure that the share capital of Science in Sport mirrors as nearly as may be the share capital of Provexis as at the Demerger Record Time.

Provexis Shareholders will continue to hold their existing shares in Provexis and, following the Demerger, each Provexis Shareholder will hold as nearly as may be the same percentage of Provexis Ordinary Shares and Science in Sport Ordinary Shares in each of Provexis and Science in Sport respectively. Science in Sport will be an unquoted public limited company pending its admission to trading on AIM.

The Demerger is conditional, *inter alia*, on:

- (i) the approval by Provexis Shareholders of the Shareholder Resolutions (including the Demerger Resolution);
- (ii) the confirmation of the Provexis Reduction of Capital by the Court;
- (iii) the tax clearances summarised in Part IV of this document which have been obtained from HMRC; and
- (iv) no other events or developments occurring or existing that, in the judgment of the Board, in its sole and absolute discretion, would make it inadvisable to effect the Demerger.

Save for the approval of Provexis Shareholders and the confirmation of the Court, required in connection with the Provexis Reduction of Capital and receipt of the tax clearances from HMRC (which have been obtained), no other approvals are required for the implementation of the Demerger. Further details of the tax clearances applied for appear in Part IV of this document.

It should be noted that, although it is currently the Company's intention that the Demerger should be concluded, the Company is entitled to decide not to proceed with the Demerger at any time prior to the granting by the Court of the Provexis Reduction Court Order at the Provexis Reduction Court Hearing if the Board considers that it would not be in the interests of Provexis Shareholders to proceed.

Neither Provexis nor Science in Sport will have a shareholding in the other following the Demerger.

It is expected that Dawson Buck and Stephen Moon will be the only directors common to both Provexis and Science in Sport after the Demerger. Neither Mr Buck nor Mr Moon will benefit financially from the proposals with the aggregate remuneration they are receiving from Provexis and Science in Sport being equal to or less than their fixed element of remuneration at the Company.

It is proposed that an application will be made for the Science in Sport Ordinary Shares to be admitted to trading on AIM on or around 9 August 2013.

Further details of the Demerger are set out in Part III of this document.

## **6. Current trading and prospects**

### ***Provexis***

Provexis and DSM under the Alliance Agreement have made good progress during the year ended 31 March 2013, with commercial progress with the existing Fruitflow syrup format in a range of global markets, and the launch of a powder format, suitable for use in dietary supplement formats such as capsules and tablets.

There are now 13 consumer brands containing Fruitflow syrup on sale in a range of global markets. As well as the core blood flow targeted products, DSM customers have also launched brands in the sports nutrition and travel-related sectors. A SiS<sup>®</sup> Go Gel<sup>®</sup> plus Fruitflow sports recovery product was also launched during the last financial year.

The powder was completed by the DSM team in the first quarter of 2013, and the product was officially launched at Vitafoods in May 2013. The format has broad potential applications in dietary supplements, dairy shots, nutrition bars and spreads. Four products containing this format are now in the market, and interest from potential customers is strong, especially in the USA.

The Provexis Group collaborated with DSM to complete a piece of consumer research to more fully understand consumer attitudes to Fruitflow and blood flow, in order to support potential customers in understanding the key success factors for any new brand launches. The DSM marketing and sales teams are using the findings from this research to assist customers with their own potential brand positioning.

Whilst revenues for Fruitflow remained low in the financial year ended 31 March 2013, there has been a marked improvement over the year both in revenues and number of brands in the market. In addition, interest in the technology and awareness of Fruitflow continues to develop. These trends, together with the availability of the powder format are a source of continued optimism for the prospects of this novel technology.

With the investment cycle completed for Fruitflow the Provexis Group has continued to focus keenly on costs. Since March 2013, the Provexis Group has closed its facility at the University of Aberdeen. Residual ongoing costs for the Provexis Group are largely related to intellectual property maintenance and management time related to the Alliance Agreement.

The Provexis Group continues to work closely with DSM to explore all avenues for growing revenues from Fruitflow. The number of regional brands containing Fruitflow continues to steadily increase and the availability of the international powder format enhances further the

prospects for the technology. While the economic climate is still affecting the attitude of global brand owners towards large-scale innovation, the Board believes that the general outlook is positive.

### ***Science in Sport***

Revenue for the financial year ended March 2013 was £5.52m, representing like for like revenue growth of 11 per cent. compared to the same period last year. Growth was constrained to 7 per cent. in the first half due to poor weather and adverse trading conditions. However trading in the second half of the financial year was much stronger as a range of initiatives took effect, resulting in second half revenue growth of 17 per cent. and final quarter revenue growth of 25 per cent. This momentum has been carried into the new financial year.

The outlook for Science in Sport is positive as it continues to invest in marketing, sales and direct selling to drive revenue growth, underpinned by an increasingly effective supply chain. With current sales momentum and the continued resilience in the sports nutrition category, the Board believes Science in Sport is well placed for strong growth for the coming year and beyond.

Further information on the financial performance of Science in Sport for the financial year ended 31 March 2013 is contained within the Science in Sport Admission Document, enclosed with this document.

## **7. Board, organisational structures and corporate governance**

The Provexis Group currently has a strong and experienced management team. Following the Demerger, this team will form the core of the management boards of each of Provexis and Science in Sport, ensuring appropriate continuity for both businesses.

As detailed in section 2 of this Part I ("*Background and reasons for the Demerger*"), one of the reasons for the Demerger is to align the Company's day to day operational management and on-going cost base to the needs of the Fruitflow Business. To this end Provexis intends to reduce the number of people engaged by Provexis following the Demerger to two part-time executive directors and two non-executive directors only.

### ***Provexis***

The Board of Provexis following the Demerger will be as follows:

Dawson Buck (*Non-Executive Chairman*)

Krijn Rietveld (*Non-Executive Director*)

Stephen Moon (*Chief Executive Officer*)

Ian Ford (*Finance Director*)

Mr Moon and Mr Ford will enter into revised terms of engagement with the Company, effective as of the Demerger Effective Date, governing their revised engagement terms with the Company. Further details on each of their agreements are set out in section 5 of Part VI of this document.

John Clarke, currently a Non-Executive Director, of the Company will resign as a Director of Provexis following the Demerger Effective Date.

### ***Corporate governance***

The Board fully supports the underlying principles of corporate governance contained in the UK Corporate Governance Code notwithstanding that it is not required to comply with such recommendations. It has sought to comply with the provisions of the Corporate Governance Code, in so far as is practicable and appropriate for a public company of its size and nature, and recognises its overall responsibility for the Company's systems of internal control and for monitoring their effectiveness.

The main features of the Company's corporate governance procedures following the Demerger, which do not constitute full compliance with the UK Corporate Governance Code, are as follows:

- (i) the Board only has one independent non-executive director (*Dawson Buck*);
- (ii) the Company has an audit committee, a nomination committee and a remuneration committee. The audit committee has unrestricted access to the Provexis Group's auditors and will ensure that auditor independence has not been compromised;

- (iii) all business activity is organised within a defined structure with formal lines of responsibility and delegation of authority, including a schedule of “matters referred to the Board”; and
- (iv) regular monitoring of Provoxis’ performance indicators and financial results together with comparison of these against expectations.

#### *Audit Committee*

The Company has established a new Audit Committee which comprises the non executive directors of Provoxis following completion of the Demerger and chaired by Dawson Buck. The Audit Committee will meet with the auditors no less than twice each year and is responsible for making recommendations to the Board on the appointment of the auditors and the audit fee, for reviewing the conduct and control of the annual audit and for reviewing the operation of the Company’s internal financial controls. It also has responsibility for the reporting of the financial performance of the Company and for reviewing financial statements prior to publication.

#### *Remuneration Committee*

The Company has established a new remuneration committee which comprises the non-executive directors of Provoxis following completion of the Demerger and chaired by Dawson Buck. The remuneration committee will meet at least once a year and at such other times as the Chairman of the Committee shall require and it will review the performance of the executive directors and will set the scale and structure of their remuneration and the basis of their service agreements with due regard to the interests of Provoxis Shareholders. It is a rule of the remuneration committee that a Director shall not participate in discussions or decisions concerning their own remuneration.

#### *Nomination Committee*

The Company has established a nomination committee which comprises the non-executive directors of Provoxis following completion of the Demerger and chaired by Dawson Buck. The nomination committee will meet at least once a year and at such other times as the Chairman of the Committee shall require and has the responsibility for leading the process for Board appointments and making recommendations to the board accordingly via a formal, transparent and rigorous appointment procedure.

The Company has adopted an appropriate code for Directors’ dealings and will take all reasonable steps to ensure compliance by Directors and any relevant employees in due course.

#### *Day to day management of Provoxis*

Following the Demerger, Stephen Moon, Chief Executive Officer, will manage the relationship with DSM, lead all commercial aspects of the business and deal (together with Dawson Buck) with investor relations. Ian Ford, Finance Director, will deal with financial reporting and controls, management of company advisers and company secretarial matters.

#### ***Science in Sport***

The Board of Science in Sport following the Demerger will be as follows:

John Clarke (*Non-Executive Chairman*)  
Dawson Buck (*Non-Executive Director*)  
Stephen Moon (*Chief Executive Officer*)

Science in Sport is expected to have approximately 50 employees following the Demerger Effective Date. Further details on the Board of Science in Sport are set out in the Science in Sport Admission Document enclosed with this document.

Full details of the corporate governance policy of Science in Sport and the Audit, Remuneration and Nomination committees of Science in Sport are set out in the Science in Sport Admission Document.

The biographies of the members of the boards of both companies are set out in section 3 of Part VI.

## 8. Financial effects of the Demerger

The illustrative financial effect of the Demerger on Provexis' assets and liabilities as at 31 March 2013 will be to reduce net assets by an estimated £7.1 million. The Board expects one-off cash costs arising from the Demerger and other proposals set out in this document to be paid by the Company to be less than £0.1 million. The remaining one-off cash costs arising from the Demerger and proposals set out in this document, and the Science in Sport Admission Document will be paid by Science in Sport. These one-off cash costs total approximately £0.3 million will be paid by Science in Sport out of the gross proceeds of the Science in Sport Placing. Science in Sport will also make a payment of £0.25 million to satisfy an existing inter-company loan between SiS and Provexis, further details of which are in the *pro forma* setting out the financial effects of the Demerger contained in Section B of Part V of this document.

The central costs of running Provexis following the Demerger are estimated to fall to £0.25 million per annum. The Directors believe the Provexis Group will have sufficient working capital, assuming no revenue or external funding, until March 2015.

As part of the Demerger the Company's existing equity draw down facility with Darwin will remain in place.

## 9. Dividend policies

### *Provexis*

The Company does not currently pay a dividend and the Board does not anticipate paying dividends in the near future.

### *Science in Sport*

The board of Science in Sport do not anticipate paying dividends in the foreseeable future but may recommend distributions at some future date depending upon the generation of substantial profits.

## 10. Risk factors

Provexis Shareholders should consider carefully the risks and uncertainties set out in Part II: "Risk Factors" relating to the Demerger, the Provexis Group (in the context of the Demerger), the Science in Sport Group (in the context of the Demerger) and the Science in Sport Ordinary Shares, along with all of the information set out in this document. If any or a combination of these risks actually occurs, the market price of the shares in Provexis and/or Science in Sport may decline.

## 11. Share option schemes

The Company currently has three share option schemes being the Provexis 2005 Share Option Scheme, the Provexis 2005 EMI Share Option Contract Scheme and the Nutrinovator 2004 Employee Share Option Scheme. The total number of unexercised options under the share option schemes is 90,071,648 Provexis Ordinary Shares.

On 27 June 2013, following a recommendation from the Company's Remuneration Committee at a meeting on 1 May 2012, the Company agreed to grant new options over Provexis Ordinary Shares, under the Provexis 2005 Share Option Scheme to certain individuals as follows:

Name	Exercise Period	Number of options over Provexis Ordinary Shares	Exercise Price	Total number of options over Provexis Ordinary Shares following grant
Dawson Buck	1 April 2016 to 28 June 2023	7,000,000	1.475 pence	7,000,000
Stephen Moon	1 April 2016 to 28 June 2023	14,000,000	1.475 pence	52,117,620
Ian Ford	1 April 2016 to 28 June 2023	7,000,000	1.475 pence	25,000,000
John Clarke	1 April 2016 to 28 June 2023	7,000,000	1.475 pence	7,000,000
Luke Heeney	1 April 2016 to 28 June 2023	5,000,000	1.475 pence	10,000,000

The Company's Remuneration Committee resolved to grant the options set out above on 8 May 2012. Since this date however the Company has been unable to grant the options as the Company has been in an extended closed period as the Board has considered and pursued a number of corporate actions, including the proposals set out in this document.

The Company's Remuneration Committee believes options are the best way to align the interests of senior management with those of Provexis Shareholders, especially following the Demerger and the revised terms of engagement for Mr. Moon and Mr. Ford, further details of which are set out in Section 5 of Part VI.

Following the issue of the new Options, as set out above, the total number of Provexis Ordinary Shares under option as of the date of this document which could be issued if all of the performance criteria are met is 130,071,648 Provexis Ordinary Shares.

#### ***Effect of the Demerger on the share option schemes***

Following completion of the Demerger, the Remuneration Committee intend to make appropriate adjustments to the outstanding awards under Provexis' share option schemes. Adjustments may be made to the number of shares comprising, and the exercise price of, any award together with any performance conditions in respect thereof. An announcement will be made to Provexis shareholders as and when this adjustment is made.

The existing Provexis share option schemes will continue for the benefit of individual holders post-Demerger.

In respect of options issued to individuals under the Provexis 2005 Share Option Scheme and under the Provexis 2005 EMI Share Option Contract Scheme, an advance assurance will be sought from HMRC to approve the variation in the exercise price arising out of the Demerger for unexercised options at the Demerger Effective Date.

Following the Demerger it is intended that further share options over Science in Sport Ordinary Shares will be issued to the directors and executive team of Science in Sport. Details of those share options are set out in more detail in the Science in Sport Admission Document.

## **12. Taxation**

The attention of Provexis Shareholders is drawn to Part IV of this document.

Provexis Shareholders who are in any doubt as to their tax position or who are subject to tax in a jurisdiction other than the UK should contact their professional advisers immediately. The absence of any reference to the tax consequences of the Demerger for Provexis Shareholders who are subject to tax in any other particular jurisdiction should not be taken to imply that the implementation of the Demerger might not have adverse tax consequences for such Provexis Shareholders.

## **13. Overseas Shareholders**

The implications of the Demerger for Overseas Shareholders may be affected by the laws of the jurisdiction in which they are resident or otherwise located. Overseas Shareholders should inform themselves about and observe all applicable legal requirements.

It is the responsibility of any person into whose possession this document comes to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection with the allotment and issue of Science in Sport Ordinary Shares pursuant to the Demerger, including the obtaining of any governmental, exchange control or other consents which may be required and/or compliance with other necessary formalities which are required to be observed and the payment of any issue, transfer or other taxes or levies due in such jurisdiction.

## **14. General Meeting**

You will find set out at the end of this document a Notice of General Meeting of the Company to be held at the offices of Shoosmiths LLP, Apex Plaza, Forbury Road, Reading RG1 1SH on 15 July 2013 at 10.00 a.m. at which the Resolutions will be proposed.

The 4 resolutions that are to be proposed at the General Meeting are:

**(1) Authority to allot Shares**

Resolution 1, which will be proposed as an ordinary resolution, is to authorise the Directors to allot the Science in Sport Cancellation Shares in connection with the Provexis Capital Reduction and the Redeemable Shares and otherwise to allot relevant securities up to £506,167 in nominal value (representing approximately one third of the share capital of the Company) after the steps contemplated by the Resolutions provided that such authority shall (subject to limited exceptions), expire fifteen months from the passing of the resolution or, if earlier, the conclusion of the next annual general meeting of Provexis.

**(2) Authority for Provexis Capital Reduction**

Resolution 2, which is proposed as a special resolution and which is conditional on the passing of Resolution 1 and confirmation of the Court, is to approve the terms of the Provexis Reduction of Capital by the cancellation of the Deferred Shares followed by the cancellation of the Science in Sport Cancellation Shares and the reduction of the share premium account of Provexis and to approve the necessary amendments to the Articles.

**(3) Approve the Demerger**

Resolution 3, which will be proposed as an ordinary resolution, and which is conditional on the passing of Resolutions 1 and 2 and confirmation of the Court, is to approve the return of capital to the holders of Provexis Ordinary Shares to be satisfied by the transfer by Provexis to Science in Sport of the entire issued share capital of SiS in consideration for the issue by Science in Sport to the holders of Provexis Ordinary Shares as at the Demerger Record Date of one Science in Sport Ordinary Share credited as fully paid for each one hundred Provexis Ordinary Shares (save that fractions of Science in Sport Ordinary Shares will not be issued and all fractional entitlements will be rounded up to the nearest whole number) and to approve the Demerger for the purposes of Rule 15 of the AIM Rules.

**(4) Authority to allot Provexis Ordinary Shares on a non pre-emptive basis**

Resolution 4, which is proposed as a special resolution and which is conditional on the passing of Resolutions 1 and 2 and the Provexis Reduction of Capital becoming effective, dis-applies Provexis Shareholders' pre-emption rights in relation to the allotment of the Redeemable Shares and grants a further authority to allot equity securities for cash on a non pre-emptive basis up to an aggregate nominal amount of £151,866 (representing 10 per cent of the Company's issued share capital following the Provexis Reduction of Capital provided that such authority shall (subject to limited exceptions), expire fifteen months from the passing of the resolution or, if earlier, the conclusion of the next annual general meeting of Provexis.

Provexis Shareholders should read the Notice of General Meeting at the end of this document for the full text of the Resolutions and for further details about the General Meeting.

The attention of Provexis Shareholders is also drawn to the voting intentions of the Directors and connected parties as set out in the paragraph entitled "Recommendation" below.

**15. Action to be taken**

Provexis Shareholders will find enclosed with this document a Form of Proxy for use in connection with the General Meeting. Whether or not Provexis Shareholders intend to be present at the General Meeting, they are requested to complete and return the Form of Proxy in accordance with the instructions printed thereon as soon as possible and, in any event, so as to be received by the Company's Registrars, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, not later than 48 hours before the General Meeting is scheduled to begin. The completion and return of the Form of Proxy will not preclude Provexis Shareholders from attending the General Meeting and voting in person should they so wish.

## 16. Further Information

Your attention is drawn to the risk factors in Part II of this document, the principal terms of the Demerger in Part III and the additional information in Part VI. Provexis Shareholders are advised to read the whole of this document and not only rely on the summary information contained in this letter.

Provexis Shareholders will also find accompanying this document: (i) a copy of the Science in Sport Admission Document, containing further details about the Science in Sport Business, its prospects and the Science in Sport Placing and (ii) a copy of the Audited Annual Accounts for the Company for the year ended 31 March 2013.

## 17. Documents available

Copies of this document, the Science in Sport Admission Document and the Audited Annual Accounts for the year ended 31 March 2013 will be available to the public, free of charge, at the Company's registered office at Kings Road House, 2 Kings Road, Windsor, Berkshire SL4 2AG during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) for one month from the date of this document.

This document is also available on the Company's website, [www.provexis.com](http://www.provexis.com).

## 18. Importance of the vote

**If the Demerger or any of the Resolutions are not approved by Provexis Shareholders the Board will be limited in its ability to implement the strategy of either the Provexis Business or the Science in Sport Business. Further, the Company would be forced to seek further finance immediately, most likely through the Provexis Group's existing equity draw down facility with Darwin or through an equity fundraising with existing Provexis Shareholders, albeit, that such funds realised may be insufficient to meet the on-going working capital requirements of the Company. The Board believe either of these fundraising routes, even if they raised sufficient funds to meet the working capital requirements of the Company, would greatly diminish the value of the Provexis Group. Accordingly, the Directors unanimously recommend that Provexis Shareholders vote in favour of the Resolutions.**

## 19. Recommendation

The Directors consider that the Resolutions are in the best interests of the Company and would promote the success of the Provexis Group for the benefit of Provexis Shareholders as a whole. Accordingly, the Directors recommend that Provexis Shareholders vote in favour of the Resolutions to be proposed at the General Meeting, as each Provexis Director has undertaken to do in respect of his own beneficial shareholdings, amounting in aggregate to 17,168,931 Provexis Ordinary Shares, representing approximately 1.1 per cent. of the Company's existing issued share capital.

Yours faithfully

Dawson Buck  
Non-Executive Chairman

## PART II

### RISK FACTORS

If the Demerger proceeds, Provexis Shareholders, who previously had an indirect interest in the Science in Sport Business, will have a direct interest in the Science in Sport Group and, accordingly, will be directly subject to risks affecting Science in Sport, its business, its results of operations and its financial condition.

This section addresses the existing and future material risks that relate to the Demerger, the Provexis Group (in the context of the Demerger), the Science in Sport Group (in the context of the Demerger), the Provexis Ordinary Shares and the Science in Sport Ordinary Shares. The risks below are not the only ones that the Provexis Group and the Science in Sport Group will face. Some risks are not yet known and some that are not currently deemed material could later turn out to be material. All of these risks could materially affect the Provexis Group or the Science in Sport Group, their respective incomes, operating profits, earnings, net assets, liquidity and capital resources. In such a case, the market price of the Provexis Ordinary Shares and/or the Science in Sport Ordinary Shares may decline and Provexis Shareholders could lose all or part of their investment.

Provexis Shareholders and prospective investors should read this section in conjunction with this entire document. Provexis Shareholders should read Part II of the AIM Admission Document to review the existing and future material risks that relate to the Science in Sport Group.

#### **Risks relating to the Demerger**

##### ***Working capital risks relating to the Demerger not proceeding***

Provexis Shareholders should be aware that if the Resolutions are not approved at the General Meeting and the Science in Sport Admission does not take place on or around 9 August 2013, the net proceeds of the Science in Sport Placing will not be received by Science in Sport. The Directors consider that this would not be in the best interests of Provexis or the Provexis Shareholders.

Subject to the Resolutions being approved at the General Meeting and the Science in Sport Placing taking place, the Directors believe that the Provexis Group will have sufficient working capital, assuming no revenue or external funding, until March 2015. If the Demerger is not approved by the Provexis Shareholders the Board would be limited in its ability to implement the strategy of either the Provexis Business or the Science in Sport Business. Further, the Company would be forced to seek further finance immediately, most likely through the Provexis Group's existing equity draw down facility with Darwin or through an equity fundraising with existing Provexis Shareholders, albeit, that such funds realised may be insufficient to meet the working capital requirements of the Company. The Board believe either of these fundraising routes, even if they raised sufficient funds to meet the working capital requirements of the Company, would greatly diminish the value of the Provexis Group.

##### ***Implementation of the Strategy***

Completion of the Demerger is subject, among other things, to the approval of the Demerger by the Provexis Shareholders at the General Meeting and confirmation of the Provexis Reduction of Capital by the Court. If completion of the Demerger does not occur, the Science in Sport Business will remain part of the Provexis Group, which may result in a delay in the execution of the business plan of the Science in Sport Business and the rest of the Provexis Group and may mean that the Science in Sport Business and the rest of the Provexis Group will be unable to realise the benefits that the Board has stated that it believes will result from the Demerger. This could have an adverse impact on Provexis' business, reputation, financial condition and/or operating results.

##### ***After the Demerger, each of the Provexis Group and the Science in Sport Group could fail to meet the challenges involved in operating successfully as stand-alone businesses***

Although the Provexis Board expects that the Demerger will result in benefits to both the Provexis Group and the Science in Sport Group, either the Provexis Group and/or the Science in Sport Group may not realise those benefits because of challenges relating to operating successfully as stand-alone businesses. These challenges include (i) demonstrating to interested parties that the

Demerger will not result in adverse changes in standards of business and impairment of relationships with customers or employees as a result of the Demerger; (ii) retaining Science in Sport personnel; (iii) distraction of management; and (iv) difficulty in effectively marketing and communicating the capabilities of the Provexis Group and/or the Science in Sport Group as a successful stand-alone business.

Any failure of the Science in Sport Group and/or the Provexis Group to meet the challenges involved in setting up and/or separating its systems and functions, operating as a stand-alone business or to realise any of the anticipated benefits of the Demerger could have an adverse impact on the relevant group's business, reputation, financial condition and/or operating results.

#### ***The Demerger may fail to realise anticipated benefits***

There can be no guarantee that either the Science in Sport Group or the Provexis Group will realise any or all of the anticipated benefits of the Demerger, either in a timely manner or at all. If either the Science in Sport Group or the Provexis Group fails to realise some or all of the anticipated Demerger benefits, it could have an adverse impact on the relevant group's business, reputation, financial condition and/or operating results.

#### **Risks relating to Provexis (in the context of the Demerger)**

##### ***History of operating losses and accumulated deficit and ability to secure funding***

Provexis has experienced operating losses in each year since its inception. Accordingly until Provexis has sufficient commercial success with Fruitflow to be cash generative it will continue to rely on its existing cash resources and further funding rounds to continue its activities. While Provexis aims to generate licensing revenues from Fruitflow, there is no certainty that such revenues will be generated. Furthermore, the amount and timing of revenues from Fruitflow is uncertain and will depend on numerous factors, most of which are outside Provexis' control due to the terms of the Alliance Agreement. It is therefore difficult for the Directors to predict with accuracy the timing and amount of any further capital that may be required by the Provexis Group.

Factors that could increase Provexis' funding requirements include, but are not limited to higher operational costs; slower progress than expected in DSM attracting customers to purchase Fruitflow; unexpected opportunities to develop additional products or acquire additional technologies, products or businesses; and costs incurred in relation to the protection of Provexis' intellectual property.

Any additional share issues may have a dilutive effect on Provexis Shareholders. Further, there can be no guarantee or assurance that additional equity funding will be forthcoming when required, nor as to the terms and price on which such funds would be available, nor that such funds, if raised, would be sufficient to enable Provexis to meet its working capital requirements.

##### ***Early stage of operations***

Whilst the Provexis Group has generated small levels of profit share revenue from Fruitflow, Fruitflow is still at an early stage of its commercial development. There are a number of operational, strategic and financial risks associated with early stage companies and products. The Provexis Group faces risks frequently encountered by early stage and pre-revenue companies looking to commercialise new (food) technology. In particular, the future growth and prospects of Provexis will be heavily dependent on its alliance partner, DSM, in securing product sales on appropriate terms and to attract customers who can produce products that will maximise the revenue potential of Fruitflow.

Provexis is heavily dependent on DSM in marketing and selling Fruitflow to achieve market acceptance, market penetration and, ultimately, sales of products that contain Fruitflow in sufficient commercial volumes.

The development of Provexis' revenues is difficult to predict and there is no guarantee that Provexis will generate increasing revenues in the foreseeable future. Further there can be no assurance that Provexis' proposed operations will be profitable or produce a reasonable return, if any, on investment.

##### ***Commercialisation***

Due to the terms of the Alliance Agreement, Provexis is solely dependent on DSM in respect of the development, production, marketing and commercialisation of Fruitflow. Fruitflow is solely reliant on DSM under the terms of the Alliance Agreement for its commercialisation.

Provexis' long-term success is fully dependent on the ability of DSM to sell Fruitflow. Provexis' negotiating position with DSM if they choose to vary the Alliance Agreement may be affected by its size and limited cash resources relative to DSM who have substantial cash resources and established levels of commercial success. An inability to enter into any discussions with DSM on equal terms could lead to reduced revenue from the Alliance Agreement and this may have a significant adverse effect on Provexis' business, financial condition and results.

The loss of, or changes affecting, Provexis' relationships with DSM could adversely affect Provexis' results or operations as Provexis has limited input on the sales strategies of Fruitflow adopted by DSM. Furthermore, although Provexis has sought to include performance obligations on DSM in the Alliance Agreement, there is a risk that DSM may reprioritise Fruitflow within their product portfolio resulting in Provexis achieving sales below that which it expects. Any such situation may have a material and adverse effect on Provexis' business, financial condition and results of operations.

#### ***Profitability depends on the success and market acceptance of Fruitflow***

The success of Provexis will depend on the market's acceptance and valuing of Fruitflow and there can be no guarantee that this acceptance will be forthcoming or that Provexis' technologies will succeed. The development of a market for Fruitflow will be affected by many factors, some of which are beyond Provexis' control, including the emergence of newer, more successful food IP and products and the cost of Fruitflow. Notwithstanding the health claims made in respect of Fruitflow, there can be no guarantee that Provexis' targeted customer base for the product will purchase or continue to purchase the product. If a market fails to develop or develops more slowly than anticipated, Provexis may be unable to recover the losses it may have incurred in the development of Fruitflow and may never achieve profitability.

#### ***Limited product offering***

Provexis will only have one product, Fruitflow, following the Demerger, and any problems with the commercial success of Fruitflow will impact the financial performance of Provexis. Provexis does not have sufficient funds to develop new functional food technology or alternative product versions of Fruitflow.

Further, should revenue from the Alliance Agreement not meet the expectations of the Board, this will have a larger impact on the Provexis Group than it would have had on the Provexis Group prior to the Demerger.

#### ***Intellectual property protection***

Provexis is heavily dependent on its intellectual property and, in particular, its patents. No assurance can be given that any pending patent applications or any future patent applications will result in granted patents, that any patents will be granted on a timely basis, that the scope of any copyright or patent protection will exclude competitors or provide competitive advantages to Provexis, that any of Provexis' patents will be held valid if challenged, or that third parties will not claim rights in or ownership of the copyright, patents and other proprietary rights held by Provexis.

Further, there can be no assurance that others have not developed or will not develop similar products, duplicate any of Provexis' products or design around any patents held by Provexis. Others may hold or receive patents which contain claims having a scope that covers products developed by Provexis (whether or not patents are issued to Provexis).

Provexis may rely on patents to protect its assets. These rights act only to prevent a competitor copying and not to prevent a competitor from independently developing products that perform the same functions. No assurance can be given that others will not independently develop or otherwise acquire substantially equivalent functional food IP or otherwise gain access to Provexis' unpatented proprietary technology or disclose such technology or that Provexis can ultimately protect meaningful rights to such unpatented technology.

Once granted, a patent can be challenged both in the patent office and in the courts by third parties. Third parties can bring material and arguments which the patent office granting the patent may not have seen. Therefore, issued patents may be found by a court of law or by the patent office to be invalid or unenforceable or in need of further restriction.

A substantial cost may be incurred if Provexis is required to assert its intellectual property rights, including any patents or trade marks against third parties. Litigation is costly and time consuming and there can be no assurance that Provexis will have, or will be able to devote, sufficient

resources to pursue such litigation. Potentially unfavourable outcomes in such proceedings could limit Provexis' intellectual property rights and activities. There is no assurance that obligations to maintain Provexis' know how would not be breached or otherwise become known in a manner which provides Provexis with no recourse.

Any claims made against Provexis' intellectual property rights, even without merit, could be time consuming and expensive to defend and could have a materially detrimental effect on Provexis' resources. A third party asserting infringement claims against Provexis could require Provexis to cease the infringing activity and/or require Provexis to enter into licensing and royalty arrangements. The third party could also take legal action which could be costly. In addition, Provexis may be required to develop alternative non-infringing solutions that may require significant time and substantial unanticipated resources. There can be no assurance that such claims will not have a material adverse effect on Provexis' business, financial condition or results.

### ***Forward looking statements***

This document contains certain forward-looking statements that are subject to certain risks and uncertainties, in particular statements regarding Provexis' plans, goals and prospects. These statements and the assumptions that support them are based on the current expectations of the Directors and are subject to a number of factors, many of which are beyond their control. As a result, there can be no assurance that actual performance of Provexis will not differ materially from the matters described in this document.

### ***Significant trading volumes of Provexis Ordinary Shares in the public market in the period post Demerger and subsequently could impact the share price***

Following the Demerger there may be a period of relatively high volume trading in the Provexis Ordinary Shares as the shareholder register of Provexis finds its natural composition. The Directors are unable to predict whether substantial amounts of the Provexis Ordinary Shares will be sold in the open market following the Demerger. Sales of a substantial number of the Provexis Ordinary Shares in the public market after the Demerger, or the perception that these sales might occur, could depress the market price of the Provexis Ordinary Shares.

### ***Dependence on Provexis executives and personnel***

The Company's future success is substantially dependent on the continued services and performance of its executive Directors. The Directors cannot give assurances that members of the executive Directors will remain with the Company. The loss of the services of the executive Directors could damage Provexis' business.

## **Risks relating to Science in Sport (in the context of the Demerger)**

### ***Effect of Demerger***

The Demerger may result in additional overhead costs and disruption to the day-to-day administration of the Science in Sport Business. Demerging the Science in Sport Business and the proposed Science in Sport Admission will result in increased administrative and regulatory costs and burdens that are not reflected in the historical financial statements of the Science in Sport Business. Further, the Science in Sport Business infrastructure and day-to-day corporate governance regime will be required to operate on a stand-alone basis. Although the Demerger is being structured with a view to ensuring that the transition to a stand-alone entity will go smoothly, all the above could adversely affect Science in Sport.

### ***Science in Sport has no history operating as a plc and will experience increased costs after the Demerger which could adversely affect overall profitability***

Historically, Provexis has performed and provided support for a number of important corporate functions for Science in Sport's operations.

Science in Sport will need to replicate certain facilities, systems, infrastructure and personnel to which the Science in Sport Group may no longer have access after the Demerger. The Science in Sport Group will incur costs associated with developing and implementing its own support functions in these areas. In addition, there may be an operational impact on the Science in Sport Group's business as a result of the significant time of the directors of the Science in Sport Group, senior management and other employees and internal resources that will need to be dedicated to building these capabilities during the period following the Demerger that otherwise would be available for other business initiatives and opportunities. If the Science in Sport Group does not have in place

adequate systems and business functions, or obtain them from other providers, the Science in Sport Group may not be able to operate effectively and profitability may be affected as a consequence.

#### **Risks relating to Science in Sport Ordinary Shares**

##### ***Science in Sport Ordinary Shares will be unquoted and there is no guarantee that Science in Sport Admission will become effective***

Upon the Demerger becoming effective, Provexis Shareholders will receive unquoted Science in Sport Ordinary Shares. Whilst the Science in Sport Board intends to apply for Science in Sport Admission on or around 9 August 2013, there can be no guarantee that this will take place. Until such time as Science in Sport Admission, the Science in Sport Ordinary Shares will not be listed or traded on any other exchange or other trading facility and this will significantly limit the liquidity and marketability of Science in Sport Ordinary Shares.

##### ***There is no prior public trading of Science in Sport Ordinary Shares***

Until the proposed Science in Sport Admission, there will have been no public trading market for the Science in Sport Ordinary Shares. Although it is proposed that Science in Sport will apply for the Science in Sport Ordinary Shares to be admitted to trading on AIM, there can be no assurance that an active trading market for the Science in Sport Ordinary Shares will develop or, if one does develop, that it will be sustained following Science in Sport Admission. If an active trading market does not develop or is not maintained, the liquidity and trading price of the Science in Sport Ordinary Shares could be adversely affected.

##### ***Significant trading volumes of Science in Sport Ordinary Shares in the public market in the period post Demerger and subsequently could impact the share price***

Following the proposed Science in Sport Admission of the Science in Sport Ordinary Shares there may be a period of relatively high volume trading in the Science in Sport Ordinary Shares as the shareholder register of Science in Sport finds its natural composition. The Science in Sport Directors are unable to predict whether substantial amounts of the Science in Sport Ordinary Shares will be sold in the open market following the proposed Science in Sport Admission. Sales of a substantial number of the Science in Sport Ordinary Shares in the public market after the proposed Science in Sport Admission, or the perception that these sales might occur, could depress the market price of the Science in Sport Ordinary Shares.

##### ***Science in Sport may decide to offer additional Science in Sport Ordinary Shares in the future, diluting the interests of existing Science in Sport Shareholders and potentially adversely affecting the market price of the Science in Sport Ordinary Shares***

Whilst there is no present intention to do so, other than pursuant to the Science in Sport Placing and the options to be issued by Science in Sport, if Science in Sport decides to offer additional Science in Sport Ordinary Shares or other securities convertible into Science in Sport Ordinary Shares in the future, this could dilute the interests of existing Science in Sport Shareholders and/or have an adverse impact on the market price of Science in Sport Ordinary Shares. An additional offering by Science in Sport, or the public perception that an offering may occur, could have an adverse impact on the market price of the Science in Sport Ordinary Shares.

#### **Source of funds**

If future revenues are not sufficient to finance the Science in Sport Business development and commercialisation strategies, the Science in Sport Group may need to raise additional capital from equity or debt sources. Equity financing may be dilutive to Science in Sport's then shareholders or result in the issuance of securities whose rights, preference and privileges are senior to those of the owners of Science in Sport Ordinary Shares. If any such future funding requirements are met through debt financing, the Science in Sport Group may be required to adhere to covenants restricting its future operational and financial activities. If the Science in Sport Group is unable to secure additional funds when needed or cannot do so on terms it finds acceptable, it may be unable to expand its operations, take full advantage of future commercial opportunities or respond adequately to competitive pressures, any of which may have a materially adverse effect on its business and results of operations.

## PART III

### FURTHER DETAILS OF THE DEMERGER

A new independent company, Science in Sport, has been established as the holding company to which SiS will be transferred. Science in Sport will be an unquoted public limited company pending the Science in Sport Admission. The Demerger is conditional, among other things, upon the passing of the Resolutions (including the Demerger Resolution) to be proposed at the General Meeting and the confirmation of the Provexis Reduction of Capital by the Court. The Demerger is expected to become effective on 9 August 2013. The notice of the General Meeting is set out at the end of this document.

#### 1. The issue of Science in Sport Cancellation Shares

In order for the Demerger to benefit from the tax treatments summarised in Part IV of this document, the capital reduced, cancelled and returned to Provexis Shareholders must include the complete cancellation of a class of share held by all the Provexis Shareholders and with the right to income and capital from Provexis' holding of SiS Ordinary Shares. This will be a new class of shares, the Science in Sport Cancellation Shares, and will be issued solely for the purposes of the Demerger. Share certificates will not be issued in respect of the Science in Sport Cancellation Shares.

The Science in Sport Cancellation Shares will be allotted and issued as a bonus issue from Provexis' share premium account to the holders of Provexis Ordinary Shares who are registered on the Provexis Share Register at the Demerger Record Time on the basis of:

one Science in Sport Cancellation Share for every one Provexis Ordinary Shares

#### 2. The Provexis Reduction of Capital

The Provexis Reduction of Capital will involve the cancellation of the Deferred Shares of £3.6 million, followed by the cancellation of the Science in Sport Cancellation Shares and the reduction of Provexis' share premium account (having together an aggregate amount of £8.5 million). The amount of capital cancelled on the Deferred Shares will be credited to Provexis' profit and loss reserve, and the amount of capital reduced and cancelled on the Science in Sport Cancellation Shares and Provexis' share premium account will be returned to the Provexis Shareholders in the form of Science in Sport Ordinary Shares to be issued credited as fully paid by Science in Sport in accordance with the terms of the Demerger Agreement following the transfer to Science in Sport of the SiS Ordinary Shares by Provexis. The amount of capital so reduced and cancelled on the Science in Sport Cancellation Shares and the related reduction in Provexis' share premium account will have a value equal to the market value of the SiS Ordinary Shares as at the Demerger Effective Date.

The Science in Sport Ordinary Shares will be allotted and issued to the holders of Provexis Ordinary Shares who are registered on the Provexis Share Register at the Demerger Record Time on the basis of:

one Science in Sport Ordinary Share for every one hundred Provexis Ordinary Shares

held by them (save that all fractional entitlements to a Science in Sport Ordinary Share will be rounded up to the nearest whole number) at that time and save that the number of Science in Sport Ordinary Shares to be allotted and issued to Stephen Moon will be reduced by the number of Science in Sport Ordinary Shares already held by him so that, upon the Demerger becoming effective, all Provexis Shareholders will hold one Science in Sport Ordinary Share for every one hundred Provexis Ordinary Shares held at the Demerger Record Time (save that fractions of a Science in Sport Ordinary Share will not be issued and all fractional entitlements will be rounded up to the nearest whole number).

Provexis Shareholders will continue to hold their existing shares in Provexis.

The Provexis Reduction of Capital will require approval by Provexis Shareholders by way of a special resolution to be proposed at the General Meeting and will also require the confirmation of the Court. The Provexis Reduction of Capital will not become effective until registration by the Registrar of Companies of a copy of the Provexis Reduction Court Order and statement of capital confirming the Provexis Reduction of Capital.

The Provexis Reduction Court Hearing to confirm the Provexis Reduction of Capital is expected to be held on 7 August 2013, and the Provexis Reduction of Capital is expected to become effective on 8 August 2013.

In circumstances where an amount derived from a cancellation of a company's shares and reduction of share premium account is to be returned to a company's shareholders, the Court may require protection of those creditors of the company whose debts remain outstanding as at the date on which the cancellation of the company's shares and reduction of share premium account become effective, unless such creditors agree otherwise. Provexis is seeking the consent of certain of its creditors. If so required by the Court, appropriate arrangements will be made for the protection of any other creditors of Provexis whose debts will remain outstanding as at the date on which the Provexis Reduction of Capital becomes effective.

### **3. Capital Reduction Demerger**

The Demerger is to be effected by Provexis returning to Provexis Shareholders capital in an amount equal to the market value of the SiS Ordinary Shares as at the Demerger Effective Date. The return of capital to Provexis Shareholders will be satisfied by the transfer by Provexis to Science in Sport of the SiS Ordinary Shares and the allotment and issue of Science in Sport Ordinary Shares credited as fully paid to the holders of Provexis Ordinary Shares who are registered on the Provexis Share Register at the Demerger Record Time in accordance with the terms of the Demerger Agreement on the basis of:

One Science in Sport Ordinary Share for every one hundred Provexis Ordinary Shares held by them (save that all fractional entitlements to a Science in Sport Ordinary Share will be rounded up to the nearest whole number).

Based on the number of Provexis Ordinary Shares in issue on 27 June 2013 (the latest practicable date prior to the publication of this document) and assuming that Admission of the Science in Sport Ordinary and Placing Shares has taken place, approximately 19,380,225 Science in Sport Ordinary Shares will be in issue on Science in Sport Admission.

### **4. Conditions**

The Demerger is conditional on, *inter alia*, the following matters:

- (i) the approval by the Provexis Shareholders of the Shareholder Resolutions;
- (ii) the confirmation of the Provexis Reduction of Capital by the Court;
- (iii) the tax clearances summarised in Part IV of this document being obtained from HMRC (which has occurred); and
- (iv) no other events or developments occurring or existing that, in the judgment of the Board, in its sole and absolute discretion, would make it inadvisable to effect the Demerger.

It should be noted that, although it is currently Provexis' intention that the Demerger should be concluded, Provexis is entitled to decide not to proceed with the Demerger at any time prior to the granting by the Court of the Provexis Reduction Court Order at the Provexis Reduction Court Hearing if it determines that it would not be in the interests of Provexis Shareholders. The Demerger is not conditional on Science in Sport Admission. Furthermore, whilst immediately after the Demerger Science in Sport will be an unquoted company, the Science in Sport Board intends to seek Science in Sport Admission on or around 9 August 2013.

### **5. Dealings, share certificates and CREST**

Science in Sport Ordinary Shares

The latest time and date for lodging transfers of Provexis Ordinary Shares with Equiniti Limited in order to be registered by the Demerger Record Time is 5.00 p.m. on 6 August 2013. The entitlement to receive Science in Sport Ordinary Shares pursuant to the Demerger is not transferable.

If the Resolutions are passed, no action need be taken by Provexis Shareholders to receive Science in Sport Ordinary Shares pursuant to the Demerger.

Provexis Shareholders who hold their Provexis Ordinary Shares in CREST are expected to have their CREST accounts credited with Science in Sport Ordinary Shares on 9 August 2013.

Definitive share certificates in respect of Science in Sport Ordinary Shares are expected to be posted to Provexis Shareholders who hold their Provexis Ordinary Shares in certificated form by 23 August 2013. Share certificates will be despatched at the Provexis Shareholders' risk to their registered address as on the Provexis Register. In the case of joint holders, certificates will be despatched to the person whose name appears first on the Provexis Register. Prior to despatch of definitive share certificates in respect of those Science in Sport Ordinary Shares, transfers of those Science in Sport Ordinary Shares will be certified against the register of members of Provexis. No temporary documents of title for Science in Sport Ordinary Shares will be issued.

## **6. Information for Overseas Shareholders**

Overseas Shareholders may be affected by the laws of other jurisdictions in relation to the Demerger.

Overseas Shareholders should inform themselves about and observe all applicable legal requirements. It is the responsibility of any person into whose possession this document comes to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in which they reside or are otherwise located in connection with the allotment and issue of Science in Sport Ordinary Shares following the Demerger, including the obtaining of any governmental, exchange control or other consents which may be required and/or compliance with other necessary formalities which are required to be observed and the payment of any issue, transfer or other taxes or levies due in such jurisdiction.

This document has been prepared for the purpose of complying with English law and the AIM Rules and the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws of jurisdictions outside the UK.

### **THIS DOCUMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITY.**

Overseas Shareholders should consult their own legal and tax advisers with respect to the legal and tax consequences of the Demerger in their particular circumstances.

## PART IV

### UK TAXATION

**The summary below does not constitute tax or legal advice. Any person who is in any doubt as to their tax position, or who is subject to taxation in any jurisdiction other than the United Kingdom, should consult their own professional adviser without delay.**

The following statements are intended only as a general guide to current UK law and HMRC published practice (both of which are subject to change at any time, possibly with retrospective effect). They relate only to certain limited aspects of the UK taxation treatment of Provexis Shareholders and are intended to apply only to persons who are resident and, if individuals, ordinarily resident and domiciled in the United Kingdom for UK tax purposes, who are absolute beneficial owners of Provexis Ordinary Shares (otherwise than through a self invested personal pension) and who hold them as investments (and not as securities to be realised in the course of a trade). They may not apply to certain Provexis Shareholders, such as dealers in securities, insurance companies and collective investment schemes, Provexis Shareholders who are exempt from taxation and Provexis Shareholders who have (or are deemed to have) acquired their Provexis Ordinary Shares by virtue of an office or employment. Such persons may be subject to special rules.

*The Science in Sport Admission Document will contain an explanation of certain UK tax consequences of holding, purchasing and disposing of Science in Sport Ordinary Shares.*

#### **1. Taxation of income**

##### ***Capital reduction demerger***

The cancellation of the Science in Sport Cancellation Shares and reduction of Provexis' share premium account under the Provexis Reduction of Capital represents a repayment of capital to Provexis Shareholders and consequently does not represent a distribution as defined in Part 23 of the Corporation Tax Act 2010. Accordingly, Provexis Shareholders should neither incur any liability to tax on income nor should they be entitled to any tax credit in respect of the Demerger.

##### ***Transactions in securities***

In certain circumstances, Chapter 1 of Part 13 of the Income Tax Act 2007 may apply where a person obtains a tax advantage as a consequence of a "transaction in securities". Under these provisions, HMRC can take steps in order to counteract a tax advantage obtained or obtainable by a person in consequence of any transaction or transactions in securities.

Clearance has been obtained from HMRC under section 701 ITA 2007 confirming that they are satisfied that the transactions involved in the Demerger are such that no notice under section 698 ITA 2007 should be served in respect of the proposed transactions.

#### **2. Taxation of chargeable gains**

##### ***Reduction of capital of Provexis***

Provexis Shareholders should not be treated as making a disposal or part disposal of their Provexis Ordinary Shares upon the Provexis Reduction of Capital, and so no chargeable gain or allowable loss should arise.

##### ***Section 138 Taxation of Chargeable Gains Act 1992***

Clearance has been obtained from HMRC under section 138 of the Taxation of Chargeable Gains Act 1992, the effect of which will be that Provexis Shareholders should not be treated, by virtue of the receipt of Science in Sport Ordinary Shares under the Demerger, as making a disposal or part disposal of their Provexis Ordinary Shares for the purposes of taxation of chargeable gains.

The Science in Sport Ordinary Shares issued to each holder of Provexis Ordinary Shares who is registered on the Provexis Share Register at the Demerger Record Time should be treated as the same asset and as having been acquired at the same time as the Provexis Ordinary Shares. On this basis, Provexis Shareholders should not incur a liability to taxation of chargeable gains in respect of the Demerger.

A Shareholder's base cost for Provexis Ordinary Shares should be apportioned between his Provexis Ordinary Shares and Science in Sport Ordinary Shares by reference to their respective market values on the first day on which the market values or prices are quoted or published for such shares.

### ***Subsequent disposal of Provexis Ordinary Shares or Science in Sport Ordinary Shares***

A subsequent disposal or deemed disposal of Provexis Ordinary Shares or Science in Sport Ordinary Shares by a shareholder who is resident or, in the case of an individual, ordinarily resident in the United Kingdom for tax purposes may, depending on individual circumstances (including the availability of exemptions and reliefs), give rise to a chargeable gain or an allowable loss for the purposes of United Kingdom taxation on chargeable gains.

### **3. Enterprise Investment Scheme ("EIS")**

In applying the EIS legislation in the Taxation of Chargeable Gains Act 1992, the Science in Sport Ordinary Shares issued to each holder of Provexis Ordinary Shares who is registered on the Provexis Share Register at the Demerger Record Time will not be treated as the same asset as the Provexis Ordinary Shares.

For the purposes of applying the EIS legislation, there will be a deemed disposal of the Provexis Ordinary Shares and a deemed acquisition of the Science in Sport Ordinary Shares for a price equivalent to the market value on the first day on which the market value or price is quoted or published. Any gain on the deemed disposal of the Provexis Ordinary Shares will be covered by the capital gains tax exemption on disposal of EIS shares.

A subsequent disposal or deemed disposal of Science in Sport Ordinary Shares by an individual shareholder who is resident or ordinarily resident in the United Kingdom for tax purposes and whose original subscription for Provexis Ordinary Shares qualified for tax relief under the EIS will not benefit from the capital gains tax exemption on disposal of EIS shares. The base cost for their Science in Sport Ordinary Shares will be equivalent to the market value on the first day on which the market value or price is quoted or published.

Any shareholder who deferred a capital gain (the previous gain) on their original subscription for Provexis Ordinary Shares under the EIS capital gains deferral relief will be deemed to have made a part disposal of their Provexis Ordinary Shares and the corresponding proportion of the previous gain will be subject to capital gains tax.

### **4. Stamp duty and stamp duty reserve tax ("SDRT")**

Paperless transfers of shares within CREST are generally liable to SDRT, rather than stamp duty, at the rate of 0.5 per cent. of the amount or value of the consideration payable. CREST is obliged to collect SDRT on relevant transactions settled within the CREST system. Under the CREST system, no stamp duty or SDRT should arise on a transfer of shares into the system unless such a transfer is made for a consideration in money or money's worth, in which case a liability to SDRT (usually at a rate of 0.5 per cent.) will arise.

No stamp duty or SDRT should generally arise on the issue of Science in Sport Ordinary Shares pursuant to the Demerger. Under applicable legislation, there would be a 1.5 per cent. SDRT charge on the issue of Science in Sport Ordinary Shares pursuant to the Demerger to certain other persons, being mainly persons providing clearance services or issuing depository receipts (or, in either case, their nominee or agent).

However, following European Court of Justice and First Tier Tribunal judgements, HMRC have confirmed that they will no longer seek to apply the 1.5 per cent. charge on the first issue of shares into a clearance service or depository system. Any charge which arises would strictly be the liability of the clearance service or depository receipt operator (or, in either case, their nominee or agent) but in practice will generally be reimbursed by the relevant Shareholder. It is recommended that, should this charge arise and Provexis Shareholders be responsible for it, they consult their own professional advisers without delay.

## PART V

### UNAUDITED PRO FORMA FINANCIAL INFORMATION

#### SECTION A – ACCOUNTANTS’ REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION OF PROVEXIS

28 June 2013

The Directors  
Provexis Plc  
Kings Road House  
2 Kings Road  
Windsor  
Berkshire  
SL4 2AG

The Directors  
Cenkos Securities plc  
6.7.8 Tokenhouse Yard  
London  
EC2R 7AS

Dear Sirs

#### **Provexis Plc (the “Company”)**

We report on the unaudited *pro forma* consolidated statement of net assets set out in Section B of Part V, which has been prepared for inclusion in the circular to shareholders issued by the Company and dated 28 June 2013 (the “Circular”) relating to the proposed reduction of capital and demerger of SiS. The statement has been prepared for illustrative purposes only on the basis set out therein to provide information about how the capital reorganisation and reduction, and demerger might have affected the financial information on the Company as at 31 March 2013. This report is required by paragraph 20.2 of Annex I of the Prospectus Rules as applied by part (a) of Schedule Two to the AIM Rules and is given for the purpose of complying with the AIM Rules and no other purpose.

#### **Responsibilities**

It is responsibility of the Directors of the Company to prepare the *pro forma* consolidated statement of net assets in accordance with paragraph 20.2 of Annex I of the Prospectus Rules as applied by part (a) of Schedule Two to the AIM Rules.

It is our responsibility to form an opinion, as required by paragraph 7 of Annex II of the Prospectus Rules as applied by part (a) of Schedule Two to the AIM Rules, as to the proper compilation of the *pro forma* consolidated statement of net assets and to report that opinion to you.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the *pro forma* consolidated statement of net assets, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

#### **Basis of opinion**

We conducted our work in accordance with the Standards for Investment Reporting Standards issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the *pro forma* consolidated statement of net assets with the Directors of the Company.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the *pro forma* consolidated statement of net assets has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

**Opinion**

In our opinion:

- (a) the *pro forma* consolidated statement of net assets has been properly compiled on the basis stated; and
- (b) such basis is consistent with the accounting policies of the Company.

**Declaration**

For the purposes of part (a) of Schedule Two to the AIM Rules we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import.

Yours faithfully

**CHANTREY VELLACOTT DFK LLP**  
**Chartered Accountants**

## PART V

### UNAUDITED PRO FORMA FINANCIAL INFORMATION

#### SECTION B – UNAUDITED PRO FORMA FINANCIAL INFORMATION

Set out below is an unaudited *pro forma* statement of net assets of Provexis, which has been prepared by the Directors on the basis of the notes set out below.

It is the sole responsibility of the Directors to prepare the *pro forma* statement of net assets. The *pro forma* statement of net assets has been prepared by the Directors to illustrate how the proposed demerger of SiS by the Company, an additional investment by Provexis in SiS and the repayment of a loan owed by SiS to the Company, would have affected the financial information on the Provexis Group as at 31 March 2013.

The *pro forma* statement of net assets has been prepared for illustrative purposes only and, because it addresses a hypothetical situation, does not represent the Provexis Group's actual consolidated financial position either prior to or following the proposed transaction.

	Provexis As at 31 March 2013 £	Adjustment 1 SiS £	Adjustment 2 Intangible assets and deferred tax £	Adjustment 3 Investment and inter company £	Pro forma £
<b>Assets</b>					
<b>Non-current assets</b>					
Intangible assets	6,553,502	(155,558)	(6,397,944)	—	—
Plant and equipment	634,920	(625,782)	—	—	9,138
Deferred tax	110,348	(110,348)	—	—	—
<b>Total non-current assets</b>	<b>7,298,770</b>	<b>(891,688)</b>	<b>(6,397,944)</b>	<b>—</b>	<b>9,138</b>
<b>Current assets</b>					
Inventories	913,387	(913,387)	—	—	—
Trade and other receivables	1,253,305	(1,080,854)	—	—	172,451
Inter company receivable	—	738,168	—	(738,168)	—
Corporation tax asset	288,801	(68,084)	—	—	220,717
Cash and cash equivalents	616,612	(138,841)	—	250,000	727,771
<b>Total current assets</b>	<b>3,072,105</b>	<b>(1,462,998)</b>	<b>—</b>	<b>(488,168)</b>	<b>1,120,939</b>
<b>Total assets</b>	<b>10,370,875</b>	<b>(2,354,686)</b>	<b>(6,397,944)</b>	<b>(488,168)</b>	<b>1,130,077</b>
<b>Liabilities</b>					
<b>Current liabilities</b>					
Trade and other payables	(1,787,569)	1,453,897	—	—	(333,672)
Borrowings	(64,774)	64,774	—	—	—
<b>Total current liabilities</b>	<b>(1,852,343)</b>	<b>1,518,671</b>	<b>—</b>	<b>—</b>	<b>(333,672)</b>
<b>Net current assets</b>	<b>1,219,762</b>	<b>55,673</b>	<b>—</b>	<b>(488,168)</b>	<b>787,267</b>
<b>Non-current liabilities</b>					
Borrowings	(161,871)	161,871	—	—	—
Deferred tax	(450,789)	—	450,789	—	—
<b>Total non-current liabilities</b>	<b>(612,660)</b>	<b>161,871</b>	<b>450,789</b>	<b>—</b>	<b>—</b>
<b>Total liabilities</b>	<b>(2,465,003)</b>	<b>1,680,542</b>	<b>450,789</b>	<b>—</b>	<b>(333,672)</b>
<b>Total net assets</b>	<b>7,905,872</b>	<b>(674,144)</b>	<b>(5,947,155)</b>	<b>(488,168)</b>	<b>796,405</b>

Adjustments

1. Net assets of SiS at 31 March 2013.
2. Intangible assets arising under IFRS 3 on the acquisition of SiS, and a deferred tax liability relating to the intangible assets.
3. An additional investment by the Company in SiS in June 2013, and the proposed repayment of a £250,000 loan owed by SiS to the Company.

#### Notes

1. The net assets of the Provexis Group as at 31 March 2013 have been extracted without adjustment from the Annual Report and Accounts of the Company for the year ended 31 March 2013, which has been sent to shareholders. The Annual Report and Accounts of the Company for the year ended 31 March 2013 are also available to download from the Company's website [www.provexis.com](http://www.provexis.com).
2. The net assets of SiS as at 31 March 2013 have been extracted without adjustment from the Financial Information of SiS set out in Section B of Part III of the Science in Sport Admission Document.
3. Save as set out above, no account has been taken of trading or other transactions of the Company or any of its subsidiary companies since 31 March 2013.

## PART VI

### ADDITIONAL INFORMATION

#### 1. Responsibility Statement

The Directors, whose names are set out in paragraph 3 below, and the Company, collectively and individually, accept responsibility for the information contained in this document. To the best of the knowledge and belief 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.

#### 2. Incorporation and registered office

The Company was incorporated and registered in England and Wales under the Companies Act 1985 with registered number 05102907 on 15 April 2004.

The Company is domiciled in England and Wales and its registered and head office is at Kings Road House, 2 Kings Road, Windsor, Berkshire SL4 2AG United Kingdom.

#### 3. Directors of the Company

The Directors of the Company are currently:

Dawson Buck (Age: 66) – Non-Executive Chairman  
Krijn Rietveld (Age: 56) – Non-Executive Director  
John Clarke (Age: 64) – Non-Executive Director  
Stephen Moon (Age: 56) – Chief Executive Officer  
Ian Ford (Age: 47) – Finance Director

The Directors of the Company following Demerger will be:

Dawson Buck (Age: 66) – Non-Executive Chairman  
Krijn Rietveld (Age: 56) – Non-Executive Director  
Stephen Moon (Age: 56) – Chief Executive Officer  
Ian Ford (Age: 47) – Finance Director

The Directors of Science in Sport on Science in Sport Admission will be:

John Clarke (Age: 64) – Non-Executive Chairman  
Dawson Buck (Age: 66) – Non-Executive Director  
Stephen Moon (Age: 56) – Chief Executive Officer

The biographies of the Directors of the Company following Demerger are set out below:

##### ***Dawson Buck, Non-Executive Chairman***

Dawson has over twenty years' senior international experience within the electronic security, property, retail and IT industries. Dawson was a founder and the CEO of Automated Loss Prevention Limited, which he led from its inception to its sale to the Sensormatic Electronic Corporation Inc. in 1992. Until 2005 Dawson was Deputy Chief Executive of ANGLE plc.

##### ***Krijn Rietveld, Non-Executive Director***

Krijn is a Senior Vice President at DSM Nutritional Products Limited ("DSM") and he is responsible for the Nutrition Innovation Group of DSM. Krijn joined the Board in August 2008 following DSM Venturing BV's investment in the Company, which was announced on 1 August 2008.

##### ***Stephen Moon, Chief Executive Officer***

Stephen has over 25 years' senior cross-functional experience in the grocery brands industry. Stephen was formerly the Strategy Planning and Worldwide Business Development Director for GlaxoSmithKline's Nutritional Healthcare business.

##### ***Ian Ford, Finance Director***

Ian has held senior finance positions with Rubicon Group plc and SITEL Europe plc, playing key roles in the rapid growth of these groups, including extensive merger and acquisition activity. Ian qualified as a Chartered Accountant in 1991 and his early career was with PricewaterhouseCoopers.

The biographies of the Directors of Science in Sport on Science in Sport Admission are set out below:

**John Clarke, Non-Executive Chairman**

John Clarke became a Non-Executive Director of the Company on 1 April 2012. John has extensive experience in the functional food and sports nutrition sectors, having worked at GlaxoSmithKline for more than 35 years. John was global President of GSK Consumer Healthcare from 2006 to 2011, and was a member of the GlaxoSmithKline plc Corporate Executive Team until March 2012. Under John's leadership from 2006 to 2011 GSK Consumer Healthcare was the fastest-growing business in the industry, growing by 60% and reaching sales of £5 billion despite recessionary environments in the majority of the business' markets. The business added £2 billion in turnover from 2006. John was responsible for the Lucozade brand including strategy, innovation programme, portfolio and global expansion for 15 years from 1996 to 2011, Lucozade achieved growth of 13 per cent CAGR (compound annual growth rate) throughout this period.

**Dawson Buck, Non-Executive Director**

Details of Mr Buck's biography are set out above.

**Stephen Moon, Chief Executive Officer**

Details of Mr Moon's biography are set out above.

**4. Directors' interests in the Company**

As at 27 June 2013 (being the latest practicable date prior to the publication of this document), the interests of each Director in the share capital of the Company is:

<b>Director</b>	<b>Number of Provexis Ordinary Shares</b>	<b>Percentage of Existing Provexis Ordinary Shares</b>
Dawson Buck *	12,906,433	0.8%
Stephen Moon	2,060,660	0.1%
Ian Ford	2,201,832	0.1%
John Clarke	0	0.0%
Krijn Rietveld **	—	—

\* Of the 12,906,433 Provexis Ordinary Shares that Dawson Buck is interested in 3,880,138 are held by a pension scheme of which Dawson Buck is the beneficiary and 1,668,333 are held by a pension scheme of which a member of the family of Dawson Buck is the beneficiary. The remaining Provexis Ordinary Shares are held directly by Dawson Buck.

\*\* Krijn Rietveld is a Director 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 Provexis Ordinary Shares.

Certain Directors have the following share options including options over Provexis Ordinary Shares granted as at the date of the document that enable them to subscribe for Provexis Ordinary Shares under the Company's share option schemes:

<b>Director</b>	<b>Number of Options</b>
Dawson Buck	7,000,000
Stephen Moon	52,117,620
Ian Ford	25,000,000
John Clarke	7,000,000

**5. Directors' Service Contracts and Letters of Appointment**

With effect from completion of the Demerger, and changes to the Board, there will be no service contracts or letters of appointment between any Director and the Company except for the service contracts and letters of appointment listed below:

<b>Executive Director</b>	<b>Contract Date</b>	<b>Notice Period</b>	<b>Fees</b>
Stephen Moon	28 June 2013	6 months	£1
Ian Ford	28 June 2013	3 months	£49,250

Mr Moon is also eligible for a performance-related bonus of such amount (if any) as the Company's Remuneration Committee may in its absolute discretion from time to time determine.

<b>Non-Executive Director</b>	<b>Date of Letter of Appointment</b>	<b>Notice Period</b>	<b>Fees</b>
Dawson Buck	On 25 May 2005	6 months	£35,000
Krijn Rietveld	On 29 August 2008	N/A	£Nil

## 6. Significant shareholders

In so far as is known to the Company as at 27 June 2013 (being the latest practicable date prior to the publication of this document), the following persons are interested directly or indirectly in 3 per cent. or more of the Company's share capital, and the amount of such person's interest, is as follows:

<b>Name</b>	<b>Number of Provexis Ordinary Shares</b>	<b>Percentage Existing Provexis Ordinary Shares</b>
DSM Venturing BV	143,769,230	9.5%
Rising Stars Growth Fund	55,919,444	3.7%
Raymond McKeeve	48,188,360	3.2%

As at 27 June 2013 (being the latest practicable date prior to the publication of this document), the Company is not aware of any person who, directly or indirectly, jointly or severally, exercises or could exercise control over the Company nor is it aware of any arrangements the operation of which may, at a subsequent date, result in a change in control of the Company.

## 7. Summary of material contracts of Provexis

The following contracts (not being contracts entered into in the ordinary course of business) are contracts which have been entered into by members of the Provexis Group (a) within two years immediately preceding the date of this document which are, or may be, material to the Provexis Group or (b) at any time and which contain provisions under which any member of the Provexis Group has any obligations or entitlements which are, or may be, material to the Provexis Group as at the date of this document.

### 7.1 Demerger Agreement

On 27 June 2013 the Company and Science in Sport entered into the Demerger Agreement which sets out the principal actions required in connection with the Demerger including the process for the transfer of the entire issued share capital of SiS by the Company to Science in Sport in consideration for the allotment and issue of Science in Sport Ordinary Shares to the holders of Provexis Ordinary Shares who are registered on the Provexis Share Register on the Demerger Effective Date. Except as expressly set out in the Demerger Agreement, neither the Company nor Science in Sport will give any warranty in connection with the Demerger.

7.2 On 30 November 2011, the Company entered into a nomad and broker agreement with Cenkos appointing Cenkos as its financial adviser and corporate broker. The Company agreed to pay Cenkos a fee of £60,000 per annum for its services under this agreement. The agreement may have been terminated by either party giving three months' notice.

7.3 On 28 June 2013, the Company entered into a variation of its nomad and broker agreement with Cenkos in which Cenkos agreed to waive any fees due under the nomad and broker agreement between 9 August 2013 and the date of the Company's 2013 annual general meeting. Following the 2013 Annual General Meeting, both Cenkos and Provexis have agreed in principle to lower the annual nomad and broker fee set out in paragraph 7.2 above.

### 7.4 Equity Credit Line Agreement

On 7 November 2011 the Company and Darwin entered into an equity credit line agreement ("Equity Financing Facility"). 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) 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 in aggregate, by issuing subscription notices to Darwin. Following delivery of a subscription notice Darwin will subscribe and the Company will issue and allot to Darwin ordinary shares of the Company. The subscription price for such ordinary shares 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 in respect of 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. 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 as set out in the agreement. The issue of subscription notices is subject to specified pre-conditions. The Company has provided warranties and indemnities to Darwin and affiliated persons in the Equity Financing Facility. If the aggregate price paid for ordinary shares allotted under the Equity Financing Facility by the second anniversary of the Equity Financing Facility is not equal to or more than £2.5 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 0.5% of the value of the facility in cash or by an issue of fully paid ordinary shares at the Company’s discretion.

#### **7.5 Primary Warrant Agreement**

On 7 November 2011 the Company and Darwin entered into a primary warrant agreement (“**Warrant Agreement**”). 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 5p per ordinary share. 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.

#### **7.6 Guarantee and Indemnity**

On 27 September 2012 the Company entered into a deed of guarantee and indemnity in favour of HSBC Asset Finance (UK) Limited and other HSBC group companies (“**HSBC**”) pursuant to which the Company guarantees the obligations of SiS to HSBC and indemnifies HSBC in respect of any loss HSBC suffers in respect of the asset finance loan made to SiS by HSBC summarised at paragraph 7.5 below.

#### **7.7 Loan Agreement**

On 27 September 2012 SiS entered into a £258,994.41 asset finance loan agreement with HSBC (“**Asset Finance Loan**”) on standard commercial terms. The Asset Finance Loan is for a term of 4 years with the total interest payable to HSBC being £21,080.32. The Asset Finance Loan is secured by a chattels mortgage in favour of HSBC.

### **8. Summary of material contracts of Science in Sport**

The following contracts (not being contracts entered into in the ordinary course of business) are contracts which have been entered into by Science in Sport or by members of the Science in Sport Group (a) within two years immediately preceding the date of this document which are, or may be, material to Science in Sport or the Science in Sport Group or (b) at

any time and which contain provisions under which any member of the Science in Sport Group has any obligations or entitlements which are, or may be, material to the Science in Sport Group as at the date of this document.

#### **8.1 Demerger Agreement**

See the summary set out in paragraph 7.1 above.

#### **8.2 Placing Agreement**

On 28 June 2013 Science in Sport and its directors entered into a placing agreement with Cenkos pursuant to which Cenkos agreed, subject to the conditions set out in the agreement, to use its reasonable endeavours, as agent for Science in Sport, to procure subscribers for Science in Sport Ordinary Shares. The agreement contains certain customary warranties and undertakings from Science in Sport in favour of Cenkos. In addition, Science in Sport agreed to indemnify Cenkos in relation to certain liabilities which Cenkos might have incurred in respect of the placing. Cenkos has the right to terminate the agreement in certain circumstances, in particular, in the event of a material breach of the warranties. In consideration of their services under the placing agreement, Science in Sport agreed to pay Cenkos (i) a corporate finance fee of £100,000 and (ii) a success fee of 5 per cent. of gross total monies raised in connection with the Science in Sport Placing payable in Science in Sport Ordinary Shares at the Science in Sport Placing Price. For the avoidance of doubt, there will be no commission payable to Cenkos on any money raised from individuals or companies connected to Science in Sport (specifically monies raised from Stephen Moon, John Clarke and Dawson Buck).

#### **8.3 NOMAD and Broker Agreement**

On 28 June 2013 Science in Sport entered into a nomad and broker agreement with Cenkos appointing Cenkos as its financial adviser and corporate broker in relation to the Demerger, the Science in Sport Placing and the Science in Sport Admission.

#### **8.4 Lock-in Agreement**

On 28 June 2013 Science in Sport entered into lock-in-agreements with each of Stephen Moon, John Clarke and Dawson Buck pursuant to which they have undertaken not to sell, transfer or dispose of any Science in Sport Ordinary Shares held by them at Science in Sport Admission for a period of 12 months following Science in Sport Admission. Their restrictions are subject to certain exceptions including any sale or disposal with the prior consent of Cenkos. In addition, each of Mr Moon, Mr Clarke and Mr Buck have agreed not to dispose of any Science in Sport Ordinary Shares during the 12 months from the first anniversary of Science in Sport Admission other than through Cenkos with a view to the maintenance of an orderly market for Science in Sport Ordinary Shares.

### **9 Litigation**

#### **9.1 Provexis Group Litigation**

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during the period covering the last 12 months preceding the date of this document which may have, or have had in the recent past, significant effects on the Company's and/or the Provexis Group's financial position or profitability.

#### **9.2 Science in Sport Group Litigation**

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during the period since Science in Sport's incorporation which may have, or have had in the recent past, significant effects on Science in Sport's and/or the Science in Sport Group's financial position or profitability.

### **10. General**

- 10.1 Cenkos is registered in England and Wales (registered number 05210733) and has its registered office at 6.7.8 Tokenhouse Yard, London EC2R 7AS.

- 10.2 Cenkos has given and has not withdrawn its consent to the inclusion in this document of its name and the references to it in the form and context in which it is included.
- 10.3 The Registrar of the Company is Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA.
- 10.4 The total costs, charges and expenses of the Demerger, Placing and Science in Sport Admission including all fees set out in paragraph 8.2 of this Part VI) are estimated to amount to approximately £0.4 million (excluding any amounts in respect of VAT thereon). Of the total costs, less than £0.1 million is payable by Provexis and the balance by Science in Sport.
- 10.5 Copies of the following documents will be available for inspection at the registered office of the Company during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the date of this document until the conclusion of the General Meeting:
- 10.5.1 the Articles;
  - 10.5.2 the audited consolidated accounts of the Company as at, and for the three years ended, 31 March 2013;
  - 10.5.3 a copy of the Science in Sport Admission Document;
  - 10.5.4 a copy of this document; and
  - 10.5.5 a copy of the Demerger Agreement.

28 June 2013

# PROVEXIS PLC

(the “Company”)

*(Incorporated and registered in England and Wales under the Companies Act 1985 with registered number 05102907)*

## NOTICE OF GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that a general meeting of the Company will be held at the offices of Shoosmiths LLP, Apex Plaza, Forbury Road, Reading RG1 1SH at 10.00 a.m. on 15 July 2013 for the purpose of considering and, if thought fit, passing, the following resolutions (the “**Resolutions**”) which in the case of Resolutions 1 and 3 will be proposed as Ordinary Resolutions and in the case of Resolutions 2 and 4 will be proposed as Special Resolutions.

## ORDINARY RESOLUTION

1. **THAT**, in accordance with section 551 of the Companies Act 2006 (the “**Act**”), the Directors be and are generally and unconditionally authorised to allot Relevant Securities (as defined in the notes to this Resolution):
  - 1.1. up to an aggregate nominal amount of £1,518,651 (in connection with the proposed allotment of Science in Sport Cancellation Shares as defined in the circular of the Company dated 28 June 2013 accompanying the notice of general meeting (the “**Circular**”) credited as fully paid by way of bonus issue and their subsequent cancellation (the “**Cancellation**”) but for no other purpose);
  - 1.2. up to an aggregate nominal amount of £50,000 (in connection with the proposed allotment of redeemable shares as described in the Circular (but for no other purpose); and
  - 1.3. up to an aggregate nominal amount of £506,167 (otherwise than pursuant to subparagraphs 1.1 and 1.2 above) representing approximately one third of the Company’s issued ordinary share capital following the issue and allotment of relevant securities in accordance with this Resolution and the reduction of share capital set out in Resolution 2.

provided that this authority, unless duly renewed, varied or revoked by the Company, will expire on the date being fifteen months from the date of the passing of this Resolution or, if earlier, the conclusion of the next annual general meeting of the Company to be held after the passing of this Resolution, save that the Company may, before such expiry, make offers or agreements which would or might require Relevant Securities to be allotted after such expiry and, the Directors may allot Relevant Securities in pursuance of such an offer or agreement notwithstanding that the authority conferred by this Resolution has expired.

This resolution revokes and replaces all unexercised powers previously granted to the directors to allot relevant securities but without prejudice to any allotment of shares or grant of rights already made, offered or agreed to be made pursuant to such authorities.

## SPECIAL RESOLUTION

2. **THAT**, subject to the passing of Resolution 1 above, the allotment and issue of the Science in Sport Cancellation Shares, the allotment of the Redeemable Shares and confirmation of the High Court of Justice of England and Wales:
  - 2.1. all of the issued deferred shares of 0.9 pence each in share capital of the Company be cancelled and extinguished;
  - 2.2. all of the issued Science in Sport Cancellation Shares of 0.01 pence each in the share capital of the Company be cancelled and extinguished;
  - 2.3. the share premium account of the Company be reduced by such an amount (the “**Return of Capital Amount**”) as shall, when taken together with the aggregate nominal value of the Science in Sport Cancellation Shares, be equal to the market value of the

Company's interest in its wholly owned subsidiary, SiS Limited ("**SiS**"), as at the date on which the demerger as described in the Circular (the "**Demerger**") becomes effective (the "**Demerger Effective Date**");

- 2.4. the articles of association of the Company be amended by deleting:
  - 2.4.1. all references to deferred shares of 0.9 pence;
  - 2.4.2. article 4.2.3 and substituting in its place "4.2.3 Left Blank."; and
  - 2.4.3. article 4.2.4 and substituting in its place "4.2.4 Left Blank."

## **ORDINARY RESOLUTION**

### **3. THAT,**

- 3.1 subject to the passing of Resolutions 1 and 2 above and confirmation of the High Court of Justice of England and Wales, the Company be authorised to return capital to its shareholders ("**Shareholders**") equal to the Return of Capital Amount to be satisfied by the transfer by the Company to Science in Sport plc ("**Science in Sport**") of the entire issued share capital of SiS in consideration for which Science in Sport has agreed to allot and issue ordinary shares in Science in Sport (the "**Science in Sport Ordinary Shares**"), credited as fully paid, to the Shareholders in the proportion of one Science in Sport Ordinary Share for every one hundred ordinary shares in the capital of the Company ("**Ordinary Shares**") then held by such Shareholders on 6 August 2013 (or such other time or date as the directors may determine) (the "**Demerger Record Date**") (save that, in respect of Stephen Moon, the number of Science in Sport Ordinary Shares otherwise to be allotted and issued to him will be reduced by the number of Science in Sport Ordinary Shares already held by him at the Demerger Record Date) so that immediately prior to the admission of Science in Sport to trading on AIM all holders of Ordinary Shares (including Stephen Moon) will hold one Science in Sport Ordinary Share for every one hundred Ordinary Shares held at the Demerger Record Date (save that all fractional entitlements to a Science in Sport Ordinary Share will be rounded up to the nearest whole number); and
- 3.2 the Demerger is hereby approved for the purposes of Rule 15 of the AIM Rules for Companies and generally and each and any of the Directors be and are hereby authorised to conclude and implement the Demerger and to do or procure to be done all such acts and things on behalf of the Company and any of its subsidiaries as they consider necessary or expedient for the purpose of giving effect to the Demerger with such amendments, modifications, variations or revisions as are not of a material nature.

## **SPECIAL RESOLUTION**

### **4. THAT,** subject to the passing of Resolution 1 above and the reduction of capital set out in Resolution 2 above becoming effective, the Directors be given the general power to allot equity securities (as defined by section 560 of the Act) for cash, pursuant to the authority conferred by Resolution 1, as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to:

- 4.1. the allotment of equity securities credited as fully paid by way of a bonus issue in connection with the Cancellation:
  - 4.1.1. to the holders of Ordinary Shares in proportion (as nearly as may be practicable) to their respective holdings; and
  - 4.1.2. to holders of other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary

but subject to such exclusions or other arrangements as the Board may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange;

- 4.2. the allotment of equity securities in connection with the Redemption;

4.3. in any other case, up to an aggregate nominal amount of £151,866 representing approximately 10 per cent of the Company's issued share capital following the Proxavis Reduction of Capital,

provided that the power granted by this Resolution will expire on the date being fifteen months from the date of the passing of this Resolution or, if earlier, the conclusion of the next annual general meeting of the Company to be held after the passing of this Resolution (unless renewed, varied or revoked by the Company prior to or on such date), save that the Company may, before such expiry, make offers or agreements which would or might require equity securities to be allotted after such expiry and, the Directors may allot equity securities in pursuance of such an offer or agreement notwithstanding that the authority conferred by this Resolution has expired.

This Resolution revokes and replaces all unexercised powers previously granted to the directors to allot equity securities as if section 561(1) of the Act did not apply but without prejudice to any allotment of equity securities already made or agreed to be made pursuant to such authorities.

**BY ORDER OF THE BOARD**

Ian Ford  
Company Secretary

**Registered Office:**  
Kings Road House  
2 Kings Road  
Windsor  
Berkshire  
SL4 2AG

28 June 2013

**Explanatory Notes:**

**Entitlement to attend and vote**

1. The Company specifies that only those members registered on the Company's register of members at:
  - 1.1. 6.00 p.m. on 13 July 2013; or
  - 1.2. if this meeting is adjourned, at 6.00 p.m. on the day 2 days prior to the adjourned meeting, shall be entitled to attend and vote at the 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 meeting and you should have received a proxy form with this notice of 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 meeting to represent you. Details of how to appoint the Chairman of the 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 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 more than one share. To appoint more than one proxy please refer to the notes on the proxy form.

**Appointment of proxies using hard copy proxy form**

5. The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote. To appoint a proxy using the proxy form, the form must be:
  - completed and signed;
  - sent or delivered to Equiniti Limited of Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA; and
  - received by Equiniti Limited no later than 10.00 a.m. on 13 July 2013.

In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. 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 be included with the proxy form. Please note that communications regarding the matters set out in this notice will not be accepted in electronic form, other than as specified in the enclosed proxy form.

**Appointment of proxies by joint members**

6. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

**Changing proxy instruction**

7. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cutoff time for receipt of proxy appointments (see above) also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded. Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hardcopy proxy form, please contact Equiniti Limited

of Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

#### **Termination of proxy appointments**

8. In order to revoke a proxy instruction you will need to inform the Company using the following method:

By sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Equiniti Limited of Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.

The revocation notice must be received by Equiniti Registrars Limited no later than 10.00 a.m. on 13 July 2013.

If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.

Appointment of a proxy does not preclude you from attending the meeting and voting in person.

#### **Definition of Relevant Securities**

9. Relevant Securities shall mean:

Shares in the Company other than shares allotted pursuant to:

- an employee share scheme (as defined by section 1166 of the Act);
- a right to subscribe for shares in the Company where the grant of the right itself constituted a Relevant Security; or
- a right to convert securities into shares in the Company where the grant of the right itself constituted a Relevant Security.

Any right to subscribe for or convert any security into shares in the Company other than rights to subscribe for or convert any security into shares allotted pursuant to an employee share scheme (as defined by section 1166 of the Act). References to the allotment of Relevant Securities in the resolution include the grant of such rights.

