

7 March 2024

## Physiomics Plc

(“Physiomics”) or (the “Company”)

### Interim Results Statement for the six-month period ended 31 December 2023

Physiomics plc (AIM: PYC), a leading mathematical modelling and data science company supporting the development of new therapeutics and personalised medicine solutions, today announces its unaudited financial results for the six months ended 31 December 2023.

#### **Summary financial results**

- Revenue of £374k (six months ended 31 December 2022: £338k)
- Total income of £382k\* (six months ended 31 December 2022: £346k\*)
- Operating loss of £236k (six months ended 31 December 2022: £287k)
- Cash and cash equivalents of £403k at 31 December 2023 (31 December 2022: £498k)
- Shareholders’ funds of £672k at 31 December 2023 (31 December 2022: £762K)

\* Total income for the six months ended 31 December 2023 includes other operating income, being grant income, of £8k (grant income for six months ended 31 December 2022: £8k).

Total income was £36k higher than the comparable prior period, due to a £36k increase in client revenues. There was a small early contribution from the Innovate UK grant announced in November 2023. Operating losses were £51k lower than the comparable previous period largely due to increased revenues but also cost efficiencies, including an optimised utilisation of permanent staff versus external consultants and move to new flexible office space. Due to changes in the R&D Tax regime and given our anticipated mix of SME & RDEC work, the tax reimbursement continues a downward trend and is anticipated to be reduced by a third when compared to FY23. The Company finished the half year with shareholder funds of £672k at 31 December 2023 (compared with £762k at 31 December 2022), of which £403k were cash and equivalents.

The Company continued to broaden the client mix over the course of the last six-month period, minimising its reliance on one large client (representing 16% of revenue in this period) to providing consultancy services to a range of clients. In addition, the business continues to move towards a more balanced mix of repeat versus new business, with 33% of revenue in the period deriving from new clients. This mix is also reflected in the business development pipeline, where over 40% of active opportunities are with new clients (as of 31 December 2023).

#### **Operational Highlights**

Key events in the period include:

- Follow on contracts with existing clients Bicycle Therapeutics, Merck KGaA and Numab Therapeutics
- Award of a £125k contract with a new UK-based biotech client
- Appointment of COO, Dr Peter Sargent, who has, post period, become CEO
- Announcement of intention to build a new biostatistics service line

- Award of an Innovate UK grant to further develop Physiomics' personalised dosing tool, with the project to be led by Physiomics and projected to run until October 2025 - total award is £570k, of which Physiomics will receive £137k of direct funding

Key events after the period end:

- Dr Peter Sargent appointed as CEO, with Dr Jim Millen continuing to support the business as Non-Exec Chairman
- Award of a new contracts with existing clients Numab Therapeutics
- Announcement of £45k grant funding from Yorkshire Cancer Research for the Company to support the University of Sheffield (project to start in second half of this calendar year)

### ***Chairman and CEO's business strategy update***

The Directors are pleased that the Company is on track to meet expectations, which, if achieved, would mean a significant increase in total income compared with the financial year ended 30 June 2023. The Company continues to build its portfolio of smaller and medium sized biotech customers with the award of a significant contract by an important new UK-based client, the retention and expansion of business activities with several existing clients and the award of two new grants funded by Innovate UK and Yorkshire Cancer Research.

### ***Consulting business based on modelling & simulation using Virtual Tumour™ and other tools***

As noted above, the Company has continued to broaden the client mix with the addition of a new UK-based biotech client and the award of three follow on contracts with existing SME clients. The Company took the opportunity to publicise its work through the presentation of a poster based on project work with client Ankyra Therapeutics at the prestigious *EORTC-NCI-AACR International Conference on Molecular Targets and Cancer Therapeutics* in Boston last October.

The Company's pipeline of potential new business now stands at over £1.5m (not risk weighted and excluding Biostatistics), counting only opportunities where a specific project has been discussed with a client. The Company is working hard to both convert opportunities that have progressed to proposal stage and also to refill the funnel with earlier stage opportunities. A significant number of new client contracts are now originating from both scientific conferences (such as EORTC-NCI-AACR & AACR Annual Meeting) as well as more business focused meetings (such as BioEurope) and as such the Company intends to significantly increase its presence at such meetings over the course of this calendar year.

### ***Personalised oncology***

In November 2023, the Company was delighted to announce the award of a further Innovate UK grant of £137k, to be recognised by the Company between the award date and anticipated completion in October 2025. The total value of the project, split between the Physiomics and co-applicants Beyond Blood Diagnostics and Blackpool Teaching Hospitals NHS Foundation Trust, is anticipated to be £571k. The aim of the project will be to gather clinical data to enable the Company's tool to be used to support decision making on the dosing of both chemotherapy, as well as the expensive biological drug G-CSF.

The partnership with Beyond Blood Diagnostics, which is developing a miniaturised device to measure blood counts, could potentially facilitate the use of the Company's tool in

primary care or even home settings. In parallel with this grant-funded activity, the Company remains in close contact with DoseMe regarding how it can progress its collaboration focused on the commercialisation of the Company's dosing tool in the US and further announcements on this will be made when appropriate.

### ***Biostatistics service line***

The Company was excited to announce its intention to develop a separate consulting service line focused on the delivery of biostatistics projects. Several complementary options are being pursued simultaneously to build out this new capability and a further update will be provided to the market towards the end of the current financial year. We anticipate that, if successful, this new service line could make a material contribution to the Company's revenues and bottom line in the financial year ending 30 June 2025.

### ***Board composition***

The promotion of Dr Peter Sargent to CEO and associated move by Dr Jim Millen to Non-Executive Chairman of the Company completes the restructuring of the Board for now to better align with good governance principles as set out by AIM and the QCA Code.

### **Outlook**

The Directors believe the Company will continue to trade in line with market expectations.

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### **Notes to Editor**

#### **About Physiomics**

Physiomics plc (AIM: PYC) is an oncology consultancy using mathematical models to support the development of cancer treatment regimens and personalised medicine solutions. The Company's Virtual Tumour™ technology uses computer modelling to predict the effects of cancer drugs and treatments to improve the success rate of drug discovery and development projects while reducing time and cost. The predictive capability of Physiomics' technologies has been confirmed by over 100 projects, involving over 50 targets and 75 drugs, and has worked with clients such as Merck KGaA, Astellas, Merck & Co and Bicycle Therapeutics.

## Physiomics Plc

### Unaudited Statement of Comprehensive Income for the half year ended 31 December 2023

	Unaudited Half year to 31-Dec-23 £'000	Unaudited Half year to 31-Dec-22 £'000	Audited Year ended 30-Jun-23 £'000
Revenue	374	338	598
Other operating income	8	8	8
<b>Total income</b>	<b>382</b>	<b>346</b>	<b>606</b>
Operating expenses	(618)	(633)	(1,180)
<b>Operating loss</b>	<b>(236)</b>	<b>(287)</b>	<b>(574)</b>
Finance Income	1	-	2
<b>Loss before taxation</b>	<b>(235)</b>	<b>(287)</b>	<b>(572)</b>
Income tax income	29	56	95
<b>Loss for the period attributable to equity shareholders</b>	<b>(206)</b>	<b>(232)</b>	<b>(477)</b>
<b>Loss per share (shown in pence)</b>			
Basic and diluted	(0.15) p	(0.24) p	(0.49) p

## Physiomics Plc

### Unaudited Statement of financial position as at 31 December 2023

	Unaudited As at 31-Dec-23 £'000	Unaudited As at 31-Dec-22 £'000	Audited As at 30-Jun-23 £'000
Non-current assets			
Intangible assets	5	3	5
Property, plant and equipment	5	14	8
	<u>10</u>	<u>17</u>	<u>13</u>
Current assets			
Trade and other receivables	380	446	244
Cash and cash equivalents	403	498	417
	<u>783</u>	<u>944</u>	<u>661</u>
Total assets	<u>793</u>	<u>961</u>	<u>674</u>
Current liabilities			
Trade and other payables	(105)	(104)	(122)
Deferred revenue	(16)	(95)	(20)
Total liabilities	<u>(121)</u>	<u>(199)</u>	<u>(142)</u>
Net assets	<u>672</u>	<u>762</u>	<u>532</u>
Capital and reserves			
Share capital	1,435	1,283	1,283
Capital reserves	6,278	6,237	6,084
Profit & loss account	(7,041)	(6,758)	(6,835)
Equity shareholders' funds	<u>672</u>	<u>762</u>	<u>532</u>

**Physiomics Plc****Unaudited Statement of changes in equity for the half year ended 31 December 2023**

	Share capital £'000	Share premium account £'000	Share-based compensation reserve £'000	Retained earnings £'000	Total shareholders' funds £'000
<b>At 1 July 2022</b>	<b>1,283</b>	<b>5,936</b>	<b>282</b>	<b>(6,526)</b>	<b>975</b>
Transfer to other reserves	-	-	19	-	19
Loss for the period	-	-	-	(232)	(232)
<b>At 31 December 2022</b>	<b>1,283</b>	<b>5,936</b>	<b>301</b>	<b>(6,758)</b>	<b>762</b>
Transfer to other reserves	-	-	14	-	14
Other Movements	-	-	(168)	168	-
Loss for the period	-	-	-	(245)	(245)
<b>At 30 June 2023</b>	<b>1,283</b>	<b>5,936</b>	<b>148</b>	<b>(6,835)</b>	<b>532</b>
Paid in Capital	152	-	-	-	152
Issue of Share Capital	-	186	-	-	186
Transfer to other reserves	-	-	8	-	8
Loss for the period	-	-	-	(206)	(206)
<b>At 31 December 2023</b>	<b>1,435</b>	<b>6,122</b>	<b>156</b>	<b>(7,041)</b>	<b>672</b>

## Physiomics Plc

### Unaudited Cash Flow Statement for the half year ended 31 December 2023

	Unaudited Half year to 31-Dec-23 £'000	Unaudited Half year to 31-Dec-22 £'000	Audited Year ended 30-Jun-23 £'000
Cash flows from operating activities:			
Operating loss	(236)	(287)	(574)
Amortisation and depreciation	4	4	10
Share-based compensation	9	19	34
(Increase) decrease in receivables	(82)	19	155
Increase / (decrease) in payables	(43)	(22)	(4)
Increase / (decrease) in deferred revenue	(4)	81	6
Net cash generated from / (used in) operations	<u>(352)</u>	<u>(186)</u>	<u>(373)</u>
UK corporation tax received	-	-	106
Net cash generated from / (used in) operating activities	<u>(352)</u>	<u>(186)</u>	<u>(267)</u>
Cash flows from investing activities:			
Purchase of non-current assets, net of grants received	(1)	(4)	(6)
Interest received	1	-	2
Net cash used in investing activities	<u>-</u>	<u>(4)</u>	<u>(4)</u>
Cash flows from financing activities:			
Issue of ordinary share capital (net of costs)	338	-	-
Net cash generated from financing activities	<u>338</u>	<u>-</u>	<u>-</u>
Net (decrease) / increase in cash and cash equivalents	(14)	(190)	(271)
Cash and cash equivalents at beginning of period	417	688	688
Cash and cash equivalents at end of period	<u>403</u>	<u>498</u>	<u>417</u>

## Physiomics Plc

### Notes to the Interim Financial Statements

#### 1. General information

Physiomics Plc is a public limited company (“Physiomics” or the “Company”) incorporated in England & Wales (registration number 4225086). The Company is domiciled in the United Kingdom and its registered address is Bee House, 140 Eastern Avenue, Milton Park, Abingdon, Oxfordshire, OX14 4SB. 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.co.uk](http://www.physiomics.co.uk).

Physiomics is engaged in providing consulting services to pharmaceutical companies in the areas of outsourced quantitative system pharmacology and PK/PD modelling, using a combination of industry standard technologies and its own proprietary technology platform, Virtual Tumour™. In simple terms, this means helping companies to put the right drugs together, at the right dose, in the right patient to help achieve the best possible results at the lowest cost.

#### 2. Basis of preparation

The interim financial statements of the Company for the six months ended 31 December 2023, 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 2023, 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 2023. Those statutory accounts, upon which the auditors, Shipleys LLP, issued a report which was unqualified, 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” and 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 where otherwise indicated.

#### 3. Loss per share

Basic loss per share is 0.15p (H1 2022: loss per share 0.24p). The basic loss per ordinary share is calculated by dividing the loss of £206,118 (H1 2022: loss £231,754) by 135,056,656 (H1 2022: 97,424,778), 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.