

rational therapeutics

Physiomics plc

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

Strategic Update

Physiomics plc (AIM: PYC), the Oxford, UK based systems biology company, is pleased to provide an update on its strategic direction. For some time the Company has been pursuing M&A targets, in particular oncology therapeutics companies that could benefit from the application of Virtual Tumour and other PYC modelling tools. Physiomics has now identified a number of potential targets, including one in particular where the synergy with our modelling skills is strong. Physiomics will be pursuing all opportunities and, whilst there is no guarantee at this stage that any transaction will proceed, a further update will be providing in due course if any transaction does progress.

Dr Mark Chadwick, CEO of Physiomics, commented:

"We hope to start down the path of an integrated therapeutics and service company and make a relevant acquisition in the next few months, whilst at the same time, showcasing our modelling technology. The Directors believe that this will provide a platform to much more rapidly drive value creation in PYC."

The Company also advises shareholders that it anticipates releasing its Annual Results for the year ended 30 June 2015 shortly.

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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 <u>www.physiomics-plc.com</u>

SystemCell® is a registered trademark of Physiomics plc ¹Tufts Centre Impact Report 2002