

*Prior to publication, the information contained within this announcement was deemed by the Company to constitute inside information as stipulated under the UK Market Abuse Regulation. With the publication of this announcement, this information is now considered to be in the public domain.*

**29 December 2023**

## **Provexis plc**

### **UNAUDITED INTERIM RESULTS FOR SIX MONTHS TO 30 SEPTEMBER 2023**

Provexis plc (“**Provexis**” or the “**Company**”), the business that develops, licenses and sells the proprietary, scientifically-proven Fruitflow® heart-health functional food ingredient, announces its unaudited interim results for the six months ended 30 September 2023.

#### **Highlights**

- DSM’s existing and prospective pipeline customers for Fruitflow as a straight ingredient transferred to become direct customers of Provexis WEF 1 January 2023, and the customer transfer process has continued to progress well, with strong and growing interest in the Company’s Fruitflow II SD ingredient.
- Total revenue for the period £388k (2022: £179k), to include £299k from Fruitflow II SD (2022: DSM Alliance Agreement income of £97k) and £89k (2022: £82k) from Fruitflow+ Omega-3.
- Fruitflow II SD sales of more than £270k have been made in the quarter ending on 31 December 2023, and confirmed sales orders for Fruitflow II SD in excess of £320k are currently being processed. The Company is dealing with numerous sales enquiries from existing and new customers for further direct sales of Fruitflow in 2024 and beyond.
- The new long term partnership with DSM based on the use of Fruitflow to confer health benefits in modulating the gut microbiome of humans has continued to progress well. Strong launch of this new technology by DSM in January 2023, with widespread trade press coverage and encouraging early interest from some significant global customers.
- Planned launch by BYHEALTH, a circa £4bn listed Chinese dietary supplement business, of a number of Fruitflow based products in the Chinese market has been progressing well, with potential sales volumes remaining at a significant multiple of existing Fruitflow sales.
- BYHEALTH has been working since 2015 on an extensive regulatory submission to the Chinese State Administration for Market Regulation (SAMR) for Fruitflow, seeking to establish a new permitted health function claim for foods such as Fruitflow that can demonstrate an anti-platelet effect.
- In August 2023 BYHEALTH submitted: i) the first application under the new SAMR Implementation Rules, seeking to obtain a new permitted health function claim for foods such as Fruitflow which help to ‘maintain normal platelet aggregation function and benefit blood flow health’; and ii) some related product registration applications. BYHEALTH stated publicly that it has been working on the project since 2015, with ‘tens of millions of funds’ (RMB) invested by BYHEALTH in the research and development work.
- The exclusive Fruitflow supply and distribution agreement which was agreed with BYHEALTH in 2021 took full effect from 1 January 2023, with exclusive supply and distribution rights for BYHEALTH to commercialise Fruitflow in China and Australia.

#### **Provexis Chairman Dawson Buck and CEO Ian Ford commented:**

‘The Company is pleased to report on another strong period of progress, to include £388k of revenue in the period from sales of the Company’s Fruitflow II SD ingredient and its consumer product Fruitflow+ Omega-3.

Fruitflow II SD sales of more than £270k have been made in the quarter ending on 31 December 2023, and confirmed sales orders for Fruitflow II SD in excess of £320k are currently being processed. The Company is dealing with numerous sales enquiries from existing and new customers for further direct sales of Fruitflow in 2024 and beyond.

The new long term partnership with DSM based on the use of Fruitflow to confer health benefits in modulating the gut microbiome of humans has continued to progress well, with a strong launch of this new technology by DSM in January 2023 to include widespread trade press coverage. There has been some encouraging interest in this technology from some significant global customers.

The Company has been delighted to welcome and serve the majority of DSM's existing customers for Fruitflow from January this year, and was pleased to take over control of the supply chain / production process for Fruitflow at the same time.

There have been some clear synergies from January 2023 as the Company has been looking to sell Fruitflow to: (i) former DSM customers for Fruitflow; (ii) DSM and its Premix and Market-Ready Solutions businesses; (iii) new customers for Fruitflow as a straight ingredient; and (iv) BYHEALTH and its customers, through the Company's long term supply and distribution agreement for Fruitflow with BYHEALTH. Provexis will continue to sell its Fruitflow+ Omega-3 dietary supplement product direct to consumers, and serve its Chinese Cross-Border e-commerce distributor for this product in China.

Provexis has been working with BYHEALTH for more than seven years to support the planned launch of a number of Fruitflow based products in the Chinese market. Clinical studies conducted in China are typically required to obtain the necessary regulatory clearances in China, and a significant investment in eight separate Fruitflow studies has been undertaken at BYHEALTH's expense. Completed studies have shown excellent results in use for Fruitflow, and they provide strong evidence for the efficacy of Fruitflow on platelet function.

The Chinese regulatory system for functional health food ingredients, such as Fruitflow, is governed by the State Administration for Market Regulation (the 'SAMR') and it is based on a defined list of permitted health function claims which brand owners are permitted to use on product labels.

In August 2023 the Company was delighted to report that BYHEALTH had submitted: i) the first application for a new permitted health function claim and ii) some related product registration applications.

The significance of these major developments for Fruitflow in China is further outlined here [www.nutraingredients-asia.com/Article/2023/09/05/china-set-to-approve-new-function-claims-for-health-foods#](http://www.nutraingredients-asia.com/Article/2023/09/05/china-set-to-approve-new-function-claims-for-health-foods#). BYHEALTH has noted that it has been working on the project since 2015, with 'tens of millions of funds' (RMB) invested by BYHEALTH in the research and development work.

Fruitflow is well placed to play an important role in the Chinese cardiovascular health market under the permitted health function claim legislation, and we look forward to working closely with BYHEALTH seeking to maximise the commercial success of this agreement for the benefit of both companies.

The Company has developed a strong, long lasting and wide-ranging patent portfolio for Fruitflow, and it owns outright four existing patent families for Fruitflow. The new microbiome patent application takes this to a potential total of five patent families, with potential patent protection now running out to 2042. The four existing patent families have a truly global footprint, and the Company also holds other valuable intellectual property and trade secrets for Fruitflow. The intellectual property for Fruitflow is of fundamental importance to the Company and its current and future commercial partners, to include DSM and BYHEALTH, and it underpins the numerous commercial opportunities which the Company and its partners are pursuing for Fruitflow.

The Company expects that the new gut microbiome patent application, the significant changes to the sales and supply chain structure for Fruitflow from January 2023, and the recent BYHEALTH regulatory developments in China, will have a strongly beneficial effect on the current and future commercial prospects for Fruitflow and the business worldwide.

The Company would like to thank its customers and shareholders for their continued support, and the Board remains strongly positive about the outlook for Fruitflow and the Provexis business for the coming year and beyond.'

**For further information please contact:**

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## Chairman and CEO's statement

The Company has had an extremely active first six months of the year, and it has made some further significant progress with the commercial prospects of its innovative, patented Fruitflow® heart-health ingredient.

## DSM Nutritional Products - new agreements for Fruitflow®

Proxavis entered into a long-term Alliance Agreement with DSM Nutritional Products in 2010 to commercialise Fruitflow through sales as an ingredient to brand owners in the food, beverage and dietary supplement categories, with a contractual term for the Agreement which ran to 31 December 2022.

More than 100 regional consumer healthcare brands have now been launched by direct customers of DSM, and a number of further regional brands have been launched through DSM's distributor channels. An increasing number of commercial projects have been initiated by DSM with prospective customers in recent years, including some prospective customers which are part of global businesses, and the total projected annual sales value of the prospective sales pipeline for Fruitflow, which is now shared across Proxavis and DSM, continues to stand at a substantial multiple of existing annual sales.

In June 2022 Proxavis announced it had secured two new agreements with DSM for Fruitflow, to replace the Alliance Agreement: (i) a Transfer of Business agreement and (ii) a Premix and Market-Ready Solutions supply agreement, which both took effect on 1 January 2023.

The Company also announced the filing of a new patent application in June 2022 relating to the use of Fruitflow to confer health benefits in modulating the gut microbiome of humans. This followed the completion of a successful human study, the results of which strongly support the use of Fruitflow for modulating gut microbiota to confer a number of health benefits, to include a reduction in TMAO (trimethylamine-n-oxide).

Under the terms of the two new agreements with DSM, and the new patent application:

- DSM's existing and prospective pipeline customers for Fruitflow as a straight ingredient (not a Premix or Market-Ready solution) transferred to become direct customers of Proxavis WEF 1 January 2023, and the Company took over the wholly outsourced supply chain / production process for Fruitflow from DSM at that time.
- A royalty will be payable to DSM on the gross profits generated from Fruitflow sales to customers transferred from DSM over the first four years of the Transfer of Business agreement.
- From 1 January 2023 the net profit accruing to Proxavis on sales of Fruitflow in the calendar year - on a pro-forma basis, assuming like for like sales and margins - would be materially ahead of the net share of the profit that would have accrued to Proxavis with like for like sales and margins under the 2010 Alliance Agreement. On the same pro-forma basis, assuming like for like sales and margins, the net profit accruing to Proxavis would further increase in each of the subsequent three calendar years.
- A new partnership was agreed with DSM in 2022 relating to the gut microbiome patent, giving DSM preferential access to the use, marketing, and sale of Fruitflow based products which are based on the patent, subject to certain milestones which have been agreed between the parties.
- In addition to the patent's core claim for Fruitflow, for modulating gut microbiota to confer a number of health benefits, the patent also sets out some potential new uses for Fruitflow in treating a wide variety of human health conditions, beyond Fruitflow's existing established use in heart-health. The global digestive health market size was US\$38 billion in 2019 and it is projected to grow to US\$72 billion in 2027 at a high single-digit CAGR in the 2020-2027 period (see [www.fortunebusinessinsights.com/digestive-health-market-104750](http://www.fortunebusinessinsights.com/digestive-health-market-104750)).
- The results of the successful gut microbiome human study have been submitted for publication in a peer reviewed scientific journal [www.sciencedirect.com/science/article/pii/S0022316622131275](http://www.sciencedirect.com/science/article/pii/S0022316622131275).
- DSM conducted a strong launch of the new microbiome technology in January 2023 ([www.dsm.com/human-nutrition/en/talking-nutrition/press-releases/2023-01-20-new-study-reveals-dsms-fruitflow-activates-gut-heart.html](http://www.dsm.com/human-nutrition/en/talking-nutrition/press-releases/2023-01-20-new-study-reveals-dsms-fruitflow-activates-gut-heart.html)), with widespread trade press coverage and encouraging early interest shown from some significant global customers.
- Proxavis will sell Fruitflow as a straight ingredient to DSM exclusively for use in DSM's Premix Solutions and Market-Ready Solutions businesses, with DSM then looking to sell the resulting Premix and Market-Ready Solutions products on to its customers. DSM's Premix and Market-Ready Solutions businesses are part of DSM's Customized Solutions business which also offers personalised nutrition solutions to customers, a rapidly developing growth area. The Company looks forward to supporting DSM and its Premix and Market-Ready Solutions customers for many years to come.

- A number of DSM's customers for Fruitflow which have been transferred to Provexis have been Fruitflow customers for several years, including some distributor customers which sell Fruitflow on to third parties. The Company has been progressing these sales relationships since the Transfer of Business agreement was announced in June 2022, and confirms it will be able to generate new customers for Fruitflow outside the royalty arrangements with DSM, in addition to its existing supply and distribution agreement for Fruitflow with BYHEALTH.

From 1 January 2023 the Group's sales channels for Fruitflow therefore included:

1. Former DSM customers for Fruitflow;
2. DSM and its Premix and Market-Ready Solutions businesses, which will leverage the resources and relationships of DSM in some of the major global markets;
3. New customers for Fruitflow as a straight ingredient;
4. BYHEALTH and its customers, through the Company's long term supply and distribution agreement for Fruitflow with BYHEALTH; and
5. The Group's Fruitflow+ Omega-3 dietary supplement product which is sold direct to consumers, the Group will also look to serve its Chinese Cross-Border e-commerce distributor for this product in China.

The Company is in discussions with a number of third parties seeking to progress new sales and distribution opportunities for Fruitflow, and it can be contacted for all Fruitflow sales enquiries by email at [fruitflow@provexis.com](mailto:fruitflow@provexis.com).

### **Fruitflow® transfer arrangements from 1 January 2023, and trading for the year**

The customer transfer process from DSM to Provexis has continued to progress well, with sales commencing to customers for Fruitflow II SD (Fruitflow II SD is Fruitflow as an ingredient, in Spray Dried powder form) in February 2023, when the first batch of Fruitflow inventory was transferred from DSM's fulfilment centre in The Netherlands to the Company's outsourced fulfilment centre in the UK.

Total revenue:

|  | <b>Unaudited<br/>six months<br/>ended<br/>30 September<br/>2023</b> | Unaudited<br>six months<br>ended<br>30 September<br>2022 | Audited<br>year<br>ended<br>31 March<br>2023 |
|--|---|--|--|
| Fruitflow II SD ingredient - from 1 January 2023 | <b>298,879</b>  | -  | 74,239                                       |
| DSM Alliance Agreement - up to 31 December 2022  | -   | 97,194   | 170,269                                      |
| Fruitflow+ Omega-3                               | <b>88,655</b>   | 82,175   | 145,408                                      |
|  | <b>387,534</b>  | 179,369  | 389,916                                      |

Fruitflow II SD sales of more than £270k have been made in the quarter ending on 31 December 2023, and confirmed sales orders for Fruitflow II SD in excess of £320k are currently being processed. The Company is dealing with numerous sales enquiries from existing and new customers for further direct sales of Fruitflow in 2024 and beyond.

Fruitflow II SD is currently manufactured in the EU. Rules of origin under the BREXIT trade deal announced in December 2020 have meant that shipments of Fruitflow II SD from a UK fulfilment centre for re-export and sale to EU customers are at potential risk of additional tariffs on re-entry into the EU (see [www.bbc.co.uk/news/55648201](http://www.bbc.co.uk/news/55648201)). Consequently, the Company is in the process of setting up a new Irish subsidiary company, which will use an outsourced fulfilment centre in Ireland to serve EU customers for Fruitflow. This is expected to be an attractive new sales channel for EU customers, facilitating greater sales of Fruitflow II SD into the EU.

### **BYHEALTH Co., Ltd.**

In November 2021 the Company announced it had entered into a supply and distribution agreement (the 'BYHEALTH Agreement') for Fruitflow with BYHEALTH, a listed Chinese dietary supplement business with a market capitalisation of approximately £4 billion.

The BYHEALTH Agreement, which followed the Company's extensive work with BYHEALTH over the last seven years, took full effect from 1 January 2023 and it gives BYHEALTH exclusive supply and distribution rights to commercialise Fruitflow in Mainland China, Hong Kong, Macau, Taiwan and Australia (the 'Territories').

Under the BYHEALTH Agreement Provexis will be responsible for the manufacture, supply and sale of Fruitflow to BYHEALTH, and BYHEALTH will be responsible for the manufacture, marketing, and sale of Fruitflow based functional food and dietary supplement finished products in the Territories, through BYHEALTH's extensive sales network. BYHEALTH will also have exclusive rights to act as the distributor of Fruitflow as an ingredient in the Territories.

Provexis and BYHEALTH will seek to collaborate on research and development projects which may result in the development and approval of Fruitflow as a drug, for potential sale and distribution in the Territories.

### **Regulatory progress in China - new permitted health function claim**

Provexis has been working with BYHEALTH for more than seven years to support the planned launch of a number of Fruitflow based products in the Chinese market. Clinical studies conducted in China are typically required to obtain the necessary regulatory clearances in China, and a significant investment in eight separate Fruitflow studies has been undertaken at BYHEALTH's expense. Completed studies have shown excellent results in use for Fruitflow, and they provide strong evidence for the efficacy of Fruitflow on platelet function.

The Chinese regulatory system for functional health food ingredients, such as Fruitflow, is governed by the State Administration for Market Regulation (the 'SAMR') and it is based on a defined list of permitted health function claims which brand owners are permitted to use on product labels.

The SAMR provides the possibility of adding new health function claims to the list, with claims needing to demonstrate a relationship between a food or nutrient and a consequent health improvement, subject to evaluation and verification by the SAMR.

SAMR certified functional health foods are required to use a blue cap / blue hat logo on their product packaging, which identifies products as approved functional health foods in China.

BYHEALTH has been working on an extensive regulatory submission to the SAMR seeking to establish a new permitted health function claim for foods such as Fruitflow that can demonstrate an anti-platelet effect, inhibiting platelet function and conferring beneficial health effects.

On 28 August 2023 the SAMR announced in China that the 'Implementation Rules for Health Food New Functions and Product Technology Evaluation' (the 'Implementation Rules') had been agreed by the SAMR in June 2023, with these new rules to take effect from 28 August 2023.

On 29 August 2023 it was announced in China that BYHEALTH had submitted: i) the first application under the Implementation Rules, seeking to obtain a new permitted health function claim for foods such as Fruitflow which help to 'maintain normal platelet aggregation function and benefit blood flow health'; and ii) some related product registration applications.

The significance of these major developments for Fruitflow in China is further outlined here [www.nutraingredients-asia.com/Article/2023/09/05/china-set-to-approve-new-function-claims-for-health-foods#](http://www.nutraingredients-asia.com/Article/2023/09/05/china-set-to-approve-new-function-claims-for-health-foods#). BYHEALTH has noted that it has been working on the project since 2015, with 'tens of millions of funds' (RMB) invested by BYHEALTH in the research and development work.

The Company has previously stated that if BYHEALTH is successful in obtaining a new permitted health function claim in China for functional health foods, such as Fruitflow, that can demonstrate an anti-platelet effect, it is expected that this would result in some significant orders for Fruitflow, potentially at a multiple of current total sales values.

### **Intellectual property**

The Company is responsible for filing and maintaining patents and trade marks for Fruitflow, and patent coverage for Fruitflow now includes the following patent families which are all owned outright by Provexis:

| <b>Patent family</b>  | <b>Developments in the period from Sep-23 to Dec-23</b> |
|---|---|
| <p><b>Improved Fruitflow / Fruit Extracts</b><br/>Improved Fruitflow / Fruit Extracts, with patents granted by the European Patent Office in January 2017, September 2020 and April 2023.</p> <p>Patents have been granted in eleven other major territories to include China and USA; and applications are at a late stage of progression in a further five global territories, with potential patent protection out to November 2029.</p> | A patent is expected to issue in Brazil in Q1 2024.     |
| <b>Antihypertensive (blood pressure lowering) effects</b>   |   |

| Patent family  | Developments in the period from Sep-23 to Dec-23                        |
|--|---|
| <p>This patent was originally developed in collaboration with the University of Oslo, and it has now been granted for Fruitflow in Europe, the US and four other territories. Patent applications are being progressed in China and Japan, with potential patent protection out to April 2033.</p> <p>In August 2020 the Company announced it had agreed to purchase the background and joint foreground blood pressure lowering IP owned by Inven2 AS, the technology transfer office at the University of Oslo, and Provexis now owns these important patents outright.</p>  | <p>Patent applications are pending in China and Japan.</p>              |
| <p><b>Fruitflow with nitrates in mitigating exercise-induced inflammation and for promoting recovery from intense exercise</b></p> <p>Patents have been granted around Europe and in the US, Australia, Brazil, Canada, China, Hong Kong, India, Israel, Japan, South Korea, the Philippines, New Zealand and Mexico.</p> <p>Further patent protection is being sought in three territories, with potential patent protection out to December 2033.</p>  | <p>Patent applications are pending in Europe, Hong Kong and the US.</p> |
| <p><b>Fruitflow for air pollution</b></p> <p>The use of Fruitflow in protecting against the adverse effects of air pollution on the body's cardiovascular system.</p> <p>Laboratory work has shown that Fruitflow can reduce the platelet activation caused by airborne particulate matter, such as that from diesel emissions, by approximately one third.</p> <p>US, Australian, Brazilian, Indonesian, Israeli, Japanese and Malaysian patents have been secured and there are pending applications in 10 jurisdictions (including the US where a further application has been filed) which extends potential patent protection for Fruitflow out to November 2037.</p> | <p>Brazilian and Malaysian Grant certificates issued.</p>               |
| <p><b>Fruitflow to confer health benefits in modulating the gut microbiome of humans</b></p> <p>The Company also announced the filing of a new patent application in June 2022 relating to the use of Fruitflow to confer health benefits in modulating the gut microbiome of humans. This followed the completion of a successful human study, the results of which strongly support the use of Fruitflow for modulating gut microbiota to confer a number of health benefits.</p> <p>An international Patent Application was filed in June 2023 (covering all major jurisdictions), with potential patent protection out to June 2043.</p>                               | <p>The international Patent Application published in December 2023.</p> |

## Outlook

The Company is pleased to report on another strong period of progress, to include £388k of revenue in the period from sales of the Company's Fruitflow II SD ingredient and its consumer product Fruitflow+ Omega-3.

Fruitflow II SD sales of more than £270k have been made in the quarter ending on 31 December 2023, and confirmed sales orders for Fruitflow II SD in excess of £320k are currently being processed. The Company is dealing with numerous sales enquiries from existing and new customers for further direct sales of Fruitflow in 2024 and beyond.

The new long term partnership with DSM based on the use of Fruitflow to confer health benefits in modulating the gut microbiome of humans has continued to progress well, with a strong launch of this new technology by

DSM in January 2023 to include widespread trade press coverage. There has been some encouraging interest in this technology from some significant global customers.

The Company has been delighted to welcome and serve the majority of DSM's existing customers for Fruitflow from January this year, and was pleased to take over control of the supply chain / production process for Fruitflow at the same time.

There have been some clear synergies from January 2023 as the Company has been looking to sell Fruitflow to: (i) former DSM customers for Fruitflow; (ii) DSM and its Premix and Market-Ready Solutions businesses; (iii) new customers for Fruitflow as a straight ingredient; and (iv) BYHEALTH and its customers, through the Company's long term supply and distribution agreement for Fruitflow with BYHEALTH. Proxavis will continue to sell its Fruitflow+ Omega-3 dietary supplement product direct to consumers, and serve its Chinese Cross-Border e-commerce distributor for this product in China.

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Fruitflow is well placed to play an important role in the Chinese cardiovascular health market under the permitted health function claim legislation, and we look forward to working closely with BYHEALTH seeking to maximise the commercial success of this agreement for the benefit of both companies.

The Company has developed a strong, long lasting and wide-ranging patent portfolio for Fruitflow, and it owns outright four existing patent families for Fruitflow. The new microbiome patent application takes this to a potential total of five patent families, with potential patent protection now running out to 2042. The four existing patent families have a truly global footprint, and the Company also holds other valuable intellectual property and trade secrets for Fruitflow. The intellectual property for Fruitflow is of fundamental importance to the Company and its current and future commercial partners, to include DSM and BYHEALTH, and it underpins the numerous commercial opportunities which the Company and its partners are pursuing for Fruitflow.

The Company expects that the new gut microbiome patent application, the significant changes to the sales and supply chain structure for Fruitflow from January 2023, and the recent BYHEALTH regulatory developments in China, will have a strongly beneficial effect on the current and future commercial prospects for Fruitflow and the business worldwide.

The Company would like to thank its customers and shareholders for their continued support, and the Board remains strongly positive about the outlook for Fruitflow and the Proxavis business for the coming year and beyond.

**Dawson Buck**  
Chairman

**Ian Ford**  
CEO



**Consolidated statement of comprehensive income**  
**Six months ended 30 September 2023**

| <b>Unaudited<br/>six months<br/>ended<br/>30 September<br/>2023</b> | Unaudited<br>six months<br>ended<br>30 September<br>2022 | Audited<br>year<br>ended<br>31 March<br>2023 |
|---|--|--|
| £   | £  | £  |

Notes

|   |                  |               |           |
|---|------------------|---------------|-----------|
| <b>Revenue</b>  | <b>387,534</b>   | 179,369       | 389,916   |
| Cost of goods   | <b>(249,870)</b> | (26,730)      | (95,497)  |
| <b>Gross profit</b>                                     | <b>137,664</b>   | 152,639       | 294,419   |
| Selling and distribution costs                          | <b>(32,744)</b>  | (23,974)      | (51,609)  |
| Research and development costs                          | <b>(140,225)</b> | (107,398)     | (237,221) |
| Administrative costs - share based payment charges      | <b>(60,526)</b>  | (11,318)      | (40,591)  |
| Administrative costs - other                            | <b>(180,504)</b> | (183,955)     | (385,925) |
| <b>Loss from operations</b>                             |                  | (174,006)     | (420,927) |
| Finance income  | <b>1,029</b>     | 264           | 1,011     |
| <b>Loss before taxation</b>                             | <b>(275,306)</b> | (173,742)     | (419,916) |
| Taxation - R&D tax relief: receivable tax credit        | <b>8,200</b>     | 16,108        | 32,800    |
| <b>Loss and total comprehensive loss for the period</b> | <b>(267,106)</b> | (157,634)     | (387,116) |
| <b>Attributable to:</b>                                 |                  |               |           |
| Owners of the parent                                    | <b>(267,106)</b> | (155,759)     | (385,241) |
| Non-controlling interest                                | -                | (1,875)       | (1,875)   |
| <b>Loss and total comprehensive loss for the period</b> | <b>(267,106)</b> | (157,634)     | (387,116) |
| <b>Loss per share to owners of the parent</b>           |                  |               |           |
| Basic and diluted - pence                               | 3                | <b>(0.01)</b> | (0.02)    |



**Consolidated statement of financial position**  
**30 September 2023**

|  | Notes | Unaudited<br>30 September<br>2023<br>£ | Unaudited<br>30 September<br>2022<br>£ | Audited<br>31 March<br>2023<br>£ |
|--|-------|--|--|----------------------------------|
| <b>Assets</b>  |       |  |  |                                  |
| <b>Current assets</b>  |       |  |  |                                  |
| Inventories  |       | 145,863                                | 63,964                                 | 327,797                          |
| Trade and other receivables  |       | 264,410                                | 140,809                                | 61,114                           |
| Corporation tax asset  |       | 41,000                                 | 61,268                                 | 77,960                           |
| Cash and cash equivalents  |       | 318,819                                | 744,551                                | 379,121                          |
| <b>Total current assets</b>  |       | <b>770,092</b>                         | <b>1,010,592</b>                       | <b>845,992</b>                   |
| <b>Total assets</b>  |       | <b>770,092</b>                         | <b>1,010,592</b>                       | <b>845,992</b>                   |
| <b>Liabilities</b>   |       |  |  |                                  |
| <b>Current liabilities</b>   |       |  |  |                                  |
| Trade and other payables   |       | (319,017)                              | (152,728)                              | (188,337)                        |
| <b>Total current liabilities</b>   |       | <b>(319,017)</b>                       | <b>(152,728)</b>                       | <b>(188,337)</b>                 |
| <b>Total liabilities</b>   |       | <b>(319,017)</b>                       | <b>(152,728)</b>                       | <b>(188,337)</b>                 |
| <b>Total net assets</b>  |       | <b>451,075</b>                         | <b>857,864</b>                         | <b>657,655</b>                   |
| <b>Capital and reserves attributable to owners of the parent company</b> |       |  |  |                                  |
| Share capital  |       | 2,217,822                              | 2,217,822                              | 2,217,822                        |
| Share premium reserve  |       | 18,703,321                             | 18,703,321                             | 18,703,321                       |
| Merger reserve   |       | 6,599,174                              | 6,599,174                              | 6,599,174                        |
| Retained earnings  |       | (26,537,368)                           | (26,130,579)                           | (26,330,788)                     |
|  |       | <b>982,949</b>                         | <b>1,389,738</b>                       | <b>1,189,529</b>                 |
| Non-controlling interest   |       | (531,874)                              | (531,874)                              | (531,874)                        |
| <b>Total equity</b>  |       | <b>451,075</b>                         | <b>857,864</b>                         | <b>657,655</b>                   |

**Consolidated statement of cash flows**  
**30 September 2023**

| <b>Unaudited<br/>six months<br/>ended<br/>30 September<br/>2023<br/>£</b> | Unaudited<br>six months<br>ended<br>30 September<br>2022<br>£ | Audited<br>year<br>ended<br>31 March<br>2023<br>£ |
|---|---|---|
|---|---|---|

**Cash flows from operating activities**

|  |                  |           |           |
|--|------------------|-----------|-----------|
| Loss after tax                             | <b>(267,106)</b> | (157,634) | (387,116) |
| Adjustments for:                           |                  |           |           |
| Finance income                             | <b>(1,029)</b>   | (264)     | (1,011)   |
| Tax credit receivable                      | <b>(8,200)</b>   | (16,108)  | (32,800)  |
| Share-based payment charge - share options | <b>60,526</b>    | 11,318    | 40,591    |
| Changes in inventories                     | <b>181,934</b>   | 21,844    | (241,989) |
| Changes in trade and other receivables     | <b>(203,436)</b> | (36,292)  | 43,453    |
| Changes in trade and other payables        | <b>130,680</b>   | (5,181)   | 30,428    |
| <b>Net cash flow from operations</b>       | <b>(106,631)</b> | (182,317) | (548,444) |

|  |                 |           |           |
|--|-----------------|-----------|-----------|
| Tax credits received                             | <b>45,160</b>   | 27,705    | 27,705    |
| <b>Total cash flow from operating activities</b> | <b>(61,471)</b> | (154,612) | (520,739) |

**Cash flow from investing activities**

|  |              |     |     |
|--|--------------|-----|-----|
| Interest received                                | <b>1,169</b> | 190 | 887 |
| <b>Total cash flow from investing activities</b> | <b>1,169</b> | 190 | 887 |

**Cash flow from financing activities**

|  |   |        |        |
|--|---|--------|--------|
| Proceeds from issue of share capital - share options | - | 35,100 | 35,100 |
| <b>Total cash flow from financing activities</b>     | - | 35,100 | 35,100 |

|  |                 |           |           |
|--|-----------------|-----------|-----------|
| <b>Net change in cash and cash equivalents</b> | <b>(60,302)</b> | (119,322) | (484,752) |
| Opening cash and cash equivalents              | <b>379,121</b>  | 863,873   | 863,873   |
| <b>Closing cash and cash equivalents</b>       | <b>318,819</b>  | 744,551   | 379,121   |

| Consolidated statement of changes in equity         | Share            | Share             | Merger           | Retained            | Total equity     | Non-             | Total          |
|---|------------------|-------------------|------------------|---------------------|------------------|------------------|----------------|
| 30 September 2023                                   | capital          | premium           | reserve          | earnings            | attributable to  | controlling      | equity         |
|   | £                | £                 | £                | £                   | £                | £                | £              |
|   |                  |                   |                  |                     | owners of        | interests        |                |
|   |                  |                   |                  |                     | the parent       |                  |                |
| <b>At 31 March 2022</b>                             | <b>2,210,822</b> | <b>18,675,221</b> | <b>6,599,174</b> | <b>(25,986,138)</b> | <b>1,499,079</b> | <b>(529,999)</b> | <b>969,080</b> |
| Share-based charges - share options                 | -                | -                 | -                | 11,318              | 11,318           | -                | 11,318         |
| Issue of shares - share options exercised 23-May-22 | 7,000            | 28,100            | -                | -                   | 35,100           | -                | 35,100         |
| Total comprehensive expense for the period          | -                | -                 | -                | (155,759)           | (155,759)        | (1,875)          | (157,634)      |
| <b>At 30 September 2022</b>                         | <b>2,217,822</b> | <b>18,703,321</b> | <b>6,599,174</b> | <b>(26,130,579)</b> | <b>1,389,738</b> | <b>(531,874)</b> | <b>857,864</b> |
| Share-based charges - share options                 | -                | -                 | -                | 29,273              | 29,273           | -                | 29,273         |
| Total comprehensive expense for the period          | -                | -                 | -                | (229,482)           | (229,482)        | -                | (229,482)      |
| <b>At 31 March 2023</b>                             | <b>2,217,822</b> | <b>18,703,321</b> | <b>6,599,174</b> | <b>(26,330,788)</b> | <b>1,189,529</b> | <b>(531,874)</b> | <b>657,655</b> |
| Share-based charges - share options                 | -                | -                 | -                | 60,526              | 60,526           | -                | 60,526         |
| Total comprehensive expense for the period          | -                | -                 | -                | (267,106)           | (267,106)        | -                | (267,106)      |
| <b>At 30 September 2023</b>                         | <b>2,217,822</b> | <b>18,703,321</b> | <b>6,599,174</b> | <b>(26,537,368)</b> | <b>982,949</b>   | <b>(531,874)</b> | <b>451,075</b> |

## 1. General information, basis of preparation and accounting policies

### General information

Provexis plc is a public limited company incorporated and domiciled in the United Kingdom (registration number 05102907). The address of the registered office is 2 Blagrove Street, Reading, Berkshire RG1 1AZ, UK.

The main activities of the Group are those of developing, licensing and selling the proprietary, scientifically-proven Fruitflow® heart-health functional food ingredient.

### Basis of preparation

This condensed financial information has been prepared using accounting policies consistent with International Financial Reporting Standards in the European Union (IFRS).

The same accounting policies, presentation and methods of computation are followed in this condensed financial information as are applied in the Group's latest annual audited financial statements, except as set out below. While the financial figures included in this half-yearly report have been computed in accordance with IFRS applicable to interim periods, this half-yearly report does not contain sufficient information to constitute an interim financial report as that term is defined in IAS 34.

#### *Use of non-GAAP profit measure - underlying operating profit*

The directors believe that the operating loss before share based payments measure provides additional useful information for shareholders on underlying trends and performance. This measure is used for internal performance analysis. Underlying operating loss is not defined by IFRS and therefore may not be directly comparable with other companies' adjusted profit measures. It is not intended to be a substitute for, or superior to IFRS measurements of profit.

The interim financial information does not constitute statutory accounts as defined in section 434 of the Companies Act 2006 and has been neither audited nor reviewed by the Company's auditors Shipleys pursuant to guidance issued by the Auditing Practices Board.

The results for the year ended 31 March 2023 are not statutory accounts. The statutory accounts for the last year ended 31 March 2023 were approved by the Board on 29 September 2023 and are filed at Companies House. The report of the auditors on those accounts was unqualified, contained an emphasis of matter with respect to going concern, and did not contain a statement under section 498 of the Companies Act 2006.

The interim report for the six months ended 30 September 2023 can be downloaded from the Company's website [www.provexis.com](http://www.provexis.com). Further copies of the interim report and copies of the 2023 annual report and accounts can be obtained by writing to the Company Secretary, Provexis plc, 2 Blagrove Street, Reading, Berkshire RG1 1AZ, UK.

This announcement was approved by the Board of Provexis plc for release on 29 December 2023.

### Going concern

Under the terms of the DSM Transfer of Business agreement which was announced in June 2022, DSM's existing and prospective pipeline customers for Fruitflow II SD as a straight ingredient (not a DSM Premix or DSM Market-Ready solution) transferred to become direct customers of Provexis WEF 1 January 2023.

The Company has needed to hold Fruitflow II SD in stock from 1 January 2023 onwards, to sell to new and existing customers, and the Company therefore agreed to purchase from DSM the remaining stocks of Fruitflow which DSM held on 31 December 2022.

It was originally intended that the Company would pay DSM for this inventory over the course of a three month sale back period, commencing on 1 January 2023, with the Company having the option to purchase some but not all of DSM's remaining stocks of Fruitflow at 31 December 2022.

The Company and DSM have been in further negotiations around the inventory transfer throughout the course of 2023, and the parties expect to be able to conclude these further negotiations in the coming months. The amount of stock which the Company will finally elect to purchase from DSM remains uncertain, and it will ultimately depend on (i) the best before dates of this inventory, which remain favourable / long dated in light of recent production runs of new Fruitflow material, (ii) recent stability data which suggests that the best before dates could be further extended, (iii) estimated customer demand in 2024 and beyond, (iv) the comparative costs and timing of a potential production run for a new batch of material and (v) the Company's financial resources at that time.

Based on its current level of cash it is expected that the Group may therefore need to raise further equity finance, or potentially new loan finance, in the coming months, a situation which is deemed to represent a material uncertainty related to going concern.

Considering the success of previous fundraisings and the current performance of the business, the Directors have a reasonable expectation of raising sufficient additional equity capital or new loan finance to continue in operational existence for the foreseeable future. Subject to the outcome of ongoing negotiations with a third party, the Company might also be able to hold some of its future stock requirements on a consignment basis, only paying for the stock when it was required for sale.

For these reasons the Directors are of the opinion that at 29 December 2023, the Group and Company's liquidity and capital resources are adequate to deliver the current strategic objectives and 2024 business plan and that the Group and Company remain a going concern.

### Accounting policies

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 March 2023, as described in those annual financial statements.

### 2. Segmental reporting

The Group's operating segments are determined based on the Group's internal reporting to the Chief Operating Decision Maker (CODM). The CODM has been determined to be the Board of Directors as it is primarily responsible for the allocation of resources to segments and the assessment of performance of the segments. The performance of operating segments is assessed on revenue.

The CODM uses revenue as the key measure of the segments' results as it reflects the segments' underlying trading performance for the financial period under evaluation. Revenue is reported separately to the CODM and all other reports are prepared as a single business unit.

|  | <b>Unaudited<br/>six months<br/>ended<br/>30 September<br/>2023</b> | Unaudited<br>six months<br>ended<br>30 September<br>2022 | Audited<br>year<br>ended<br>31 March<br>2023 |
|--|---|--|--|
| Fruitflow II SD ingredient - from 1 January 2023 | <b>298,879</b>  | -  | 74,239                                       |
| DSM Alliance Agreement - up to 31 December 2022  | -   | 97,194   | 170,269                                      |
| Fruitflow+ Omega-3                               | <b>88,655</b>   | 82,175   | 145,408                                      |
|  | <b>387,534</b>  | 179,369  | 389,916                                      |

### 3. Earnings per share

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

The loss attributable to equity holders of the Company for the purpose of calculating the fully diluted loss per share is identical to that used for calculating the basic loss per share. The exercise of share options would have the effect of reducing the loss per share and is therefore anti-dilutive under the terms of IAS 33 'Earnings per Share'.

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

There were 188,500,000 share options in issue at 30 September 2023 (2022: 171,500,000) that are currently anti-dilutive and have therefore been excluded from the calculations of the diluted loss per share.

|   | <b>Unaudited<br/>six months<br/>ended<br/>30 September<br/>2023</b> | Unaudited<br>six months<br>ended<br>30 September<br>2022 | Audited<br>year<br>ended<br>31 March<br>2023 |
|---|---|--|--|
| <b>Loss for the period attributable to owners of the parent - £</b> | <b>267,106</b>  | 155,759  | 385,241                                      |
| <b>Weighted average number of shares</b>                            | <b>2,217,821,523</b>  | 2,215,794,201  | 2,216,805,085                                |
| <b>Basic and diluted loss per share - pence</b>                     | <b>0.01</b>   | 0.01   | 0.02   |

### 4. Share capital and Total Voting Rights

At 29 December 2023, the date of this announcement, the Company's issued share capital comprises 2,217,821,523 ordinary shares of 0.1 pence each, each with equal voting rights. The Company does not hold any shares in treasury and therefore the total number of ordinary shares and voting rights in the Company is 2,217,821,523.

The above figure may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or change to their interest in, the share capital of the Company under the FCA's Disclosure Guidance and Transparency Rules.

### 5. Cautionary statement

This document contains certain forward-looking statements with respect to the financial condition, results and operations of the business. These statements involve risk and uncertainty as they relate to events and depend on circumstances that will incur in the future. Nothing in this interim report should be construed as a profit forecast.