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

Tel 01865 784980
Fax 08701 671931

Physiomics Plc

("Physiomics" or "the Company")

Non-Binding Heads of Terms with BioMoti Ltd
Board Changes

Oxford, UK, 31 March 2016: Physiomics plc (AIM: PYC), the Oxford, UK based systems biology company, is pleased to announce that it has signed a non-binding Heads of Terms agreement to acquire BioMoti Limited ("BioMoti") (the "Proposed Acquisition").

The Proposed Acquisition is currently conditional on a number of items, including due diligence and a successful equity fundraise. The total consideration will never be greater than 50% of the market value of Physiomics, and it is proposed that the consideration will be satisfied by the issue of ordinary shares being no more than 29.99% of the enlarged share capital of the Company after the proposed fundraise.

The key terms are as follows:

(i) 6 months exclusivity.
(ii) BioMoti will be valued at 50% of the pre-money market cap of Physiomics at the time of completion.
(iii) Target of £4m fund raise to develop the new joint company's drug discovery and development pipeline.
(iv) The purchase price will not exceed 29.99% of the post-money value of the joint company.

It is currently intended that a legally binding agreement will be entered into before August 2016 but at this stage there can be no guarantee that the transaction will complete.

Strategy

In line with the Company's stated strategy of acquiring an oncology therapeutics company, the Directors believe that the acquisition of BioMoti Ltd and concurrent fund raise is the best plan to build its value over the medium to long term. Industry Partners have verified that Physiomics' Virtual Tumour technology can improve the outcome of pre-clinical oncology experiments and the technology is now being used in the clinic with the first large pharma clinical collaboration announced in March 2015. Whilst Virtual Tumour can continue to be used by our industry partners, additionally it will be used as an internal tool to progress an oncology pipeline. The Directors believe that if the BioMoti acquisition completes, the Physiomics Virtual Tumour technology can be used to enhance and add precision to the process of developing BioMoti's lead asset MOTI1001. In its simplest form the technology takes tried, tested and approved oncology compounds and enhances their performance. The risk is not the usual one of whether the drug works but that of demonstrating the pharmaco-economic and patient benefits of the modified molecule. We expect to see this precision immuno-oncology molecule enter pre-clinical studies clinical studies as soon as a route to manufacture has been finalised.

BioMoti's platform technology, Oncojan™, creates nanoparticles which package cancer drugs into efficient sustained release delivery vehicles which can then be coated with tumour targeting antigens (http://www.biomoti.com/technology/). The lead project has shown that, for ovarian cancer, targeting CD95L known as Fas ligand on tumours can lead to more efficient targeting and delivery of the cancer killing drug Taxol, which is significantly better than using Taxol alone, in preclinical experiments. CD95L is a surface ligand that is selectively and heavily expressed in tumour vasculature and cancer cells where it promotes tumour immune evasion, cancer cell proliferation and metastasis.

In summary, the Directors believe the proposed acquisition could provide a number of synergies for the company going forward:

(i) Virtual Tumour could be utilised to increase the potency of internal drug candidates via optimised regimens.

(ii) Targeting CD95L on tumours provides a way to personalise cancer treatment to appropriate patients. Additionally, Physiomics could employ its modelling techniques to predict the patients who would benefit most from the Company's drug candidates.

(iii) The Oncojan™ platform could be used in conjunction with Virtual Tumour to develop further targeted therapies for different cancer indications and drug combinations. BioMoti's proprietary Oncojan™ platform uses nanoparticle technology to deliver therapeutic drugs targeted to specific tumours. The particles contain anti-cancer drugs and are coated with antigens that specifically hone in on cancer cells and the surrounding tissue. This technique can be used to enhance the performance of tried and tested anti-cancer compounds, most of which are generics and therefore carry no licence fee. Physiomics would focus on the potent generic compounds reducing risk and maximising return.

About BioMoti Limited

The shareholders of BioMoti Limited are Professor Joanne Martin, Dr. Davidson Ateh, Dr. Keith Powell, Queen Mary and Westfield College, WCS Nominees Limited, Mr Gilbert Chalk

and Mr Ian McFarlane-Toms, all shareholders would be subject to lock in restrictions to be agreed between the parties.

For the period ended 30 November 2014 (audited), BioMoti Limited had a turnover of £59,487, made a loss for the financial year of £121,005 and its gross assets were valued at £22,858.

Board Changes

The current CEO, Mark Chadwick, has indicated that he will be stepping down as Chief Executive Officer of the Company before the end of April 2016, however he will continue as a non-executive director in the short term and has agreed to remain as Chief Executive Officer until a replacement is appointed. A new CEO will be appointed by that time. Plans to appoint an experienced pharmaceutical executive with the skills to take the business to the next stageare well advanced. A further announcement will be made in due course.

Mark Chadwick, departing CEO commented, "It has been an immense pleasure and privilege to lead Physiomics to this point. I feel confident that the new leadership and direction will lead to accelerated success and stand ready to assist the Company to achieve its goals in my new capacity."

Paul Harper, Chairman of Physiomics commented " Mark has done a good job of stewarding Physiomics through the development and supplication of ground breaking system modelling and facilitating its introduction into the drug discovery process of a number of global pharmaceutical companies. We wish Mark well for the future and welcome his continued involvement with the business."

For further information please contact:

Physiomics Plc

Dr Mark Chadwick +44 (0)1865 784980

WH Ireland Limited

Katy Mitchell/Nick Prowting +44 (0) 161 832 2174