

**THIS DOCUMENT AND THE ENCLOSED FORM OF PROXY ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION.** If you are in any doubt about the contents of this document, or the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended) ("FSMA") if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

If you have sold or transferred all of your Ordinary Shares prior to the date of this document, please send this document and the accompanying Form of Proxy, as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

However, the distribution of this document and/or any accompanying documents into a jurisdiction other than the United Kingdom may be restricted by law or regulation and therefore such documents should not be distributed, forwarded to or transmitted in or into the United States of America, Canada, Australia, Japan, the Republic of Ireland or South Africa, nor in or into any other jurisdiction where the extension of the Open Offer would breach any applicable law or regulation. If you have sold or transferred part of your holding of Existing Ordinary Shares prior to the Ex-Entitlement Date, you are advised to consult your stockbroker, bank or other agent through whom the sale or transfer was effected and refer to the instructions regarding split applications set out in the accompanying Application Form.

The total consideration under the Open Offer shall be less than €5 million (or an equivalent amount) in aggregate and the Firm Placing Shares shall only be available to qualified investors for the purposes of the Prospectus Rules or otherwise in circumstances not resulting in an offer of transferable securities to the public under section 102B of FSMA. Neither the Firm Placing nor the Open Offer constitute an offer to the public requiring an approved prospectus under section 85 of FSMA and accordingly this document does not constitute a prospectus for the purposes of the Prospectus Rules made by the Financial Conduct Authority of the United Kingdom ("FCA") pursuant to sections 73A(1) and (4) of FSMA and has not been pre-approved by the FCA pursuant to sections 85 and 87 of FSMA, the London Stock Exchange, any securities commission or any other authority or regulatory body. In addition this document does not constitute an admission document drawn up in accordance with the AIM Rules for Companies.

The Company and the Directors, whose names are set out on page 4, accept responsibility, both collectively and individually, for the information contained in this document. To the best of the knowledge and belief of the 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.

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## **Science in Sport plc**

*(Incorporated and registered in England and Wales with registered no. 08535116)*

### **Firm Placing of 13,380,911 new Ordinary Shares at 59 pence per share Open Offer of up to 1,704,570 new Ordinary Shares at 59 pence per share and Notice of General Meeting**

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You should read the whole of this document. Your attention is drawn to the letter from the Chairman of the Company which is set out on pages 10 to 17 (inclusive) of this document and which recommends you to vote in favour of the Resolutions to be proposed at the General Meeting.

The Notice of General Meeting to be held at 4<sup>th</sup> Floor, 16-18 Hatton Garden, Farringdon, London EC1N 8AT, at 10.00 a.m. on 11 November 2015, is set out at the end of this document. The accompanying Form of Proxy for use in connection with the General Meeting should be completed by Shareholders and returned as soon as possible but, in any event, so as to be received by the Registrars at Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA by no later than 11 a.m. on 9 November 2015 (or, in the case of an adjournment of the General Meeting, not later than 48 hours (excluding any part of a day that is not a working day) before the time fixed for the holding of the adjourned meeting). The completion and return of a Form of Proxy will not preclude Shareholders from attending and voting at the General Meeting should they so wish.

The existing ordinary shares of the Company are admitted to trading on AIM. Application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. It is expected, subject to, *inter alia*, the passing of the Resolutions at the General Meeting, that Admission of the New Ordinary Shares will become effective and that dealings will commence on 12 November 2015. The New Ordinary Shares will, when issued, rank in full for all dividends and other distributions declared, made or paid on the Ordinary Shares and otherwise rank *pari passu* in all respects with the Existing Ordinary Shares.

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 United Kingdom Listing Authority (being the FCA acting as competent authority for the purposes of Part V of FSMA) (“UKLA”). 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. Neither the London Stock Exchange nor the UKLA has examined or approved the contents of this document. The AIM Rules for Companies are less demanding than those of the Official List of the UKLA. It is emphasised that no application is being made for admission of the Existing Ordinary Shares or the New Ordinary Shares to the Official List of the UKLA.

Cenkos Securities plc, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as nominated adviser and broker to the Company in connection with the Placing. Persons receiving this document should note that Cenkos Securities plc will not be responsible to anyone other than the Company for providing the protections afforded to customers of Cenkos Securities plc or for advising any other person on the arrangements described in this document. No representation or warranty, expressed or implied, is made by Cenkos Securities plc as to any of the contents of this document and Cenkos Securities has not authorised the contents of, or any part of, this document and no liability whatsoever is accepted by Cenkos Securities plc for the accuracy of any information or opinions contained in this document or for the omission of any information. Cenkos Securities plc, as nominated adviser and broker to the Company, owes certain responsibilities to the London Stock Exchange which are not owed to the Company or the Directors.

This document does not constitute an offer to sell or an invitation to subscribe for, or solicitation of an offer to subscribe for or buy New Ordinary Shares to any person in any jurisdiction to whom it is unlawful to make such offer or solicitation. In particular, this document must not be taken, transmitted, distributed or sent, directly or indirectly, in, or into, the United States of America, Canada, Australia, Japan, the Republic of Ireland or South Africa or transmitted, distributed or sent to, or by, any national, resident or citizen of such countries. Accordingly, the New Ordinary Shares may not, subject to certain exceptions, be offered or sold, directly or indirectly, in, or into, the United States of America, Canada, Australia, Japan, the Republic of Ireland or South Africa or in any other country, territory or possession where to do so may contravene local securities laws or regulations. The Ordinary Shares have not been, and will not be, registered under the United States Securities Act of 1933 as amended (the “Securities Act”) or qualified for sale under the laws of any state of the United States or under the applicable laws of any of Canada, Australia, the Republic of Ireland, South Africa or Japan and, subject to certain exceptions, may not be offered or sold in the United States or to, or for the account or benefit of, US persons (as such term is defined in Regulation S under the Securities Act) or to any national, resident or citizen of Canada, Australia, the Republic of Ireland, South Africa or Japan.

Copies of this document will be available free of charge to the public during normal business hours on any day (Saturdays, Sundays and public holidays excepted) at the offices of Science in Sport plc at 4th Floor, 16-18 Hatton Garden, Farringdon, London EC1N 8AT for a period of one month from the date of this document.

## **FORWARD LOOKING STATEMENTS**

This document includes “forward-looking statements” which include all statements other than statements of historical facts, including, without limitation, those regarding the Group’s financial position, business strategy, plans and objectives of management for future operations, or any statements preceded by, followed by or that include the words “targets”, “believes”, “expects”, “aims”, “intends”, “will”, “may”, “anticipates”, “would”, “could” or “similar” expressions or negatives thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Company’s control that could cause the actual results, performance or achievements of the Group to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Group’s present and future business strategies and the environment in which the Group will operate in the future. These forward-looking statements speak only as at the date of this document. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based unless required to do so by applicable law or the AIM Rules.

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## **DIRECTORS AND ADVISERS**

<b>Directors</b>	John Clarke <i>Non-Executive Chairman</i> Stephen Moon <i>Chief Executive Officer</i> Raymond Duignan <i>Non-Executive Director</i> Dawson Buck <i>Non-Executive Director</i>
<b>Registered Office</b>	4th Floor 16-18 Hatton Garden Farringdon London EC1N 8AT
<b>Nominated Adviser and Broker</b>	Cenkos Securities plc 6.7.8 Tokenhouse Yard London EC2R 7AS
<b>Lawyers to the Company</b>	Shoosmiths LLP Russell House, 1550 Parkway Solent Business Park, Whiteley Fareham, Hampshire PO15 7AG
<b>Lawyers to the Nominated Adviser and Broker</b>	Memery Crystal LLP 44 Southampton Buildings London WC2A 1AP
<b>Registrars</b>	Equiniti Limited Aspect House Spencer Road Lancing West Sussex BN99 6DA

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Record Date for the Open Offer	6.00 p.m. on 21 October 2015
Announcement of the Firm Placing and Open Offer, publication and posting of this document, the Application Form and Form of Proxy	23 October 2015
Ex-entitlement Date	8.00 a.m. on 23 October 2015
Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to stock accounts of Qualifying CREST Shareholders	26 October 2015
Recommended latest time and date for requesting withdrawal of Open Offer Entitlements from CREST	4.30 p.m. on 4 November 2015
Latest time and date for Depositing Open Offer Entitlements in CREST	3.00 p.m. on 5 November 2015
Latest time and date for splitting Application Forms (to satisfy <i>bona fide</i> market claims only)	3.00 p.m. on 6 November 2015
Latest time and date for receipt of completed Forms of Proxy to be valid at the General Meeting	10.00 a.m. on 9 November 2015
Latest time and date for acceptance of the Open Offer and receipt of completed Application Forms and payment in full under the Open Offer or settlement of relevant CREST instructions (if appropriate)	11.00 a.m. on 10 November 2015
General Meeting	10.00 a.m. on 11 November 2015
Announcement of result of General Meeting and Open Offer	11 November 2015
Admission and commencement of dealings in the New Ordinary Shares on AIM	8.00 a.m. on 12 November 2015
Firm Placing Shares and Offer Shares credited to CREST members' accounts	12 November 2015
Despatch of definitive share certificates in certificated form	within 10 business days of Admission

**If any of the details contained in the timetable above should change, the revised times and dates will be notified by means of an announcement through a Regulatory Information Service.**

**Certain of the events in the above timetable are conditional upon, amongst other things, the approval of the Resolutions to be proposed at the General Meeting.**

**All references are to London time unless stated otherwise.**

## KEY STATISTICS

### FIRM PLACING STATISTICS

Number of Existing Ordinary Shares	25,568,545
Number of Firm Placing Shares	13,380,911
Offer Price	59p
Number of Ordinary Shares in issue immediately following the Firm Placing	38,949,456
Percentage of the Enlarged Share Capital represented by the Firm Placing Shares	34.4%
Gross Proceeds of the Firm Placing	Approximately £7.9 million

### OPEN OFFER STATISTICS

Number of Offer Shares	1,704,570
Offer Price	59p
Basis of Open Offer	1 Offer Share for every 15 Existing Ordinary Shares
Gross proceeds of the Open Offer*	up to approximately £1.0 million
Enlarged Share Capital following the Firm Placing and Open Offer*	up to 40,654,026
Offer Shares as a percentage of the Enlarged Share Capital*	up to 4.2%
Market Capitalisation of the Company immediately following the Firm Placing and Open Offer at the Offer Price*	£24.0 million

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\* on the assumption that the Open Offer is fully subscribed

## DEFINITIONS

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

“Act”	Companies Act 2006 (as amended)
“Admission”	the admission of the New Ordinary Shares to trading on AIM in accordance with the AIM Rules for Companies
“AIM”	the AIM market operated by London Stock Exchange
“AIM Rules for Companies”	the AIM Rules for Companies and guidance notes as published by the London Stock Exchange from time to time
“Application Form”	the non-CREST Application Form
“Board” or “Directors”	the directors of the Company as at the date of this document
“Cenkos Securities”	Cenkos Securities plc
“Company” or “SiS”	Science in Sport plc
“CREST”	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the operator (as defined in the CREST Regulations)
“CREST member”	a person who has been admitted to CREST as a system-member (as defined in the CREST Manual)
“CREST member account ID”	the identification code or number attached to a member account in CREST
“CREST participant”	a person who is, in relation to CREST, a system-participant (as defined in the CREST regulations)
“CREST participant ID”	shall have the meaning given in the CREST Manual issued by Euroclear
“CREST payment”	shall have the meaning given in the CREST Manual issued by Euroclear
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755) (as amended)
“CREST sponsor”	a CREST participant admitted to CREST as a CREST sponsor
“CREST sponsored member”	a CREST member admitted to CREST as a sponsored member
“Enlarged Share Capital”	the entire issued share capital of the Company following completion of the Firm Placing and Open Offer on Admission, assuming the Open Offer is fully subscribed
“EU”	the European Union
“Euroclear”	Euroclear UK & Ireland Limited
“Excess Application Facility”	the arrangement pursuant to which Qualifying Shareholders may apply for additional Offer Shares in excess of their Open Offer Entitlement in accordance with the terms and conditions of the Open Offer
“Excess CREST Open Offer Entitlement”	in respect of each Qualifying CREST Shareholder, his entitlement (in addition to his Open Offer Entitlement) to apply for Offer Shares in accordance with the Excess Application Facility, which is conditional on him taking up his Open Offer Entitlement in full
“Excess Shares”	Offer Shares applied for by Qualifying Shareholders in accordance with the Excess Application facility
“Ex-entitlement Date”	the date on which the Existing Ordinary Shares are marked “ex” for entitlement under the Open Offer, being 23 October 2015
“Existing Ordinary Shares”	the 25,568,545 Ordinary Shares in issue on the date of this document
“FCA”	the Financial Conduct Authority of the UK
“Firm Placees”	subscribers for Firm Placing Shares

“Firm Placing”	the placing by the Company of the Firm Placing Shares with certain investors, existing Shareholders (or their associated investment vehicles) and Stephen Moon, otherwise than on a pre-emptive basis, at the Offer Price
“Firm Placing and Open Offer Agreement”	the agreement entered into between the Company and Cenkos Securities in respect of the Firm Placing and Open Offer dated 22 October 2015, as described in this document
“Firm Placing Shares”	the 13,380,911 Ordinary Shares the subject of the Firm Placing
“Form of Proxy”	the form of proxy for use in relation to the General Meeting enclosed with this document
“FSMA”	Financial Services and Markets Act 2000 (as amended)
“General Meeting”	the General Meeting of the Company, convened for 10.00 a.m. on 11 November 2015 or at any adjournment thereof, notice of which is set out at the end of this document
“Group”	the Company and its subsidiaries
“HMRC”	Her Majesty’s Revenue and Customs
“ITA 2007”	Income Taxes Act 2007
“London Stock Exchange”	London Stock Exchange plc
“Money Laundering Regulations”	the Money Laundering Regulations 2007, the money laundering provisions of the Criminal Justice Act 1993 and the Proceeds of Crime Act 2002
“Nelson Facility”	the manufacturing facility of the Company at Nelson in Lancashire
“New Ordinary Shares”	the Firm Placing Shares and the Offer Shares
“Notice of General Meeting”	the notice convening the General Meeting as set out at the end of this document
“Offer Price”	59 pence per New Ordinary Share
“Offer Shares”	the 1,704,570 Ordinary Shares being made available to Qualifying Shareholders pursuant to the Open Offer
“Open Offer”	the conditional invitation made to Qualifying Shareholders to apply to subscribe for the Offer Shares at the Offer Price on the terms and subject to the conditions set out in Part 3 of this document and, where relevant, in the Application Form
“Open Offer Entitlement”	the entitlement of Qualifying Shareholders to subscribe for Offer Shares allocated to Qualifying Shareholders on the Record Date pursuant to the Open Offer
“Ordinary Shares”	ordinary shares of 10p each in the capital of the Company
“Overseas Shareholders”	a Shareholder with a registered address outside the United Kingdom
“Prospectus Rules”	the Prospectus Rules made in accordance with the EU Prospectus Directive 2003/71/EC in relation to offers of securities to the public and the admission of securities to trading on a regulated market
“Qualifying CREST Shareholders”	Qualifying Shareholders holding Existing Ordinary Shares in a CREST account
“Qualifying Non-CREST Shareholders”	Qualifying Shareholders holding Existing Ordinary Shares in certificated form
“Qualifying Shareholders”	holders of Existing Ordinary Shares on the register of members of the Company at the Record Date (but excluding any Overseas Shareholder who has a registered address in the United States of America or any other Restricted Jurisdiction)
“Receiving Agents”	Equiniti Limited



“Record Date”	6.00 p.m. on 21 October 2015 in respect of the entitlements of Qualifying Shareholders under the Open Offer
“Regulatory Information Service”	has the meaning given in the AIM Rules for Companies
“Resolutions”	the resolutions to be proposed at the General Meeting as set out in the Notice of General Meeting
“Restricted Jurisdictions”	United States of America, Canada, Australia, Japan, the Republic of South Africa and the Republic of Ireland and any other jurisdiction where the extension or availability of the Firm Placing and Open Offer would breach any applicable law
“Securities Act”	US Securities Act of 1933 (as amended)
“Shareholders”	the holders of Existing Ordinary Shares
“Transaction”	the Firm Placing and Open Offer
“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland
“United States”, “United States of America” or “US”	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia and all areas subject to its jurisdiction
“Uncertificated” or “Uncertificated form”	recorded on the relevant register or other record of the Shares or other security concerned as being held in uncertificated form in CREST, and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST

## PART 1

### LETTER FROM THE CHAIRMAN

#### Science in Sport plc

*Incorporated in England and Wales with registered no. 08535116)*

*Directors:*

John Clarke – *Non-Executive Chairman*  
Stephen Moon – *Chief Executive Officer*  
Raymond Duignan – *Non-Executive Director*  
Dawson Buck – *Non-Executive Director*

*Registered office:*

4th Floor  
16-18 Hatton Garden  
Farringdon  
London, EC1N 8AT

*For the attention of Shareholders and for information only option holders*

23 October 2015

Dear Shareholder

**Firm Placing of 13,380,911 new Ordinary Shares at 59 pence per share  
Open Offer of up to 1,704,570 new Ordinary Shares at 59 pence per share  
and  
Notice of General Meeting**

#### 1. Introduction

The Company has today announced a conditional Firm Placing to raise £7.9 million by the issue and allotment by the Company of 13,380,911 Ordinary Shares at the Offer Price of 59 pence per Ordinary Share.

In addition, in order to provide Shareholders who have not taken part in the Firm Placing with an opportunity to participate in the proposed issue of new Ordinary Shares, the Company is providing all Qualifying Shareholders with the opportunity to subscribe at the Offer Price for an aggregate of 1,704,570 Offer Shares, to raise up to £1.0 million, on the basis of 1 New Ordinary Share for every 15 Existing Ordinary Shares, at 59 pence each, payable in full on acceptance.

The Firm Placing and Open Offer are conditional, *inter alia*, upon Shareholders approving the Resolutions at the General Meeting that will grant to the Directors the authority to allot the New Ordinary Shares and the power to disapply statutory pre-emption rights in respect of the New Ordinary Shares. The Resolutions are contained in the Notice of General Meeting at the end of this document. Admission is expected to occur no later than 8.00 a.m. on 12 November 2015 or such later time and/or date as Cenkos Securities and the Company may agree. The Firm Placing and Open Offer are not underwritten.

The Open Offer provides Qualifying Shareholders with an opportunity to participate in the proposed issue of the New Ordinary Shares on a pre-emptive basis whilst providing the Company with additional capital to invest in the business of the Group.

The Offer Price is at the closing middle market price of 59 pence per Existing Ordinary Share on 22 October 2015 (being the last practicable date before publication of this document).

The purpose of this document is to explain the background to and reasons for the Firm Placing and Open Offer, the use of proceeds, the details of the Firm Placing and Open Offer and to recommend that you vote in favour of the Resolutions.

#### 2. Summary of Science in Sport plc

Science in Sport plc is a leading sports nutrition company that develops, manufactures and markets sports nutrition products for professional athletes and sports enthusiasts. SiS is a strong brand in the elite athlete community – in the 2012 London Olympics, 24 medal-winning athletes or teams used SiS products.

The SiS core product ranges include: SiS GO, comprising energy powders, isotonic gels, energy bars and hydration tablets; and SiS REGO, including protein-based recovery powders and bars.

SiS products are sold in a range of retail channels, including specialist sport retailers, major grocers, high street retailers and e-commerce websites.

SiS is currently the official sports nutrition supplier to professional cycling teams SKY, Team Wiggins, Rapha Condor JLT, Madison Genesis, Boels Dolmans and Trek Factory Racing. SiS is also the official supplier of sports drinks and sports nutrition to the GB Rowing Team. In addition, Olympians Sir Chris Hoy MBE, Mark Cavendish MBE and Helen Jenkins are Elite Sports Consultants and brand ambassadors.

SiS was founded in 1992 and is headquartered in Hatton Garden, London. Its manufacturing facility is in Nelson, Lancashire. SiS was admitted to AIM, following a demerger from Provexis plc, on 9 August 2013.

### **3. Background to and reasons for the Firm Placing and Open Offer**

As set out in the Company's unaudited interim results, which were announced on 24 September 2015, SiS reported strong revenue growth for the six months ended 30 June 2015 of 19 per cent. Looking forward, the Board confirmed within the interim results that they expected revenue growth in the second half of the year to continue to be broadly in line with the first half which, due to the planned first half weighting in investment, would enable the Company to report a positive EBITDA for this period.

The revenue growth achieved during the interim period, and that achieved in 2013 and 2014, reflected the Company's continued achievement of the growth ambitions set out at the time of its Admission to AIM in August 2013. Pursuant to those growth ambitions in 2013, the Board had set a target to achieve cash break even and profitability in years four and five of its business plan (being 2016 and 2017). The Board believes that the Company remains well positioned to deliver cash break even and profitability in line with its growth ambitions however it also recognizes the success to date of the SiS brand and the further growth opportunities available to the Group.

Following consultation with key Shareholders and its advisers, the Board has drawn up revised growth ambitions focused on seeking to further accelerate the revenue growth of the Company. The Board believes SiS has multiple growth opportunities in e-commerce, established retail channels and international markets that have yet to be fully exploited. The Board believes accelerating revenue growth is likely to delay the achievement of profitability but, in the longer term, is likely to lead to greater shareholder value.

The Firm Placing and Open Offer will provide the funding for the Group to further invest in its e-commerce factory fulfilment systems and to sell directly to international markets, specifically Australia and the US.

### **4. Use of proceeds**

The Company intends to raise £7.9 million before expenses by the conditional Firm Placing and up to a further £1.0 million before expenses under the Open Offer. The expenses for the Transaction are expected to be up to £0.5 million dependent on the proceeds from the Open Offer.

The net proceeds will be used by the Company for the following purposes:

- (i) investment in Australian market (£1.5 million);
- (ii) general working capital (£1.3 million);
- (iii) investment in e-commerce factory fulfilment (£0.5 million); and
- (iv) the balance towards sales and marketing spend, for instance to accelerate the entry into the US market.

### **5. Current trading and prospects**

As set out in the Company's unaudited interim results, which were announced on 24 September 2015, the Company is experiencing strong growth in online channels and international markets. This growth underpinned an increase in revenue of 19 per cent. for the first six months ended 30 June 2015 and gives the Directors confidence in meeting market expectations for the year.

The timing of the Transaction and the receipt of the net proceeds means the Directors are not changing their outlook for the current financial year. The Directors however expect revenue growth to increase in 2016 and beyond as the Company executes its accelerated revenue growth strategy.

## **6. The Firm Placing and Open Offer**

### ***Details of the Firm Placing***

The Company has conditionally raised £7.9 million before expenses by the conditional Firm Placing of 13,380,911 Firm Placing Shares at the Offer Price to the Firm Placees.

The Firm Placing is conditional, *inter alia*, upon:

- (i) the passing of all of the Resolutions at the General Meeting;
- (ii) the Firm Placing and Open Offer Agreement becoming or being declared unconditional in all respects and not having been terminated in accordance with its terms prior to Admission; and
- (iii) Admission becoming effective by no later than 8.00 a.m. on 12 November 2015 or such later time and/or date (being no later than 8.00 a.m. on 31 December 2015) as Cenkos Securities and the Company may agree.

If any of the conditions are not satisfied, the Firm Placing Shares will not be issued and all monies received from the Firm Placees will be returned to them (at the Firm Placees' risk and without interest) as soon as possible thereafter.

The Firm Placing Shares are not subject to clawback.

The Firm Placing Shares (and the Offer Shares) will be issued free of all liens, charges and encumbrances and will, when issued and fully paid, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid after the date of their issue.

The Existing Ordinary Shares are admitted to trading on AIM. Application will be made to the London Stock Exchange for the Admission of the Firm Placing Shares to trading on AIM. It is expected that Admission will occur and that dealings will commence at 8.00 a.m. on 12 November 2015 at which time it is also expected that the Firm Placing Shares will be enabled for settlement in CREST.

### ***Details of the Open Offer***

The Company is proposing to raise up to £1.0 million before expenses. A total of 1,704,570 New Ordinary Shares are available to Qualifying Shareholders pursuant to the Open Offer at the Offer Price, payable in full on acceptance. Any Offer Shares not subscribed for by Qualifying Shareholders will be available to Qualifying Shareholders under the Excess Application Facility. The balance of any Offer Shares not subscribed for under the Excess Application Facility will not be available to Firm Placees under the Firm Placing.

Qualifying Shareholders may apply for Offer Shares under the Open Offer at the Offer Price on the following basis:

1 Offer Share for every 15 Existing Ordinary Shares

and so in proportion for any number of Existing Ordinary Shares held on the Record Date. Entitlements of Qualifying Shareholders will be rounded down to the nearest whole number of Offer Shares. Fractional entitlements which would otherwise arise will not be issued to the Qualifying Shareholders but will be made available under the Excess Application Facility. The Excess Application Facility enables Qualifying Shareholders to apply for Excess Shares in excess of their Open Offer Entitlement. Not all Shareholders will be Qualifying Shareholders. Shareholders who are located in, or are citizens of, or have a registered office in Restricted Jurisdictions will not qualify to participate in the Open Offer. The attention of Overseas Shareholders is drawn to paragraph 6 of Part 3 of this document.

Valid applications by Qualifying Shareholders will be satisfied in full up to their Open Offer Entitlements as shown on the Application Form. Applicants can apply for less or more than their entitlements under the Open Offer but the Company cannot guarantee that any application for Excess Shares under the Excess Application Facility will be satisfied as this will depend in part on the extent to which other Qualifying Shareholders apply for less than or more than their own Open Offer Entitlements. The Company may satisfy valid applications for Excess Shares of applicants in whole or in part but reserves the right not to satisfy any excess above any Open Offer Entitlement. The Board may scale back applications made in excess of Open Offer Entitlements on such basis as it reasonably considers to be appropriate.

Application has been made for the Offer Shares to be admitted to CREST. It is expected that such Offer Shares will be credited to CREST on 12 November 2015. The Offer Shares will be enabled

for settlement in CREST until 11.00 a.m. on 10 November 2015. Applications through the CREST system may only be made by the Qualifying CREST Shareholder originally entitled or by a person entitled by virtue of *bona fide* market claims. The Offer Shares must be paid in full on application. The latest time and date for receipt of completed Application Forms or CREST applications and payment in respect of the Open Offer is 11.00 a.m. on 10 November 2015. The Open Offer is not being made to certain Overseas Shareholders, as set out in paragraph 6 of Part 3 of this document.

**Qualifying Shareholders should note that the Open Offer is not a rights issue and therefore any Offer Shares which are not applied for by Qualifying Shareholders will not be sold in the market for the benefit of the Qualifying Shareholders who do not apply under the Open Offer. The Application Form is not a document of title and cannot be traded or otherwise transferred.**

Further details of the Open Offer and the terms and conditions on which it is being made, including the procedure for application and payment, are contained in Part 3 of this document and on the accompanying Application Form.

The Open Offer is conditional on the Firm Placing becoming or being declared unconditional in all respects and not being terminated before Admission (as the case may be). The principal conditions to the Firm Placing are:

- (a) the passing of all of the Resolutions at the General Meeting;
- (b) the Firm Placing and Open Offer Agreement having become or being declared unconditional in all respects and not having been terminated in accordance with its terms prior to Admission; and
- (c) Admission becoming effective by no later than 8.00 a.m. on 12 November 2015 or such later time and/or date (being no later than 8.00 a.m. on 31 December 2015) as Cenkos Securities and the Company may agree.

Accordingly, if these conditions are not satisfied or waived (where capable of waiver), the Open Offer will not proceed and the Offer Shares will not be issued and all monies received by Equiniti from applicants will be returned to such applicants (at the applicants' risk and without interest) as soon as possible thereafter. Any Open Offer Entitlements admitted to CREST will thereafter be disabled.

The Offer Shares (and the Firm Placing Shares) will be issued free of all liens, charges and encumbrances and will, when issued and fully paid, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid after the date of their issue.

Application will be made to the London Stock Exchange for the admission of the Offer Shares to trading on AIM. It is expected that Admission will occur and that dealings will commence at 8.00 a.m. on 12 November 2015 at which time it is also expected that the Offer Shares will be enabled for settlement in CREST.

#### ***Firm Placing and Open Offer Agreement***

Pursuant to the Firm Placing and Open Offer Agreement, Cenkos Securities have agreed to use their reasonable endeavours as agent of the Company to procure subscribers for the Firm Placing Shares at the Offer Price.

The Firm Placing and Open Offer Agreement provides, *inter alia*, for payment by the Company to Cenkos Securities of commissions based upon the number of Firm Placing Shares placed by Cenkos Securities and the Open Offer Shares applied for respectively, multiplied by the Offer Price.

The Company will bear all other expenses of and incidental to the Firm Placing and Open Offer, including printing costs, Registrar's and Receiving Agent's fees, all legal and accounting fees of the Company and all stamp duty and other taxes and duties payable.

The Firm Placing and Open Offer Agreement contains certain warranties and indemnities from the Company in favour of Cenkos Securities and is conditional, *inter alia*, upon:

- (a) Shareholder approval of the Resolutions at the General Meeting;
- (b) the Firm Placing and Open Offer Agreement having become unconditional in all respects (save for the condition relating to Admission) and not having been terminated in accordance with its terms prior to Admission; and
- (c) Admission becoming effective not later than 8.00 a.m. on 12 November 2015 or such later time and/or date as the Company and Cenkos Securities may agree, being not later than 31 December 2015.

Cenkos Securities may terminate the Firm Placing and Open Offer Agreement in certain circumstances, if, *inter alia*, the Company is in material breach of any of its obligations under the Firm Placing and Open Offer Agreement; if there is a material adverse change in the condition, earnings, business, operations or solvency of the Company; or if there is a material adverse change in the financial, political, economic or stock market conditions, which in their respective reasonable opinion makes it impractical or inadvisable to proceed with the Firm Placing and Open Offer.

### ***Enterprise Investment Scheme (EIS) and Venture Capital Trust (VCT) Schemes***

To comply with European State Aid requirements the legislation that applies to the above schemes is to be amended by the Finance Bill that is currently making its way through Parliament. European State Aid approval has been given for the proposed amendments but HMRC are not able to comment on their application to the Company or its Ordinary Shares until such time as the amended legislation is enacted.

The Company has applied for and obtained provisional advance assurance from HMRC that, ignoring the proposed amendments that HMRC are unable to comment on, the Placing Shares should satisfy the requirements for tax relief under EIS and are expected to constitute a qualifying holding for a VCT.

In addition to the proposed changes to the legislation, eligibility is also dependent on a investors own position and not just that of the Company. Accordingly, an investor participating in the Firm Placing should take its own independent advice and they are referred, in particular, to the section on EIS and VCT Schemes risk factors in Part 2 of this document.

**The Company does not intend to apply for EIS or VCT relief on the Offer Shares. Shareholders who participate in the Open Offer will not therefore receive tax relief under EIS and/or their holding will not constitute a qualifying holding for a VCT.**

### ***Related Party Subscription***

Downing LLP, a 21.7 per cent. Shareholder, has agreed to subscribe for 748,333 Placing Shares as part of the Firm Placing, equivalent to £441,516.47. The Placing Shares for which Downing LLP are subscribing, represent 5.6 per cent. of the total number of Placing Shares.

Downing LLP is a Substantial Shareholder under the AIM Rules and therefore the participation of Downing LLP in the Firm Placing constitutes a related party transaction under Rule 13 of the AIM Rules. The Directors consider that, having consulted with Cenkos, the terms of Downing LLP's participation in the Firm Placing are fair and reasonable insofar as Shareholders are concerned.

### ***Director Subscription***

As part of the Placing, Stephen Moon, a director of the Company, has agreed to purchase 254,000 Placing Shares, subject to the passing of the resolutions at the General Meeting. Following this purchase Mr Moon will directly hold 675,330 Ordinary Shares, which will represent 1.66 per cent. of the Enlarged Share Capital (assuming the Open Offer is fully subscribed).

None of the Directors currently expect to take up their entitlement to subscribe for New Ordinary Shares under the Open Offer.

### ***Transaction considerations***

As set out in the Recommendation section below, the Directors believe the Transaction to be in the best interests of the Company and its Shareholders as a whole. In making this statement the Directors have spent time, and have taken appropriate advice, in considering the Transaction and the method by which the Company will raise the net proceeds. The Directors concluded that a

Firm Placing accompanied by an Open Offer was the most appropriate structure to raise funding for the following reasons:

- the Firm Placing enables the Company to attract a number of new investors to its shareholder register, which the Directors expect will improve liquidity going forward, and also to provide an element of funding certainty within the Transaction; and
- the Open Offer of up to £1.0 million enables all Shareholders to participate in the Transaction on the same terms as institutional and new investors but without the time and costs associated with a full pre-emptive offer. A full pre-emptive offer, either via a rights issue or open offer, above £3.67 million (€5 million) would have required the Company to have produced a prospectus which would have taken significant time and cost.

The Offer Price represents the closing mid market price of the Ordinary Shares on 22 October 2015, being the latest practicable date prior to the publication of this document. The Directors can confirm the Offer Price, and therefore potential dilution for Shareholders, has been a consideration in setting the amount raised as part of the Transaction and the decision to undertake an Open Offer. The Offer Price was established as part of a book building process undertaken by the Company's advisors and also following consultation with certain substantial Shareholders and incoming investors.

## **7. Overseas Shareholders**

The attention of Qualifying Shareholders who have registered addresses outside the United Kingdom, or who are citizens or residents of countries other than the United Kingdom, or who are holding Existing Ordinary Shares for the benefit of such persons, (including, without limitation, custodians, nominees, trustees and agents) or who have a contractual or other legal obligation to forward this document or the Application Form to such persons, is drawn to the information which appears in paragraph 6 of Part 3 of this document.

In particular, Qualifying Shareholders who have registered addresses in or who are resident in, or who are citizens of, countries other than the UK (including without limitation the United States of America), should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to take up their entitlements under the Open Offer.

## **8. Board and Management Incentives**

The Board is actively looking for a full time finance director to assist the Company in achieving its growth ambitions. The Board is pleased to confirm that it has in place an interim finance director, supporting Stephen Moon, who will remain in place until a suitable permanent appointment can be made.

In August 2013, the Company adopted a Share Option Plan ("SOP") to grant options over Ordinary Shares (each an "Option") to John Clarke, Stephen Moon and certain senior executives (the "Participants"). The Options granted were a combination of tax-favored Enterprise Management Incentive options and unapproved options. The Options granted were split between a Long Term Incentive Scheme and an Annual Incentive Scheme. In each case the Options granted were nil-cost options, meaning that the Participants are not required to pay cash to exercise the Option (or relevant part of it). Under the SOP the Participants could receive a maximum of 20 per cent. of the Company's issued Ordinary Share capital subject to certain performance criteria set out below. Stephen Moon and John Clarke are entitled, over the life of the Long Term Incentive element of the SOP, to up to 6.0 per cent. and 1.75 per cent. of the issued share capital respectively.

The Long Term Incentive Scheme was linked to the following performance elements:

- revenue growth based on a sliding scale for average annual sales growth in years one to three of between 10 and 20 per cent; and
- profitability in year five on a sliding scale where the fifth year operating profit is between £1.5m and £3.0m.

As of the date of this document Stephen Moon holds 595,331 Options. The Options have vested and can be exercised for nil consideration.

Subject to approval of the Resolutions set out in this document, the Remuneration Committee intends to put in place a revised SOP aligned to the long term objectives for the business. The

initial targets for the current Long Term Incentive element of the plan, relating to revenue growth in the three years to 31 March 2016, will remain in place. Major Shareholders will be consulted, as appropriate, in establishing the revised SOP.

## **9. Risk Factors and additional information**

The attention of Shareholders is drawn to the risk factors set out in Part 2 and the information contained in Parts 3 and 4 of this document, which provide additional information on the Transaction.

## **10. General Meeting**

The Directors do not currently have authority to allot all of the New Ordinary Shares and, accordingly, the Board is seeking the approval of Shareholders to allot the New Ordinary Shares at the General Meeting.

A notice convening the General Meeting, which is to be held at 4<sup>th</sup> Floor, 16-18 Hatton Garden, Farringdon, London EC1N 8AT at 10.00 a.m. on 11 November 2015, is set out at the end of this document. At the General Meeting, the following Resolutions will be proposed:

- Resolution 1 which is an ordinary resolution to authorise the Directors to allot relevant securities up to an aggregate nominal amount of £1,508,548.10, being equal to 15,085,481 New Ordinary Shares (i.e. the maximum number of New Ordinary Shares available under the Firm Placing and Open Offer); and
- Resolution 2 which is conditional on the passing of Resolution 1 and is a special resolution to authorise the Directors to issue and allot 15,085,481 New Ordinary Shares pursuant to the Firm Placing and Open Offer on a non-pre-emptive basis.

The authorities to be granted pursuant to the Resolutions shall expire on whichever is the earlier of the conclusion of the Annual General Meeting of the Company to be held in 2016 or the date falling 6 months from the date of the passing of the Resolutions (unless renewed varied or revoked by the Company prior to or on that date) and shall be in addition to the Directors' authorities to allot relevant securities and dis-apply statutory pre-emption rights granted at the Company's Annual General Meeting held on 25 June 2015.

## **11. Action to be taken**

### ***In respect of the General Meeting***

Please check that you have received a Form of Proxy for use in relation to the General Meeting with this document.

**Whether or not you intend to be present in person at the General Meeting, you are strongly encouraged to complete, sign and return your Form of Proxy in accordance with the instructions printed thereon so as to be received, by post or, during normal business hours only, by hand to Equiniti, Aspect House, Spencer Road, Lancing, BN99 6DA, as soon as possible but in any event so as to arrive by not later than 10.00 a.m. on 9 November 2015 (or, in the case of an adjournment of the General Meeting, not later than 48 hours before the time fixed for the holding of the adjourned meeting (excluding any part of a day that is not a business day)).**

Appointing a proxy in accordance with the instructions set out above will enable your vote to be counted at the General Meeting in the event of your absence. The completion and return of a Form of Proxy will not preclude you from attending and voting in person at the General Meeting, or any adjournment thereof, should you wish to do so.

### ***In respect of the Open Offer***

Qualifying non-CREST Shareholders wishing to apply for Offer Shares or the Excess Shares must complete the enclosed Application Form in accordance with the instructions set out in paragraph 3.1 of Part 3 (Terms and Conditions of the Open Offer) of this document and on the accompanying Application Form and return it with the appropriate payment to Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, so as to arrive no later than 11.00 a.m. on 10 November 2015.



If you do not wish to apply for any Offer Shares under the Open Offer, you should not complete or return the Application Form. Shareholders are nevertheless requested to complete and return the Form of Proxy.

If you are a Qualifying CREST Shareholder, no Application Form will be sent to you. Qualifying CREST Shareholders will have Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to their stock accounts in CREST. You should refer to the procedure for application set out in paragraph 3.2 of Part 3 (Terms and Conditions of the Open Offer) of this document. The relevant CREST instructions must have settled in accordance with the instructions in paragraph 3.2 of Part 3 of this document by no later than 11.00 a.m. on 10 November 2015.

Qualifying CREST Shareholders who are CREST sponsored members should refer to their CREST sponsors regarding the action to be taken in connection with this document and the Open Offer.

## **12. Recommendation**

**The Directors believe that the Firm Placing and Open Offer and the passing of the Resolutions are in the best interests of the Company and Shareholders, taken as a whole. Accordingly the Directors unanimously recommend that Shareholders vote in favour of the Resolutions.**

**The Firm Placing and Open Offer are conditional, *inter alia*, upon the passing of the Resolutions at the General Meeting. Shareholders should be aware that if the Resolutions are not approved at the General Meeting, the Firm Placing and Open Offer will not proceed.**

Yours faithfully

**John Clarke**

Chairman

23 October 2015

## PART 2

### RISK FACTORS

An investment in the Company is subject to a number of risks and uncertainties. Accordingly, in evaluating whether to make an investment in the Company, potential investors should consider carefully all of the information set out in this document and the risks attaching to an investment in the Company, including (but not limited to) the risk factors described below, before making any investment decision with respect to the New Ordinary Shares. The risk factors described below do not purport to be an exhaustive list and do not necessarily comprise all of the risks to which the Company is exposed or all those associated with an investment in the Company. In particular, the Company's performance is likely to be affected by changes in market and/or economic conditions and in legal, accounting, regulatory and tax requirements. The risk factors described below are not intended to be presented in any assumed order of priority. Additional risks and uncertainties not presently known to the Directors, or which the Directors currently deem immaterial, may also have an adverse effect upon the Company. If any of the following risks were to materialise, the Group's business, financial condition, results, prospects and/or future operations may be materially adversely affected. In such case, the value of the Ordinary Shares may decline and investors may lose all or part of their investment.

#### GENERAL RISKS

An investment in the Company is only suitable for investors capable of evaluating the risks and merits of such investment and who have sufficient resources to bear any loss that may result from the investment. A prospective investor should consider with care whether an investment in the Company is suitable for him in the light of his personal circumstances and the financial resources available to him. The investment opportunity offered in this document may not be suitable for all recipients of this document. Investors are therefore strongly recommended to consult an investment adviser authorised under FSMA, or such other similar body in their jurisdiction, who specialises in advising on investments of this nature before making a decision to invest.

Investment in the Company should not be regarded as short-term in nature. There can be no guarantee that any appreciation in the value of the Company's investments will occur or that the commercial objectives of the Company will be achieved. Investors may not get back the full amount initially invested.

The prices of shares and the income derived from them can go down as well as up. Past performance is not necessarily a guide to the future.

#### Dilution of ownership of Ordinary Shares

The proportionate ownership and voting interest in the Company of Shareholders who do not participate in the Firm Placing will be reduced pursuant to the Transaction. In addition and to the extent that Shareholders do not take up the offer of Offer Shares under the Open Offer, their proportionate ownership and voting interest in the Company will be further reduced and the percentage that their shareholdings represent of the ordinary share capital of the Company will, following Admission, be reduced accordingly. Subject to certain exceptions, Shareholders in the United States and other Restricted Jurisdictions will not be able to participate in the Open Offer.

#### EIS and VCT Schemes

The legislation that applies to the above schemes is to be amended by the Finance Bill that is currently making its way through Parliament to comply with European State Aid requirements. European State Aid approval has been given for the proposed amendments, which will introduce new requirements for the investee company including a "permitted maximum age" requirement and an overall "maximum risk finance investments" requirement.

The Company is unable to seek advance assurance that these proposed new requirements will be met by the Company until such time as they become enacted law, as HMRC are not able to comment on the application of proposed amendments to existing legislation.

Advance assurance has been sought and obtained from HMRC that, ignoring the proposed amendments that HMRC are unable to comment on, the Company should be a qualifying company and the Placing Shares are eligible shares for the purposes of EIS provisions. Advance assurance

has also been sought and obtained from HMRC that, ignoring the proposed amendments that HMRC are unable to comment on, the Placing Shares may form part of a qualifying holding for VCT Scheme purposes. The actual availability of relief under the EIS and qualifying status for VCT Scheme purposes will be contingent upon certain conditions being met by both the Company and the relevant investors.

Neither the Company nor the Company's advisers give any warranties or undertakings that EIS relief or VCT Scheme qualifying status will be available or that, if initially available, such relief or status will not be withdrawn. Should the law regarding EIS or the VCT Scheme change (including, but not limited to the proposed changes currently before Parliament) then any reliefs or qualifying status previously obtained may be lost.

Circumstances may arise (which may include sale of the Company) where the Directors believe that the interests of the Company are not best served by acting in a way that preserves EIS tax relief (including capital gains tax reliefs) or VCT Scheme qualifying status. In such circumstances, the Company cannot undertake to conduct its activities in a way designed to secure or preserve any such relief or status claimed by any Shareholder. If the Company does not employ the proceeds of an EIS/VCT Scheme share issue for qualifying purposes within 24 months, the EIS shares would cease to be eligible shares and all of the EIS tax reliefs of investors in respect of the Placing Shares would be withdrawn.

In respect of share subscriptions made by a VCT, the funds invested by the VCT would be apportioned *pro rata* and its qualifying holding would be equal to the VCT's funds that had been employed for qualifying trading purposes within the above time limits. Any remaining element of the VCT's investment would comprise part of its non-qualifying holdings.

The information in this document is based upon current tax law and practice and other legislation and any changes in the legislation or in the levels and bases of, and reliefs from, taxation may affect the value of an investment in the Company. If the Company or any qualifying subsidiary ceases to carry on the business outlined in this document or acquires or commences a business which is not insubstantial to the Company's activities and which is a non-qualifying trade for EIS and VCT Scheme purposes, this could prejudice the qualifying status of the Company (as referred to above) under the VCT Scheme or under the EIS if this occurred during the three year period from the last issue of shares to EIS investors. This situation will be monitored by the Directors with a view to preserving the Company's qualifying status but this cannot be guaranteed.

**The Company does not intend to apply for EIS or VCT relief on the Offer Shares. Shareholders who participate on the Open Offer will not therefore receive tax relief under EIS and for their holding will not constitute a qualifying holding for a VCT.**

## **RISKS RELATING TO THE GROUP**

**The Group has historically been loss making and its future capital needs are uncertain and may necessitate the need to raise additional funds in the future**

The Group has historically been loss making and there can be no certainty when, or if, profitability or positive operating cash flow will be achieved. Further the Group cannot be certain of its future financing needs or that suitable financing will be available in the required amounts or on acceptable terms. The Group's future capital needs, and other business reasons at that time, may require the Company to issue additional equity or obtain a credit facility. If additional equity or equity-linked securities were to be issued this may result in the dilution of existing shareholders' holdings. The incurrence of indebtedness would result in increased debt service obligations and could result in operating and financing covenants that would restrict the Group's operations or the Group's ability to pay dividends to Shareholders or, in the worst scenario, it may not be able to continue operations.

### **Reliance on key customers**

The ten largest customers by revenue accounted for 60.9 per cent. of revenues for the 9 month period ended 31 December 2014, with the largest customer accounting for 12.6 per cent. The risks associated with the reliance on these main customers are recognised by the Directors and it is intended that SiS will continue to expand the number of retail outlets where SiS products can be bought and drive sales from SiS' own website and other third party e-commerce sites. Although no single retailer accounts for more than 12.6 per cent. of sales of SiS products, the dominance of

the large retail multiples and third party e-commerce sites could force an erosion of prices and, subsequently, profit margins.

### **Supply of faulty or contaminated products could have a material adverse effect on SiS**

SiS has control measures and systems in place to ensure that maximum safety and quality of its products is maintained. The consequences of not being able to do so, due to accidental or malicious ingredient or raw material contamination, or due to supply chain contamination caused by human error or equipment fault or due to manufacturing or design faults, could be severe. Such consequences may include adverse effects on consumer health, loss of market share, financial costs and loss of turnover.

Where there is a product recall as a result of accidental or malicious ingredient or raw material contamination, or due to supply chain contamination caused by human error or equipment fault or due to manufacturing or design faults, a subsequent product relaunch may not successfully return the relevant brand to its previous market position. This could result in a loss of market share and loss of turnover to SiS. SiS relies on its brand ambassadors and elite athletes to promote its products. SiS has entered into a number of brand ambassador agreements with elite athletes. As a result of these arrangements, SiS relies on the reputation and image of the elite athletes to promote its products to consumers. If any elite athlete associated with the SiS brand suffers reputational damage, for instance through drug use or adverse media, this could adversely affect SiS's results of operations, financial condition and/or prospects.

The Directors seek to associate the SiS product range only with elite athletes who have the highest levels of personal and sporting integrity in order to protect the SiS brand.

### **Banned substances**

If it was found that an athlete had consumed a banned substance through the consumption of a SiS product, the Directors would expect this to have a material adverse effect on SiS's financial results, reputation and/or prospects.

### **The occurrence of major operational problems or failure or unavailability of the Nelson Facility could have a material adverse effect on the financial performance of SiS**

The revenues of SiS are dependent on the continued operation of its manufacturing facility at Nelson in Lancashire. There are a number of operational risks, associated with operating a facility, which may disrupt production, including fire or other natural disasters, equipment failure (including any failure of information technology systems), ineffective production planning and raw material processes, failure to comply with applicable regulations and standards, raw material supply disruptions, labour force shortages or work stoppages, and events impeding, or increasing, the cost of transport. The occurrence of major operational problems may adversely affect the SiS business, results of operations, financial condition and/or prospects.

The Directors have been in discussions with the freehold owner of the Nelson Facility concerning subsidence at the Nelson Facility. The subsidence issue was disclosed in the Company's AIM Admission Document. The subsidence has not, and is not, expected to disrupt the day to day operations of the Nelson Facility. Further, the Directors expect to move the Company's factory in the mid to long term as the business grows in size. The Directors feel therefore as there is no disruption to the day to day business caused by the subsidence, and taking into account the low cost and the current capacity of the existing site, it is in the Company's best interests to keep its operation at the Nelson Facility until the size of Company requires a new site.

### **Reliance and focus of key personnel and management**

The success of the Group will be dependent on the services of key management and operating personnel.

The Directors believe that the Group's future success will depend largely on its ability to retain and attract highly skilled and qualified personnel, and to expand, train and manage its employee base. There can be no guarantee that suitably skilled and qualified individuals will be retained or identified and employed. If the Group fails to retain or recruit the necessary personnel, or if the Group loses the services of any of its key executives, its business could be materially and adversely affected.

Further to the above, if the Directors and senior management become distracted from the day to day management of the business, for instance due to a takeover approach or the management of overseas expansion, the business could be materially and adversely affected.

### **Protection of Intellectual property**

The success of certain of the Group's products are dependent upon exploitation of intellectual property that the Group has developed internally, the Group's ability to protect and enforce its intellectual property rights so as to preserve its exclusive rights in respect of its claims, and its ability to preserve the confidentiality of its know-how. The Group relies, and will rely in relation to certain pending patents, on patent laws to protect its intellectual property rights. There can be no assurance that patents pending or future patent applications will be issued, nor that the lack of any such patents will not have a material adverse effect on the Group's ability to develop and market its proposed products, or that, if issued, the Group would have the resources to protect any such issued patent from infringement. Also, no assurance can be given that the Group will develop products which are patentable or that patents will be sufficiently broad in their scope to provide protection for the Group's intellectual property rights against third parties. Nor can there be any assurance as to the ownership, validity or scope of any patents which have been, or may in the future be, issued to the Group or that claims with respect thereto would not be asserted by other parties.

### **Online security breaches and service disruptions due to hacking, viruses, fraud and malicious attack**

The Company cannot guarantee absolute protection against unauthorised attempts to access its IT systems, including malicious third party applications that may interfere with or exploit security flaws in its products and services. Viruses, worms and other malicious software programmes could, amongst other things, jeopardise the security of information stored in a customer's computer or in the Company's computer systems or attempt to change the internet experience of users by interfering with the Company's ability to connect with its customers.

Hackers may also act in a manner that may cause the Company's website or other systems to experience service outages or other interruptions or result in the creation of fraudulent transactions. If any compromise in the Company's security measures were to occur, or if the Company's websites or other systems were to experience service outages or other interruptions, the Company's reputation may be harmed and its business, financial condition and results of operations may be negatively affected.

### **Commodity price changes may result in increases in the cost of raw materials and packaging materials for the Group's products due to a variety of factors outside the Group's control.**

The Group is dependent on a supply of a number of key ingredients for its products for which there is a limited number of suppliers. The Group cannot ensure that its purchasing strategy can or will offset increases in the price of raw materials or even that it will be able to source some raw materials at all. The Group may not be able to pass on increases in the costs of raw materials to its customers. Even if it is able to pass on cost increases, the adjustments may not be immediate and may not fully offset the extra costs or may cause a decline in sales volumes. If the Group is unable to manage the prices and availability of its raw materials effectively, this could have a material adverse effect on the Group's prospects, results of operations and financial condition.

The Group's products use raw materials and ingredients and packaging materials purchased from third-party suppliers. The Group maintains relationships with a variety of suppliers, but the imposition of onerous contractual terms in a supply contract with a key supplier or the consolidation of suppliers could have a material adverse effect on the Group's profitability and/or the loss of a key supplier could result in a disruption of the Group's business.

### **The Group may be subject to regulatory change**

The Group's products are subject to various laws, regulations and standards in each of the jurisdictions in which products are, and will be, sold. There can be no assurance that future laws, regulations and/or standards will not have a material adverse effect on the Group. In particular, changes to health and food safety regulations and health and safety legislation could reduce or increase sales.

### **Overseas expansion**

The Directors believe there are a number of growth opportunities for the Company overseas. While these opportunities could be significant, the Board recognises they present a number of financial and operational risks to the Company, including but not limited to distracting management focus on the UK operations of the business, stock control, working capital and the overall financial performance of the Group.

### **Future acquisitions**

The Board believes that there may be attractive acquisition opportunities for the Group. There can be no assurance that the Group will be able to conclude successfully agreements with any of the target businesses which may be identified. Further, there is no certainty that any completed acquisitions will prove successful.

### **Competition**

SiS's competitors and potential competitors include companies which may have substantially greater resources than those of the Group. These competitors include multinational companies with product promotional and advertising budgets that are multiples of that spent by SiS. Competitors and potential competitors may also develop new products that are less costly and/or more effective than the SiS product range which may make those of SiS obsolete or uncompetitive. SiS's products may face competition from companies that have greater research, development, marketing, financial and personnel resources than SiS. In the event that a competitor brand to SiS decides to dedicate significant resources to promote a brand in the endurance sports market or, more generally, the sports nutrition market it could materially affect the financial performance of the Group.

Further to the above, the business model of SiS is based upon winning additional market share from competitors or maintaining an existing market share in a growing sports nutrition market. Competitors to SiS may be able to respond more quickly to opportunities within the sports nutrition sector or the general consumer environment; this could lead to SiS losing key customers or reducing the price of its products which could adversely affect SiS's business, financial condition and operating results. Promotional and marketing expenditure required to promote SiS may be more than currently anticipated.

There is a risk that the advertising and promotional investment that the Group anticipates will be needed to fund its growth will be insufficient or that the anticipated timing of such investment may prove incorrect. If the Group is unable to fund its growth then the Group may not be able to generate revenues at the times targeted or at levels in line with the Board's forecasts. Costs may be greater than planned, or timings may vary from those targeted.

### **Commodity pricing risk**

The SiS products are derived from various food and drink ingredients. All of these ingredients are subject to fluctuations in price due to uncontrollable factors. In some cases, due to the basis for pricing in sales contracts, or due to competitive markets, SiS may not be able to pass on to its customers the full amount of ingredient price increases or higher energy, freight or other operating costs and this could negatively impact profitability.

### **Management of the Group's growth strategy**

There can be no certainty that the Group will be able to implement successfully the strategy set out in this document. The ability of the Group to implement its strategy in rapidly evolving and competitive markets will require effective management planning and operational controls. The Directors anticipate that significant expansion will be required to respond to market opportunities. The Group's growth plans may place a significant strain on the Group's management, operational, financial and personnel resources. The Group's future growth and prospects will depend on its ability to manage this growth and to continue to expand and improve operational and financial performance, whilst at the same time maintaining effective cost controls. The Group's future growth may depend, in part, on its ability to identify suitable acquisition targets. There can be no assurance that any targets identified will be available at a value which makes them suitable for acquisition at the relevant time, or that third party finance required to fund the acquisition will be available on acceptable terms. Any failure to expand and improve operational, financial and quality

control systems in line with the Group's growth could have a material adverse effect on the Group's business, financial condition and results of operation.

### **Exchange rate fluctuations**

As a consequence of the international nature of its business, the Group is exposed to risks associated with changes in foreign currency exchange rates on both sales and operations. The Group is based in the United Kingdom and presents its financial statements in Pounds Sterling. However, its subsidiaries, eV and Nova R&D, Inc., are incorporated and operate in the United States and earn revenues and incur costs in United States Dollars and a large proportion of the Group's future revenues are expected to be denominated in currencies other than Pounds Sterling. Therefore, fluctuations in exchange rates between currencies in which the Group operates and Pounds Sterling may have a significant impact on the Group's reported financial results, financial condition and cash-flows.

## **RISKS RELATING TO THE ORDINARY SHARES**

### **Suitability**

An investment in the Ordinary Shares may not be suitable for all recipients of this document, and is only appropriate for investors capable of evaluating the risks (including the risk of capital loss) and merits of such investment and who have sufficient resources to sustain a total loss of their investment. An investment in the Ordinary Shares should be seen as long-term in nature and complementary to investments in a range of other financial assets and should only constitute part of a diversified investment portfolio. Potential investors should consider carefully whether investment in the Ordinary Shares is suitable for them in the light of the information in this document and their personal circumstances. Before making any final decision, potential investors in any doubt should consult with an investment adviser authorised under the FSMA who specialises in advising on investments of this nature.

### **Trading market for the Ordinary Shares**

The Offer Price may not be indicative of the market price for the New Ordinary Shares following Admission. The share price of publicly traded companies, including those listed on AIM, can be highly volatile and shareholdings illiquid. The market price of the Ordinary Shares will be influenced by a large number of factors, which could include, but not be limited to, the performance of both the Group's and its competitors' businesses, variations in the operating results of the Group, divergence in financial results from analysts' expectations, changes in earnings estimates by stock market analysts, large purchases or sales of Ordinary Shares, legislative changes and general economic, political and regulatory conditions. Prospective investors should be aware that the value of an investment in the Company may go down as well as up. Investors may therefore realise less than, or lose all of, their investment. The volume of shares traded on AIM can be limited and this may restrict the ability of Shareholders to dispose of Ordinary Shares at any particular time. It may be more difficult for an investor to realise his investment in the Group than in a company whose shares are quoted on the Official List. The AIM Rules for Companies are less demanding than those of the Official List. It is emphasised that no application is being made for the admission of the Company's securities to the Official List.

### **Additional working capital and dilution**

The Directors do not currently anticipate that the Group will require additional working capital to further its strategy as outlined in this document. Nevertheless, it is possible that the Group will need or choose to raise extra working capital in the future to finance the development of new products or enhancements, to develop fully the Group's business, to take advantage of acquisition opportunities or respond to new competitive pressures. If the Group is unable to obtain this financing on terms acceptable to it then it may be forced to curtail its development. If additional funds are raised through the issue of new equity or equity-linked securities of the Company other than on a *pro rata* basis to existing Shareholders, the percentage ownership of such Shareholders may be substantially diluted. There is no guarantee that the then prevailing market conditions will allow for such a fundraising or that new investors will be prepared to subscribe for Ordinary Shares at the same price as the Placing Price or higher.

**Dividends**

The Board's intention is for the Company to reinvest any net cash generated from operations to finance the growth and expansion of its business, and accordingly does not intend for the Company to pay any dividends in the foreseeable future. Any declaration and payment of dividends in the future by the Company will be dependent upon the Company's results, financial position, cash requirements, future prospects, profits available for distribution and other factors regarded by the Company as relevant at the time. Consequently, the Company may never pay dividends.



## PART 3

### TERMS AND CONDITIONS OF THE OPEN OFFER

#### Introduction

As explained in the letter from the Chairman set out in Part 1 of this document, the Company is proposing to raise up to £8.9 million (approximately £8.4 million net of expenses) by way of the Firm Placing and Open Offer, of which up to approximately £1.0 million will be raised from the offer of the Offer Shares at the Offer Price to Qualifying Shareholders under the Open Offer.

The purpose of this Part 3 is to set out the terms and conditions of the Open Offer. Up to 1,704,570 new Ordinary Shares will be issued through the Open Offer. Qualifying Shareholders are being offered the right to subscribe for Offer Shares in accordance with the terms of the Open Offer. The Open Offer has not been underwritten.

The Record Date for entitlements under the Open Offer for Qualifying CREST Shareholders and Qualifying non-CREST Shareholders is expected to be 6.00 p.m. on 21 October 2015. Application Forms are expected to be posted to Qualifying Non-CREST Shareholders on or around 23 October 2015 and Open Offer Entitlements are expected to be credited to stock accounts of Qualifying CREST Shareholders in CREST by 26 October 2015.

Subject to availability, the Excess Application Facility will enable Qualifying Shareholders to apply for Excess Shares. Further details in relation to the Excess Application Facility are set out in Part 4 "Questions and Answers about the Open Offer" in this document and, for Qualifying Non-CREST Shareholders, the Application Form.

The latest time and date for receipt of a completed Application Form and payment in full under the Open Offer and settlement of relevant CREST instructions (as appropriate) is expected to be 11.00 a.m. on 10 November 2015 with Admission and commencement of dealings in Offer Shares expected to take place at 8.00 a.m. on 12 November 2015.

This document and, for Qualifying Non-CREST Shareholders only, the Application Form contains the formal terms and conditions of the Open Offer. Your attention is drawn to paragraph 3 of this Part 3 "Terms and Conditions of the Open Offer" which gives details of the procedure for application and payment for the Offer Shares and any Excess Shares applied for pursuant to the Excess Application Facility.

The Offer Shares will, when issued and fully paid, rank equally in all respects with New Ordinary Shares, including the right to receive all dividends or other distributions made, paid or declared, if any, by reference to a record date after the date of their issue.

The Open Offer is an opportunity for Qualifying Shareholders to apply for up to 1,704,570 Offer Shares *pro rata* (excepting fractional entitlements) to their current holdings at the Offer Price in accordance with the terms of the Open Offer.

Qualifying Shareholders are also being offered the opportunity to apply for additional Offer Shares in excess of their Open Offer Entitlement to the extent that other Qualifying Shareholders do not take up their Open Offer Entitlements in full. The Excess Application Facility enables Qualifying Shareholders to apply for Excess Shares in excess of their Open Offer Entitlements as at the Record Date.

Any Qualifying Shareholder who has sold or transferred all or part of his/her registered holding(s) of Ordinary Shares prior to the Ex-entitlement Date is advised to consult his or her stockbroker, bank or other agent through or to whom the sale or transfer was effected as soon as possible since the invitation to apply for Offer Shares under the Open Offer may be a benefit which may be claimed from him/her by the purchasers under the rules of the London Stock Exchange.

#### 1. The Open Offer

Subject to the terms and conditions set out below (and, in the case of Qualifying Non-CREST Shareholders, in the Application Form), Qualifying Shareholders are being given the opportunity under the Open Offer to subscribe for Offer Shares at the Offer Price *pro rata* to their holdings as at the Record Date, payable in full on application. The Offer Price represents the closing middle market price of 59 pence per Existing Ordinary Share on 22 October 2015 (being the last practicable date before publication of this document).

Qualifying Shareholders have basic entitlements of:

### **1 Offer Share for every 15 Existing Ordinary Shares**

registered in their name on the Record Date. Entitlements under the Open Offer will be rounded down to the nearest whole number of Offer Shares, with fractional entitlements being aggregated and made available under the Excess Application Facility.

Holdings of Existing Ordinary Shares in certificated and uncertificated form will be treated as separate holdings for the purpose of calculating entitlements under the Open Offer, as will holdings under different designations and in different accounts.

If you are a Qualifying Non-CREST Shareholder, the Application Form shows the number of Existing Ordinary Shares registered in your name on the Record Date (in Box 1) and your Open Offer Entitlement (in Box 2).

If you are a Qualifying CREST Shareholder, application will be made for your Open Offer Entitlement and Excess CREST Open Offer Entitlement to be credited to your CREST account. Open Offer Entitlements and Excess CREST Open Offer Entitlements are expected to be credited to CREST accounts on 26 October 2015. The Existing Ordinary Shares are already admitted to CREST. Accordingly, no further application for admission to CREST is required for the New Ordinary Shares. All such shares, when issued and fully paid, may be held and transferred by means of CREST.

Subject to availability, the Excess Application Facility will enable Qualifying Shareholders, provided they have taken up their Open Offer Entitlement in full, to apply for further Offer Shares in excess of their Open Offer Entitlement. Further details in relation to the Excess Application Facility are set out in Part 4 “Questions and Answers about the Open Offer” and, for Qualifying Non-CREST Shareholders, the Application Form. Qualifying CREST Shareholders will have their Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to their stock accounts in CREST and should refer to paragraph 3.2 of this Part 3 “Terms and Conditions of the Open Offer” for information on the relevant CREST procedures and further details on the Excess Application Facility. Qualifying CREST Shareholders can also refer to the CREST Manual for further information on the relevant CREST procedures.

If applications under the Excess Application Facility are received for more than the total number of Offer Shares available following take up of Open Offer Entitlements, such applications may be allocated in such manner as the Directors may determine in their absolute discretion and no assurance can be given that excess applications by Qualifying Shareholders will be met in full or in part or at all.

Please refer to paragraphs 3.1(f) and 3.2(k) of this Part 3 “Terms and Conditions of the Open Offer” for further details of the Excess Application Facility.

**Qualifying Shareholders should be aware that the Open Offer is not a rights issue. Qualifying Non-CREST Shareholders should also note that their respective Application Forms are not negotiable documents and cannot be traded. Qualifying CREST Shareholders should note that, although the Open Offer Entitlements and Excess CREST Open Offer Entitlements will be credited through CREST and be enabled for settlement, applications in respect of entitlements under the Open Offer may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim raised by Euroclear’s Claims Processing Unit. Offer Shares not applied for under the Open Offer will not be sold in the market for the benefit of those who do not apply under the Open Offer. Any Offer Shares which are not applied for by Qualifying Shareholders under the Open Offer will not be issued by the Company as the Open Offer is not underwritten.**

**The attention of Overseas Shareholders is drawn to paragraph 6 of this Part 3.**

The Offer Shares will when issued and fully paid, rank in full for all dividends and other distributions declared, made or paid after the date of this document and otherwise *pari passu* in all respects with the Existing Ordinary Shares. The Offer Shares are not being made available in whole or in part to the public except under the terms of the Open Offer.

### **2. Conditions and further terms of the Open Offer**

The Open Offer is conditional on the Firm Placing becoming or being declared unconditional in all respects and not being terminated before Admission. The principal conditions to the Firm Placing are:

- (a) the passing of all of the Resolutions at the General Meeting;
- (b) the Firm Placing and Open Offer Agreement having become or being declared unconditional in all respects and not having been terminated in accordance with its terms prior to Admission; and
- (c) admission of the Firm Placing Shares occurring not later than 8.00 a.m. on 12 November 2015 (or such later time and/or date as the Company and Cenkos Securities may agree being no later than 8.00 a.m. on 31 December 2015).

Accordingly, if these conditions are not satisfied or waived (where capable of waiver), the Open Offer will not proceed and any applications made by Qualifying Shareholders will be rejected. In such circumstances, application monies will be returned (in each case at the applicant's sole risk), without payment of interest, as soon as practicable thereafter. Any Open Offer Entitlements admitted to CREST will thereafter be disabled.

No temporary documents of title will be issued in respect of Offer Shares held in uncertificated form. Definitive certificates in respect of Offer Shares taken up are expected to be posted to those Qualifying Shareholders who have validly elected to hold their Offer Shares in certificated form by 17 November 2015.

In respect of those Qualifying Shareholders who have validly elected to hold their Offer Shares in uncertificated form, the Offer Shares are expected to be credited to their stock accounts maintained in CREST by 26 October 2015.

Applications will be made for the Offer Shares to be admitted to trading on AIM. Admission is expected to occur on 12 November 2015, when dealings in the Offer Shares are expected to begin.

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

### **3. Procedure for application and payment**

The action to be taken by you in respect of the Open Offer depends on whether, at the relevant time, you are sent an Application Form in respect of your Open Offer Entitlement under the Open Offer or your Open Offer Entitlement and Excess CREST Open Offer Entitlement is credited to your CREST stock account.

Qualifying Shareholders who hold all or part of their Existing Ordinary Shares in certificated form will receive the Application Form, enclosed with this document. The Application Form shows the number of Existing Ordinary Shares held at the Record Date. It will also show Qualifying Shareholders their Open Offer Entitlement that can be allotted in certificated form. Qualifying Shareholders who hold all their Existing Ordinary Shares in CREST will be allotted Offer Shares in CREST.

Qualifying Shareholders who hold part of their Existing Ordinary Shares in uncertificated form will be allotted Offer Shares in uncertificated form to the extent that their entitlement to Offer Shares arises as a result of holding Existing Ordinary Shares in uncertificated form. However, it will be possible for Qualifying Shareholders to deposit Open Offer Entitlements into, and withdraw them from, CREST. Further information on deposit and withdrawal from CREST is set out in paragraph 3.2(f) of this Part 3 "Terms and Conditions of the Open Offer".

CREST sponsored members should refer to their CREST sponsor, as only their CREST sponsor will be able to take the necessary action specified below to apply under the Open Offer in respect of the Open Offer Entitlements and Excess CREST Open Offer Entitlements of such members held in CREST. CREST members who wish to apply under the Open Offer in respect of their Open Offer Entitlements and Excess CREST Open Offer Entitlements in CREST should refer to the CREST Manual for further information on the CREST procedures referred to below.

**Qualifying Shareholders who do not want to apply for the Offer Shares under the Open Offer should take no action and should not complete or return the Application Form, or send a USE message through CREST.**

### 3.1 If you have an Application Form in respect of your Open Offer Entitlement under the Open Offer

#### (a) *General*

Subject to paragraph 6 of Part 3 “Terms and Conditions of the Open Offer” in relation to Overseas Shareholders, Qualifying Non-CREST Shareholders will receive an Application Form. The Application Form shows the number of Existing Ordinary Shares registered in their name on the Record Date in Box 1. It also shows the Open Offer Entitlement allocated to them set out in Box 2. Entitlements to Offer Shares are rounded down to the nearest whole number and any fractional entitlements to Offer Shares will be aggregated and made available under the Excess Application Facility. Box 3 shows how much they would need to pay if they wish to take up their Open Offer Entitlement in full. Qualifying Non-CREST Shareholders may apply for less than their entitlement should they wish to do so. Qualifying Non-CREST Shareholders may also hold such an Application Form by virtue of a *bona fide* market claim.

Under the Excess Application Facility, provided they have agreed to take up their Open Offer Entitlement in full, Qualifying Non-CREST Shareholders may apply for more than the amount of their Open Offer Entitlement should they wish to do so. The Excess Application Facility enables Qualifying Shareholders to apply for Excess Shares in excess of their Open Offer Entitlement as at the Record Date. The Excess Shares may be allocated in such manner as the Directors may determine in their absolute discretion and no assurance can be given that excess applications by Qualifying Shareholders will be met in full or in part or at all.

The instructions and other terms set out in the Application Form form part of the terms of the Open Offer in relation to Qualifying Non-CREST Shareholders.

#### (b) *bona fide market claims*

Applications to acquire Offer Shares may only be made on the Application Form and may only be made by the Qualifying Non-CREST Shareholder named in it or by a person entitled by virtue of a *bona fide* market claim in relation to a purchase of Existing Ordinary Shares through the market prior to the date upon which the Existing Ordinary Shares were marked “ex” the entitlement to participate in the Open Offer. Application Forms may not be sold, assigned, transferred or split, except to satisfy *bona fide* market claims up to 3.00 p.m. on 6 November 2015. The Application Form is not a negotiable document and cannot be separately traded. A Qualifying Non-CREST Shareholder who has sold or otherwise transferred all or part of his holding of Existing Ordinary Shares prior to the date upon which the Existing Ordinary Shares were marked “ex” the entitlement to participate in the Open Offer, should contact his broker or other professional adviser authorised under FSMA through whom the sale or purchase was effected as soon as possible, as the invitation to acquire Offer Shares under the Open Offer may be a benefit which may be claimed by the purchaser(s) or transferee(s).

Qualifying Non-CREST Shareholders who have sold all or part of their registered holding should, if the market claim is to be settled outside CREST, complete Box 8 on the Application Form and immediately send it to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. The Application Form should not, however be forwarded to or transmitted in or into any Restricted Jurisdiction. If the market claim is to be settled outside CREST, the beneficiary of the claim should follow the procedures set out in the accompanying Application Form. If the market claim is to be settled in CREST, the beneficiary of the claim should follow the procedure set out in paragraph 3.2 below.

#### (c) *Application procedures*

Qualifying Non-CREST Shareholders wishing to apply to acquire Offer Shares (whether in respect of all or part of their Open Offer Entitlement or in addition to their Open Offer Entitlement under the Excess Application Facility) should complete the Application Form in accordance with the instructions printed on it. Qualifying Non-CREST Shareholders may only apply for Excess Shares if they have agreed to take up their Open Offer Entitlements in full. The Excess Shares may be allocated in such manner as the Directors may determine in their absolute discretion and no assurance can be given that excess applications by Qualifying Shareholders will be met in full or in part or at all.

Completed Application Forms should be posted to Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, or returned by hand (during normal business hours only) so as to be received by Equiniti by no later than 11.00 a.m. on 10 November 2015. The Company reserves the right to treat any application not strictly complying with the terms and conditions of application as nevertheless valid. The Company further reserves the right (but shall not be obliged) to accept either Application Forms or remittances received after 11.00 a.m. on 10 November 2015. Qualifying Non-CREST Shareholders should note that applications, once made, will be irrevocable and receipt thereof will not be acknowledged. Multiple applications will not be accepted. If an Application Form is being sent by first-class post in the UK, Qualifying Non-CREST Shareholders are recommended to allow at least four Business Days for delivery.

The Company may in its sole discretion, but shall not be obliged to, treat an Application Form as valid and binding on the person by whom or on whose behalf it is lodged, even if not completed in accordance with the relevant instructions or not accompanied by a valid power of attorney where required, or if it otherwise does not strictly comply with the terms and conditions of the Open Offer. The Company further reserves the right (but shall not be obliged) to accept either:

- (i) Application Forms received after 11.00 a.m. on 10 November 2015; or
- (ii) applications in respect of which remittances are received before 11 a.m. on 10 November 2015 from authorised persons (as defined in FSMA) specifying the Offer Shares applied for and undertaking to lodge the Application Form in due course but, in any event, within two Business Days.

All documents and remittances sent by post by, to, from or on behalf of an applicant (or as the applicant may direct) will be sent entirely at the applicant's own risk.

(d) *Payments*

All payments must be in pounds sterling and made by cheque made payable to Equiniti Ltd Re: Science in Sport – Open Offer A/C and crossed "A/C Payee Only". Cheques or banker's drafts must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom or Channel Islands which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right-hand corner and must be for the full amount payable on application. Third-party cheques may not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has inserted details of the full name of the building society or bank account holder and has added the building society or bank branch stamp. The account name should be the same as that shown on the Application Form. Post-dated cheques will not be accepted.

Cheques will be presented for payment upon receipt. The Company reserves the right to instruct Equiniti to seek special clearance of cheques to allow the Company to obtain value for remittances at the earliest opportunity (and withhold definitive share certificates (or crediting to the relevant member account, as applicable) pending clearance thereof). No interest will be paid on payments made before they are due. It is a term of the Open Offer that cheques shall be honoured on first presentation and the Company may elect to treat as invalid acceptances in respect of which cheques are not so honoured. All documents and cheques sent through the post will be sent at the risk of the sender. Payments via CHAPS, BACS or electronic transfer will not be accepted. If the Open Offer does not become unconditional, no Offer Shares will be issued and all monies will be returned (at the applicant's sole risk), without payment of interest, to applicants as soon as practicable following the lapse of the Open Offer.

If Offer Shares have already been allotted to a Qualifying Non-CREST Shareholder and such Qualifying Non-CREST Shareholder's cheque is not honoured upon first presentation or such Qualifying Non-CREST Shareholder's application is subsequently otherwise deemed to be invalid, Equiniti shall be authorised (in its absolute discretion as to manner, timing and terms) to make arrangements, on behalf of the Company, for the sale of such Qualifying Non-CREST Shareholder's Offer Shares and for the proceeds of sale (which for these purposes shall be deemed to be payments in respect of successful applications) to be paid to and

retained by the Company. None of Equiniti, Cenkos Securities or the Company nor any other person shall be responsible for, or have any liability for, any loss, expense or damage suffered by such Qualifying Non-CREST Shareholders.

(e) *Incorrect Sums*

If an Application Form encloses a payment for an incorrect sum, the Company through Equiniti Limited reserves the right:

- (i) to reject the application in full and return the cheque or refund the payment to the Qualifying non-CREST Shareholder in question; or
- (ii) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of Offer Shares as would be able to be applied for with that payment at the Offer Price, refunding any unutilised sum to the Qualifying non-CREST Shareholder in question, save that any sums of less than £1 will be retained for the benefit of the Company; or
- (iii) in the case that an excess sum is paid, to treat the application as a valid application for all of the Offer Shares referred to in the Application Form, refunding any unutilised sums to the Qualifying non-CREST Shareholder in question, save that any sums of less than £1 will be retained for the benefit of the Company.

All monies received by Equiniti in respect of Offer Shares will be held in a separate clients account.

(f) *The Excess Application Facility*

Provided they choose to take up their Open Offer Entitlement in full, the Excess Application Facility enables a Qualifying Non-CREST Shareholder to apply for Excess Shares. Qualifying Non-CREST Shareholders wishing to apply for Excess Shares may do so by completing Box 5 of the Application Form.

If applications under the Excess Application Facility are received for more than the total number of Offer Shares available following take up of Open Offer Entitlements, the Excess Shares may be allocated in such manner as the Directors may determine in their absolute discretion and no assurance can be given that excess applications by Qualifying Shareholders will be met in full or in part or at all. Qualifying Non-CREST Shareholders who wish to apply for Excess Shares must complete the Application Form in accordance with the instructions set out on the Application Form.

Should the Open Offer become unconditional and applications for Offer Shares exceed 1,704,570 Offer Shares, resulting in a scale back of applications, each Qualifying Non-CREST Shareholder who has made a valid application for Excess Shares and from whom payment in full for the Excess Shares has been received will receive a pounds sterling amount equal to the number of Excess Shares applied and paid for but not allocated to the relevant Qualifying Non-CREST Shareholder multiplied by the Offer Price. Monies will be returned as soon as reasonably practicable thereafter, without payment of interest and at the applicant's sole risk.

(g) *Effect of application*

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

- (i) represents and warrants to the Company and Cenkos Securities that he has the right, power and authority, and has taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise his rights, and perform his obligations under any contracts resulting therefrom and that he is not a person otherwise prevented by legal or regulatory restrictions from applying for Offer Shares or acting on behalf of any such person on a non-discretionary basis;
- (ii) agrees with the Company and Cenkos Securities that all applications under the Open Offer and contracts resulting therefrom, and any non-contractual obligations related thereto, shall be governed by and construed in accordance with the laws of England;
- (iii) confirms to the Company and Cenkos Securities that in making the application he is not relying on any information or representation in relation to the Company other than that contained in this document, and the applicant accordingly agrees that no person responsible solely or jointly for this document or any part thereof, or involved in the

preparation thereof, shall have any liability for any such information or representation not so contained and further agrees that, having had the opportunity to read this document, he will be deemed to have had notice of all information in relation to the Company contained in this document (including information incorporated by reference);

- (iv) represents and warrants to the Company and Cenkos Securities that he is the Qualifying Shareholder originally entitled to the Open Offer Entitlement;
- (v) represents and warrants to the Company and Cenkos Securities that if he has received some or all of his Open Offer Entitlement from a person other than the Company he is entitled to apply under the Open Offer in relation to such Open Offer Entitlements by virtue of a *bona fide* market claim;
- (vi) requests that the Offer Shares to which he will become entitled shall be issued to him on the terms set out in this document and the Application Form;
- (vii) represents and warrants to the Company and Cenkos Securities that he is not, nor is he applying on behalf of any person who is, in the United States or is a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws, of the United States of America or any other Restricted Jurisdiction and he is not applying with a view to re-offering, re-selling, transferring or delivering any of the Offer Shares which are the subject of his application a person who is in the limited States or is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of the United States of America or any other Restricted Jurisdiction, nor acting on behalf of any such person on a non-discretionary basis nor any person otherwise prevented by legal or regulatory restrictions from applying for Offer Shares under the Open Offer;
- (viii) represents and warrants to the Company and Cenkos Securities that he is not, and nor is he applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in sections 67, 70, 93 or 96 (depository receipts and clearance services) of the Finance Act 1986; and
- (ix) confirms that in making the application he is not relying and has not relied on the Company or Cenkos Securities or any person affiliated with the Company or Cenkos Securities in connection with any investigation of the accuracy of any information contained in this document or his investment decision.

All enquiries in connection with the procedure for application and completion of the Application Form should be addressed to Equiniti Limited on 0371 384 2858 or +44 121 415 0918 (if calling from outside the UK). Lines are open from between 8.30 a.m. to 5.30 p.m. (UK time) Monday to Friday (excluding English and Welsh public holidays). Calls to the helpline from outside the UK will be charged at the applicable international rate. Please note that calls may be recorded and randomly monitored for security and training purposes. Please note that Equiniti Limited cannot provide advice on the merits of the Proposals nor give financial, tax, investment or legal advice.

(h) *Proxy*

Qualifying Non-CREST Shareholders who do not want to take up or apply for the Open Offer Shares under the Open Offer should take no action and should not complete or return the Application Form. However, you are encouraged to vote at the General Meeting by completing and returning the enclosed Form of Proxy.

A Qualifying Non-CREST Shareholder who is also a CREST member may elect to receive the Offer Shares to which he is entitled in uncertificated form in CREST. Please see paragraph 3.2(f) below for more information.

**3.2 If you have an Open Offer Entitlement and an Excess CREST Open Offer Entitlement credited to your stock account in CREST in respect of your entitlement under the Open Offer**

(a) *General*

Subject to paragraph 6 of Part 3 “Terms and Conditions of the Open Offer” in relation to certain Overseas Shareholders, each Qualifying CREST Shareholder will receive a credit to his stock account in CREST of his Open Offer Entitlement equal to the maximum number of

Offer Shares for which he is entitled to apply under the Open Offer plus the number of Excess Shares for which he is entitled to apply under the Excess CREST Open Offer Entitlement. Entitlements to Offer Shares will be rounded down to the nearest whole number and any Open Offer Entitlements have therefore also been rounded down. Any fractional entitlements to Open Offer Shares arising will be aggregated and made available under the Excess Application Facility.

The CREST stock account to be credited will be an account under the participant ID and member account ID that apply to the Existing Ordinary Shares held on the Record Date by the Qualifying CREST Shareholder in respect of which the relevant Offer Entitlement and Excess CREST Open Offer Entitlement have been allocated.

If for any reason Open Offer Entitlements and/or the Excess CREST Open Offer Entitlements cannot be admitted to CREST by, or the stock accounts of Qualifying CREST Shareholders cannot be credited by, 5.00 p.m. on 26 October 2015, or such later time and/or date as the Company may decide, an Application Form will be sent to each Qualifying CREST Shareholder in substitution for the Open Offer Entitlement and Excess CREST Open Offer Entitlement which should have been credited to his stock account in CREST. In these circumstances the expected timetable as set out in this document will be adjusted as appropriate and the provisions of this document applicable to Qualifying Non-CREST Shareholders with Application Forms will apply to Qualifying CREST Shareholders who receive an Application Form.

CREST members who wish to apply to acquire some or all of their entitlements to Open Offer Shares and their Excess CREST Open Offer Entitlements should refer to the CREST Manual for further information on the CREST procedures referred to below. If you have any questions relating to the completion and return of your Application Form, please contact Equiniti Limited on 0371 384 2858 or +44 121 415 0918 (if calling from outside the UK). Lines are open from between 8.30 a.m. to 5.30 p.m. (UK time) Monday to Friday (excluding English and Welsh public holidays). Calls to the helpline from outside the UK will be charged at the applicable international rate. Please note that calls may be recorded and randomly monitored for security and training purposes. Please note that Equiniti Limited cannot provide advice on the merits of the Proposals nor give financial, tax, investment or legal advice. If you are a CREST sponsored member you should consult your CREST sponsor if you wish to apply for Offer Shares as only your CREST sponsor will be able to take the necessary action to make this application in CREST.

(b) *Market claims*

Each of the Open Offer Entitlements and Excess CREST Open Offer Entitlements will constitute a separate security for the purposes of CREST. Although Open Offer Entitlements and Excess CREST Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of Open Offer Entitlements and Excess CREST Open Offer Entitlements may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim transaction. Transactions identified by the CREST Claims Processing Unit as “cum” the Open Offer Entitlements and Excess CREST Open Offer Entitlements will generate appropriate market claim transactions and the relevant Open Offer Entitlements and Excess CREST Open Offer Entitlements will thereafter be transferred accordingly.

(c) *Unmatched Stock Event (“USE”) instructions*

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

- (i) the crediting of a stock account of Equiniti under the participant ID and member account ID specified below, with a number of Open Offer Entitlements or Excess CREST Open Offer Entitlements corresponding to the number of Open Offer Shares applied for; and
- (ii) the creation of a CREST payment, in accordance with the CREST payment arrangements in favour of the payment bank of Equiniti in respect of the amount specified in the USE instruction which must be the full amount payable on application for the number of Offer Shares referred to in paragraph 3.2(c)(i) above.



(d) *Content of USE instruction in respect of Open Offer Entitlements*

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

- (i) the number of Offer Shares for which application is being made (and hence the number of the Open Offer Entitlements being delivered to Equiniti);
- (ii) the ISIN of the Open Offer Entitlements. This is GB00BYZB8H88;
- (iii) the CREST participant ID of the accepting CREST member;
- (iv) the CREST member account ID of the accepting CREST member from which the Open Offer Entitlements are to be debited;
- (v) the participant ID of Equiniti in its capacity as a CREST receiving agent. This is 2RA07;
- (vi) the member account ID of Equiniti in its capacity as a CREST receiving agent. This is RA215801;
- (vii) the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of New Ordinary Shares referred to in (i) above;
- (viii) the intended settlement date. This must be on or before 11.00 a.m. on 10 November 2015; and
- (ix) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for an application under the Open Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 10 November 2015. In order to assist prompt settlement of the USE instruction, CREST members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE instruction:

- (i) a contact name and telephone number (in the free format shared note field); and
- (ii) a priority of at least 80.

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE instruction may settle on 10 November 2015 in order to be valid is 11.00 a.m. on that day. In the event that the Firm Placing and Open Offer do not become unconditional by 8.00 a.m. on 12 November 2015 (or such later time and date as the Company and Cenkos Securities determine being no later than 8.00 a.m. on 31 December 2015), the Open Offer will lapse, the Open Offer Entitlements admitted to CREST will be disabled and Equiniti will refund the amounts paid by Qualifying CREST Shareholders by way of a CREST payment, without interest, as soon as practicable thereafter.

(e) *Content of USE instruction in respect of Excess CREST Open Offer Entitlements*

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

- (i) the number of Excess Shares for which application is being made (and hence being delivered to Equiniti);
- (ii) the ISIN of the Excess CREST Open Offer Entitlement. This is GB00BYZB8J03;
- (iii) the CREST participant ID of the accepting CREST member;
- (iv) the CREST member account ID of the accepting CREST member from which the Excess CREST Open Offer Entitlements are to be debited;
- (v) the participant ID of Equiniti its capacity as a CREST receiving agent. This is 2RA16;
- (vi) the member account ID of Equiniti in its capacity as a CREST receiving agent. This is RA215802;
- (vii) the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of Open Offer Shares referred to in (i) above;

- (viii) the intended settlement date. This must be on or before 11.00 a.m. on 10 November 2015; and
- (ix) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for an application in respect of an Excess CREST Open Offer Entitlement under the Open Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 10 November 2015.

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

- (i) a contract name and telephone number (in the free format shared note field); and
- (ii) a priority of at least 80.

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE instruction may settle on 10 November 2015 in order to be valid is 11.00 a.m. on that day.

In the event that the Firm Placing and Open Offer do not become unconditional by 8.00 a.m. on 12 November 2015 (or such later time and date as the Company and Cenkos Securities determine being no later than 8.00 a.m. on 31 December 2015), the Open Offer will lapse, the Open Offer Entitlements admitted to CREST will be disabled and Equiniti will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter.

(f) *Deposit of Open Offer Entitlements into, and withdrawal from, CREST*

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

A holder of an Application Form who is proposing to deposit the entitlement set out in such form into CREST is recommended to ensure that the deposit procedures are implemented in sufficient time to enable the person holding or acquiring the Open Offer Entitlements and the entitlement to apply under the Excess Application Facility following their deposit into CREST to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 10 November 2015. After depositing their Open Offer Entitlement into their CREST account, CREST holders will shortly thereafter receive a credit for their Excess CREST Open Offer Entitlement, which will be managed by Equiniti.

In particular, having regard to normal processing times in CREST and on the part of Equiniti, the recommended latest time for depositing an Application Form with the CREST Courier and Sorting Service, where the person entitled wishes to hold the entitlement under the Open Offer set out in such Application Form as Open Offer Entitlements and Excess CREST Open Offer Entitlements in CREST, is 3.00 p.m. on 5 November 2015 and the recommended latest time for receipt by Euroclear of a dematerialised instruction requesting withdrawal of Open Offer Entitlements and Excess CREST Open Offer Entitlements from CREST is 4.30 p.m. on 4 November 2015 in either case so as to enable the person acquiring or (as appropriate) holding the Open Offer Entitlements and the entitlement to apply under the Excess Application Facility following the deposit or withdrawal (whether as shown in an Application Form or held in CREST) to take all necessary steps in connection with applying in respect of the Open Offer Entitlements and the entitlement to apply under the Excess Application Facility, as the case may be, prior to 11.00 a.m. on 10 November 2015.

Delivery of an Application Form with the CREST deposit form duly completed whether in respect of a deposit into the account of the Qualifying Shareholder named in the Application Form or into the name of another person, shall constitute a representation and warranty to the Company and Equiniti by the relevant CREST member(s) that it/they is/are not in breach of the provisions of the notes under the paragraph headed "Instructions for depositing entitlements under the Open Offer into CREST" on page 2 of the Application Form, and a declaration to the Company and Equiniti from the relevant CREST member(s) that it/they is/are not in the United States or citizen(s) or resident(s) of any Restricted Jurisdiction and, where such deposit is made by a beneficiary of a market claim, a representation and warranty that the relevant CREST member(s) is/are entitled to apply under the Open Offer by virtue of a *bona fide* market claim.

(g) *Validity of application*

A USE instruction complying with the requirements as to authentication and contents set out above which settles by no later than 11.00 a.m. on 10 November 2015 will constitute a valid application under the Open Offer.

(h) *CREST procedures and timings*

CREST members and (where applicable) their CREST sponsors should note that Euroclear does not make available special procedures in CREST for any particular corporate action. Normal system timings and limitations will therefore apply in relation to the input of a USE instruction and its settlement in connection with the Open Offer. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST sponsored member, to procure that his CREST sponsor takes) such action as shall be necessary to ensure that a valid application is made as stated above by 11.00 a.m. on 10 November 2015. In this connection CREST members and (where applicable) their CREST sponsors are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

(i) *Proxy*

If a Qualifying CREST Shareholder does not wish to apply for the Open Offer Shares under the Open Offer, they should take no action. They are however, encouraged to vote at the General Meeting.

(j) *Incorrect or incomplete applications*

If a USE instruction includes a CREST payment for an incorrect sum, the Company, through Equiniti, reserves the right: (i) to reject the application in full and refund the payment to the CREST member in question (without interest); (ii) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of Offer Shares as would be able to be applied for with that payment at the Offer Price, refunding any unutilised sum to the CREST member in question (without interest); and (iii) in the case that an excess sum is paid, to treat the application as a valid application for all the Offer Shares referred to in the USE instruction, refunding any unutilised sum to the CREST member in question (without interest).

(k) *The Excess Application Facility*

The Excess Application Facility enables Qualifying CREST Shareholders, who have taken up their Open Offer Entitlement in full, to apply for Excess Shares in excess of their Open Offer Entitlement as at the Record Date. If applications under the Excess Application Facility are received for more than the total number of Offer Shares available following take up of Open Offer Entitlements, the Excess Shares may be allocated in such manner as the Directors may determine in their absolute discretion and no assurance can be given that excess applications by Qualifying Shareholders will be met in full or in part or at all. Excess CREST Open Offer Entitlements may not be sold or otherwise transferred. Subject as provided in paragraph 6 of this Part 3 in relation to Overseas Shareholders, the CREST accounts of Qualifying CREST Shareholders will be credited with Excess CREST Open Offer Entitlements to enable applications for Excess Shares to be settled through CREST. Qualifying CREST Shareholders should note that, although the Open Offer Entitlement and the Excess CREST Open Offer Entitlements will be admitted to CREST, they will have limited settlement capabilities. Neither

the Open Offer Entitlement nor the Excess CREST Open Offer Entitlements will be tradable or listed and applications in respect of the Open Offer may only be made by the Qualifying Shareholders originally entitled or by a person entitled by virtue of a *bona fide* market claim.

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

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

Should the Open Offer become unconditional and applications for Open Offer Shares by Qualifying Shareholders under the Open Offer exceed 1,704,570 Offer Shares, resulting in a scale back of applications under the Excess Application Facility, each Qualifying CREST Shareholder who has made a valid application pursuant to his Excess CREST Open Offer Entitlement and from whom payment in full for the excess Offer Shares has been received, will receive a pounds sterling amount equal to the number of Offer Shares validly applied and paid for but which are not allocated to the relevant Qualifying CREST Shareholder multiplied by the Offer Price. Monies will be returned as soon as reasonably practicable following the completion of the scale back, without payment of interest and at the applicant’s sole risk by way of cheque or CREST payment, as appropriate. Fractions of Offer Shares will be aggregated and made available under the Excess Application Facility.

All enquiries in connection with the procedure for applications under the Excess Application Facility and your Excess CREST Open Offer Entitlement should be addressed to Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA or on 0371 384 2858 or +44 121 415 0918 (if calling from outside the UK). Lines are open from between 8.30 a.m. to 5.30 p.m. (UK time) Monday to Friday (excluding English and Welsh public holidays). Calls to the helpline from outside the UK will be charged at the applicable international rate. Please note that calls may be recorded and randomly monitored for security and training purposes. Please note that Equiniti Limited cannot provide advice on the merits of the Proposals nor give financial, tax, investment or legal advice.

(l) *Effect of valid application*

A CREST member who makes or is treated as making a valid application for some or all of his *pro rata* entitlement to the Open Offer Shares in accordance with the above procedures thereby:

- (i) represents and warrants to the Company and Cenkos Securities that he has the right, power and authority, and has taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise his rights, and perform his obligations, under any contracts resulting therefrom and that he is not a person otherwise prevented by legal or regulatory restrictions from applying for Offer Shares or acting on behalf of any such person on a non-discretionary basis;
- (ii) agrees to pay the amount payable on application in accordance with the above procedures by means of a CREST payment in accordance with the CREST payment arrangements (it being acknowledged that the payment to Equiniti’s payment bank in accordance with the CREST payment arrangements shall, to the extent of the payment, discharge in full the obligation of the CREST member to pay to the Company the amount payable on application);
- (iii) agrees with the Company and Cenkos Securities that all applications under the Open Offer and contracts resulting therefrom, and non-contractual obligations related thereto, under the Open Offer shall be governed by, and construed in accordance with, the laws of England;

- (iv) confirms to the Company and Cenkos Securities that in making the application he is not relying on any information or representation in relation to the Company other than that contained in this document, and the applicant accordingly agrees that no person responsible solely or jointly for this document or any part thereof, or involved in the preparation thereof, shall have any liability for any such information or representation not so contained and further agrees that, having had the opportunity to read this document, he will be deemed to have had notice of all the information in relation to the Company contained in this document (including information incorporated by reference);
  - (v) represents and warrants that he is the Qualifying Shareholder originally entitled to the Open Offer Entitlements;
  - (vi) represents and warrants to the Company and Cenkos Securities that if he has received some or all of his Open Offer Entitlements from a person other than the Company, he is entitled to apply under the Open Offer in relation to such Open Offer Entitlements by virtue of a *bona fide* market claim;
  - (vii) requests that the New Ordinary Shares to which he will become entitled be issued to him on the terms set out in this document, subject to the memorandum of association and articles of association of the Company from time to time;
  - (viii) represents and warrants to the Company and Cenkos Securities that he is not, nor is he applying on behalf of any Shareholder who is, in the United States or is a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws, of any other Restricted Jurisdiction and he is not applying with a view to re-offering, re-selling, transferring or delivering any of the Offer Shares which are the subject of his application in the United States or to, or for the benefit of, a person who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of any Restricted Jurisdiction (except where proof satisfactory to the Company has been provided to the Company that he is able to accept the invitation by the Company free of any requirement which it (in its absolute discretion) regards as unduly burdensome), nor acting on behalf of any such person on a non-discretionary basis nor any person otherwise prevented by legal or regulatory restrictions from applying for Offer Shares under the Open Offer;
  - (ix) represents and warrants that he is not, and nor is he applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in sections 67, 70, 93 or 96 (depository receipts and clearance services) of the Finance Act 1986; and
  - (x) confirms that in making the application he is not relying and has not relied on Cenkos Securities or any person affiliated with the Company or Cenkos Securities in connection with any investigation of the accuracy of any information contained in this document or his investment decision.
- (m) *Company's discretion as to the rejection and validity of applications*  
The Company may in its sole discretion:
- (i) treat as valid (and binding on the CREST member concerned) an application which does not comply in all respects with the requirements as to validity set out or referred to in this Part 3 "Terms and Conditions of the Open Offer";
  - (ii) accept an alternative properly authenticated dematerialised instruction from a CREST member or (where applicable) a CREST sponsor as constituting a valid application in substitution for or in addition to a USE instruction and subject to such further terms and conditions as the Company may determine;
  - (iii) treat a properly authenticated dematerialised instruction (in this sub-paragraph the "first instruction") as not constituting a valid application if, at the time at which Equiniti receives a properly authenticated dematerialised instruction giving details of the first instruction or thereafter, either the Company or Equiniti has received actual notice from Euroclear of any of the matters specified in Regulation 35(5)(a) of the CREST Regulations in relation to the first instruction. These matters include notice that any information contained in the first instruction was incorrect or notice of lack of authority to send the first instruction; and

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

(n) *Lapse of the Open Offer*

In the event that the Open Offer does not become unconditional by 8.00 a.m. on 12 November 2015 or such later time and date as the Company and Cenkos Securities may agree (being no later than 8.00 a.m. on 31 December 2015), the Open Offer will lapse, the Open Offer Entitlements admitted to CREST will be disabled and Equiniti will refund the amount paid by Qualifying CREST Shareholders by way of a CREST payments, without interest, as soon as practicable thereafter.

#### **4. Money Laundering Regulations**

##### **4.1 Holders of Application Forms**

To ensure compliance with the Money Laundering Regulations, Equiniti may require, at its absolute discretion, verification of the identity of the person by whom or on whose behalf the Application Form is lodged with payment (which requirements are referred to below as the “verification of identity requirements”). If the Application Form is submitted by a UK regulated broker or intermediary acting as agent and which is itself subject to the Money Laundering Regulations, any verification of identity requirements are the responsibility of such broker or intermediary and not of Equiniti. In such case, the lodging agent’s stamp should be inserted on the Application Form.

The person lodging the Application Form with payment and in accordance with the other terms as described above (the “acceptor”), including any person who appears to Equiniti to be acting on behalf of some other person, accepts the Open Offer in respect of such number of Offer Shares as is referred to therein (for the purposes of this paragraph 4 the “relevant Offer Shares”) and shall thereby be deemed to agree to provide Equiniti with such information and other evidence as they may require to satisfy the verification of identity requirements.

If Equiniti determines that the verification of identity requirements apply to any acceptor or application, the relevant Offer Shares (notwithstanding any other term of the Open Offer) will not be issued to the relevant acceptor unless and until the verification of identity requirements have been satisfied in respect of that acceptor or application. Equiniti is entitled, in its absolute discretion, to determine whether the verification of identity requirements apply to any acceptor or application and whether such requirements have been satisfied, and neither Equiniti nor the Company will be liable to any person for any loss or damage suffered or incurred (or alleged), directly or indirectly, as a result of the exercise of such discretion.

If the verification of identity requirements apply, failure to provide the necessary evidence of identity within a reasonable time may result in delays in the despatch of share certificates or in crediting CREST accounts. If, within a reasonable time following a request for verification of identity, Equiniti has not received evidence satisfactory to it as aforesaid, the Company may, in its absolute discretion, treat the relevant application as invalid, in which event the monies payable on acceptance of the Open Offer will be returned (at the acceptor’s risk) without interest to the account of the bank or building society on which the relevant cheque was drawn.

Submission of an Application Form with the appropriate remittance will constitute a warranty to each of the Company, Equiniti and Cenkos Securities from the applicant that the Money Laundering Regulations will not be breached by application of such remittance.

The verification of identity requirements will not usually apply:

- (i) if the applicant is an organisation required to comply with the Money Laundering Directive (the Council Directive on prevention of the use of the financial system for the purpose of money laundering (no.91/308/EEC));
- (ii) if the acceptor is a regulated United Kingdom broker or intermediary acting as agent and is itself subject to the Money Laundering Regulations;
- (iii) if the applicant (not being an applicant who delivers his application in person) makes payment by way of a cheque drawn on an account in the applicant's name; or
- (iv) if the aggregate subscription price for the Offer Shares is less than €15,000 (approximately £11,000).

In other cases the verification of identity requirements may apply. Satisfaction of these requirements may be facilitated in the following ways:

- (a) if payment is made by cheque in sterling drawn on a branch in the United Kingdom of a bank or building society which bears a UK bank sort code number in the top right hand corner the following applies. Cheques, should be made payable to Equiniti Ltd Re: Science in Sport – Open Offer A/C in respect of an application by a Qualifying Shareholder and crossed "A/C Payee Only". Third-party cheques may not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has inserted details of the full name of the building society or bank account holder and has added the building society or bank branch stamp. The account name should be the same as that shown on the Application Form; or
- (b) if the Application Form is lodged with payment by an agent which is an organisation of the kind referred to in (i) above or which is subject to anti-money laundering regulation in a country which is a member of the Financial Action Task Force, the agent should provide with the Application Form written confirmation that it has that status and a written assurance that it has obtained and recorded evidence of the identity of the person for whom it acts and that it will on demand make such evidence available to Equiniti. If the agent is not such an organisation, it should contact Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA.

To confirm the acceptability of any written assurance referred to in (b) above, or in any other case, the acceptor should contact Equiniti Limited on 0371 384 2858 or +44 121 415 0918 (if calling from outside the UK). Lines are open from between 8.30 a.m. to 5.30 p.m. (UK time) Monday to Friday (excluding English and Welsh public holidays). Calls to the helpline from outside the UK will be charged at the applicable international rate. Please note that calls may be recorded and randomly monitored for security and training purposes. Please note that Equiniti Limited cannot provide advice on the merits of the Proposals nor give financial, tax, investment or legal advice.

If an Application Form is in respect of Offer Shares with an aggregate subscription price of £11,000 or more and is lodged by hand by the acceptor in person, or if the Application Forms in respect of Offer Shares is lodged by hand by the acceptor and the accompanying payment is not the acceptor's own cheque, he or she should ensure that he or she has with him or her evidence of identity bearing his or her photograph (for example, his or her passport) and separate evidence of his or her address.

If, within a reasonable period of time following a request for verification of identity, and in any case by no later than 11.00 a.m. on 10 November 2015, Equiniti has not received evidence satisfactory to it as aforesaid, Equiniti may, at its discretion, as agent of the Company, reject the relevant application, in which event the monies submitted in respect of that application will be returned without interest to the account at the payee bank from which such monies were originally debited (without prejudice to the rights of the Company to undertake proceedings to recover monies in respect of the loss suffered by it as a result of the failure to produce satisfactory evidence as aforesaid).

#### **4.2 Open Offer Entitlements in CREST**

If you hold your Open Offer Entitlement and Excess CREST Open Offer Entitlement in CREST and apply for Offer Shares in respect of some or all of your Open Offer Entitlement Excess CREST Open Offer Entitlement as agent for one or more persons and you are not a UK or EU regulated person or institution (e.g. a UK financial institution), then, irrespective of

the value of the application, Equiniti is obliged to take reasonable measures to establish the identity of the person or persons on whose behalf you are making the application. You must therefore contact Equiniti before sending any USE instruction or other instruction so that appropriate measures may be taken.

Submission of a USE instruction which on its settlement constitutes a valid application as described above constitutes a warranty and undertaking by the applicant to provide promptly to Equiniti such information as may be specified by Equiniti as being required for the purposes of the Money Laundering Regulations. Pending the provision of evidence satisfactory to Equiniti as to identity, who may in its absolute discretion take, or omit to take, such action as it may determine to prevent or delay issue of the Offer Shares concerned. If satisfactory evidence of identity has not been provided within a reasonable time, then the application for the Offer Shares represented by the USE instruction will not be valid. This is without prejudice to the right of the Company to take proceedings to recover any loss suffered by it as a result of failure to provide satisfactory evidence.

## **5. Admission, settlement and dealings**

The result of the Open Offer is expected to be announced on 11 November 2015. Applications will be made to the London Stock Exchange for the Offer Shares to be admitted to trading on AIM. Subject to the Firm Placing and Open Offer becoming unconditional in all respects (save only as to admission), it is expected that Admission will become effective and that dealings in the Offer Shares, fully paid, will commence at 8.00 a.m. on 12 November 2015.

The Existing Ordinary Shares are already admitted to CREST. No further application for admission to CREST is accordingly required for the New Ordinary Shares. All such shares, when issued and fully paid, may be held and transferred by means of CREST.

Open Offer Entitlements and Excess CREST Open Offer Entitlements held in CREST are expected to be disabled in all respects after 11.00 a.m. on 10 November 2015 (the latest date for applications under the Open Offer). If the condition(s) to the Open Offer described above are satisfied, New Ordinary Shares will be issued in uncertificated form to those persons who submitted a valid application for New Ordinary Shares by utilising the CREST application procedures and whose applications have been accepted by the Company.

On 12 November 2015, Equiniti will instruct Euroclear to credit the appropriate stock accounts of such persons with such persons' entitlements to Offer Shares with effect from Admission. The stock accounts to be credited will be accounts under the same CREST participant IDs and CREST member account IDs in respect of which the USE instruction was given. Notwithstanding any other provision of this document, the Company reserves the right to send Qualifying CREST Shareholders an Application Form instead of crediting the relevant stock account with Open Offer Entitlements and Excess CREST Open Offer Entitlements, and to allot and/or issue any Offer Shares in certificated form. In normal circumstances, this right is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or of any part of CREST) or on the part of the facilities and/or systems operated by Equiniti in connection with CREST.

No temporary documents of title will be issued and, transfers will be certified against the UK share register of the Company. All documents or remittances sent by, to, from or on behalf of applicants, or as they may direct, will (in the latter case) be sent through the post and will (in both cases) be at the risk of the applicant. For more information as to the procedure for application, Qualifying Non-CREST Shareholders are referred to paragraph 3.1 above and their respective Application Form.

## **6. Overseas Shareholders**

The comments set out in this paragraph 6 are intended as a general guide only and any Overseas Shareholders who are in any doubt as to their position should consult their professional advisers without delay.

### **6.1 General**

**The distribution of this document and the making or acceptance of the Open Offer to or by persons who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, or which are corporations, partnerships or other entities created or organised under the laws of countries other than the United Kingdom or to persons who are nominees of or custodians, trustees or guardians for citizens,**



**residents in or nationals of, countries other than the United Kingdom, may be affected by the laws or regulatory requirements of the relevant jurisdictions. It is the responsibility of those persons to consult their professional advisers as to whether they require any governmental or other consents or need to observe any applicable legal requirements or other formalities to enable them to apply for Offer Shares under the Open Offer.**

No action has been or will be taken by the Company, Cenkos Securities, or any other person, to permit a public offering or distribution of this document (or any other offering or publicity materials or application forms relating to the Offer Shares) in any jurisdiction where action for that purpose may be required, other than in the United Kingdom. Receipt of this document and/or an Application Form and/or a credit of an Open Offer Entitlement or an Excess CREST Open Offer Entitlement to a stock account in CREST will not constitute an invitation or offer of securities for subscription, sale or purchase in any jurisdictions in which it would be illegal to make such an invitation or offer and, in those circumstances, this document and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.

Application Forms will not be sent to, and Open Offer Entitlements and Excess CREST Open Offer Entitlements will not be credited to stock accounts in CREST of, persons with registered addresses in the United States or any other Restricted Jurisdiction or their agent or intermediary, except where the Company is satisfied that such action would not result in the contravention of any registration or other legal requirement in any jurisdiction.

No person receiving a copy of this document and/or an Application Form and/or a credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST in any territory other than the United Kingdom may treat the same as constituting an invitation or offer to him or her, nor should he or she in any event use any such Application Form and/or credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST unless, in the relevant territory, such an invitation or offer could lawfully be made to him or her and such Application Form and/or credit of Open Offer Entitlements and/or Excess CREST Open Offer Entitlements to a stock account in CREST could lawfully be used, and any transaction resulting from such use could be effected, without contravention of any applicable registration or other legal or regulatory requirements. In circumstances where an invitation or offer would contravene any registration or other legal or regulatory requirements, this document and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.

It is the responsibility of any person (including, without limitation, custodians, agents, nominees and trustees) outside the United Kingdom wishing to apply for Offer Shares under the Open Offer to satisfy themselves as to the full observance of the laws of any relevant territory in connection therewith, including obtaining any governmental or other consents that may be required, observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes due in such territory.

None of the Company, Cenkos Securities, nor any of their respective representatives, is making any representation to any offeree or purchaser of the Offer Shares regarding the legality of an investment in the Offer Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser.

Persons (including, without limitation, custodians, agents, nominees and trustees) receiving a copy of this document and/or an Application Form and/or a credit of Open Offer Entitlements and/or Excess CREST Open Offer Entitlements to a stock account in CREST, in connection with the Open Offer or otherwise, should not distribute or send either of those documents nor transfer any Open Offer Entitlements or any Excess CREST Open Offer Entitlements in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If a copy of this document and/or an Application Form and/or a credit of Open Offer Entitlements and/or Excess CREST Open Offer Entitlements to a stock account in CREST is received by any person in any such territory, or by his or her custodian, agent, nominee or trustee, he or she must not seek to apply for Offer Shares in respect of the Open Offer unless the Company and Cenkos Securities determine that such action would not violate applicable legal or regulatory requirements. Any person (including, without limitation, custodians, agents, nominees and trustees) who does forward a copy of this document and/or

an Application Form and/or transfers Open Offer Entitlements and/or Excess CREST Open Offer Entitlements into any such territory, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this Part 3 “Terms and Conditions of the Open Offer” and specifically the contents of this paragraph 6.

The Company reserves the right to treat as invalid any application or purported application for Open Offer Shares that appears to the Company or its agents to have been executed, effected or dispatched from the United States or any other Restricted Jurisdiction or in a manner that may involve a breach of the laws or regulations of any other jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements or if it provides an address for delivery of the share certificates of Offer Shares or in the case of a credit of Open Offer Entitlements or Excess CREST. Open Offer Entitlements to a stock account in CREST, to a CREST member whose registered address would be, in the United States or Restricted Jurisdiction or any other jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates or make such a credit.

Notwithstanding any other provision of this document or the relevant Application Form, the Company and Cenkos Securities reserve the right to permit any person to apply for Offer Shares in respect of the Open Offer if the Company, in its sole and absolute discretion, is satisfied that the transaction in question is exempt from, or not subject to, the legislation or regulations giving rise to the restrictions in question.

Overseas Shareholders who wish, and are permitted, to apply for Offer Shares should note that payment must be made in sterling denominated cheques or where such Overseas Shareholder is a Qualifying CREST Shareholder, through CREST. Due to restrictions under the securities laws of the United States and the other Restricted Jurisdictions, and subject to certain exceptions, Qualifying Shareholders in the United States or who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, any other Restricted Jurisdiction will not qualify to participate in the Open Offer and will not be sent an Application Form nor will their stock accounts in CREST be credited with Open Offer Entitlements. No public offer of Offer Shares is being made by virtue of this document or the Application Forms into the United States or any other Restricted Jurisdiction. Receipt of this document and/or an Application Form and/or a credit of an Open Offer Entitlement to a stock account in CREST will not constitute an invitation or offer of securities for subscription, sale or purchase in those jurisdictions in which it would be illegal to make such an invitation or offer and, in those circumstances, this document and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.

## **6.2 United States**

The New Ordinary Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and, accordingly, may not be offered or sold, re-sold, taken up, transferred, delivered or distributed, directly or indirectly, within the United States except in reliance on an exemption from the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States.

Accordingly, the Company is not extending the Open Offer into the United States unless an exemption from the registration requirements of the Securities Act is available and, subject to certain exceptions, neither this document nor the Application Form constitutes or will constitute an offer or an invitation to apply for or an offer or an invitation to acquire any New Ordinary Shares in the United States. Subject to certain exceptions, neither this document nor an Application Form will be sent to, and no New Ordinary Shares will be credited to a stock account in CREST of, any Qualifying Shareholder with a registered address in the United States. Subject to certain exceptions, Application Forms sent from or postmarked in the United States will be deemed to be invalid and all persons acquiring New Ordinary Shares and wishing to hold such New Ordinary Shares in registered form must provide an address for registration of the New Ordinary Shares issued upon exercise thereof outside the United States.

Subject to certain exceptions, any person who acquires New Ordinary Shares will be deemed to have declared, warranted and agreed, by accepting delivery of this document or the Application Form and delivery of the New Ordinary Shares, that they are not, and that at the

time of acquiring the New Ordinary Shares they will not be, in the United States or acting on behalf of, or for the account or benefit of a person on a non-discretionary basis in the United States or any state of the United States.

The Company reserves the right to treat as invalid any Application Form that appears to the Company or its agents to have been executed in, or despatched from, the United States, or that provides an address in the United States for the receipt of New Ordinary Shares, or which does not make the warranty set out in the Application Form to the effect that the person completing the Application Form does not have a registered address and is not otherwise located in the United States and is not acquiring the New Ordinary Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such New Ordinary Shares in the United States or where the Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements.

The Company will not be bound to allot or issue any New Ordinary Shares to any person with an address in, or who is otherwise located in, the United States in whose favour an Application Form or any New Ordinary Shares may be transferred. In addition, the Company and Cenkos Securities reserve the right to reject any USE instruction sent by or on behalf of any CREST member with a registered address in the United States in respect of the New Ordinary Shares. In addition, until 45 days after the commencement of the Open Offer, an offer, sale or transfer of the New Ordinary Shares within the United States by a dealer (whether or not participating in the and Open Offer) may violate the registration requirements of the Securities Act.

### **6.3 Restricted Jurisdictions**

Due to restrictions under the securities laws of the Restricted Jurisdictions and subject to certain exemptions, Shareholders who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, any Restricted Jurisdiction will not qualify to participate in the Open Offer and will not be sent an Application Form nor will their stock accounts in CREST be credited with Open Offer Entitlements or Excess CREST Open Offer Entitlements. The Offer Shares have not been and will not be registered under the relevant laws of any Restricted Jurisdiction or any state, province or territory thereof and may not be offered, sold, resold, delivered or distributed, directly or indirectly, in or into any Restricted Jurisdiction or to, or for the account or benefit of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of, any Restricted Jurisdiction except pursuant to an applicable exemption.

No offer or invitation to apply for Offer Shares is being made by virtue of this document or the Application Form into any Restricted Jurisdiction.

### **6.4 Other overseas territories**

Application Forms will be sent to Qualifying Non-CREST Shareholders and Open Offer Entitlements and Excess CREST Open Offer Entitlements will be credited to the stock account in CREST of Qualifying CREST Shareholders. Qualifying Shareholders in jurisdictions other than the United States or other Restricted Jurisdictions may, subject to the laws of their relevant jurisdiction, take up Offer Shares under the Open Offer in accordance with the instructions set out in this document and the Application Form. Qualifying Shareholders who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, countries other than the United Kingdom should, however, consult appropriate professional advisers as to whether they require any governmental or other consents or need to observe any further formalities to enable them to apply for any Open Offer Shares in respect of the Open Offer.

### **6.5 Representations and warranties relating to Overseas Shareholders**

#### **(a) *Qualifying Non-CREST Shareholders***

Any person completing and returning an Application Form or requesting registration of the Offer Shares comprised therein represents and warrants to the Company, Cenkos Securities and Equiniti that, except where proof has been provided to the Company's satisfaction that such person's use of the Application Form will not result in the contravention of any applicable legal requirements in any jurisdiction: (i) such person is not requesting registration of the relevant Offer Shares from within the United States or any other Restricted Jurisdiction; (ii) such person is not in any territory in which it is

unlawful to make or accept an offer to acquire Offer Shares in respect of the Open Offer or to use the Application Form in any manner in which such person has used or will use it; (iii) such person is not acting on a non-discretionary basis for a person located within any Restricted Jurisdiction (except as agreed with the Company) or any territory referred to in (ii) above at the time the instruction to accept was given; and (iv) such person is not acquiring Offer Shares with a view to offer, sale, resale, transfer, deliver or distribute, directly or indirectly, any such Open Offer Shares into any of the above territories. The Company and/or Equiniti may treat as invalid any acceptance or purported acceptance of the allotment of Offer Shares comprised in an Application Form if it: (i) appears to the Company or its agents to have been executed, effected or dispatched from the United States or another Restricted Jurisdiction or in a manner that may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements; or (ii) provides an address in the United States or another Restricted Jurisdiction for delivery of the share certificates of Offer Shares (or any other jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates); or (iii) purports to exclude the warranty required by this sub-paragraph (a).

(b) *Qualifying CREST Shareholders*

A CREST member or CREST sponsored member who makes a valid acceptance in accordance with the procedures set out in this Part 3 “Terms and Conditions of the Open Offer” represents and warrants to the Company and Cenkos Securities that, except where proof has been provided to the Company’s satisfaction that such person’s acceptance will not result in the contravention of any applicable legal requirement in any jurisdiction: (i) he or she is not within the United States or any other Restricted Jurisdiction; (ii) he or she is not in any territory in which it is unlawful to make or accept an offer to acquire Offer Shares; (iii) he or she is not accepting on a non-discretionary basis for a person located within any Restricted Jurisdiction (except as otherwise agreed with the Company) or any territory referred to in (ii) above at the time the instruction to accept was given; and (iv) he or she is not acquiring any Open Offer Shares with a view the offer, sale, resale, transfer, delivery or distribute, directly or indirectly, any such Offer Shares into any of the above territories.

## 6.6 **Waiver**

The provisions of this paragraph 6 and of any other terms of the Open Offer relating to Overseas Shareholders may be waived, varied or modified as regards specific Shareholders or on a general basis by the Company and Cenkos Securities in their absolute discretion. Subject to this, the provisions of this paragraph 6 supersede any terms of the Open Offer inconsistent herewith. References in this paragraph 6 to Shareholders shall include references to the person or persons executing an Application Form and, in the event of more than one person executing an Application Form, the provisions of this paragraph 6 shall apply to them jointly and to each of them.

## 7. **Times and Dates**

The Company shall, in agreement with Cenkos Securities and after consultation with its financial and legal advisers, be entitled to amend the dates that Application Forms are despatched or amend or extend the latest date for acceptance under the Open Offer and all related dates set out in this document and in such circumstances shall notify the London Stock Exchange, and make an announcement on a Regulatory Information Service but Qualifying Shareholders may not receive any further written communication.

If a supplementary circular is issued by the Company two or fewer Business Days prior to the latest time and date for acceptance and payment in full under the Open Offer specified in this document, the latest date for acceptance under the Open Offer shall be extended to the date that is three Business Days after the date of issue of the supplementary circular (and the dates and times of principal events due to take place following such date shall be extended accordingly).

## **8. Taxation**

Shareholders who are in any doubt as to their tax position in relation to taking up their entitlements under the Open Offer, or who are subject to tax in any jurisdiction other than the United Kingdom, should immediately consult a suitable professional adviser.

## **9. Further information**

Your attention is drawn to the further information set out in this document and also, in the case of Qualifying Non-CREST Shareholders and other Qualifying Shareholders to whom the Company has sent Application Forms, to the terms, conditions and other information printed on the accompanying Application Form.

## **10. Governing law and jurisdiction**

The terms and conditions of the Open Offer as set out in this document, the Application Form and any non-contractual obligation related thereto shall be governed by, and construed in accordance with, English law.

The courts of England and Wales are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Open Offer, this document or the Application Form. By taking up Offer Shares, by way of their Open Offer Entitlements and the Excess Application Facility (as applicable), in accordance with the instructions set out in this document and, where applicable, the Application Form, Qualifying Shareholders irrevocably submit to the jurisdiction of the courts of England and Wales and waive any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum.

## PART 4

### QUESTIONS AND ANSWERS ABOUT THE OPEN OFFER

The questions and answers set out in this Part 4 “Questions and Answers about the Open Offer” are intended to be in general terms only and, as such, you should read Part 3 “Terms and Conditions of the Open Offer” of this document for full details of what action to take. If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank, fund manager, solicitor, accountant or other appropriate independent financial adviser, who is authorised under the FSMA if you are in the United Kingdom, or, if not, from another appropriately authorised independent financial adviser.

This Part 4 deals with general questions relating to the Open Offer and more specific questions relating principally to persons resident in the United Kingdom who hold their Existing Ordinary Shares in certificated form only. If you are an Overseas Shareholder, you should read paragraph 6 of Part 3 “Terms and Conditions of the Open Offer” of this document and you should take professional advice as to whether you are eligible for and/or whether you need to observe any formalities to enable you to take up your Open Offer Entitlement. If you hold your Existing Ordinary Shares in uncertificated form (that is, through CREST) you should read Part 3 “Terms and Conditions of the Open Offer” of this document for full details of what action you should take.

If you are a CREST sponsored member, you should also consult your CREST sponsor. If you do not know whether your Existing Ordinary Shares are in certificated or uncertificated form, please call Equiniti Limited on 0371 384 2858 or +44 121 415 0918 (if calling from outside the UK). Lines are open from between 8.30 a.m. to 5.30 p.m. (UK time) Monday to Friday (excluding English and Welsh public holidays). Calls to the helpline from outside the UK will be charged at the applicable international rate. Please note that calls may be recorded and randomly monitored for security and training purposes. Please note that Equiniti Limited cannot provide advice on the merits of the Proposals nor give financial, tax, investment or legal advice.

The contents of this document should not be construed as legal, business, accounting, tax, investment or other professional advice. Each prospective investor should consult his, her or its own appropriate professional advisers for advice. This document is for your information only and nothing in this document is intended to endorse or recommend a particular course of action.

#### **1. What is an open offer?**

An open offer is a way for companies to raise money. Companies usually do this by giving their existing Shareholders a right to acquire further shares at a fixed price in proportion to their existing shareholdings. In this instance Shareholders will also be offered the opportunity to apply for additional shares in excess of their entitlement to the extent that other Qualifying Shareholders do not take up their entitlement in full. The fixed price is normally at a discount to the market price of the existing ordinary shares prior to the announcement of the open offer.

This Open Offer is an invitation by the Company to Qualifying Shareholders to apply to acquire up to an aggregate of 1,704,570 new Ordinary Shares at a price of 59 pence per share. If you hold Existing Ordinary Shares on the Record Date or have a *bona fide* market claim, other than, subject to certain exceptions, where you are a Shareholder with a registered address or located in the United States, or another Restricted Jurisdiction, you will be entitled to buy Offer Shares under the Open Offer.

The Open Offer is being made on the basis of 1 Offer Share for every 15 Existing Ordinary Shares held by Qualifying Shareholders on the Record Date. If your entitlement to Offer Shares is not a whole number, you will not be entitled to buy a fraction of an Offer Share and your entitlement will be rounded down to the nearest whole number. The Offer Price of 59 pence per Offer Share represents the closing middle-market price quotation as derived from the Daily Official List of the London Stock Exchange of 59 pence per Ordinary Share on 22 October 2015 (being the latest practicable date prior to the date of this document).

The Excess Application Facility allows Qualifying Shareholders to apply for Excess Shares in excess of their Open Offer Entitlements. Applications made under the Excess Application Facility may be allocated in such manner as the Directors may determine in their absolute discretion and no assurance can be given that excess applications by Qualifying Shareholders will be met in full or in part or at all.

Unlike in a rights issue, Application Forms are not negotiable documents and neither they nor Open Offer Entitlements can themselves be traded. Shareholders will not be able to apply for any New Ordinary Shares which are the subject of the Firm Placing.

**2. I hold my Existing Ordinary Shares in certificated form. How do I know I am eligible to participate in the Open Offer?**

If you receive an Application Form and, subject to certain exceptions, are not a holder with a registered address or located in the United States or any other Restricted Jurisdiction, then you should be eligible to participate in the Open Offer as long as you have not sold all of your Existing Ordinary Shares before 23 October 2015 (the time when the Existing Ordinary Shares are expected to be marked “ex-entitlement” by the London Stock Exchange).

**3. I hold my Existing Ordinary Shares in certificated form. How do I know how many Offer Shares I am entitled to take up?**

If you hold your Existing Ordinary Shares in certificated form and, subject to certain exceptions, do not have a registered address and are not located in the United States or any other Restricted Jurisdiction, you will be sent an Application Form that shows:

- how many Existing Ordinary Shares you held at the close of business on the Record Date;
- how many Offer Shares are comprised in your Open Offer Entitlement; and
- how much you need to pay if you want to take up your right to buy all your entitlement to the Offer Shares.

Subject to certain exceptions, if you have a registered address in the United States or any other Restricted Jurisdiction, you will not receive an Application Form.

If you would like to apply for any of or all of the Offer Shares comprised in your Open Offer Entitlement you should complete the Application Form in accordance with the instructions printed on it and the information provided in this document. Completed Application Forms should be returned, along with a cheque drawn in the appropriate form, by post to Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA or by hand (during normal office hours only) so as to be received by them by no later than 11.00 a.m. on 10 November 2015, after which time Application Forms will not be valid.

**4. I hold my Existing Ordinary Shares in certificated form and am eligible to receive an Application Form. What are my choices in relation to the Open Offer?**

**(a) If you do not want to take up your Open Offer Entitlement**

If you do not want to take up the Offer Shares to which you are entitled, you do not need to do anything. In these circumstances, you will not receive any Offer Shares. You will also not receive any money when the Offer Shares you could have taken up are sold, as would happen under a rights issue.

You cannot sell your Application Form or your Open Offer Entitlement to anyone else. If you do not return your Application Form subscribing for the Offer Shares to which you are entitled by 11.00 a.m. on 10 November 2015, the Company has made arrangements under which the Company has agreed to issue those Offer Shares to other Qualifying Shareholders under the Excess Application Facility.

If you do not take up your Open Offer Entitlement then following the issue of the Offer Shares pursuant to Open Offer, your interest in the Company will be significantly diluted. Even if a Qualifying Shareholder subscribes for the basic entitlement under the Open Offer, their proportionate economic interest will be diluted by the issue of New Ordinary Shares pursuant to the Excess Application Facility and the Firm Placing.

**(b) If you want to take up some but not all of your Open Offer Entitlement**

If you want to take up some but not all of the Offer Shares to which you are entitled, you should write the number of Offer Shares you want to take up in Boxes 4 and 6 of your Application Form; for example, if you are entitled to take up 50 shares but you only want to take up 25 shares, then you should write ‘25’ in Boxes 4 and 6. To work out how much you need to pay for the Offer Shares, you need to multiply the number of Offer Shares you want (in this example, ‘25’) by £0.59, which is the price in pounds of each Offer Share (giving you an amount of £14.75 in this example). You should write this amount in Box 7, rounding up to

the nearest whole pence and this should be the amount your cheque is made out for. You should then return the completed Application Form, together with a cheque for that amount, by post to Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA or by hand (during normal office hours only) so as to be received by them by no later than 11.00 a.m. on 10 November 2015, after which time Application Forms will not be valid. If you post your Application Form by first class post, you should allow at least four Business Days for delivery.

All payments must be in pounds sterling and made by cheque made payable to "Equiniti Ltd Re: Science in Sport – Open Offer A/C" and crossed "A/C Payee Only". Cheques or banker's drafts must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom or Channel Islands which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right-hand corner and must be for the full amount payable on application. Third-party cheques may not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has inserted details of the full name of the building society or bank account holder and has added the building society or bank branch stamp. The account name should be the same as that shown on the Application Form. Post-dated cheques will not be accepted.

Cheques will be presented for payment upon receipt. The Company reserves the right to instruct Equiniti to seek special clearance of cheques to allow the Company to obtain value for remittances at the earliest opportunity. No interest will be paid on payments made before they are due. It is a term of the Open Offer that cheques shall be honoured on first presentation and the Company may elect to treat as invalid acceptances in respect of which cheques are not so honoured. All documents and cheques sent through the post will be sent at the risk of the sender. Payments via CHAPS, BACS or electronic transfer will not be accepted.

A definitive share certificate will then be sent to you for the Offer Shares that you take up. Your definitive share certificate for Offer Shares is expected to be despatched to you by no later than 17 November 2015.

**(c) If you want to take up all of your Open Offer Entitlement**

If you want to take up all of the Offer Shares to which you are entitled, all you need to do is send the Application Form (ensuring that all joint holders sign (if applicable)), together with your cheque for the amount (as indicated in Box 3 of your Application Form), by post to Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA or by hand (during normal office hours only) so as to be received by them by no later than 11.00 a.m. on 10 November 2015, after which time Application Forms will not be valid. If you post your Application Form by first-class post, you should allow at least four Business Days for delivery.

All payments must be in pounds sterling and made by cheque made payable to Equiniti Ltd Re: Science in Sport – Open Offer A/C and crossed "A/C Payee Only". Cheques or banker's drafts must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom or Channel Islands which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right-hand corner and must be for the full amount payable on application. Third-party cheques may not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has inserted details of the full name of the building society or bank account holder and has added the building society or bank branch stamp. The account name should be the same as that shown on the Application Form. Post-dated cheques will not be accepted.

A definitive share certificate will then be sent to you for the Offer Shares that you take up. Your definitive share certificate for Offer Shares is expected to be despatched to you by no later than 17 November 2015.



**(d) If you want to apply for more than your Open Offer Entitlement**

Provided you have agreed to take up your Open Offer Entitlement in full, you can apply for further Offer Shares under the Excess Application Facility. The Excess Application Facility enables Qualifying Shareholders to apply for Excess Shares in excess of their Open Offer Entitlement as at the Record Date. You should write the number of Offer Shares comprised in your Open Offer Entitlement (as indicated in Box 2 of the Application Form) in Box 4 and write the number of Excess Shares for which you would like to apply in Box 5. You should then add the totals in Boxes 4 and 5 and insert the total number of Offer Shares for which you would like to apply in Box 6. For example, if you have an Open Offer Entitlement for 50 Offer Shares but you want to apply for 75 Offer Shares in total, then you should write '50' in Box 4, '25' in Box 5 and '75' in Box 6. To work out how much you need to pay for the Offer Shares, you need to multiply the number of Offer Shares you want (in this example, '75') by £0.59, which is the price in pounds sterling of each Offer Share (giving you an amount of £44.25 in this example). You should write this amount in Box 7. You should then return your Application Form by post to Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA or by hand (during normal office hours only) so as to be received by them by no later than 11.00 a.m. on 10 November 2015, after which time Application Forms will not be valid. If you post your application form by first class post, you should allow at least four Business Days for delivery.

If applications under the Excess Application Facility are received for more than the total number of Offer Shares available following take up of Open Offer Entitlements, the Excess Shares may be allocated in such manner as the Directors may determine in their absolute discretion. No assurance can be given that excess applications by Qualifying Shareholders will be met in full or in part or at all.

A definitive share certificate will then be sent to you for the Offer Shares that you take up and otherwise successfully apply for using the Excess Application Facility. Your definitive share certificate for Offer Shares is expected to be despatched to you, at your own risk, by no later than 17 November 2015.

**5. I hold my Existing Ordinary Shares in uncertificated form in CREST. What do I need to do in relation to the Open Offer?**

CREST members should follow the instructions set out in Part 3 "Terms and Conditions of the Open Offer" of this document. Persons who hold Existing Ordinary Shares through a CREST member should be informed by the CREST member through which they hold their Existing Ordinary Shares of (i) the number of Offer Shares which they are entitled to acquire under their Open Offer Entitlement and (ii) how to apply for Offer Shares in excess of their Open Offer Entitlement under the Excess Application Facility provided they choose to take up their Open Offer Entitlement in full and should contact them should they not receive this information.

**6. I acquired my Existing Ordinary Shares prior to the Record Date and hold my Existing Ordinary Shares in certificated form. What if I do not receive an Application Form or I have lost my Application Form?**

If you do not receive an Application Form, this probably means that you are not eligible to participate in the Open Offer. Some Non-CREST Shareholders, however, will not receive an Application Form but may still be eligible to participate in the Open Offer, namely:

- Qualifying CREST Shareholders who held their Existing Ordinary Shares in uncertificated form on 21 October 2015 and who have converted them to certificated form;
- Qualifying non-CREST Shareholders who bought Existing Ordinary Shares before 23 October 2015 but were not registered as the holders of those shares at the close of business on 21 October 2015; and
- certain Overseas Shareholders.

If you do not receive an Application Form but think that you should have received one or you have lost your Application Form, please contact Equiniti Limited on 0371 384 2858 or +44 121 415 0918 (if calling from outside the UK). Lines are open from between 8.30 a.m. to 5.30 p.m. (UK time) Monday to Friday (excluding English and Welsh public holidays). Calls to the helpline from outside the UK will be charged at the applicable international rate. Please

note that calls may be recorded and randomly monitored for security and training purposes. Please note that Equiniti Limited cannot provide advice on the merits of the Proposals nor give financial, tax, investment or legal advice.

**7. Can I trade my Open Offer Entitlement?**

Qualifying Shareholders should be aware that the Open Offer is not a rights issue. As such, Qualifying Non-CREST Shareholders should also note that their Application Forms are not negotiable documents and cannot be traded. Qualifying CREST Shareholders should note that, although Open Offer Entitlements will be admitted to CREST they will have limited settlement capabilities (for the purposes of market claims only), Open Offer Entitlements will not be tradable or listed and applications in respect of the Open Offer may only be made by the Qualifying Shareholders originally entitled or by a person entitled by virtue of a *bona fide* market claim. Offer Shares for which an application has not been made under the Open Offer will not be sold in the market for the benefit of those who do not apply under the Open Offer and Qualifying Shareholders who do not apply to take up their Open Offer Entitlement will have no rights under the Open Offer or receive any proceeds from it. The Offer Shares are not underwritten.

**8. What if I change my mind?**

If you are a Qualifying non-CREST Shareholder, once you have sent your Application Form and payment to Equiniti, you cannot withdraw your application or change the number of Offer Shares for which you have applied, except in the very limited circumstances which are set out in this document.

**9. What if the number of Offer Shares to which I am entitled is not a whole number: am I entitled to fractions of Offer Shares?**

If the number is not a whole number, you will not receive a fraction of an Offer Share and your entitlement will be rounded down to the nearest whole number.

**10. I hold my Existing Ordinary Shares in certificated form. What should I do if I have sold some or all of my Existing Ordinary Shares?**

If you hold Existing Ordinary Shares in the Company directly and you sell some or all of your Existing Ordinary Shares before 23 October 2015, you should contact the buyer or the person/company through whom you sell your shares. The buyer may be entitled to apply for Offer Shares under the Open Offer. If you sell any of your Existing Ordinary Shares on or after 23 October 2015, you may still take up and apply for the Offer Shares as set out on your Application Form.

**11. I hold my Existing Ordinary Shares in certificated form. How do I pay?**

Completed Application Forms should be returned with a cheque drawn in the appropriate form. All payments must be in pounds sterling and made by cheque made payable to Equiniti Ltd Re: Science in Sport – Open Offer A/C and crossed “A/C Payee Only”. Cheques or banker’s drafts must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom or Channel Islands which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker’s drafts to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right-hand corner and must be for the full amount payable on application. Third-party cheques may not be accepted with the exception of building society cheques or banker’s drafts where the building society or bank has inserted details of the full name of the building society or bank account holder and has added the building society or bank branch stamp. The account name should be the same as that shown on the Application Form. Post-dated cheques will not be accepted.

**12. Will the Existing Ordinary Shares that I hold now be affected by the Open Offer?**

If you decide not to apply for any of the Offer Shares to which you are entitled under the Open Offer, or only apply for some of your entitlement, your proportionate ownership and voting interest in the Company will be reduced.

- 13. I hold my Existing Ordinary Shares in certificated form. Where do I send my Application Form?**
- You should send your completed Application Form together with the monies in the appropriate form, by post to Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA or by hand (during normal office hours only). If you post your Application Form by first-class post, you should allow at least four Business Days for delivery. If you do not want to take up or apply for Open Offer Shares then you need take no further action.
- 14. I hold my Existing Ordinary Shares in certificated form. When do I have to decide if I want to apply for Offer Shares?**
- Equiniti must receive the Application Form by no later than 11.00 a.m. on 10 November 2015, after which time Application Forms will not be valid. If an Application Form is being sent by first class post in the UK, Qualifying Shareholders are recommended to allow at least four Business Days for delivery.
- 15. How do I transfer my entitlements into the CREST system?**
- If you are a Qualifying Non-CREST Shareholder, but are a CREST member and want your Open Offer Shares to be in uncertificated form, you should complete the CREST deposit form (contained in the Application Form), and ensure it is delivered to CCSS in accordance with the instructions in the Application Form. CREST sponsored members should arrange for their CREST sponsors to do this.
- 16. I hold my Existing Ordinary Shares in certificated form. When will I receive my new share certificate?**
- It is expected that Equiniti will post all new share certificates by 17 November 2015.
- 17. If I buy Existing Ordinary Shares after the Record Date, will I be eligible to participate in the Open Offer?**
- If you bought your Existing Ordinary Shares after the Record Date, you are unlikely to be able to participate in the Open Offer in respect of such Ordinary Shares.
- 18. Will I be taxed if I take up my entitlements?**
- Shareholders who are in any doubt as to their tax position should consult an appropriate professional adviser immediately.
- 19. What should I do if I live outside the United Kingdom?**
- Your ability to apply to acquire Offer Shares may be affected by the laws of the country in which you live and you should take professional advice as to whether you require any governmental or other consents or need to observe any other formalities to enable you to take up your Open Offer Entitlement. Shareholders with registered addresses or who are located in the United States or any other Restricted Jurisdiction are, subject to certain exceptions, not eligible to participate in the Open Offer. Your attention is drawn to the information in paragraph 6 of Part 3 “Terms and Conditions of the Open Offer” of this document.
- 20. Further assistance**
- Should you require further assistance please call Equiniti Limited on 0371 384 2858 or +44 121 415 0918 (if calling from outside the UK). Lines are open from between 8.30 a.m. to 5.30 p.m. (UK time) Monday to Friday (excluding English and Welsh public holidays). Calls to the helpline from outside the UK will be charged at the applicable international rate. Please note that calls may be recorded and randomly monitored for security and training purposes. Please note that Equiniti Limited cannot provide advice on the merits of the Proposals nor give financial, tax, investment or legal advice.

# SCIENCE IN SPORT PLC

(Incorporated and registered in England and Wales with registered no. 08535116)

## NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that the General Meeting of Science in Sport plc (the "Company") will be held at 4th Floor, 16-18 Hatton Garden, Farringdon, London EC1N 8AT on 11 November 2015 at 10.00 a.m. to consider, and if thought fit pass, the following resolutions of which resolution 1 will be proposed as an ordinary resolution and resolution 2 as a special resolution.

### ORDINARY RESOLUTION

1. **THAT**, in addition to all other powers granted to the Directors at the Company's Annual General Meeting on 25 June 2015, in accordance with section 551 of the Companies Act 2006 (the "Act"), the Directors be generally and unconditionally authorised to exercise all powers of the Company to allot shares in the Company or to grant rights to subscribe for or to convert any security into shares in the Company up to a maximum aggregate nominal amount of £1,508,548.10 (being equal to 15,085,481 Ordinary Shares) pursuant to the Firm Placing and Open Offer, provided that this authority will expire at whichever is the earlier of the conclusion of the annual general meeting of the Company to be held in 2016, or the date falling 6 months from the date of the passing of this resolution (unless renewed varied or revoked by the Company prior to or on that date) but the Company may, before this authority expires, make an offer or agreement which would or might require shares in the Company or rights to be allotted or granted after this authority expires and that the Directors may allot shares in the Company or grant rights pursuant to such an offer or agreement as if the authority conferred by this Resolution had not expired.

### SPECIAL RESOLUTION

2. **THAT**, in addition to all other powers granted to the Directors at the Company's Annual General Meeting on 25 June 2015, subject to and conditional upon the passing of Resolution 1, in accordance with section 571(1) of the Act, the directors be empowered to allot equity securities for cash (within the meaning of section 560 of the Act) pursuant to the authority conferred by Resolution 1 above, as if section 561 of the Act did not apply to any such allotment, provided that this power shall:
  - be limited to the allotment of equity securities pursuant to the Firm Placing and Open Offer up to an aggregate nominal value of £1,508,548.10 (being equal to 15,085,481 Ordinary Shares); and
  - expire at whichever is the earlier of the conclusion of the annual general meeting of the Company to be held in 2016 or the date falling 6 months from the date of passing this resolution but may be previously revoked or varied by special resolution and 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 may allot equity securities in pursuance of any such offer or agreement as if such power had not expired.

*Registered Office*  
4th Floor  
16-18 Hatton Garden  
Farringdon  
London, EC1N 8AT

Dated 23 October 2015

Stephen Moon  
Chief Executive Officer  
**Science in Sport plc**

*Notes:*

1. Pursuant to Regulation 41(3) of the Uncertificated Securities Regulations 2001/3755, the Company specifies that only those members registered on the Company's register of members at 6.00 p.m. on 9 November 2015 shall be entitled to attend and vote at the General Meeting.
2. If you are a member of the Company at the time set out in note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the General Meeting and you should have received a proxy form with this notice of General Meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.
3. A proxy does not need to be a member of the Company but must attend the General Meeting to represent you. Details of how to appoint the Chairman of the General Meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the General Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.
4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, please contact the Company's registrars at the address set out in note 5.
5. The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote. To appoint a proxy using the proxy form, the form must be:
  - (a) completed and signed;
  - (b) sent or delivered to Equiniti, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA; and
  - (c) received by them no later than 10.00 a.m. on 9 November 2015.In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.

Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.
6. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).
7. As at 5.00 p.m. on the day immediately prior to the date of posting of this Notice of General Meeting, the Company's issued share capital comprised 25,568,545 ordinary shares of 10p each. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 5.00 p.m. on the day immediately prior to the date of posting of this notice of General Meeting is 25,568,545.

