

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

Tel 01865 784980
Fax 08701 671931

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**Physiomics plc
("Physiomics") or ("the Company")**

Execution of SEDA Arrangement

Issue of Equity

Physiomics plc (AIM: PYC), the Oxford, UK based systems biology company, is pleased to announce that it has entered into a £4 million Standby Equity Distribution Agreement ("SEDA") with YA Global Master SPV Ltd, an investment fund managed by Yorkville Advisors ("Yorkville").

The SEDA is primarily intended to strengthen the Company's position for future M&A negotiations. The funds could also be used for working capital in the future.

The SEDA funds are available in two tranches of up to £2m, minimising the short-term cost to Physiomics. At this stage, no funds have yet been drawn down.

Under the terms of the SEDA, Physiomics may at its discretion (but subject to limits based on liquidity) draw down funds over a period of up to three years in exchange for the issue of new Ordinary Shares in the Company. The maximum advance that may be requested is 300% of the average daily trading volume of Ordinary Shares multiplied by the volume weighted average price of such shares for each of the 20 trading days immediately preceding the draw down request, and with an overall advance limit of £500,000 per draw down.

The Ordinary Shares will be issued at a 5% discount to the lowest volume weighted average price during the pricing period following a draw down request. The pricing period is a period of 15, 10 or 5 trading days depending on the size of the advance requested compared to the prevailing average daily value of the Ordinary Shares traded on AIM. The Company may also set a minimum price for each draw down, which may reduce the size of the permitted draw down.

The facility may only be drawn upon once every 10 trading days.

Issue of Equity

The consideration for the execution of the agreement is £40,000 in respect of each tranche, of which £10,000 is due immediately (and £30,000 is due within the next 12 months). Physiomics has agreed that shares will be issued in lieu of cash payments due under this agreement and accordingly, Physiomics have today issued 8,000,000 Ordinary Shares, using the closing mid-market price on 18 January 2013 (0.125p), in satisfaction of this £10,000 debt.

Application has been made for the new Ordinary Shares to be admitted to trading on AIM and dealings are expected to commence on 25th January 2013.

Following this issue of Ordinary Shares, the total number of shares in issue will increase to 1,506,550,074.

Dr Mark Chadwick, CEO of Physiomics, commented:

"This flexible financing option strengthens the position of the Company, particularly for any future M&A negotiations. While the available funds are not immediately required, this deal could also provide an opportunity to provide further working capital to see us through to the realisation of our new commercial offerings in development, should the need arise."

Enquiries:

Physiomics plc

Mark Chadwick

+44 (0)1865 784980

WH Ireland Limited

Katy Mitchell

+44 (0) 161 832 2174

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