

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")

**Dispatch of Annual Report and Shareholder Circular
Proposed Share Consolidation**

Dispatch of Documentation

Physiomics plc (AIM: PYC), the Oxford, UK based systems biology company, is pleased to announce that it has published and posted to shareholders

- its Annual Report for the financial year ended 30th June 2016 and
- a circular in relation to a forthcoming Annual General Meeting

As already announced on the 27 October 2016, the Company's Annual General Meeting will be held at due to be held at 10:00 a.m. on 16 December 2016 at the Company's registered office, The Magdalen Centre, Oxford Science Park, Robert Robinson Avenue, Oxford, OX4 4GA.

Resolutions To Be Proposed At The Annual General Meeting

Ordinary

Resolutions

1. To receive and adopt the financial statements and the report of the directors and auditors of the Company for the period ended 30 June 2016.
2. To re-appoint Dr Christophe Chassagnole as a Director of the Company
3. To confirm the appointment of Shipleys LLP as auditors of the Company to hold office until the conclusion of the next Annual General Meeting at which annual accounts of the Company are laid and to authorise the Directors to fix their remuneration
4. That the 5,701,657,918 ordinary shares of 0.004p each in the issued share capital of the Company be consolidated into 57,016,579 ordinary shares of 0.4p each

Physiomics plc

Registered in England and Wales Number 4225086

Registered Office: The Magdalen Centre, Oxford Science Park, Oxford OX4 4GA, UK

5. To authorise the directors to allot shares pursuant to section 551 of the Companies Act 2006.

Special

Resolution

6. To disapply section 561 of the Companies Act 2006 in relation to the allotment in resolution (5) above.

Proposed Share Consolidation

As set out in Resolution 4, above, in line with its focus on delivering value to Shareholders, the Company proposes to consolidate the Ordinary Shares of 0.004p each ("Ordinary Shares") in a ratio of 100:1 in order to reduce the number of Ordinary Shares in issue and to increase the price per Ordinary Share to a level more in line with other companies admitted to trading on AIM ("Share Consolidation").

Under the Share Consolidation, it is proposed that every one hundred Ordinary Shares be immediately consolidated into one Consolidated Ordinary Share of 0.4p each ("Consolidated Ordinary Share"). Accordingly, the proportion of Ordinary Shares held by each Shareholder immediately before the Share Consolidation will, save for fractional entitlements (which are discussed further below), be the same as the proportion of Consolidated Ordinary Shares held by each Shareholder immediately after the Share Consolidation. For clarity, Deferred Shares will not be impacted by this Consolidation.

The Consolidated Ordinary Shares will carry equivalent rights to the Ordinary Shares, save as to nominal value.

In the event that the number of existing Ordinary Shares held by a Shareholder is not exactly divisible by one hundred, the Share Consolidation will generate an entitlement to a fraction of a Consolidated Ordinary Share.

The Company proposes that any such fractional entitlements will be aggregated and sold in the market for the best price reasonably obtainable with the proceeds being to the benefit of the Company. Given the small economic value of such fractional entitlements, the Board is of the view that the distribution of the sale proceeds to individual Shareholders would result in a disproportionate cost to the Company.

Any Shareholder holding fewer than one hundred Ordinary Shares at the Record Date will cease to be a Shareholder.

The Board believes that the Share Consolidation will result in a more appropriate number of shares in issue for a company of Physiomics' size in the UK market. The Share Consolidation may also help to make the Company's shares more attractive to investors and may result in a narrowing of the bid/offer spread, thereby improving liquidity.

Assuming the Share Consolidation is approved at the Company's General Meeting, the issued share capital of the Company immediately following the Share Consolidation will comprise 57,016,579 Consolidated Ordinary Shares and 2,481,657,918 Deferred Shares of 0.036p each.

The entitlements to Ordinary Shares of holders of share options or other instruments convertible into Ordinary Shares will be adjusted in accordance with their terms to reflect the Share Consolidation.

Trading of the Consolidated Ordinary Shares

Application will be made for the simultaneous cancellation of the existing Ordinary Shares from CREST and admission of the Consolidated Ordinary Shares to trading on AIM, and dealings in the new Consolidated Ordinary Shares are expected to commence on 19th December 2016 under the ISIN set out below.

Definitive share certificates in respect of those Consolidated Ordinary Shares which will be held by Shareholders who currently hold their Ordinary Shares in certificated form are expected to be dispatched to relevant Shareholders on or around 5th January 2017. Share certificates in respect of existing Ordinary Shares will cease to be valid on 19th December 2016 and, pending delivery of share certificates in respect of Consolidated Ordinary Shares, transfers will be certified against the register.

EXPECTED TIMETABLE OF EVENTS

Latest time for receipt of Forms of Proxy:	10 a.m. on 14 December 2016
Annual General Meeting:	10 a.m. on 16 December 2016
Record date for the Share Consolidation	close of business on 16 December 2016
Share Consolidation Effective (assuming approval at the General Meeting of the Company)	8 a.m. on 19 December 2016

ADDITIONAL STATISTICS

Number of Existing Ordinary Shares of 0.004p in issue at the date of this document	5,701,657,918
Number of New Ordinary Shares of 0.4p in issue, assuming the Share Consolidation is approved	57,016,579
Assuming the Share Consolidation is approved the new SEDOL and ISIN for the Company will be:	
SEDOL:	BDR6W94
ISIN:	GB00BDR6W943
ISSUER:	PHYSIOMICS PLC
DESCRIPTION:	ORD GBP0.004
OPOL:	XLON

A copy of the Circular containing further details of the resolutions is available on the Company's website.

Enquiries:

Physiomics plc

Dr Jim Millen, CEO
+44 (0)1865 784 980

WH Ireland Limited (nomad)

Katy Mitchell
+44 (0) 161 832 2174

Hybridan LLP (broker)

Claire Louise Noyce
+44 (0) 203 764 2341

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