THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document and/or the action you should take you should consult a person authorised under the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities.

This document, which comprises a prospectus, has been drawn up in accordance with the Public Offers of Securities Regulations 1995. A copy of this document has been delivered to the Registrar of Companies in England and Wales for registration in accordance with regulation 4(2) of the POS Regulations.

The Directors of the Company and the Proposed Directors, whose names appear on page 4 of this document, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors and the Proposed Directors (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.

Application will be made for the Ordinary Shares issued and to be issued pursuant to the Proposals, to be admitted to trading on AIM, a market operated by the London Stock Exchange plc. AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the UK Listing Authority (the "Official List"). A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser authorised under the Financial Services and Markets Act 2000.

The rules of AIM are less demanding than those of the Official List. It is emphasised that no application is being made for admission of the Existing Ordinary Shares or the Ordinary Shares to the Official List. Further, London Stock Exchange plc has not itself examined or approved the contents of this document. Until Admission, the Existing Ordinary Shares will continue to be admitted to trading on AIM but are not traded on any other recognised investment exchange and no other such applications have been made.

It is expected that Admission will become effective and dealings in the Enlarged Share Capital will commence on AIM on 23 June 2005.

The whole text of this document should be read. The attention of investors is drawn in particular to the Risk Factors set out in Part II of this document.

Nutrinnovator Holdings plc

(Incorporated and registered in England and Wales under the Companies Act 1985 with registered number 5102907)

Proposed acquisition of Provexis Limited
Proposed Capital Reorganisation
Proposed Placing
of 67,424,000 new Ordinary Shares of 1p each at 5.6p per share
Proposed conversion of £2,090,333.34 of Loans
Proposed change of name to Provexis plc and
Application for re-admission to trading on AIM
by
Arbuthnot Securities Limited
Nominated Adviser and Broker on Admission

Ordinary share capital immediately following Admission

Authorised			*Issued and fully paid*	
Number	*Amount*		*Number*	*Amount*
400,000,000	£4,000,000	Ordinary Shares of 1p each	249,628,324	£2,496,283.24

The New Ordinary Shares will, on Admission, rank in full for all dividends or other distributions declared, made or paid in respect of the Ordinary Shares.

BDO Stoy Hayward Corporate Finance, a division of BDO Stoy Hayward LLP, Chartered Accountants, which is authorised to carry on investment business by the Financial Services Authority, is acting as financial adviser to Nutrinnovator and no one else in connection with the Proposals and will not be responsible to any person other than Nutrinnovator for providing the protections afforded to customers of BDO Stoy Hayward Corporate Finance, nor for providing advice in relation to the Proposals or in relation to the contents of this document or any transaction or arrangement referred to in this document.

Oriel Securities Limited, which is regulated by the Financial Services Authority, is acting as Nominated Adviser and Broker to Nutrinnovator up to Admission and for no-one else and will not be responsible to any person other than Nutrinnovator for providing the protections afforded to customers of Oriel Securities Limited nor for advising any other person on the contents of this document or any transaction or arrangement referred to herein. The responsibilities of Oriel Securities Limited as Nutrinnovator's Nominated Adviser and Broker under the AIM Rules are owed solely to the London Stock Exchange. Oriel Securities Limited is not making any representation or warranty, express or implied, as to the contents of this document (without limiting the statutory rights of any person to whom this document is issued).

Arbuthnot Securities Limited, which is regulated by the Financial Services Authority, is acting as Nominated Adviser and Broker to the Company on Admission and no-one else and will not be responsible to any person other than the Company for providing the protections afforded to customers of Arbuthnot Securities Limited or for advising any other person on the contents of this document or any transaction or arrangement referred to herein. The responsibilities of Arbuthnot Securities Limited as the Company's Nominated Adviser and Broker on Admission under the AIM Rules are owed solely to the London Stock Exchange. Arbuthnot Securities Limited is not making any representation or warranty, express or implied, as to the contents of this document (without limiting the statutory rights of any person to whom this document is issued).

This document does not constitute an offer to sell, or the solicitation of an offer to buy, shares in any jurisdiction in which such offer or solicitation is unlawful and, in particular, is not for distribution into the United States, Canada, Australia, the Republic of Ireland or Japan. Neither the Existing Ordinary Shares nor the Ordinary Shares have been, nor will they be registered under the United States Securities Act of 1933, as amended, or under the applicable securities laws of any state of the United States, Canada, Australia, the Republic of Ireland or Japan. Accordingly, subject to certain exceptions, neither the Existing Ordinary Shares nor the Ordinary Shares may, directly or indirectly, be offered or sold within the United States, Canada, Australia, the Republic of Ireland or Japan or to or for the account or benefit of any national, resident or citizen of the United States, Canada, Australia, the Republic of Ireland or Japan. The distribution of this document in other jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities law of any such jurisdictions.

Notice of an Extraordinary General Meeting of Nutrinnovator Holdings plc to be held at the offices of Charles Russell LLP, 8-10 New Fetter Lane, London EC4A 1RS at 10.00 a.m. on 20 June 2005 is set out at the end of this document. Shareholders are requested to complete and return the accompanying Form of Proxy as soon as possible and, in any event, so as to be received by Lloyds TSB Registrars, The Causeway, Worthing, West Sussex BN99 6ZL, not later than 10.00 a.m. on 18 June 2005. The completion and return of the Form of Proxy will not preclude Shareholders from attending the Extraordinary General Meeting and voting in person should they subsequently wish to do so.

CONTENTS

KEY INFORMATION

The following information is derived from, and should be read in conjunction with, the full text of this document. Sole reliance should not be placed on the information set out below and you should read the whole of this document. In particular, your attention is drawn to the section entitled "Risk Factors" in Part II of this document:

Summary of the Transaction

Following the suspension of trading in the Nutrinnovator Holdings plc's Existing Ordinary Shares on AIM on 18 February 2005, the Company has entered into a conditional agreement with Provexis' shareholders to acquire the whole of the issued and to be issued share capital of Provexis for a consideration of 111,658,555 Ordinary Shares which at the placing price of 5.6 pence per share will have a market value on Admission of approximately £6.3 million. In view of its size, the Acquisition will constitute a reverse takeover of Nutrinnovator under the AIM Rules and therefore requires the approval of Shareholders at an Extraordinary General Meeting of the Company.

Nutrinnovator's Business

Nutrinnovator Limited was incorporated in May 2002, and its business was developed from February 2003 onwards. Early stage work involved working with nutritionists and product and process technologies to develop a food bar product (to compete in the cereal bar market) which was intended to be nutritionally superior to competing products, whilst offering a superior taste. Second stage work involved palatability development and research, using the services of Thornton Mustard, and developing a brand and design strategy. Sourcing and negotiating a manufacturing agreement moved in parallel with this process.

A product was ready for market launch in September 2003 and some limited distribution was achieved. Products are currently sold under the brand, *Altú*, in several nationally-recognised retail chains.

Provexis' Business

Provexis is a nutraceutical company, founded in 1999, that develops scientifically-proven, proprietary, functional foods, supplements and medical foods. Functional foods are foods which are consumed for the maintenance of health and have the potential to carry health claims to this effect.

Provexis' lead technology is called CardioFlow. CardioFlow is an extract of tomato, produced industrially to laboratory-determined specifications. It contains a range of tomato-derived components that inhibit platelet aggregation, a key part of the blood-clotting process which can cause heart attacks and stroke. The first commercially available product containing CardioFlow technology will be a fruit juice drink called Sirco. The beverage is planned to be on the shelves of two major UK retailers in the last quarter of 2005.

Reasons for the Acquisition

The Directors and the Proposed Directors believe that the acquisition of Provexis and Admission of the Enlarged Share Capital to trading on AIM will enhance the Group's activities. The two businesses are complementary and significant synergies can be achieved by merging the operations of the two companies. Both companies have a pipeline of potential products and the Acquisition will allow the Enlarged Group to combine Provexis' technology with the Group's marketing and sales capability.

The primary focus for the Enlarged Group will be the development of Sirco and the board will conduct a review of the *Altú* brand following Admission.

Details of the Placing and the Conversion of Loans

The Company is proposing to issue an aggregate of 104,751,381 new Ordinary Shares in relation to the Placing and the conversion of the Loans which at the Placing Price of 5.6 pence will have a market value on Admission of approximately £5.9 million.

Of the £5.9 million, approximately £3.8 million of shares will be issued pursuant to the Placing and £0.7 million of shares will be issued in satisfaction of approximately £0.7 million of New Loans made to Provexis on 25 May 2005.

The Company is proposing to issue approximately £1 million of shares in satisfaction of the Vendor Loans and approximately £0.4 million of shares in satisfaction of the Nutrinnovator Loans.

Capital Reorganisation

The Company is proposing to subdivide each of its ordinary shares of 2 pence each, both issued and unissued into 2 Ordinary Shares.

DIRECTORS, SECRETARY AND ADVISERS

Current Directors of Nutrinnovator	Dr Neville Clifford Bain *(Non-Executive Chairman)* Stephen Nigel Moon *(Managing Director)*
Directors of the Enlarged Group on Admission	Charles Dawson Buck *(Non-Executive Chairman)* Dr Neville Clifford Bain *(Non-Executive Deputy Chairman)* Dr Stephen Joseph Franklin *(Chief Executive)* Stephen Nigel Moon *(Commercial Director)*
Current Company Secretary	Douglas Charles Gardner
Company Secretary on Admission	Andrew Geoffrey Smithson
Registered Office	20 Mortlake High Street London SW14 8JN
Proposed new Registered Office	10 Williams House Manchester Science Park Lloyd Street North Greater Manchester M15 6SE
Nominated Adviser and Broker to the Company up to Admission	Oriel Securities Limited 4 Wood Street London EC2V 7JB
Independent Financial Advisers to the Company	BDO Stoy Hayward Corporate Finance 8 Baker Street London W1U 3LL
Nominated Adviser and Broker to the Enlarged Group on Admission	Arbuthnot Securities Limited Arbuthnot House 20 Ropemaker Street London EC2Y 9AR
Solicitors to the Company	Charles Russell LLP 8-10 New Fetter Lane London EC4A 1RS
Solicitors to Provexis	Pinsent Masons Dashwood House 69 Old Broad Street London EC2M 1NR
Solicitors to the Placing	Norton Rose Kempson House Camomile Street London EC3A 7AN
Registered Auditors and Reporting Accountants to the Company	BDO Stoy Hayward LLP 8 Baker Street London W1U 3LL
Registered Auditors and Reporting Accountants to the Enlarged Group	Baker Tilly 2 Bloomsbury Street London WC1B 3ST
Registrars	Lloyds TSB Registrars The Causeway Worthing West Sussex BN99 6DA
Bankers to the Enlarged Group	Bank of Scotland 19/21 Spring Gardens Manchester M2 1FB

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Latest time and date for receipt of the Forms of Proxy for the Extraordinary General Meeting	10.00 a.m. on 18 June 2005
Extraordinary General Meeting	10.00 a.m. on 20 June 2005
Completion date of the Acquisition	23 June 2005
Record date for the Capital Reorganisation	8.00 a.m. on 23 June 2005
Admission of the Ordinary Shares, including the New Ordinary Shares, and dealings commence in the Enlarged Share Capital on AIM	8.00 a.m. on 23 June 2005
CREST accounts credited for New Ordinary Shares in uncertificated form	on 23 June 2005
Despatch of definitive share certificates in respect of the Ordinary Shares in certificated form	by 30 June 2005

STATISTICS RELATING TO THE PROPOSALS

Placing Price	5.6 pence
Number of Existing Ordinary Shares in issue prior to the Proposals	16,609,194
Number of Ordinary Shares into which the Existing Ordinary Shares will be subdivided on Admission	33,218,388
Number of Consideration Shares being issued pursuant to the Acquisition	111,658,555
Number of new Ordinary Shares to be placed pursuant to the Placing	67,424,000
Number of new Ordinary Shares to be issued pursuant to the conversion of the Vendor Loans and the Nutrinnovator Loans	25,327,381
Number of new Ordinary Shares to be issued pursuant to the conversion of the New Loans	12,000,000
Value of new Ordinary Shares to be issued pursuant to the conversion of the New Loans at the Placing Price	£0.7 million
Value of Ordinary Shares at the Placing Price to be issued in relation to the Placing and conversion of the Loans	£5.9 million
Estimated net proceeds of the Placing receivable by the Company	£2.9 million
Number of Ordinary Shares in issue immediately following the Proposals	249,628,324
Percentage of the Enlarged Share Capital being issued on the conversion of the Nutrinnovator Loans	2.86 per cent.
Percentage of the Enlarged Share Capital being issued on the conversion of the Vendor Loans	7.28 per cent.
Percentage of the Enlarged Share Capital being placed pursuant to the Placing	27.01 per cent.
Percentage of the Enlarged Share Capital held by the Vendors following Admission	60.40 per cent.
Market capitalisation of the Company at the Placing Price immediately following Admission	£14.0 million

PART I

Letter from the Chairman of Nutrinnovator Holdings plc

Nutrinnovator Holdings plc

(Incorporated and registered in England and Wales under registered number 5102907)

Directors:
Dr Neville Bain *(Non-Executive Chairman)*
Stephen Moon *(Managing Director)*

Registered Office
20 Mortlake High Street
London SW14 8JN

25 May 2005

To Shareholders, and, for information only, to Optionholders

Dear Sir or Madam,

Proposed acquisition of Provexis Limited
Proposed Capital Reorganisation
Proposed Placing of 67,424,000 new Ordinary Shares of 1p each at 5.6p per share,
Proposed conversion of £2,090,333.34 of Loans
Proposed change of name to Provexis plc and
Application for re-admission to trading on AIM

1. Introduction

Following the suspension of trading in the Existing Ordinary Shares on AIM on 18 February 2005, it was announced today that the Company has entered into a conditional agreement with Provexis' shareholders to acquire the whole of the issued share capital of Provexis for a consideration of 111,658,555 Ordinary Shares. The Consideration Shares will be issued at 5.6 pence per share, valuing Provexis at approximately £6.3 million. Provexis is a nutraceutical company that develops scientifically-proven, proprietary, functional foods, supplements and medical foods.

In order to raise additional working capital for the Enlarged Group, the Company has announced that it proposes to raise approximately £3.8 million before expenses pursuant to the Placing through the issue of 67,424,000 new Ordinary Shares at 5.6 pence per share. In addition, the Company is proposing to issue 37,327,381 new Ordinary Shares at 5.6 pence per share in satisfaction of the Loans. Following completion of the Proposals, the Vendors will hold 150,772,079 Ordinary Shares, which will represent approximately 60.4 per cent. of the Enlarged Share Capital. In view of its size, the Acquisition will constitute a reverse takeover of Nutrinnovator under the AIM Rules and therefore requires the approval of Shareholders at an Extraordinary General Meeting of the Company. Additionally, because the Concert Party will own more than 30 per cent. of the Enlarged Share Capital, the Company is seeking a waiver under Rule 9 of the City Code, which would otherwise require the Concert Party to offer to acquire those Ordinary Shares that it does not own, as more fully described in paragraph 14 below. A resolution seeking the approval of Shareholders for such a Waiver is therefore included in the notice of Extraordinary General Meeting set out at the end of this document.

The Acquisition, Placing and the conversion of the Loans are conditional, *inter alia,* upon the passing of the Resolutions to be proposed at the Extraordinary General Meeting, notice of which is set out at the end of this document, and upon Admission.

The main purpose of this document is to provide you with details of the Proposals, and to explain why your Board considers that they are in the best interests of the Company and Shareholders as a whole and to recommend that Shareholders vote in favour of the Resolutions to be proposed at the EGM as the Directors and certain Shareholders have irrevocably committed to do in respect of their beneficial interests amounting, in aggregate, to 12,660,795 Existing Ordinary Shares representing approximately 76.2 per cent. of the Company's current issued ordinary share capital.

2. Background to and reasons for the Acquisition

Nutrinnovator Limited was incorporated in May 2002, and its business was developed from February 2003 onwards. Early stage work involved working with nutritionists and product and process technologies to develop a food bar product (to compete in the cereal bar market) which was intended to be nutritionally superior to competing products, whilst offering a superior taste. Second stage work involved palatability development and research, using the services of Thornton Mustard, a taste and aroma specialist, and developing a brand and design strategy. Sourcing and negotiating a manufacturing agreement moved in parallel with this process. A product was ready for market launch in September 2003 and some limited distribution was achieved. At the beginning of 2004, a marketing strategy was put into action with the intention of building consumer awareness. Products are currently sold under the brand, *Altú*, in several nationally-recognised retail chains. The products also have a presence in the wholesale and independent retail channels. Nutrinnovator has obtained trade mark registration for the *Altú* brand name in the UK.

In June 2004 Nutrinnovator was admitted to AIM and carried out a placing of 3,235,849 Existing Ordinary Shares at a price of 53p per share, raising approximately £1.7 million, before expenses, which has provided working capital for Nutrinnovator to continue to develop and market its products.

On 22 September 2004, it was announced that Provexis had agreed a joint venture with Nutrinnovator to develop Sirco, a new "heart-healthy" drink. The drink is a juice drink containing a patented natural fruit extract which has been proven in human trials to inhibit blood platelet aggregation and thereby benefit the circulation – working within a rapid timeframe i.e. up to three hours. It was initially anticipated that the joint venture would be 55 per cent. owned by Provexis and product development would be funded by Nutrinnovator's cash resources.

The Directors believe that the acquisition of Provexis and Admission of the Enlarged Share Capital to trading on AIM will enhance the Company's activities. The two businesses are complementary and significant synergies can be achieved by merging the operations of the two companies. The Enlarged Group will have a pipeline of potential products and the Acquisition will allow the Enlarged Group to combine Provexis' technology with the Group's marketing and sales capability which the Directors and Proposed Directors believe will enhance the ability to develop and launch brands in a relatively short timeframe whilst continuing to implement a licensing strategy. The primary focus for the Enlarged Group will be the development of Sirco and the board will conduct a review of the Altú brand following Admission.

These products will address the functional food market, which has shown growth in the UK from £134 million of sales in 1998 to £835 million of sales in 2003. The market is forecast to grow to £1.7 billion of sales by 2007. By 2010, the US market for functional food is forecast to double from 2003 levels to $34 billion of sales.

3. Information on Provexis and its business

Provexis was founded in 1999 by Progeny BioVentures Ltd, the life science subsidiary of ANGLE plc, a consultancy and venture creation company whose shares are traded on AIM. In January 2000, Progeny BioVentures Ltd, Rowett Research Services Ltd (the commercial arm of the Rowett Research Institute) and Provexis entered into an agreement for Provexis to source and develop patented bioactive products derived from food for application in the medical food and functional food markets.

Functional foods are foods which are consumed for the maintenance of health and have the potential to carry health claims to this effect. Medical foods are a separately regulated category of products in the US and Europe, based on food but used under the supervision of a physician.

From foundation until 2002, ANGLE provided Provexis with management, administrative support and funding. In September 2002, Dr. Stephen Franklin joined Provexis as Chief Executive and Provexis secured its first external venture capital (other than from ANGLE) from the Rising Stars Growth Fund (managed by Enterprise Ventures Limited) and management. From 2003, ANGLE has continued to provide administrative, accounting and financial support services to management. In October 2003, the company entered into a technology option agreement and a research and development collaboration with the University of Liverpool. In 2004, Provexis secured additional venture capital investment from ANGLE, the North West Equity Fund, the Rising Stars Growth Fund, Rowett Research Services Ltd and management.

Provexis' approach is to prove the efficacy of its products in human trials. The Directors and Proposed Directors believe this approach supports the development of higher value products, with the potential for stronger patent positions, capable of being marketed with substantive health claims.

Provexis has three products in development and an on-going "right of first view" agreement with Rowett Research Services Ltd.

The lead technology, CardioFlow, is a patented natural extract from tomato which has been shown in human trials to reduce the propensity for aberrant blood clotting, typically associated with CVD, which can lead to heart attack and stroke. The first patent application for CardioFlow was filed in the UK in 1998, followed by Europe, the USA, Japan, Canada, Mexico and Australia in 1999. The patent was granted in Europe in July 2003 and subsequently granted in Australia. The USA patent application successfully obtained its Notice of Allowance in March 2005 and the Directors and Proposed Directors anticipate that grants in Japan, Mexico and Canada will follow in due course over the next twenty-four months.

The market for heart healthy foods worldwide was forecast to reach US$4.6 billion of sales by 2005. Whilst there are food products for the management of cholesterol, the Directors and the Proposed Directors are currently unaware of any food product in the UK market that bears the on-label claim "*helps to maintain a healthy heart and benefits circulation*" and the first product in development is a fruit juice based drink incorporating CardioFlow technology which will carry this on-label claim.

Another product in development is a medical food product for the dietary management of Inflammatory Bowel Disease ("IBD"), specifically Crohn's Disease, using an extract of plantain. Provexis has entered into a collaboration agreement with the University of Liverpool to commercialise their technology in this field which is the subject of a patent application filed in 2004.

A further product in planning is a pill variant of CardioFlow for application as:

- a dietary supplement for 'healthy' people who wish to gain the cardiovascular benefit of the technology; and/or
- a medicinal product for 'at risk' patients who are pro-thrombotic.

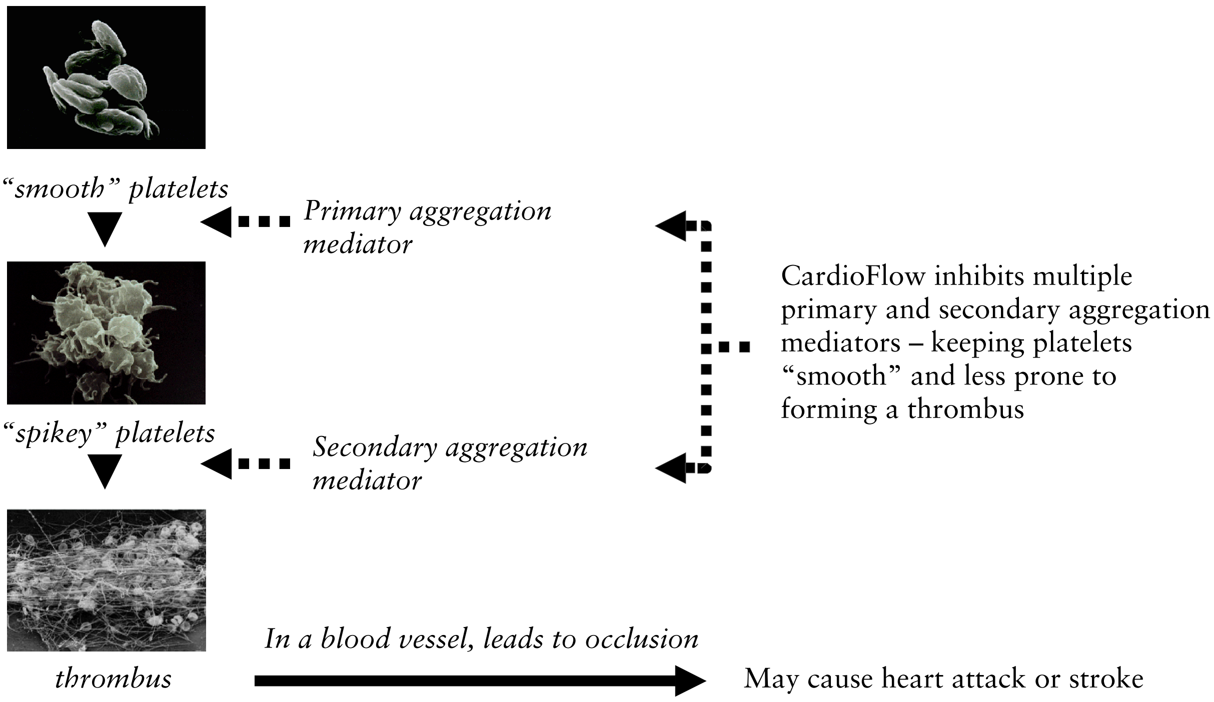
4. The Enlarged Group's product development

CardioFlow

In recent years, several studies have suggested a link between tomato consumption and the lower incidence of CVD in Mediterranean countries. Professor Asim Dutta-Roy of the Rowett Research Institute suggested that naturally occurring antiplatelet compounds in ripe tomato fruit could contribute to this effect. His discovery in 1998 formed the basis of a patent application prior to any subsequent third party validation. This intellectual property, which is now owned by Provexis, has been used in the development of a proprietary product called CardioFlow.

CardioFlow is an extract of tomato, produced industrially to laboratory-determined specifications. It contains a range of tomato-derived components that inhibit platelet aggregation, a key part of the blood-clotting process. Blood platelets play an essential physiological role in detecting and initiating repair to damaged blood-vessel walls. However, it has also been established that this function can help turn an unstable or ruptured atherogenic plaque into a life-threatening arterial blockage, which can cause heart attacks and stroke.

This process and the points at which CardioFlow acts to modulate it, are shown in the diagram below. The active components in CardioFlow help to maintain platelets in an inactivated state, reducing the potential for platelet aggregation, which is desirable for good cardiovascular health.



For patients with CVD, therapy with antiplatelet drugs has been shown to decrease the incidence of primary and secondary coronary events. However, for both patients and "healthy" individuals, dietary control is being increasingly emphasised as crucial to heart health. The Directors and the Proposed Directors believe that opportunities for a natural, food-based product (positioned within the mainstream food market) with antiplatelet benefits are significant.

The amount of tomatoes consumed in the normal UK diet is often too low to fully realise the cardiovascular benefits of the fruit. CardioFlow, however, provides an appropriate level of tomato extract in a form that can be added to a range of (specifically non-tomato-based) food products.

CardioFlow is a functional food ingredient targeted at the "heart healthy" food market. The Directors and Proposed Directors also believe that in the future it may prove to be an effective and natural replacement or augmentation for existing drug therapy, and are planning a pill or tablet format.

To date, CardioFlow has been administered as a functional food to over 220 healthy human volunteers in four separate human trials. These trials have shown that:

- the compounds responsible for CardioFlow's *in vitro* bioactivity are also efficacious *in vivo*. A rapid reduction in platelet responsiveness to important aggregation mediators, adenosine, diphosphate and collagen is observed when CardioFlow is taken orally, compared to control;

- CardioFlow is well tolerated, with no reported adverse side affects. No effects on the coagulation process have been observed, suggesting that normal blood clotting on injury is not likely to be affected by CardioFlow supplementation. CardioFlow has been the subject of an independent professional risk assessment conducted by Toxicology Advisory Consultant Services, a strategic partner of the British Industrial Biological Research Association (BIBRA), which has deemed the ingredient safe. In addition, in 2003 CardioFlow gained regulatory clearance from the UK Food Standards Agency, which has deemed the ingredient to be non-novel (i.e. not subject to the EU Novel Foods Regulations);

- CardioFlow shows efficacy in reducing the level of platelet aggregation in "healthy" human subjects within three hours of ingestion;

- the magnitude of the antiplatelet effect varies from person to person and male individuals show a significantly greater response to CardioFlow than females;

- individuals may be classified as either low or high responders to the bioactive compounds in CardioFlow. Results suggest that the most responsive individuals, i.e. those showing the largest reductions in platelet aggregation response after consuming CardioFlow, may be those with significantly higher levels of some markers of increased CVD risk. In these individuals, the reduction in platelet aggregation observed can be greater than 70 per cent.;
- as expected from its broad range of *in vitro* activities, CardioFlow exhibits more than one mode of action *in vivo*. The Directors and the Proposed Directors believe that, as a result, CardioFlow's bioactive components can alter platelet function in up to approximately 97 per cent. of individuals tested. This compares favourably with aspirin, which has one mode of action only, and is thought to be effective in approximately 70 per cent. of individuals; and
- the benefits for CardioFlow continue for up to 18 hours after ingestion. Trials have indicated that the antiplatelet effect of CardioFlow is typically at a maximum between three and six hours after ingestion and that platelet function has returned to normal levels after approximately 18 hours.

CardioFlow has also successfully completed stability tests under a range of conditions intended to accommodate several types of food vehicle. It has been formulated to minimise its colour, flavour and aroma and is therefore suitable for incorporation into a wide range of foods.

The first commercially available product containing CardioFlow technology will be a fruit juice drink called Sirco. The beverage is planned to be on the shelves of two major UK retailers by the last quarter of this year.

Sirco is proposed to be made available as a one litre carton and will be initially available in two flavours, blueberry & apple and orange. Both these flavour variants have been developed by Thornton Mustard, formerly a non-executive director of the Company, who has worked on global brands for a number of companies including Coca Cola, Proctor & Gamble, Red Bull, Diageo and GlaxoSmithKline.

The drink will carry the claim that it "*helps to maintain a healthy heart and benefits circulation*". So far as the Directors and the Proposed Directors are aware, this is the first known beverage to carry this claim and so far as the Directors and Proposed Directors are aware, is the first to offer a heart-health benefit that works with your body on the very day you drink it.

In addition to direct sales from the Sirco juice drink, the Directors and Proposed Directors believe that the possible licensing of the CardioFlow technology to international brand owners may provide an additional revenue stream. The Enlarged Group intends to license the technology under a proposed new brand, FruitFlow.

Plantain extract for the dietary management of Crohn's Disease

Ulcerative colitis and Crohn's disease are disorders of the digestive tract, known as inflammatory bowel disease (IBD). The inflammation is chronic, yet spontaneously relapsing. Evidence suggests that an abnormal reaction to endogenous intestinal bacteria may cause the condition.

Provexis, in collaboration with the University of Liverpool, has demonstrated that a soluble fibre formulation (specifically, a non-starch polysaccharide extract) extracted from plantain reduces the attachment of bacteria to bowel epithelial cells *in vitro*.

The idea that an extract from plantain could be linked to the management of IBD is given further credence by epidemiological evidence, which suggests that in continents where plantain is a staple ingredient (used to make flour, etc), the incidence of the condition is relatively low.

Provexis is currently developing a novel, medical food for the treatment and management of IBD which is targeting maintenance of remission for patients with Crohn's Disease. The medical food product is currently expected to go into a human trial by the end of 2005.

Current treatment of IBD generally involves the use of antidiarrhoeal agents, antispasmodic agents, aminosalicylates, corticosteroids, immunosuppressants and antibiotics. In the UK such treatments are prescription-only medicines, relatively expensive, aggressive and can have side effects.

Near-term pipeline opportunities

The Company is currently negotiating heads of agreement in relation to a licence of a functional food technology developed by a UK based institute which it is hoped will lead to a three-year research and development programme for a novel product which is expected to show risk reduction in a number of cancers. These discussions may or may not lead to legally binding agreements.

The Company has a three year agreement with Plant Biosciences Limited ("PBL"), the technology transfer business of the John Innes Centre. PBL will access their global network of 35 academic and research institutes to seek further functional food technologies for the Company.

5. Manufacturing

The Enlarged Group intends to outsource the manufacture of the CardioFlow ingredient to a plant facility at Fermoy, in County Cork, Ireland. The Enlarged Group will retain control of the raw-material supply chain (to ensure appropriate quality) and quality control procedures. The capacity planning suggests that if sales targets are achieved, this facility will be able to meet the Company's requirements for at least the first 24 months.

Gerber Foods Limited ("GFL"), the UK's largest manufacturer of juice and juice drinks, manufactured the pilot samples for Sirco and the Company is in negotiations with GFL to manufacture Sirco in the UK. Subject to a satisfactory conclusion of negotiations with GFL this arrangement will allow the Enlarged Group to benefit from significant scale in fruit-juice purchasing and manufacturing costs which the Directors and the Proposed Directors believe will enhance gross margins.

6. Intellectual Property

CardioFlow

The first patent application for the CardioFlow antiplatelet product was filed in the UK in 1998, followed by subsequent patent applications in Europe, the USA, Japan, Canada, Mexico and Australia in 1999. The patent was granted in Europe in July 2003 and subsequently granted in Australia. The USA patent application successfully obtained its Notice of Allowance in March 2005 and the Directors and Proposed Directors anticipate that grants in Japan, Mexico and Canada will follow in due course over the next twenty-four months.

In addition to the core parent patent, an additional patent application has been filed in Europe to protect aspects of CardioFlow's formulation, particularly with regard to dry powders and pills, which will have particular relevance for the development of the medical food product.

Similarly, a new and more recent application has been made with regard to CardioFlow's newly discovered potential therapeutic use.

A review of the CardioFlow intellectual property, excluding the most recent application described above, is included in Part VI of this document.

Plantain extract for the dietary management of Crohn's Disease

The plantain extract technology is also protected by patent application and is currently owned by the University of Liverpool. Provexis has an option to acquire rights to the patent application and other intellectual property rights relating to technology for the treatment of inflammatory bowel disease. These rights will be held in a subsidiary held 75 per cent. by Provexis and 25 per cent. by the University of Liverpool. The patent application has been the subject of an international search report and an international preliminary report on patentability, both of which are encouraging with regard to the likelihood of the patent being granted.

7. Sales and Marketing

Sirco

The Enlarged Group's proposed investment in marketing in respect of the Sirco brand will have two major platforms: national press and outdoor advertising, to raise awareness of the brand and its novel claims; and medical marketing, to influence directly opinion leaders and medical professionals.

At the retailer level, the Enlarged Group intends to invest in activities such as point-of-sale shopper education, loyalty-card promotion and in-store sampling. The Company is in discussions with a number of major high-street retailers and multiple grocers for the sales of Sirco and the aim is to launch in two major UK retailers in the final quarter of 2005.

Planned overall investment levels are designed to ensure that the Sirco brand will be focussed on the consumer and the trade customer, with approximately £2.2 million planned to be invested in marketing in the UK over the first two years. This compares with the total advertising investment in the UK by Tropicana of approximately £1.4 million in 2003 and the estimated £0.9 million invested in UK advertising by Ocean Spray in 2003.

The Enlarged Group plans to build its own sales operation, comprising two people with healthcare sales experience to work with key retail customers to educate the consumer at store level and establish the Sirco brand.

Altú food bar

Altú was launched in 2003 and the brand is distributed nationally. Sainsburys, Waitrose, Boots, Holland & Barrett, GNC and Julian Graves form the core of *Altú's* multiple-grocer and high-street outlets, while the recent addition of Palmer & Harvey's delivered wholesale business has given the brand access to the convenience store sector.

The product continues to receive support from existing customers and consumers. The Company intends to support current distribution via in-store promotions and sampling. A new multipack format was launched in Waitrose during March 2005.

The primary focus for the Enlarged Group will be the development of Sirco and the board will conduct a review of the *Altú* brand following Admission.

8. Financial information on the Group

The audited results of the Group for the three financial periods ended 31 December 2004 are set out in the accountants' report in Part III of this document. The Group had net assets as at 31 December 2004 of £0.6 million. A summary of the trading results for the Group, as extracted from the accountants' report set out in Part III of this document, is set out below. Investors should read the whole of this document and should not rely solely on the key or summarised information.

	Period ended 31 May 2003 £'000	*Period ended 31 March 2004 £'000*	*Period ended 31 December 2004 £'000*
Turnover	—	75	231
Gross profit	—	23	76
Operating loss	(81)	(860)	(1,744)
Loss before taxation	(81)	(856)	(1,729)

9. Financial information on Provexis

The audited results of Provexis for the four financial periods ended 31 December 2004 are set out in the accountants' report in Part IV of this document. Provexis had net assets as at 31 December 2004 of £0.1 million. A summary of the trading results for Provexis, as extracted from the accountants' report set out in Part IV of this document, is set out below. Investors should read the whole of this document and should not rely solely on the key or summarised information.

	Year ended 30 April			*8 month period ended 31 December*
	2002 £'000	*2003 £'000*	*2004 £'000*	*2004 £'000*
Turnover	1	—	—	—
Other operating income	—	—	22	23
Operating loss	(129)	(387)	(569)	(327)
Loss before taxation	(129)	(386)	(566)	(394)

10. Unaudited pro forma statement of net assets

An unaudited pro forma statement of net assets of the Enlarged Group, prepared for illustrative purposes only, is set out in Part V of this document.

11. Current trading and prospects of the Enlarged Group

Nutrinnovator's current trading has been slower than originally expected, however the *Altú* product continues to receive support from existing customers and consumers. A new multipack format was launched in Waitrose in March 2005.

Provexis has yet to make any sales but the Company is in discussions with a number of major high-street retailers and multiple grocers for the sales of Sirco and the aim is to launch in two major UK retailers in the final quarter of 2005.

The two businesses are complementary and the Directors and Proposed Directors believe that significant synergies can be achieved by merging the operations of the two companies. Both companies have a pipeline of potential products and the Directors and Proposed Directors believe that the acquisition of Provexis and Admission of the Ordinary Shares to trading on AIM will enhance the Group's activities and profile. The Acquisition will allow the Enlarged Group to combine Provexis' technology with the Group's marketing and sales capability which the Directors and the Proposed Directors believe will enhance the ability to develop and launch brands in a relatively short timeframe whilst continuing to implement a licensing strategy. The primary focus for the Enlarged Group will be the development of Sirco and the board will conduct a review of the Altú brand following Admission.

The members of the Concert Party intend to continue the business and, save as disclosed in paragraphs 4 to 7 in Part I of this document, the members of the Concert Party do not intend to introduce any major changes to the businesss.

12. Terms of the Acquisition

Under the terms of the Acquisition Agreement, the Company has conditionally agreed to acquire Provexis in consideration for the allotment and issue of the Consideration Shares to the Vendors on completion of the Acquisition. In addition, the Company has conditionally agreed to issue 18,184,524 new Ordinary Shares in satisfaction of the Vendor Loans and 12,000,000 New Ordinary Shares in satisfaction of the New Loans. The Consideration Shares will represent 44.73 per cent. of the Enlarged Share Capital of the Company on Admission. The new Ordinary Shares issued pursuant to the conversion of the Vendor Loans and the New Loans will represent 12.09 per cent. of the Enlarged Share Capital of the Company on Admission. The Acquisition Agreement is conditional, *inter alia*, upon the approval of the Resolutions by Shareholders and completion of the Placing and Admission.

Further details of the Acquisition Agreement are set out in paragraph 11 of Part VII of this document.

13. Use of Funds

The proceeds of the Placing and the New Loans net of the total anticipated costs and expenses of the Placing and Admission, will be approximately £3.6 million which will be applied principally as follows:

- the launch and marketing of Sirco in the UK and to secure an international licensing deal for the CardioFlow technology in a beverage format;
- to continue to develop the medical food for the dietary management of inflammatory bowel disease, specifically Crohn's disease;
- to continue to develop the near-term product pipeline (subject to satisfactory conclusion of negotiations with development partners); and
- to fund working capital.

14. The City Code on Takeovers and Mergers

The terms of the Acquisition give rise to certain considerations under the City Code. Rule 9 of the City Code is designed to prevent the acquisition or control of a company to which the City Code applies without a general cash offer being made to all shareholders of that company.

Under Rule 9 of the City Code, any person who acquires shares which, when taken together with the shares already held by him or shares held or acquired by persons acting in concert with him, carry 30 per cent. or more of the voting rights of a company subject to the City Code, is normally required to make a general cash offer to all shareholders, at the highest price paid by him or any persons acting in concert with him within the preceding 12 months, to purchase their shares in that company.

Rule 9 also provides, *inter alia*, that where any person, together with persons acting in concert with him, holds shares carrying not less than 30 per cent. but not more than 50 per cent. of a company's voting rights and such person, or any person acting in concert with him, acquires additional shares which increase his percentage of the voting rights in that company, such person is normally required to make a general offer in cash to all the remaining shareholders of that company at not less than the highest price paid by him or them or any persons acting in concert with him or them for any such shares within the preceding 12 months.

The Panel operates a rebuttable presumption that the shareholders of a private company are acting in concert. Accordingly, the members of the Concert Party are deemed to be acting in concert for the purposes of the City Code. Further details of the Concert Party are set out in paragraph 17 of Part VII of this document. The Concert Party comprises the Vendors.

Immediately following implementation of the Proposals, the members of the Concert Party will between them own 150,772,079 Ordinary Shares representing approximately 60.4 per cent. of the enlarged issued voting share capital of the Company. Assuming exercise in full by the members of the Concert Party of the rolled over options to acquire Ordinary Shares in the Company (and assuming that no other person exercises any option or other right to subscribe for shares in the Company) the members of the Concert Party will between them own 157,325,059 Ordinary Shares representing approximately 61.4 per cent. of the Company's enlarged issued voting share capital. The options will be exercisable following Admission. The respective individual holdings of the members of the Concert Party, now and following implementation of the Proposals and following the exercise of the options on the basis set out above, are set out in paragraph 17 of Part VII of this document.

The Panel has agreed, however, to waive the obligation that would otherwise arise as a result of the Proposals and/or the exercise of the options for the Concert Party to make a general cash offer to Shareholders under rule 9 of the City Code subject to the approval of independent Shareholders. Accordingly, Resolution 1 seeking the approval of independent Shareholders for the Waiver is being proposed at the EGM and will be taken on a poll.

Following Completion of the Proposals, the members of the Concert Party will between them hold in excess of 50 per cent. of the Enlarged Share Capital of the Company and for so long as they continue to be treated as acting in concert, may accordingly increase their aggregate shareholding without incurring any further obligation under Rule 9 of the City Code to make a general offer for the Company. The Panel should be consulted, however, before any individual member of the Concert Party increases his holding to 30 per cent. or more or, if such holding is already not less than 30 per cent. (but not more than 50 per cent.), before any increase of such holding.

15. Directors, Senior Management and the Scientific Advisory Board of the Enlarged Group

The Board of the Enlarged Group will initially comprise two executive Directors and two non-executive Directors.

Details of the Directors and Proposed Directors of the Enlarged Group, their service agreements with the Company and, in the case of non-executive Directors, their letters of appointment are set out in paragraph 9 of Part VII of this document.

Directors

On Completion, the Proposed Directors will be appointed to the Board. Biographical details of the Directors and the Proposed Directors and their positions on the Board on Completion are as follows:

Dawson Buck, *Non-Executive Chairman, Age 58*, Dawson has over twenty years' experience within the UK, US and international electronic security, property, retail and IT industries, holding management, director and officer positions during that time. He began his career as a graduate trainee with Unilever holding a number of management positions within the group. In 1975 he joined Automated Security Holdings plc where before becoming group chief executive officer, he held positions of responsibility in sales, marketing, public relations, buying, manufacturing, operations and human resources. Dawson was a founder and the chief executive officer of Automated Loss Prevention Ltd, which he led from its inception to its sale to the Sensormatic Electronic Corporation Inc for £150 million in 1992. After the sale to the Sensormatic Electronic Corporation Inc, he became President of Sensormatic International and Senior Vice President of Sensormatic Electronic Corporation Inc from 1992 until 1996. He joined ANGLE Technology Limited in 2000 and is a director of ANGLE plc.

Dr Neville Bain, *Non-Executive Deputy Chairman, Age 64*. Neville is, amongst other appointments, currently Chairman of Hogg Robinson plc, a non-executive director of Scottish & Newcastle plc and a member of the Council of the Institute of Directors and Chairman of their Audit Committee. He has worked internationally for most of his career and became the Deputy Group Chief Executive Officer and finance Director of Cadbury Schweppes in 1990. He then spent 6 years with Coats Viyella plc where he was Group Chief Executive. His portfolio of directorships commenced in 1998 and has included the post of Chairman of Royal Mail Group plc and non-executive director of Safeway plc. He is also currently a director of Biocon Limited, an Indian based biopharma company which produces active pharmaceutical ingredients, enzymes for foods and drug discovery products.

Dr Stephen Franklin*, Chief Executive, Age 37*. Stephen has been Chief Executive of Provexis since September 2002. Prior to this, Stephen was a Principal Executive with ANGLE plc and was the primary architect of Progeny, ANGLE's new company creation process. He also successfully established the North West operation of ANGLE and led a number of significant consulting and management engagements in the Midlands and the North of England. Stephen started his commercial career in a university spin-out company and whilst Business Development Manager at the Manchester Incubator he established and mentored a number of successful businesses in the North West of England. He has a BSc in Biology, a PhD in Applied Biochemistry, an MBA and over ten years' experience in the creation and development of early stage bioscience companies.

Stephen Moon, *Commercial Director, Age 48*. Stephen has had a career in manufacturing and supply chain roles with BP, Dalgety and Quaker. Following his mid-career MBA studies, he joined GlaxoSmithKline's nutritional healthcare division (whose brands include Lucozade, Ribena and Horlicks) as Strategy Planning and Worldwide Business Development Director. His responsibilities included strategy development and implementation, innovation, cost base reduction and responsibility for corporate activity for this division. He joined the Company in February 2003.

The Company does not currently have a Finance Director but the Board will keep this under review and will seek to appoint a part-time Finance Director when appropriate.

Senior management

Fiona Vigar*, Director of Marketing*. Fiona held sales and marketing roles with Diageo's Smirnoff brand and GlaxoSmithKline's Ribena brand prior to becoming the Marketing Category Director for its Lucozade and Lucozade Sport brands in the UK.

Ian Houghton, *Director of Sales*. Ian has over 20 years' experience in the beverage industry with Britvic, Quaker and Ubevco. As Sales Director of Ubevco he was responsible for building a salesforce of 75 which contributed to the growth of Red Bull from UK sales of £3 million to over £130 million.

Benedict Hopkins, *Director of Operations and Financial Controller*. Benedict joined Provexis in December 2004. Prior to this, he was director of tax and treasury for ArmorGroup International plc. During his career he has gained significant experience of different aspects of acquisitions, capital raising and negotiating banking facilities. He has an MA in economics and qualified as a chartered accountant with Arthur Young in 1989. He is a qualified member of the Association of Corporate Treasurers.

Niamh O'Kennedy, *Principal Scientist*. Niamh has been leading the scientific development of Provexis since January 2001. She is a research chemist, specialising in the field of natural products chemistry and her experience of isolating and characterising plant-derived compounds has been pivotal in the development of Provexis' lead product, CardioFlow. Niamh has a BSc in chemistry from UMIST in Manchester and an MSc from the University of Glasgow. Niamh then moved to the Rowett Research Institute in Aberdeen, where her PhD focused on natural product chemistry and its application in elucidating links between dietary components and human health.

Scientific Advisory Board

Professor Asim Dutta-Roy. Asim discovered the anti-aggregatory effect of the tomato extract whilst undertaking research at the Rowett Institute. He is Chairman of the Provexis Scientific Advisory Board and is currently Professor of Nutrition at the Institute for Nutrition Research, University of Oslo. Prior to this he was Principal Scientist & Group Leader of Lipid Transport & Metabolism Group at the Rowett Research Institute in Aberdeen. He has also been Director of Insulin Research at Efamol Inc in Canada and has held research positions at VA Medical Centre, Ohio; Wright State University School of Medicine, Dayton, Ohio; and the Thrombosis Research Centre, Temple University School of Medicine, Philadelphia.

Professor David Richardson. David advises Provexis in the field of health claims and functional food regulation. Prior to being an independent consultant, David was the Group Chief Scientist with Nestlé UK Ltd. He is a Visiting Professor at the University of Newcastle upon Tyne and University of Reading. From 1985 to 2000, Professor Richardson was a member of the UK committee on Medical Aspects of Food Policy (COMA). In 2003, he chaired the EU Concerted Action Programme (PASSCLAIM) to develop a process for the scientific substantiation of health claims, and he was formerly on the Council of the UK Joint Health Claims Initiative (JHCI). From 1999 to 2003, Professor Richardson was an industry observer on the UK Food Standards Agency Expert Group on Vitamins and Minerals. He has recently become Chairman of the International Life Sciences Institute (ILSI) Europe Consumer Science Expert Group on Consumer Understanding of Health Claims.

Professor David Webb. David is the Christison Professor of Therapeutics & Clinical Pharmacology in the College of Medicine & Veterinary Medicine of the University of Edinburgh. David is also Leader of the University's Centre for Cardiovascular Science. He was previously head of Edinburgh's Wellcome Trust Cardiovascular Research Initiative and Head of the Department of Medical Sciences. He has additional responsibility for scientific direction of the University's Clinical Research Centre and is Education Director for the newly built Wellcome Trust Millennial Clinical Research Facility. He also Chairman of the Symposium Committee of the Royal College of Physicians of Edinburgh, and a Fellow of the UK's Academy of Medical Sciences, and of the European Society of Cardiology.

Professor Iain Broom. Iain is a Research Professor in Clinical Biochemistry and Metabolic Medicine at Robert Gordon University in Aberdeen. He is Head of Metabolic Medicine and Obesity at the Aberdeen Centre for Energy Regulation & Obesity and he is an Honorary Research Fellow of the Rowett Research Institute in Aberdeen. He was formerly a Consultant in Clinical Biochemistry and Metabolic Medicine at Grampian University Hospitals NHS Trust, a Clinical Senior Lecturer in Clinical Biochemistry at the University of Aberdeen and Deputy Director of the Surgical Nutrition and Metabolism Unit in the Departments of Surgery and Clinical Biochemistry.

16. Corporate Governance and Share Dealing Code

The Directors and Proposed Directors recognise the importance of sound corporate governance, whilst taking into account the size and nature of the Company. The Directors and Proposed

Directors intend to comply with the main provisions of the Combined Code on Corporate Governance and Code of Best Practice as appended to the existing listing rules of the UKLA, insofar as possible and appropriate given the Company's size and the constitution of the Board.

It is expected that the Company will hold at least 10 board meetings throughout the year. The Board is responsible for formulating, reviewing and approving the Company's strategy, budgets, major items of capital expenditure and acquisitions.

The audit committee will meet at least twice each year and will be responsible for ensuring that the financial performance of the Company is properly reported on and monitored and for meeting with the auditors and reviewing the reports from the auditors relating to accounts and internal control systems. The audit committee will meet once a year with the auditors without executive board members present. From Admission, the audit committee will comprise non-executive Directors of the Company and will be chaired by Neville Bain.

The remuneration committee will review the performance of the executive Directors and will set and review the scale and structure of their remuneration and the basis of their remuneration and the terms of their service agreements with due regard to the interests of Shareholders. In determining the remuneration of executive Directors, the remuneration committee will seek to enable the Company to attract and retain executives of the highest calibre. The remuneration committee will also make recommendations to the Board concerning the allocation of share options to employees. No Director or Proposed Director will be permitted to participate in discussions or decisions concerning his own remuneration. From Admission, the remuneration committee will comprise non-executive Directors and will be chaired by Dawson Buck.

The Company has adopted a model code for Directors' and key employee share dealings which is appropriate for a company whose shares are traded on AIM. The Directors and Proposed Directors will comply with Rule 21 of the AIM Rules relating to Directors' dealings and will take all reasonable steps to ensure compliance by the Enlarged Group's applicable employees as well.

17. Dividend policy

The Directors and the Proposed Directors currently intend to apply the Enlarged Group's cash resources to invest in the growth of its operations and therefore do not anticipate paying dividends in the near future. They will reconsider the Company's dividend policy as and when the Company is in a position to pay dividends. The declaration and payment by the Company of any dividends will depend on the results of the Enlarged Group's operations, its financial condition, cash requirements, future prospects, profits available for distribution and other factors deemed to be relevant at the time.

18. Change of Company name

In view of the size and nature of the Acquisition, it is proposed that, on Admission, the name of the Company be changed to Provexis plc.

19. Capital Reorganisation

Conditional upon and with effect from Admission, the Company proposes to reorganise its ordinary shares of 2p each so that every 1 ordinary share of 2 pence each will be sub-divided into 2 Ordinary Shares of 1 penny each.

No fractional entitlements will arise on the sub-division.

As a result of the sub-division the 16,609,194 Existing Ordinary Shares in issue at the date of this document will be replaced with 33,218,388 Ordinary Shares.

20. Existing Share Certificates

Nutrinnovator will send certificates in respect of Ordinary Shares to those Shareholders who hold their Existing Ordinary Shares in certificated form as soon as possible following Admission. Existing certificates should be destroyed on receipt of the certificates for the Ordinary Shares.

21. Share Options

Both the Company and Provexis have granted EMI Options and unapproved options. The terms under which these options have been granted are set out in paragraph 10 of Part VII of this document.

The Provexis EMI Options will be rolled over into options over the Company's Ordinary Shares after the close of business on the day of Admission. These replacement EMI Options will remain subject to the same terms as contained in the individual Provexis EMI share option contracts under which they were originally granted. The options granted under the Provexis Unapproved Option Scheme will be rolled over into replacement options over the Company's Ordinary Shares on Admission and these replacement unapproved options will remain subject to the terms of the Provexis Unapproved Option Scheme under which they were originally granted.

Any further options that are granted after Admission will be granted under the New Share Option Scheme, approval for which is being sought from Shareholders.

Further details of the option arrangements are set out in paragraph 4 of Part VII of this document.

22. Change of Provexis' financial year end

Provexis has an accounting reference date of 30 April, whereas the Company has a financial year end of 31 March. The Directors and the Proposed Directors believe that the Enlarged Group's financial year end should coincide with that of Nutrinnovator. Consequently, the Enlarged Group will report its first audited results for the year ending 31 March 2006.

23. Change of Nominated Adviser and Broker

The Company also announced today that Oriel Securities Limited will resign as the Company's nominated adviser and broker with effect from Admission. In their place, the Company will appoint Arbuthnot Securities Limited as its nominated adviser and broker from Admission.

24. Details of the Placing

The Company is proposing to raise approximately £3.8 million (before expenses) through a conditional placing by Arbuthnot of 67,424,000 new Ordinary Shares at 5.6 pence per share.

The Placing Shares will represent approximately 27.01 per cent. of the Enlarged Share Capital of the Company following Admission. On Admission, it is expected that the Company will have a market capitalisation at the Placing Price of approximately £14.0 million.

Arbuthnot has agreed to subscribe approximately £260,000 as part of the Placing.

Under the Placing Agreement, Arbuthnot has agreed to use its reasonable endeavours to procure subscribers for the Placing Shares at the Placing Price and has conditionally placed all of these shares at the Placing Price with institutional and certain other investors.

The obligations of Arbuthnot under the Placing Agreement are conditional upon, *inter alia,* Admission taking place by 8.00 a.m. on 23 June 2005 (or such later date, being not later than 8.00 a.m. on 7 July 2005, as the Company and Arbuthnot shall agree).

The Placing Agreement contains provisions entitling Arbuthnot to terminate the Placing Agreement at any time prior to Admission in certain circumstances. If this right is exercised, the Placing will lapse and the Acquisition will not take place. The Placing has not been underwritten by Arbuthnot.

The Company has applied to the Inland Revenue for provisional clearance that the Placing Shares placed with VCTs will constitute a qualifying holding for such VCT purposes and the Placing Shares will be eligible shares for EIS purposes. VCT investors seeking VCT relief and investors seeking EIS relief should take their own advice and are referred to in paragraph 26 below.

The Placing Shares will, on Admission, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions thereafter declared, made or paid in respect of the ordinary share capital of the Company.

Further details of the Placing Agreement are set out in paragraph 12.1.12 of Part VII of this document.

25. Conversion of Loans

The Company is proposing to issue 18,184,524 new Ordinary Shares at the Placing Price per share in satisfaction of the Vendor Loans and 12,000,000 new Ordinary Shares at the Placing Price per share in satisfaction of the New Loans, pursuant to the terms of the Acquisition Agreement and 7,142,857 new Ordinary Shares at the Placing Price per share in satisfaction of the Nutrinnovator Loans.

Further details of the Loans are set out in paragraphs 12.1.5, sub paragraphs (d), (e), (h) and (i) of paragraph 12.2.1 and paragraphs 12.2.2, 12.2.3, 12.2.5, 12.2.6 and 12.2.7 of Part VII of this document.

26. Lock-in Arrangements

Under the terms of the Placing Agreement, the Directors and the Proposed Directors have agreed with Arbuthnot and the Company not to sell, transfer or otherwise dispose of any interest in any Ordinary Shares held by them immediately following Admission, other than in certain limited circumstances, for a period of 12 months following Admission pursuant to rule 7 of the AIM Rules.

The Directors and the Proposed Directors have also agreed that any sale or disposal of Ordinary Shares will be effected through Arbuthnot for such time as it remains the Company's broker and/or nominated adviser under the AIM Rules and offers competitive terms for such sale or disposal.

In addition, the Vendors and certain individuals have agreed with Arbuthnot and the Company not to sell, transfer or otherwise dispose of any interest in any Ordinary Shares held by them immediately following Admission, other than in certain limited circumstances for a period of 12 months following Admission pursuant to rule 7 of the AIM Rules. They have also agreed that any sale or disposal of Ordinary Shares will be effected through Arbuthnot for such time as it remains the Company's broker and/or nominated adviser under the AIM Rules and offers competitive terms for such sale or disposal.

The lock-in arrangements outlined above will apply in respect of 161,541,079 Ordinary Shares representing approximately 64.7 per cent. of the Enlarged Share Capital.

The terms of the lock-in arrangements are described more fully in paragraph 12.1.14 of Part VII of this document.

27. Undertakings

An Irrevocable Undertaking has been received from Stephen Moon in respect of the 3,000,000 Existing Ordinary Shares held by him which, at the date of this document, represents approximately 18.06 per cent. of the issued share capital of the Company to vote in favour of the Resolutions.

Irrevocable Undertakings have also been received from certain shareholders including Fiona Vigar in the Company in respect of the 9,660,795 Existing Ordinary Shares in aggregate held by them which, at the date of this document, represent approximately 58.17 per cent. of the issued share capital of the Company to vote in favour of the Resolutions.

The Irrevocable Undertakings also contain certain restrictions on dealings in shares until the conclusion of the EGM (or any adjournment thereof).

The Irrevocable Undertakings (and the dealing restrictions referred to therein) apply save in certain limited circumstances, including in connection with a takeover offer, the ability to accept an offer, to give irrevocable undertakings to accept an offer and to sell to an offeror or potential offeror who has been named in an announcement pursuant to the City Code, with the exception of the Irrevocable Undertakings entered into by Stephen Moon and Fiona Vigar where these limited circumstances do not apply. The Panel has deemed that Stephen Moon and Fiona Vigar are acting in concert for the period of the Irrevocable Undertakings until the conclusion of the EGM (or any adjournment thereof). Please see paragraph 14 of Part I of this document for details on the City Code and implications of acting in concert.

28. Extraordinary General Meeting

Set out at the end of this document is a notice convening an Extraordinary General Meeting to be held at the offices of Charles Russell LLP, 8-10 New Fetter Lane, London EC4A 1RS at 10.00 a.m. on 20 June 2005 at which the Resolutions will be proposed to approve the Waiver, to approve the Capital Reorganisation and to approve the Acquisition, increase the authorised share capital of the Company, authorise the Directors to allot shares, disapply statutory pre-emption rights and change the name of the Company and to approve the establishment of a new share option scheme.

Resolution 1 – Approval of the Waiver

Resolution 1 is to approve the Waiver of the requirement of the Concert Party to make a general offer under Rule 9 of the City Code. This resolution will be taken on a poll.

Resolution 2 – Capital Reorganisation

In order to attract Placees and subject to Shareholder approval, the Company is seeking to sub-divide each ordinary share of 2 pence in the capital of the Company, both issue and unissued, into two Ordinary Shares of 1 penny each.

Resolution 3

(a) *Approval of the Acquisition*

As the Acquisition constitutes a reverse takeover, Shareholder approval of the Acquisition is required under the AIM Rules.

(b) *Increase in authorised share capital*

The increase in the authorised share capital from £520,000 to £4,000,000 by the creation of 348,000,000 Ordinary Shares is proposed to create sufficient authorised but unissued share capital to allot the New Ordinary Shares and to maintain authorised share capital following completion of the Proposals, of 150,371,676 Ordinary Shares representing 60.24 per cent. of the Enlarged Share Capital.

(c) *Authority to allot shares*

It is proposed to give the directors of the Company from time to time authority to allot relevant securities up to an aggregate nominal amount of £3,647,726.86. The authority will expire on the date of the Annual General Meeting in 2006 or, if earlier, the date 15 months after the date of the passing of this resolution. After the allotment of the New Ordinary Shares, the Directors and the Proposed Directors will have authority to allot up to 150,371,676 Ordinary Shares representing approximately 60.24 per cent. of the Enlarged Share Capital.

(d) *Disapplication of pre-emption rights*

The provisions of section 89(1) of the Act, to the extent that they have not been disapplied, confer on shareholders rights of pre-emption in respect of the allotment of equity securities which are, or are to be, paid up in cash. It is proposed that the provisions of section 89(1) of the Act will be generally disapplied in connection with the Acquisition, the Placing and the issue of new Ordinary Shares on conversion of the Loans, a rights or other pre-emptive issue and any other issue of equity securities for cash up to an aggregate of £738,448.37 (representing approximately 29.58 per cent. of the Enlarged Share Capital; of this amount £176,784.65 is reserved for the existing options granted by Nutrinnovator and to be granted by Nutrinnovator pursuant to the Provexis options to be rolled over in to replacement options over the Company's Ordinary Shares and £187,221.24 is reserved for the New Share Option Scheme). The authority will expire on the date of the Annual General Meeting in 2006 or, if earlier, the date 15 months after the date of the passing of this resolution.

Save as disclosed in this document, the Directors and the Proposed Directors have no present intention of issuing further Ordinary Shares save as a result of the exercise of options under the Company EMI Scheme, the Company Unapproved Options and those options granted under the Provexis Roll-over Deeds and pursuant to the Proposals.

(e) *Change of name*

It is proposed to change the name of the Company to Provexis plc.

(f) *Amendment to the Company EMI Scheme*

Completion of the Acquisition Agreement would trigger the vesting and subsequent ability to exercise the Company EMI Options and the Company Unapproved Options granted under and subject to the rules of the Company EMI Scheme. As the existing holders of the Company EMI Options and the Company Unapproved Options do not intend to exercise such options, the Company EMI Options and the Company Unapproved Options would lapse on the expiry of six months after Admission which would adversely affect the holders of such options. This is an unintended effect of the rules of the Company EMI Scheme, therefore, Rule 8.4 of the rules of the Company EMI Scheme is required to be amended as provided for in paragraph (f) of Resolution 3 set out in the notice of EGM at the end of this document in relation to any options granted under and subject to the rules of the Company EMI Scheme in the future. Existing Company EMI Options and the Company Unapproved Options granted under and subject to the rules of the Company EMI Scheme must be amended by separate deeds of amendment and the said paragraph (f) of the Resolution authorises the Directors to enter into such deeds of amendment.

(g) *Approval of the Provexis Roll-over Deeds*

The Provexis EMI Options and Provexis Unapproved Options will be released in consideration of the grant of options over Ordinary Shares. Further details of the intended roll-overs are given in paragraphs 4.6 and 4.7 of Part VII of this document.

Resolution 4 – Authority to adopt the New Share Option Scheme

The Company is seeking the Shareholders' authority to adopt the New Share Option Scheme for the grant of discretionary tax approved and unapproved share options to employees. An outline of the intended terms of the New Share Option Scheme is set out in paragraph 10.3 of Part VII of this document. The New Share Option Scheme will permit options to be granted over new Ordinary Shares up to a maximum of 7.5 per cent. of the issued share capital of the Company from time to time taking account of rights granted under any other employees' share scheme adopted by the Company but disregarding any options granted by Provexis or the Company prior to Admission or pursuant to the Provexis Roll-over Deeds.

29. Taxation

The attention of investors is drawn to the further information regarding taxation set out in paragraph 19 of Part VII of this document. These details are, however, intended only as a general guide to the current tax position under UK taxation law.

Enterprise Investment Scheme ("EIS")

Provided that the investor and the Company comply with the EIS legislation (Chapter III of Part VII of the Income and Corporation Taxes Act 1988 and Sections 150A-D, Schedule 5B and 5BA of the Taxation of Chargeable Gains Act 1992), which includes a requirement that the Ordinary Shares are held by investors for three years, UK taxpayers should qualify for EIS relief on their investment in new issue shares in the Company.

The Company has obtained confirmation from the Inland Revenue, in accordance with Inland Revenue practice, that subject to a form EIS1 being submitted, an investment under the Placing by an individual (depending on such individual's particular circumstances) should qualify for EIS relief. The Directors and Proposed Directors intend to manage the Company so as to maintain (as far as they are able) such relief for investors although no guarantee can be given in this regard. Subsequent conditions placed on the Company may affect any EIS relief obtained by investors.

There are five EIS tax reliefs being:

(i) *Income tax relief*

Individuals can obtain income tax relief on the amount subscribed for ordinary shares (up to £200,000 in 2005-2006) in one or more qualifying companies, which are retained for a period of three years, provided the individuals are not connected to the issuing Company. A tax credit of 20 per cent. of the eligible amount subscribed is given. The credit is given against the individual's income tax liability for the tax year in which the ordinary shares are issued although it is possible to carry back up to one half of the amount invested, subject to a maximum of £25,000 to the preceding tax year where ordinary shares are issued before 6 October in any tax year. The relief will be limited to an individual's tax liability before EIS relief and cannot create a loss. EIS income tax relief is not available for individuals who own more than 30 per cent. of the issued share capital of the Company and certain other connected individuals.

(ii) *Capital gains tax ("CGT") exemption*

Any capital gains realised on the disposal, after three years, of ordinary shares on which EIS income tax relief has been given and not withdrawn are tax-free. This is not available for individuals who own more than 30 per cent. of the issued share capital of the Company and certain other connected individuals.

(iii) *Loss relief*

Subject to certain conditions, tax relief is available for a qualifying shareholder who realises a loss on a disposal of ordinary shares on which EIS income tax relief (see (i) above) has been given and not withdrawn or to which EIS income tax relief is attributable or on which CGT deferral relief (see (iv) below) has been given and not withdrawn. The amount of the loss (after taking account of the income tax relief initially obtained) can be set against a qualifying gain in the year of loss or following years or offset against taxable income in the tax year in which the disposal occurs or the preceding year.

(iv) *Capital gains tax liability/deferral*

To the extent that a UK resident investing ordinary shareholder (which includes individuals and certain trustees) subscribes for qualifying ordinary shares, it can claim to defer all or part of a chargeable gain arising on the disposal of any asset. Although there is a limit of £200,000 for income tax relief and the exemption from CGT (see (i) and (ii) above), there is no limit on the amount of gains that can be deferred in this way. The subscription must have been made within one year before or three years after the date of the disposal which gave rise to the gain or the date when a previously deferred gain crystallises. The gain is deferred until there is a "chargeable event" such as the disposal of ordinary shares after the three year qualifying period. If the investing ordinary shareholder does not retain the ordinary shares for three years or the EIS rules are otherwise breached, the CGT deferral originally granted will be withdrawn and tax charged based on a taxable event occurring at the date the rules cease to be met or, in certain instances, by reference to the normal payment date.

(v) *Serial EIS investor relief*

Investors who defer a chargeable gain on the disposal of an EIS investment by reinvesting the proceeds of the original EIS investment in ordinary shares of another EIS company may benefit from capital gains tax taper relief on a cumulative basis. In these circumstances, taper relief, which reduces the amount of a chargeable gain according to how long an asset has been held after 5 April 1998, will be calculated over the combined period for which both investments (and further investments if the gain is further deferred) are held. This relief applies where the ordinary shares in the first EIS company were issued after 5 April 1998 and are disposed of after 5 April 1999.

Whilst the Company cannot guarantee to conduct its activities in a way to allow it to maintain its status as a qualifying EIS investment, the Directors and Proposed Directors intend, as far as possible, to do so.

VCT

The Company has received advance assurance from the Inland Revenue, in accordance with Inland Revenue practice, that an investment by a VCT under the Placing (depending on the VCT's particular circumstances) should constitute a qualifying holding for VCT purposes. The Directors and Proposed Directors intend to manage the Company so as to maintain (as far as they are able) qualifying holding status for VCT investments although no guarantee can be given in this regard. Subsequent conditions placed on the Company may affect the qualifying holding status of any such investment.

30. Risk Factors

The Enlarged Group's business is dependent on many factors and Shareholders and potential investors are advised to read the whole of this document and, in particular, Part II.

31. Action to be taken

Shareholders will find enclosed with this document a Form of Proxy to enable them to vote at the EGM. Whether or not Shareholders intend to be present at the EGM, they are requested to complete and return the Form of Proxy in accordance with the instructions printed thereon to the Registrars at Lloyds TSB Registrars, The Causeway, Worthing, West Sussex BN99 6ZL so as to arrive no later than 10.00 a.m. on 18 June 2005.

By completing and returning the Form of Proxy, Shareholders will not affect their right to attend and vote at the meeting, if they so wish.

32. Recommendation

Your Board considers the Proposals including the Acquisition, the Waiver, the Placing and the change of name of the Company to be in the best interests of the Company and its Shareholders as a whole.

The Directors, who have been so advised by BDO Stoy Hayward Corporate Finance, further believe that the terms of the Proposals are fair and reasonable so far as the Shareholders of the Company as a whole are concerned. The Directors consider that the Resolutions are in the best interests of the Company and its shareholders as a whole. In providing advice to the Directors, BDO Stoy Hayward Corporate Finance has taken into account the Directors' commercial assessments.

Accordingly, the Directors unanimously recommend Shareholders to vote in favour of the Resolutions to be proposed at the Extraordinary General Meeting as they and certain Shareholders have irrevocably undertaken to do in respect of their beneficial interests amounting, in aggregate, to 12,660,795 Existing Ordinary Shares representing approximately 76.2 per cent. of the Company's current issued ordinary share capital.

Yours faithfully,

Dr Neville Bain
Chairman

PART II

Risk Factors

An investment in the Ordinary Shares involves a high degree of risk. Accordingly any prospective investors should carefully consider the specific risk factors set out below in addition to the other information contained in this document before investing in the Ordinary Shares. If you are in any doubt as to the action you should take, you should consult a person authorised under the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities.

The Directors and Proposed Directors consider the following risks and other factors to be the most significant for potential investors in the Company, but the risks listed do not necessarily comprise all those associated with an investment in the Company and are not set out in any particular order of priority. Additional risks and uncertainties not currently known to the Directors or the Proposed Directors may also have an adverse effect on the Enlarged Group's business.

If any of the following risks actually occur, the Enlarged Group's business, financial condition, capital resources, results or future operations could be materially adversely affected. In such a case, the price of the Ordinary Shares could decline and investors may lose all or part of their investment.

Intellectual property, patent protection and confidentiality

The commercial success of the Enlarged Group depends in part on its ability to protect its intellectual property and to preserve the confidentiality of its own and its collaborators' know-how. No assurance is given that the Enlarged Group will be able to protect and maintain the confidentiality of such information. Substantial costs may be incurred if the Enlarged Group is required to defend its intellectual property rights including any patents and trade marks against third parties.

The commercial success of the Enlarged Group may also depend in part on non-infringement by the Enlarged Group of intellectual property owned by third parties including compliance by the Enlarged Group with the terms of any licences granted to it. If this is the case, the Enlarged Group may have to obtain appropriate intellectual property licences or cease and/or alter certain activities or processes or develop or obtain alternative technology.

Markets and Competition

The market in which the Enlarged Group will operate is competitive and may become more competitive. It is possible that developments by others will render the Enlarged Group's current and proposed products and services obsolete. There can be no assurance that potential competitors of the Enlarged Group, which may have greater financial, research and development, sales and marketing and personnel resources than the Enlarged Group, are not currently developing, or will not in future develop, products that are equally or more effective at satisfying consumer demand and/or more economical than those to be developed and produced by the Enlarged Group.

The Directors and Proposed Directors believe that the market for the Enlarged Group's products and services will continue to grow, however, there can be no assurance that growth in the market for its products and services will occur at the rate envisaged by the Directors and the Proposed Directors.

Early stage of commercialisation

Additional product development will be required and there can be no assurance that the Enlarged Group's products will be successfully developed, exploited or sold. The Enlarged Group may encounter delays and incur additional research and development costs and expenses and additional costs and expenses of any human trials over and above those anticipated or allowed for by the Directors or the Proposed Directors. Further, certain parties with whom the Group may now or the Enlarged Group in the future have commercial relationships may themselves be exposed to uncertainty as to their continued presence in this market.

The success of the Enlarged Group depends upon its generation of increased revenues by further exploitation of its existing products, its successful commercialisation of the new products currently at the development stage, its identification of new market opportunities, its ability to continue to develop new products in line with advances in consumer tastes and market needs and the development of its relationships with key suppliers and customers.

The Enlarged Group may need access to additional capital in the future

The Enlarged Group's capital requirements will depend on numerous factors, including the rate of market acceptance of the Enlarged Group's products and its ability to expand its customer base. If the Enlarged Group's products do not gain market acceptance, further expenditure on research and development and marketing may be required to make them commercially viable and therefore the Enlarged Group may require further financing. Any additional equity financing may be dilutive to Shareholders, and debt financing, if available, may involve restrictions on financing and operating activities. In addition there can be no assurance that the Enlarged Group will be able to raise additional funds when needed or that such funds will be available on terms favourable to the Enlarged Group. If the Enlarged Group is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion or to cease trading.

Management of growth

The expansion of the Enlarged Group's target markets will place additional demands upon the Enlarged Group's technical, sales and marketing and administrative resources. Because the Enlarged Group is at a comparatively early stage of its development, the ability of the Enlarged Group to cope with these additional demands is uncertain. The failure to manage its growth appropriately will adversely affect the business, its financial condition and the future results of its operations.

Key management and staff

The Directors and Proposed Directors believe that the Enlarged Group's future success will greatly depend upon the expertise and continued services of certain key executives and technical personnel, including the executive Director and Proposed Directors. There can be no guarantee that it will be able to retain the services of key employees. In addition, the Enlarged Group may find it difficult to recruit new employees. The business may suffer if the Enlarged Group fails to attract, hire or retain the necessary personnel.

Reliance upon alliances and partnerships

The development and/or commercialisation of some or all of the Enlarged Group's products will be reliant upon the performance of third parties whose performance is not guaranteed. If the relationship with any of these third parties were to be terminated, it could be obliged to make alternative arrangements to minimise disruption to its business and such alternatives may not be able to be put in place to avoid a serious disruption. The Directors anticipate that the Enlarged Group's ability and success in penetrating new markets may depend largely on its ability to identify and establish strategic alliances with companies and individuals who may have experience in the development and marketing of its products to future markets. There can be no assurance that the Enlarged Group will identify and/or establish such alliances.

Liquidity of the Ordinary Shares and the AIM market generally

It may be more difficult for an investor to realise his or her investment on AIM than to realise an investment in a company whose shares or other securities are quoted on the Official List. The AIM Rules are less demanding than those of the Official List. An investment in a share that is traded on AIM is likely to carry a higher risk than an investment in a share quoted on the Official List. AIM has been in existence since June 1995 but its future success and liquidity in the market for the Ordinary Shares can not be guaranteed. The share price of publicly traded emerging companies can be highly volatile.

The price at which the Ordinary Shares will be traded and the price at which investors may realise their investment will be influenced by a large number of factors, some specific to the Enlarged Group and its operations and some which may affect quoted companies generally. Admission to AIM should not be taken as implying that there will be a liquid market for the Ordinary Shares particularly as, on Admission, the Company will have a limited number of Shareholders. Historically, the market for shares in smaller public companies (which would include the Company), has been less liquid than for larger public companies. The Enlarged Group is aiming to achieve capital growth and, therefore, the Ordinary Shares may not be suitable as a short-term investment. Consequently, the share price may be subject to great fluctuation on small volume of shares, and thus the Ordinary Shares may be difficult to sell at a particular price. The market price of the Ordinary Shares may not reflect the underlying value of the Enlarged Group's net assets.

Changes in Government policy or legislation

There is currently no pan-European legislation for health claims on functional foods although this is expected in 2006. Member states currently have voluntary bodies that appraise health claims on a case-by-case basis. An increase in the stringency of the European legislation is largely a positive driver for the business – due to the emphasis on human trials and scientific substantiation – however, there is no guarantee as to the timing of the legislation or its final content and this may lead to additional costs and/or a change in the Group's strategy.

Currency Risk

The Group anticipates that it will receive revenues from overseas activities denominated in US dollars, Euros and possibly other currencies. As a result, the Group's revenues are subject to foreign currency risk as they will be subject to exchange rate fluctuations when those revenues are translated into sterling.

Product Liability

The Company may be liable to third parties for failings in the Enlarged Group's products either during human trials or following the launch of a product, which may result in claims against the Enlarged Group. Any successful claim may be material in respect of the Enlarged Group and may affect the future trading.

PART III

Accountants' Report on the Group

The following is the full text of a report on the Group from BDO Stoy Hayward LLP, the Reporting Accountants to the Company, to the Directors and Proposed Directors of Nutrinnovator and the Directors of Arbuthnot Securities Limited.

BDO Stoy Hayward
Chartered Accountants

BDO Stoy Hayward LLP
8 Baker Street
London W1U 3LL

The Directors and the Proposed Directors
Nutrinnovator Holdings Plc
20 Mortlake High Street
London
SW14 8JN

The Directors
Arbuthnot Securities Limited
20 Ropemaker Street
London
EC2Y 9AR

25 May 2005

Dear Sirs

Nutrinnovator Holdings Plc ("the Company") and its subsidiaries (together, "the Group")

Introduction

We report on the financial information set out below. This financial information has been prepared for inclusion in the re-admission document dated 25 May 2005 of Nutrinnovator Holdings Plc ("the Re-admission Document").

The Company was incorporated on 15 April 2004. On 12 May 2004, the Company acquired the entire issued share capital of Nutrinnovator Limited. Nutrinnovator Limited was incorporated on 16 May 2002.

The Company incorporated Altucea Limited, as a wholly owned subsidiary, on 8 September 2004. On 25 February 2005, the Company disposed of 6 per cent. of the share capital of Altucea Limited. Altucea Limited has not traded since incorporation.

Basis of preparation

The financial information is based on the audited financial statements of the Group for the period from 16 May 2002 to 31 May 2003, the ten month period ended 31 March 2004 and the nine months ended 31 December 2004 ("the Relevant Period") to which no adjustments were considered necessary.

BDO Stoy Hayward LLP, Chartered Accountants and Registered Auditors, 8 Baker Street London W1U 3LL, were auditors to the Group during the Relevant Period. Each of the audit reports throughout the Relevant Period was unqualified but the financial statements for the nine months ended 31 December 2004 drew attention to the uncertainty as to whether the Group would be able to continue as a going concern. However, the audit report was not qualified in this regard. This uncertainty is repeated under the heading "Going Concern" under Accounting Policies.

Responsibility

Such financial statements are the responsibility of the directors of the Company who approved their issue.

The directors and proposed directors of Nutrinnovator Holdings Plc are responsible for the contents of the Re-admission Document in which this report is included.

It is our responsibility to compile the financial information set out in our report from the financial statements, to form an opinion on the financial information and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with the Statements of Investment Circular Reporting Standards issued by the Auditing Practices Board. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. The evidence included that previously obtained by us relating to the audits of the financial statements underlying the financial information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial statements underlying the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

In forming our opinion, we had regard to the uncertainties over going concern referred to under "Basis of preparation" above and "Going Concern" under Accounting Policies below. On the basis of the disclosures set out therein, we have been able to conclude that it is appropriate to prepare the financial information on a going concern basis and our opinion is not qualified in this regard.

Opinion

In our opinion, the financial information gives, for the purposes of the Re-admission Document, a true and fair view of the state of affairs of the Group as at the dates stated and of its results for the periods then ended.

Consent

We consent to the inclusion in the Re-admission Document of this report and accept responsibility for this report for the purposes of paragraph 45(1)(b)(iii) of Schedule 1 to the Public Offers of Securities Regulations 1995.

Financial Information

Accounting policies

The financial information has been prepared under the historical cost convention and in accordance with applicable accounting standards. In preparing this financial information the Group has adopted merger accounting as set out in Financial Reporting Standard (FRS) 6, "Acquisitions and Mergers". The following principal accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial information:

Going concern

The financial information has been prepared on a going concern basis, which assumes that the Group will continue in operational existence for the foreseeable future. The Group has incurred a loss for the period ended 31 December 2004 of £1,729,130. The directors continually monitor the financial position of the Group, taking into account the latest forecasts of future cash flows and analyses of these forecasts, sensitised in respect of the key uncertainties facing the Group's ability to generate cash. The directors consider that the major uncertainties surround the ability of the Group to maintain and extend distribution of *Altù* food-bars to existing key customers, to secure new listings and distribution points, and to achieve consistent rate of sale increases for these products given the current limited resources available to it for marketing and promotional support. The directors have identified cash savings, which can be realised in the short-term, which will enable the Group to continue in operational existence for the foreseeable future and an additional income stream may be generated through the provision, on an ad-hoc basis, of product development consultancy services.

In light of the above, the directors believe that it would enhance the Group's activities and prospects to combine its business with that of Provexis Limited, a private nutraceutical company that develops functional foods, supplements and medical foods. Accordingly, the Company intends to acquire the whole of the issued share capital of Provexis Limited by means of a reverse take-over and to raise approximately £4.5 million additional capital (before expenses) of which £3.8 million is to be raised pursuant to a placing to be effected conditionally upon the re-admission of the Company's shares to trading on AIM.

In arriving at their conclusion below, the directors have assumed that the arrangements described above are successfully concluded.

Whilst inherent uncertainty remains until the successful completion of the transaction set out above, the directors are confident of the Group's ability to continue in operational existence and, accordingly, they consider that the going concern basis of preparation continues to be appropriate. The financial information does not reflect any adjustments, which would be required, if the going concern assumption was not appropriate. Given the uncertainty described above it is not currently possible to determine the extent and quantification of such adjustments but these might include the write down of certain assets and the disclosure of, or provision for, additional liabilities.

Basis of consolidation

The consolidated financial information incorporates the results of the Group as at 31 December 2004 using the merger method of accounting.

Merger accounting

Following a group reorganisation effected on 12 May 2004, the Company acquired its interest in Nutrinnovator Limited in consideration for the issue of shares.

In accordance with the principles of merger accounting as set out in FRS 6, Acquisitions and Mergers, the financial information has been prepared as if Nutrinnovator Limited had always been a member of the Group, with its results being included for the periods prior to its acquisition. The financial information includes the assets and liabilities of Nutrinnovator Limited at the previous balance sheet dates and the shares issued by the Company as consideration as if they had always been in issue. The difference between the nominal value of the shares acquired by the Company and those issued by the Company to acquire them is taken to reserves.

Turnover

Turnover represents sales to external customers at invoiced amounts less value added tax or local taxes on sales.

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all fixed assets, except freehold land, evenly over their expected useful lives. It is calculated at the following rates:

Plant, machinery and vehicles	– 33% per annum
Fixtures, fittings and equipment	– 33% per annum

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less additional costs to completion and disposal.

Share based employee remuneration

When shares and share options are awarded to employees a charge is made to the profit and loss account based on the difference between the market value of the company's shares at the date of grant and the option exercise price in accordance with UITF Abstract 17 (Revised 2003) 'Employee Share Schemes'. The credit entry for this charge is taken to the share option reserve and reported in the reconciliation of movements in shareholders' funds.

National insurance on share options

To the extent that the share price at the balance sheet date is greater than the exercise price on options granted after 19 May 2002, provision for any national insurance contribution is made based on the prevailing rate of national insurance in accordance with UITF 25, 'National Insurance contributions on share option gains'. The provision is accrued over the performance period attaching to the award.

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that the recognition of deferred tax assets is limited to the extent that the Group anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

Pension costs

Contributions to the money purchase pension scheme are charged to the profit and loss account in the period in which they become payable.

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership ("finance leases"), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases.Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

Financial instruments

In relation to the disclosures made in note 13 to the financial information:

- short term debtors and creditors are not treated as financial assets or financial liabilities except for the currency disclosures;
- the Group does not hold or issue derivative financial instruments for trading purposes;
- in the Group's current situation, hedging for interest rate risk is not considered appropriate; and
- short term liquidity risk is managed by obtaining and reviewing the adequacy of banking facilities on a regular basis.

Liquid resources

For the purposes of the cash flow statement, liquid resources are defined as short term deposits.

Consolidated profit and loss accounts

	Notes	*Period ended 31 May 2003* £	*Period ended 31 March 2004* £	*Period ended 31 December 2004* £
Turnover		—	74,878	231,104
Cost of sales		—	(52,328)	(154,981)
Gross profit		—	22,550	76,123
Distribution costs		—	(9,575)	(23,203)
Administrative expenses				
Share option costs	1	—	—	(498,067)
Other administrative expenses		(83,311)	(872,854)	(1,299,243)
		(83,311)	(872,854)	(1,797,310)
Other operating income		2,500	—	—
Operating loss	2	(80,811)	(859,879)	(1,744,390)
Interest receivable		197	5,866	28,484
Interest payable and similar charges	5	(139)	(543)	(13,224)
Loss on ordinary activities before and after taxation	6,15	(80,753)	(854,556)	(1,729,130)
Loss per share (basic and diluted)	7	(0.6)p	(6.4)p	(10.9)p

All amounts relate to continuing activities

All recognised gains and losses are included in the profit and loss accounts for the periods.

Consolidated balance sheets

	Notes	*As at 31 May 2003* £	*As at 31 March 2004* £	*As at 31 December 2004* £
Fixed assets				
Tangible assets	8	5,145	17,228	13,499
Current assets				
Stock	9	—	61,891	93,584
Debtors	10	11,342	57,225	182,704
Cash at bank and in hand		43,158	186,938	1,137,125
		54,500	306,054	1,413,413
Creditors: amounts falling due within one year				
Convertible debt	11	—	—	(400,000)
Other	11	(19,076)	(215,362)	(433,732)
Net current assets		35,424	90,692	579,681
Total assets less current liabilities		40,569	107,920	593,180
Creditors: amounts falling due after more than one year	12	(1,322)	(129)	—
Net assets		39,247	107,791	593,180
Capital and reserves				
Called up share capital	14	265,583	265,583	332,184
Share premium account	15	—	—	1,335,192
Merger reserve	15	(145,583)	777,517	1,137,616
Share option reserve	15	—	—	409,297
Profit and loss account	15	(80,753)	(935,309)	(2,621,109)
Shareholders' funds – Equity	16	39,247	107,791	593,180

Consolidated cash flow statements

	Notes	*Period ended 31 May 2003* £	*Period ended 31 March 2004* £	*Period ended 31 December 2004* £
Net cash outflow from operating activities	17	(73,827)	(767,645)	(1,216,795)
Returns on investments and servicing of finance				
Interest received		—	5,854	19,766
Interest paid on convertible loan notes		—	—	(10,400)
Interest element of finance lease payments		(139)	(543)	(224)
Net cash (outflow)/inflow from returns on investments and servicing of finance		(139)	5,311	9,142
Capital expenditure				
Purchase of tangible fixed assets		(2,546)	(15,315)	(2,283)
Cash outflow before use of liquid resources and financing		(76,512)	(777,649)	(1,209,936)
Management of liquid resources				
Increase in short term deposits		—	—	(800,000)
Financing				
Issue of ordinary share capital		120,000	923,100	2,025,079
Exercise of share options		—	—	1,884
Cost of share issues		—	—	(265,071)
Capital element of finance lease payments		(330)	(1,671)	(1,769)
Issue of convertible loan notes		—	—	400,000
Cash inflow from financing		119,670	921,429	2,160,123
Increase in cash in the period	18,19	43,158	143,780	150,187

Notes to the financial information

1. Share option costs

	Period ended 31 May 2003 £	Period ended 31 March 2004 £	Period ended 31 December 2004 £
UITF 17 charge in respect of share options with an exercise price below market value at the date of issue of the options	—	—	452,627
UITF 25 charge in respect of employer's national insurance on share option benefits	—	—	45,440
	—	—	498,067

2. Operating loss

This is arrived at after charging:

	Period ended 31 May 2003 £	Period ended 31 March 2004 £	Period ended 31 December 2004 £
Depreciation	545	4,480	6,012
Hire of other assets – operating leases	2,982	19,130	17,217
Auditors' remuneration			
Audit services	2,000	8,000	12,250
Non-audit services	—	5,750	4,000

3. Employees

Staff costs for all employees, including executive directors, consist of:

	Period ended 31 May 2003 £	Period ended 31 March 2004 £	Period ended 31 December 2004 £
Wages and salaries	11,100	177,802	308,341
Social security costs	1,224	20,590	37,091
Pension costs	—	—	11,813
	12,324	198,392	357,245

The average number of employees during the period ended 31 December 2004, including directors, was 5 (period ended 31 March 2004: 5, period ended 31 May 2003: 3).

4. Directors' remuneration

	Period ended 31 May 2003 £	Period ended 31 March 2004 £	Period ended 31 December 2004 £
Directors' remuneration comprises:			
Emoluments	11,100	117,802	218,167
Company contributions to money purchase pension schemes	—	—	8,063
Compensation for loss of office	—	15,000	—
	11,100	132,802	226,230

There were three directors in the Company's money purchase scheme (period ended 31 March 2004: None, period ended 31 May 2003: None).

Emoluments of the highest paid director amounted to £75,000 (period ended 31 March 2004: £49,757, period ended 31 May 2003: £6,157).

Pension contributions for the highest paid director amounted to £3,750 (period ended 31 March 2004: £Nil, period ended 31 May 2003: £Nil).

5. Interest payable and similar charges

	Period ended 31 May 2003	*Period ended 31 March 2004*	*Period ended 31 December 2004*
	£	*£*	*£*
Interest on:			
Convertible loan notes	—	—	13,000
Finance leases	139	543	224
	139	543	13,224

6. Taxation on loss from ordinary activities

No corporation tax is payable in respect of each period.

The tax assessed in the periods differs from the standard rate of corporation tax in the UK. The differences are explained below:

	Period ended 31 May 2003	*Period ended 31 March 2004*	*Period ended 31 December 2004*
	£	*£*	*£*
Loss on ordinary activities before tax	(80,753)	(854,556)	(1,729,130)
Loss on ordinary activities at the standard rate of corporation tax in the UK of 30 per cent. (2004: 30 per cent., 2003: 30 per cent.)	(24,226)	(256,367)	(518,739)
Effects of:			
Expenses not deductible for tax purposes	20	24,367	139,052
Capital allowances for period in excess of depreciation	164	(1,326)	435
Losses created in the period	24,810	233,326	375,709
Profits taxed at UK Corporation tax rate of 0%	(768)	—	—
Other timing differences	—	—	3,543
	—	—	—

The Group has tax losses carried forward of £2,109,897 at 31 December 2004, subject to Inland Revenue approval (at 31 March 2004: £850,453, at 31 May 2003: £Nil). The Group has not recognised a deferred tax asset of £632,969 (period ended 31 March 2004: £258,136) as it is prudent to assume that it will not make sufficient profits in the short term to absorb these amounts.

7. Loss per ordinary share

Loss per ordinary share has been calculated using the weighted average number of shares in issue during the relevant financial periods. The weighted average number of equity shares in issue is 15,819,141 (periods ended 31 March 2004 and 31 May 2003: 13,279,150) and the loss after taxation is £1,729,130 (period ended 31 March 2004: £854,556, period ended 31 May 2003: £80,753).

There are no potentially dilutive shares in issue.

8. Tangible assets

	Plant, Machinery and vehicles £	*Fixtures, fittings and equipment* £	*Total* £
Cost			
As at 16 May 2002	—	—	—
Additions	—	5,690	5,690
As at 31 May 2003	—	5,690	5,690
Additions	15,315	1,248	16,563
As at 31 March 2004	15,315	6,938	22,253
Additions	—	2,283	2,283
As at 31 December 2004	15,315	9,221	24,536
Depreciation			
As at 16 May 2002	—	—	—
Provided for the period	—	545	545
As at 31 May 2003	—	545	545
Provided for the period	2,553	1,927	4,480
As at 31 March 2004	2,553	2,472	5,025
Provided for the period	3,829	2,183	6,012
As at 31 December 2004	6,382	4,655	11,037
Net book value			
As at 31 May 2003	—	5,145	5,145
As at 31 March 2004	12,762	4,466	17,228
As at 31 December 2004	8,933	4,566	13,499

The net book value of tangible fixed assets includes an amount of £1,812 (period ended 31 March 2004: £2,910, period ended 31 May 2003: £3,056) in respect of assets held under finance leases. The related depreciation charge for the period was £1,098 (period ended 31 March 2004: £1,220, period ended 31 May 2003: £262).

9. Stocks

	As at 31 May 2003 £	*As at 31 March 2004* £	*As at 31 December 2004* £
Raw materials	—	33,832	28,164
Finished goods and goods held for resale	—	28,059	65,420
	—	61,891	93,584

There is no material difference between the replacement cost of stocks and the amounts stated above.

10. Debtors

	As at 31 May 2003 £	As at 31 March 2004 £	As at 31 December 2004 £
Trade debtors	—	27,631	98,398
Taxation and social security	—	—	31,417
Other debtors	10,029	27,563	1,994
Prepayments and accrued income	1,313	2,031	50,895
	11,342	57,225	182,704

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

11. Creditors: amounts falling due within one year

	As at 31 May 2003 £	As at 31 March 2004 £	As at 31 December 2004 £
Convertible debt:			
Convertible Secured Loan Notes 2005	—	—	400,000
Other:			
Trade creditors	7,909	145,190	189,779
Tax and social security creditor	4,509	4,411	96,747
Obligations under finance leases agreements	1,492	2,262	622
Accruals	2,000	63,499	146,584
Other creditors	3,166	—	—
	19,076	215,362	433,732

The Convertible Secured Loan Notes 2005 are secured against the assets of Nutrinnovator Limited by virtue of a second fixed and floating charge.

Further details on conversion rights are disclosed in note 14.

12. Creditors: amounts falling due after more than one year

	As at 31 May 2003 £	As at 31 March 2004 £	As at 31 December 2004 £
Obligations under finance leases – in more than one year but not more than two years	1,322	129	—

13. Financial instruments

An explanation of the objectives and policies for holding and issuing financial instruments and the strategies for achieving these objectives are given in the accounting policies section of this report.

(a) *Interest rate and currency of borrowings*

As at 31 December 2004

Currency	*Total* £	*Fixed rate borrowings* £	*Interest rate* %
Sterling	400,000	400,000	6.5%

The fixed rate borrowing as at 31 December 2004 comprises the convertible secured loan notes due December 2005.

There were no amounts to be disclosed on interest rate and currency of borrowings as at 31 March 2004 or 31 May 2003.

(b) *Interest rate and currency of cash balances*

Floating rate financial assets of £337,125 (period ended 31 March 2004: £186,938, period ended 31 May 2003: £43,158) comprise sterling bank cash deposits. Fixed rate financial assets of £800,000 (period ended 31 March 2004: £Nil, period ended 31 May 2003: £Nil) comprise three month sterling treasury cash deposits bearing interest at 4.2 per cent. and maturing on 4 January 2005.

The fair value of the financial instruments is not materially different to the book value of those instruments.

14. Share capital

	As at 31 May 2003 Number	*As at 31 March 2004 Number*	*As at 31 December 2004 Number*	*As at 31 May 2003 £*	*As at 31 March 2004 £*	*As at 31 December 2004 £*
Authorised						
Ordinary shares of 2p each	26,000,000	26,000,000	26,000,000	520,000	520,000	520,000
Allotted, called up and fully paid						
Ordinary shares of 2p each	13,279,150	13,279,150	16,609,194	265,583	265,583	332,184

	Ordinary shares of 2p each Number	*£*
On incorporation and at 31 May 2003 and 31 May 2004	13,279,150	265,583
Issued during the period	3,235,849	64,717
Exercise of share options	94,195	1,884
In issue at 31 December 2004	16,609,194	332,184

On 12 May 2004, the Company acquired the entire issued share capital of Nutrinnovator Limited in exchange for the issue of 13,279,050 ordinary shares of 2p each in the Company and the crediting as fully paid up of the unpaid share capital.

On 28 June 2004, 3,141,511 ordinary shares of 2p each were issued for cash consideration of £1,665,000 under the placing effected at the time of the Company's admission to AIM.

On 28 June 2004, 94,338 ordinary shares of 2p each were issued to Oriel Securities Limited, at a premium of £48,113, as consideration for part of its services under the placing agreement relating to the effected at that time.

On 22 July 2004, 40,372 ordinary shares of 2p each were issued for cash consideration of £807 pursuant to the exercising of investors' share options.

On 4 August 2004, 53,823 ordinary shares of 2p each were issued for cash consideration of £1,076 pursuant to the exercising of investors' share options.

At 31 December 2004 the following share options were outstanding in respect of the ordinary shares:

Date of grant	*Number of shares*	*Period of option*	*Exercise price per share*
Senior Executive Share Option Scheme			
17 June 2004	745,080	17/06/2004 – 16/06/2014	2p
17 June 2004	649,895	17/06/2006 – 16/06/2014	48p
17 June 2004	165,150	17/06/2005 – 16/06/2014	2p
Investors Share Option			
21 June 2004	94,233	21/06/2004 – 20/06/2014	2p

Convertible Secured Loan Notes 2005

Based on the conversion price of 53p, the £400,000 Convertible Secured Loan Stock 2005 would be converted into 754,717 ordinary shares. The loan notes are convertible, at the option of the holders, at every six monthly interval after 28 June 2004 into ordinary shares, and are fully repayable on 28 December 2005.

15. Reserves

	Share premium account £	Merger reserve £	Share option reserve £	Profit and loss account £
At 16 May 2002	—	(145,583)	—	—
Loss for the period	—	—	—	(80,753)
At 31 May 2003	—	(145,583)	—	(80,753)
Adjustments for shares issued by Nutrinnovator Limited	—	923,100	—	—
Loss for the period	—	—	—	(854,556)
At 31 March 2004	—	777,517	—	(935,309)
Premium on shares issued	1,650,263	—	—	—
Share issue costs	(315,071)	—	—	—
Shares issued to Nutrinnovator Limited prior to group reconstruction	—	360,099	—	—
Loss for the period	—	—	—	(1,729,130)
Share options granted at below market value	—	—	452,627	—
Reserve transfer on exercise of share options	—	—	(43,330)	43,330
At 31 December 2004	1,335,192	1,137,616	409,297	(2,621,109)

The merger reserve as at 1 April 2004 of £777,517 is the difference between the £265,583 nominal value of the shares issued by Nutrinnovator Holdings plc on the share for share exchange (see note 14) and the total of the share capital of Nutrinnovator Limited of £274,600 and its associated share premium of £768,500 as at 1 April 2004.

16. Reconciliation of movements in shareholders' funds

	Period ended 31 May 2003 £	Period ended 31 March 2004 £	Period ended 31 December 2004 £
At the beginning of the period	—	39,247	107,791
Issue of shares (net proceeds)	120,000	923,100	1,761,892
Loss for the period	(80,753)	(854,556)	(1,729,130)
Share option reserve	—	—	452,627
At the end of the period	39,247	107,791	593,180

17. Reconciliation of operating loss to net cash flow from operating activities

	Period ended 31 May 2003 £	Period ended 31 March 2004 £	Period ended 31 December 2004 £
Operating loss	(80,811)	(859,879)	(1,744,390)
Depreciation	545	4,480	6,012
Charge (under UITF 17) for share options exercisable at a discount to market value	—	—	452,627
Increase in stocks	—	(61,891)	(31,693)
Increase in debtors	(11,145)	(45,871)	(116,760)
Increase in creditors	17,584	195,516	217,409
Net cash outflow from operating activities	(73,827)	(767,645)	(1,216,795)

18. Reconciliation of net cash flow to movement in net funds

	Period ended 31 May 2003 £	*Period ended 31 March 2004* £	*Period ended 31 December 2004* £
Increase in cash in the period	43,158	143,780	150,187
Cash outflow from increase in debt	330	1,671	(398,231)
Cash outflow from changes in liquid resources	—	—	800,000
Change in net funds resulting from cash flows	43,488	145,451	551,956
New finance leases	(3,143)	(1,249)	—
Movement in net funds in the period	40,345	144,202	551,956
Net funds at the beginning of the period	—	40,345	184,597
Net funds at the end of the period (note 19)	40,345	184,547	736,503

19. Analysis of net funds

	At start of the period £	*Cash flow* £	*Non-cash changes* £	*At the end of the period* £
Period ended 31 May 2003				
Cash in hand, at bank	—	43,158	—	43,158
Finance leases	—	330	(3,143)	(2,813)
Total	—	43,488	(3,143)	40,345
Period ended 31 March 2004				
Cash in hand, at bank	43,158	143,780	—	186,938
Finance leases	(2,813)	1,671	(1,249)	(2,391)
Total	40,345	145,451	(1,249)	184,547
Period ended 31 December 2004				
Cash in hand, at bank	186,938	150,187	—	337,125
Finance leases	(2,391)	1,769	—	(622)
Convertible loan notes	—	(400,000)	—	(400,000)
Other liquid resources	—	800,000	—	800,000
Total	184,547	551,956	—	736,503

20. Related party transactions

Thornton Mustard is a former director of the Company and Nutrinnovator Limited.

Thornton Mustard is a director of The Marketing Clinic Limited. Services of £24,675 (period ended 31 March 2004: £47,000, period ended 31 May 2003: £Nil) were provided by The Marketing Clinic to Nutrinnovator Limited, on an arm's length basis on normal trading terms.

There was no amount due to The Marketing Clinic Limited at the period end (at 31 March 2004: £12,975, at 31 May 2003: £Nil).

21. Pensions

The Group is accruing pension contributions at 5 per cent. of basic salaries for all salaried employees. No pension scheme has been established as yet. The Group accrued £11,813 as at 31 December 2004 and this amount is included in creditors at that date (31 March 2004 and 31 May 2003: £Nil).

22. Post balance sheet event

On 28 January 2005, Nutrinnovator Limited signed a development and licence agreement with Provexis Limited in relation to the work being undertaken to develop a juice drink incorporating the patented CardioFlow ingredient owned by Provexis Limited. Under the terms of this agreement, Nutrinnovator may be entitled to project fee payments in respect of its services provided to Provexis Limited. Attributable project costs (excluding labour costs) for the period ended 31 December 2004 of £79,250 have been charged to administrative expenses.

Yours faithfully

BDO Stoy Hayward LLP
Chartered Accountants

PART IV

Accountants' Report on Provexis Limited

The following is the full text of a report on Provexis Limited from Baker Tilly, the Reporting Accountants, to the Directors and Proposed Directors of Nutrinnovator and the Directors of Arbuthnot Securities Limited.

BAKER TILLY

2 Bloomsbury Street
London
WC1B 3ST
www.bakertilly.co.uk

The Directors and the Proposed Directors
Nutrinnovator Holdings plc
20 Mortlake High Street
London
SW14 8JN

and

The Directors
Arbuthnot Securities Limited
Arbuthnot House
20 Ropemaker Street
London
EC2Y 9AR

25 May 2005

Dear Sirs

Provexis Limited ("the Company")

Introduction

We report in connection with the proposed acquisition of the Company by Nutrinnovator Holdings plc ("Nutrinnovator"), the proposed placing of ordinary shares in Nutrinnovator and the proposed re-admission of the ordinary share capital of Nutrinnovator to trading on AIM. This report has been prepared for inclusion in the admission document dated 25 May 2005 ("the Admission Document").

Basis of preparation

The financial information set out below is based on the audited financial statements of Provexis for the three years ended 30 April 2004 and the eight month period ended 31 December 2004, no adjustments being considered necessary. The accounts of Provexis for the three years ended 30 April 2004 and the eight months ended 31 December 2004 were audited by Baker Tilly, Chartered Accountants who gave unqualified reports thereon. No audited financial statements have been prepared for Provexis in respect of any subsequent period.

No cash flow statements have previously been prepared for Provexis as it was exempt from the requirement to prepare such statements as a small company as defined by the Companies Act 1985. The cash flow statements set out below have been prepared specifically for inclusion in this report.

Responsibility

The financial statements are the responsibility of the directors of Provexis who approved their issue. The Directors and Proposed Directors of Nutrinnovator are responsible for the contents of the Admission Document dated 25 May 2005 in which this report is included.

It is our responsibility to compile the financial information set out below from the Company's financial records and to make a report in accordance with paragraph 45 of Schedule 1 to the Public Offers of Securities Regulations 1995. Our work has been undertaken so that we might state those matters we are required to state in our report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone for any other purpose for our work, for this report or for the opinions we have formed.

Basis of opinion

We conducted our work in accordance with the Statements of Investment Circular Reporting Standards issued by the Auditing Practices Board. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. The evidence included that previously obtained by us relating to the audit of the financial statements underlying the financial information. It also included an assessment of the significant estimates and judgements made by those responsible for the preparation of the financial statements underlying the financial information and whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement, whether caused by fraud or other irregularity or error.

Going concern

In forming our opinion, we have considered the adequacies of the disclosures made in this report concerning the basis on which the accounts have been prepared on a going concern basis, and in particular the fundamental accounting concept described in the Accounting Policies. Our opinion is not qualified in this respect.

Opinion

In our opinion, the financial information set out below gives, for the purpose of the Admission Document, a true and fair view of the losses and cash flow of the Company for the three years ended 30 April 2004 and eight months ended 31 December 2004 and of the state of affairs of the Company at the end of each of those periods.

Profit and Loss Accounts

	Notes	Year ended 30 April 2002 £'000	Year ended 30 April 2003 £'000	Year ended 30 April 2004 £'000	8 month period ended 31 December 2004 £'000
Turnover	2	1	—	—	—
Other operating income	2	—	—	22	23
Operating costs	3	(130)	(387)	(591)	(350)
Operating loss		(129)	(387)	(569)	(327)
Interest receivable and similar income	4	—	1	3	2
Finance charges		—	—	—	(69)
Loss on ordinary activities before taxation		(129)	(386)	(566)	(394)
Taxation	5	17	29	52	31
Loss on ordinary activities after taxation	11	(112)	(358)	(514)	(363)

Turnover and operating loss all derive from continuing operations.

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account.

Balance Sheets

	Notes	2002 £'000	As at 30 April 2003 £'000	2004 £'000	As at 31 December 2004 £'000
Fixed assets					
Tangible assets	6	2	2	6	7
Current assets					
Debtors	7	20	63	76	138
Cash at bank		1	79	242	320
		21	142	318	458
Creditors: amounts falling due within one year	8	(332)	(168)	(271)	(275)
Net current (liabilities)/assets		(311)	(26)	47	183
Total assets less current liabilities		(309)	(24)	53	190
Convertible debt	9	—	—	(64)	(64)
Net (liabilities)/assets		(309)	(24)	(11)	126
Capital and reserves					
Called up share capital	10	1	135	135	1,067
Share premium	11	—	509	1,036	604
Profit and loss account	11	(310)	(668)	(1,182)	(1,545)
Shareholders' equity funds		(309)	(24)	(11)	126

Cash Flow Statements

	Notes	Year ended 30 April 2002 £'000	2003 £'000	2004 £'000	8 month period ended 31 December 2004 £'000
Net cash inflow/(outflow) from operating activities	17	2	(195)	(193)	(337)
Returns on investments and servicing of finance					
Interest received	4	—	1	3	2
Finance charge		—	—	—	(69)
Taxation		—	15	31	—
Capital expenditure and financial investment					
Purchase of tangible fixed assets	6	(2)	(2)	(6)	(3)
Cash inflow/(outflow) before use of liquid resources and financing		—	(181)	(165)	(406)
Financing					
Proceeds of share issue		1	270	340	485
Expenses in connection with share issue		—	(11)	(12)	—
Net cash inflow for financing		1	259	328	485
Increase/(decrease) in cash in the period		1	78	163	78

Reconciliation of net cashflow to movement in net debt				
Increase in cash in period	1	78	163	78
Convertible loan agreements issued with shareholders	—	—	(64)	—
Movement in net debt in the period	1	78	99	78
Opening funds	—	1	79	178
Closing funds	1	79	178	256

NOTES TO THE FINANCIAL INFORMATION

1. Accounting policies

The principal accounting policies, which have been consistently applied in the Company's financial information throughout the periods under review, are as follows:

Basis of accounting

The financial information has been prepared under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom.

Going concern

As disclosed in note 19, further funding of £500,000 has been received from ANGLE Technology Limited. In addition, the Proposed Directors believe that it would enhance the Company's activities and prospects to combine the business with that of Nutrinnovator Holdings plc, an AIM listed company. Accordingly, Nutrinnovator intends to acquire the whole of the issued share capital of Provexis by means of a reverse takeover and to raise approximately £4.5 million additional capital (before expenses) of which £3.8 million is to be raised pursuant to a placing to be effected conditionally upon the re-admission of Nutrinnovator's shares to trading on AIM.

Research and development

Expenditure on research and development is charged to the profit and loss account in the year in which it is incurred.

Grants

Grants receivable in respect of revenue expenditure are released to the profit and loss as the related expenditure is incurred.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Computer equipment	33.33 per cent. Straight line
Laboratory equipment	33.33 per cent. Straight line

Deferred taxation

Deferred taxation is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Pensions

The pension costs charged in the Financial Statements represent the contributions payable by the Company during the year in accordance with Financial Reporting Standard 17 (FRS 17).

2. Turnover and other operating income

The total turnover of the Company for the period ended 31 December 2004 (2004 – £nil; 2003 – £nil; 2002 – £1,000) has been derived wholly from its research and collaboration activities in the United States.

Other operating income relates to income from Government grants in connection with a SMART award made to the Company.

3. Operating costs

	Year ended 30 April			8 month period ended 31 December
	2002	*2003*	*2004*	*2004*
	£'000	*£'000*	*£'000*	*£'000*
Auditors' remuneration	1	2	3	—
Remuneration of Auditors for non-audit work	—	1	—	—
Depreciation	—	2	2	2
Staff costs – employees (Note 14)	44	100	159	129
Research and development costs	78	127	216	58
Other operating costs	7	155	211	161
	130	387	591	350

4. Interest receivable

	Year ended 30 April			8 month period ended 31 December
	2002	*2003*	*2004*	*2004*
	£'000	*£'000*	*£'000*	*£'000*
Bank interest	—	1	3	2

5. Tax on loss or ordinary activities

As a result of the Company's product development activity taxable losses have been incurred which are available for offset against future taxable profits. A deferred tax asset has not been recognised in respect of these losses as the Company does not anticipate taxable profits to arise within the immediate future.

(a) *Analysis of tax credit for the year or period*

	Year ended 30 April			8 month period ended 31 December
	2002	*2003*	*2004*	*2004*
	£'000	*£'000*	*£'000*	*£'000*
Current tax – R & D tax credit	(15)	(31)	(52)	31
Adjustment to prior year	(2)	2	—	—
	(17)	(29)	(52)	(31)

(b) *Factors affecting the tax credit for the year or period*

The estimated value of the deferred tax asset not recognised, measured at a standard rate of 30 per cent. is £332,000 (30 April 2004: £278,000; 2003: £155,000; 2002: £72,500).

	Year ended 30 April			8 month period ended 31 December
	2002	*2003*	*2004*	*2004*
	£'000	*£'000*	*£'000*	*£'000*
Loss on ordinary activities before tax	(129)	(386)	(566)	(394)
Tax on loss on ordinary activities at 30%	(39)	(116)	(170)	(118)
Factors affecting tax credit:				
Capital allowances for period in excess of depreciation	(1)	—	(1)	—
Disallowable expenses	1	—	2	25
Research & development tax rate adjustment	2	6	10	4
Unutilised losses carried forward	22	79	107	59
Prior year adjustment	(2)	2	—	—
Current tax credit for the period	(17)	(29)	(52)	(31)

6. Tangible fixed assets

	Laboratory equipment £'000	*Computer equipment £'000*	*Total £'000*
Cost			
As at 1 May 2001	—	—	—
Additions	—	2	2
As at 30 April 2002	—	2	2
Additions	—	2	2
As at 30 April 2003	—	4	4
Additions	1	5	6
As at 30 April 2004	1	9	10
Additions	—	3	3
As at 31 December 2004	1	12	13
Depreciation			
As at 1 May 2001	—	—	—
Charge in year	—	—	—
As at 31 April 2002	—	—	—
Charge in year	—	2	2
As at 31 April 2003	—	2	2
Charge in year	—	2	2
As at 31 April 2004	—	4	4
Charge in period	—	2	2
As at 31 December 2004	—	6	6
Net book value			
As at 31 December 2004	1	6	7
As at 30 April 2004	1	5	6
As at 30 April 2003	—	2	2
As at 30 April 2002	—	2	2

There were no assets (2004: Nil; 2003: Nil; 2002: Nil) held under finance leases.

7. Debtors

	As at 30 April 2002 £'000	*2003 £'000*	*2004 £'000*	*As at 31 December 2004 £'000*
Trade debtors	1	—	—	—
Other debtors	1	23	17	27
Unpaid share capital	—	—	—	15
Taxation	17	31	52	82
Prepayments and accrued income	1	9	7	14
	20	63	76	138

8. Creditors: amounts falling due within one year

	As at 30 April			As at 31 December
	2002	*2003*	*2004*	*2004*
	£'000	*£'000*	*£'000*	*£'000*
Trade creditors	4	98	88	102
Other taxes and social security	—	3	5	8
Other creditors	—	18	100	100
Accruals and deferred income	20	49	78	65
Amounts owed to ANGLE Technology Limited	308	—	—	—
	332	168	271	275

ANGLE Technology Limited was the ultimate parent company of Provexis Limited. As at 23 September 2002, Provexis ceased to be controlled by ANGLE Technology Limited (see note 10 and 15). Other creditors at 31 December 2004 of £100,000 comprise a convertible loan granted by Rising Stars Growth Fund. By a letter of agreement dated 25 May 2005 it has been agreed that, conditional on Admission, the loan will be discharged by the issue of 1,785,714 new ordinary shares by Nutrinnovator at the placing price.

9. Convertible debt

	As at 30 April			As at 31 December
	2002	*2003*	*2004*	*2004*
	£'000	*£'000*	*£'000*	*£'000*
Convertible debt	—	—	64	64

The Company has entered into a number of convertible loan agreements with shareholders whereby outstanding fees are treated as a loan to the Company convertible into equity shares in the Company. These loans are repayable or convertible into £1 ordinary shares uplifted by an agreed percentage to be determined at the next funding round or within 5 years from the date of the agreement. Note 16 provides additional information. Pursuant to letters of agreement dated 25 May 2005, and conditional on Admission these loans are proposed to be settled by the issue of ordinary shares by Nutrinnovator (further details of which are given in Note 19).

10. Share capital

	As at 30 April			As at 31 December
	2002	*2003*	*2004*	*2004*
	£'000	*£'000*	*£'000*	*£'000*
Authorised:				
638,643 (2004: 1,317; 2003: 1,235; 2002: 1,000) Ordinary shares of £1 each	1	1	1	639
826 (2004: 2; 2003: 2; 2002: Nil) "Deferred" shares of £1 each	—	—	—	1
500,362 (2004: 1,213; 2003: 823; 2002: Nil) "A1" Ordinary Shares of £1 each	—	1	1	500
133,045 (2004: 133,045; 2003: 133,045; 2002: Nil) "Redeemable" Shares of £1 each	—	133	133	133
	1	135	135	1,273
Allotted, called up and fully paid:				
432,713 (2004: 1,049; 2003: 967; 2002: 900) Ordinary shares of £1 each	1	1	1	433
826 (2004: 2; 2003: 2; 2002: Nil) "Deferred" Shares of £1 each	—	—	—	1
500,362 (2004: 1,213; 2003: 823; 2002: Nil) "A1" Ordinary Shares of £1 each	—	1	1	500
133,045 (2004: 133,045; 2003: 133,045; 2002: Nil) "Redeemable" Shares of £1 each	—	133	133	133
	1	135	135	1,067

On 23 September 2002 the authorised share capital was increased from £1000 to £2060 by the creation of 235 Ordinary shares of £1 each, 823 A1 Ordinary shares of £1 each and 2 Deferred shares of £1 each, that were issued part-paid for cash. On 31 January 2003 these shares were made fully-paid up and the 2 deferred shares of £1 each were issued for cash at par.

On 23 September 2002, the amount owed to ANGLE Technology Limited at that date was converted as to 1) £250,000 in exchange for 1 ordinary share 2) £133,045 converted to a subordinated unsecured loan note and 3) any balance to be treated as a short-term creditor. On 30 April 2003 the subordinated unsecured loan note was converted to 133,045 redeemable shares of £1 each issued at par.

On 30 April 2003 the authorised share capital was increased by the creation of 133,045 redeemable shares of £1 each.

On 13 February 2004 the authorised share capital was increased by the creation of 82 Ordinary Shares of £1 each and 390 A1 Ordinary Shares of £1 each.

On 23 November 2004 the authorised share capital was increased by the creation of 637,326 Ordinary shares of £1 each, 499,149 A1 ordinary shares of £1 each and 824 Deferred shares of £1 each.

The different classes of ordinary shares have certain rights in relation to income distribution, capital distribution and voting rights. In all other respects the shares rank *pari passu*. Full details are shown in the Company's Articles of Association.

The redeemable shares have no voting rights. The redeemable shares can be redeemed at par on the date of flotation of the Company, provided that the ordinary shareholders have first received a distribution in aggregate of £1 million.

The following shares were allotted during the period:

Date allotted	*Type*	*Number of shares issued*	*Consideration*
30 April 2002	Ordinary shares	899	£899, cash
23 September 2002	A1 Ordinary shares	823	£250,000, cash
23 September 2002	Ordinary shares	67	£20,000, cash
31 January 2003	Deferred shares	2	No proceeds
30 April 2003	Redeemable shares	133,045	Conversion of loan. No proceeds
13 February 2004	A1 ordinary shares	280	£340,000, cash
13 February 2004	Ordinary shares	82	Cancellation of debt. No proceeds
13 February 2004	A1 Ordinary shares	110	Conversion of loan. No proceeds
30 November 2004	Bonus issue of 399 Ordinary shares for each Ordinary share held	418,551	No proceeds
30 November 2004	Bonus issue of 399 A1 Ordinary shares for each A1 Ordinary share held	483,987	No proceeds
30 November 2004	Bonus issue of 399 Deferred shares for each Deferred share held	798	No proceeds
30 November 2004	Rights Issue (1 ordinary share for every 32 existing Ordinary shares)	13,113	£17.67, cash per share
30 November 2004	Rights Issue (1 A1 Ordinary shares for every 32 existing A1 Ordinary shares)	15,162	£17.67, cash per share
30 November 2004	Rights Issue (1 Deferred share for every 32 existing Deferred shares)	26	£17.67, cash per share

Share options

The Company operates an Enterprise Management Incentive Scheme. At 31 December 2004 options were outstanding over 138 (April 2004: 138) Ordinary Shares of £1 each. The share options were granted at a price of £303 in the period March 2003 to December 2004. Some of the options are subject to specific performance conditions. Options cease to be exercisable after ten years from the date of grant.

The Company has also granted unapproved options. At 31 December 2004 Company Unapproved Options were outstanding over 84 (April 2004: 84) Ordinary Shares of £1 each. The share options were granted at prices between £204 and £1,000 in the period July 2001 to February 2002. Options are not exercisable until 3 years after the date of grant and cease to be exercisable after 7 years from the date of grant.

Under the rules of the Company's Enterprise Management Incentives Scheme ("EMI Scheme") and the Company Unapproved Options, the number of shares comprised in each outstanding option and the exercise price falls to be adjusted following the Bonus Issue on 25 November 2004 but not the Rights Issue on the same date. The adjustments to the unapproved options and to the EMI Scheme Share Options will be made prior to Admission. The outstanding options referred to above and the adjusted exercise prices will be as follows:

	Total shares under option	*As new exercise prices*
Enterprise Management Incentive Scheme	55,200	£0.76
Unapproved options	24,000	£0.51
	4,800	£2.50

11. Statement of movement on reserves

	Share premium account £'000	*Profit and loss account £'000*
At 1 May 2001	—	(198)
Retained loss for the year	—	(112)
At 30 April 2002	—	(310)
Retained loss for the year	—	(358)
Premium on Shares issued during the year	509	—
At 30 April 2003	509	(668)
Retained loss for the year	—	(514)
Premium on Shares issued during the year	527	—
Premium on loan converted during the year	—	—
At 30 April 2004	1,036	(1,182)
Retained loss for period	—	(363)
Bonus issues of shares during the period	(903)	—
Premium on rights issue during the period	471	—
At 31 December 2004	604	(1,545)

12. Reconciliation of movement in shareholders' funds

	Year ended 30 April			*8 month period ended 31 December*
	2002 £'000	*2003 £'000*	*2004 £'000*	*2004 £'000*
Loss for the financial year	(112)	(358)	(514)	(363)
Proceeds from issue of shares	1	270	340	485
Unpaid share capital	—	—	—	15
Less expenses in connection with share issue	—	(11)	(12)	—
Conversion of ANGLE Technology Limited creditor into equity	—	250	—	—
Conversion of ANGLE Technology Limited creditor into redeemable shares	—	133	—	—
Conversion of trade creditor into equity	—	—	200	—
Net (depletion)/addition in shareholders' funds	(111)	285	14	137
Opening shareholders' funds/(deficit)	(198)	(309)	(24)	(11)
Closing shareholders' funds/(deficit)	(309)	(24)	(11)	126

13. Directors' emoluments

	Year ended 30 April			*8 month period ended 31 December*
	2002 £'000	*2003 £'000*	*2004 £'000*	*2004 £'000*
Emoluments for qualifying services	—	40	76	61

The emoluments disclosed above include £61,059 (2004: £76,000; 2003: £40,000; 2002: Nil) relating to the highest paid director. No director received retirement benefits in the year.

14. Employment

	Year ended 30 April			8 month period ended 31 December
	2002	2003	2004	2004
	£'000	£'000	£'000	£'000
Wages and salaries	39	89	141	114
Social security costs	3	9	16	13
Other pension costs	2	2	2	2
	44	100	159	129

The Company made pension costs payments directly to a personal pension plan for an employee.

Number of employees

The average number of employees (including executive directors) during the above periods was:

	Year ended 30 April			8 month period ended 31 December
	2002	2003	2004	2004
Employees	2	3	4	4

15. Control

The Company's immediate and ultimate parent companies were Progeny BioVentures Limited and ANGLE Technology Limited respectively, both incorporated in Great Britain, until 23 September 2002. At that date the Company ceased to be controlled by either party.

16. Related party transactions

Name	*Relationship*	*Description*	*Charge for year*	*Year end Creditors*
8 month period ended 31 December 2004				
ANGLE Group	Shareholder/Supplier	Management Services	55	27
North West Equity Fund	Shareholder	Management Services	1	2
Rising Stars Growth Fund	Shareholder	Management Services	1	—
Rowett Research Services Ltd	Shareholder/Supplier	R&D Services	34	66
Year ended 31 April 2004				
ANGLE Group	Shareholder/Supplier	Management Services	38	8
North West Equity Fund	Shareholder	Management Services	3	—
Rising Stars Growth Fund	Shareholder	Management Services	2	—
Rowett Research Services Ltd	Shareholder/Supplier	R&D Services	163	90
Year ended 31 April 2003				
ANGLE Group	Shareholder/Supplier	Management Services	29	52
Rowett Research Services Ltd	Shareholder/Supplier	R&D Services	103	93
Year ended 31 April 2002				
Rowett Research Services Ltd	Shareholder/Supplier	R&D Services	42	17

During 2002 the Company's then ultimate holding company provided the Company with working capital funding of £128,000. This accounts for the increased balance of £308,000 owed to ANGLE Technology Limited in note 8. Notes 10 and 15 provide additional information.

A new investment agreement was signed on 13 February 2004 which resulted in a number of transactions with related parties. ANGLE Group converted £50,000 of debt into equity and £30,000 of debt into a convertible loan. Rowett Research Services also converted £50,000 of debt into equity and £30,000 of debt into a convertible loan. A £100,000 Rising Stars Growth Fund convertible loan issued in November 2003 was converted into equity. Rising Stars Growth Fund also converted £3,750 of debt into a convertible loan. Pursuant to letters of agreement dated 25 May 2005, such debts will be discharged by the issue by Nutrinnovator on Admission of new ordinary shares at the placing price.

17. Reconciliation of operating losses to net cash inflow/(outflow) from operating activities

		Year ended 30 April		*8 month period ended 31 December*
	2002	*2003*	*2004*	*2004*
	£'000	*£'000*	*£'000*	*£'000*
Operating loss	(129)	(387)	(569)	(327)
Depreciation	—	2	2	2
(Increase)/decrease in debtors	8	(29)	8	(17)
Increase/(decrease) in creditors	123	(164)	166	4
Conversion of ANGLE Technology Limited creditor into equity	—	250	—	—
Conversion of ANGLE Technology Limited creditor into redeemable shares	—	133	—	—
Converstion of trade creditors into equity	—	—	200	—
Net cash inflow/(outflow) from operating activities	2	(195)	(193)	(337)

18. Analysis of net debt

	Brought forward	*Cashflow*	*Other non cash changes*	*Carried forward*
	£'000	*£'000*	*£'000*	*£'000*
Cash in hand at bank for year ended 30 April 2002	—	1	—	1
Cash in hand at bank for year ended 30 April 2003	1	78	—	79
Cash in hand at bank for year ended 30 April 2004	79	163	—	242
Convertible loan agreements with shareholders issued (Note 9)	—	—	(64)	(64)
Total	79	163	(64)	178
Cash in hand at bank for 8 month period ended 31 December 2004	242	78	—	320
Convertible loans	(64)	—	—	(64)
Total	178	78	—	256

19. Post balance sheet events

(a) An unsecured convertible loan agreement dated 8 February 2005 between (1) Provexis, (2) ANGLE Technology Limited, (3) Stephen Franklin, (4) Progeny BioVentures Limited, (5) Rowett Research Services Limited, (6) Rising Stars Growth Fund and (7) North West Equity

Fund whereby ANGLE Technology Limited made a £500,000 loan to Provexis. It has been agreed by a letter of agreement dated 25 May 2005 that the Company is indebted to ANGLE Group in the liquidated sum of £833,333, such debt to be discharged by the issue by Nutrinnovator on Admission of new Ordinary Shares at the placing price.

(b) On 28 January 2005, the Company entered into a development and licence agreement with Nutrinnovator in relation to work being undertaken to develop a juice drink incorporating the patented CardioFlow ingredient owned by the company. On 31 March 2005 Nutrinnovator invoiced the Company £310,000 plus VAT in respect of this contract. On the same day the Company paid Nutrinnovator £329,000 in respect of the same and on 29 April 2005 the Company paid Nutrinnovator the balance.

(c) Following the period end date, the Company obtained interest free sums totalling £672,000 from North West Equity Fund (£200,000) and Rising Stars Growth Fund (£472,000) ("New Loans"). It has been agreed that conditional on Admission such debt will be discharged by the issue of new Ordinary Shares by Nutrinnovator on Admission, at the placing price.

(d) Following the period end date, additional options over 38,800 shares were granted under the EMI Scheme at an exercise price of £6.59.

(e) By a letter of agreement dated 25 May 2005, it has been agreed that, conditional on Admission, the loan received from Rising Stars Growth Fund of £100,000 (see note 8) will be discharged by the issue by Nutrinnovator of new Ordinary Shares at the placing price.

(f) Pursuant to letters of agreement dated 25 May 2005, it has been acknowledged and agreed that the Company is indebted to ANGLE Group, Rowett Research Services Limited and Rising Stars Growth Fund in the liquidated sums of £40,000, £40,000 and £5,000 respectively (see note 16) and that, conditional upon Admission, such debts will be discharged by the issue by Nutrinnovator on Admission of new Ordinary Shares at the placing price.

20. Nature of financial information

The financial information presented above in respect of the three years ended 30 April 2004 and the eight month period ended 31 December 2004 does not constitute statutory accounts for each of theses periods. Statutory accounts for the three years ended 30 April 2004 have been delivered to the Registrar of Companies. In respect of the statutory accounts for the three years to 30 April 2004, Baker Tilly, Chartered Accountants have made an unqualified report under Section 235 of the Companies Act 1985 and such report did not contain any statement under section 237(2) or (3) of that Act.

21. Consent

We consent to the inclusion of this report in the Admission Document dated 25 May 2005 and accept responsibility for this report for the purposes of paragraph 45 of Schedule 1 to the Public Offers of Securities Regulations 1995.

Yours faithfully

Baker Tilly

Chartered Accountants
Registered Auditor

PART V

Illustrative pro forma statement of net assets of the Enlarged Group

The following unaudited pro forma statement of net assets of the Enlarged Group has been produced to illustrate the impact of the acquisition of Provexis and the Placing which will have occurred since 31 December 2004 as if they had occurred on 31 December 2004. The pro forma financial information is based on:

(i) the financial information relating to the Group as at 31 December 2004 extracted from the Accountants' report set out in Part III of this document;

(ii) the financial information relating to Provexis as at 31 December 2004 extracted from the Accountants' report set out in Part IV of this document;

(iii) the estimated net proceeds of the Placing; and

(iv) the conversion of the Loans.

adjusted for the matters set out below:

The pro forma statement of net assets has been prepared for illustrative purposes only and, because of its nature, may not give a true picture of the financial position or results of the Enlarged Group.

	Net assets of The Group as at 31 December 2004	*Net assets of Provexis as at 31 December 2004*	*The Placing*	*The conversion of the Loans*	*Pro forma net assets of Enlarged Group following the Proposals*
	£'000	*£'000*	*£'000*	*£'000*	*£'000*
Fixed assets					
Tangible assets	13	7	—	—	20
Current assets					
Stock	94	—	—	—	94
Debtors	183	138	—	—	321
Cash at bank	1,137	320	2,900	1,172	5,529
	1,414	458	2,900	1,172	5,944
Creditors – amounts falling due within one year	(834)	(275)	—	500	(609)
Net current assets	580	183	2,900	1,672	5,335
Total assets less current liabilities	593	190	2,900	1,672	5,355
Creditors – amounts falling due after more than one year	—	(64)	—	64	—
Net assets	593	126	2,900	1,736	5,355

Notes:

1. The pro forma statement of net assets of the Enlarged Group is shown as if the Group had acquired the entire issued share capital of Provexis as at 31 December 2004.

2. The pro forma statement of net assets of the Enlarged Group is shown as if the Placing had taken place on 31 December 2004. The pro forma assumes that the net proceeds of the Placing, receivable by the Group, will amount to approximately £2.9 million, net of costs amounting to approximately £0.9 million.

3. The adjustments above for conversion of Loans comprises New Loans received by Provexis after 31 December 2004 totalling £672,000 and additional Vendor Loans received by Provexis after 31 December 2004 totalling £500,000. The total net book value of Loans to be converted on Admission (including New Loans) amount to approximately £1.7 million which will be satisfied by the issue of ordinary shares by Nutrinnovator on Admission at the placing price, totalling approximately £2.1 million.

4. No adjustment has been made for any movement in net assets of the Group or Provexis Limited since 31 December 2004.

The following is the full text of a report on the Company from Baker Tilly, the Reporting Accountants, to the Directors and Proposed Directors of the Company and the Directors of Arbuthnot Securities Limited.

BAKER TILLY

2 Bloomsbury Street
London
WC1B 3ST
www.bakertilly.co.uk

The Directors and Proposed Directors
Nutrinnovator Holdings plc
20 Mortlake High Street
London
SW14 8JN

and

The Directors
Arbuthnot Securities Limited
Arbuthnot House
20 Ropemaker Street
London
EC2Y 9AY

25 May 2005

Dear Sirs

Nutrinnovator Holdings plc ("the Company")

Introduction

We report on the unaudited pro forma statement of net assets as at 31 December 2004 of the Company and its subsidiary undertakings (the "Pro Forma Financial Information"), which has been prepared for illustrative purposes only, to provide information about how the proposed reverse acquisition by the Company of Provexis Limited, the proposed placing of the ordinary share capital of the Company and the conversion of the Loans might have affected the financial information presented as at 31 December 2004.

Responsibility

It is the responsibility of the Directors and Proposed Directors of the Company to prepare the Pro Forma Financial information.

It is our responsibility to form an opinion on the Pro Forma Financial Information and to report our opinion to you. Our work has been undertaken so that we might state those matters we are required to state in our report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone for any other purpose for our work, for this report or for the opinions we have formed. We do not accept responsibility for any reports previously given by us on any financial information used in the compilation of the Pro Forma Statement of Net Assets beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

Basis of opinion

We conducted our work in accordance with the Statements of Investment Circular Reporting Standards issued by the Auditing Practices Board and Bulletin 1998/8 "Reporting on pro forma financial information pursuant to the Listing Rules" issued by the Auditing Practices Board. Our work, which involved no independent examination of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering evidence supporting the adjustments and discussing the Pro Forma Financial Information with the Directors and Proposed Directors of the Company.

Opinion

In our opinion:

(i) the Pro Forma Financial Information has been properly compiled on the basis stated;

(ii) such basis is consistent with the accounting policies of the Company; and

(iii) the adjustments are appropriate for the purposes of the Pro Forma Financial Information as disclosed.

Yours faithfully

Baker Tilly
Chartered Accountants
Registered Auditor

PART VI

Intellectual Property Report

The following is the full text of a report on the CardioFlow product portfolio from Fry Heath Spence, chartered patent and trademark attorneys to the Directors and Proposed Directors of Nutrinnovator and the Directors of Arbuthnot Securities Limited.

FRY HEATH SPENCE
CHARTERED PATENT & TRADE MARK ATTORNEYS

The Gables, Massetts Road
Horley, Surrey RH6 7DQ

The Directors and Proposed Directors
Nutrinnovator Holdings plc
20 Mortlake High Street
London SW14 8JN

and

The Directors
Arbuthnot Securities Limited
Arbuthnot House
20 Ropemaker Street
London EC2Y 2HA

25 May 2005

Dear Sirs,

Report on the CardioFlow Patents Portfolio

We present herewith our report on the patents portfolio relating to the Provexis CardioFlow® product.

Summary

The CardioFlow® product is protected by a portfolio of patents and patent applications covering the great majority of the European Community states, Australia, Canada, Japan, Mexico and the USA. Patents covering the product or its uses have so far been granted in Europe and Australia and a "Notice of Allowance" has recently been issued from the US Patent and Trademark Office meaning that a patent should be granted in the USA within the next few months. It is also envisaged that patents will be granted in other countries in due course. The status of each of the patents and applications, as known to us on the above date, is set out in this report.

About the Authors

Fry Heath Spence is a long established (1982) medium sized firm of patent and trade mark attorneys with seven partners and offices in Horley, London and Oxford. The firm's client base is very diverse and includes numerous large and medium-sized corporations such as Pioneer Corporation, Corus, Nestlé, Bookham Technology, Kirin Beer, Tyco Electronics, Pharmacopeia, Allergan, W.R. Grace, China Petro-Chemical Corporation, Kerry Ingredients, Neopost and Glynwed Pipe Systems, universities and research institutes such as Imperial College, Isis Innovations, University of Surrey, Harvard College, the Whitehead Institute and the Dana Farber Cancer Institute, start-up and discovery companies such as Provexis, Biofocus and Domantis, as well as many smaller companies and individuals and household names.

Graham Lock is a partner in Fry Heath Spence and has over eleven years' experience in the patents profession. Graham has a degree in biochemistry from the University of Bristol and trained initially with a large central London firm of patent attorneys before spending two years in-house at Nestlé and then moving to Fry Heath Spence in 2000.

Michael Hutchins is a former partner with Fry Heath Spence and now acts as a consultant to the firm when required. Michael has a PhD in organic chemistry and over twenty years' experience in the patents profession, including six years in-house with the pharmaceutical companies Wellcome and SmithKline.

Overview of the patenting process

Patents can be obtained in most of the major industrialised countries for any invention (which can be for example a new product, a new process or a new use) that is new and inventive and which is of a type that is not barred from patent protection by statute.

The legal definitions as to what is meant by "new" and "inventive" do vary across the world but, in general, an invention is regarded as "new" ("novel") if it has not been placed in the public domain in any way whatsoever (e.g. by printed or internet publication, by oral disclosure, or by open display or sale, or in any other way) before the first patent application for the invention has been filed. An invention is generally regarded as being inventive if it differs from what is already in the public domain in a manner which is not trivial and obvious or predictable.

The subject matter protected by a patent is defined by a series of numbered single-sentence definitions known as "claims" that can usually be found at the back of a patent document. Claims must be worded so that they encompass everything that the applicant wishes to protect but not subject matter that is already in the public domain. It is the content of the claims that is considered when patent offices carry out their examinations to determine whether an invention is new and inventive, and it is the claims to which the Courts will refer when deciding whether or not a patent has been infringed by the unauthorised activities of a third party.

The patenting process is usually initiated by filing a first patent application in a single country (usually but not necessarily the applicant's home country). The first patent application establishes a date (the "priority date") for the invention which is recognised (under an international convention known as the "Paris Convention") by all but a small number of countries. Patent applications may then be filed in other countries within 12 months of the first application and, provided that they are filed within this period, they will be entitled to the same "priority date" as the first application. The importance of the priority date resides in the fact that when assessing whether an invention is new and inventive, only public disclosures made before the priority date are taken into account.

There are several routes for obtaining patent protection outside an applicant's own country but the most commonly used route involves filing an International patent application under the Patent Cooperation Treaty (PCT). A PCT application can be filed in English through the UK Patent Office and provisionally covers over one hundred countries. The PCT application is subjected to a search by the European Patent Office (EPO) and the EPO also provides a preliminary view whether the subject matter of the application can be considered to be new and inventive. After 30 months from the "priority date", the "international phase" of the PCT application comes to an end and it is then necessary to convert the PCT application into individual patent applications in each country or region (e.g. Europe) where patent protection is required. Thereafter, the individual applications are each subjected to separate examination and, provided that the subject matter is new and inventive, patents may be granted.

Whilst there is currently no way of obtaining a single unitary patent that covers the whole of the European Community, it is possible to file (either directly at the European Patent Office or via the intermediacy of an International application) a European patent application that covers most of the EC states as well as a few non-EC states such as Switzerland. Once granted, the European patent becomes, in effect, a bundle of national patent rights each of which must be maintained and enforced individually in each country where protection is required. For a period of nine months after it has been granted, the entire European patent is vulnerable to challenge in a centralised procedure ("opposition") through the European Patent Office. After the nine month deadline has expired, there is no further centralised method for challenging the patent and any actions by third parties to revoke the patent must thereafter be made through the courts or patent offices of each country in which the European patent is in force.

In almost all countries, once a patent has been granted, it is necessary to pay renewal fees at regular intervals (usually annually) in order to keep a patent in force for its maximum term (usually twenty years from its filing date).

The Patents

The "CardioFlow" patents portfolio consists of (i) a family of patent applications derived from International (PCT) patent application number PCT/GB99/01389 which claims priority from UK patent application number 9808796.8 filed on 24 April 1998, and (ii) UK patent application number GB 0502985.5 filed on 14 February 2005.

In the international application as filed, protection was sought for the following aspects of "CardioFlow":

- the use of any fruit extracts in the prevention or treatment of diseases in which platelet aggregation is implicated.
- fruit extracts for use in treating or preventing diseases in which platelet aggregation is implicated.
- active fractions of the fruit extracts
- pharmaceutical compositions containing the fruit extracts
- capsules containing the fruit extracts
- methods for making the fruit extracts.

After being subjected to an international search and international preliminary examination at the European Patent Office, the application PCT/GB99/01389 was converted into a European patent application (EP) and national patent applications in the US, Japan, Australia, Canada and Mexico. The status of the various patent applications and resulting patents as of 4 March 2005 is shown in the table below.

Country	*Appl. No.*	*Publ. No. (Patent No.)*	*Expiry date*	*Status*
GB	9808796.8	—	—	Abandoned – superseded by PCT application
PCT	PCT/GB99/01389	WO 99/55350	—	Converted into European and US, Australian, Canadian, Mexican, Japanese national applications
EP*	99 920 968.7	EP 1083912A (EP 1083912B)	22.4.2019	Granted and in force in Austria, Belgium, Cyprus, Denmark, Finland, France, Germany, United Kingdom, Greece, Ireland, Italy, Luxemburg, Monaco, Netherlands, Portugal, Spain, Sweden, Switzerland, Liechtenstein, Albania, Latvia, Lithuania, Macedonia, Romania and Slovenia
EP*	03 009 683.8	EP1334728A	22.4.2019	Under examination

EP* = European patent application or patent

Country	Appl. No.	Publ. No. (Patent No.)	Expiry date	Status
US	10/442,908	US 20030206983A	22.4.2019	Notice of allowance issued 11.3.2005
Japan	2000545548	JP002002512972	22.4.2019	Pending – unexamined Request for examination due by 23.4.2006
Canada	2330013	2330013	22.4.2019	Pending – request for examination filed
Mexico	2000/010424	—	22.4.2019	Under examination
Australia	38350/99	(772923)	22.4.2019	Granted 26.8.2004

The prosecution histories of the applications in the key territories where examination has taken place are briefly summarised below.

European patent EP 1083912

The EP patent was granted on 23 July 2003 and has not been opposed. The claims of the EP patent were limited during examination to the therapeutic uses of fruit extracts, including tomato extracts, based on the platelet aggregation inhibiting properties of the extracts. A "divisional application" has been filed directed to particular compositions of tomato extracts *per se* (see below).

European Patent Application EP1334728A

In order to pursue protection to tomato extracts *per se* and compositions containing them independently of their therapeutic uses, a European "divisional application" was filed in 2003. A "divisional application" is a special type of patent application created by dividing subject matter out of one application and making it the subject of a separate application. The divisional application retains the priority date and filing date of the parent application but is otherwise a separate application and is examined separately. The application has been published as EP1334728 and is currently under examination. The divisional application as filed contained claims directed to solid unit dosage forms and extracts from the tomato.

US Patent Application No. 09/695,739

This application, which has been re-published as US 20030206983A, has been accepted by the US Patent Office (USPTO) and the "Notice of Allowance" issued on 11 March 2005. It is estimated that a US patent should be granted within the next four to six months. The granted patent will protect methods for the treatment or prophylaxis of conditions or disorders mediated by platelet aggregation by using tomato extract.

Australian Patent No. 772923

The Australian patent was granted on 26 August 2004 following a single examination report. No prior publications were cited against the application by the Australian examiner but, as a precaution, we drew the examiner's attention to the US patent 4,507,286 (Rorer) (considered during the examination of the European patent application), so that it could be taken into account by the Australian examiner.

New Patent Application

A UK patent application directed to a newly discovered therapeutic use of the tomato extracts was filed on 14 February 2005 and has been given the application number 0502985.5. The subject matter of this as yet unpublished patent application is still confidential. Overseas patent applications based on the priority date established by the UK application can be filed at any time up until 14 February 2006.

Searches

Exhaustive prior art and infringement clearance searches have not been carried out. However, from the various patent office searches carried out, and our own searches and investigations, we have become aware of the documents listed below. It is noted that this list cannot be treated as exhaustive or in any way definitive.

None of the patents listed are believed to represent a significant threat to the proposed commercial activities of Provexis, nor are any of them believed to represent a barrier to patentability of the Provexis products or their uses. The documents are:

1. US 4,507,286 (Rorer Italiana)
2. WO 97/48287 (Lycored Natural Product Industries)
3. WO 99/60868 (Lycored Natural Product Industries)
4. WO 95/16363 (Makhteshim Chemical Works)
5. Japanese patent application no. 57204947 (Dainippon)
6. Japanese patent application no. 57204946 (Dainippon)
7. Japanese patent application no. 57204944 (Dainippon)
8. Japanese patent application no. 61098581 (Asahi Breweries)
9. Japanese patent application no. 02037037 (Kagome)
10. Chinese patent application CN 1226389 (Sun Guosheng)
11. EP 0470923 (IMIT A.C.)
12. US 3,172,770 (Campbell Soup Company)
13. International Food Ingredients, "Lycopene from tomatoes" (XP 000564224)
14. North of England Branch symposium "Developments in the production of primary tomato products"
15. Website California Tomatoes – J. National Cancer Institute December 1995
16. Altmann *et al,* Thrombosis and Haemostasis, 53/3), 312-313 (1985)

Yours faithfully

Dr Michael R. Hutchins Chartered Patent Attorney & European Patent Attorney	Graham Lock Chartered Patent Attorney & European Patent Attorney

PART VII

Additional information

1. Responsibility for information to this document

1.1 The Directors of the Company, whose names and business addresses are set out in paragraph 1.3 of this Part VII and the Proposed Directors whose names and business addresses are set out in paragraph 1.4 of this Part VII, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors and the Proposed Directors (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.

1.2 The Provexis Directors, whose names and business addresses are set out in paragraph 1.5 of this Part VII, accept responsibility for all information contained in this document relating to Provexis, the Concert Party, themselves, their immediate families and persons connected with them. Subject as aforesaid, to the best of the knowledge and belief of the Provexis Directors (who have taken all reasonable care to ensure that such is the case) such information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

1.3 The Directors of the Company and their respective current positions are:

Neville Clifford Bain (Non-Executive Chairman)
Stephen Nigel Moon (Managing Director)

The business address of the Directors is 20 Mortlake High Street, London SW14 8JN.

1.4 The Proposed Directors and their respective proposed positions on the Company's board of directors following Admission are:

Charles Dawson Buck (Non-Executive Chairman)
Dr Stephen Joseph Franklin (Chief Executive)

The business address of the Proposed Directors is 10 Williams House, Manchester Science Park, Lloyd Street North, Greater Manchester M15 6SE.

1.5 The Provexis Directors and their respective current positions are:

Charles Dawson Buck (Non-Executive Director)
Dr Stephen Joseph Franklin (Chief Executive)

The business address of the Provexis Directors is 10 Williams House, Manchester Science Park, Lloyd Street North, Greater Manchester M15 6SE.

2. The Company

2.1 The Company was incorporated on 15 April 2004 in England and Wales under the Act as a public limited company with registered number 5102907. The Company was incorporated with the name Nutrinnovator Holdings plc. The Company was issued with a certificate to commence business and borrow pursuant to section 117 of the Act on 12 May 2004.

2.2 The Company is a public limited company and, accordingly, the liability of its members is limited.

2.3 The Company and its activities and operations are principally regulated by the Act and the regulations made thereunder.

2.4 The Company's registered office and principal place of business is at 20 Mortlake High Street, London SW14 8JN.

2.5 The Company is the holding company of a group of companies details of which are set out in paragraph 3.1 below.

2.6 Subject to the passing of the Resolutions and to Admission, the Company's name will be changed to Provexis plc.

3. Subsidiaries

3.1 Details of the Company's subsidiaries as at the date of this document are as follows:

Name	*Percentage ownership*	*Principal activities*	*Place of incorporation*	*Registered number*
Nutrinnovator Limited	100%	Food and wholesale	England & Wales	4440819
Altucea Limited	94%	Food and wholesale	England & Wales	5225361

3.2 Provexis does not have any subsidiaries as at the date of this document.

4. Share capital

4.1 On incorporation, the authorised share capital of the Company was £100,000 divided into 100,000 ordinary shares of £1 each.

4.2 The authorised and issued share capital of the Company as at the date of this document is set out below:

Authorised Existing Ordinary Shares of 2p each		*Issued and credited as fully paid Existing Ordinary Shares of 2p each*	
Number	*£*	*Number*	*£*
26,000,000	520,000	16,609,194	332,186.78

The authorised and issued share capital of the Company on Admission is set out below:

Authorised Ordinary Shares of 1p each		*Issued and credited as fully paid Ordinary Shares of 1p each*	
Number	*£*	*Number*	*£*
400,000,000	4,000,000	249,628,324	2,496,283.24

4.3 As at the date of this document options to subscribe for an aggregate of 1,654,358 Existing Ordinary Shares are outstanding as follows:

Company EMI Options

Optionholder	*Date of grant*	*Number of Existing Ordinary Shares*	*Exercise price*	*Exercise period*
Stephen Moon	17/6/2004	208,333	2p	2004-2014
Fiona Vigar	17/6/2004	186,270	2p	2004-2014
Ian Houghton	17/6/2004	208,333	48p	2006-2014
Douglas Gardner	17/6/2004	208,333	48p	2006-2014

Company Unapproved Options

Optionholder	*Date of grant*	*Number of Existing Ordinary Shares*	*Exercise price*	*Exercise period*
Stephen Moon	17/6/2004	350,477	2p	2004-2014
Neville Bain	17/6/2004	165,150	2p	2005-2014
Ian Houghton	17/6/2004	106,132	48p	2006-2014
Douglas Gardner	17/6/2004	127,097	48p	2006-2014

Shareholders' Options

Optionholder	*Date of grant*	*Number of Existing Ordinary Shares*	*Exercise price*	*Exercise period*
Nigel Johnson	21/6/2004	13,470	2p	2004-2014
Grant Mercer	21/6/2004	13,470	2p	2004-2014
Michael Howard	21/6/2004	13,470	2p	2004-2014
Rock Nominees (a/c 1904574)*	21/6/2004	53,823	2p	2004-2014

*Nominee for Yvonne Spencer-Thompson

Details of the Company EMI Options and the Company Unapproved Options are contained in paragraphs 10.1 and 10.2 below.

4.4 Under the terms of an unapproved option agreement dated 17 June 2004 and amended on 22 June 2004, Neville Bain has been granted options over the 165,150 Existing Ordinary Shares referred to in paragraph 4.3 above exercisable in 3 tranches as to a maximum of 55,050 Existing Ordinary Shares on each of 17 June 2005, 17 June 2006 and 17 June 2007 respectively.

4.5 In addition the Company has created £400,000, 6½ per cent. Convertible Secured Loan Notes 2005, further details of which are set out in paragraph 12.1.5 below.

4.6 Conditional upon Completion and upon Admission, the Provexis Unapproved Options will be rolled over into options to subscribe for Ordinary Shares in the Company on such basis as to ensure the aggregate price and market value of the shares under option immediately following the rollover is as near as possible equal to the aggregate market value of shares under option immediately prior to the rollover ("Replacement Unapproved Options").

Replacement Unapproved Options

Optionholder	*Proposed date of grant of Replacement Unapproved Option*	*Number of Ordinary Shares subject to Replacement Unapproved Option*	*Exercise price*	*Exercise period*
Lynn Crosbie	Date of Admission	234,035	1p	2005 to 2009
Niamh O'Kennedy	Date of Admission	234,035	1p	2005 to 2009
Asim Dutta-Roy	Date of Admission	2,106,315	1p	2004 to 2008
David Richardson	Date of Admission	234,035	1p	2005 to 2009
Leonard Brookes	Date of Admission	561,684	2p	2005 to 2009

4.7.1 Immediately after the close of trading on the date of Admission, the Provexis EMI Options will be rolled over into options to acquire Ordinary Shares in the Company ("Replacement EMI Options"). The number of Ordinary Shares and the Exercise Price of such Options cannot be determined until the price of Ordinary Shares at the close of trading on the date of Admission is known. However, based on the Placing Price the roll-over would be effected as shown in the table below. If the price of Ordinary Shares at the close of trading on the date of Admission is lower than the Placing Price, the number of Ordinary Shares comprised in the Replacement EMI Options will be higher and the Exercise Price will be lower, and conversely if such price is higher than the Placing Price, the number of Ordinary Shares comprised in the Replacement EMI Options will be lower and the exercise price will be higher than those stated below.

Replacement EMI Options

Optionholder	*Proposed date of grant of Replacement EMI Option*	*Number of Ordinary Shares subject to Replacement EMI Option*	*Exercise price*	*Exercise period*
Lynn Crosbie	Date of Admission	468,070	1p	2003 – 2013
Stephen Franklin	Date of Admission	5,008,349	1p	2003 – 2013

Optionholder	*Proposed date of grant of Replacement EMI Option*	*Number of Ordinary Shares subject to Replacement EMI Option*	*Exercise price*	*Exercise period*
Stephen Franklin	Date of Admission	1,544,631	5.6p	2005 – 2015
Niamh O'Kennedy	Date of Admission	982,947	1.0p	2003 – 2013
Niamh O'Kennedy	Date of Admission	655,298	5.6p	2005 – 2015
Benedict Hopkins	Date of Admission	2,340,350	5.6p	2005 – 2015

4.7.2 Lapsed Options

Options originally intended to be Provexis EMI Options were granted earlier this year as set out in the table below:

Lapsed Options

Optionholder	*Date of Grant*	*No of Provexis Shares*	*Exercise Price per Provexis Share*
Stephen Franklin	17/3/2005	13,200	£8.84
Niamh O'Kennedy	17/3/2005	5,600	£8.84
Benedict Hopkins	17/3/2005	20,000	£8.84

Subsequently by deeds of variation between each optionholder and the Company, the options were declared to be unapproved for tax purposes, and were then released in consideration for the grant of Provexis EMI Options granted on 13 May 2005.

4.7.3 The replacement options referred to in tables in paragraphs 4.6 and 4.7.1 above intended to be granted at the exercise price of 1p per Ordinary Share will give aggregate exercise prices higher than the aggregate exercise prices that would have been payable under the corresponding Provexis Options they replace. In order to compensate the optionholders concerned, it is intended to grant further Options under the New Share Option Scheme at a nominal exercise price of 1p per Ordinary Share. Based on the Placing, such options would be over an aggregate 839,647 Ordinary Shares. If the market value of the Ordinary Shares after Admission increases, such options will be over a lower number of Ordinary Shares, but if the Market value is lower, it is intended that such options will be granted over such higher number of Ordinary Shares as the Remuneration Committee reasonably consider appropriate.

4.8 At the extraordinary general meeting of the Company, convened for 20 June 2005, resolutions will be proposed as follows:

THAT, conditional upon and with immediate effect from Admission the existing ordinary shares of 2p each in the capital of the Company, both issued and unissued, be sub-divided into two Ordinary Shares;

THAT, conditional upon the Placing Agreement becoming unconditional in all respects (save for the conditions requiring the passing of the Resolutions and Admission) and not being terminated:

(a) the authorised share capital of the Company be increased from £520,000 to £4,000,000 by the creation of an additional 348,000,000 Ordinary Shares;

(b) in substitution for any existing authority subsisting at the date of the resolution (save to the extent that the same may already have been exercised and for any such powers granted by statute), the directors of the Company from time to time be generally and unconditionally authorised to exercise all powers of the Company to allot relevant securities (within the meaning of section 80 of the Act) up to an aggregate nominal amount of £3,647,726.86, provided that this authority shall expire on the date of the Annual General Meeting in 2006 or, the date 15 months after the date of the passing of this resolution (whichever is the earlier) but so the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the directors of the Company from time to time may allot relevant securities in pursuance of such an offer or agreement as if the authority conferred hereby had not expired;

(c) the directors of the Company from time to time be empowered pursuant to Section 95 of the Act to allot equity securities (within the meaning of Section 94(2) of that Act) of the Company for cash pursuant to the general authority conferred on the directors from time to time pursuant to paragraph (b) above as if Section 89(1) of that Act did not apply to such allotment, provided that this power shall be limited to:

(i) the allotment of 148,985,936 Ordinary Shares in the capital of the Company pursuant to the Acquisition including the conversion of the Loans;

(ii) the allotment of 67,424,000 Ordinary Shares in the capital of the Company pursuant to the Placing;

(iii) the allotment of equity securities for cash in connection with or pursuant to an offer by way of rights to the holders of the Ordinary Shares and other persons entitled to participate therein in proportion (as nearly as may be) to their respective holdings of Ordinary Shares (or, as appropriate, the numbers of Ordinary Shares which such other persons are for those purposes deemed to hold), subject only to such exclusions or other arrangements as the directors of the Company from time to time may consider necessary or expedient to deal with fractional entitlements or legal or practical problems under the laws of any territory or the regulations or requirements of any regulatory body or any stock exchange in any territory; and

(iv) the allotment (other than pursuant to paragraphs (i), (ii) and (iii) above) of equity securities up to an aggregate nominal amount of £738,448.37

provided that such power shall expire on the date of the Annual General Meeting of the Company to be held in 2006 or 15 months after the date of the passing of the resolution (whichever is the earlier) but so that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors of the Company from time to time may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired;

(d) the name of the Company be changed to Provexis plc.

4.9 The provisions of section 89(1) of the Act (which confer on shareholders rights of pre-emption in respect of the allotment of equity securities which are, or are to be, paid up in cash other than by way of allotment to employees under an employees' share scheme as defined in section 743 of the Act) apply to the authorised but unissued share capital of the Company to the extent not disapplied as described in paragraph 4.8 above.

4.10 Save in connection with the Proposals, the exercise of the options or other convertible securities referred to in paragraphs 4.3, 4.4, 4.5, 4.6 and 4.7 above, no share or loan capital of the Company is proposed to be issued or is under option or agreed, conditionally or unconditionally, to be put under option.

4.11 The Ordinary Shares in issue following Admission will rank *pari passu* in all respects with the existing Ordinary Shares including the right to receive all dividends and other distributions thereafter declared made or paid after Admission.

4.12 No shares of the Company are currently in issue with a fixed date on which entitlement to a dividend arises and there are no arrangements in place whereby future dividends are waived or agreed to be waived.

4.13 The Existing Ordinary Shares were suspended from trading on AIM on 18 February 2005. Application will be made for the New Ordinary Shares to be admitted to trading on AIM and the issued Ordinary Shares to be readmitted to trading on AIM.

5. Memorandum and Articles of Association

5.1 The memorandum of association of the Company provides that the Company's principal object is to carry on business as a general commercial company. The objects of the Company are set out in full in clause 4 of its memorandum of association.

5.2 The Articles include provisions to the following effect:

5.2.1 *Variation of Class Rights and Changes of Capital*

(a) If at any time, the share capital of the Company is divided into different classes of shares, subject to the provisions of every statute (including any orders, regulations or other subordinate legislation made under it) from time to time in force concerning companies in so far as it applies to the Company ("the Companies Acts"), all or any of the rights for the time being attached to any class of shares for the time being issued may from time to time (whether or not the Company is being wound-up) be modified, abrogated or varied either with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of those shares. All the provisions of the Articles as to general meetings of the Company shall, with any necessary modifications, apply to any such separate general meeting, but so that the necessary quorum at any such meeting shall be two persons holding or representing by proxy not less than one-third in nominal value of the issued shares of the class, (but so that at any adjourned meeting one holder present in person or by proxy (whatever the number of shares held by him) shall be a quorum) every holder of shares of the class present in person or by proxy shall be entitled on a poll to one vote for every share of the class held by him and any holder of shares of the class present in person or by proxy may demand a poll. The foregoing provisions shall apply to the variation of the special rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class and their special rights were to be varied.

(b) The Company may from time to time by ordinary resolution, increase its share capital by such sum to be divided into shares of such amount as the resolution shall prescribe, consolidate and divide all or any of its share capital into shares of larger amount than its existing amount, sub-divide all or any of its shares into shares of smaller amount (subject to restrictions) and cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person.

(c) Subject to the provisions of the Companies Acts, the Company may by special resolution reduce its share capital, any capital redemption reserve, any share premium account or any other undistributable reserve in any way.

(d) Subject to the provisions of the Companies Acts and to any rights conferred on the holders of any class of shares and to any requirements imposed by the London Stock Exchange plc in respect of securities admitted to trading, the Company may purchase or may enter into a contract under which it will or may purchase all or any of its shares of any class, including any redeemable shares. Neither the Company nor the Board shall be required to select the shares to be purchased rateably or in any other particular manner as the holders of shares of the same class or as between them and the holders of shares of any other class or in accordance with the rights as to dividends or capital conferred by any class of shares.

(e) Subject to the provisions of the Companies Acts and the Articles, the unissued shares of the Company (whether forming part of the original or any increased capital) shall be at the disposal of the Board.

(f) Subject to the provisions of the Companies Acts and to any rights conferred on the holders of any other shares, any share may be issued which is to be redeemed, or is liable to be redeemed at the option of the Company or the holder on such terms and in such manner as may be provided by the Articles.

5.2.2 *Votes of Members*

Subject to any special terms as to voting upon which any shares may be issued or may for the time being be held and to any other provisions of the Articles, on a show of hands every member who is present in person at a general meeting of the Company shall have one vote, and on a poll every member who is present in person or by proxy shall have one vote for every share of which he is the holder. Where, in respect of any shares, any registered holder or any other person appearing to be interested in such shares fails to comply within fourteen days with any statutory notice in respect of those shares, the Company may give the holder of those shares a further notice to the effect that from service of that notice the shares in relation to which the failure to comply relates, or such of them as the Board may determine, that those shares shall not confer on the holder any rights to attend, be reckoned in a quorum or vote either personally or by proxy at any general meeting of the Company or at any separate general meeting of the holders of a class of shares in the Company.

5.2.3 *Borrowing Powers*

The Board may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company and, subject to the Companies Acts, to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

5.2.4 *Directors*

Save as otherwise provided by the Articles, a director shall not vote on, or be counted in the quorum in relation to, any resolution of the Board in respect of any contract in which he has an interest which (taken together with any interest of any person connected with him) is to his knowledge a material interest and, if he shall do so, his vote shall not be counted, but this prohibition shall not apply to any resolution where that material interest arises only from one or more of the following matters:

(a) the giving to him of any guarantee, indemnity or security in respect of money lent or obligations undertaken by him or by any other person at the request of or for the benefit of the Company or any of its subsidiary undertakings;

(b) the giving to a third party of any guarantee, indemnity or security in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;

(c) where the Company or any of its subsidiary undertakings is offering securities in which offer the director is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which the director is to participate;

(d) any contract in which he is interested by virtue of his interest in shares or debentures or other securities of the Company or by reason of any other interest in or through the Company;

(e) any contract in which he is interested by virtue of his interest in shares or debentures or other securities of the Company or by reason of any other interest in or through the Company;

(f) any contract concerning any other company (not being a company in which the director owns one per cent. or more) in which he is interested directly or indirectly whether as an officer, shareholder, creditor or otherwise howsoever;

(g) any contract concerning the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates both to directors and employees of the Company or of any of its subsidiary undertakings and does not provide in respect of any director as such any privilege or advantage not accorded to the employees to which the fund or scheme relates;

(h) any contract for the benefit of employees of the Company or of any of its subsidiary undertakings under which he benefits in a similar manner to the employees and which does not accord to any director as such any privilege or advantage not accorded to the employees to whom the contract relates; and

(i) any contract for the purchase or maintenance for any director or directors of insurance against any liability.

A director shall not vote on or be counted in the quorum in relation to any resolution of the Board concerning his own appointment, or the settlement or variation of the terms or the termination of his own appointment, as the holder of any office or place of profit with the Company or any other company in which the Company is interested, but, where proposals are under consideration concerning the appointment, or the settlement or variation of the terms or the termination of the appointment, of two or more directors to offices or places of profit with the Company or any other company in which the Company is interested, a separate resolution may be put in relation to each director and in that case each of the directors concerned shall be entitled to vote and be counted in the quorum in respect of each resolution unless it concerns his own appointment or the settlement or variation of the terms or the termination of his own appointment or the appointment of another director to an office or place of profit, with a company in which the Company is interested and the director seeking to vote or be counted in the quorum owns one per cent. or more of it.

5.2.5 *Transfer of Shares*

Subject to such of the restrictions of the Articles as may be applicable, (i) any member may transfer all or any of his uncertificated shares by means of a relevant system in such manner provided for, and subject as provided in the CREST Regulations and the rules of any relevant system, and accordingly no provision of the Articles shall apply in respect of an uncertificated share to the extent that it requires or contemplates the effecting of a transfer by an instrument in writing or the production of a certificate for the share to be transferred; (ii) and any member may transfer all or any of his certificated shares by an instrument of transfer in writing in any usual form or in any other form which the Board may approve.

The instrument of transfer of a certificated share shall be executed by or on behalf of the transferor and, in the case of a partly paid share, the transferee. The Board may in its absolute discretion, refuse to register any transfer of any share which is not a fully paid share. The Board may only decline to register a transfer of an uncertificated share in the circumstances set out in the CREST Regulations and where the number of joint holders to whom the uncertificated share is to be transferred exceeds four. The Board may decline to register a transfer of any certificated share unless the instrument of transfer is lodged with Company at its registered office or such other place as the Board may determine, accompanied by the certificate for the share to which it relates and such other evidence as the Board may require, is in respect of only one class of share, is duly stamped and, if a transfer to joint holders, the number of joint holders does not exceed four.

5.2.6 *Dividends and Distribution of Assets on Liquidation*

(a) Subject to the provisions of the Companies Acts, the Company may by ordinary resolution from time to time declare dividends in accordance with the respective rights of the members, but no dividend shall exceed the amount recommended by the Board.

(b) Subject to the provisions of the Companies Acts, the Board may pay such interim dividends as appear to the Board to be justified by the financial position of the Company and may also pay any dividend payable at a fixed rate at intervals settled by the Board whenever the financial position of the Company, in the opinion of the Board, justifies its payment.

(c) All dividends or other sums payable on or in respect of any share which remain unclaimed may be invested or otherwise made use of by the Board for the benefit of the Company until claimed. Any dividend unclaimed after a period of twelve years from the date when it was declared or became due for payment shall be forfeited and shall revert to the Company and the payment by the Board of any unclaimed dividend or other sum payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect of it.

(d) If the Company commences liquidation, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Companies Acts divide among the members in kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and, for that purpose, set such values as he deems fair upon any property to be divided and determine how the division shall be carried out as between the members or different classes of members but no member shall be compelled to accept any shares or other assets upon which there is any liability.

(e) The Board may, if authorised by an ordinary resolution of the Company, offer any holders of ordinary shares the right to elect to receive ordinary shares credited as fully paid, instead of cash in respect of the whole (or some part to be determined b the Board) of any dividend specified by the ordinary resolution.

6. Directors' and Proposed Directors' interests and interests of the Concert Party and other interests

References in this paragraph 6 to relevant securities means Ordinary Shares, Provexis Shares and securities convertible into such shares, rights to subscribe therefor, options in respect thereof and derivatives referenced thereto.

6.1 As at the date of this document the interests (all of which are beneficial unless otherwise indicated) of (i) the Directors and their immediate families in the issued share capital of the Company which have been notified to the Company pursuant to section 324 or 328 of the Act or which are required to be entered in the register maintained by the Company under section 325 of the Act or which are interests of a person connected (within the meaning of section 346 of the Act) with a Director which would, if the connected person were a

Director, be required to be disclosed in relation to the above and (ii) the Proposed Directors or a person connected with the Proposed Directors (within the meaning of section 346 of the Act) and which would in each case be required to be disclosed, and the existence of which is known to or could with reasonable diligence be ascertained by the Directors and the Proposed Directors, are and immediately following Admission are expected to be, as follows:

	At the date of this document		*Immediately following Admission*	
Shareholder	*Number of Existing Ordinary Shares*	*Percentage of issued ordinary share capital*	*Number of Ordinary Shares*	*Percentage of issued ordinary share capital*
Neville Bain	—	—	447,000	0.18
Stephen Moon	3,000,000	18.06	6,000,000	2.40
Dawson Buck*	—	—	536,000	0.22
Stephen Franklin*	—	—	3,234,129	1.30

* Proposed Directors

6.2 As at the date of this document the following options over Existing Ordinary Shares had been granted for nominal consideration to the Directors and remain outstanding:

Director	*Date of grant*	*Number of Existing Ordinary Shares subject to options*	*Exercise price*	*Exercise period*
Neville Bain[1]	17 June 2004	165,150	2p	3 tranches as to maximum of 55,050 Existing Ordinary Shares on each of 17 June 2005, 17 June 2006 and 17 June 2007
Stephen Moon[2]	17 June 2004	558,810	2p	2004-2014

1 On Admission, the number of shares comprised in Neville Bain's option will be 330,300 Ordinary Shares at an exercise price of 1p.

2 On Admission, the number of shares comprised in Stephen Moon's option will be 1,117,620 Ordinary Shares at an exercise price of 1p.

6.3 Immediately after close of trading on the date of Admission, Stephen Franklin's Provexis EMI Options will be rolled over into EMI options to subscribe for Ordinary Shares ("Stephen Franklin's Replacement EMI Options"). The figures quoted below are based on the Placing Price. If the price of Ordinary Shares at the close of trading is higher or lower than the Placing Price, the number of Ordinary Shares comprised in the Option will be correspondingly lower or higher, respectively. Further details are set out in paragraph 4.7 above.

Stephen Franklin's existing Provexis EMI Options

Proposed Director	*Date of Grant of Provexis EMI Option*	*Number of Provexis Shares subject to Provexis EMI Option*	*Exercise Price*	*Exercise Period*
Stephen Franklin	17/03/2003	42,800	£0.76	as to 28,800 Ordinary Shares, 2003-2013 and as to the balance of 14,000 Ordinary Shares, 2005-2013
	13/05/2005	13,200	£6.59	2005-2015.

Stephen Franklin's Replacement EMI Options

Proposed Director	*Proposed Date of Grant of Replacement EMI Option*	*Number of Ordinary Shares subject to Replacement EMI Option*	*Exercise Price*	*Exercise Period*
Stephen Franklin	Date of Admission	5,008,349	1.0p	as to 3,370,104 Ordinary Shares, 2003-2013 and as to the balance of 1,638,245 Ordinary Shares, 2005-2013
	Date of Admission	1,544,631	5.6p	2005-2015.

6.4 In addition to the convertible loan notes referred to in paragraph 12.1.5 below of this Part VII, as at the date of this document the interests of the Company's shareholders who have given undertakings to vote all of their Existing Ordinary Shares (listed below) in favour of the Resolutions are as follows:

	At the date of this document				*Immediately following Admission*	
Shareholder	*Number of Existing Ordinary Shares*	*Percentage of issued ordinary share capital*	*Amount of Net Loan (£)*	*Number of Ordinary Shares the Net Loan converts into on Admission*	*Number of Ordinary Shares*	*Percentage of issued ordinary share capital*
Stephen Moon	3,000,000	18.06	—	—	6,000,000	2.40
Darren Mercer	2,162,650	13.02	—	—	4,325,300	1.73
Portcullis Pensions (I.O.M) Limited	1,710,000	10.30	120,000	2,142,857	5,562,857	2.23
Michael Sutton	1,175,000	7.07	—	—	2,350,000	0.94
Fiona Vigar	1,000,000	6.02	—	—	2,000,000	0.80
Grant Mercer	809,350	4.87	—	—	1,618,700	0.65
Rock Nominees (a/c 500111) nominee for Epsom Investment Services	766,038	4.61	220,000	3,928,571	5,460,647	2.19
Rock Nominees (a/c 2601653) nominee for Donald Godwin	390,000	2.35	—	—	780,000	0.31
Rock Nominees (a/c 1921194) nominee for Melvyn Sandler	386,792	2.33	60,000	1,071,429	1,845,013	0.74
Rock Nominees (a/c 2601652) nominee for Christopher Fleet	300,000	1.81	—	—	600,000	0.24
Rock Nominees (a/c 1904574) nominee for Yvonne Spencer-Thompson	275,930	1.66	—	—	551,860	0.22
Rock Nominees (a/c 2601695) nominee for Judith Godwin	248,679	1.50	—	—	497,358	0.20
Rock Nominees (a/c 1320163) nominee for Matisse Limited	245,283	1.48	—	—	490,566	0.20
Melvyn Sandler	191,073	1.15	—	—	382,146	0.15
	12,660,795	76.23	400,000	7,142,857	32,464,447	13.00

Irrevocable Undertakings have been given by the above people commiting to vote in favour of the Resolutions to be proposed at the EGM. The Irrevocable Undertakings also contain certain restrictions on dealings in shares until the conclusion of the EGM (or any adjournment thereof).

The Irrevocable Undertakings (and the dealing restrictions referred to therein) apply save in certain limited circumstances, including in connection with a takeover offer, the ability to accept an offer, to give irrevocable undertakings to accept an offer and to sell to an offeror or potential offeror who has been named in an announcement pursuant to the City Code, with the exception of the Irrevocable Undertakings entered into by Stephen Moon and Fiona Vigar where these limited circumstances do not apply. The Panel has deemed that Stephen Moon and Fiona Vigar are acting in concert for the period of the Irrevocable Undertakings until the conclusion of the EGM (or any adjournment thereof). Please see paragraph 14 of Part I of this document for details on the City Code and implications of acting in concert.

6.5 In addition to the acquisition of Existing Ordinary Shares by certain of the Company's shareholders who have given irrevocable undertakings to vote in favour of the Resolutions pursuant to the share for share exchange agreement on 12 May 2004 (further details of which are set out in paragraph 12.1.2 below of this Part VII), the issue of the convertible loan notes referred to in paragraph 12.1.5 below of this Part VII and the grant of options referred to in paragraph 4.3 above of this Part VII, the dealings for value in the Existing Ordinary Shares by the Company's shareholders who have given irrevocable undertakings to vote in favour of the Resolutions during the period of 12 months immediately preceding the date of this document are set out below:

Beneficial Shareholder	*Date*	*Nature of Transaction*	*Number of Existing Ordinary Shares*	*Price per Existing Ordinary Share*
Stephen Moon*	15 April 2004	Subscription	50	2p
Melvyn Sandler	21 June 2004	Grant of Option	53,823	2p
Rock Nominees (a/c 500111) nominee for Epsom Investment Services	28 June 2004	Subscription	566,038	53p
Rock Nominees (a/c 2601653) nominee for Donald Godwin	28 June 2004	Subscription	40,000	53p
Rock Nominees (a/c 1921194) nominee for Melvyn Sandler	28 June 2004	Subscription	386,792	53p
Rock Nominees (a/c 1320163) nominee for Matisse Limited	28 June 2004	Subscription	245,283	53p
Rock Nominees (a/c 1904574) nominee for Yvonne Spencer-Thompson	28 June 2004	Subscription	188,680	53p
Rock Nominees (a/c 2601695) nominee for Judith Godwin	28 June 2004	Subscription	148,679	53p
Grant Mercer	28 June 2004	Subscription	28,302	53p
Grant Mercer	28 June 2004	Sale	28,302	57p
Melvyn Sandler	4 August 2004	Exercise of Option	53,823	2p
Rock Nominees (a/c 500111) nominee for Epsom Investment Services	16 August 2004	Acquisition	200,000	58p
Rock Nominees (a/c 1904574) nominee for Yvonne Spencer-Thompson	16 August 2004	Sale	200,000	58p

* Stephen Moon subscribed for one ordinary share of £1 in the capital of the Company (subdivided into 50 Ordinary Shares) which were paid up in full as part of the share for share exchange agreement dated 12 May 2004.

Save as set out in this paragraph 6.5, there have been no dealings for value in the Existing Ordinary Shares by the Company's shareholders who have given Irrevocable Undertakings during the period of 12 months preceding the date of this document.

6.6 Save as disclosed in paragraphs 6.1, 6.2 and 6.3 above and 17.1 and 17.2 below of this Part VII, none of Provexis nor any of the members of the Concert Party nor any of the Provexis Directors nor any member of their immediate families nor so far as the Proposed Directors are aware (having made due and careful enquiry) any person connected with them (within the meaning of section 346 of the Act) nor any person presumed to be acting in concert with them, owns or controls or is, directly or indirectly, interested in any relevant securities nor has any such person dealt for value therein during the 12 months immediately preceding the date of this document.

6.7 Save as disclosed in paragraphs 6.1, 6.2 and 6.3 above and 17.1 and 17.2 below of this Part VII, neither Nutrinnovator nor any of its subsidiaries nor the Directors or the Proposed Directors nor any member of their immediate families nor so far as the Directors or the Proposed Directors are aware (having made reasonable enquiry) any person connected with them (within the meaning of section 346 of the Act), nor any person deemed to be acting in concert with them owns or controls or is, directly or indirectly, interested in any relevant securities nor has any such person dealt for value therein during the 12 months immediately preceding the date of this document.

6.8 Save as disclosed paragraphs 6.4 and 6.5 above of this Part VII, none of the shareholders referred to in paragraph 6.4 above nor any member of their immediate families nor so far as the Directors are aware (having made due and careful enquiry) any person connected with them (within the meaning of section 346 of the Act) nor any person presumed to be acting in concert with them, owns or controls or is, directly or indirectly, interested in any relevant securities nor has any such person dealt for value therein during the 12 months immediately preceding the date of this document.

6.9 No associated company of Nutrinnovator, nor pension fund of Nutrinnovator nor of any of its subsidiaries nor any connected adviser (as defined in the City Code) of Nutrinnovator nor of any associated company of Nutrinnovator (including stockbrokers but excluding exempt principal traders) including persons controlling, controlled by or under the same control as any such connected adviser, nor any person whose investments are managed on a discretionary basis by a fund manager (other than an exempt fund manager) which is controlled by, controls or is under the same control as Nutrinnovator nor any employee benefit trust of Nutrinnovator or of any associated company of Nutrinnovator or a pension fund of a company which is an associate of Nutrinnovator owns or controls or is interested, directly or indirectly, in any relevant securities nor has any such person dealt for value therein during the 12 months immediately preceding the date of this document. For the purposes of this paragraph associated company means Nutrinnovator's parent, subsidiaries and fellow subsidiaries, and their associated companies, and companies of which such companies are associated companies (for this purpose ownership or control of 20 per cent. or more of the equity share capital of a company is regarded as the test of associated company status).

6.10 Save for (i) the Irrevocable Undertakings (and the dealing restriction referred to therein); (ii) the lock-in deeds referred to in paragraphs 12.1.6 and 12.1.14 below of this Part VII; (iii) the Concert Party Agreement; the Placing Agreement, the Acquisition Agreement (and the conversion of the Vendor Loans) and the New Loans) and the Provexis Roll-Over Deeds, and the matters referred to in paragraph 4.7 of this Part VII no arrangement exists between any person and the Concert Party, the Provexis Directors and Nutrinnovator or any of their associates in relation relevant securities, including, in addition to any indemnity or option arrangements, any agreement or understanding, formal or informal, which may be an inducement to deal or refrain from dealing.

6.11 Save for any of the matters referred to in paragraph 6.10 or in paragraph 12 of this Part VII, no agreement, arrangement or understanding exists between the Concert Party and any person acting in concert with them and any of the directors, recent directors, shareholders or recent shareholders of Nutrinnovator having any connection with or any dependence on, the Acquisition.

6.12 There is no agreement, arrangement or understanding whereby the beneficial ownership of any of the Consideration Shares acquired by the Concert Party pursuant to the Acquisition will be transferred to any other person.

6.13 Thornton D Mustard Limited, of which Thornton Mustard, a former director of the Company, is a director and shareholder, entered into a consultancy services agreement with Nutrinnovator Limited on 3 November 2003 relating to the development of branded cola drinks. Under the terms of that agreement, Thornton D Mustard Limited receives payment in return for agreeing to procure that Thornton Mustard will devote sufficient time and resources to the project detailed in that agreement. During the nine months ended 31 December 2004 The Marketing Clinic Limited (on behalf of Thornton D Mustard Limited) received a payment of £24,675 (period ended 31 March 2004: £47,000). Thornton D Mustard Limited is to receive an ongoing commission of 2.5 per cent. of net sales of the branded cola beverage. In addition, Thornton D Mustard Limited is entitled to 3.5 per cent. of the proceeds (after deduction of any applicable taxes and other costs) of (a) any sale for value of all or part of the issued share capital or business of Nutrinnovator Limited (to the extent the value of any such sale is attributable to the intellectual property rights held by Nutrinnovator Limited in those products that are the subject of the agreement); or (b) the sale for value by Nutrinnovator Limited of intellectual property rights in such products, save where any such sale is effected in connection with a restructuring or reorganisation of the Group provided that, in such circumstances, the obligations contained in the agreement are transferred to the company which receives the benefit of the agreement and subject to such company being of at least equivalent financial standing to Nutrinnovator Limited. In addition during the period of 12 months preceding the date of this document, The Marketing Clinic Limited received payments totalling £27,000 (excluding VAT) for consultancy services provided to Nutrinnovator Limited.

6.14 Save as disclosed in paragraph 3 of Part I and paragraphs 6.10, 6.11, 6.12, 6.13 and paragraph 12 of Part VII of this document, no Director or Proposed Director has or has had any interest in any transactions which are or were unusual in their nature or conditions or are or were significant to the business of the Group or the business of Provexis and which were effected by any member of the Group or by Provexis during the current or immediately preceding financial year or which were effected during an earlier financial year and remain in any respect outstanding or unperformed.

6.15 There are no outstanding loans granted by the Company or any member of the Group to any of the Directors or Proposed Directors nor has any guarantee been provided by the Company or any member of the Group for the benefit of any Director or Proposed Director.

6.16 None of the Directors, the Proposed Directors or their immediate families has any interest in any financial product (including a contract for difference or a fixed odds bet) whose value in whole or in part is referenced directly or indirectly to the Ordinary Shares.

6.17 During the period of 12 months preceding the date of this document, ANGLE Technology Limited received payments totalling approximately £153,627 (excluding VAT), Rowett Research Services Limited received payments totalling approximately £57,326 (excluding VAT), Rising Stars Growth Fund received payments totalling £1,825 (excluding VAT), North West Equity Fund received payments totalling £1,825 (excluding VAT) and Stephen Franklin received payments under his service agreement with Provexis Limited totalling approximately £83,447 for services provided to Provexis.

6.18 There are no arrangements contemplated involving any member of the Concert Party where the payment of interest or repayment of or security for any liability (contingent or otherwise) will depend to any significant extent on the business of the Company.

7. Substantial Shareholders and transactions in shares

7.1 As at the date of this document the Company had been notified of, or was otherwise aware of, the following persons, in addition to, the Directors, the Proposed Directors and their immediate families' interests disclosed in paragraphs 6.1, 6.2 and 6.3 above, who are, directly or indirectly, interested in 3 per cent. or more of the issued share capital of the Company and as they are expected to be immediately following Admission:

	At the date of this document		*Immediately following Admission*	
Shareholder	*Number of Existing Ordinary Shares*	*Percentage of issued ordinary share capital*	*Number of Ordinary Shares*	*Percentage of issued ordinary share capital*
Darren Mercer	2,162,650	13.02	4,325,300	1.73
Portcullis Pensions (I.O.M) Limited	1,710,000	10.30	5,562,857	2.23
Michael Sutton	1,175,000	7.07	2,350,000	0.94
Grant Mercer	809,350	4.87	1,618,700	0.65
Fiona Vigar	1,000,000	6.02	2,000,000	0.80
Jonathan Salisbury	1,000,000	6.02	2,000,000	0.80
Epsom Investment Services	766,038	4.61	5,460,647	2.19
Windvale Limited	647,170	3.90	1,294,340	0.52
Melvyn Sandler	577,865	3.48	2,227,159	0.89
Donald Godwin[1]	390,000	2.35	780,000	0.31
Judith Godwin[1]	248,679	1.50	497,358	0.20
Christopher Fleet[2]	300,000	1.81	600,000	0.24
Yvonne Spencer-Thompson[2]	275,930	1.66	551,860	0.22
ANGLE Technology Limited	—	—	29,926,464	11.99
Progeny BioVentures Limited	—	—	31,969,179	12.81
Rowett Research Services Limited	—	—	13,167,873	5.28
Rising Stars Growth Fund	—	—	58,959,444	23.62
North West Equity Fund	—	—	13,514,990	5.41

1 Donald and Judith Godwin are husband and wife

2 Christopher Fleet and Yvonne Spencer-Thompson are husband and wife

7.2 Save as disclosed in paragraph 7.1 above, the Directors are not aware of any person or persons who, directly or indirectly, have an interest in the Company which represents 3 per cent. or more of its issued share capital or who, directly or indirectly, jointly or severally, exercises or could exercise control over the Company.

8. Additional information on the Directors and Proposed Directors

8.1 In addition to their directorships of the Group, the Directors and the Proposed Directors hold or have held the following directorships and are or have been a partner in the following partnerships within the five years prior to the date of this document:

Director	*Current Directorships and Partnerships*	*Past Directorships and Partnerships*
Dr Neville Bain	Hogg Robinson plc Scottish and Newcastle plc Hogg Robinson Quest Trustee Limited Farnborough Limited Farnborough (Holdings) Limited Neville Bain Developments Limited National Centre for Social Research Biocon Limited, India Wiremill Publishing Limited	SHL Group plc Royal Mail Holdings plc Royal Mail Group plc Gartmore Balanced Assets Trust Plc GBAT Securities plc Safeway Plc Media Scores Limited The Gartmore Scotland Investment Trust plc McDowell *Alcobevs*, India United Breweries, India
Stephen Moon	Stephen Moon Consulting Limited	Hamilton Lodge Property Management Limited
Dawson Buck*	ANGLE plc ANGLE Technology Limited ANGLE Technology Licensing Limited ANGLE Technology Ventures Limited Novocellus Limited Progeny BioVentures Limited Provexis Limited Corpora PLC	Exago Limited Featureforward Limited
Stephen Franklin*	Provexis Limited	None

* Proposed Directors

8.2 Save as set out above, none of the Directors or Proposed Directors has held or occupied any other directorships or has been a partner in a partnership over the previous five years.

8.3 Save as set out in paragraph 8.4 below, none of the Directors or Proposed Directors:

8.3.1 have any unspent convictions relating to indictable offences;

8.3.2 have had any bankruptcies or individual voluntary arrangements;

8.3.3 have been directors of any company at the time of or within 12 months preceding the date of any receivership, compulsory liquidation, creditors' voluntary liquidation, administration, company voluntary arrangement or any composition or arrangement with its creditors generally or any class of creditors of such company;

8.3.4 have been partners of any partnership at the time of or within 12 months preceding the date of any compulsory liquidation, administration or partnership voluntary arrangement of such partnership;

8.3.5 have been partners of any partnership at the time of or within 12 months preceding the date of a receivership of assets of such partnership;

8.3.6 have had any of their assets subject to any receivership; or

8.3.7 have received any public criticism by statutory or regulatory authorities (including recognised professional bodies) or have been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of a company.

8.4 On 24 July 2000, Neville Bain was appointed as a director of Media Scores Limited. In April 2003, Media Scores Limited was the subject of a creditors voluntary liquidation with a deficit to creditors of approximately £810,000. Media Scores Limited was placed into liquidation on 10 April 2003.

9. Directors' and Proposed Directors' service contracts and emoluments

9.1 The service contracts and letters of appointment of the Company's executive and non-executive directors and the Proposed Directors are as follows:

9.1.1 On 17 June 2004, Stephen Moon entered into a service agreement with the Company under which he agreed to serve as Managing Director. He has agreed to vary the terms of such agreement with effect from Admission. The current annual salary is £100,000 which will be increased to £110,000 with effect from Admission when he will become Commercial Director. The salary is to be reviewed annually in April of each year. In addition, the Company may pay the premiums in respect of private health insurance for him and his dependants as well as bonuses at the discretion of the remuneration committee of the Board. Stephen Moon is entitled to a pension contribution of 5 per cent. of his annual salary paid as a lump sum at the end of each financial year (such contributions to be reviewed annually in April) and a car allowance of £400 per calendar month which will be payable, for the first twelve months, as a lump sum at the end of that year and, thereafter, monthly with his salary. With effect from Admission Stephen has agreed that he will no longer be entitled to a car allowance. Either party may terminate the agreement by giving not less than twelve months' written notice. Stephen Moon is entitled to engage in on-going consultancy, executive-coaching and mentoring activities for third parties for no more than 12 days per year which after the first 6 will be deducted from his holiday entitlement.

9.1.2 Pursuant to a letter from the Company dated 17 June 2004, Dr Neville Bain was appointed as Non-executive Chairman of the Company for a fee of £15,000 per annum payable to him or an associated consulting company. Dr Bain was also appointed to chair the remuneration and audit committees of the Board. The appointment is terminable by either party by giving not less that six months' written notice. With effect from Admission, Neville will become deputy Non-executive Chairman and will only chair the audit committee of the Board. In addition, it has been agreed that Neville Bain Developments Limited will be paid an additional £18,250 (plus VAT) for services in connection with the Proposals.

9.1.3 On 25 May 2005, Stephen Franklin entered into a service agreement with the Company under which he agreed to serve as Chief Executive of the Company conditional upon Admission. Dr Franklin's annual salary will be £125,000. The salary is to be reviewed annually in April of each year. In addition, the Company may pay the premiums in respect of private health insurance for him and his dependants as well as bonuses at the discretion of the remuneration committee of the Board. Stephen Franklin is entitled to a pension contribution of 5 per cent. of his annual salary paid as a lump sum at the end of each financial year (such contributions to be reviewed annually in April). Either party may terminate the agreement by giving not less than twelve months' written notice. Stephen Franklin is entitled to engage in on-going consultancy, executive-coaching and mentoring activities for third parties for no more than 12 days per year which after the first 6 days will be deducted from his holiday entitlement. Stephen Franklin is also entitled to a bonus of £30,000 gross of tax and National Insurance contributions which shall be paid by the Company to him upon the supply by the Company of a fruit beverage containing CardioFlow to a national retailer.

9.1.4 Pursuant to a letter from the Company dated 25 May 2005, Dawson Buck was appointed Non-executive Chairman of the Company for a fee of £25,000 per annum payable to ANGLE, conditional upon Admission. Pursuant to this letter, Mr Buck was also appointed to chair the remuneration committee of the Board. The appointment is terminable by either party giving not less than six months' written notice.

9.2 Save for the service contracts detailed above, there are no existing or proposed service contracts between any Director or any Proposed Director and the Company or any of its subsidiary undertakings, which cannot be determined by the employing company within one year without payment of compensation other than statutory compensation and save as stated above, none of the agreements or letters of appointment referred to above have been amended in the last six months.

9.3 The aggregate remuneration paid and benefits in kind granted to the directors of the Company and its subsidiary undertakings for the accounting period ended 31 March 2005 (being the last completed financial year of the Company) amounted to approximately £300,000. It is estimated that under the arrangements currently in force the aggregate remuneration payable and benefits in kind to be granted to the Directors (or Neville Bain Developments Limited in the case of Neville Bain) and, from Admission, the Proposed Directors (or ANGLE in the case of Dawson Buck), by the Company and its subsidiary undertakings for the financial year ending 31 March 2006 (being the end of the Company's current financial year) will amount to £286,688.

10. Share Options

10.1 *Company EMI Scheme*

10.1.1 *Introduction*

The Company adopted the Company EMI Scheme on 16 June 2004. Details of the Company EMI Options granted under the Company EMI Scheme are summarised at paragraph 4.3 above. The terms of the Company EMI Scheme are summarised below.

10.1.2 *Administration, Eligibility and Relevant Legislation*

The Company EMI Scheme is administered by the Board and is subject to the provisions of Schedule 5 of ITEPA.

10.1.3 *Individual Limit*

An eligible employee can not be granted options over Existing Ordinary Shares in the Company EMI Scheme worth more than £100,000 at the date of the grant of the options and for the purposes of this limit any outstanding EMI Options must be included within the £100,000 limit but options that have lapsed are disregarded provided certain conditions are met. Any options granted in excess of that £100,000 limit are treated by the Inland Revenue as unapproved options and do not entitle the optionholder to the beneficial tax treatment available under the Company EMI Scheme. Similarly, if an optionholder had been granted options in respect of Existing Ordinary Shares and if appropriate Ordinary Shares whose market value equals or exceeds £100,000 (whether or not they have been exercised or released) any Company EMI Options granted to him within 3 years of the date on which he was granted his last Company EMI Option are treated by the Inland Revenue as unapproved options and will not entitle the optionholder to the beneficial tax treatment available under the Company EMI Scheme.

10.1.4 *Grant of Options*

Options may be granted to eligible employees of the Company or any of its subsidiaries (defined as a Qualifying Subsidiary in paragraph 11 of Schedule 5 of ITEPA) subject to satisfying certain criteria set out in the rules of the Company EMI Scheme.

10.1.5 *Exercise Price*

The exercise price is determined by the Directors in their absolute discretion but can not be less than the nominal value of an Existing Ordinary Share if Existing Ordinary Shares are to be subscribed for. The price or the method by which the price is determined should be stated in the agreement which will be entered into between the eligible employee and the Company pursuant to which the options are granted.

10.1.6 *Exercise of Options*

(a) In normal circumstances, an option will only be exercisable by an individual who remains in employment with the Company or a Qualifying Subsidiary and may only be exercised before the tenth anniversary of the date on which the option was granted. Early exercise will only be permitted under the Company EMI Scheme if an individual dies or leaves on account of ill-health, injury or disability, or, if the Directors decide, in other exceptional circumstances.

(b) The Company EMI Scheme permits the imposition of conditions by the Directors to determine the number of Existing Ordinary Shares or as appropriate Ordinary Shares in respect of which an option can be exercised.

(c) In the event of a takeover of the Company or on a sale of Existing Ordinary Shares which is not a qualifying exchange of Existing Ordinary Shares or as appropriate Ordinary Shares within the terms of Schedule 5 of ITEPA and which when added to Existing Ordinary Shares or as appropriate Ordinary Shares already held by the acquirer confers on him more than 50 per cent. of the voting rights in the Company, options may be exercised immediately before such takeover or sale or within six months thereafter. Options not exercised within 40 days of such an event will be treated as unapproved options with PAYE and NIC liabilities arising on exercise. Alternatively, with the concurrence of the acquiring company, optionholders may exchange their options under the Company EMI Scheme within the time limits referred to in the Company EMI Scheme for options to acquire shares in the acquiring company or its parent company.

(d) If a resolution is proposed for the voluntary winding-up of the Company, options may be exercised before the passing of such resolution.

10.1.7 *Overall Limits*

The Directors are not permitted to grant options over more than 15 per cent. of the Company's issued ordinary share capital from time to time under any employee share scheme established by the Company or any of its subsidiaries. There is a separate limit that the aggregate value of the total number of shares comprised in EMI Options granted under the Company EMI Scheme must not exceed the statutory limit of £3 million.

10.1.8 *Voting, Dividend, Transfer and Other Rights*

(a) Existing Ordinary Shares or as appropriate Ordinary Shares issued and allotted under the Company EMI Scheme following the exercise of an option will rank *pari passu* in all respects with the then existing shares of the same class of the Company.

(b) Options are non-transferable.

10.1.9 *Tax*

The exercise of the Company EMI Options is not conditional upon the optionholder agreeing to meet the Company's liabilities to pay Employer's National Insurance Contributions ("Employer's NIC") or the optionholder entering into an election to transfer the liability for Employer's NIC.

The exercise of the Company EMI Options is subject to the condition that, if so required by the Company, the optionholder enters into an election under section 431 ITEPA.

10.1.10 *Amendments*

Amendments to the Company EMI Scheme may be made by Board resolution provided that where the alteration would adversely affect the subsisting rights of an optionholder it will not be effective without the prior approval of Shareholders in general meeting save for any alterations to benefit the administration of the EMI Scheme, to take account of or comply with legislation, or to obtain or maintain favourable tax treatment.

10.1.11 *Variation of Capital*

In the event of a capitalisation, rights issue, consolidation, subdivision, reduction or other variation of the share capital of the Company, the Board may make such adjustments as it considers appropriate, and the auditors of the Company may confirm in writing as being fair and reasonable to the number of Existing Ordinary Shares or as appropriate Ordinary Shares subject to options and the price payable on exercise of options and, where an option has been exercised but no Existing Ordinary Shares or as appropriate Ordinary Shares allotted or transferred in satisfaction of the exercise, to the number of Existing Ordinary Shares or as appropriate Ordinary Shares to be allotted or transferred and to the exercise price payable on exercise of the options over such Existing Ordinary Shares or as appropriate Ordinary Shares.

10.1.12 *Termination*

The Company EMI Scheme shall terminate 10 years from the date of adoption.

10.1.13 *Employment*

The Company EMI Scheme does not form part of any contract of employment between the Company and any employee.

10.2 *Company Unapproved Options*

10.2.1 *Introduction*

The Company has granted unapproved options by way of individual unapproved option agreements between the Company and the optionholders. Each of the Company Unapproved Options, except Neville Bain's option, is granted on identical terms being the terms contained in each of the optionholder's unapproved option agreements and the terms of the Company EMI Scheme. The provisions included in the Company EMI Scheme to comply with Schedule 5 to ITEPA do not apply to the Company Unapproved Options, including in particular the £100,000 individual limit on participation for each eligible employee, the no material interest requirement for eligible employees and the £3 million maximum overall statutory limit. The terms of Neville Bain's unapproved option agreement are summarised at paragraph 10.2.2 below.

10.2.2 *Neville Bain's Option*

A summary of the terms of Neville Bain's option is set out below.

(a) *Grant*

Neville Bain's option was granted over 166,093 Existing Ordinary Shares on 17 June 2004. This was amended to an option over 165,150 Existing Ordinary Shares by a Deed of Amendment dated 22 June 2004.

(b) *Exercise*

(i) Neville Bain's option is exercisable in respect of a maximum of 55,050 Existing Ordinary Shares on each of 17 June 2005, 17 June 2006 and 17 June 2007, (and to that extent it is referred to as "vested" herein) at an exercise price of 2p.

(ii) Neville Bain's option is exercisable in whole or in part by Neville Bain giving written notice of exercise to the Company accompanied by payment.

(iii) The Company must allot or transfer the applicable number of Shares to Neville Bain within 30 days of receipt of the exercise notice.

(iv) Neville Bain's option is not exercisable after 17 June 2014.

(v) If Neville Bain's Service Contract (made between the Company and Neville Bain on 1 April 2004) is terminated (and not replaced with a similar agreement) his option lapses unless:

(A) the Company and the Board in its absolute discretion permit him to deliver a notice of exercise in respect of any shares comprised in the option to the extent it has become vested within the period specified by the Board; or

(B) he dies, in which case, his personal representatives may deliver a notice of exercise in respect of any shares comprised in the option to the extent it has become vested within 12 months of the date of death.

(c) *Takeovers and liquidations*

(i) In the event of a takeover (by one person or by persons acting in concert) which does not constitute a "Qualifying Exchange of Shares" within the terms of Schedule 5 of ITEPA, the Board must give Neville Bain notice of the offer and allow him to deliver a notice of exercise up to the time of the takeover, conditional upon control being obtained. The option will lapse immediately following the takeover.

(ii) Where a Court sanctions a compromise or arrangement in connection with a scheme of reconstruction of the Company, Neville Bain may deliver a notice of exercise at any time within 6 months of the Court sanction being made, in respect of any shares comprised in the option to the extent it has become vested.

(iii) If the Company passes a resolution for voluntary winding up, Neville Bain can deliver a notice of exercise within 6 months of that resolution in respect of any shares comprised in the option to the extent it has become vested. Where a voluntary winding up is to be proposed, the Board may give notice to Neville Bain that he can exercise his option prior to and conditional upon the winding up resolution being passed, with the intent that he will be entitled to share in the assets of the Company with the other Shareholders as if Neville Bain had delivered an exercise notice. The option lapses to the extent it has not been exercised on the date the resolution is passed.

(d) *Variation of Share Capital*

The number of shares comprised in Neville Bain's option and their exercise price, or the number of shares to be allotted or transferred where Neville Bain's option has been exercised and their exercise price, may be adjusted (with the written confirmation of the auditors that it is fair and reasonable to do so) on a variation or increase in the capital of the Company including any capitalisation, issue, rights issue or any consolidation, subdivision or reduction in the capital of the Company. Subject to Admission, the number of shares comprised in Neville Bain's option will be 370,300 Ordinary Shares and the exercise price will be 1p per Ordinary Share.

(e) *Tax indemnity*

Neville Bain's option contains a tax indemnity whereby he indemnifies the Company against any income tax or national insurance contributions liability that arises in connection with Neville Bain's option. The Company can sell such number of Neville Bain's shares acquired on exercise as is necessary to cover such tax liabilities.

(f) *Assignability and amendment*

The option is not transferable or assignable and any assignment, charge, disposal or dealing with of Neville Bain's option will cause it to lapse. Modifications to Neville Bain's option must be in writing and signed by both parties.

10.3 *New Share Option Scheme*

10.3.1 *Introduction*

Shareholder approval will be sought for the establishment of the New Share Option Scheme. Options granted pursuant to it may take the form of either unapproved share options or tax favoured EMI Options ("Options"). Options will be granted by way of individual share option contracts, executed by the optionholder and the Company. All employees including Executive Directors may participate in the scheme, but only those satisfying the working time and the material interest requirements of EMI legislation may receive EMI Options.

10.3.2 *Exercise and lapse of options*

An option will normally be exercisable to the extent that any performance condition attaching to the option is satisfied (which would normally be measured over a three year period). An option not exercised by the tenth anniversary of its grant would lapse.

Options may be exercised early if the optionholder ceases to be employed within the Enlarged Group by reason of any if the following; ill health, injury, disability, retirement, redundancy or the business unit or Company by which he is employed being sold outside the Enlarged Group. In these cases an Option is exercisable within the period of six months following the date of cessation, to the extent the Directors believe any relevant performance target will have been met if the optionholder had remained in employment, over a number of shares representing the proportion of the performance period as fell before the date of cessation of employment. If not exercised during that period, the Option will lapse. If an optionholder dies in service, his personal representatives may exercise his Option, over a number of shares representing the proportion of the performance period as fell before the date of death.

If an optionholder leaves the Enlarged Group for any other reason, his Option may only be exercised to the extent, and within such periods, as the Directors may determine otherwise it lapses.

10.3.3 *Limits on issue of shares*

The maximum number of Ordinary Shares which may be issued or in respect of which options to subscribe may be granted under the New Share Option Scheme or any other employees' share scheme established by the Company may not exceed

7.5 per cent. of the Company's issued ordinary share capital from time to time. In calculating this limit, no account shall be taken of any options granted by either Provexis or Nutrinnovator prior to Admission nor to any rollover options granted after Admission in place of options originally granted before Admission.

The maximum initial market value of Ordinary Shares over which EMI Options may be granted by the Company under the New Share Option Scheme or over EMI Options granted under any other employees' share scheme may not exceed £3 million whilst the maximum initial market value of shares over which EMI Options may be granted to any individual may not exceed £100,000 or such other limits as are specified in the relevant legislation from time to time.

10.3.4 *Demerger, reconstruction or winding-up of the Company*

Options may be exercised early in the event of a demerger or statutory reconstruction of the Company within specified periods. If notice is given to shareholders of a resolution for the voluntary winding up of the Company, Options may be exercised at any time before the winding up commences or within a period notified to optionholders. All Options will lapse on the commencement of winding up.

10.3.5 *Takeover of the Company*

If shareholders accept a takeover offer for the Company, Options may be exercised during the period of six months following the change of control over a number of Ordinary Shares representing the proportion of the performance period as fell before the date of the change of control. If Options are not exercised then they will lapse.

10.3.6 *Variation of share capital*

In the event of a variation in the ordinary share capital of the Company, the Directors may adjust the number of Ordinary Shares subject to any Option and/or the exercise price. In the case of any variation other than a sub-division, consolidation or capitalisation issue, the Company's auditors must confirm in writing that any adjustment is fair and reasonable.

10.3.7 *Rights attaching to the shares*

Ordinary Shares issued or transferred on the exercise of an Option shall rank equally in all respects with all of the other ordinary shares in the capital of the Company for the time being in issue, save as regards any rights attaching to Ordinary Shares by reference to a record date prior to the allotment or transfer of such shares.

10.3.8 *Non-transferability of options*

Options granted under the Scheme are not transferable (except in the case of death of the optionholder to the optionholder's personal representatives) or pensionable.

10.3.9 The New Share Option Scheme will be administered by the directors of the Company or such appropriate person(s) to whom the directors delegate its administration. The directors may at any time for any reason amend or terminate the New Share Option Scheme. No amendments shall, however, be made which benefit optionholders, to specified key features of the New Share Option Scheme, including the definition of "eligible employee" and the limits on the grant of Options without the prior approval of shareholders in general meeting, except to the extent that the directors consider it is a minor amendment which is necessary or appropriate to benefit the administration of the New Share Option Scheme, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for optionholders or for the Company or any group company.

10.4 *Provexis EMI Options*

Provexis has granted EMI Options over its fully paid ordinary shares by way of individual EMI share option contracts, the principal terms of which are summarised below.

All of the Provexis EMI Options that are outstanding at Admission will be rolled over into options over the Company's Ordinary Shares as set out in paragraph 4.6 above.

10.4.1 *Schedule 5 ITEPA Compliance*

The Provexis EMI Options are subject to the provisions of Schedule 5 of ITEPA. These provisions are that:

- the maximum value of shares that can be included in an individual's EMI Options, taking the market value of ordinary shares at the date of grant, is £100,000;
- employees must work for at least 25 hours a week for Provexis or if less, spend 75 per cent. of their total working time working for Provexis;
- employees must not have a material interest in the Company (a material interest is either beneficial ownership of, or the ability to control directly or indirectly, more than 30 per cent. of the ordinary share capital).

10.4.2 *Exercise*

Provexis EMI Options granted in 2003 can be exercised:

- as to the number of shares so specified in the individual EMI share option contract, at any time and;
- as to the balance of the shares, at any time after Provexis has concluded a "revenue generating transaction involving CardioFlow". The Board of Directors of Provexis have resolved that the latter has now been completed, due to the original joint venture agreement with Nutrinnovator, and therefore all Provexis EMI share options are exercisable.

Provexis EMI Options granted in 2005 can be exercised in accordance with these terms.

In any event, the options cannot be exercised after the tenth anniversary of the date of grant.

Options are to be exercised in full by the optionholder serving written notice upon Provexis (accompanied by the appropriate payment) stating the number of shares in respect of which the option is exercised. Provexis must allot or transfer to the optionholder the relevant number of shares within 30 days of receipt of the notice of exercise.

If an optionholder dies whilst an employee, his personal representatives may exercise his vested options within 12 months of the date of death or may exercise all of his options (whether vested or not) where his death follows a takeover, sale or admission of Provexis' shares to trading or dealing in on any recognised market ("Provexis Admission"). The options lapse at the end of that 12 month period.

If the optionholder dies after having ceased to be an employee within the group, his personal representatives can exercise his vested options within 12 months of the date of his death after which period the options lapse.

Prior to a takeover, sale or Provexis Admission employees may retain the benefit of vested options where they leave for a "Good Reason" (i.e. due to disability, injury, ill-health, redundancy, retirement or dismissal), unless the Provexis directors ("the Provexis Directors") notify the optionholders that their vested options must be exercised within a 3 month period from the date of cessation of employment.

After a takeover, sale or after Provexis Admission, employees may retain the benefit of vested options if they leave for any reason (subject to the provisions relating to Provexis Admission, takeovers and sales outlined below).

10.4.3 *Takeovers, etc*

In the event of a takeover by way of general offer (to either acquire the whole of the ordinary share capital or to acquire all the shares of the same class as the shares), an option can be exercised within 6 months of the takeover occurring (or such shorter period as the Provexis Directors may specify, being not less than 21 days), after the expiry of which period the options lapse. Where the offer made is to acquire the whole of the ordinary share capital of Provexis and is made subject to a condition such that, if it is satisfied, the person making the offer will have control of Provexis, the Provexis Directors can invite optionholders to exercise their options conditional upon that control being obtained.

On Provexis Admission, the Provexis Directors may specify a period (or periods) of at least 7 days, within which the Provexis EMI Options may be exercised. If the Provexis Directors do not specify any period, the option may in any event be exercised in respect of one third of the shares comprised in it in the period beginning 60 days after Provexis Admission and ending 90 days after Provexis Admission. The Provexis Directors must permit the options to be exercised in full within 1 year of the date of Provexis Admission, after which period the options lapse.

In the event of a sale, (defined as an unconditional agreement entered into for the sale of the business and assets of Provexis to an unconnected person or to a connected concert party) the Provexis EMI Options can be exercised within 28 days of the date of the sale, after the expiry of which period the options lapse.

Where a company becomes beneficially entitled to more than 50 per cent. of the voting power exercisable at meetings of members of Provexis, the Provexis EMI Options can be exercised within 28 days of Provexis becoming so entitled, after the expiry of which period the options lapse.

10.4.4 *"Rollover" provisions*

On a "qualifying exchange of shares", (the conditions for which are set out in paragraph 40 of Schedule 5, ITEPA) if a holder of a Provexis EMI Option is offered the opportunity to release the option and be granted an equivalent option over shares in the acquiring holding company then the existing Provexis EMI Option will lapse if not rolled over. In relation to the proposed transaction, the rollover of the options would be outside these provisions, so failure to accept the rollover would not lead to the option lapsing.

10.4.5 *Demergers, reconstructions, liquidations*

In the event of a notice being given to the shareholders of Provexis of a proposed demerger, the Provexis EMI Options can be exercised in respect of such proportion and if the Provexis Directors permit within a specified period not exceeding 30 days, after which period the options lapse provided that the Auditors have confirmed that the interests of the optionholders would otherwise be prejudicial.

In the event of a statutory reconstruction under s425 Companies Act 1985, the Provexis EMI Options may be exercised within 6 months of the court sanctioning the reconstruction, after which period the options lapse.

Options are exercisable up until the passing of a resolution to wind up Provexis where notice of a resolution for the voluntary winding up of Provexis has been given to the Provexis shareholders. The options lapse on the commencement of its winding up and on its liquidation to the extent not exercised.

In respect of voluntary arrangements and administration orders, the Provexis EMI Options can be exercised no later than 14 days before the date of the meeting summoned in connection with the voluntary arrangement and within 28 days of an administration order being made. Options lapse on the expiry of these periods.

10.4.6 *Tax*

Where a liability to employer's National Insurance Contributions ("**NICs**") arises on the exercise, assignment or release of Provexis EMI Options, Provexis can recover the amount of the liability from the optionholder. The grant of the EMI Options to the optionholders listed at paragraph 4 was conditional upon the optionholders entering into elections whereby the liability for the employers' NICs is transferred to the optionholder.

The Provexis EMI Options also contain a tax indemnity whereby the optionholder indemnifies Provexis against any liability to income tax or NICs (both employee's and employers'). An optionholder must settle such tax liabilities (or make arrangements to settle the liabilities) before shares are allotted or transferred to him. Provexis can sell such number of the optionholder's shares acquired on exercise as is necessary to recover any such tax liabilities.

10.4.7 *Amendment and non-transferability*

Amendments and additions can be made by deed to any of the provisions in the individual EMI share option contracts by Provexis and the optionholders.

Each Provexis EMI Option is personal to the optionholder. Any transfer, assignment, mortgage, charge or other disposal of the option will cause it to lapse.

10.4.8 *Variation of share capital*

In the event of any rights issue or capitalisation by the Company or of any reduction, sub-division, consolidation of capital or if a special dividend is declared or a demerger occurs or any other event occurs which may affect the value of the option, the number of shares comprised in options and the exercise price (or the number of shares to be allotted where the option has been exercised, but shares not yet allotted) may be adjusted by the Provexis Directors unless in the Provexis Directors' opinion the event in question would not have any significant effect on the value of the options.

10.5 *Provexis Unapproved Option Scheme*

Provexis adopted the Provexis Unapproved Option Scheme on 14 October 2003 under which it has granted unapproved options. All options under the Provexis Unapproved Option Scheme which are outstanding at Admission will be rolled over into options over the Company's Ordinary Shares summarised at paragraph 4.6 above. The following is a summary of the terms of the Provexis Unapproved Option Scheme.

10.5.1 *Participation and grant*

The Directors may issue invitations to eligible employees to apply for options within 42 days after the date of adoption of the Scheme or within a period of 42 days following the date on which Provexis announces its full or interim results. Invitations can be issued outside these periods where the Directors in their absolute discretion deem the circumstances sufficiently exceptional to justify the issue of invitations at that time. Invitations can be made to employees, Directors or consultants of Provexis and/or any subsidiary as selected by the Directors. Invitees can then make an application to Provexis for an option, on receipt of which applications the Directors resolve to grant the options and issue option certificates. The exercise price must not be less than the higher of the nominal value of a Provexis Share or the market value (determined by the Company) of a Provexis Share on the date of invitation. There are no limits on the number of shares that can be comprised in options.

10.5.2 *Exercise of Options*

Subject to the provisions summarised below, Provexis Unapproved Options are exercisable in whole or in part following the third anniversary of the date of grant and before the seventh anniversary of the date of grant, providing that any relevant exercise condition has been satisfied. Where an option is exercised in part, an optionholder receives a balance option certificate in respect of the part not yet exercised. The Directors may impose exercise conditions on the options.

Where an optionholder ceases to be an employee of Provexis due to injury, disability, sickness, redundancy or retirement, or leaves because the company for which the optionholder works is sold out of the Provexis group of companies, the options become and remain capable of exercise for 12 months from the date he leaves employment, after the expiry of which period the options lapse. If the optionholder has given notice to leave or leaves employment for any other reason, unless the option is already exercisable the option lapses, unless the Remuneration Committee exercise their discretion to permit the exercise of options in any circumstances. The Remuneration Committee may also determine that an option may remain exercisable for 12 months from the date the optionholder leaves employment or if later, on the expiry of 3 years and 6 months from the date of grant of the option.

In the event of the optionholder's death, the option lapses on the expiry of 12 months from the date of death.

10.5.3 *Takeovers*

Where an offer is made to all the shareholders to acquire the whole or the majority of the issued shares of Provexis, an optionholder can exercise his options within 6 months of the offeror obtaining control of Provexis provided that any exercise conditions have been satisfied at the date of exercise. If during that period of 6 months, an offeror becomes entitled to compulsorily acquire the shares and gives notice to all optionholders to that effect, optionholders can exercise their options by the date specified by that offeror. Options lapse where they are exercised after the expiry of the aforementioned 6 months and also lapse to the extent they have not been exercised in connection with the compulsory rights of acquisition notice made by an offeror.

Where a court sanctions a compromise or arrangement for or in connection with a scheme of reconstruction, optionholders may exercise options within 6 months of such arrangement being sanctioned by the court provided that any exercise conditions have been satisfied. Options lapse to the extent they have not been exercised on the expiry of the 6 month period.

10.5.4 *Exchange of Options*

Where a company ("the Acquiring Company") obtains control of Provexis as a result of making a general offer to acquire all of its issued share capital, or obtains control of Provexis pursuant to a compromise or arrangement sanctioned by the court or becomes entitled to acquire shares in Provexis under Sections 428 to 430F of the Companies Act 1985, an optionholder may within a specified period agree to exchange his Provexis Unapproved Options ("Old Options") for options over shares in the Acquiring Company ("New Options"). The exchange of options in these circumstances must comply with conditions set out in paragraph 15 of Schedule 9 Income and Corporation Taxes Act 1988 (now paragraph 27 of Schedule 4 ITEPA) despite being an unapproved scheme. These conditions are that the New Options must be equivalent to the Old Options in that:

- they must be over ordinary shares that comply with certain other conditions set out in the said Schedule 4 ITEPA;
- they must be exercisable in the same way as the Old Options and remain subject to the terms of the Provexis Unapproved Option Scheme;
- the total market value immediately before the release of the shares which were subject to the Old Options must be equal to the total market value immediately after the grant of the shares over which the New Options subsist;

- the total amount payable by the optionholder on exercise of the New Options must equal the amount that would have been payable under the Old Options. If the options are not exercised or rolled over, all options remaining unexercised 6 months after control of the Company is obtained in these circumstances will lapse.

10.5.5 *Winding Up*

In the case of the voluntary winding up of Provexis, an option remains capable of exercise for the period of 6 months after the resolution for the winding up is passed, following the expiry of which period the option lapses. An option lapses immediately in the event of Provexis being wound up otherwise than in the event of a voluntary winding up.

10.5.6 *Adjustments of Options*

The Remuneration Committee (with the written confirmation of the auditors that it is fair and reasonable to do so) may adjust the number of shares or the nominal value of shares comprised in options and the option price on the occurrence of any issue of shares, or other securities of the Company (other than as consideration for an acquisition) and/or any capitalisation, consolidation or sub-division or reduction of share capital in the Company.

10.5.7 *Tax*

Provexis can deduct from an optionholder's salary, an amount to settle any income tax or NICs liabilities. If the deductions are insufficient to cover the liabilities, Provexis can sell as many of the optionholder's shares acquired on exercise as are sufficient to satisfy the tax liability.

The grant and exercise of the Provexis Unapproved Options are conditional upon the optionholder entering into an election whereby the liability to pay any employer's NICs is transferred to the optionholder. Provexis is authorised to sell as many of the optionholders' shares acquired on exercise as are sufficient to satisfy the said NICs liability.

10.5.8 *Amendments to the Scheme*

Provexis may make amendments and additions to the rules of the Provexis Unapproved Option Scheme, but no amendment or addition to the advantage of optionholders shall be made without the prior approval of Provexis made by ordinary resolution in general meeting (unless the amendment or addition does not affect the basic principles of the Scheme). No alterations or additions can be made if they materially affect an optionholder as regards an option granted prior to the alteration or addition being made.

Provexis in general meeting or the board can terminate the Provexis Unapproved Option Scheme so that no further options are granted but any subsisting options granted before the termination shall not be affected.

11. Acquisition Agreement

11.1 The Acquisition Agreement is a conditional agreement dated 25 May 2005 between the Vendors (1) and Nutrinnovator (2) relating to the sale and purchase of the entire issued share capital of Provexis Limited. The following is a summary of certain of the terms and conditions of the Acquisition Agreement.

11.2 *Sale and Purchase*

11.2.1 Nutrinnovator conditionally agrees to acquire the entire issued share capital of Provexis (the "Vendors' Shares"). Each of the Vendors agrees to sell his portion of the Vendors' Shares with full title guarantee and free from any and all encumbrances.

11.2.2 The aggregate consideration for the purchase of the Vendors' Shares is £6,252,879.08 to be satisfied by the allotment and issue to the Vendors of the Consideration Shares as set out in the Agreement, credited as fully paid and ranking *pari passu* with the Ordinary Shares in existence at completion of the Acquisition Agreement.

11.2.3 In addition the Company will issue 30,184,524 new Ordinary Shares at 5.6 pence per share in satisfaction of the New Loans and the Vendor Loans.

11.3 *Conditions*

11.3.1 Completion of the sale and purchase of the entire issued share capital of Provexis is conditional *inter alia* upon:

(a) the due passing at a general meeting of Nutrinnovator of the Resolutions;

(b) the admission of the New Ordinary Shares and the re-admission of the issued share capital of Nutrinnovator to trading on AIM becoming effective in accordance with the AIM Rules (the "Listing Condition");

(c) the Placing Agreement becoming unconditional in all respects in accordance with its respective terms and conditions and not having been terminated and the allotment and issue of the Placing Shares contemplated therein;

(d) the granting by the Panel on Takeovers and Mergers of a waiver of any requirement for any of the Vendors (or any concert parties) to make a mandatory offer under Rule 9 of the City Code by reason of the allotment and issue of the Consideration Shares to the Vendors; and

(e) execution of deeds of termination in relation to all existing shareholder agreements subsisting between current and/or former shareholders of Provexis.

11.3.2 If any of the conditions has not been fulfilled on or before 23 June 2005 (or such later date as may be agreed, not being later than 7 July 2005) the Acquisition Agreement shall terminate, and neither the Vendors nor Nutrinnovator will be obliged to complete the sale and purchase of the entire issued share capital of Provexis.

11.3.3 Prior to completion of the Acquisition, if:

(a) any of the Vendors are in material breach of the Acquisition Agreement; or

(b) the occurrence, *inter alia*, of any act or event affecting Provexis outside the reasonable control of the Vendors which upon Completion would or might reasonably be expected to result in a material breach or breaches of any of the warranties were they repeated immediately prior to Completion or which would result in a material claim; or

(c) there is any material breach or non-fulfilment by any of the Vendors of any of their obligations,

which in any such case is incapable of remedy, or is not remedied within seven days after notice thereof from Nutrinnovator requiring the same to be remedied then, Nutrinnovator is entitled not to complete the purchase of the shares, in which case the Acquisition Agreement will automatically terminate.

11.3.4 A material breach or a material claim are ones where the aggregate liability of the Vendors exceeds in aggregate £250,000.

11.3.5 The Acquisition Agreement contains reciprocal provisions to those referred to in paragraphs 11.3.3 and 11.3.4 and which entitle the Vendors to terminate the Agreement in certain circumstances including a material breach of Nutrinnovator's warranties under the Acquisition Agreement.

11.4 *Restrictions Pending Completion*

Each of the Vendors and Nutrinnovator has agreed certain restrictions as to how the business of Nutrinnovator and Provexis is to be conducted pending Completion.

11.5 *Warranties and Tax Covenant*

11.5.1 Stephen Franklin severally warrants and ANGLE and Progeny jointly and severally warrant that the warranties relating to the business, the assets and liabilities of Provexis as set out in the Acquisition Agreement are true and accurate in all respects.

11.5.2 Each of the Vendors has given warranties to Nutrinnovator in respect of his ability to enter into the agreement and his title to the shares.

11.5.3 The Acquisition Agreement also contains warranties given by Nutrinnovator for the benefit of the Vendors relating *inter alia* to Nutrinnovator, this document and certain aspects of Nutrinnovator's business.

11.5.4 A limited tax covenant has also been given by ANGLE and Progeny to Nutrinnovator in respect of certain tax liabilities.

11.6 *Non-competition covenants*

Each of the Vendors has undertaken, *inter alia*, to procure that neither themselves nor their respective related persons will directly or indirectly for a period of 2 years from Completion:

(a) compete with the business of Provexis;

(b) solicit or accept the custom of customers or suppliers to Provexis in the period of 12 months prior to Completion;

(c) solicit employees of Provexis who in the reasonable opinion of Nutrinnovator may be in possession of confidential information relating to Provexis or able to influence the customer relationships or connections of Provexis;

(d) use any trade or domain name or an e-mail address of Provexis.

11.7 *Warrantors' Limitations on Liability*

11.7.1 The Warrantors are only liable in respect of warranty claims under the Acquisition Agreement if an individual claim or series of related claims in respect of related facts or circumstances exceeds £5,000 (excluding interest and costs); and

11.7.2 The aggregate cumulative amount of the liability for such claims exceeds £100,000 (in which event the Warrantors are liable only for the excess over £100,000).

11.7.3 Total aggregate liability of the Warrantors is limited to £2,500,000. In the event of any liability for a claim being established against Mr Franklin, Mr Franklin is only severally liable for such proportion of the liability as is equal to the proportion that the Consideration Shares to be allotted to him bears to the total number of Consideration Shares to be allotted to all of the Warrantors liable for that warranty claim and Mr Franklin will not be liable for the proportions of the other Warrantors.

11.7.4 In the event of any liability for a claim being established against ANGLE and/or Progeny, ANGLE and Progeny shall be jointly and severally liable for such proportion of the liability as is equal to the proportion that the aggregate number of Consideration Shares to be allotted to them bears to the total number of Consideration Shares to be allotted to all of the Warrantors liable for that warranty claim and neither ANGLE nor Progeny will be liable for the proportion of Mr Franklin.

11.7.5 The Warrantors are not liable for any claim unless they are given written notice of such claim (specifying reasonable detail of the matter giving rise to the claim, the nature of the claim and, if practicable, the amount claimed) on or before the 7th anniversary of Completion in respect of any claim relating to tax and on or before the expiry of the period of 3 months following the publication of the annual accounts for Nutrinnovator for the period ended 30 April 2006 in respect of any other claim and legal proceedings are commenced within 6 months of the notice of claim.

11.8 *Nutrinnovator's Limitations on Liability*

Nutrinnovator is only liable in respect of claims under the Acquisition Agreement when the aggregate of those claims exceeds £100,000 (in which case the Vendors shall be entitled to recover only the excess above £100,000) and provided that each individual claim exceeds £5,000. The total aggregate liability of Nutrinnovator under the Acquisition Agreement for breach of warranty shall not exceed £625,000. Nutrinnovator shall not be liable for any warranty claim unless notice of the claim has been given to Nutrinnovator on or before the 7th anniversary of Completion in respect of any claim relating to tax and on or before the expiry of the period of 3 months following the publication of the annual accounts for Nutrinnovator for the period ended 30 April 2006 in respect of any other claim and proceedings are commenced within 6 months of the notice of claim.

12. Material contracts

12.1 *The Group*

In addition to the Acquisition Agreement referred to in paragraph 11 above and the contract with Thornton Mustard referred to in paragraph 6.13 above the following contracts, not being entered into in the ordinary course of business and which are, or may be, material, have been entered into by the Company or any of its subsidiary undertakings within the two years immediately preceding the date of this document.

12.1.1 Barclays Bank plc and Nutrinnovator Limited entered into a Sales Ledger Financing Agreement on 26 May 2004 pursuant to which Barclays agreed to finance Nutrinnovator Limited's trade debtors for the lower of up to 80 per cent. of the value of Nutrinnovator Limited's trade debts or £750,000. The agreement is for a minimum period of 24 months from the date of the agreement. Thereafter, the agreement may be terminated by either party giving 6 months notice. The facility was secured against the assets of the Company by a debenture dated 13 May 2004.

Barclays Bank plc, Portcullis Pensions (I.O.M) Limited and the Company entered into a deed of priorities on 21 June 2004, pursuant to which the Barclays Sales Ledger Financing Agreement referred to above was given priority for a principal sum of up to £750,000.

12.1.2 A share exchange agreement dated 12 May 2004 entered into between (1) the Company (2) Nutrinnovator Limited and (3) the Vendors (as such term is defined in that agreement) pursuant to which the Company agreed to acquire the entire issued share capital of Nutrinnovator Limited. The consideration was the issue of 13,279,050 credited as fully paid new Ordinary Shares and the crediting as fully paid up of the 100 issued Ordinary Shares ("the Share Exchange Agreement").

12.1.3 On 4 July 2003, a total of 108,600 ordinary shares of £1 each in the capital of Nutrinnovator Limited were allotted to various subscribers at an issue price of £8.50 per share. In addition, on that date and by way of commission, (i) Darren Mercer was allotted 41,880 ordinary shares of £1 each in the capital of Nutrinnovator Limited at par ("Mercer Shares"); and (ii) Kevin Wilson was allotted 4,120 ordinary shares of £1 each in the capital of Nutrinnovator Limited at par ("Wilson Shares"). Had the Mercer Shares and the Wilson Shares been allotted at an issue price of £8.50 the total amount payable on the Mercer Shares would have been £355,980 and the total amount payable on the Wilson Shares would have been £35,020. Darren Mercer received a total of £79,470 in November 2003 in respect of the provision of his services in introducing potential investors to Nutrinnovator and the arrangement and attendance at meetings in connection with a fundraising of Nutrinnovator which occurred in July 2003.

12.1.4 Deeds of Grant dated 21 June 2004 between (1) the Company and (2) each of Rock Nominees, Melvyn Sandler, R.C. Greig Nominees Limited, Michael Howard, Nigel Johnson and Grant Mercer pursuant to which the Company granted, conditional upon admission of the Company's Existing Ordinary Shares to trading on AIM on 28 June 2004, options over an aggregate of 188,428 Existing Ordinary Shares. Each of the options is exercisable in whole on any one occasion at any time between 28 June 2004 and 20 June 2014. Each of the options is exercisable at a price of 2p per Existing Ordinary Share. The number of shares and their exercise price may be subject to variation as the Directors deem appropriate on the occurrence of any variation or increase in the capital of the Company, including on any capitalisation or rights issue or any consolidation, subdivision or reduction of the capital of the Company. Options over 94,195 Existing Ordinary Shares have been exercised. Options over 94,233 Existing Ordinary Shares remain outstanding and the Board has resolved that, on Admission, the number of shares comprised in these options will be 188,466 ordinary shares and the exercise price will be 1p per Ordinary Share.

12.1.5 A loan note instrument dated 22 June 2004 whereby the Company created £400,000 6½ per cent. Convertible Secured Loan Notes 2005. The loan notes are in denominations of £1 and are currently held as to £220,000 by Rock Nominees (a/c 500111) nominee for Epsom Investment Services, £120,000 by Portcullis Pensions (I.O.M) Limited and £60,000 by Rock Nominees (a/c 1921194) nominee for Melvyn Sandler. The interest rate is 6½ per cent. per annum payable within a period after the end of every six calendar months from 28 June 2004. The loan notes are repayable on such date as falls eighteen months after 28 June 2004 at par together with all unpaid interest. The loan notes are convertible at every six monthly interval after 28 June 2004 into Existing Ordinary Shares at 53 pence per Ordinary Share. The loan notes are secured against the assets of Nutrinnovator Limited by virtue of a second fixed and floating charge dated 22 June 2004. Pursuant to letters dated 16 May 2005 the holders of the loan notes agreed that the Company could satisfy its repayment obligations by converting the loans into Ordinary Shares at the Placing Price on Admission. Accordingly, the Company has agreed to allot 7,142,857 Ordinary Shares in aggregate to the holders of the loan notes on Admission and following such allotment the second charge will be released.

12.1.6 By deed, dated on or around 22 June 2004, each of Stephen Moon, Fiona Vigar, Jonathan Salisbury, Neville Bain and Douglas Gardner, Thornton Mustard, Darren Mercer, Kevin Wilson, Donald Godwin (Rock Nominees a/c 2601553), Judith Godwin (Rock Nominees a/c 2601695), Christopher Fleet (Rock Nominees a/c 2601652), Yvonne Spencer-Thompson (Rock Nominees a/c 1904574), Michael Sutton, Portcullis Pensions (I.O.M.) Limited, Colin Garrett, Nigel Johnson, Grant Mercer, David Brisco and Windvale Limited has undertaken to the Company and Oriel Securities Limited (subject to certain limited exceptions) not to dispose of all or some (in the case of some shareholders holding less than 10 per cent. of the Existing Ordinary Shares in issue at that time) of the Existing Ordinary Shares held by each of them following admission of the Company's Existing Ordinary Shares to trading on AIM or any other securities in exchange for or convertible into, or substantially similar to, the Existing Ordinary Shares (or any interest in them or in respect of them) at any time prior to the first anniversary of the admission of the Company's Existing Ordinary Shares to trading on AIM being 28 June 2005. After the expiry of this period they have agreed that any sale or disposal of shareholdings for a period of six months will only be undertaken after first giving the Company notice.

12.1.7 An agreement dated 22 June 2004 between (1) Oriel Securities Limited and (2) the Company whereby the Company confirmed the appointment of Oriel Securities Limited as its Nominated Adviser and Broker for the purposes of the AIM Rules. This agreement can be terminated by either party, after one year, by the giving of 60 days notice. By a letter dated 25 May 2005, Oriel Securities Limited will resign as the Company's Nominated Adviser and Broker with effect from Admission. Pursuant to an engagement letter dated 6 April 2005, Oriel Securities Limited will be paid a corporate finance fee of £50,000 (excluding VAT) in connection with the Proposals.

12.1.8 An agreement dated 22 June 2004 between (1) Oriel Securities Limited, (2) the Company, and (3) the Directors (the "Placing Agreement") pursuant to which Oriel Securities Limited agreed, as agent for the Company, to use its reasonable endeavours to place 3,235,849 Existing Ordinary Shares at 53p per share. The Placing was completed on 28 June 2004. The placing agreement contained certain warranties and indemnities given by the Company and the Directors. This agreement is also being terminated pursuant to the letter dated 25 May 2005 referred to in paragraph 12.1.7 of this Part VII.

In consideration of its services under the Placing Agreement, the Company paid Oriel Securities Limited a fee of £90,000 (£50,000 of which Oriel Securities Limited applied in subscribing for 94,338 Existing Ordinary Shares) and a commission equal to 3 per cent. of the proceeds from those placees procured by Oriel Securities plus any VAT and expenses (including legal costs).

12.1.9 On 28 January 2005, Provexis and Nutrinnovator entered into a development and licence agreement. Pursuant to the terms of the agreement, Provexis agreed to grant the Company a royalty free, exclusive licence (with the right to sub-licence) to exploit the patents and know how, set out in the schedule to the agreement, in the UK, US and Japan for the purpose of development of a fruit juice or fruit juice drink containing CardioFlow.

A series of milestones are set out in schedule 2 to the agreement. Both parties agreed that during the 12 month period from the date of the agreement they would use all best endeavours to achieve the milestones for which they are responsible. Failure to meet a milestone within 3 months of the finish date for that milestone will constitute a material breach.

On completion of the development of the Licensed Product (as defined in the agreement) and the sales marketing strategy Nutrinnovator shall (within 14 days):

(a) in the event of an establishment of a joint venture company, in consideration of £1.00 and the allotment of 449 ordinary shares in the capital of Nutrinnovator, assign the whole of Nutrinnovator's interest in the Developed IP (as defined in the agreement) to a joint venture company;

(b) grant the joint venture company a non-exclusive, perpetual, royalty free licence to use any background IP necessary for the manufacture of the Licensed Product solely in relation to the Licensed Product;

(c) in consideration of a payment of £405,000 (excluding VAT) of which £280,000 has been paid, to assign to Provexis the whole of Nutrinnovator's right, title and interest to the Developed IP; and

(d) grant Provexis a non-exclusive, perpetual, royalty free licence to use any background IP necessary for the manufacture of the Licensed Product solely in relation to the Licensed Product.

Each party warranted that the provisions of the contract did not contravene any other agreement or law. Provexis gave certain warranties in respect of ownership and maintenance of the intellectual property which was the subject of the agreement. Provexis also warranted that so far as it was aware CardioFlow was not harmful or toxic. Each party's liability under the warranties is limited to £1 million.

Pursuant to a supplemental agreement dated 24 February 2005, Nutrinnovator agreed to carry out an additional project in relation to the CardioFlow brand in consideration of £45,000 excluding VAT, £30,000 of which was paid on 29 April 2005.

12.1.10 On 1 February 2005, Nutrinnovator entered into a shareholders agreement with Food Innovator Limited and Altucea Limited in respect of Altucea Limited.

Altucea is to be used as a joint venture vehicle for the development of a patent or series of patents and development and commercialisation of a range of food based drug delivery systems and products which exploit the Patents which were assigned by Clive Edmonds to Altucea Limited pursuant to the terms of an assignment agreement also dated 1 February 2005. Pursuant to the terms of the agreement, Nutrinnovator subscribed for 94 ordinary shares in the capital of Altucea Limited and Food Innovator subscribed for 6 ordinary shares in the capital of Altucea Limited. Under the Agreement it is the intention that the Company is responsible for procuring future funding for the joint venture.

The agreement contains provisions to regulate the rights of the shareholders and sets out how Altucea Limited is to be operated. The agreement also contains pre-emption provisions and restrictions on the transfer of shares including that none of the shares may be transferred (other than to a permitted transferee) without the consent of the other party and drag and tag rights on the sale of more than 75 per cent. and not less than 90 per cent. respectively. Under the Agreement, each of the parties has also entered into non-compete and non-solicitation restrictive covenants.

12.1.11 An agreement dated 25 May 2005 between (1) Arbuthnot and (2) the Company pursuant to which the Company has appointed Arbuthnot to act as Nominated Adviser and Broker to the Company on Admission for the purposes of the AIM Rules. The Company has agreed to pay Arbuthnot a fee of £35,000 plus VAT per annum for its role as nominated adviser and broker to the Company.

The agreement can be terminated, *inter alia*, by the Company or Arbuthnot on 21 days' written notice. The agreement contains certain indemnities by the Company to Arbuthnot.

12.1.12 The Placing Agreement pursuant to which:

(a) Arbuthnot has agreed conditionally (*inter alia*) on Admission occurring on or before 23 June 2005 (or such later date as the Company and Arbuthnot may agree) as agent for the Company, to use its reasonable endeavours to procure subscribers for the Placing Shares at the Placing Price;

(b) in consideration for Arbuthnot's services in connection with the Placing the Company has agreed to pay Arbuthnot a corporate finance fee of £175,000 (excluding VAT), a commission of 3 per cent. of the Placing Price multiplied by the number of Placing Shares, except in relation to Placing Shares placed with Existing Shareholders or Vendors for which the Company will pay Arbuthnot a commission of 1 per cent. multiplied by the number of Placing Shares so placed (all of which Arbuthnot has agreed to in subscribing for 4,634,600 Placing Shares at the Placing Price);

(c) the Company has also agreed to pay Arbuthnot's professional advisers' fees and reasonable out-of-pocket expenses incurred for the purposes of or in connection with the Placing. The Company has agreed to bear all other costs and expenses (including any applicable VAT) of, or incidental to, the Placing and Admission;

(d) the Company, the Directors and the Proposed Directors have given warranties as to the accuracy of the information contained in this document and other matters relating to, *inter alia*, the Enlarged Group;

(e) the Company and the Directors have given warranties in relation to certain matters concerning the Company;

(f) the Company and the Proposed Directors have given warranties in relation to certain matters concerning Provexis;

(g) the Company, the Directors and the Proposed Directors have given indemnities in favour of Arbuthnot in respect of, *inter alia*, losses which Arbuthnot may suffer or incur in connection with or arising out of the Placing;

(h) Arbuthnot may terminate the Placing Agreement upon certain circumstances arising prior to Admission, including a material breach of the Placing Agreement or of any of the warranties contained in it; and

(i) the Directors and the Proposed Directors (as required by rule 7 of the AIM Rules) have undertaken not to dispose of any Ordinary Shares during the period of 12 months following Admission, save in certain limited circumstances, including in connection with a takeover offer the ability to accept an offer, to give irrevocable undertakings to accept an offer or to sell to an offeror or potential offeror who has been named in an announcement pursuant to the City Code; pursuant to a court order or on the death of that Director or Proposed Director. The Directors and the Proposed Directors have also undertaken that, for so long as Arbuthnot is the nominated adviser and/or broker of the Company, and subject to certain other conditions, they will not dispose of any Ordinary Shares held by them otherwise than through Arbuthnot.

12.1.13 Pursuant to the terms of a deed of contribution dated 25 May 2005 between certain of the Vendors and the Company it has been agreed that in certain circumstances in connection with termination of the Placing Agreement, such Vendors shall be liable to the Company to make a contribution to meet certain of the costs, fees and expenses which would otherwise be incurred solely by the Company.

12.1.14 Lock-in deeds dated 25 May 2005 granted by each of the Vendors and Fiona Vigar, Benedict Hopkins and Niamh O'Kennedy (as required by rule 7 of the AIM Rules) in favour of (1) the Company and (2) Arbuthnot, pursuant to which the Vendors and those individuals have undertaken not to dispose of any Ordinary Shares during the period of 12 months following Admission, save in certain limited circumstances including in connection with a takeover offer the ability to accept an offer, to give irrevocable undertakings to accept an offer and to sell to an offeror or potential offeror who has been named in an announcement pursuant to the City Code; pursuant to a court order, or in the case of an individual, on the death of that individual. The Vendors and individuals entering into the Lock-in deeds have also undertaken that, for so long as Arbuthnot is the nominated adviser and/or broker of the Company, and subject to certain other conditions, they will not dispose of any Ordinary Shares held by them otherwise than through Arbuthnot.

12.1.15 The Irrevocable Undertakings as described in paragraph 6.4 of this Part VII.

12.1.16 Pursuant to a compromise agreement dated 15 April 2005 made between the Company and Doug Gardner (a former director of the Company) it has been agreed that Doug Gardner's employment with the Company will terminate on

30 June 2005. Pursuant to this agreement the Company has agreed to pay Doug Gardner the sum of £50,000 plus National Insurance contributions thereon as payment in lieu of notice on 30 June 2005.

12.1.17 Pursuant to a compromise agreement dated 24 October 2003 made between Richard Edwards and Nutrinnovator Limited it was agreed that Mr Edwards' service agreement with Nutrinnovator Limited terminated in consideration for the period at the sum of £15,000.

12.1.18 Pursuant to a compromise agreement dated 17 December 2004 made between Jonathan Salisbury (a former director of the Company) it was agreed that Mr Salisbury's employment terminated on 31 December 2004 in consideration for the payment of the sum of £20,000 plus National Insurance contributions.

12.2 *Provexis Limited*

In addition to the agreement referred to in paragraph 12.1.9 above, the following contracts, not being entered into in the ordinary course of business and which are, or may be, material, have been entered into by Provexis within the two years immediately preceding the date of this document.

12.2.1 An agreement dated 13 February 2004 between (1) Provexis, (2) Stephen Franklin, (3) Progeny BioVentures Limited, (4) ANGLE Technology Limited, (5) Rowett Research Services Limited, (6) Rising Stars Growth Fund and (7) North West Equity Fund (the "Investment Agreement") pursuant to which Rising Stars Growth Fund, North West Equity Fund, ANGLE Technology Limited and Rowett Research Services Limited agreed to invest in Provexis as follows:

(a) Rising Stars Growth Fund subscribed in cash for 74 'A1' ordinary shares in Provexis credited as fully paid for £90,000;

(b) North West Equity Fund subscribed in cash for 206 'A1' ordinary shares in Provexis credited as fully paid for £250,000;

(c) ANGLE Technology Limited subscribed for 41 ordinary shares in Provexis credited as fully paid for £50,000 to be satisfied by the release of an equivalent amount of the certain fees due to ANGLE Technology Limited by Provexis;

(d) Certain fees amounting to £30,000 owed by Provexis to ANGLE Technology Limited were satisfied by the entry by Provexis into a convertible loan agreement;

(e) Certain fees amounting to £30,000 owed by Provexis to Rowett Research Services Limited were satisfied by the entry by Provexis into a convertible loan agreement;

(f) Rowett Research Services Limited subscribed for 41 ordinary shares in Provexis credited as fully paid for £50,000 to be satisfied by the release of an equivalent amount of certain fees due to Rowett Research Services by Provexis Limited;

(g) Without prejudice to Provexis' obligations contained in paragraphs (e) and (f) above, Rowett Research Services Limited was paid £40,000 in full and final satisfaction of sums due to Rowett Research Services Limited by Provexis at the date of the Investment Agreement;

(h) The sums amounting to £3,750 owed by Provexis to Rising Stars Growth Fund in respect of monitoring fees were satisfied by the entry by Provexis into a convertible loan agreement; and

(i) The convertible loan of £100,000 ("the Loan") granted by Rising Stars Growth Fund to Provexis pursuant to an agreement between (1) Stephen Franklin, (2) Progeny BioVentures Limited, (3) ANGLE Technology Limited, (4) Rowett Research Services Limited, (5) Provexis and (6) Rising Stars Growth Fund dated on or around 26 November 2003 was converted pursuant to the terms of such agreement resulting in an additional 110 'A1' ordinary shares in Provexis of £1 each being issued to Rising Stars Growth Fund. The subscription price for these shares was £100,000 satisfied by the repayment of the Loan.

The Investment Agreement contains certain warranties and indemnities by Provexis Limited. The Investment Agreement contains provisions to give the investors additional rights in the event of non-fulfilment of certain performance criteria by Provexis Limited.

By a deed of termination dated 25 May 2005 it has been agreed that, conditional on Admission, the Investment Agreement will be terminated. The loans referred to in paragraphs (d) (e) and (h) above are convertible into Provexis Ordinary Shares on the happening of certain events (including a further fundraising) at a premium to the nominal amount of the debt.

Pursuant to letters of agreement dated 25 May 2005 between the parties to the Investment Agreement and the Company it has been agreed that in consideration of the waiver of their conversion rights under their respective convertible loan agreements Provexis will be indebted to ANGLE, Rowett Research Services Limited and Rising Stars Growth Fund in the sums of £40,000, £40,000 and £5,000 respectively and that, conditional upon Admission, such debts will be discharged by the issue by the Company on Admission of an aggregate of 1,517,858 new Ordinary Shares at the Placing Price.

12.2.2 An unsecured convertible loan agreement dated 8 February 2005 between (1) Provexis, (2) ANGLE Technology Limited, (3) Stephen Franklin, (4) Progeny BioVentures Limited, (5) Rowett Research Services Limited, (6) Rising Stars Growth Fund and (7) North West Equity Fund pursuant to a letter of rectification and amendment between the above parties and the Company dated 25 May 2005, whereby ANGLE Technology Limited made a £500,000 loan to Provexis. The loan accrues interest at a rate of 20 per cent. per annum until repayment of the loan and all accrued interest in full. Under the Agreement ANGLE Technology Limited may direct Provexis to convert the loan into "A1" ordinary shares unless Provexis has repaid the loan early in full. This loan is also convertible into "A1" ordinary shares in Provexis on the happening of certain trigger events (including a flotation of any holding company formed for the purpose of the flotation) at a premium to the nominal amount of the debt.

Pursuant to the letter of rectification and amendment, Provexis has agreed that it is indebted to ANGLE Technology Limited in the sum of £833,333.33, in consideration of the waiver of the conversion rights referred to above; such debt to be discharged by the issue by Nutrinnovator on Admission of 14,880,952 new Ordinary Shares at the Placing Price.

12.2.3 A loan facility letter dated 31 July 2003 between (1) Enterprise Ventures Limited and (2) Provexis pursuant to which Rising Stars Growth Fund advanced the interest free sum of £100,000 to Provexis. The letter provides that, inter alia, the loan is repayable upon a bank overdraft facility being made available to Provexis for a sum of not less £100,000 and that repayment of the advance will not be demanded by the Rising Stars Growth Fund until such overdraft facility is in place. By a letter of agreement dated 25 May 2005 it has been agreed that, conditional on Admission, the loan will be discharged by the issue by Nutrinnovator of 1,785,714 new Ordinary Shares at the Placing Price on Admission.

12.2.4 An engagement letter dated 28 June 2004 between (i) Equilateral and (2) Provexis pursuant to which Provexis appointed Equilateral to advise it in relation to a proposed fund raising. Fees of £35,000 were paid. By a letter of termination dated 10 February 2005 it was agreed that the engagement letter should terminate as stated therein.

12.2.5 a loan facility letter dated 25 May 2005 between (1) North West Equity Fund and (2) Provexis pursuant to which North West Equity Fund advanced the interest free sum of £200,000 to Provexis and it has been agreed that conditional on Admission such debt will be discharged by the issue of 3,571,429 new Ordinary Shares at the Placing Price by the Company on Admission.

12.2.6 a loan facility letter dated 25 May 2005 between (1) Rising Stars Growth Fund and (2) Provexis pursuant to which Rising Stars Growth Fund advanced the interest free sum of £187,000 to Provexis and it has been agreed that conditional on Admission such debt will be discharged by the issue of 3,339,285 new Ordinary Shares at the Placing Price by the Company on Admission.

12.2.7 a loan facility letter dated 25 May 2005 between (i) Rising Stars Growth Fund and (2) Provexis pursuant to which Rising Stars Growth Fund advanced the interest free sum of £285,000 to Provexis and it has been agreed that conditional on Admission such debt will be discharged by the issue of 5,089,286 new Ordinary Shares at the Placing Price by the Company on Admission.

12.2.8 An agreement dated 4 October 2002 (as amended by an addendum dated 3 October 2003) between (1) Provexis Limited and (2) ANGLE Technology Limited for the provision of management, administration, accounting and financial support services in consideration for the payment of fees the details of which are set out in the agreement.

By an agreement dated 25 May 2005 between Provexis and ANGLE Technology Limited it has been agreed that the agreement will be terminated on 31 July 2005 or such earlier date as may be agreed by the parties and that the fees payable pursuant to this agreement will not exceed £15,000 from Admission to be paid by the Company to ANGLE Technology Limited.

12.2.9 *Rowett pipeline agreement*

An agreement between Provexis, Rowett Research Services Limited and Progeny BioVentures Limited, dated 6 January 2000, pursuant to which Provexis was established as a joint venture between Rowett and Progeny, and Rowett granted Provexis an option to acquire patents and know-how relating to anti-platelet and cellulac technologies. In addition, Provexis was granted an option to acquire related technologies (which were subsequently assigned to Provexis) and a 10 year right of first review of certain pharmaceuticals and nutraceuticals. In consideration, Rowett was allotted 22 per cent. of the issued share capital of Provexis.

Under the agreement, Provexis is required to licence back pharmaceutical applications of the anti-platelet rights if it does not commercialise those rights at any time after 6 January 2003. By a letter dated 13 May 2005, Rowett confirmed that the rights are being commercialised.

13. Premises

Details of the principal properties occupied by members of the Enlarged Group are as follows:

Location	*Tenure*	*Rent (£)*	*Lease Date*	*Expiry*
Office space at the Biosciences Building Crown Street Liverpool	Licence	300 p.c.m.	6 December 2004	30 June 2005
Office space at 3000 Manchester Business Park Aviator Way Manchester	Licence	1,507.53 p.c.m.	1 July 2004	31 July 2005

Location	*Tenure*	*Rent (£)*	*Lease Date*	*Expiry*
Office space at 20 Mortlake High Street London SW14 8JN	Licence	1,970 p.c.m.	14 April 2003	One month's notice

14. Litigation

14.1 *The Group*

The Group has been notified of a claim by Product Chain Limited for £48,000 in relation to the termination of its sales agency agreement with Product Chain Limited. The Company has responded, disputing the amount of the liability. Save as disclosed above, no member of the Group is or has been engaged in any legal or arbitration proceedings which have had or may have a significant effect on the financial position of the Group and so far as the Directors are aware, there are no such proceedings pending or threatened by or against any member of the Group.

14.2 *Provexis*

Provexis is not and has not been engaged in any legal or arbitration proceedings which have had or may have a significant effect on the financial position of Provexis and so far as the Provexis Directors are aware, there are no such proceedings pending or threatened by or against Provexis.

15. Working capital

The Directors and Proposed Directors are of the opinion that, having made due and careful enquiry, taking into account the net proceeds of the Placing and the finance facilities available to the Enlarged Group, the working capital available to the Enlarged Group will be sufficient for its present requirements that is for at least 12 months from the date of Admission.

16. Significant and material changes

16.1 *The Group*

There has been no significant or material change in the financial or trading position of the Group since 31 December 2004, being the date to which the latest audited financial information of the Group as set out in pages 27 to 42 in Part III of this document has been prepared.

16.2 *Provexis*

Save as disclosed in the interim accounts as set out in pages 43 to 57 in Part IV of this document for the eight month period ended 31 December 2004, there has been no significant or material change in the financial or trading position of Provexis since 30 April 2004, being the date to which the latest published audited accounts of Provexis have been prepared.

17. Concert Party

The Panel operates a rebuttable presumption that shareholders of a private company are acting in Concert. Accordingly the Vendors are deemed to be acting in Concert. This paragraph contains information required by the Panel concerning the interests of the members of the Concert Party.

17.1 In addition to the Options referred to in paragraph 6.3 of this Part VII the Concert Party and their interests in Provexis Shares (inclusive of redeemable shares with no voting rights) as at the date of this document are as follows:

Name	*Number of ordinary shares in Provexis*	*Number of A1 ordinary shares in Provexis*	*Number of deferred shares in Provexis*	*Number of redeemable shares in Provexis*	*Percentage of share capital of Provexis*
ANGLE Technology Limited	25,863	Nil	Nil	133,045	14.89
Progeny	273,200	Nil	Nil	Nil	25.61
Rowett Research Services Limited	106,425	Nil	Nil	Nil	9.97
Rising Stars Growth Fund	Nil	415,387	413	Nil	38.97
Stephen Franklin	27,225	Nil	413	Nil	2.59
North West Equity Fund	Nil	84,975	Nil	Nil	7.97
Total	423,713	500,326	826	133,045	100

17.2 Following the completion of the Proposals, the interests of the Concert Party in the Ordinary Shares will be as follows:

Name	*Number of Ordinary Shares*	*Percentage of Enlarged share capital*	*Number of Ordinary Shares subject to rolled over option*	*Earliest date for conversion/ exercise*	*Percentage of enlarged share capital**
ANGLE Technology Limited	29,926,464	11.99	—	—	11.69
Progeny	31,969,179	12.81	—	—	12.48
Rowett Research Services Limited	13,167,873	5.28	—	—	5.14
Rising Stars Growth Fund	58,959,444	23.62	—	—	23.02
Stephen Franklin	3,234,129	1.30	6,552,980	2003	3.81
North West Equity Fund	13,514,990	5.40	—	—	5.27
Total	150,772,079	60.40	6,552,980		61.41

* Assuming exercise in full by the members of the Concert Party of the rolled over options to acquire Ordinary Shares in the Company (and assuming that no other person exercises any option or other right to subscribe for Ordinary Shares in the Company).

17.3 ANGLE Technology Limited ("ATL") is a shareholder of Provexis. Its registered address is at Surrey Technology Centre, Surrey Research Park, Guildford, Surrey GU2 7YG. ATL (incorporated on 8 April 1994 with registered number 2916948) offers consulting, management and commercialisation services in the field of technology and innovation. ATL is a subsidiary of ANGLE (incorporated on 4 December 2003 with registered number 4985171) which is the holding company in the ANGLE group of consulting and management and venture businesses. ANGLE floated on AIM in 2004. The market capitalisation of ANGLE as at 13 May 2005 was £27.5 million.

17.4 Progeny is a shareholder of Provexis. Its registered address is at Surrey Technology Centre, Surrey Research Park, Guildford, Surrey GU2 7YG. Progeny (incorporated on 4 June 1998 with registered number 3575952) is involved with the commercialisation of intellectual property developed by technology partners in the academic, public and private sectors. ANGLE holds 96.5 per cent. of the issued shares in Progeny.

17.5 Rowett Research Services Limited ("RRSL") is a shareholder of Provexis. Its registered address is at Greenburn Road, Bucksburn, Aberdeen, AB21 9SB. RRSL (incorporated on 29 April 1988 with registered number SC110895) is the knowledge transfer and technology interaction wholly-owned subsidiary of The Rowett Research Institute ("RRI") and focuses on developing the interface between the scientific and business communities. RRI (incorporated on 30 March 1962 with registered number SC037444) is a company limited by guarantee with charitable status. RRI undertakes research to improve food quality and prevent disease.

17.6 Rising Stars Growth Fund ("RSGF") is a shareholder of Provexis. Its registered address is at Unit F26, Preston Technology Management Centre, Marsh Lane, Preston PR1 8UQ. RSGF invests in seed and start-up companies in the North West of England. The fund is managed by Enterprise Ventures Limited (a company incorporated on 12 September 1996 with registered number 3249066) which is an independent private equity management company, jointly owned by its Executive Management and Enterprise plc (incorporated on 5 July 1989 with registered number 2401383). Enterprise plc shares were admitted to the Official List and to trading on the London Stock Exchange's market for listed securities in November 2004. The market capitalisation of Enterprise plc as at 13 May 2005 was £299.1 million. The size of the fund as at 16 May 2005 was approximately £39 million. Examples of the companies in which RSGF has invested include Covelus Limited and Next Device Limited.

17.7 Stephen Franklin is a director of Provexis. His business address is Biosciences Building, Crown Street, Liverpool L69 7ZB. Further details on Stephen Franklin are disclosed in paragraph 15 of Part I of this document.

17.8 North West Equity Fund Managers Limited ("NWEF") (incorporated on 30 January 2002 with registered number 4363805) as the general partner of North West Equity Fund Limited Partnership (the "Fund") is a shareholder of Provexis. Its registered address is at Wellington House, 31/34 Waterloo Street, Birmingham, West Midlands, B2 5TJ. The Fund provides risk capital to small and medium enterprises in the North West of England looking to achieve significant growth. The size of the fund as at 16 May 2005 was approximately £32 million. Examples of the companies in which NWEF has invested include Cadre CSM Limited and Icona Solutions Limited.

17.9 The names and business addresses of the directors of Provexis are set out in paragraph 1 above.

18. Middle market quotations for Existing Ordinary Shares

The table below lists the closing middle market quotations for Existing Ordinary Shares as derived from the AIM Appendix to the Daily Official List of the London Stock Exchange for the first dealing day in each of the six months prior to 18 February 2005 and for 18 February 2005 (the date on which the Existing Ordinary Shares were suspended):

Date	*Share Price Pence*
1 September 2004	59.0
1 October 2004	53.5
1 November 2004	53.5
1 December 2004	53.5
4 January 2005	51.5
1 February 2005	50.5
18 February 2005	42.5

19. United Kingdom Taxation

The following statements are intended only as a general guide to United Kingdom tax legislation and to the current practice of the Inland Revenue and may not apply to certain categories of Shareholder, such as dealers in securities. Levels and bases of taxation are subject to change. Any person who is in any doubt as to his tax position is strongly recommended to consult his professional advisers immediately.

19.1 *Stamp Duty*

Save in relation to depository receipt arrangements or clearance services, where special rules apply:

19.1.1 No charge to stamp duty or stamp duty reserve tax ("SDRT") should arise on the issue of new Ordinary Shares pursuant to the Placing or on their registration in the names of applicants.

19.1.2 A subsequent transfer on sale of Ordinary Shares held in certificated form will ordinarily be subject to stamp duty on the instrument of transfer, ordinarily at the rate of one half of one per cent., of the amount or value of the consideration. An agreement to purchase Ordinary Shares will lead to a charge to SDRT (at the rate of 0.5 per cent. of the amount of value of the consideration) although any liability to SDRT will be cancelled or payment refunded if the instrument of transfer is duly stamped within six years of such agreement (or, where such agreement is conditional, within six years of such agreement becoming unconditional).

19.1.3 Special rules apply to market intermediaries, dealers and certain other persons. Transfers of shares to charities will not give rise to stamp duty if adjudicated in accordance with the relevant legislation and agreements to transfer shares to charities will not give rise to SDRT.

19.1.4 A subsequent transfer of Ordinary Shares within CREST will usually be liable to SDRT at the rate of 0.5 per cent. of the amount or value of the consideration. Where such a purchase is effected through a stockbroker or other financial intermediary, that person should usually account for the liability to SDRT. In other cases, the transferee of Ordinary Shares is liable to pay the SDRT and must account for it to the Inland Revenue.

19.2 *Dividends*

The United Kingdom taxation implications relevant to the receipt of dividends on the new Ordinary Shares are as follows:

There is no United Kingdom withholding tax on dividends. Individual holders of new Ordinary Shares will be taxed on the total of the dividend and the related notional tax credit (the "gross dividend"), which will be regarded as the top slice of the individual's income.

The notional tax credit on dividends is one-ninth of the dividend paid (or 10 per cent. of the aggregate of the dividend and tax credit). For individuals, the income tax rates on dividend income are such that lower and basic rate taxpayers will have no further tax liability on a dividend receipt. Higher rate taxpayers pay tax on dividends at 32.5 per cent. so that a higher rate taxpayer receiving a dividend of £90 will be treated as having gross income of £100 (the net dividend of £90 plus a tax credit of £10) and after allowing for the tax credit of £10 will have a further £22.50 liability. Effectively, this represents 21 per cent. of the net dividend.

The same procedure applies for UK resident trustees of discretionary trusts save that the tax credit is not available for the purposes of computing any additional tax, which the trustees may have to pay on making distributions to beneficiaries out of income which includes such a dividend.

Subject to certain exceptions for traders in securities, a holder of new Ordinary Shares which is a company resident for tax purposes in the United Kingdom and which receives a dividend will not generally have to pay corporate tax in respect of it.

UK pension funds are not entitled to reclaim any part of the tax credit associated with dividends received by them.

Shareholders resident for tax purposes outside the UK may be subject to foreign taxation on dividends received on their new Ordinary Shares under the tax law of their country of residence or in respect of other transactions relating to the shares. Such shareholders will not be subject to any further UK tax on their dividends where they have no other sources of income from the UK and do not have a UK representative or, in the case of trustees, there are no UK resident beneficiaries of the trust. Entitlement to claim repayment of any part of a tax credit, however, will depend, in general, on the existence and terms of any double tax convention between the United Kingdom and the country in which the holder is resident. Non-UK resident shareholders should consult their own tax advisers concerning their tax liability on dividends received, what relief or entitlement to refund of any tax credits may be available in the jurisdiction in which they are resident for tax purposes, or other taxation consequences arising from their ownership of the new Ordinary Shares.

19.3 *Disposal of Shares*

A Shareholder resident or ordinarily resident for tax purposes in the UK, who sells or otherwise disposes of his Ordinary Shares may, depending on the circumstances, incur a liability to UK tax on any capital gain realised. Corporate Shareholders within the charge to UK corporate tax will be entitled to indexation allowance in respect of these Ordinary Shares up until the date of disposal. Individual Shareholders resident for tax purposes in the UK who are not within the charge to corporate tax may be entitled to taper relief. The calculation for taper relief on a subsequent disposal of Ordinary Shares will depend upon the period of ownership of these Ordinary Shares.

A Shareholder who is not resident or ordinarily resident for tax purposes in the UK will not normally be liable for UK tax on capital gains realised on the disposal of his Ordinary Shares unless at the time of the disposal such Shareholder carries on a trade (which for this purpose includes a profession or vocation) in the UK through a branch or agency and such Ordinary Shares are to have been used, held or acquired for the purposes of such trade or branch or agency. A Shareholder who is an individual and who has, on or after 17 March 1998, ceased to be resident and ordinarily resident for tax purposes in the UK for a period of less than five years of assessment and who disposes of Ordinary Shares during that period may be or become liable to UK taxation of chargeable gains (subject to any available exemption or relief).

19.4 *Business asset taper and other tax reliefs*

Following the Finance Act 2000 capital gains tax business asset taper relief applies to all holdings of shares in qualifying unquoted trading companies. A holding in the shares of the Company may qualify for business asset taper relief as well as other reliefs such as capital gains tax gift relief and inheritance tax business property relief. However, individuals should seek confirmation as to whether any relief is available in their own particular circumstances at the relevant time.

Persons who are not resident in the United Kingdom, should consult their own tax advisers on the possible application of such provisions and on what relief or credit may be claimed for any such tax credit in the jurisdiction in which they are resident.

These comments are intended only as a general guide to the current tax position in the United Kingdom as at the date of this document. The comments assume that Ordinary Shares are held as an investment and not as an asset of a financial trade. If you are in any doubt as to your tax position, or are subject to tax in a jurisdiction other than the United Kingdom, you should consult your professional adviser.

20. Miscellaneous

20.1 Arbuthnot has given and has not withdrawn its written consent to the inclusion in this document of its name and the references thereto in the form and context in which they appear.

20.2 BDO Stoy Hayward LLP has given and has not withdrawn its written consent to the inclusion in this document of its accountants' report on Nutrinnovator Holdings plc and of its name and references thereto in the form and context in which they appear.

20.3 Baker Tilly has given and has not withdrawn its written consent to the inclusion in this document of its accountants' report and its letter set out in Part V of this document and of its name and the references thereto in the form and context in which they appear.

20.4 Oriel Securities Limited has given and has not withdrawn its written consent to the inclusion in this document of its name and the references thereto in the form and context in which they appear.

20.5 BDO Stoy Hayward Corporate Finance is a division of BDO Stoy Hayward LLP. BDO Stoy Hayward LLP has given and has not withdrawn its written consent to the inclusion of its name and the name BDO Stoy Hayward Corporate Finance and the references thereto in the form and context in which they appear.

20.6 Fry Heath Spence has given and has not withdrawn its written consent to the inclusion in this document of its report and accepts responsibility for its report for the purposes of the POS Regulations.

20.7 Provexis has agreed to pay £15,000 to Andrew Smithson for services rendered in connection with Admission.

20.8 Subject to Admission, Charles Russell LLP are owed fees of £174,976 (excluding VAT) by the Company of which £24,976 will be settled by the issue of new Ordinary Shares pursuant to the Placing at the Placing Price of 5.6 pence per share.

20.9 Save as otherwise disclosed in this document, there is no person (excluding professional advisers otherwise disclosed in this document and trade suppliers) who has:

20.9.1 received directly or indirectly, from the Company within the twelve months preceding the application for Admission; or

20.9.2 entered into contractual arrangements (not otherwise disclosed herein) to receive, directly or indirectly from the Company on or after Admission any of the following:

(a) fees totalling £10,000 or more; or

(b) securities in the Company with a value of £10,000 or more calculated by reference to the issue price; or

(c) any other benefit with a value of £10,000 or more at the date of Admission.

20.10 The minimum amount which, in the opinion of the Directors, must be raised under the Placing to provide the sums required in respect of the matters specified in paragraph 21 (a) of Schedule 1 of the POS Regulations is £3,775,744 divided as follows:

20.10.1 the purchase of any property: £nil

20.10.2 preliminary expenses, commissions and expenses of the Placing: £875,000

20.10.3 repayment of money borrowed in respect of the matters set out in 20.10.1 and 20.10.2 above: £nil

20.10.4 working capital: £2,900,744.

There are no amounts to be provided in respect of the matters specified in paragraph 21(a) of Schedule 1 to the POS Regulations otherwise than out of the proceeds of the Placing.

20.11 The total costs and expenses of, and incidental to, the Placing are estimated to amount to approximately £0.9 million (excluding VAT) (including commissions payable to Arbuthnot in connection with the Placing of £84,537.60) and are payable by Nutrinnovator. The corporate finance fee and the commissions payable to Arbuthnot will be applied to subscribe for 4,634,600 Placing Shares at the Placing Price. It is expected that up to approximately £3.8 million will be raised by the Company in the Placing and that the net proceeds, after deduction of expenses, will be approximately £2.9 million (excluding VAT).

20.12 The period within which placing participations may be accepted pursuant to the Placing and arrangements for the payment and holding of subscription monies pending Admission are set out in the Placing Agreement and in the placing letters sent to prospective placees.

20.13 The Placing Shares are not being offered generally and no applications have or will be accepted other than under the terms of the Placing Agreement and the placing letters. All the Placing Shares have been conditionally placed. The Placing is not being guaranteed or underwritten by any person.

20.14 The Placing Price represents a premium over the nominal value of 1p per Ordinary Share of 4.6p.

20.15 Save as disclosed in this document, the Directors are not aware of any exceptional factors which have influenced the Group's activities.

20.16 Save as disclosed in this document, the Provexis Directors are not aware of any exceptional factors which have influenced Provexis' activities.

20.17 Save as disclosed in this document, there are no investments in progress which are significant to the Group.

20.18 The Directors believe that the intellectual property rights in the *Altú* brand name are of fundamental importance to the Group's business. The intellectual property rights details of which are contained in Part VI of this document are of fundamental importance to Provexis' business. Save as disclosed in this document, the Directors and Proposed Directors are not aware of any patents or other intellectual property rights, licences or particular contracts which are of fundamental importance to the Group's business or Provexis' business.

20.19 The financial information contained in this document does not constitute statutory accounts within the meaning of Section 240 of the Act. A copy of the abbreviated financial statements of Nutrinnovator Limited for the period ended 31 May 2003 and a copy of the financial statements of Nutrinnovator Limited for the period ended 31 March 2004 have been delivered to the Registrar of Companies. A copy of the financial statements of Provexis for the financial periods ended 30 April 2002, 30 April 2003 and 30 April 2004 have been delivered to the Registrar of Companies in England and Wales.

20.20 Nutrinnovator confirms that the existing employment rights, including pension rights, of the employees of Nutrinnovator, will be safeguarded.

21. Documents available

21.1 Copies of this document will be available free of charge at the offices of Arbuthnot, Arbuthnot House, 20 Ropemaker Street, London EC2Y 9AR and at the registered office of the Company during normal business hours on any weekday (excluding Saturdays, Sundays and public holidays) from the date of this document until one month after Admission.

21.2 Copies of the following documents will be available for inspection at the offices of Charles Russell LLP, 8-10 New Fetter Lane, London EC4A 1RS during normal business hours on any weekday (excluding Saturdays, Sundays and public holidays) from the date of this document until one month after Admission. The documents will also be available for inspection at the Extraordinary General Meeting:

21.2.1 the Memorandum and Articles of Association of the Company and Provexis;

21.2.2 the Accountants' Reports set out in Parts III, IV and V of this document;

21.2.3 the audited consolidated financial information of the Group for the 9 months ended 31 December 2004 and the audited accounts of Nutrinnovator Limited for the periods ended 31 May 2003 and 31 March 2004;

21.2.4 the audited financial information of Provexis for the 8 months ended 31 December 2004 and the audited accounts of Provexis for the three years ended 30 April 2002, 30 April 2003 and 30 April 2004;

21.2.5 the material contracts (including the Irrevocable Undertakings) referred to in paragraph 12 of this Part VII of this document;

21.2.6 the consent letters referred to in paragraphs 20.1 to 20.6 (inclusive) of this Part VII of this document;

21.2.7 the Directors' and the Proposed Directors' service contracts and letters of appointment for the non-executive Directors referred to in paragraph 9 of this Part VII of this document;

21.2.8 the rules of the Company EMI Scheme, Neville Bain's option agreement, the Provexis EMI Options and the Provexis Unapproved Option Scheme as referred to in paragraph 10 of this Part VII of this document;

21.2.9 the Intellectual Property Report in Part VI of this document; and

21.2.10 this document.

25 May 2005

DEFINITIONS AND GLOSSARY

The following definitions apply throughout this document and the Form of Proxy unless the context requires otherwise:

"Act" or "Companies Act"	the Companies Act 1985, as amended
"Acquisition"	the proposed acquisition of the entire issued share capital of Provexis by the Company, pursuant to the Acquisition Agreement
"Acquisition Agreement"	the conditional agreement dated 25 May 2005 between (1) the Company and (2) the Vendors pursuant to which the Company has conditionally agreed to acquire the entire issued share capital of Provexis, details of which are described in paragraph 11 of Part VII of this document
"Acting in Concert"	shall bear the same meaning ascribed thereto in the City Code
"Admission"	the admission of the issued Ordinary Shares and the New Ordinary Shares to trading on AIM becoming effective in accordance with the AIM Rules
"AIM"	the AIM Market operated by the London Stock Exchange
"AIM Rules"	the rules of AIM governing admission to and the operation of AIM for AIM companies and their nominated advisers as published by the London Stock Exchange from time to time
"ANGLE"	ANGLE plc or, where the context admits, any of its relevant subsidiaries
"Arbuthnot"	Arbuthnot Securities Limited
"Articles"	the Company's articles of association
"Board"	the Board of Directors
"Capital Reorganisation"	the proposed sub-division of the issued ordinary shares of 2p each in the capital of the Company at Admission and the unissued ordinary shares of 2p each in the capital of the Company into two Ordinary Shares, as described in this document
"Code" or "City Code"	the City Code on Takeovers and Mergers published by the Panel (as amended from time to time)
"Company" or "Nutrinnovator"	Nutrinnovator Holdings plc
"Company EMI Options"	the EMI Options granted by the Company under the Company EMI Scheme details of which are contained in paragraph 4.3 of Part VII of this document
"Company EMI Scheme"	the Enterprise Management Incentive Scheme of the Company under the terms of which the Company EMI Options have been granted and which is subject to the provisions of Schedule 5 ITEPA, the terms of which are summarised at paragraph 10.1 of Part VII of this document
"Company Unapproved Options"	the unapproved options granted by the Company, details of which are contained in paragraph 4.3 of Part VII of this document, under the terms of the Company EMI Scheme as described at paragraph 10.2 of Part VII of this document
"Completion"	completion of the Acquisition
"Concert Party"	the Vendors

"Concert Party Agreement"	agreement dated 25 May 2005 between the members of the Concert Party relating to, *inter alia,* their holdings of shares in Nutrinnovator following Completion
"Consideration Shares"	the 111,658,555 new Ordinary Shares to be issued to the Vendors pursuant to the Acquisition Agreement
"CREST"	the computerised settlement system (as defined in the CREST Regulations) operated by CRESTCo which facilitates the transfer of title to shares in uncertificated form
"CRESTCo"	CRESTCo Limited
"CREST Regulations"	the Uncertificated Securities Regulations 2001, including (i) any enactment or subordinate legislation which amends or supercedes those regulations and (ii) any applicable rules made under those regulations or any such enactment or subordinate legislation for the time being in force
"CVD"	cardiovascular disease
"Directors"	the existing directors of the Company at the date of this document whose names are set out on page 4 of this document
"EGM" or "Extraordinary General Meeting"	the extraordinary general meeting of the Company to be held at 10.00 a.m. on 20 June 2005, notice of which is set out at the end of this document
"EMI Options"	Enterprise Management Incentive Options that are subject to the provisions of Schedule 5 ITEPA
"Enlarged Group"	the Group and Provexis following the Acquisition
"Enlarged Share Capital"	the Ordinary Shares in issue immediately following Admission as enlarged by the issue of the New Ordinary Shares
"Existing Ordinary Shares"	the ordinary shares of 2 pence each in the capital of the Company which will, following the Capital Reorganisation, be each divided into 2 Ordinary Shares
"Existing Shareholders"	the Shareholders immediately prior to Admission
"Form of Proxy"	the form of proxy for use at the Extraordinary General Meeting which accompanies this document
"FSA"	the Financial Services Authority
"FSMA"	the Financial Services and Markets Act 2000
"Group"	Nutrinnovator and its subsidiary undertakings at the date of this document
"Irrevocable Undertakings"	the irrevocable undertakings dated on or around 13 May 2005 entered into by certain Shareholders in which they have undertaken (subject to certain limited exceptions) to vote in favour of the Resolutions
"ITEPA"	the Income Tax (Earnings and Pensions) Act 2003
"Loans"	the Nutrinnovator Loans, the Vendor Loans and the New Loans
"London Stock Exchange"	London Stock Exchange plc
"New Loans"	the loans summarised in paragraphs 12.2.5, 12.2.6 and 12.2.7 of Part VII of this document
"New Ordinary Shares"	the Consideration Shares, the Placing Shares and the 37,327,381 new Ordinary Shares issued on conversion of the Loans

"New Share Option Scheme"	the Provexis 2005 Unapproved Share Option Scheme proposed to be adopted at the EGM, the principal features of which are summarised in paragraph 10.3 of Part VII of this document
"North West Equity Fund"	North West Equity Fund Limited Partnership acting by its general partner, North West Equity Fund Managers Limited
"Nutrinnovator Loans"	the convertible loan notes summarised in paragraph 12.1.5 of Part VII of this document
"Ordinary Shares"	the proposed ordinary shares of 1p each in the capital of the Company following the Capital Reorganisation and "Ordinary Share" shall be construed accordingly
"Panel"	The Panel on Takeovers and Mergers
"Placees"	the subscribers of Placing Shares pursuant to the Placing
"Placing"	the conditional placing by Arbuthnot on behalf of the Company of the Placing Shares, pursuant to the Placing Agreement
"Placing Agreement"	the conditional agreement dated 25 May 2005 between (1) the Company, (2) the Directors and the Proposed Directors, (3) certain Provexis shareholders and (4) Arbuthnot, relating to the Placing, details of which are set out in paragraph 12.1.12 of Part VII of this document
"Placing Price"	5.6p per Placing Share
"Placing Shares"	the 67,424,000 new Ordinary Shares to be subscribed for by Placees pursuant to the Placing
"POS Regulations"	the Public Offers of Securities Regulations 1995, as amended
"Progeny"	Progeny BioVentures Limited
"Proposed Directors"	the proposed directors of the Company whose names are set out in paragraph 1.4 of Part VII of this document
"Proposals"	the proposals set out in this document including those which require the approval of Shareholders at the EGM including the Acquisition, the Placing, the conversion of the Loans and the change of name of the Company to Provexis plc
"Provexis"	Provexis Limited
"Provexis Directors"	the directors of Provexis at the date of this document whose names are set out in paragraph 1.5 of Part VII of this document
"Provexis EMI Options"	the EMI Options granted by Provexis which are to be replaced by options over shares in the Company as contained in paragraph 4.7 of Part VII of this document and which were granted under the terms of the individual EMI share option contracts between Provexis and each of the optionholders the terms of which are summarised at paragraph 10.4 of Part VII of this document
"Provexis Roll-over Deeds"	deeds for the grant of options over Ordinary Shares in consideration for the release of subsisting Provexis EMI Options and the Provexis Unapproved Options
"Provexis Shares"	all the issued and to be issued shares in the following classes of share in Provexis: ordinary shares of 100p each; "A1" ordinary shares of 100p each; deferred shares of 100p each; and redeemable shares of 100p each

"Provexis Unapproved Options"	the unapproved options granted by Provexis under the Provexis Unapproved Option Scheme which are to be replaced by options over Ordinary Shares in the Company as contained in paragraph 4.6 of Part VII of this document
"Proposed Unapproved Option Scheme"	the Nutrition Enhancement Unapproved Executive Share Option Scheme under the terms of which the Provexis Unapproved Options have been granted and the terms of which are summarised at paragraph 10.5 of Part VII of this document
"Resolutions"	the resolutions contained in the notice of the EGM set out at the end of this document
"Rule 9"	rule 9 of the City Code
"Shareholders"	holders of Existing Ordinary Shares
"UK"	the United Kingdom of Great Britain and Northern Ireland
"VCT"	venture capital trust
"Vendor Loans"	the loans summarised in sub-paragraphs (d), (e), (h) and (i) of paragraph 12.2.1 and paragraphs 12.2.2 and 12.2.3 of Part VII of this document
"Vendors"	ANGLE and the shareholders of Provexis
"Waiver"	the waiver of the obligations that would otherwise arise under Rule 9 of the Code for the Concert Party to make a general cash offer for the whole of the Company's issued share capital

NUTRINNOVATOR HOLDINGS PLC

(Incorporated and registered in England and Wales under the Companies Act 1985 with registered number 5102907)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of the Company will be held at 10.00 a.m on 20 June 2005 at the offices of Charles Russell LLP, 8-10 New Fetter Lane, London EC4A 1RS for the purpose of considering and, if thought fit, passing the following resolutions of which resolutions 1, 2 and 4 will be proposed as ordinary resolutions and resolution 3 will be proposed as a special resolution:

ORDINARY RESOLUTIONS

1. THAT the waiver by the Panel on Takeovers and Mergers of the obligation which would otherwise arise on the members of the Concert Party (as that term is defined in the prospectus of the Company dated 25 May 2005 (the "Prospectus")), both individually and collectively, to make a general cash offer for the whole of the Company's issued share capital pursuant to Rule 9 of the City Code on Takeovers and Mergers as a result of the issue of new ordinary shares in the Company to the Concert Party pursuant to (a) the acquisition by the Company of the entire issued share capital of Provexis Limited (the "Acquisition") on the terms and subject to the conditions of the agreement dated 25 May 2005 between (1) the Vendors (as defined in the Prospectus) and (2) the Company (the "Acquisition Agreement") (which, assuming exercise in full by the members of the Concert Party of the rolled over options to acquire Ordinary Shares in the Company (and assuming no other person exercises any option or other right to subscribe for Ordinary Shares in the Company), (b) the participation of any of the Vendors in the Placing (as defined in the Prospectus) and/or (c) the conversion of the Loans (as defined in the Prospectus) would give the Concert Party up to approximately 61.41 per cent. of the issued ordinary share capital and voting rights of the Company), be and is hereby approved.

2. THAT, conditional upon and with effect from Admission (as defined in the Prospectus), each of the ordinary shares of 2 pence each in the capital of the Company both issued and unissued be subdivided into 2 ordinary shares of 1 pence each.

SPECIAL RESOLUTION

3. THAT, conditional upon the passing of resolution 1 and the Placing Agreement (as that term is defined in the Prospectus) becoming unconditional in all respects (save for the condition requiring the passing of the resolutions set out in this notice of extraordinary general meeting and Admission (as defined in the Prospectus)) and not being terminated:

   (a) the acquisition by the Company of the entire issued share capital of Provexis Limited pursuant to the Acquisition Agreement (a copy of the Acquisition Agreement being produced to the meeting and signed by the Chairman for identification), be and the same is hereby approved and the Directors of the Company from time to time be and are hereby authorised to cause the Acquisition Agreement and all matters provided therein or related thereto to be completed and, at their discretion, to amend, waive, vary and/or extend any of the terms of the Acquisition Agreement and/or any document referred to therein and/or connected therewith in whatever way they may consider to be or become necessary and/or desirable and/or to do and/or procure all such acts and/or things as they may consider necessary and/or desirable in connection therewith provided that these are not material in relation to the acquisition as a whole;

   (b) the authorised share capital of the Company be increased from £520,000 to £4,000,000 by the creation of an additional 348,000,000 ordinary shares of 1p each;

   (c) in substitution for any existing authority subsisting at the date of this resolution (save to the extent that the same may already have been exercised and for any such powers granted by statute), the directors of the Company from time to time be and they are hereby generally and unconditionally authorised to exercise all powers of the Company to allot relevant securities (within the meaning of section 80 of the Companies Act 1985 (the "Act")) up to an aggregate nominal amount of £3,647,726.86, provided that such power shall expire on the date of the Annual General Meeting of the Company to be held in 2006 or 15 months after the date of the passing of this Resolution (whichever is the earlier) but so that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors of the Company from time to time may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired;

(d) the directors of the Company be and are hereby empowered pursuant to Section 95 of the Companies Act 1985 to allot equity securities (within the meaning of Section 94(2) of that Act) of the Company for cash pursuant to the general authority conferred on the Directors pursuant to paragraph (c) of this resolution as if Section 89(1) of that Act did not apply to such allotment, provided that this power shall be limited to:

(i) the allotment of 148,985,436 ordinary shares of 1p each in the capital of the Company pursuant to the Acquisition (as that term is defined in the Prospectus) including pursuant to the conversion of the Loans (as that term is defined in the Prospectus);

(ii) the allotment of 67,242,000 ordinary shares of 1p each in the capital of the Company pursuant to the Placing (as that term is defined in the Prospectus);

(iii) the allotment of equity securities for cash in connection with or pursuant to an offer by way of rights to the holders of the ordinary shares and other persons entitled to participate therein in proportion (as nearly as may be) to their respective holdings of ordinary shares (or, as appropriate, the numbers of ordinary shares which such other persons are for those purposes deemed to hold), subject only to such exclusions or other arrangements as the directors of the Company from time to time may consider necessary or expedient to deal with fractional entitlements or legal or practical problems under the laws of any territory or the regulations or requirements of any regulatory body or any stock exchange in any territory; and

(iv) the allotment (other than pursuant to (d)(i), (ii) and (iii) above) of equity securities up to an aggregate nominal amount of £738,448.37

provided that such power shall expire on the date of the Annual General Meeting of the Company to be held in 2006 or 15 months after the date of the passing of this Resolution (whichever is the earlier) but so that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors of the Company from time to time may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired;

(e) the name of the Company be changed to "Provexis" plc;

(f) the words "*If any person obtains Control of the Company by any means other than by way of a Qualifying Exchange of Shares*" in rule 8.4 of the rules of the Company EMI Scheme (as the term is defined in the Prospectus) be and they are hereby deleted and replaced with immediate effect with the words "*If any person obtains Control of the Company other than by way of a Qualifying Exchange of Shares but as a result of an offer to acquire:*

8.4.1 the whole of the issued ordinary share capital of the Company which is made on a condition such that if it is satisfied the person making the offer will have Control of the Company; or

8.4.2 all the shares in the Company which are of the same class as the Shares

and the Directors have not exercised their discretion pursuant to Rule 8.1 and made a determination referred to in that Rule " and that the Directors be and they are hereby authorised to make such other necessary changes to the rules of the Company EMI Scheme and make arrangements and execute any documents they consider to be necessary for such change to be effected in respect of existing Company EMI Options (as the term is defined in the Prospectus) and the Company Unapproved Options (as the term is defined in the Prospectus) granted under and subject to the rules of the Company EMI Scheme; and

(g) conditional upon the Placing Agreement (as the term is defined in the Prospectus) becoming unconditional in all respects and not being terminated the Provexis Roll-over Deeds (as the term is defined in the Prospectus) be and they are hereby approved with immediate effect.

ORDINARY RESOLUTION

4. THAT the Directors be and are hereby authorised to establish an employees' share option scheme to be known as the Provexis 2005 Share Option Scheme the principal features of which are set out in paragraph 10.3 of Part VII of the Prospectus.

Registered Office:
20 Mortlake High Street
London SW14 8JN

By Order of the Board
Douglas Gardner
Secretary

Dated: 25 May 2005

Notes:

1. A member entitled to attend and vote at the meeting is also entitled to appoint one or more proxies to attend and, on a poll, vote instead of him/her. The proxy need not be a member of the Company. A form of proxy is enclosed with this notice for use at the meeting.
2. To be valid a form of proxy, together with a power of attorney or other authority, if any, under which it is executed or a notarially certified copy thereof, must be deposited at the offices of Lloyds TSB Registrars, The Causeway, Worthing, West Sussex BN99 6ZL not less than 48 hours before the time for holding the meeting or adjourned meeting.
3. In the case of joint holder, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of any other joint holders. For these purposes, seniority shall be determined by the order in which the names stand in the register of members in respect of the joint holding.
4. In the case of a corporation, the form of proxy must be executed under its common seal or signed on its behalf by a duly authorised attorney or duly authorised office of the corporation.
5. The Company, pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, specifies that only those shareholders registered in the register of members of the Company as at 10.00 a.m. on 18 June 2005 shall be entitled to attend and vote, whether in person or by proxy, at the Extraordinary General Meeting, in respect of the number of Ordinary Shares registered in their name at that time. Changes to entries in the register of members after 10.00 a.m. on 18 June 2005 shall be disregarded in determining the rights of any person to attend or vote at the Extraordinary General Meeting. If the Extraordinary General Meeting is adjourned, entitlements to attend and vote will be determined by reference to the register of members of the company 48 hours before the time of the adjourned meeting.
6. Completion and return of the form of proxy will not preclude members from attending or voting in person at the meeting if they so wish.
7. Resolution 1 will be taken on a poll of independent Shareholders in accordance with the requirements of the Panel on Takeovers and Mergers for the waiver of the obligation under Rule 9 of the City Code on Takeovers and Mergers.

NUTRINNOVATOR HOLDINGS PLC

(the "Company")
FORM OF PROXY

for use at the Extraordinary General Meeting of the Company to be held at the offices of Charles Russell LLP, 8-10 New Fetter Lane, London EC4A 1RS at 10.00 a.m. on 20 June 2005

I/We...
(BLOCK CAPITALS)

of ....

being (a) member(s) of the Company hereby appoint the Chairman of the meeting (see Note 1)

or ....

as my/our proxy to vote for me/us and on my/our behalf at the Extraordinary General Meeting of the Company to be held at the offices of Charles Russell LLP, 8-10 New Fetter Lane, London EC4A 1RS at 10.00 a.m. on 20 June 2005 and at any adjournment thereof. In the event of a poll being directed or demanded I/we desire my/our vote(s) to be cast on the resolutions set out in the Notice of Meeting as shown herein.

Please indicate with a "X" in the space provided how you wish your vote(s) to be cast in respect of the resolutions mentioned. If you sign this form and return it without any specific directions, your proxy will vote or abstain at his discretion on the resolutions proposed, as he will upon any other motion arising at the meeting. This proxy will be used only in the event of a poll being directed or demanded.A poll is required in any case in respect of the first resolution.

I/We instruct the proxy to vote on the following resolutions as follows:

Ordinary Resolutions	**For**	**Against**
1 To approve the Waiver		
2 To approve the subdivision of each of the issued and unissued ordinary shares of 2 pence each into 2 ordinary shares of 1 penny each		
Special Resolution		
3.1 To approve the Acquisition; 3.2 To increase the authorised share capital of the Company to £4,000,000; 3.3 To authorise the Directors to allot relevant securities up to an aggregate nominal amount of £3,647,726.86; 3.4 To disapply the pre-emption provisions in relation to the Acquisition and the Placing, in connection with a pre-emptive rights issue and generally in respect of the issue of equity securities for cash up to an aggregate nominal amount of £738,448.37; 3.5 To approve the change of name of the Company to Provexis Plc 3.6 To amend rule 8.4 of the Company's EMI scheme; 3.7 To approve the Provexis Share Option Roll-over Deeds		
Ordinary Resolution		
4 To authorise the Directors to establish an employee share scheme to be known as the Provexis 2005 Share Option Scheme.		

Signature of Shareholder: ....

Date...
(Any one joint holder may sign)

Notes to the Form of Proxy

1. A member is entitled to appoint one or more proxies to attend and, on a poll, to vote in his place. If you wish to appoint a proxy other than the Chairman of the meeting delete the words "the Chairman of the meeting" and insert the name and address of the person you wish to appoint as your proxy in the space provided. A proxy, who need not be a member of the Company, must attend in person to represent you. Any alteration to the form of proxy should be initialled.
2. The Company, pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, specifies that shareholders registered in the register of members of the Company as at 10.00 a.m. on 18 June 2005 shall be entitled to attend and vote, whether in person or by proxy, at the Extraordinary General Meeting, in respect of the number of ordinary shares of 2 pence each in the capital of the Company registered in their name at that time. Changes to entries in the register of members after 10.00 a.m. on 18 June 2005 shall be disregarded in determining the rights of any person to attend or vote at the Extraordinary General Meeting.
3. To be effective, this form must be lodged with the Company's registrars at the address overleaf, duly completed and signed, with the power of attorney or other authority (if any) under which it is signed, or a copy of such authority certified notarially, not later than 10.00 a.m. on 18 June 2005.
4. This form must be executed by the appointor or his duly authorised attorney in writing. In the case of joint holders any one may sign this proxy, but the vote of the senior who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders. Seniority is determined by the order in which the names stand in the register.
5. In the case of a corporation, this form should be executed either under its common seal or under the hand of an officer or attorney or other person so authorised.
6. Use of this form does not preclude a member from attending the meeting and voting in person should he so wish.
7. Resolution 1 will be taken on a poll of independent Shareholders in accordance with the requirements of the Panel on Takeovers and Mergers for the waiver of the obligation under Rule 9 of the City Code on Takeovers and Mergers.

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BUSINESS REPLY SERVICE
Licence No. SEA 10846

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First fold

Registrars
Lloyds TSB Registrars
The Causeway
Worthing
West Sussex
BN99 6ZL

Third fold and tuck in