

3 March 2020

Physiomics Plc

(“Physiomics”) or (the “Company”)

**Interim Results Statement  
for the six-month period ended 31 December 2019**

Physiomics plc (AIM: PYC), the oncology consultancy using mathematical models and its Virtual Tumour™ technology to support the development of cancer treatment regimens and personalised medicine solutions, today announces its financial results for the six months ended 31 December 2019.

***Summary financial results***

- Revenue of £343k (six months ended 31 December 2018: £324k)
- Total income of £343k (six months ended 31 December 2018: £372k\*)
- Operating loss of £118k (six months ended 31 December 2018: £113k)
- Cash and cash equivalents of £434k at 31 December 2019 (31 December 2018: £552k)
- Shareholders’ funds of £532k at 31 December 2019 (31 December 2018: £639k)

*\* Total income for the six months ended 31 December 2018 includes other operating income, being grant income, of £48k. No grant income is included in the six months ended 31 December 2019.*

***Operational highlights***

Key events in the period include:

- Agreement with Bicycle Therapeutics and CRUK to analyse clinical data from the first in man study of BT1718
- Continued relationship with Merck KGaA for the provision of a range of modelling and simulation services during the course of 2020
- Follow-on contract with CellCentric Ltd for pharmacokinetic/pharmacodynamic (PKPD) modelling in support of the clinical development of its lead clinical asset CCS1477

Key event after the period end:

- Two further contracts of undisclosed value with existing client Bicycle Therapeutics have been announced today

## *Chairman and CEO's statement*

### *Introduction*

Revenue in the first half was around 6% ahead of the comparable period in 2018, although total income was around 8% lower, as no grant income was received during the period. Despite this, operating losses were held steady at £118k, just £5k more than the previous period. Careful management of cash helped the Company to achieve a net cash inflow of £29k during the period, with the Company having cash and cash equivalents of £434k as at 31 December 2019 (30 June 2019: £405k). The second half revenues for the last two financial years have significantly exceeded those of the first half and the Board expects this trend to continue in the current financial year. Notably, in the last financial year, the majority of the Company's grant income was recognised in the first half whereas in the current financial year, any grant income received would start to be recognised in the second half (January to June 2020).

### **Business strategy update**

The Company is very pleased to be attracting follow-on projects with a range of clients including CellCentric and Bicycle Therapeutics, as well as its long-term client Merck KGaA ("Merck"). These projects span a number of key approaches to cancer therapy, including immuno-oncology, radiotherapy and DNA damage/repair agents. In parallel with ensuring repeat business, the Company is highly focused on identifying new clients and, to this end, it has made, and will continue to make, significant investments in marketing, including:

- Attendance at key industry conferences;
- Additional external business development support to complement internal capabilities/capacity;
- Digital marketing via targeted advertisements on the widely used business platform, LinkedIn;
- Subscription to databases allowing the Company to track potential oncology clients as they attract funding and progress their programs to stages of development where we can support them; and
- Direct marketing telephone campaigns targeted at relevant potential clients.

The Company is also in the final stages of securing a further grant in respect of its personalised oncology offering. A further announcement will be made in due course, as and when appropriate.

### **Outlook**

We are looking forward to a solid second half underpinned by significant contracted revenues from Merck, Bicycle Therapeutics and CellCentric, as well as other potential projects with existing and new clients.

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**Notes to Editor**

**About Physiomics**

Physiomics® is an oncology consultancy which uses mathematical PKPD models as well as its proprietary Virtual Tumour™ technology to predict the effects of cancer drugs and treatments and improve the success rate of drug discovery and development projects. The predictive capability of Virtual Tumour has been confirmed by 55 projects, involving over 25 targets and 60 drugs, and has worked with clients such as Merck, Merck & Co, Bayer and Lilly.

Based in Oxford UK, the Company works with clients worldwide to support their pre-clinical and clinical oncology development programs. Its team of scientists and computer modelling experts provide bespoke solutions encompassing data, analytics and insight. Physiomics senior management has academic and commercial expertise, including over 90 years collectively of working in oncology and/or computational biology and over 100 publications in peer reviewed journals.

For more information please visit:  
[www.physiomics-plc.com](http://www.physiomics-plc.com)  
[www.twitter.com/Physiomics](https://www.twitter.com/Physiomics)  
[www.linkedin.com/company/physiomics-plc/](https://www.linkedin.com/company/physiomics-plc/)

Physiomics Plc

Unaudited Statement of Comprehensive Income for the half year ended 31 December 2019

	Unaudited Half year to 31-Dec-19 £'000	Unaudited Half year to 31-Dec-18 £'000	Audited Year ended 30-Jun-19 £'000
Revenue	343	324	719
Other operating income	-	48	64
<b>Total income</b>	<b>343</b>	<b>372</b>	<b>783</b>
Operating expenses before exceptional costs	<u>(461)</u>	<u>(485)</u>	<u>(984)</u>
<b>Operating loss and loss before taxation</b>	<b>(118)</b>	<b>(113)</b>	<b>(201)</b>
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UK corporation tax	36	49	97
Loss for the period attributable to equity shareholders	<u>(82)</u>	<u>(64)</u>	<u>(104)</u>
Loss per share (pence)			
Basic and diluted	(0.11) p	(0.09) p	(0.14) p

**Physiomics Plc**

**Unaudited Statement of financial position as at 31 December 2019**

	Unaudited As at 31-Dec-19 £'000	Unaudited As at 31-Dec-18 £'000	Audited As at 30-Jun-19 £'000
Non-current assets			
Intangible assets	4	-	1
Property, plant and equipment	14	19	19
	<u>18</u>	<u>19</u>	<u>20</u>
Current assets			
Trade and other receivables	152	269	269
Cash and cash equivalents	434	552	405
	<u>586</u>	<u>821</u>	<u>674</u>
Total assets	<u>604</u>	<u>840</u>	<u>694</u>
Current liabilities			
Trade and other payables	(72)	(61)	(85)
Deferred revenue	-	(140)	(1)
Total liabilities	<u>(72)</u>	<u>(201)</u>	<u>(86)</u>
Net assets	<u>532</u>	<u>639</u>	<u>608</u>
Capital and reserves			
Share capital	1,181	1,181	1,181
Capital reserves	5,426	5,411	5,420
Profit & loss account	(6,075)	(5,953)	(5,993)
Equity shareholders' funds	<u>532</u>	<u>639</u>	<u>608</u>

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**Unaudited Statement of changes in equity for the half year ended 31 December 2019**

	Share capital £'000	Share premium account £'000	Share-based compensation reserve £'000	Retained earnings £'000	Total shareholders' funds £'000
At 1 July 2018	1,181	5,228	170	(5,889)	690
Transfer to other reserves	-	-	13	-	13
Loss for the period	-	-	-	(64)	(64)
At 31 December 2018	1,181	5,228	183	(5,953)	639
Transfer to other reserves	-	-	9	-	9
Loss for the period	-	-	-	(40)	(40)
At 30 June 2019	1,181	5,228	192	(5,993)	608
Transfer to other reserves	-	-	6	-	6
Loss for the period	-	-	-	(82)	(82)
At 31 December 2019	1,181	5,228	198	(6,075)	532

**Physiomics Plc**

**Unaudited Cash Flow Statement for the half year ended 31 December 2019**

	Unaudited Half year to 31-Dec-19 £'000	Unaudited Half year to 31-Dec-18 £'000	Audited Year ended 30-Jun-19 £'000
Cash flows from operating activities:			
Operating loss	(118)	(113)	(201)
Amortisation and depreciation	5	3	8
Share-based compensation	7	13	22
(Increase) decrease in receivables	57	(30)	(13)
Increase / (decrease) in payables	(12)	5	25
Increase / (decrease) in deferred revenue	(1)	72	(67)
Cash generated from operations	<u>(62)</u>	<u>(50)</u>	<u>(226)</u>
UK corporation tax received	95	47	82
Net cash generated from operating activities	<u>33</u>	<u>(3)</u>	<u>(144)</u>
Cash flows from investing activities:			
Purchase of non-current assets, net of grants received	(4)	(17)	(23)
Net cash used by investing activities	<u>(4)</u>	<u>(17)</u>	<u>(23)</u>
Net (decrease) / increase in cash and cash equivalents	29	(20)	(167)
Cash and cash equivalents at beginning of period	405	572	572
Cash and cash equivalents at end of period	<u>434</u>	<u>552</u>	<u>405</u>

## Physiomics Plc

### Notes to the Interim Financial Statements

#### 1. General information

Physiomics Plc is a public limited company ("the Company") incorporated in England & Wales (registration number 4225086). The Company is domiciled in the United Kingdom and its registered address is The Magdalen Centre, Robert Robinson Avenue, The Oxford Science Park, Oxford, OX4 4GA. The Company's ordinary shares are traded on the AIM Market of the London Stock Exchange ("AIM"). Copies of the interim report are available from the Company's website, [www.physiomics-plc.com](http://www.physiomics-plc.com). Further copies of the Interim Report and Annual Report and Accounts may be obtained from the address above.

The Company's principal activity is the provision of services to pharmaceutical companies in the area of outsourced systems and computational biology.

#### 2. Basis of preparation

The interim financial statements of the Company for the six months ended 31 December 2019, which are unaudited, have been prepared in accordance with the accounting policies set out in the annual report and accounts for the year ended 30 June 2019, which were prepared under International Financial Reporting Standards ("IFRS").

The financial information contained in the interim report does not constitute statutory accounts as defined in Section 435 of the Companies Act 2006. The financial information for the full preceding year is based on the statutory accounts for the year ended 30 June 2019. Those accounts, upon which the auditors, Shipleys LLP, issued a report which was unqualified but contained an emphasis of matter paragraph, have been delivered to the Registrar of Companies.

As permitted, this interim report has been prepared in accordance with the AIM Rules for Companies and not in accordance with IAS 34 "Interim Financial Reporting" therefore it is not fully compliant with IFRS.

The interim financial statements are presented in sterling and all values are rounded to the nearest thousand pounds (£'000) except when otherwise indicated.

#### 3. Loss per share

Basic loss per share is 0.11p (H1 2018: loss per share 0.09p). The basic loss per ordinary share is calculated by dividing the loss of £82,148 (H1 2018: loss £63,935) by 71,910,394 (H1 2018: 71,910,394), the weighted average number of shares in issue during the period.

The loss attributable to equity holders (holders of ordinary shares) of the Company for calculating the fully diluted loss per share is identical to that used for calculating the loss per share. The exercise of share options would have the effect of reducing the loss per share and is therefore anti-dilutive.