

Physiomics Plc The Magdalen Centre The Oxford Science Park Robert Robinson Avenue Oxford OX4 4GA UK

5th December 2016

Physiomics Plc

("Physiomics" or "the Company")

Payment for in-silico modelling of checkpoint inhibitor

Physiomics plc (AIM: PYC), the Oxford, UK based systems biology company, is pleased to announce that it is now entitled to a payment from Sareum Holdings plc ("Sareum") for a three month modelling project conducted by the Company in 2010 in support of Sareum's cancer drug joint research program with The Institute of Cancer Research (ICR) and Cancer Research Technology Limited (CRT), as originally announced by RNS on 16th March 2010. The program was licensed to the CRT Pioneer Fund in September 2013 and a co-investment partnership with Sareum was formed to progress the candidate drug through clinical trials.

This payment is triggered by a number of pre-conditions including the announcement on 27th September 2016 by Sareum that the CRT Pioneer Fund has licensed exclusive and worldwide rights for the Chk1 inhibitor cancer drug candidate CCT245737 (to be renamed PNT737) to ProNAi Therapeutics, Inc. (NASDAQ: DNAI).

The payment to Physiomics reflects the contribution it made to studying the optimal combination regime of a Chk1 inhibitor and a DNA-targeting chemotherapy. While the payment is not substantial, it will make a welcome contribution to Physiomics' finances for the year.

Dr Jim Millen, CEO of Physiomics said; "We are very pleased to have been able to support Sareum and its partners in the early development of this exciting new cancer drug combination and look forward to following its progress going forwards."

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Notes for editors:

About Physiomics plc

Physiomics (AIM:PYC) is a computational systems biology services company applying simulations of cell behaviour to drug development to reduce the high attrition rates of clinical trials. 80-90 per cent of all clinical drug candidates fail to reach the market and estimates show that an overall ten per cent improvement in success rates could reduce the cost of one drug's development by as much as \$242 million, from the current estimate of around \$800 million¹.

Physiomics develops computational systems biology models to predict and understand cancer drug efficacy from pre-clinical research to clinical development. Physiomics has created detailed mathematical models incorporating the most important molecular events taking place during the human cell cycle and apoptosis processes. The company's technology enables the simulation of populations of "virtual cells". The company has developed a "Virtual Tumour" model to simulate the effect of anti-cancer drugs on tumour growth. The models are used to optimise compound design and to design drug schedules and combination therapies

About Sareum Holdings plc

Sareum is a drug discovery and development company delivering targeted small molecule therapeutics, focusing on cancer and autoimmune disease, for licensing to pharmaceutical and biotechnology companies at the preclinical or early clinical trials stage.

Sareum operates an outsourced research model, working with collaborators (SRI International, the CRT Pioneer Fund and Hebei Medical University Biomedical Engineering Center) and a world-wide network of research providers. One of its collaborative programmes has been advanced into Phase 1 clinical trials and another is undergoing pre-clinical IND-enabling studies.

SKIL® (Sareum Kinase Inhibitor Library) is Sareum's drug discovery technology platform that has so far produced the Company's Aurora+FLT3, Aurora+ALK, VEGFR-3, FLT3 & TYK2 kinase cancer and autoimmune disease research programmes. SKIL® can also generate drug research programmes against other kinase targets.

About Cancer Research Technology

Cancer Research Technology (CRT) is a specialist commercialisation and development company, which aims to develop new discoveries in cancer research for the benefit of cancer patients. CRT works closely with leading international cancer scientists and their institutes to protect intellectual property arising from their research and to establish links with commercial partners. CRT facilitates the discovery, development and marketing of new cancer therapeutics, vaccines, diagnostics and enabling technologies. CRT is a wholly owned subsidiary of Cancer Research UK, the largest independent funder of cancer research in the world. Further information about CRT can be found at www.cancertechnology.com

About the CRT Pioneer Fund

The CRT Pioneer Fund is a £70m Fund dedicated to investment in oncology development programmes in Europe. The sweet spot for investment is pre-lead optimisation through to early clinical trials in patients. The Fund is dedicated to asset financing projects emanating from Europe and expects to commit two-thirds of its investment to projects derived from Cancer Research UKs oncology drug discovery portfolio with the remainder being invested in projects from outside Cancer Research UK.