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Physiomics plc

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

Company update

Physiomics plc (AIM: PYC) is pleased to announce positive developments relating to its core oncology and simulation business and to provide commentary on potential business collaborations and progress in diversifying into the personalised medicine space.

#### Potential Anchor Deal for the Core Modelling and Simulation Business

The Company is in term sheet discussions with a major client on a deal that would potentially secure a significant volume of work for the Company over a multi-year period. We aim to conclude this deal in the next three months, with a view to its coming into effect at the beginning of 2018 and further announcements will be made in due course. The directors believe such a deal would represent a very clear and public validation of the Virtual Tumour technology by a global pharmaceuticals company, however there can be no guarantee that any deal with this client will complete.

#### Modelling and Simulation Business Development

Over the course of this calendar year to date the Company has been in contact with over 50 potential clients (biotech and pharma companies in the oncology space). It has achieved this through attendance at three major partnering conferences, a marketing campaign, leverage of senior management contacts and word of mouth and passive approaches via website or networking locally within the Oxford and broader UK lifescience hub.

There are three potential clients (two big one medium pharma) with whom there are active discussions on potential projects and we aim to convert at least one of these potential clients into a contract over the next six months. However, there can be no guarantee that any of these leads will convert, further updates will be provided as appropriate.

Physiomics plc

Registered in England and Wales Number 4225086

Registered Office: The Magdalen Centre, Oxford Science Park, Oxford OX4 4GA, UK

### Discussions relating to potential collaborations with other service providers

In addition to the direct approaches to clients outlined above, the Company has engaged in discussions with six other larger service provider companies with a view to business collaborations. We also aim to convert one of these collaboration discussions into a deal over the next six months but again there can be no guarantee that this will happen.

### Personalised Medicine

As set out in our 2016 Annual Report, the Company sees a significant opportunity in the development of an offering in the personalised medicine space which involves treating patients based on their individual and disease characteristics.

The company has made good progress with the Innovate UK Grant announced earlier this year to develop a prototype decision support system ("DSS") to improve cancer care by helping medical professionals make informed treatment decisions based on patient specific data.

The project has already received positive feedback from our collaborators (Prof Mark Middleton of Oxford Universities NHS Foundation Trust and the Oxford Academic Health Sciences Network) and is now entering a further phase of testing with healthcare professionals involved in oncology treatment.

Developing a commercialisable tool will require further work once the prototype has been completed and to this end the Company has identified several substantial, non-dilutive funding opportunities from government grants. There can be no guarantee that these grants will be awarded and further updates will be provided in due course.

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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.

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 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.