

Physiomics plc

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**First contract for a clinical version of our Virtual Tumour model (“Virtual Tumour Clinical”) with
Global Pharmaceutical Company, Merck (Merck Serono)**

Physiomics plc (AIM: PYC), the Oxford, UK based systems biology company, is pleased to announce that it has signed its first contract for developing Virtual Tumour Clinical with a global pharmaceutical company. The client is Merck Serono, the biopharmaceutical division of Merck, Germany.

Revenue from the contract will fall in the 2014/2015 and 2015/2016 financial years and is in the region of the total value of all of Physiomics 2013/2014 sales. As such it clearly represents a step change for Physiomics. The contract runs for 14 months and involves Physiomics scientists working closely with Merck Serono scientists to develop and calibrate a model that can predict optimal combination partners for both marketed and pipeline drugs. The parties will focus on making predictions of clinical outcomes for different dosing and scheduling regimens which, if convincing, could have an impact on final clinical trial design of investigational products, and potential drug combinations. In addition, the parties will look at whether the results can be used to suggest new cancer indications for drug combinations of interest.

Dr Mark Chadwick, CEO of Physiomics, commented:

“This represents the most significant deal in Physiomics’ history. We have contracted with the first global pharmaceutical company to use our Virtual Tumour Clinical model. Merck Serono is the biopharmaceutical division of Merck, which generated total revenues of € 11.5 billion across all its divisions in 2014. Traditional modelling and simulation methods can be more expensive to apply than Virtual Tumour Clinical and can take considerably more time, leading to outcomes that only allow a few dosage regimens to be evaluated.

Following on from our case study projects with NIH and Oxford University, this project with Merck Serono also provides the possibility for further validation of Virtual Tumour Clinical that could add important value when choosing a clinical regimen. We very much look forward to working closely with Merck Serono to address a very challenging issue in drug discovery and development.”

Enquiries:

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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