



Physiomics plc
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Physiomics plc

("Physiomics") or ("the Company")

Company Update

Physiomics plc (AIM: PYC) is pleased to announce that it is making good progress towards the strategic objectives announced in its most recent full year results (RNS 27th October 2016 and subsequent printed annual report circulated to shareholders).

On the 5th December 2016 Physiomics announced an initial payment by Sareum for modelling carried out by the Company in 2010 to support the identification of an optimal combination regime of a Chk1 inhibitor and a DNA-targeting chemotherapy using the pre-clinical version of the Company's Virtual Tumour technology. The payment was triggered by a number of pre-conditions including the announcement on 27th September 2016 by Sareum that its partner, the CRT Pioneer Fund, had licensed exclusive and worldwide rights for a Chk1 inhibitor cancer drug candidate CCT245737 (to be renamed PNT737) to ProNAi Therapeutics, Inc. (NASDAQ: DNAI).

On the 6th January 2017, the Company confirmed the award of a substantial Innovate UK Grant in the field of personalised medicine whose provisional award had previously been announced on the 22nd November 2016. The project is titled "Decision Support Systems For Stratified Cancer Treatment". In line with the Company's strategic objective to explore the personalised medicine market set out in its full year results (published on the 27th October 2016), the objective of the project is to create a prototype decision support system to improve cancer care by helping medical professionals make treatment decisions based on patient specific data.

The Company continues to work with a number of existing clients on pre-clinical and clinical projects. In particular, it remains engaged with Merck Serono on a project (first announced on 3rd March 2015) using the Physiomics' Virtual Tumour Clinical. The Company is in active dialog with existing and new clients regarding extensions and new projects.

The Company is participating in the Biotech Showcase partnering conference in San Francisco from 9-11th January. During this week in San Francisco most of the world's most successful biotech and pharmaceutical companies attend either this conference or the JP

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Morgan Healthcare conference that takes place annually at the same time and location. Physiomics has confirmed meetings with a significant number of companies with oncology pipelines.

The Company anticipates that in the first half of its current financial year its revenues will be broadly in line with the comparable period last year. Looking forward, the Company expects that in the second half of its financial year, revenues will be at least in line with the comparable period in the previous year. The Company will provide a further update later in the current quarter when it publishes its half year results for the current financial year.

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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 SystemCell® technology enables the simulation of populations of "virtual cells". The company has also 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.

Physiomics, based in Oxford, UK, was founded in 2001, and floated on AIM in 2004. For further information, please visit www.physiomics-plc.com

SystemCell® is a registered trademark of Physiomics plc

¹Tufts Centre Impact Report 2002