A leader in stem cell derived exosome technologies

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COMPANIES HOUSE

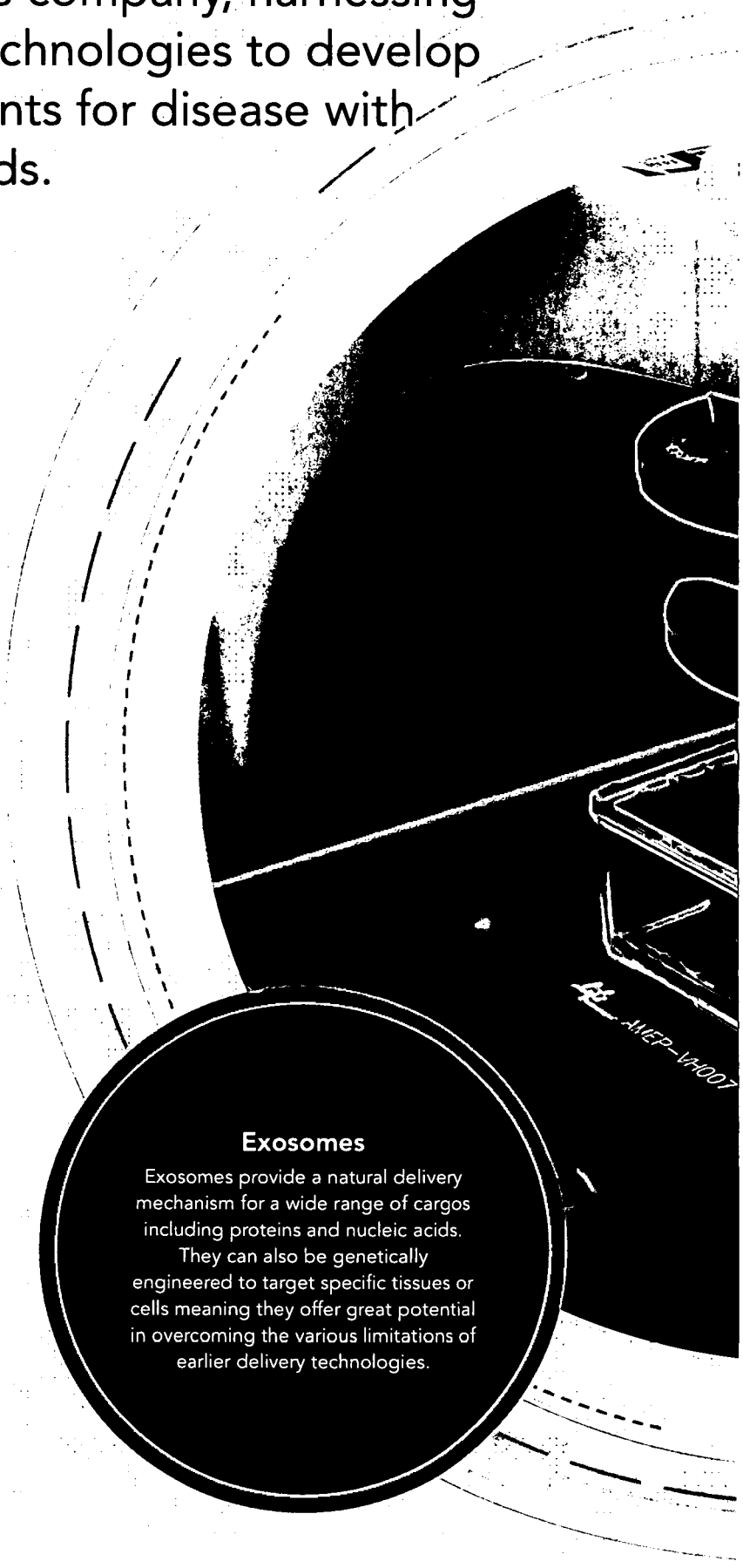
ReNeuron

RENEURON GROUP PLC
ANNUAL REPORT AND ACCOUNTS 2022

COMPANY NUMBER 05474163

ReNeuron is a UK-based stem cell derived exosome technologies company, harnessing its unique stem cell technologies to develop 'off-the-shelf' treatments for disease with significant unmet needs.

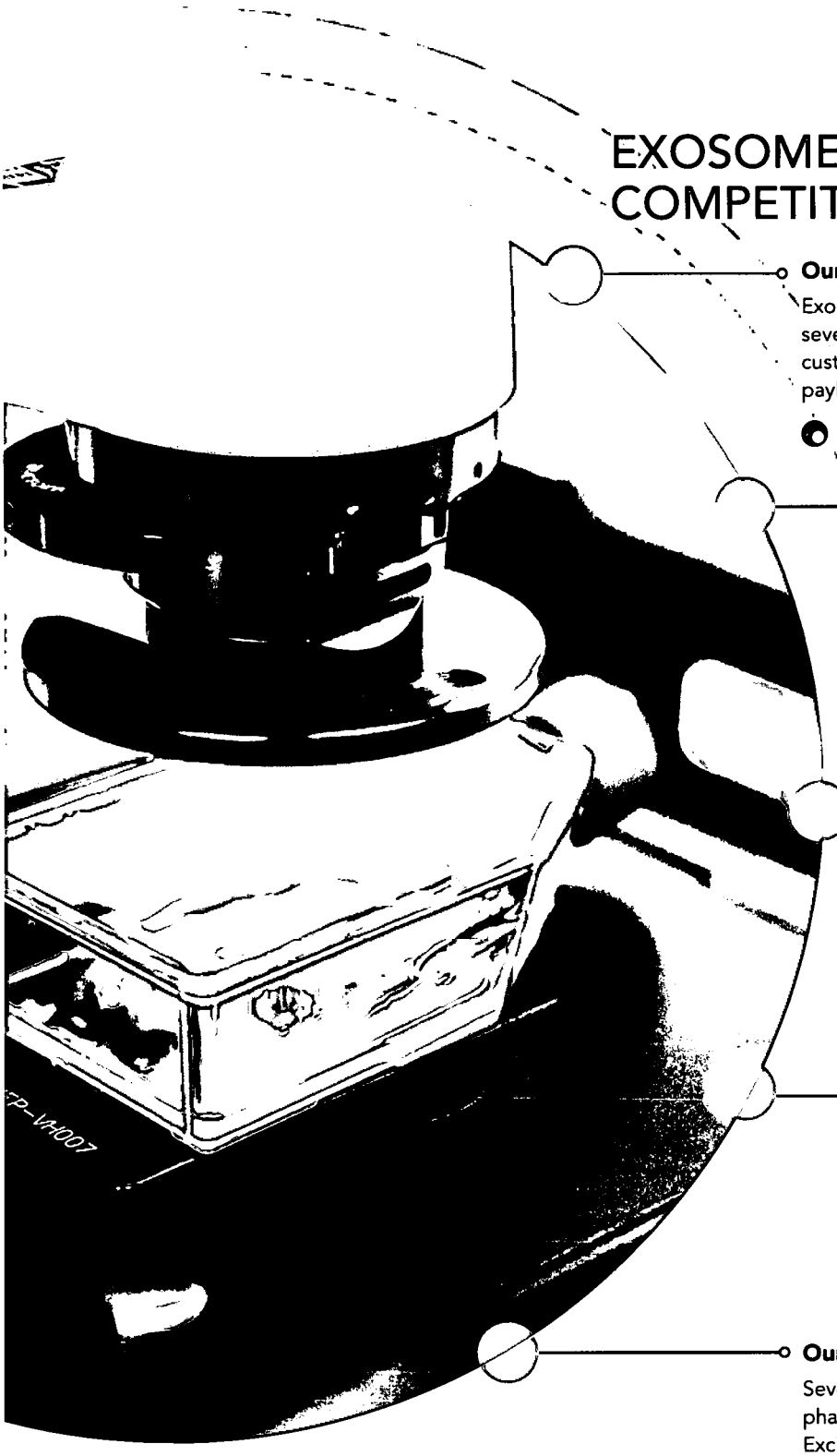
Contents



Exosomes

Exosomes provide a natural delivery mechanism for a wide range of cargos including proteins and nucleic acids. They can also be genetically engineered to target specific tissues or cells meaning they offer great potential in overcoming the various limitations of earlier delivery technologies.

EXOSOMES – OUR COMPETITIVE ADVANTAGES



Our Technology

Exosome delivery platform with a range of seven proprietary stem cell lines that can be customised and optimised for a particular payload and target

Read more on page 14

Our People

Highly skilled and passionate team of 34 professionals with deep knowledge across stem cell and stem cell-based exosomes research, CMC (chemistry, manufacturing and controls) and regulatory affairs with proven track record working with MHRA and FDA

Read more on page 15

Our Know-how

CSO/Head of Research: >30 years experience in stem cell and stem cell-based exosomes with extensive knowledge of the biology of the field. CMC team: experts in process/analytical development, manufacturing and technology transfer

Read more on page 15

Our Patent Estate

ReNeuron believes it has the third largest patent estate globally in the field of exosomes, highlighting its strength and depth in the field. Eight different patent families with patent lives in to the 2030s and beyond

Read more on page 15

Our Partnership and Pipeline

Seven collaborations ongoing with big pharma, biotech and academic institutions. Exciting pre-clinical data showing delivery of a therapeutic protein to the brain

Read more on page 16

A SNAPSHOT OF OUR YEAR

Shift in strategy

Exosome platform

Following a strategic review in January 2022, ReNeuron is now fully focused on expanding its proprietary customisable exosomes platform.

Seven discovery-stage collaborations proceeding with global pharma, biotech and academic institutions, with the Group committed to adding long-term value creating partnerships.

Exciting pre-clinical data announced showing that ReNeuron's exosome drug delivery technology can effectively deliver therapeutic proteins to the brain to potentially treat neurological diseases.

Fosun Pharma

Fosun Pharma continues to progress development of CTX in stroke disability in China. In January 2022, ReNeuron announced that it had signed an additional agreement, setting out the first steps for the technology transfer of the CTX drug product into China.

Post year-end in July 2022, ReNeuron signed a Supplemental Terms Agreement with Fosun Pharma. As a result, the Group expects to receive approximately £1 million over the next 24 months with up to a further £5 million over the medium to long term.

Induced pluripotent stem cell (iPSC) Platform

Collaboration signed with University College London (UCL) investigating the use of ReNeuron's iPSC platform to potentially generate CAR-T and/or CAR-NK cells.

Positive data from a separate UCL collaboration demonstrating that ReNeuron's iPSCs can be differentiated into Schwann cells with potential applications such as peripheral nerve damage repair.

hRPC (human retinal progenitor cells) for retinal diseases

In January 2022, as a result of the strategic review and following consultation with the Company's Scientific Advisory Board, the Board took the decision to halt development of its Retinitis Pigmentosa programme as it became clear that a further phase 2 trial would be required. The view was that the size of the additional investment required would not be in the best interests of shareholders.

The Board's intention is to complete the Retinitis Pigmentosa data package and out-licence the programme to a third party.

Corporate and organisational development

Chairman and CEO

In July 2021, Iain Ross was appointed as Non-Executive Chairman and following Olav Hellebø's resignation as CEO in February 2022, Mr Ross became Interim Executive Chairman until the appointment of a new CEO.

CFO

In October 2021, Catherine Isted, ACMA, joined the Board, replacing Michael Hunt as Chief Financial Officer.

Non-Executive Directors

Additionally, during the year, the Board was reconfigured with former Chairman, Dr Tim Corn and Non-Executive Directors Mark Evans and Sir Chris Evans OBE stepping down. Two new independent Non-Executive Directors, Barbara Staehelin and Martin Walton, have joined the Board.

Executive Management Team

Dr Stefano Pluchino was appointed as Chief Scientific Officer and Dr Randolph Corteling as Head of Research, greatly increasing the Group's exosomes expertise.

Events after the reporting period

On 1 August 2022, subsequent to release of the preliminary results, the appointment of Catherine Isted as Chief Executive Officer, effective 1 September 2022, was announced.

Financial highlights

Revenue for the year of £403,000 relating to research and collaboration activities and royalty income. (2021: £257,000)

Reduced costs incurred in the year of £11.6 million (2021: £13.2 million) primarily driven by lower R&D spend following the strategic decision to curtail clinical development activities.

Loss for the year of £9.7 million (2021: loss of £11.3 million) reflecting lower costs.

Increased net cash used in operating activities of £7.4 million (2021: £6.1 million) with the prior year benefitting from the receipt of two R&D tax credits relating to financial years 2019 and 2020.

Cash, cash equivalents and bank deposits at 31 March 2022 of £14.5 million (31 March 2021: £22.2 million) providing a cash runway until at least mid-calendar year 2023.

Cash, cash equivalents and bank deposits

£14.5m

2021: £22.2m

Operating costs

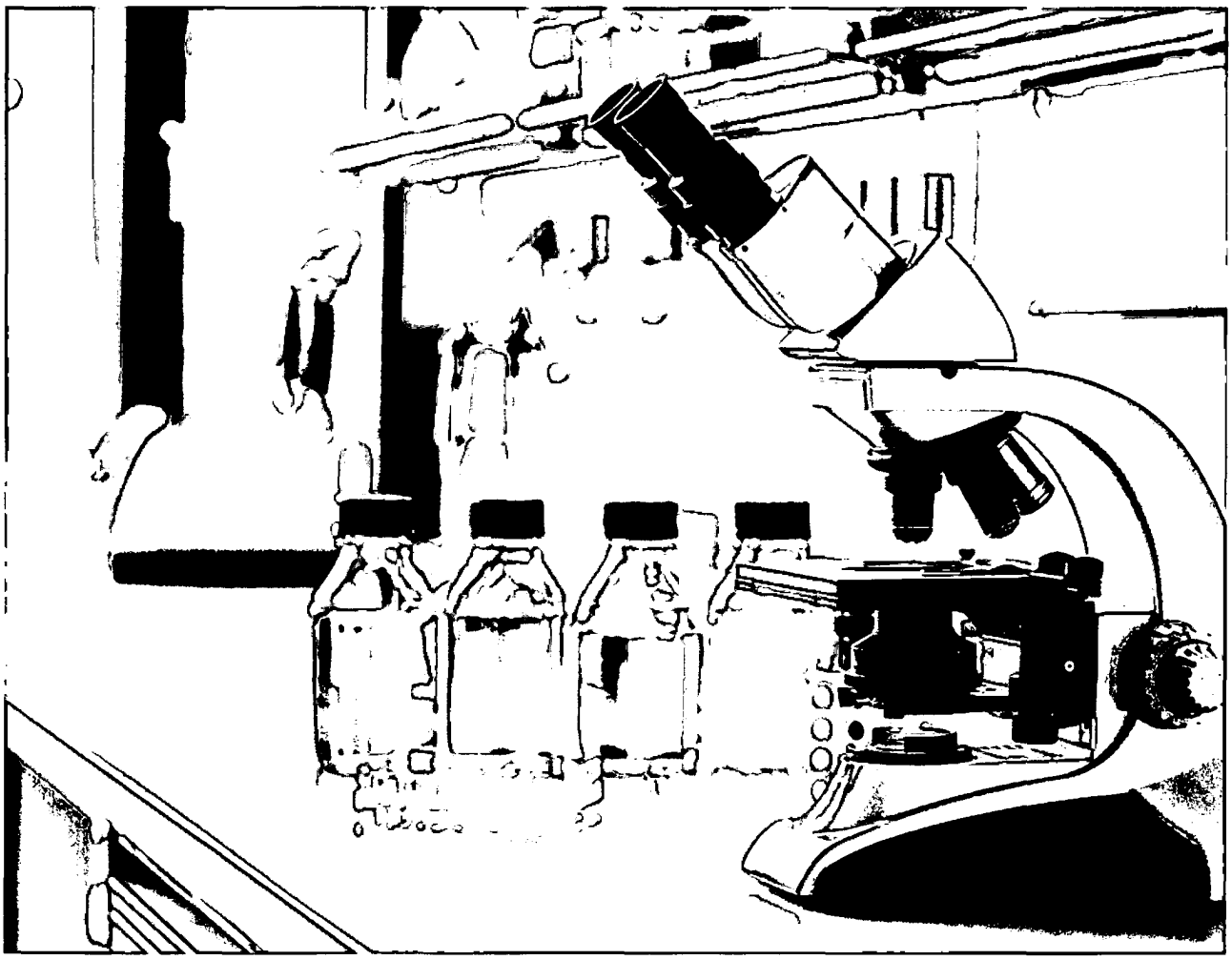
£11.6m

2021: £13.2m

Loss for the year

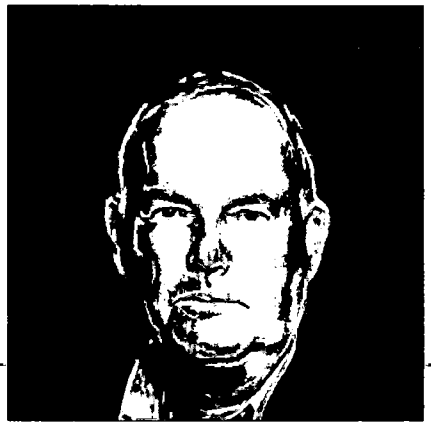
£9.7m

2021: £11.3m



CHAIRMAN'S STATEMENT

During the year, tough decisions have been taken, the business model refocussed and the Board and Management team strengthened in line with our future goals."



Following the strategic review in January 2022, the Board took some tough decisions from a business and organisational perspective. As a result, during the course of the year, the Group has made a number of changes to not only reorganise the business to fully focus on exosomes, but also to put in place the right team both at the Board and Executive level in order to build a sustainable growing business and ultimately to deliver shareholder value.

I was appointed Chairman in July 2021, and having worked with the team for six months, in January 2022, the Board under my leadership took the tough decision to halt the Retinitis Pigmentosa (RP) programme and fundamentally reorganise the business and its priorities. Upon reviewing the RP data we believed that we could not justify substantial further investment into the RP programme and that the programme's future was better served in the hands of a partner. This decision has allowed us to increase the speed at which we can invest in and progress our proprietary exosomes platform. We believe this platform is differentiated from others in the field and allows our exosomes to be customised and optimised for specific payloads and targets. We believe our position as a leader in this growing field of science offers the best opportunity of returns for our shareholders.

In addition to having leading edge science and IP in the field, I believe we now have the right combination of skill sets in our Executive team having made three key hires during the year to build and grow our exosomes platform business. Catherine Isted joined as CFO having spent her career to date in healthcare, most recently at Oxford Biomedica plc building their viral vector-based platform business. Catherine has already made a significant contribution since joining the business. Additionally in the year, Dr Stefano Pluchino joined ReNeuron as Chief Scientific Officer and Dr Randolph Corteling re-joined ReNeuron as Head of Research. Between them they bring over 30 years of experience in exosomes and their extensive knowledge in the field is invaluable as the Group looks to maximise the potential in this fast growing area of science.

In addition, we have evolved the Board to align with the needs of the business and whilst it has reduced in size, it has increased in independence. Accordingly, I want to thank Olav Hellebø, Sir Chris Evans, Dr Tim Corn and Mark Evans for their significant contribution over a number of years. We have welcomed the appointments of two new Independent Non-Executive Directors, Barbara Staehelin and Martin Walton. I intend that ReNeuron will continue to operate to the highest levels of governance and as diversity and inclusion are a core part of our culture, I am pleased to note that we currently have 40% female Board member representation.

With the excellent team we now have in place, the focus over the year ahead will be to deliver on our promises, to build on the partnerships we already have in place and look to expand the best of these into new long-term value creating partnerships. We will continue to expand our technology platform and work with delivery of therapeutic proteins to the brain, producing further data around the customisable nature of our proprietary platform and our optimised exosomes product candidates. The management team will also continue to assess all opportunities to monetise value from ReNeuron's assets, be that its stem cell legacy assets, induced pluripotent stem cell (iPSC) platform or proprietary stem cell lines, to build sustainable value for shareholders. The Board anticipates further strengthening of the team including the appointment of a CEO in the year ahead and I personally look forward to the coming year and to helping the team to build and release value commensurate with the quality of our scientific leadership.

Iain Ross
Chairman

CHAIRMAN'S Q&A

What attracted you to the role of Chairman at ReNeuron?

In May 2021, I stood down as Chairman of Redx Pharma plc where over four years I had led the company out of administration, appointed new management, and overseen the completion of a number of validating pharma/biotech deals. I wasn't looking for another position, however, I was approached by the ReNeuron Board and after speaking with the major shareholders, the Board and management, I felt I could make a difference. I had known ReNeuron for a number of years and indeed I had been a shareholder on several occasions but never understood why the Company had not fulfilled its promise.

You are a Director of a number of biotech companies – have you got time for ReNeuron?

Yes, I think I have proved that over the last 12 months, which have been some of the most challenging for the biotech industry. It is all about having effective management in place and in each of the other companies I chair, we have built excellent executive teams and I can assure you we are well on the way to doing so at ReNeuron.

How have you found your first year as Chairman of ReNeuron?

Challenging – not least because I knew we would have to make some tough decisions but also because some of those decisions may have a short-term negative impact on the value of the Company and the perception of ReNeuron to the outside world. Indeed, when we discontinued the in-house development of the RP programme, third parties approached me with the view that ReNeuron was now a cash shell – nothing could be further from the truth. I believe the Company is now clearly focused and has the organisation in place to "make things happen" as opposed to "watching things happen". I will not hesitate to work with the Board and management to make decisions which we believe are in the best interests of our shareholders.

Over the next 12 months and beyond, what do see as the greatest challenges for ReNeuron?

Like all biotech companies, we can only control what we can control. The risk is that our projects fail, take longer to come to fruition or that we don't attract the right partners to support us. My view is that I would rather work with partners and whilst we may have to give up some of the long-term value in our projects, we can vastly increase the probability of short-term success by working with third parties. What we can't control is the Market and especially in these turbulent times where biotech company valuations are being slashed and financings are few and far between. ReNeuron will continue to explore all opportunities to secure non-dilutive funding but we recognise that we may need to raise more equity funding in the future. We cannot do that until we overcome our greatest challenge, which is one of credibility. **We need to be seen not only as a company with interesting leading edge science but also as a company that delivers on its promises.**

What surprised you most when you joined ReNeuron?

First and foremost the quality of the science and the commitment of the ReNeuron team. Having said that I felt there was a lack of a sense of urgency to make things happen and if anything the Company was in danger of drifting. I have always believed it doesn't matter how good the science is, if you can't make a product and deliver it effectively to a patient. This is a challenge currently faced by the industry in the delivery of next generation therapies. What I came to realise very quickly is that ReNeuron's exosome and iPSC platforms coupled with its experience with cell therapy CMC provides it with a unique opportunity to help resolve this challenge. We just need to execute and deliver.

OUR STRATEGY

ReNeuron's exosomes platform

Goals

- Build a best-in-class, end-to-end proprietary delivery technology and manufacturing platform
- Undertake further experiments and publish data proving the strength and versatility of the platform
- Continue to strengthen ReNeuron's IP position in Exosomes, currently third largest globally

Current status

ReNeuron has seven proprietary, conditionally immortalised exosome producer stem cell lines. The Group believes that its catalogue of proprietary stem cells, from neural and non-neural tissue, differentiates the Group from many others in the field and leads to a greater chance for success for optimised delivery of a payload to a particular target. ReNeuron has years of experience and knowledge in the manufacture of consistent stem cell banks to GMP (including two INDs) and is continuing to work to develop improvements in its downstream processing and analytics. ReNeuron is currently in the process of filing additional IP around its platform including that related to loading and delivery of therapeutic proteins to the brain, following recent positive data produced by the Group.

Future focus

The Company will continue to develop its exosomes platform and publish data exemplifying the strengths and customisability of exosomes produced from its multiple conditionally immortalised producer cells lines. Additionally, the Company will look to add new technologies and capabilities through partnering or licensing to further strengthen and differentiate its exosomes platform, highlighting its global leadership in the field.

Partner exosomes programmes

Goals

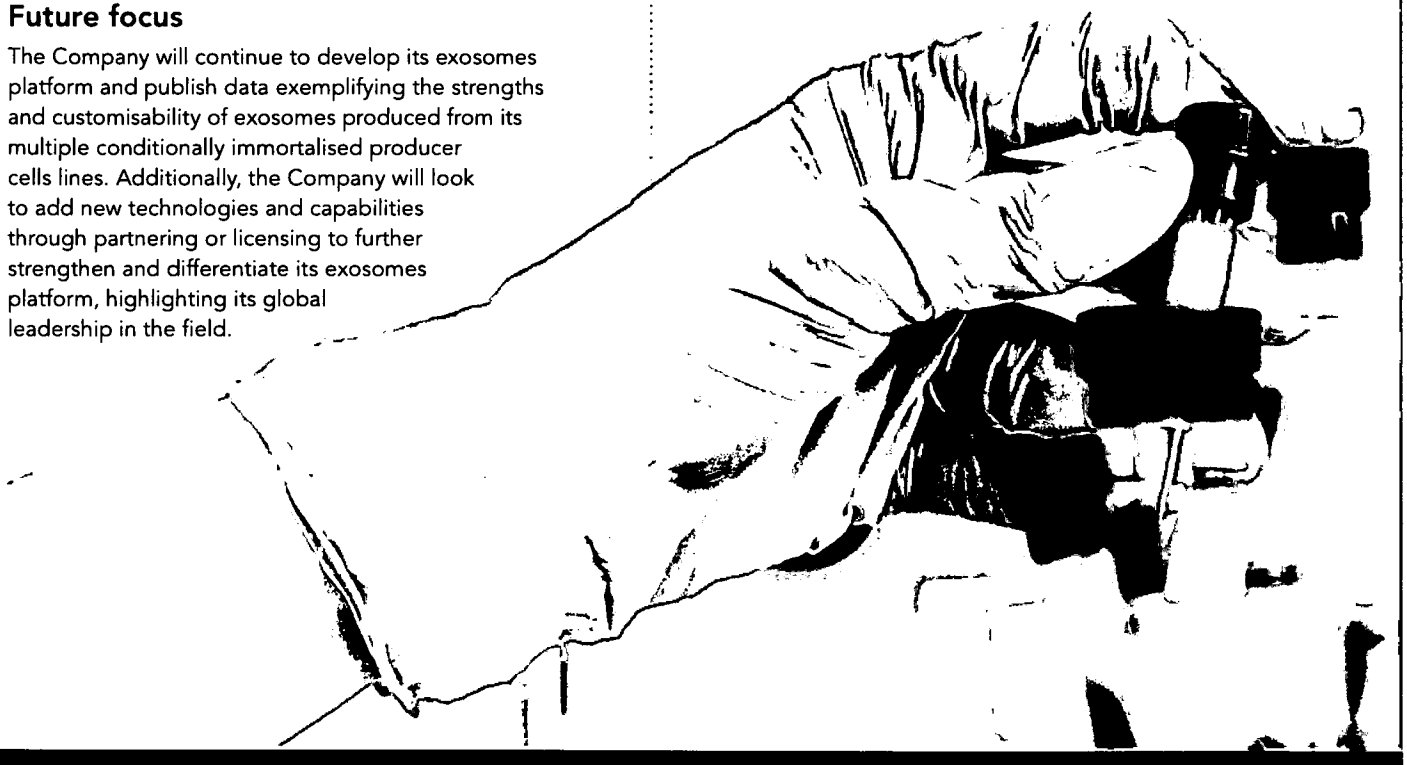
- Progress our current partner programmes
- Expand with new named partners
- Build a growing sustainable revenue stream

Current status

The Group has seven discovery-stage collaborations proceeding with global pharma, biotech and academic institutions, working with a wide variety of payloads from siRNA, plasmids, proteins, peptides and small molecules. ReNeuron works with these partners to progress their programmes to the next stage of development and is currently speaking with potential new partners on further collaborations.

Future focus

We look to continue to expand the number of partnerships offering more shots on goal. For these collaborations we plan to progress them towards a financially meaningful licensing event as the partners take them forward towards the clinic.



Proprietary exosomes programmes

Goals

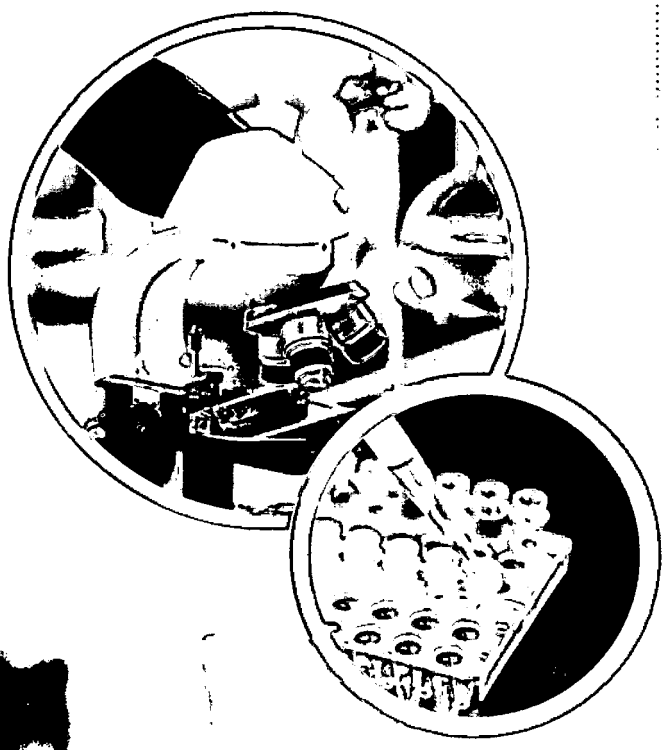
- Develop ReNeuron's proprietary programmes focused on delivery of therapeutic proteins to the brain via ReNeuron's neural exosomes
- Produce further pre-clinical data highlighting the potential in these programmes

Current status

ReNeuron is taking advantage of extensive internal research expertise to develop its own product candidates in pre-clinical development. The key focus of the Group's work is around the delivery via exosomes of brain derived neurotrophic factor (BDNF) to specific regions of the brain when administered intrathecally and further functional studies are ongoing. The Group is also developing programmes with other growth factor payloads as well as miRNA and CRISPR gene editing technologies.

Future focus

Successfully developed pre-clinical programmes could either be out-licensed or further developed in-house with own product development potentially offering larger upside in terms of licensing terms.



Legacy assets and iPSC

Goals

- To continue to progress the CTX and hRPC programmes with Fosun in China
- To successfully complete the Technology Transfer of CTX to Fosun in China
- Out-license the CTX and hRPC programme in other geographies
- Further develop our iPSC platform and expand the number of iPSC collaborations

Current status

Fosun Pharma continues to develop CTX in stroke disability in China following the licence agreement signed with ReNeuron in April 2019, and more recently a technology transfer agreement (signed in January 2022) with supplemental terms (signed in July 2022). The Group is working closely with Fosun to undertake the technology transfer and help Fosun develop the programme toward the clinic.

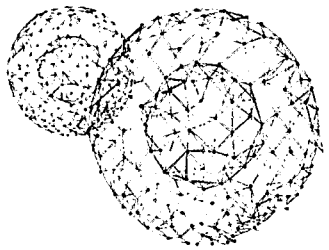
In January 2022, following a decision to out-license the hRPC programme, the work to complete the data package is ongoing.

ReNeuron continues to develop its iPSC platform to increase the range of stem cell types, thus expanding the Group's exosome platform capabilities. Additionally, the Group is working with University College London investigating potential use of CTX-iPSC cell lines to generate CAR-T / CAR-NK cells and separately the ability to differentiate into Schwann cells for potential use in peripheral nerve damage repair.

Future focus

The main focus is to secure out-licensing collaborations for hRPC and CTX outside of China and to assist Fosun with their efforts to bring these products to market within China. With the iPSC platform, the aim is to continue increasing the range of stem cell types and establish further partnering deals leading to additional revenue opportunities.

MARKET OPPORTUNITY



The opportunity for ReNeuron

ReNeuron provides a neat solution to major drug delivery issues particularly for neurological diseases. Demand for vector technologies is high, a market worth c. $3.9 billion by 2026.

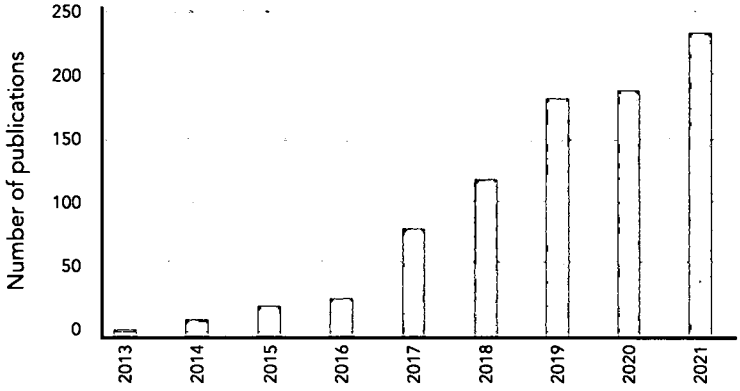
A growing market

ReNeuron serves the global cell and gene therapy market, providing exosomes as a vector to facilitate the delivery of therapeutics.

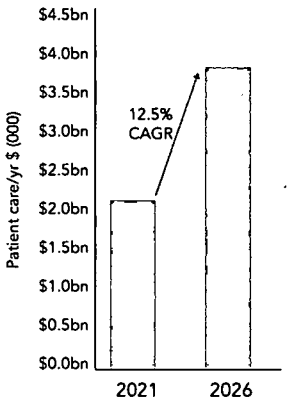
It is estimated that the supply of viral and non-viral vectors is worth c. $2.1 billion today and up to $3.9 billion by 2026 (See figure 1).

The importance of vector technologies in enabling therapies was highlighted during the COVID-19 pandemic, and there is considerable academic and industry interest in the development of next-generation delivery vectors like exosomes.

Publications relating to therapeutic exosomes 2013–2021

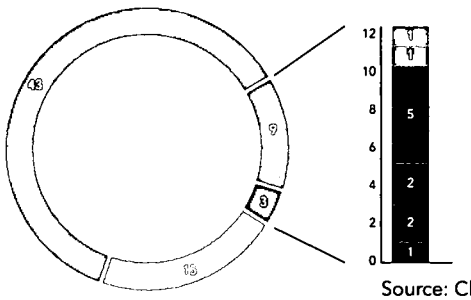


Estimated viral and non-viral vector market addressable by ReNeuron – Figure 1



Source: Liberum estimates; Viral vector supply – Oxford Biomedica estimates of global viral vector supply (outsourced); LNP vector supply – Allied Market Research; 360 Research Reports.

Number of active clinical trials involving exosomes (therapeutics and diagnostics), nine trials are being performed by industry sponsors exploring use as therapeutics



Source: Clinicaltrials.gov

Academic
- o Non-Therapeutic
- ○ Therapeutic

Industry
- o Non-Therapeutic
- o Therapeutic

Non-Therapeutic
- ● Phase 3
- ● Unclassified

Therapeutic
- ● Phase 1
- ● Phase 1/Phase 2
- o Phase 2
- o Phase 2/Phase 3

Over the past five years, peer companies have raised $403 million[1] in support of exosome based activities and secured exosome related licence agreements with potential revenues in excess of $3 billion[1].

1 Liberum estimates

Stem-cell derived exosomes can potentially overcome issues such as tissue specificity, crossing the blood-brain barrier and immunosuppressive need, which have hampered first-generation drug delivery mechanisms.

ReNeuron's advantages

First-in-Kind in vivo data

ReNeuron believes that it is the first to show the targeted delivery of a loaded therapeutic protein (BDNF) to the brain from an injection site outside the brain using exosomes as a delivery mechanism (See figure 2 below).

Crossing the blood-brain barrier

ReNeuron's four neural stem-cell lines each have the potential to cross the blood-brain barrier to treat neurological tissues and treat disorders such as Parkinson's and Huntingdon's disease.

Wide range of exosome payloads

The ability of ReNeuron's exosomes to carry a wide range of payloads broadens their potential use as a therapeutic delivery vector.

Tissue targeting exosomes

ReNeuron specialises in tissue targeting exosomes, enabling the delivery of therapeutic product to hard-to-reach tissues such as the brain.

Pipeline

Seven partnered programmes with industry (five) and academia (two) and a pipeline of exosome candidates spanning a broad range of therapeutic drugs. Each exosome candidate has out-licensing potential.

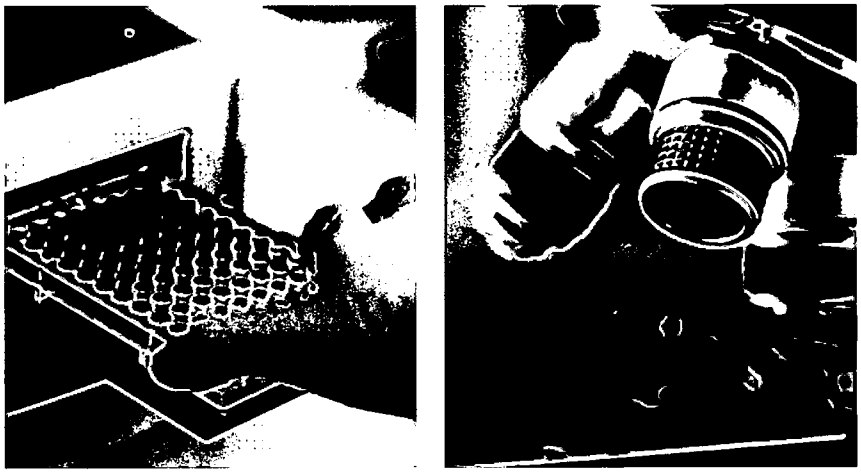
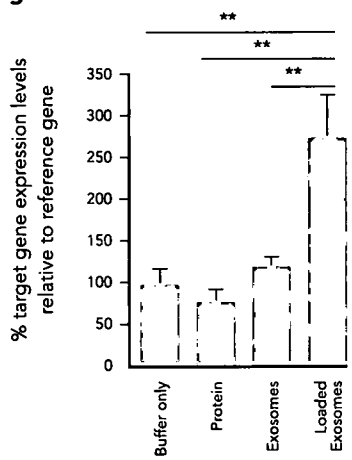


Figure 2

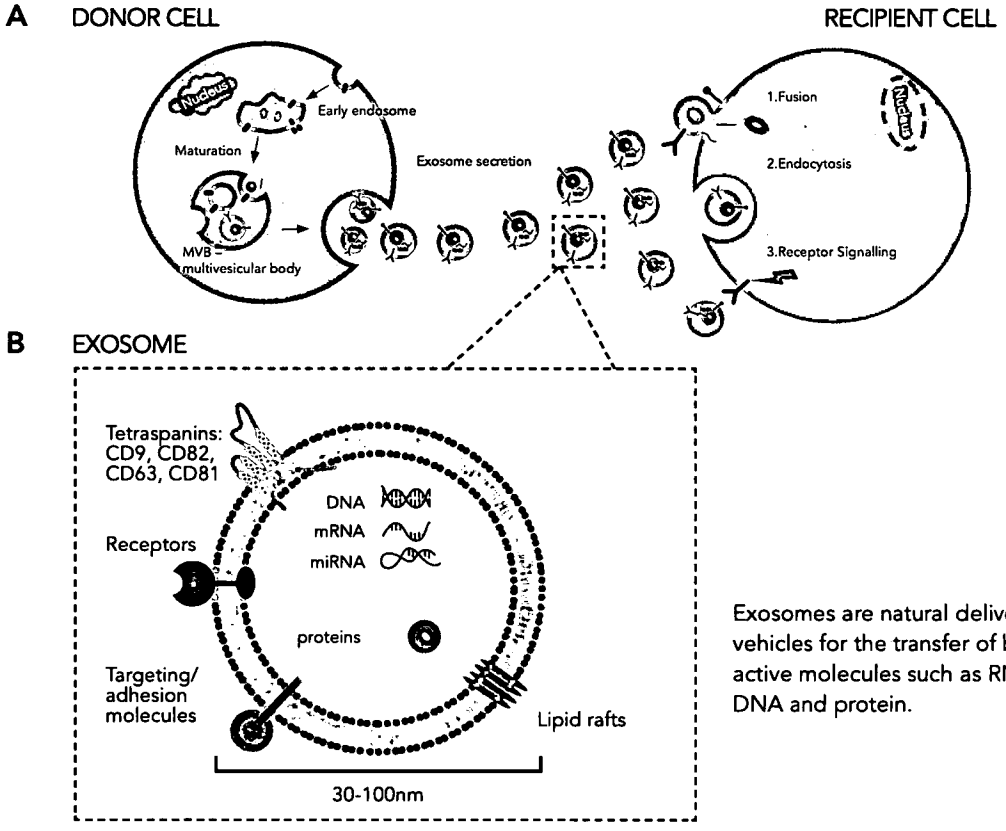


EXOSOMES – THE SCIENCE

Exosomes – a natural next-generation drug delivery vector

Throughout the twentieth century, small molecule drugs made by medicinal chemists drove value in the pharmaceutical industry and comprised essentially all the world's most innovative prescription medicines. As therapeutically relevant targets became harder to identify, the industry turned to drug targets that were unachievable using small molecules. More complex drug modalities such as monoclonal antibodies, therefore, became the predominant therapeutic class in several important disease areas and currently represent the fastest growing segment in the drug industry.

More recently, various gene editing technologies such as RNAi and CRISPR have been used to modulate new classes of intracellular targets and will undoubtedly generate therapeutically useful drugs in the future. **However, a major hurdle that continues to hold back the clinical development of many complex drug modalities is delivery.**

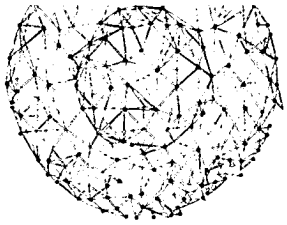


Exosomes are natural delivery vehicles for the transfer of bio active molecules such as RNA, DNA and protein.

Why stem cell exosomes?

Stem cells naturally communicate with other cells by releasing exosomes, nano-sized **delivery vehicles** that carry biologically active molecules such as RNA and protein from **one cell to another**.

The surface membrane of an exosome provides a protected and controlled internal microenvironment, allowing cargo within the exosome to travel long distances within tissues without degradation. Specific characteristics of the exosome (i.e. surface marker profile and lipid composition), determined by their stem cell type of origin, facilitate the delivery of their cargo in a targeted manner. **Charts on page 12 – ELISA surface marker profile** highlight the difference between exosomes produced from different cell types. The charts represent the surface marker profile of four different exosome types from four of our proprietary stem cell lines. While the size distribution for each exosome population is similar for all exosomes, the charts illustrate the unique surface marker profile of the different exosome types. Even the classic markers of exosomes (CD9, CD63 and CD81) are expressed at different levels between the exosome types. This, coupled with the presence or absence of surface markers specific to the cell type of origin, facilitates interactions between the exosome and the target cell. Therefore, choosing the correct cell source is an important consideration when developing any exosome-based drug delivery vehicle.



Interactions between the exosome and the target cell can occur through a number of different mechanisms, allowing active molecules on the surface or held within the exosome to deliver a functional effect. Studies have shown that entire exosomes can be internalised or can fuse directly with the cell surface to deliver their payload into the cytoplasm of the cell. Alternatively, proteins expressed on the surface of the exosome can activate specific receptors on the surface of the target cell. Either way, the net result of exosome-cell interactions is a functional change of the target cell, ultimately influencing the biology of the target tissue as a whole.

A significant advantage of an exosome-based delivery vehicle is its superior safety profile. Exosomes have been shown to be non-toxic and non-immunogenic, potentially allowing for larger doses to be administrated and creating the possibility for re-administration, where existing delivery technologies such as lipid nanoparticles (LNPs) or viral vectors have failed.

Lipid nanoparticles and viral vectors such as lentivirus and adeno-associated virus (AAV) are recognised drug delivery systems for certain complex drug modalities (**see table below**) which sets out the relative capabilities of four delivery technologies with +++ being highest and + the lowest. The use of LNPs was first approved in 2018 for the delivery of small-interfering siRNA (Patisiran), however, they have become widely recognised following their use to deliver RNA-based COVID-19 vaccines in 2020. The first AAV-based therapy was approved in 2017 (Luxturna) where the technology was used to deliver a replacement gene for the treatment of an inherited eye disorder causing progressive blindness. While both viral vectors and LNPs have demonstrated their use in certain situations, there are currently significant limitations to both technologies. Depending upon the dose, the lipid composition and uptake mechanism, LNPs have been shown to cause toxicity in a dose-dependent manner. Certain components of viral vectors share similarities to their parent viruses, which the mammalian immune system has evolved to recognise as an infectious agent, and this can therefore, trigger an immune response or activate pre-existing immunity.

Key advantages over existing delivery technology

- Multiplex delivery (2 + payloads)
- Tissue targeting
- Safety profile – re-administration possible

	Lipid nanoparticles	Lentivirus	AAVs	Exosomes
Gene delivery in vivo	++	+++	+++	+++ (ExoAAV)
Safety profile	+	++	++	+++
Max payload size	+++	++	+	++
Pre-existing immunity	+++	+++	–	+++
Repeat-dose immunity	+	+	–	+++
Permanent effect	–	+++	+	+
Multiplex payload delivery (2+ payloads)	++	++	–	+++
Ease of manufacture	+++	+	++	++
Tissue targeting	+ (mainly liver)	+	+	+++*
Tissue specificity	–	–	–	+++*
Payload presentation	Internal	Internal	Internal	Internal & external
Payload repertoire	siRNA mRNA Soluble protein Small molecules Genes	Genes	Genes	siRNA mRNA Soluble protein Membrane-assoc. protein Small molecules Genes

* ReNeuron predicts an advantage compared to exosomes derived from a single genetic cell line, when matching exosome source to target tissue.

EXOSOMES – THE SCIENCE CONTINUED

Payload versatility

Based on clinically proven technology, ReNeuron has developed a platform to exploit the natural function of stem cell-derived exosomes to enable the delivery of complex therapeutics to specific tissues, thereby overcoming many of the challenges facing the drug delivery and targeted therapy fields.

Typical types of therapeutic cargos:

- siRNA
- mRNA
- Soluble protein
- Membrane-associated protein
- Small molecules
- Genes and gene editing systems (i.e. CRISPR/Cas)

Through either genetic modification of the stem cell line or direct loading of therapeutic modalities onto purified exosomes, ReNeuron has developed and patented the technology to modify the cargo of stem cell-derived exosomes to load a range of payloads either on the exosome surface, into the centre (lumen), or both simultaneously **(Illustrated on page 13)**.

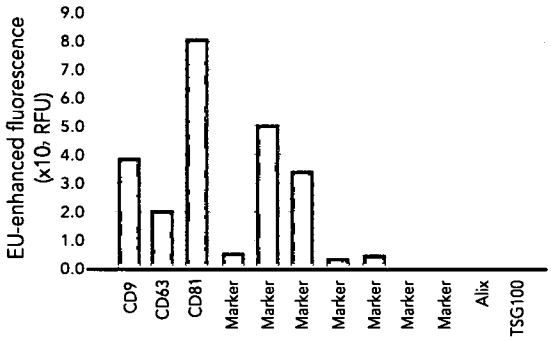
Genetic engineering of our proprietary stem cell lines allows us to not only insert (knock-in) different complex therapeutic molecules, such as proteins or nucleic acids, but also to permanently remove (knock-out) potentially unwanted components from stem cell-derived exosomes, reducing the possibility of off-target effects. This technique creates a stably modified stem cell line and highly consistent loaded exosomes for ease of manufacture and use as standalone therapeutics, at a scale relevant for clinical development. Furthermore, the same approach acts as a blueprint for loading a variety of therapeutic molecules, thus considerably reducing development timelines for other therapeutic candidates.

Depending on the therapeutic modality, an alternative approach is to utilise the native stem cell-derived exosome and passively or actively load therapeutics into the centre or onto the surface of the exosomes. Depending upon the individual properties of the active molecule, loading can be achieved by simply mixing the two components or by utilising a concentration gradient.

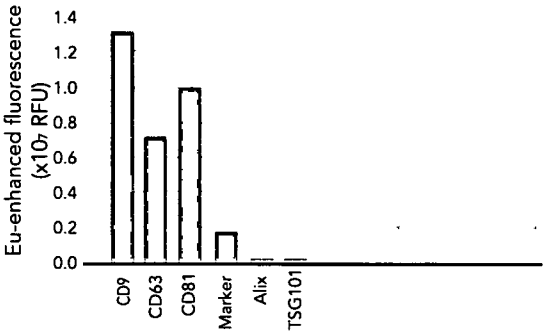
ELISA surface marker profile

The charts below clearly demonstrate that each exosome population produced from a specific cell line is unique. The presence or absence of different surface markers will allow the exosome to bind to specific cells to achieve targeted delivery of a payload.

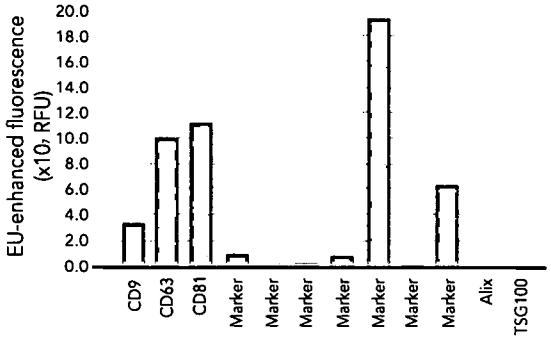
Exosomes from Cell Line A



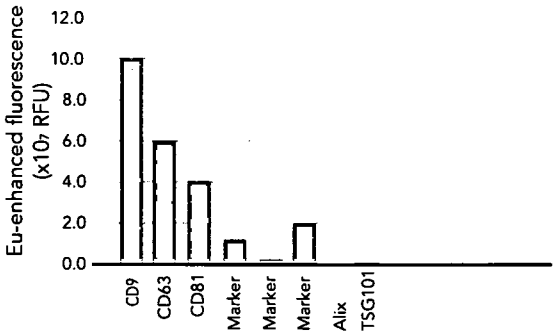
Exosomes from Cell Line B



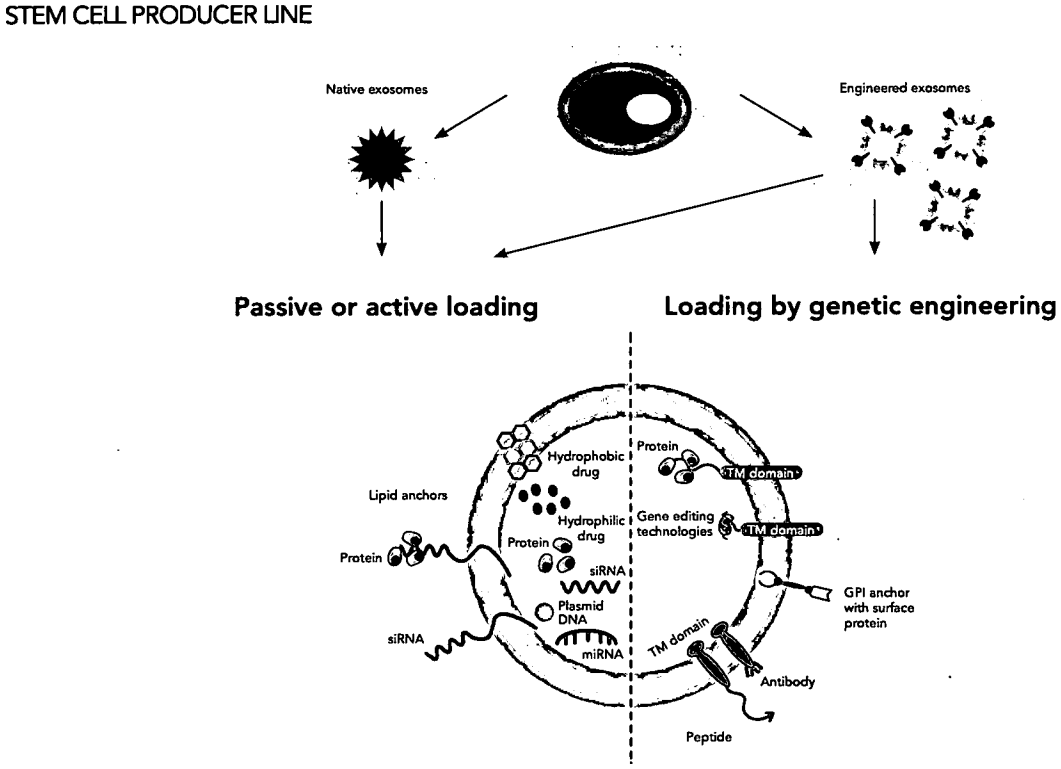
Exosomes from Cell Line C



Exosomes from Cell Line D



Ability to load exosome through passive, active or genetic engineering



Focus at ReNeuron is on specific loading of exosomes, either through passively loaded exosomes or engineered exosomes. For 'passive loading' (chemical) the exosomes are isolated first, then the cargo is loaded afterwards. In 'engineered' (biological) exosomes you first start by genetically modifying the producer cell line.

These cells are instructed to produce and package molecules of interest during exosome generation. These 'engineered' exosomes are isolated as normal but now carry the intended additional cargo. It is also worth mentioning that the cargo can be placed either inside or outside the exosome, therefore, creating a vast number of possibilities for therapeutic agent delivery.

EXOSOMES PLATFORM – ReNeuron's competitive advantage

OUR TECHNOLOGY

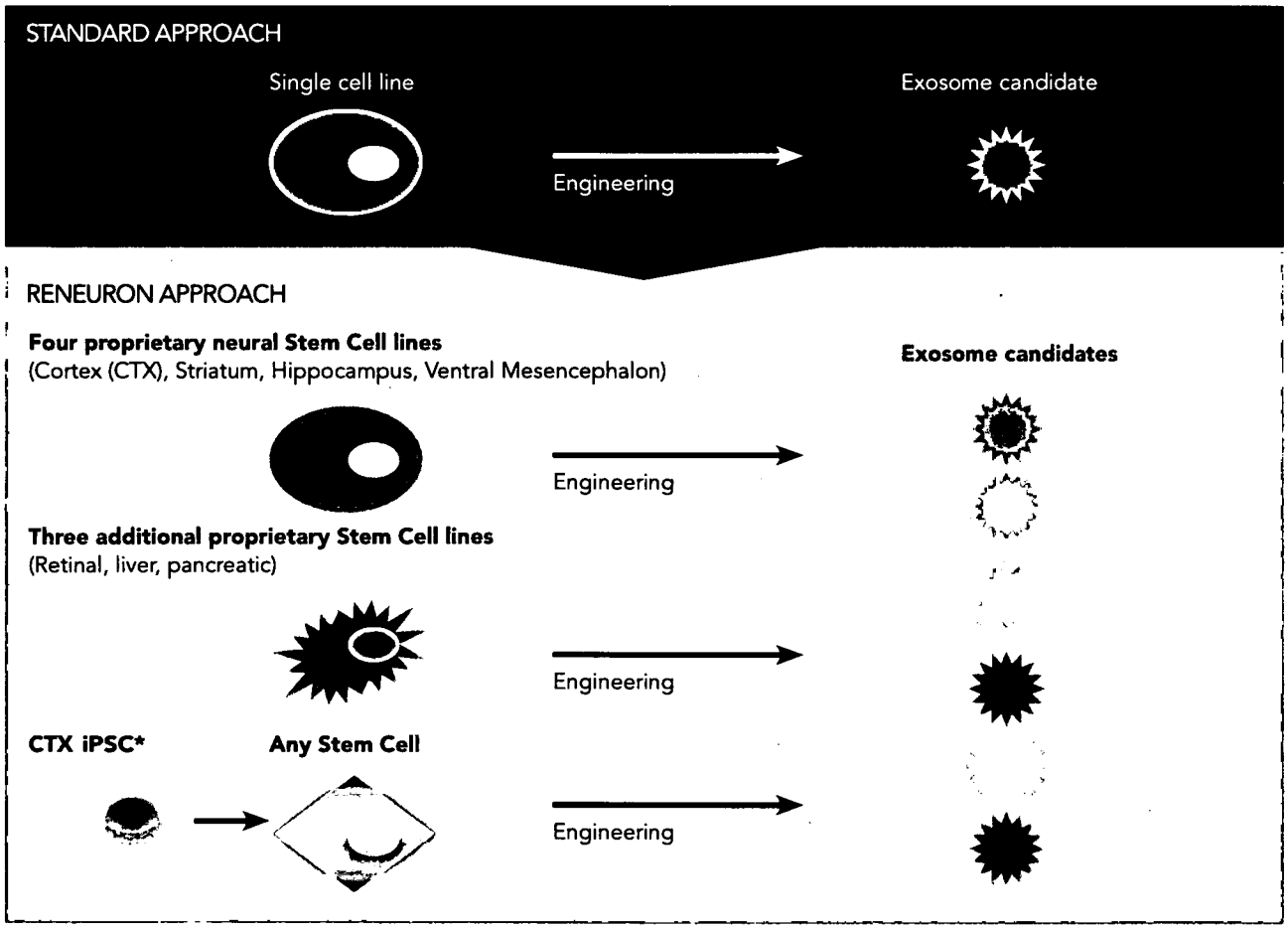
Customisable exosome delivery platform optimised for specific delivery needs

At ReNeuron, we have developed seven proprietary, conditionally immortalised exosome producer cell lines, each with a distinct surface marker profile determined by their cell type of origin. We believe that this catalogue of exosome producing stem cell lines, from neural and non-neural tissue, differentiates us from others in the field by giving us a truly customisable platform and a greater chance of success when targeting specific tissues within the body.

An essential feature of any delivery vehicle is consistency. Conditional immortalisation of stem cell exosome producer lines offers an elegant solution to not only produce cell lines that are genetically stable and can be grown at scale, but also to produce a high yielding source of consistent exosomes for the delivery of complex drug modalities.

The standard approach used by our competitors is to produce exosomes from a single generic cell line. A one-size-fits-all approach. A single cell line, giving rise to a single outcome. At ReNeuron, we have a portfolio of stem cell exosomes that have distinct properties. This allows us to choose the most appropriate exosome delivery vehicle, not only based upon its tissue targeting but also upon the specific requirements of the therapeutic payload in terms of the cellular compartment that the cargo needs to reach to achieve a therapeutic effect (i.e. the fluid that fills the cell (cytoplasm) for RNAi and the nucleus for DNA).

The current portfolio of stem cell exosomes can also be rapidly expanded using ReNeuron's proprietary conditionally immortalised induced pluripotent stem cell (iPSC) lines. Additional stem cell exosome producer lines from any cell lineage can be generated from our iPSCs if the specific exosome population does not already form part of our catalogue.



* CTX iPSC: Cortex derived induced pluripotent stem cells.

OUR PEOPLE

ReNeuron has a highly skilled and passionate team of 34 professionals. The team has deep knowledge across stem cell and stem cell-based exosomes research, CMC and regulatory areas with proven track record working with MHRA and FDA.

Alongside the scientists, there is extensive business and commercial strength with Iain Ross (Chairman) with over 40 years' experience in the international life sciences and technology sectors. He has held Chairman, CEO and Director roles at Celltech Group plc, Quadrant Healthcare plc and Redx Pharma plc and is currently Non-Executive Chairman at Silence Therapeutics plc (NASDAQ:SLN). Catherine Isted who joined as CFO in October 2021 and has around 25 years' experience in the healthcare and healthcare banking industry, most recently at Oxford Biomedica plc, building their viral vector-based platform delivery business.

OUR KNOWHOW

The ReNeuron team has extensive know-how in the field with the Chief Scientific Officer and Head of Research having in excess of 30 years' experience in stem cell and stem cell-based exosomes as well as extensive knowledge of the biology of the field.

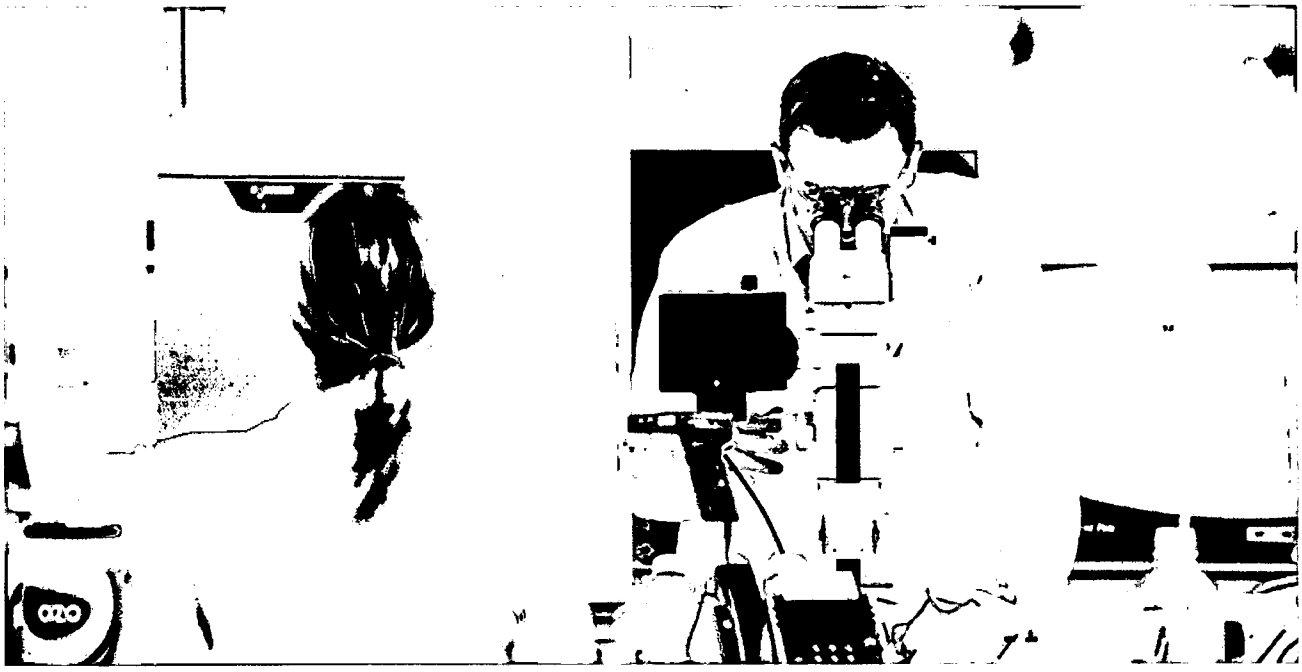
Through the years of experience gained in the manufacture of consistent stem cell banks to enable the manufacture of drug product, in accordance with good manufacturing practice (GMP), for use in two clinical stem cell programmes, the team has become expert in process and analytical development as well as manufacturing and technology transfer. All of which is highly valuable for the exosomes platform, which involves many of the same upstream processes for exosomes production.

OUR PATENTS

ReNeuron believes it has the third largest patent estate globally in the field of exosomes, highlighting its strength and depth in the field. The Group has eight different patent families with patent lives in to the 2030s and beyond.

One of our major patent families covers any neural stem cells that make exosomes. It has been granted in the EU and a number of other countries and is pending in the US. The Group already has a granted patent for the use of an exosome generated from any neural stem cell to treat Nestin positive cancers in the US, EU and other territories.

The other key patent family surrounds ReNeuron's conditional immortalisation technology and covers the use of a conditionally immortalised cell to produce microparticles. It encompasses a wide range of cell types including, but not limited to, mesenchymal stem cells (MSCs), haematopoietic stem cells, very small embryonic-like stem cells (VSELs), iPSCs, fibroblasts and dendritic cells.



EXOSOMES PLATFORM – ReNeuron's competitive advantage CONTINUED

PARTNERSHIPS AND DEVELOPMENT PIPELINE

The Group has seven discovery-stage collaborations proceeding with global pharma, biotech and academic institutions, working with a wide variety of payloads from siRNA, plasmids, proteins, peptides and small molecules. The Group plans to expand this into other partnerships and payload types.

ReNeuron takes advantage of the extensive internal research expertise to develop our own product candidates in pre-clinical development. A key focus is working alongside the University of Salamanca around the delivery via exosomes of brain derived neurotrophic factor (BDNF) to specific regions of the brain when administered intrathecally. Further functional studies are ongoing with data expected during the coming year. The Group is also developing programmes with other growth factor payloads as well as miRNA and CRISPR gene editing technologies.

Exosomes collaboration with partners

Collaboration	Payload	Discovery	In Vitro	In Vivo POC	In Vivo late stage
University	Protein				
Global Pharma	HDO*				
Large Biotech	siRNA				
Small Biotech	Peptide				
Global Pharma	Plasmid				
Medium Biotech	siRNA				
University	Small molecule				

* HDO: heteroduplex oligonucleotide

Internal programmes

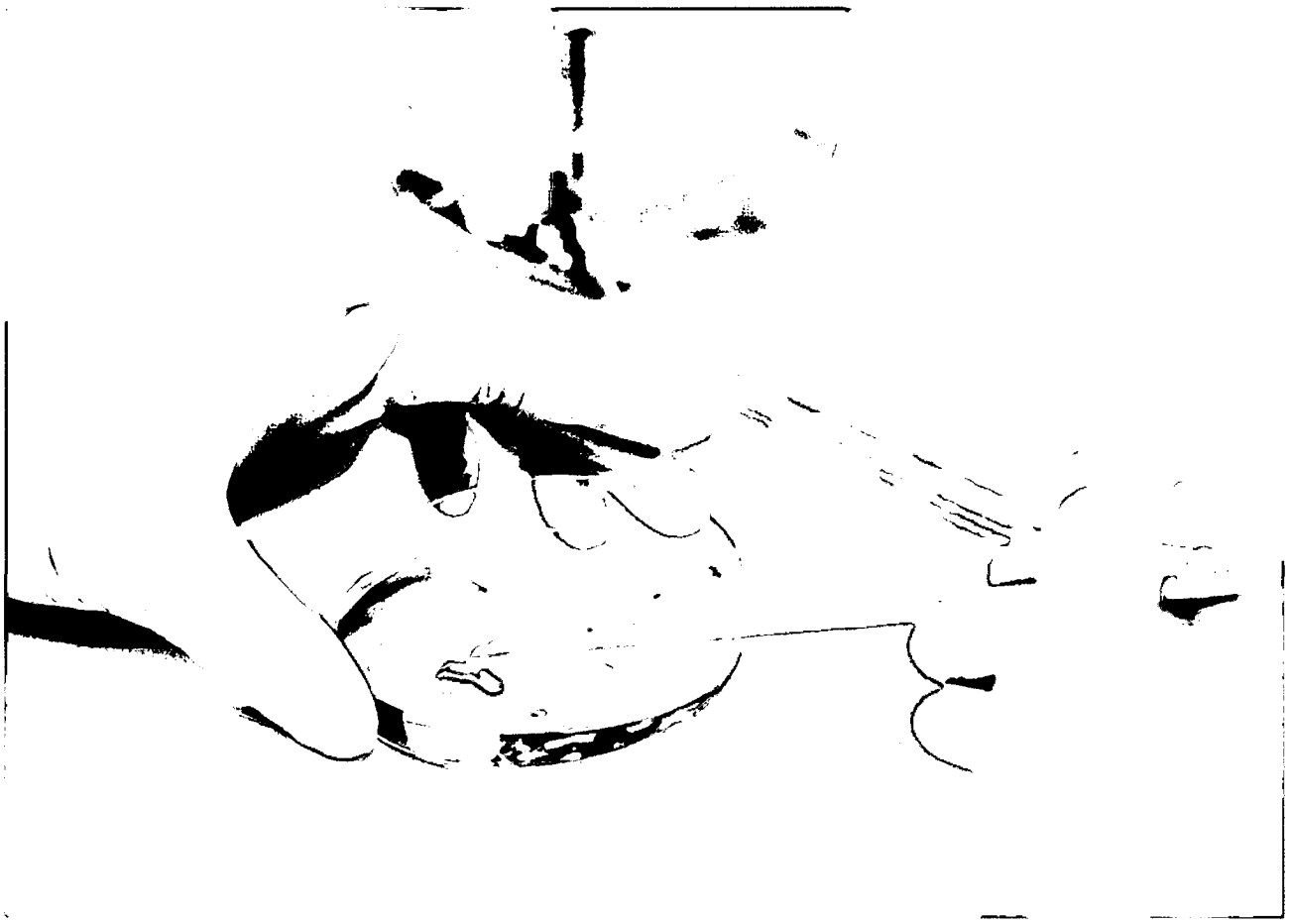
Programme	Payload	Discovery	In Vitro	In Vivo POC	In Vivo late stage
EXO-miR	miRNA				
EXO-GF	Growth Factor				
EXO-Cas	CRISPR gene-edit				

INDUCED PLURIPOTENT STEM CELLS (iPSCs)

Human pluripotent stem cells (hPSCs) have great potential in cell therapy because of their unique ability to differentiate into all cell types found in the human body. They provide, at least in theory, an inexhaustible supply of cells to treat any condition caused by cell loss. The archetypal hPSC is the embryonic stem cell (hESC), derived from the preimplantation embryo. Ethical issues surrounding the use of hESCs for medical applications have, however, driven the search for an alternative cell source. In a method first pioneered by Shinya Yamanaka in 2006, adult cells were reprogrammed to a pluripotent state generating induced pluripotent stem cells (iPSCs). This creates a cell source with all the benefits associated with pluripotency without the associated ethical issues of hESCs.

ReNeuron's neural stem cell line, CTX, is a clinical grade stem cell line capable of generating several types of neural cells. It is immortalised with a transgene whose activity is easily controllable with a synthetic drug. ReNeuron have successfully reprogrammed CTX cells to pluripotency, cortex derived induced pluripotent stem cells (CTX-iPSCs), and have demonstrated that CTX-iPSCs display many features characteristic of pluripotent cells. These include changes in cell morphology, gene and cell surface marker expression, and repression of genes specific to CTX cells themselves. Differentiation experiments show that CTX-iPSCs can create cells from all three of the early cell lineages (endoderm, mesoderm and ectoderm), confirming that they are truly pluripotent and hence able to create all cell types in the body. This includes clinically important cell types such as mesenchymal stem cells, beating heart muscle, cells of the immune system, including the T-cells used in modern anti-cancer cell therapy, and various types of neural cells.

The preferred therapeutic cells for a given application are often adult stem cells or progenitors rather than the differentiated cells lost in disease. Such cells can be difficult to manufacture, and their short lifespan limits their clinical use. ReNeuron's unique conditionally immortalised CTX-iPSCs has the potential to resolve many of these issues. Following differentiation along a particular lineage, activation of the conditional immortalisation technology within CTX-iPSCs allow the resulting cells to be purified, qualified, expanded and banked. Thus, enabling a large number of patients to be treated with CTX-iPSC-derived cells or cell products (e.g. exosomes) as an "off-the-shelf" medicine. Furthermore, as these CTX-iPSC-derived therapeutics are made from a cell line which has already passed clinical phase safety trials (CTX), their entry into clinical trials for new indications are likely to be more rapid.



OPERATIONAL REVIEW

Overview

This year has been a year of change not only strategically, with ReNeuron pivoting to be fully focused on maximising the potential of its leading exosomes technology platform, but also in relation to personnel with a number of changes at both the Board and the Executive level. The Group also looked to continue to progress its iPSC platform and additionally generate value from its legacy assets and was pleased to announce progress with Fosun Pharma in their development of CTX for stroke disability in greater China as well as two iPSC collaborations with UCL. ReNeuron ended the year with cash and cash equivalents of £14.5 million, providing a current cash runway to at least mid-calendar year 2023 (as further outlined in note 3 to the financial statements), although the Group looks to extend this further through continued expansion of its exosomes platform with partners and further monetisation of its legacy product. With a strong team and leading science in the exosomes field, the Group looks forward to the year ahead maximising and building on the foundations set in place in the prior year.

Exosome platform

The Group's lead technology is its stem cell derived exosome platform, where ReNeuron is one of the leading players globally in this fast growing area of drug delivery technology. The platform builds on the years of stem cell experience and without this would not be in the strong position it is today. ReNeuron believes it has the third largest patent estate globally in the field of exosomes, highlighting its strength and depth in the field.

Exosomes produced by the Group are manufactured through a fully qualified, xeno-free, scalable process and can be loaded with a variety of payloads, such as nucleic acids (including siRNA, mRNA and miRNA), proteins (such as Cas9, antibodies and peptides), as well as small molecules. The Group's CTX (cortex) stem cell derived exosomes have also been shown to exhibit a natural ability to cross the blood-brain barrier.

ReNeuron has a differentiated approach with the Group's seven proprietary conditionally immortalised stem cell lines. This includes, as recently announced, four proprietary neural cell lines as well as three additional proprietary cell lines in other areas outside of the brain. With exosomes having functional properties based on the parent cell line, this allows ReNeuron to produce exosomes that can be customised and optimised for a specific payload or target.

Additionally, the Group's iPSC platform provides an opportunity to generate additional tissue-specific conditionally immortalised stem cell lines, thus producing further bespoke exosomes beyond those produced from its existing seven stem cell lines.

The Group looks to monetise this delivery platform through working with partners as well as on its own proprietary product development. The Group has seven discovery-stage collaborations with global pharma, biotech and academic institutions using ReNeuron's exosomes as a delivery vehicle for their therapeutic agents. The Group looks to continue to progress these collaborations as well as add new additional programmes either with existing or new partners.

I can see the great potential that exosomes could offer as a delivery mechanism for the next generation of targeted therapeutics."

In October, the Group announced positive data from its collaboration with the University of Salamanca that provided clear pre-clinical proof of concept that ReNeuron's novel exosome drug delivery technology can effectively deliver therapeutic proteins to the specific region of the brain affected by several neurological diseases such as stroke, Parkinson's disease and Huntington's disease. These in vivo results involving BDNF (brain derived neurotrophic factor) are key in showing that ReNeuron's exosome delivery technology offers a striking higher stability, more targeted delivery, and an increase in potency, therefore potentially solving the delivery issues that can be experienced with therapeutic proteins.

Major pharmaceutical companies have identified therapeutic proteins that are effective in treating a variety of neurological diseases. However, there are major issues associated with the delivery of these protein therapeutics, which include the poor stability in living organisms, as proteins rapidly break down and do not last long in the body; as well as issues surrounding poor tissue distribution due to an inability to target specific tissues. These issues cannot be overcome by simply administering more protein, as this can have unwanted side-effects, however ReNeuron believes that its proprietary exosomes have the potential to address both these issues due to their natural tissue-targeting ability and superior stability characteristics (as evidenced from ReNeuron's pre-clinical studies).

ReNeuron is currently further evaluating BDNF in functional studies, with initial readouts expected during the course of the year.

The whole field of exosomes to deliver therapeutic payloads is expanding rapidly and the Group is well-positioned with its proprietary customisable exosomes platform to maximise the potential in this growing area of science.

Fosun Pharma – CTX in stroke disability

Fosun Pharma continues to develop CTX in stroke disability in China following the out-licensing agreement signed with ReNeuron in April 2019. In January 2022, ReNeuron announced that it had signed an additional agreement, setting out the first steps for the technology transfer of the CTX drug product for the stroke disability programme. The agreement allowed for £320,000 to be invoiced on signing with further payments expected, based on services and CTX cell bank vials to be supplied by ReNeuron in the future, although these were contingent on signing a supplemental payment terms agreement, which was under discussion at the time.

Post year-end in July 2022, ReNeuron announced that it has negotiated and signed the Supplemental Terms Agreement with Fosun. As a result, the Group expects to receive approximately £1 million over the next 24 months (including the £320,000 upfront payment already received in January 2022) in relation to the initial supply of CTX cell bank vials and services provided to undertake the technology transfer, with up to a further £5 million receivable by the Group over the medium to longer term for the continued provision of CTX cell bank vials to enable manufacture by Fosun Pharma.

Fosun Pharma is expanding its cell therapy portfolio to stem cell platforms and ReNeuron CTX is one of the starting programmes. A dedicated Fosun Pharma team is being established for the technology transfer into China and the construction of a 20,000 square foot GMP facility to manufacture CTX is underway. The signing of this Supplemental Terms Agreement underscores Fosun Pharma's continued commitment to the CTX stroke disability programme.

The Group continues to look to progress this programme in other geographies through regional partnerships.

OPERATIONAL REVIEW CONTINUED

Induced pluripotent stem cell (iPSC) platform

In addition to the benefits this platform can bring to expanding the range of stem cell types (and thus exosomes) that can be produced using the Group's exosomes platform, ReNeuron continues to progress development of the CTX cell-based induced pluripotent stem cell (iPSC) technology platform deploying this technology to develop new, immortalised allogeneic cell lines of varying types as potential therapeutic agents in diseases of unmet medical need.

In October, the Group announced that it had entered into a collaboration agreement with UCL to conduct research into the generation of immune cells from iPSCs for anti-cancer cell therapies. ReNeuron will be providing UCL with iPSCs from its CTX immortalised neural progenitor cell line which UCL will use to assess the ability to differentiate into functional T cells and Natural Killer (NK) cells. If successful, the CXT-iPSC cell lines will be used to generate chimeric antigen (CAR) T cells and/or CAR-NK cells. Additionally, in November a separate collaboration with UCL demonstrated that iPSCs can be differentiated into Schwann cells with potential applications in areas such as peripheral nerve damage repair.

hRPC (human retinal progenitor cells) for retinal disease

The Group's Retinitis Pigmentosa (RP) study used a cryopreserved hRPC formulation delivered via a subretinal injection. Following an initial study, which treated ten patients with a one million cell administration, which showed at 12 months a mean 9.9 letter improvement versus baseline in ETDRS letter score, an extension segment of the study proposing to dose up to nine patients with a higher level two million cell dose was started in September 2020.

During 2021, the extension trial progressed slower than planned and for a period of four months from June to October 2021 dosing was temporarily suspended to investigate a presumed bacterial intraocular infection in the treated eye of a patient. While the origin of the presumed infection was not clear, investigations showed no evidence of a causal link to the drug product, and the study was reopened in October 2021.

In January 2022, as a result of the strategic review and following consultation with the Group's Scientific Advisory Board (SAB), the Board took the decision to halt development of its Retinitis Pigmentosa programme. Having treated seven of the nine patents in the extension arm, the experience in treating the patients at the two million cell dose had shown that the surgical procedure required to deliver this higher dose (which involves a greater volume and therefore greater surgical complexity) had led to more surgical complications compared to that seen with the one million cell dose. While there have been no serious adverse events (SAEs) attributed to the drug itself, it was decided that a two million cell dose was not a viable dosing regimen. Additionally, analysis of the 24-month data at the one million cell dose, while inconclusive, did appear to show that efficacy wanes after 12 months with only four out of nine patients still showing a positive response versus baseline at month 24.

Following the SAB meeting, the Group reviewed its commercial strategy and the financial resources needed to progress the RP programme. Even though certain patients did appear to benefit from the treatment (in particular in the first 12 months), further patients would need to be treated at the one million dose to try to identify which sub-populations are most likely to lead to a higher and longer lasting response.

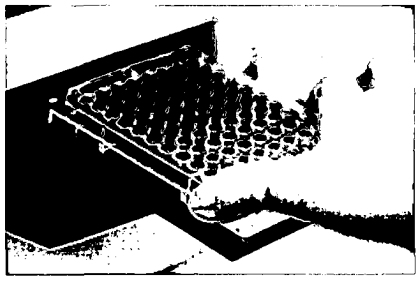
To fully understand this the Group believes an additional phase 2 trial would be needed and it was decided that the size of the additional investment required from ReNeuron into this programme would not be in the best interests of shareholders and therefore it would be better to complete a data package on the programme and look to out-license the programme to a third party.

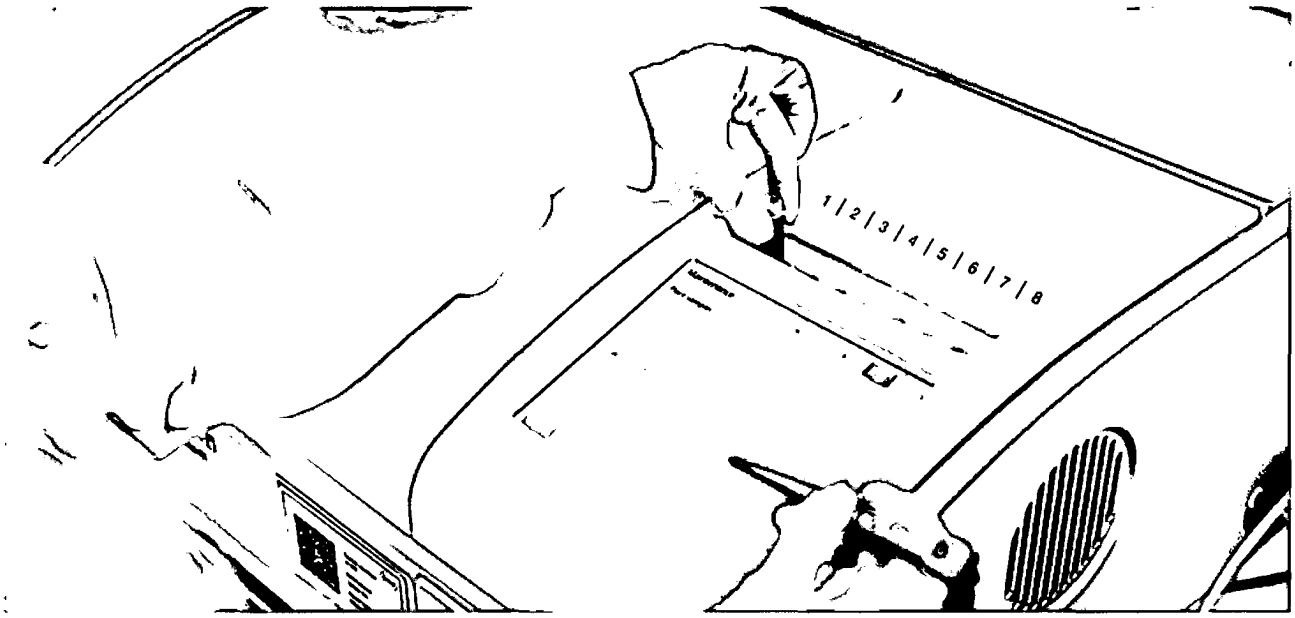
ReNeuron is currently working towards completing the data package and will then be able to further focus on identifying potential partners for the programme.

Corporate and organisational development

During the year, ReNeuron has reconfigured its Board of Directors under the leadership of Iain Ross who joined in July 2021. In October 2021 Catherine Isted, ACMA, joined the Board, replacing Michael Hunt as Chief Financial Officer and in February 2022 Olav Hellebø stood down as CEO and Executive Director of the Group with Iain Ross supported by the Executive team assuming responsibility for the running of the Group.

Additionally, Sir Chris Evans, Dr Tim Corn and Mark Evans retired from the Board and ReNeuron welcomed the appointments of two new Independent Non-Executive Directors Barbara Staehelin and Martin Walton. Following these changes, the ReNeuron Board now comprises five directors: Iain Ross (Chairman acting temporarily in an executive capacity); Catherine Isted (CFO and Executive Director) and three independent Non-Executive Directors – Dr Michael Owen, Barbara Staehelin and Martin Walton.





During the year, the Executive team was strengthened and focused towards exosomes. The Group was pleased to firstly welcome Dr Stefano Pluchino as Chief Scientific Officer in May 2021 and in March 2022 Dr Randolph Corteling re-joined ReNeuron heading up the Research team. Between them, Dr Pluchino and Dr Corteling have over 30 years' experience in exosomes and their extensive knowledge in the field is invaluable as the Group looks to maximise the potential in this fast growing field of science. Dr Rick Beckman, the Group's CMO and lead for the RP programme stepped down in the year.

Outlook

The Group looks to capitalise on the potential it sees in the exosomes field by progressing its current collaborations and by adding new long-term value creating partnerships. The Group will also continue to progress its proprietary programmes, especially in the area of therapeutic protein delivery to the brain following the positive data produced in October and is currently further evaluating BDNF in functional studies with initial readouts expected during the course of the year.

Platform development is also key, with the team working on additional manufacturing improvements and to produce data to highlight the strengths of the Group's customisable platform producing optimised exosomes product candidates. Additionally, the Group will look to add new additional technologies and capabilities through partnering or licensing to further strengthen and differentiate the exosomes platform highlighting its global leadership in the field.

While ReNeuron continues to work closely with Fosun following on from the recent signing of the technology transfer agreement, the Group looks to further monetise its legacy stem cell products outside of Greater China. Additionally, it will look to expand the number of collaborations with its iPSCs.

Personally, having joined ReNeuron from a leading cell and gene therapy platform delivery company, I can see the great potential that exosomes could offer as a delivery mechanism for the next generation of targeted therapeutics. The two key internal ingredients of a successful company come from its science and its people.

In the field of exosomes I believe we are leading the way with our customisable and targeted approach and we have the team here to realise that value. None of this would be possible without the support of our shareholders and I look forward over the coming year to updating the market on our progress as we continue to build and grow on the foundations and developments achieved in the last 12 months.

Catherine Isted ACMA
On behalf of the Executive Team

FINANCIAL REVIEW

"I believe we are leading the way with our customisable and targeted approach in the field of exosomes."

2022 highlights

Cash, cash equivalents and bank deposits

£14.5m
2021: £22.2m

Revenue

£403,000
2021: £257,000

Operating costs

£11.6m
2021: £13.2m

Loss for the year

£9.7m
2021: £11.3m

During the financial year costs continued to be closely controlled with spend primarily directed towards progressing the Group's hRPC therapeutic candidate and proprietary exosome platform. Following the strategic decision made in January 2022, spend has been redirected to the exosome platform enabling the Group to better capitalise on the potential in the exosomes field. The total comprehensive loss for the year reduced to £9.7 million (2021: £11.3 million).

At 31 March 2022, the Group had cash, cash equivalents and bank deposits of £14.5 million providing a cash runway to at least mid-calendar year 2023. Further detail on the Directors' assessment is provided in note 3 to the financial statements.

Revenue and Other Operating Income

In the year to 31 March 2022, revenues, which relate to research and collaboration activities and royalty income, were £403,000 (2021: £257,000). No grant income was received in the year. In 2021, £78,000 was received under the Government's Coronavirus Job Retention Scheme and is shown as other operating income.

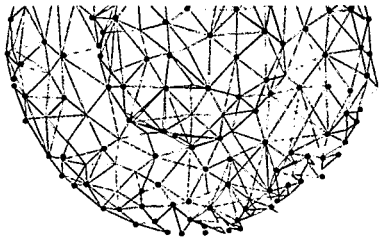
Operating expenses

Total operating expenses reduced in the year to £11.6 million (2021: £13.2 million).

This reduction in costs follows a review in the previous financial year of programme priorities and resource requirements, with costs directed to the hRPC therapeutic candidate and proprietary exosome platform. As a result of the strategic decision made in January, noted above, costs relating to the hRPC therapeutic candidate have now reduced with the budgeted spend being reallocated to the exosome platform.

Research and development costs in the year reduced to £8.1 million (2021: £9.5 million), primarily reflecting the refocussing of activities as described above, together with consequent cost reductions.

General and administrative expenses also reduced in the year to £3.6 million (2021: £3.7 million), despite the year including termination payments to former directors. If termination payments are excluded in both financial years, then general and administrative expenses show savings of 15% compared to the prior year.



"None of this would be possible without the support of our shareholders and I look forward over the coming year to updating the market on our progress."

Finance income/expense

Finance income represents income received from the Group's cash and investments and gains from foreign exchange, with losses from foreign exchange shown in finance expense.

Finance income was £195,000 in the period (2021: £20,000), primarily reflecting foreign exchange gains. In the year, finance expense solely comprises lease interest of £25,000 (2021: £516,000, which included £484,000 foreign exchange losses).

Taxation

Taxation for the year at £1.4 million primarily comprises an R&D tax credit (2021: £2.1 million, which included £0.2 million relating to financial year 2020). The amount of the R&D tax credit for this year has reduced as a result of the lower research and development spend.

Cash flow

Net cash used in operating activities in the year increased to £7.4 million (2021: £6.1 million). However, there is an underlying reduction in cash used in operations as a result of the reduction in costs with the prior year benefitting from the receipt of two R&D tax credits totalling £6.1 million for both financial years 2019 and 2020.

The Group had cash, cash equivalents and bank deposits totalling £14.5 million as of 31 March 2022 (31 March 2021: £22.2 million), providing a cash runway until at least mid-calendar year 2023.

Statement of financial position

Non-current assets – Property, plant and equipment have increased as we invest in equipment to further develop our manufacturing processes and analytical capabilities.

Current assets – Corporation tax receivable of £1.4 million comprises the amount due from R&D tax credits for the full year ended 31 March 2022 (2021: £1.8 million). This debtor is lower than 2021 due to the reduction in research and development expenditure.

Current liabilities – Trade and other payables at £6.9 million have increased since the start of the financial year (2021: £5.7 million). These movements primarily reflect changes in the level of accruals (mainly across the legacy clinical trials) and deferred income.

Catherine Isted ACMA
Chief Financial Officer

DIRECTORS' DUTIES

The Directors of ReNeuron Group plc and its subsidiary companies are required to act in accordance with a set of general duties which are detailed in the Companies Act 2006.

As part of their induction, Directors are briefed on their duties and they are regularly updated by both the Company Secretary or external advisers. Directors may also seek advice on their duties at any time, either via the Company Secretary or externally. More details are set out in the Corporate Governance section on page 36.

Section 172 Statement

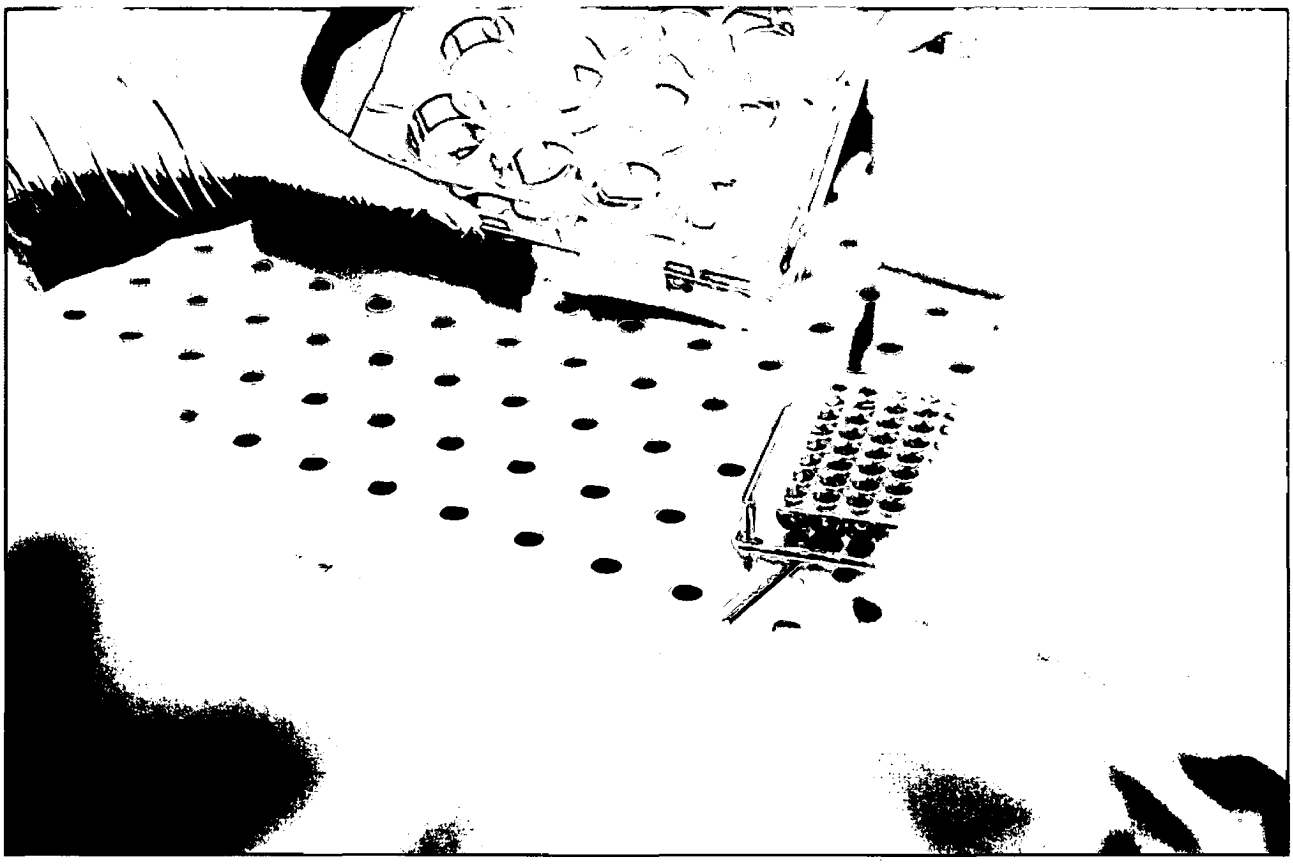
The Directors are required by the Companies Act 2006 to act in the way they consider, in good faith, would most likely promote the success of the Company for the benefit of its shareholders as a whole and in doing so, are required to have regard to the following:

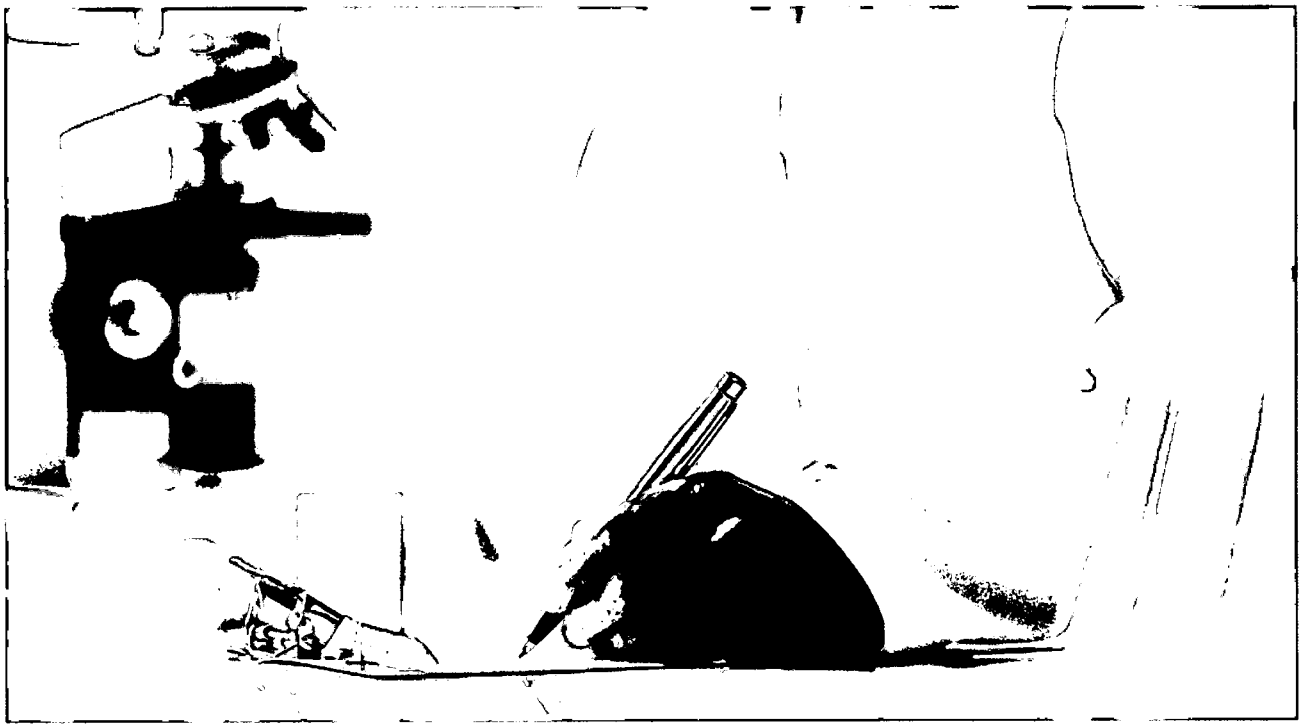
- The likely consequences of any decision in the long term;
- The interests of the Company's employees;
- The need to foster the Company's business relations with suppliers, customers and others;
- The impact of the Company's operations on the community and the environment;
- The Company's reputation for high standards of business conduct; and
- The need to act fairly as between members of the Company.

The Group has adopted the Corporate Governance Code for Small and Mid-Size Quoted Companies from the Quoted Companies Alliance (the QCA Code). The QCA code is an appropriate code of conduct for the Group's size and stage of development. Details of how the Group applies the ten principles of the QCA Code are set out on pages 36 to 41.

The Chairman's Statement and the Operational Review describe the Group's activities, strategy and future prospects including considerations for long-term decision making on pages 04 and 18.

The Board considers the Group's major stakeholders to be its shareholders, its employees, suppliers, collaboration partners and those involved in clinical trials.





Overview as to how the Board performed its duties to shareholders

The Board is committed to openly engaging with the Company's shareholders and recognising the importance of an effective dialogue. It is important that shareholders understand the Group's strategy and objectives, so these must be explained clearly and feedback received and issues raised carefully considered. Details of shareholder engagement are set out in sections 2 and 10 of the Corporate Governance Report on pages 36 and 41.

Key decisions

Key decisions taken by the Board included:

- strategic realignment, focusing the Company's resources on the exosome and iPSC research platforms.
- strengthening the Company's leadership to align with the needs of the business and increase its exosome expertise.
- halting the development of the RP programme and instead seeking to out-licence this programme to a third party.

Employees

The Group is a relatively small organisation and Directors have regular day-to-day contact with employees at all levels, both formal and informal. The Chairman and CFO regularly brief employees on developments in the business and conduct question and answer sessions at these times.

Suppliers

The Board takes a close interest in relations with key suppliers, whose performance is crucial to the Group's success. The Group endeavours to maintain good relationships with its suppliers and seeks to pay them promptly in accordance with the contracted terms. Where appropriate, the activities of suppliers are subject to audit.

Community and environment

The Board is mindful of the potential social and environmental impacts of the Group's activities. The Board is committed to minimising the environmental effect of the Group's activities wherever possible and seeks rigorous compliance with relevant legislation.

Business reputation

The Group operates in a highly regulated sector and the Board is committed to maintaining the highest standards of conduct. Staff behaviour is governed by appropriate policies, including anti-bribery policies, supported by a whistle-blowing process. There were no reported incidents in relation to this policies in the year ended 31 March 2022.

SUSTAINABILITY

The Directors believe that operating the business responsibly is key to its long-term future and success.

People

The Group relies for its success on the intellectual qualities of its employees. Therefore, it seeks to recruit and retain highly skilled and well-qualified employees.

Reward

The Group recognises the importance of a fair and competitive reward package which seeks to incentivise high performance and align the interests of the employees and the Group. Salaries are competitive, and the bonus scheme is based upon the attainment of both personal and corporate objectives. The Group also offers pension entitlement and health insurance or gym membership.

Details of the Group's employee share schemes are set out in note 27 to the financial statements.

Diversity

The Board believes in a diverse and gender balanced workforce and the Group's Equal Opportunities Policy ensures the provision of equal opportunities in all areas of employment.

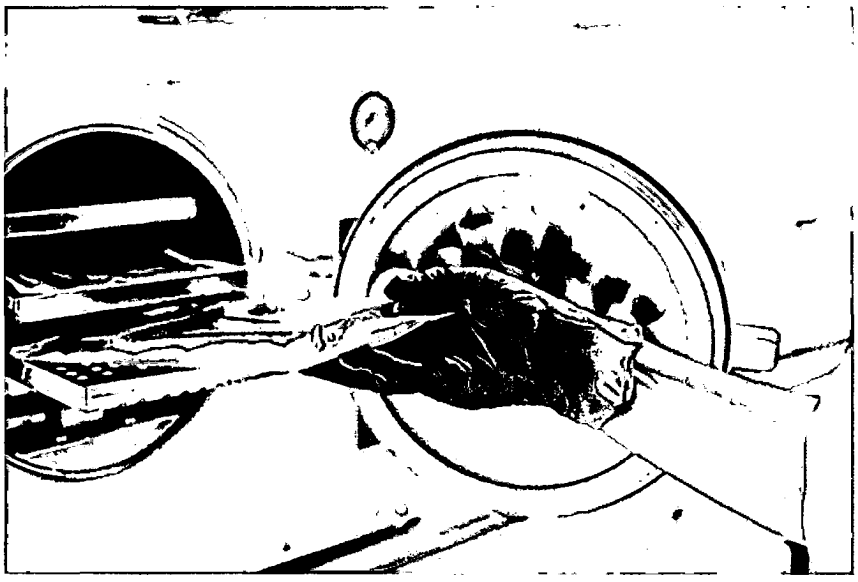
At 31 March 2022 the Group employed 15 men and 19 women across a diverse range of backgrounds and had 40% female representation on the Board with 20% women on the Senior Management Team. Details of Board membership are on pages 30 to 31 and the Senior Management Team on pages 32 to 33.

Employee engagement

Employee engagement is described in the Section 172 Report on page 24.

Development

Employees have significant opportunities for learning and development, often identified from the annual appraisal process. Examples include PhD studies, process management and quality management skills such as Six Sigma Black Belt, as well as soft skills courses and various formal training courses identified as part of employees' annual personal development plans.



Health and safety

Keeping its employees safe is a priority for the Group. A Health and Safety (H&S) Committee meets regularly, monitors performance and drives improvements through H&S Committee representatives. A number of employees work in a laboratory environment and are trained and required to comply with the relevant regulations and best practice. The H&S Committee reports to the Group's Senior Management Team and the Board.

The Group also offers Employee Wellbeing support.

During the COVID-19 crisis, the Group has made additional resources available to support the mental health needs of employees who may have felt isolated by working from home.

Policies and procedures

The Group has a comprehensive Employee Handbook and supporting policies which set standards for ensuring that the Group's business activities are conducted in a responsible manner for the benefit of its shareholders, employees, research partners and suppliers. The Board believes that ensuring employees understand their responsibilities and act in an ethical way is vital to the Group's future success.

Our social impacts

The Group endeavours to maintain links with universities and local schools. University students and schoolchildren have visited the Pencoed site and been given an introduction to practical research based science. The Group has supported PhD research, and placements are provided from time to time.

Environmental impact

Due to the nature of the business, the Board considers that the Group has a low environmental impact. The Group seeks to minimise any environmental impact of its operations and complies with relevant regulations and legislation.

RISKS AND UNCERTAINTIES

Risk	Potential impact	Mitigation action/control
Clinical and regulatory risk There are significant inherent risks in developing stem cell or stem cell-based exosome therapies for commercialisation due to the long and complex development process. Any therapy that we wish to offer commercially to the public must be put through extensive research, pre-clinical and clinical development, all of which takes several years and is extremely costly. The regulatory process is both complex and multi-jurisdictional.	**Clinical potential impact** The Group or licensed partners may fail to develop a drug candidate successfully because we cannot demonstrate in clinical trials that it is safe and efficacious. The Group may fail to successfully out-license products that have been developed and/or products may be returned from partners. Delays in achieving regulatory approval may impose substantial costs on the business. If a product is approved, the regulators may impose additional requirements, for example, restrictions on the therapy's indicated uses or the levels of reimbursement receivable. Once approved, the product and its manufacture will continue to be reviewed by the regulators and may be withdrawn or restricted. **Regulatory potential impact** Reduction of an income stream through regulation could adversely affect the commercial viability of a drug product. Withdrawal of a drug product by a particular regulatory agency would prevent sale in that particular territory and may be followed by regulators in other territories.	The Group's internal development expertise and knowledge in its targeted clinical areas will enable it to develop therapeutic products in a manner which will substantially mitigate, but which cannot eliminate this risk in the future. The Group looks to employ suitably qualified and experienced staff. It also consults, where necessary, with regulatory advisers and regulatory approval bodies to ensure that regulatory requirements are met. Additionally, the Group seeks to foster a culture where quality is a key priority. The Group will seek to take drug candidates to the clinic by working in partnership with other parties. This will increase the pool of expertise available to the Group and mitigate further clinical and regulatory risks. Both the Group and its clinical and manufacturing partners comply with Good Clinical Practice and Good Manufacturing Practice and the Group employs rigorous processes in its research and development of therapeutic products.
Intellectual property risk Intellectual property protection remains fundamental to the Group's strategy of developing novel drug candidates. The Group's ability to stop others making a drug, using it or selling the invention or proprietary rights by obtaining and maintaining protection is critical to our success. The Group manages a portfolio of patents and patent applications which underpin its research and development programmes.	There is a risk that intellectual property may become invalid or expire before, or soon after, commercialisation of a drug product and the Group may be blocked by other companies' patents and intellectual property.	The Group invests significantly in maintaining and protecting this intellectual property through the use of expert lawyers and patent agents to reduce the risks over the validity and enforceability of our patents. The protection of the Group's intellectual property is a significant consideration throughout the Group's contracting activity.

RISKS AND UNCERTAINTIES CONTINUED

Risk	Potential impact	Mitigation action/control
Manufacturing and supply risk The Group's ability to successfully manufacture and scale up production processes is vital to the development and commercial viability of any product.	**Manufacturing potential impact** Could impact speed of development and also the ability to sell a drug product on a commercially viable scale. Product manufacture is subject to continual regulatory control and products must be manufactured in accordance with Good Manufacturing Practice. Any changes to the approved process may require further regulatory approval. Availability of raw materials is extremely important to ensure that manufacturing campaigns are performed on schedule. **Supply potential impact** Substantial cost increases and delays in production, which could adversely impact on the Group's activities, financial results and cash liquidity.	The Group utilises reputable contract manufacturing organisations, experienced in meeting the requirements of Good Manufacturing Practice. The Group maintains contractual relationships with key manufacturers and suppliers to ensure availability of supply and sufficient notice of disruption. Additionally, the Group seeks to avoid reliance upon any single supplier or manufacturer. The Group continually develops its manufacturing processes and is building its in-house capabilities to reduce its reliance on third parties.
Financial risk The financial risks faced by the Group include foreign currency risk, liquidity risk and risk associated with cash held on deposit with financial institutions.	These risks may adversely affect the Group's financial results and cash liquidity.	The Board reviews and agrees policies for managing each of these risks. The Group's main objectives in using financial instruments are the maximisation of returns from funds held on deposit, balanced with the need to safeguard the assets of the business. The Group does not enter into forward currency contracts. The Group holds currency in US dollars and euros to cover short and medium-term expenses in those currencies.
Fundraising risk The Group has incurred considerable losses since its inception and is dependent upon equity and public grant financing. It does not currently have any approved revenue generating products although it does generate revenue from partner collaborations.	The Group may not be able to raise additional funding that will be needed to support its product development efforts. Any new equity funds raised may lead to dilution of existing investors. In the light of the strategic changes to the business in the year, the Board considers this risk to have increased in comparison with previous years.	The Group is continually seeking business development opportunities which enable it to support the future costs of development of its exosomes platform and proprietary drug products. Additionally, the Board places considerable emphasis on communication with shareholders and potential investors, to maximise the chances of successful future fundraising. For further information, please refer to the Directors' Report on page 34 and the Corporate Governance Section on page 36.
Cyber risk There is risk that third parties may seek to disrupt the Group's business, or perpetrate acts of fraud using digital media.	Loss of IT systems for a significant period may result in delays in the development of drug products for ReNeuron or partners and for platform developments. Fraud may result in financial loss.	The Group is focused on maintaining a robust and secure IT environment that protects its corporate data and systems. IT systems are continuously monitored and upgraded and employees are trained to be aware of cyber security and the associated risks.
Site and system disruption risk Unexpected events could disrupt the business by affecting its key facility, critical equipment, IT systems or a number of employees.	Loss of IT systems for a significant period or key employees may result in delays in the development of drug products for ReNeuron or partners and for platform developments.	The Group has developed a business continuity plan to ensure that it can respond effectively to identified risks. All critical equipment will have active service contracts in place. Business continuity insurance is in place.

Risk	Potential impact	Mitigation action/control
Staff turnover risk The Group is dependent upon its ability to attract and retain highly qualified and skilled staff.	Loss of key staff could delay the development of drug products for ReNeuron or partners and for platform developments.	The Group offers attractive employment packages, including share incentive plans, and actively encourages employee engagement in the business. Employees also have significant opportunities for learning and development as well as promotion opportunities born out of the Group's staff appraisal and succession planning processes.
Risks associated with a global pandemic and associated public health measures In any future pandemic, governments may institute public health measures similar to those used in respect of COVID-19, which may constrain economic activity and inhibit the Group's activities.	The Group's research and development activities either for itself or partners may be delayed and additional costs incurred.	The Group has demonstrated its ability to continue its research and development activities using modified working practices.

New Risks	Potential impact	Mitigation action/control
Future relations with the EU Disputes between the UK and the EU may cause friction in trade with the EU.	The Group purchases supplies and services within the EU which may become more expensive with longer lead-times from order to delivery.	The Group will continue to monitor the situation and believes that it can manage issues within its existing procurement processes.
Russia/Ukraine war The Russia/Ukraine war has stimulated surges in energy and raw material costs and also dampened investor confidence.	The Russia/Ukraine War could adversely affect the Group's operations through increased costs, possible supply chain interruptions and reduced investor appetite. There is also increased risk of cyber-attacks.	The Group is a low energy user and will seek to manage cost pressure through its normal procurement processes. The Group's cyber risk measures are described above.

In addition, and in common with other small biotechnology companies, the Group is subject to a number of other risks and uncertainties, which include:

- the early stage of development of the business;
- availability and terms of capital needed to sustain operations, and failure to secure partnerships that will fund clinical development and commercial exploitation;
- competition from other companies and market acceptance of its products; and
- its reliance on consultants, contractors and personnel at third-party research institutions.

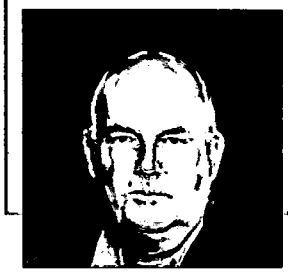
Pages 06 to 29 of this Annual Report and Accounts comprise the Strategic Report for the Group, which has been prepared in accordance with chapter 4A of part 15 of the Companies Act 2006.

Approved by the Board and signed on its behalf by:

Catherine Isted
Chief Financial Officer

11 August 2022

BOARD OF DIRECTORS



Iain Ross
Chairman
(N)

Appointed

Iain Ross was appointed to the Board as Non-Executive Chairman in July 2021. He temporarily assumed Executive responsibility in February 2022.

External appointments

Currently Iain is Non-Executive Chairman at Silence Therapeutics PLC (NASDAQ), Kazia Therapeutics Limited (ASX/NASDAQ) and BiVitrix Therapeutics plc.

Experience and skills

Iain Ross is a highly experienced board director with a career in the international life sciences and technology sectors that spans 40 years. He held senior commercial roles at Sandoz, Fisons and Hoffman-La Roche before moving into the biotechnology sector where he has been chairman, CEO and director of several international biotechnology companies including Celltech Group plc, Quadrant Healthcare plc and Redx Pharma plc.

Mr Ross is a qualified Chartered Director, Fellow of the Institute of Directors and Honorary Fellow of Royal Holloway, London University.

Catherine Isted
Chief Financial Officer

Appointed

Catherine Isted was appointed to the Board in October 2021. Catherine will be taking on the role of Chief Executive Officer from 1 September 2022.

Experience and skills

Catherine joined ReNeuron from Oxford Biomedica plc, a global leading cell and gene therapy company, where she was part of the finance leadership team heading up the Corporate Development and IR, helping the business grow over 800%, enter the FTSE 250 and pass through £1 billion market capitalisation. Prior to that, she spent 19 years in the City at Morgan Stanley, ABN AMRO, Nomura and Peel Hunt in Healthcare equity research and equity sales roles, 12 years of which at Partner level, during which time she undertook multiple IPOs and fundraisings for companies in the Healthcare sector. The early part of Catherine's career was at Merck, Sharp and Dohme, the UK subsidiary of Merck & Co., Inc., initially as a bench scientist in their medicinal chemistry laboratories, before a career change and move into their finance team where she trained to be an accountant.

Catherine graduated with a 1st class chemistry degree and is a Chartered Management Accountant.

Barbara Staehelin
Senior Independent
Non-Executive Director
(A)(R)(N)

Appointed

Barbara Staehelin was appointed to the Board as Senior Independent Non-Executive Director in July 2021.

External appointments

Barbara is Non-Executive Chair for Resistell AG and femtech pioneer Ava AG. She is a board member at Assura Group, a Swiss medical insurance company, where she is President of the Audit and Risk Committee. She is also co-founder and Chair at Axicos AG.

Experience and skills

Barbara Staehelin began her professional career in management consultancy, focusing on healthcare at McKinsey & Co., Inc. She has also served as a member of the Global Executive Committee at F. Hoffman-La Roche Diagnostics. Her wide experience both in senior leadership roles and in founding companies has given her extensive high-level exposure to commercial, regulatory and governance matters in the biotech sector.

Ms. Staehelin holds a Directors Certificate from Harvard University, USA, an MBA from INSEAD Fontainebleau, France and an MSc in biochemistry from ETH Zurich.

Key: Committees

- (A) Audit
- (R) Remuneration
- (N) Nominations and Corporate Governance
- ◯ Committee Chair

Dr Mike Owen
Non-Executive Director
(R)(N)(A)

Appointed

Dr Mike Owen was appointed to the Board in December 2015.

External appointments

Mike currently serves as a Director of Zealand Pharma, Sareum Holdings plc and Ossianix Inc. He is also a member of the scientific advisory board at Avacta Group plc.

Experience and skills

Mike's career in biotech, the pharmaceutical industry and academia spans more than 40 years. He was formerly senior vice president for biopharmaceuticals research at GlaxoSmithKline and was also a founder and chief scientific officer of Kymab Ltd, an antibody-based biotech company. He has also previously served as a director for BLINK Biomedical SAS. For many years he held a research position at the Imperial Cancer Research Fund (now "CR-UK") and he has previously served on the scientific advisory board of the CRT Pioneer Fund LP.

He is also a member of the European Molecular Biology Organisation.

Fellowships

He is a Fellow of the Academy of Medical Sciences.

Martin Walton
Non-Executive Director
(R)(N)(A)

Appointed

Martin Walton was appointed to the Board in March 2022.

External appointments

Martin currently serves as Chairman and CEO of Bradshaw Consulting Ltd. He is CEO of virtual biotech Excalibur Medicines Ltd, Board Director of Interrad Medical and a Board Member of the Liverpool Life Sciences Accelerator Partnership.

Experience and skills

Martin spent 25 years in global investment banking and asset management, culminating as vice chair in charge of Wholesale and Commercial Banking for Europe and Asia-Pacific at Toronto Dominion Bank.

Martin is co-founder of LSE-listed Arix Bioscience plc (LSE: ARIX) and since 2010, he has been an active VC/PE investor, portfolio manager, and advisor in life sciences involving a number of executive and non-executive positions, completing over 25 transactions (spinouts, financings, M&A, IPOs and divestitures) and has raised over £1 billion in investment and co-investment capital.

In addition to a wealth of experience in the life sciences sector, he also has extensive governance, oversight, audit committee and risk committee experience as well as specific experience in start-up, growth (organic and acquisition), turnaround and consolidation strategies.

SENIOR MANAGEMENT

Dr Randolph Corteling
Vice President of Research

Appointed

Dr Randolph Corteling rejoined ReNeuron in March 2022.

Experience and skills

Dr Randolph Corteling has 24 years' experience in medical research and drug discovery, spanning academia, biotechnology and the pharmaceutical industry. He gained his PhD in Medical and Surgical Sciences at Nottingham University, followed by three years as a Heart and Stroke Foundation Postdoctoral Fellow at the University of Calgary, Canada.

In 2007 he joined ReNeuron as a senior member of the research team where he established a deep understanding of stem cell biology and in particular the role of extracellular vesicles in cell-to-cell communication. In 2011 he was appointed Head of Cell Biology where he established the first exosome programmes at ReNeuron, which are now a major commercial opportunity for the Company. He was later promoted to Head of Research at ReNeuron.

At Evox Therapeutics, a private company focused on exosome-based therapeutics for rare diseases, Dr Corteling led its Disease Biology and Exosome Payloads teams.

Suzanne Hancock
Head of Operations

Appointed

Suzanne Hancock was appointed Head of Operations in July 2020, having joined ReNeuron as a Programme Manager in 2017.

Experience and skills

Suzanne has broad experience of both leadership and technical scientific roles. She joined ReNeuron from GE Healthcare, where she spent almost 12 years and held a number of managerial roles forming and leading global cross functional teams engaged in the development and delivery of new products in the Life Sciences and Cell Therapy industry. Suzanne began her career as a scientist with Amersham International where she was involved in developing cell-based assays and high content image analysis platforms for drug development.

She holds a BSc in Applied Biological Sciences and in 2019 successfully completed an MSP Practitioner qualification at Cardiff University.

John Hawkins
Financial Controller &
Company Secretary

Appointed

John Hawkins joined ReNeuron in October 2014 and was appointed Company Secretary in June 2021.

Experience and skills

John is an experienced finance professional with a breadth of experience gained within a variety of businesses, from large PLCs to family-owned SMEs. He joined ReNeuron, after leaving his role as Finance Director of an insurance business, having previously worked for a number of years in the financial services sector where he specialised in business partnering, helping to drive growth and profitability. During this time, he played a lead role in a number of acquisitions and played a key role in the $1bn sale of a division of Standard Chartered Bank to The Lloyds Banking Group.

John graduated from university with a 1st class honours degree in industrial chemistry and started his career with KPMG, where he qualified as a Chartered Accountant.

Dr Stefano Pluchino
Chief Scientific Officer

Appointed

Dr Stefano Pluchino was appointed Chief Scientific Officer in May 2021.

Experience and skills

Stefano is Professor of Regenerative Neuroimmunology and Honorary Consultant at the University of Cambridge since 2010. He obtained his MD and PhD at the University of Siena, Italy and progressed to two consecutive post doctorate appointments at the San Raffaele Scientific Institute in Milan.

Stefano has more than 230 publications to his credit and is internationally recognised as a leader and pioneer in the field of regenerative neuroimmunology. He was the recipient of the 2003 European Charcot Foundation (ECF) Award, the 2006 Sorono Foundation Multiple Sclerosis Award, the 2007 Rita Levi-Montalcini Award, the 2009 Italian Ministry of Health Young Investigator Award and the 2010 International Royan Award for outstanding research in Stem Cell Biology and Technology.

Shaun Stapleton
Vice President Regulatory Affairs and Pharmacovigilance

Appointed

Shaun Stapleton was appointed Head of Regulatory Affairs in June 2015.

Experience and skills

Shaun Stapleton joined ReNeuron from Voisin Consulting Life Sciences, where he was a director and vice president of Regulatory Science. He supported clients on a number of global development and registration projects, including advanced therapies and orphan drugs. Having graduated in Biochemistry from Imperial College London, he began his career in research with the Imperial Cancer Research Fund, before moving into the pharmaceutical industry. He held positions of increasing responsibility in regulatory affairs at Sterling Winthrop, Eli Lilly and Boehringer Ingelheim before becoming senior director of Regulatory Affairs at Ipsen, where he managed regulatory input into development programmes globally, securing new product approvals in the US, the EU and internationally in the neurology, endocrinology and oncology therapeutic areas.

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2022

The Directors present their report and the audited consolidated financial statements of the Company for the year ended 31 March 2022.

Presentation of financial statements

The Group financial statements include the financial statements of the Company and its subsidiary undertakings made up to 31 March 2022.

Future developments

Future developments are set out in the Strategic Report on pages 06 to 29.

Results and dividends

The results for the year are given in the Group statement of comprehensive income set out on page 54. The Directors do not recommend the payment of a dividend (2021: £Nil).

Research and development

During the year, the Group incurred research and development costs of £8,068,000 (2021: £9,503,000) all charged to the statement of comprehensive income.

Financial risk management

Financial risk management is set out in note 24 to the financial statements and also in risks and uncertainties on pages 27 to 29.

Directors

The Directors who held office during the year and up to the signing of the financial statements, unless otherwise stated, are listed below:

Iain Ross
(appointed 1 July 2021)
Chairman – acting in a temporary Executive capacity from 10 February 2022.

Catherine Isted ACMA
(appointed 11 October 2021)
Chief Financial Officer

Barbara Staehelin
(appointed 14 July 2021)
Senior Independent Non-Executive Director

Dr Mike Owen
Non-Executive Director

Martin Walton
(appointed 22 March 2022)
Non-Executive Director

The following Directors resigned during the year:

- Olav Hellebø resigned as an Executive Director on 28 February 2022;
- Michael Hunt resigned as an Executive Director on 31 May 2021;
- Professor Sir Chris Evans OBE resigned as a Non-Executive Director on 16 October 2021;
- Dr Tim Corn (Chairman to 30 June 2021) resigned as a Non-Executive Director on 22 March 2022; and
- Mark Evans resigned as a Non-Executive Director on 22 March 2022.

Events after the reporting period

On 1 August 2022, it was announced that Catherine Isted would be appointed Chief Executive Officer with effect from 1 September 2022.

Qualifying third-party indemnity

Certain Directors benefited from qualifying third-party indemnity provisions in place during the year and at the date of this Report.

Going concern

The Group is expected to incur further costs as it continues to develop its technologies through the research and pre-clinical development pathway. The operations of the Group are currently being financed from funds that have been raised from share placings, commercial partnerships and grants.

The Group actively seeks further business development and commercial opportunities to support its ongoing development programmes. The Board places considerable emphasis on communication with shareholders, potential investors and other commercial organisations in order to maximise the chances of success in exploiting these opportunities. Following a strategic decision, it was announced in January 2022 that the internal development of the Group's human retinal progenitor cells (hRPC) programme would be halted, with existing resources refocused on the Group's exosome technology platform, extending the Company's cash runway. It is considered that this strategy provides the best opportunity to create increasing and sustainable shareholder value.

Based on the above, the Directors expect that the Group's current financial resources will be sufficient to support the business until at least mid-2023 and the Directors continue to seek opportunities to secure further revenues/funding sufficient for the future needs of the business beyond mid-2023.

The Directors, therefore, consider it appropriate to continue to adopt the going concern basis in the preparation of these financial statements. However, there is no guarantee that attempts to secure adequate additional revenues/ funding on a timely basis will be successful and, therefore, this represents a material uncertainty, which may cast significant doubt about the Group's and Company's ability to continue as a going concern. These financial statements do not include the adjustments that would result if the Group and Company were unable to continue as a going concern.

Engagement with suppliers, customers and others

The Group and Company's engagement with suppliers, customers and others is detailed in the Strategic Report.

Energy and carbon reporting

The Company and its subsidiaries are low energy users and fall below Streamlined Energy and Carbon Reporting requirements, hence no energy usage information is provided.

Statement of Directors' responsibilities in respect of the financial statements

The Directors are responsible for preparing the Annual Report and Accounts 2022 and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group and the Company financial statements in accordance with UK-adopted international accounting standards.

Under company law, Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The Directors are responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' confirmations

In the case of each Director in office at the date the Directors' Report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Group's and Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Group's and Company's auditors are aware of that information.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

Annual General Meeting

The Annual General Meeting of the Company will be held at the office of Covington & Burling LLP, 22 Bishopsgate, London, EC2N 4BQ on 9 September 2022 at 9.30 a.m.

On behalf of the Board

Catherine Isted

Catherine Isted
Chief Financial Officer

11 August 2022

CORPORATE GOVERNANCE

The Directors remain committed to maintaining high standards of transparency, ethics and corporate governance.

The Quoted Companies Alliance Corporate Governance Code (The QCA Code)

ReNeuron has adopted, as far as possible, the principles of the Quoted Companies Alliance Corporate Governance Code (the "QCA Code").

The QCA Code identifies ten principles to be followed in order for companies to deliver growth in long-term shareholder value, encompassing an efficient, effective and dynamic management framework accompanied by good communication to promote confidence and trust.

The following sections set out the ways in which the Group applies the ten principles of the QCA Code in support of the Group's medium to long-term success. The Investor Centre (Corporate Governance section) on the Group's website also contains an index setting out the locations of relevant disclosures on the website and/or in the Group's Annual Report pertaining to the Group's application of the QCA Code.

1. Establish a strategy and business model which promote long-term value for shareholders

The strategy and business operations of the Group are set out in the Strategic Report on pages 06 to 29.

The Group's strategy and business model, and amendments thereto, are developed by the Chairman, acting temporarily in an Executive capacity, the Chief Financial Officer and the senior management team, and approved by the Board. The senior management team, is responsible for implementing the strategy and managing the business at an operational level.

The Group's overall strategic objective is to develop a best-in-class exosomes delivery platform, harnessing its unique stem cell technologies to develop off-the-shelf treatments for diseases with significant unmet needs, either alone or with partners.

The Group deploys its financial and other resources towards gaining collaborative development opportunities in areas of scientific and commercial interest for its exosome and induced pluripotent stem cell (iPSC) technology platforms. Concurrently, it continues to seek further out-licensing opportunities for its CTX and hRPC therapeutic products, which have already been licensed to Fosun Pharma in China. Ultimately, the Directors believe that this approach will deliver significant long-term value for shareholders if the resulting clinical trial data are compelling.

At the appropriate stage of development, the Group may choose to realise monetary value in a platform technology or a therapeutic product via high-value out-licensing deals with pharmaceutical or biotechnology companies with interests in the relevant therapeutic field and/or geographical territories. Alternatively, if resources permit, and with shareholder support, the Group may choose to advance a therapeutic candidate through early-stage clinical development unpartnered in order to increase value in the programme prior to out-licensing to a suitable partner to complete further clinical development.

The Group operates in an inherently high risk and heavily regulated sector and this is reflected in the principal risks and uncertainties set out on pages 27 to 29. In executing the Group's strategy and operational plans, management will typically confront a range of day-to-day challenges associated with these key risks and uncertainties, and will seek to deploy the identified mitigation steps to manage these risks as they manifest themselves.

2. Seek to understand and meet shareholder needs and expectations

The Group seeks to maintain a regular dialogue with both existing and potential new shareholders in order to communicate the Group's strategy and progress and to understand the needs and expectations of shareholders.

Beyond the Annual General Meeting, the Chairman, Chief Financial Officer and, where appropriate, other members of the senior management team meet regularly with investors and analysts to provide them with updates on the Group's business and to obtain feedback regarding the market's expectations of the Group.

The Group's investor relations activities encompass dialogue with both institutional and private investors. The Company is a regular presenter at private investor events, providing an opportunity for those investors to meet with representatives from the Group in a more informal setting.

3. Take into account wider stakeholder and social responsibilities and their implications for long-term success

The Group is aware of its corporate social responsibilities and the need to maintain effective working relationships across a range of stakeholder groups. These include the Group's employees, partners, suppliers, regulatory authorities and the patients that have been involved in the Group's clinical development activities. The Group's operations and working methodologies take account of the need to balance the needs of all of these stakeholder groups, while maintaining focus on the Board's primary responsibility to promote the success of the Group for the benefit of its members as a whole. The Group endeavours to take account of feedback received from stakeholders, making amendments to working arrangements and operational plans where appropriate and where such amendments are consistent with the Group's longer-term strategy.

The Group takes due account of any impact that its activities may have on the environment and seeks to minimise this impact wherever possible. Through the various procedures and systems it operates, the Group ensures full compliance with health and safety and environmental legislation relevant to its activities.

4. Embed effective risk management, considering both opportunities and threats, throughout the organisation

The Board is responsible for the systems of risk management and internal control and for reviewing their effectiveness. The internal controls are appropriate to a business of this size and complexity and are designed to manage rather than eliminate risk and provide reasonable but not absolute assurance against material misstatement or loss. Through the activities of the Audit Committee, the effectiveness of these internal controls is reviewed annually. Key elements of the system of internal control include:

- setting and communicating clear strategic goals;
- a comprehensive budgeting process is completed once a year and is reviewed and approved by the Board;
- the Group's results, compared with the budget, are reported on a monthly basis;
- the Group reforecasts the budget as necessary during the financial year, with the results reviewed and approved by the Board;
- working within a defined set of delegated authorities, approved by the Board; and
- all material contracts are reviewed by an Executive Director of the Company and external legal advice is taken as appropriate.

The Group's regulated activities are governed by appropriate Standard Operating Procedures. Staff behaviour is governed by appropriate policies including an Anti-Bribery Policy.

The Group maintains appropriate insurance cover in respect of actions taken against the Directors because of their roles, as well as against material loss or claims against the Group. The insured values and type of cover are comprehensively reviewed on a periodic basis.

The senior management team meet at least twice monthly to consider new risks and opportunities presented to the Group, making recommendations to the Board and/or Audit Committee as appropriate.

A summary of the principal risks and uncertainties facing the Group, as well as mitigating actions, are set out on pages 27 to 29.

5. Maintain the Board as a well-functioning, balanced team led by the Chair

At 31 March 2022, the Board comprised the Chairman, acting temporarily in an Executive capacity, three Non-Executive Directors, and one Executive Director.

Directors' biographies are set out on pages 30 and 31.

All of the Directors are subject to election by shareholders at the first Annual General Meeting after their appointment to the Board and will continue to seek re-election at least once every three years.

The Board is responsible to the shareholders for the proper management of the Group and meets at least six times a year to set the overall direction and strategy of the Group, to review scientific, operational and financial performance and to advise on management appointments. All key operational and investment decisions are subject to Board approval. A schedule of Matters Reserved for the Board may be found in the Corporate Governance Policies on the Group's website.

CORPORATE GOVERNANCE CONTINUED

There were 16 formal Board meetings held in the year ended 31 March 2022. 10 of these meetings were held remotely.

A summary of Board and Committee meetings attended in the year ended 31 March 2022 is set out below:

Director	Board meetings		Nominations and Corporate Governance Committee		Audit Committee		Remuneration Committee	
	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible
I Ross	14	14	–	–	–	–	1	1
C Isted	10	10	–	–	–	–	–	–
B Staehelin	14	14	–	–	1	1	3	3
M Owen	14	16	1	1	1	1	8	8
O Hellebø	12	13	–	–	–	–	–	–
M Hunt	–	2	–	–	–	–	–	–
T Corn	12	13	–	–	2	2	8	8
C Evans	2	6	1	1	–	–	4	6
M Evans	12	15	1	1	2	2	–	–

The Board considers itself to be sufficiently independent. The QCA Code suggests that a board should have at least two independent Non-Executive Directors. Barbara Staehelin was appointed as Senior Independent Non-Executive Director on 14 July 2021. She, Dr Mike Owen and Martin Walton are regarded as independent Non-Executive Directors under the QCA's Code's guidance for determining such independence.

Iain Ross was appointed as Non-Executive Chairman on 1 July 2021. The Board has deemed that Iain Ross is not independent because his remuneration package includes eligibility to receive share options with a performance condition.

Non-Executive Directors receive their fees in the form of a basic cash fee. Following the recent Board reorganisation the Non-Executive Directors' basic remuneration has been increased and, except in respect of the Chairman, the award of share options under the Company's Non-Executive Share Option Scheme will be discontinued. The current remuneration structure for the Board's Non-Executive Directors is deemed to be proportionate and in line with general market practice.

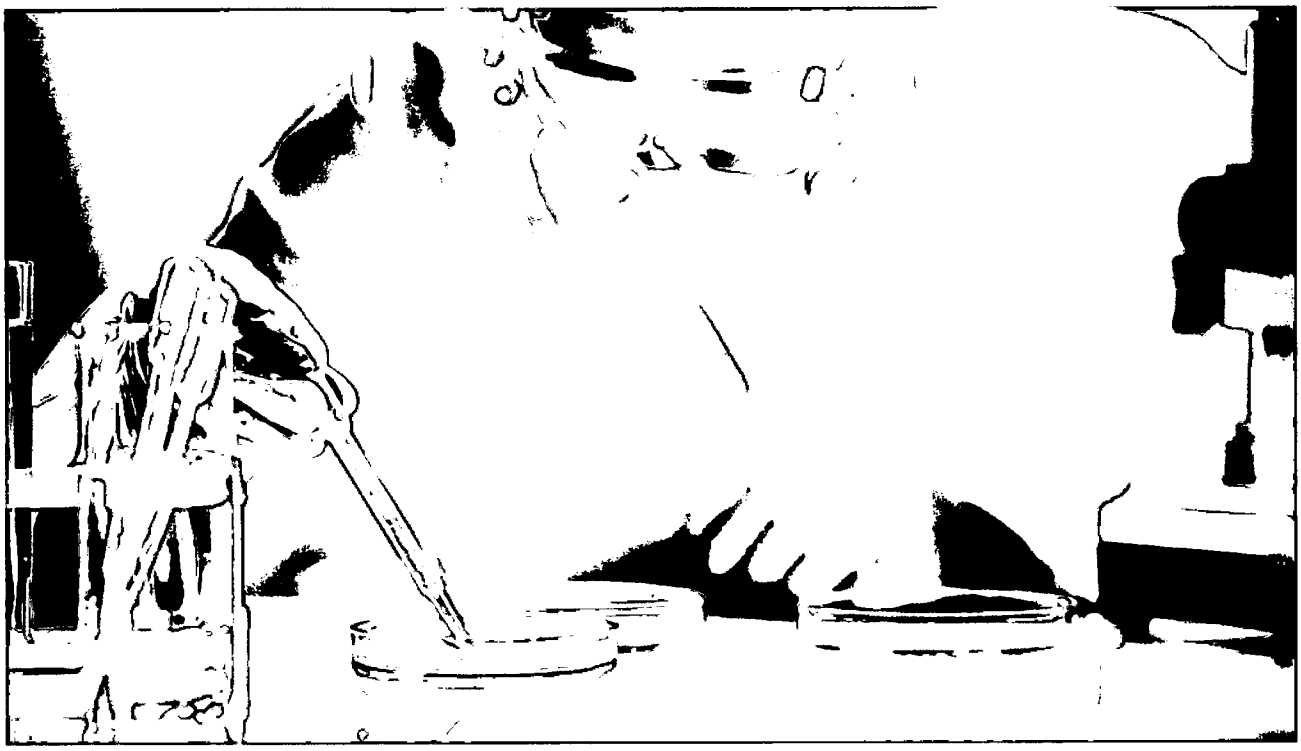
6. Ensure that between them, the Directors have the necessary up-to-date experience, skills and capabilities

The Board considers that all of the Non-Executive Directors are of sufficient competence and calibre to add strength and objectivity to the Board, and bring considerable experience in scientific, operational and financial development of biopharmaceutical products and companies.

Directors' biographies are set out on pages 30 to 31. The Board regularly reviews its composition to ensure that it has the necessary breadth and depth of skills to support the ongoing development of the Group.

The Chairman, in conjunction with the Company Secretary, ensures that the Directors' knowledge is kept up to date on key issues and developments pertaining to the Group, its operational environment and to the Directors' responsibilities as members of the Board. During the course of the year, Directors received updates from the Company Secretary and various external advisers on a number of corporate governance matters.

Directors' service contracts or appointment letters make provision for a Director to seek personal advice in furtherance of their duties and responsibilities, normally via the Company Secretary.



7. Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement

The Board has a process for evaluation of its own performance, that of its Committees and individual Directors, including the Chairman. This process is conducted biennially and last took place in April 2021. The Board utilises the services of an independent third-party organisation to manage the evaluation process, analyse the results and report back to the Board for subsequent follow-up. Evaluation criteria include Controls and Procedures, Strategic Aims, Entrepreneurial Leadership and Communications and Relationships.

The Board may utilise the results of the evaluation process when considering the adequacy of the composition of the Board and for succession planning.

8. Promote a corporate culture that is based on ethical values and behaviours

The Board seeks to maintain the highest standards of integrity and probity in the conduct of the Group's operations. These values are enshrined in the written policies and working practices adopted by all employees in the Group. An open culture is encouraged within the Group, with regular communications to staff regarding progress and staff feedback regularly sought. Monthly meetings are held with an opportunity for anonymous Q&A and suggestions on any aspect of the business. The Executive Committee regularly monitors the Group's cultural environment and seeks to address any concerns that may arise, escalating these to Board level as necessary.

The Group is committed to providing a safe environment for its staff and all other parties for which the Group has a legal or moral responsibility in this area. The Group operates a Health and Safety Committee, which meets bi- monthly to monitor, review and make decisions concerning health and safety matters. The Group's health and safety policies and procedures are enshrined in the Group's documented quality systems, which encompass all aspects of the Group's day-to-day operations.

9. Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board

The Board has overall responsibility for promoting the success of the Group. The Non-Executive Directors are responsible for bringing independent and objective judgement to Board decisions.

Following the departure of the CEO, the Chairman, supported by the CFO and the senior management team, has assumed temporary responsibility for the running of the business. The Chairman is also responsible for overseeing the running of the Board, ensuring that no individual or group dominates the Board's decision-making and ensuring the Non-Executive Directors are properly briefed on matters. The Chairman has overall responsibility for corporate governance matters in the Group.

Senior Independent Non-Executive Director (SINED)

The principal role of the SINED is to support the Chairman in their role; to act as an intermediary for other Non-Executive Directors when necessary; to lead the Non-Executive Directors in the oversight of the Chairman; and to ensure there is an appropriate division of responsibility between the Chairman and the CFO and leadership team.

The SINED provides an alternative to the Chairman or CFO for communication with shareholders, providing an additional conduit for issues, concerns or observations to be expressed. Additionally, the SINED will lead the Non-Executive Directors in the annual performance evaluation of the Chairman, including the working relationship between the Chairman, the CFO and the leadership team.

Following the departure of the CEO, the Chairman, supported by the CFO and the senior management team, has temporarily assumed the responsibility for implementing the strategy of the Board and managing the day-to-day business activities of the Group. The Company Secretary is responsible for ensuring that Board procedures are followed and applicable rules and regulations are complied with.

Board committees

The Board has established an Audit Committee, Remuneration Committee and Nominations and Corporate Governance Committee with formally delegated duties and responsibilities

Audit Committee

The Audit Committee comprises Barbara Staehelin (Chair), Dr Mike Owen and Martin Walton. It normally meets twice a year, which the Board deems to be sufficiently frequent in order for the Committee to discharge its responsibilities in the normal course of annual events. It has responsibility for, amongst other things, planning and reviewing the Annual Report and Accounts and interim statements involving, where appropriate, the external auditors. The Committee also approves external auditors' fees and ensures the auditors' independence, as well as focusing on compliance with legal requirements and accounting standards. It is also responsible for ensuring that an effective system of internal control is maintained. The ultimate responsibility for reviewing and approving the annual financial statements and interim statements remains with the Board.

The Audit Committee Report is set out on pages 42 to 43.

Remuneration Committee

The Remuneration Committee comprises Dr Mike Owen (Chair), Barbara Staehelin and Martin Walton. It meets as required, but at least once a year, has responsibility for making recommendations to the Board on the compensation of senior executives and determining, within agreed terms of reference, the specific remuneration packages for each of the Executive Directors. It also supervises the Company's share incentive schemes and sets performance conditions for share options granted under the schemes.

During the year ended 31 March 2022, the Remuneration Committee met eight times. The Committee reviewed and approved:

- the degree of achievement of objectives for the year ended 31 March 2021;
- the corporate and personal objectives for the Group and Executive Directors for the year ended 31 March 2022;
- the exercise of share options;
- Executive and senior management remuneration; and
- the granting of share options to Directors.

The Directors' Remuneration Report is set out on pages 44 to 47. The Directors believe that this, together with the above mentioned summary of the work of the Remuneration Committee, constitutes sufficient disclosure to meet the QCA Code's requirement for a Remuneration Committee Report. Consequently, a separate Remuneration Committee Report is not presented.

Nominations and Corporate Governance Committee

The Nominations and Corporate Governance Committee comprises Iain Ross (Chair), Barbara Staehelin, Dr Mike Owen and Martin Walton. It meets as required, and has responsibility for reviewing the size and composition of the Board, the appointment of replacement or additional Directors, the monitoring of compliance with applicable laws, regulations and corporate governance guidance and making appropriate recommendations to the Board.

During the year ended 31 March 2022, the Nominations and Corporate Governance Committee met only once, primarily because matters within its remit have been discussed by the full Board.

During the year, the Committee reviewed and approved:

- changes to the Non-Executive Board; and
- recruitment to Executive positions.

Corporate Governance Policies

The terms of reference of the above Committees are set out in the Company's Corporate Governance Policies document, which is regularly updated and can be found in the Investors (Corporate Governance) section on the Group's website. The Corporate Governance Policies also contain a schedule of matters specifically reserved for Board decision or approval and sets out the Company's share dealing code and its public interest disclosure ("whistle-blowing") policy and procedures. The background to the Corporate Governance Policies is set out in the Corporate Governance Memorandum.

10. Communicate how the Group is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

The Group places a high priority on regular communications with its various stakeholder groups and aims to ensure that all communications concerning the Group's activities are clear, fair and accurate. The Group's website is regularly updated and users can register to be alerted when announcements or details of presentations and events are posted onto the website.

Historical Annual Reports and other governance-related material can be found on the Group's website in the relevant sections in the Investor Centre section of the site.

The results of voting on all resolutions in future General Meetings will be posted to the Group's website, including any actions to be taken as a result of resolutions for which votes against have been received from at least 20% of independent shareholders. By order of the Board.

Iain Ross
Chairman

11 August 2022

AUDIT COMMITTEE REPORT FOR THE YEAR ENDED 31 MARCH 2022

As Chair of the Audit Committee, I am pleased to present the Committee's Report for the year ended 31 March 2022.

The Audit Committee is a subcommittee of the Board and is responsible for ensuring effective governance over financial reporting and internal controls. The Committee represents the interests of the shareholders in relation to the integrity of information and the effectiveness of audit processes in place.

The Audit Committee consists of three Non-Executive Directors. It is chaired by myself and its other members are Dr Mike Owen and Martin Walton.

I am an independent Director and have relevant financial experience. Audit Committee meetings are also attended, by invitation, by the Chief Financial Officer, Financial Controller and, where appropriate, other members of the Board. Representatives of the external auditor also attend by invitation and meet with the Audit Committee at least twice a year, with time allowed for discussion without any members of the Executive team being present, to allow the external auditor to raise any issues of concern.

The Audit Committee acts independently of management to ensure that the interests of shareholders are protected in relation to the financial reporting and internal controls.

The principal duties of the Committee are to:

- monitor the integrity of the Group's financial reporting including the review of significant financial reporting issues and judgements;
- review and challenge whether appropriate accounting policies have been adopted, in particular for significant or unusual transactions where different approaches are possible;
- review the content of the Annual Report and financial statements and advise the Board on whether, taken as a whole, it is fair, balanced, understandable and provides the information for shareholders to assess the Group's performance, business model and strategy;
- keep under review the adequacy and effectiveness of the internal financial controls and internal control and risk management systems;
- review and challenge, if appropriate, any significant related party transactions;
- oversee the external audit process including monitoring the external auditors' independence, objectivity, effectiveness and performance;
- review the Group's systems and controls for detecting fraud and preventing bribery; and
- monitor and review the Group's whistle-blowing arrangements.

The Audit Committee has primary responsibility for the relationship between the Group and the external auditor.

This includes:

- considering and recommending to the Board, to be put to shareholders for approval at the Annual General Meeting, in relation to the appointment, reappointment and removal of the Group's external auditors;
- considering the auditors' independence, objectivity, qualifications and effectiveness;
- reviewing the audit plan presented by the auditor and considering the risks identified therein;
- reviewing the auditors' findings reports on the Group's Annual Report and Financial Statements; and
- approving the level of fees paid to the auditors for audit and non-audit services.

During the year ended 31 March 2022, the Audit Committee met twice. The Committee reviewed and approved the financial statements and the auditors' findings report for the year ended 31 March 2021, the interim results for the six months to 30 September 2021 and the external auditors' plan and fee for the 2022 external audit. The Audit Committee considers risk areas in the financial statements throughout the year and before the audit commences.

The Committee considered the following items to be areas of risk.

The Group is expected to incur further costs as it continues to develop its technologies through the research and pre-clinical development pathway. The Group recognises this expenditure in line with the management's best estimation of the stage of completion of each research and development project. This includes the calculation of accrued costs at each period end to account for expenditure that has been incurred. This requires management to estimate full costs to complete for each project and also to estimate its current stage of completion. The Committee pays particular attention to management's estimates of these items, its analysis of any unusual movements and their impact on cost recognition.

The Committee reviews the going concern basis upon which the accounts are prepared. The Group is in pre-clinical-stage development and suffers significant planned operating losses from expenses incurred in research and development of its platform and therapeutic programmes, as well as from general and administrative costs. The Group expects to continue to incur significant operating losses for the foreseeable future as it furthers its exosome platform and therapeutic programmes.

The Committee has reviewed cash balances and short and long-term cashflow forecasts as well as plans to raise funding and considers the going concern basis to be appropriate, whilst highlighting a material uncertainty as further referenced in note 3 to the financial statements.

The Audit Committee has satisfied itself that the external auditor is independent. The Audit Committee has concluded that the external audit process was effective, that the scope of the audit was appropriate and that significant judgements have been robustly challenged.

During the year, the Audit Committee considered tendering the audit. The Committee considered PricewaterhouseCoopers LLP's (PwC) polices for the maintenance of auditor independence and audit quality, together with partner and staff rotation during PwC's tenure as the Group's auditors. The Committee also noted that ReNeuron is compliant with all mandatory AIM and Financial Reporting Council requirements and concluded that PwC should continue to act as the Group's auditors.

A resolution for the reappointment of PricewaterhouseCoopers LLP as the statutory auditor will be proposed at the forthcoming Annual General Meeting.

No formal recommendations other than the approval of the Interim Results and Annual Report and Financial Statements have been made to the Board by the Audit Committee and no external reports have been commissioned on financial control processes during the year ended 31 March 2022.

By order of the Board.

Barbara Staehelin
Chair – Audit Committee

11 August 2022

DIRECTORS' REMUNERATION REPORT FOR THE YEAR ENDED 31 MARCH 2022

This report sets out the remuneration policy operated by the Company in respect of the Executive and Non-Executive Directors, as of the date of this report. No Director is involved in discussions relating to their own remuneration.

Remuneration policy for Executive Directors

The Remuneration Committee sets the remuneration policy that aims to align Executive Director remuneration with shareholders' interests and to attract and retain the best talent for the benefit of the Group. The Committee has sought independent advice when setting the remuneration policy. Executive Directors are appointed under service contracts with notice periods not exceeding 12 months. The basic contractual working week is 37.5 hours, but contracts stipulate that Executive Directors are required to work whatever hours are necessary in order for them to fulfil their Executive responsibilities.

Remuneration for Executive Directors is composed of the following elements:

Basic salary

Basic salaries are reviewed annually and revised salaries take effect from the start of the financial year. The review process is managed by the Remuneration Committee with reference to market salary data and the Executive's performance during the year.

Bonuses

Annual bonuses are based on achievement of Group strategic and operational objectives, and personal performance objectives. The maximum annual bonus that may be payable in cash is set at 100% of base salary for the Executive Directors. This may be paid in cash or share options under the Company's Long-Term Incentive Plan.

Longer-term incentives

In order to further incentivise Executive Directors and align their interests with shareholders, the Company operates a Long-Term Incentive Plan under which share options may be granted from time to time. The quantum of these awards are approved by the Remuneration Committee and are considered in line with market levels and consistent with positions held.

Executive Directors are expected to build a direct stake in the Company's shares over time, either through the purchase of shares in the market from time to time and/or through the future exercise of share options.

The Company has the ability to grant share options under its active Share Option schemes subject to a cap of up to 10% of total issued share capital in any ten-year period.

Pension

The Group operates a defined contribution pension scheme, which is available to all employees. The Company contribution in respect of Executive Directors is currently set at 10% of base salary. The Executive Director may choose to take some or all of this benefit as a cash alternative, subject to the Company remaining cash neutral after relevant payroll taxes.

Other benefits

Other benefits provided are life assurance, private medical insurance and professional subscriptions, where relevant to the duties of the Executive Director, and a car allowance of £10,000 per annum to each Executive Director (disclosed as part of Salaries and fees in the following remuneration table).

Non-Executive Directors' remuneration

The remuneration of the Non-Executive Directors is set at a level that is sufficient to attract and retain high-calibre non-executives who contribute to the business. Fee levels are determined by the Remuneration Committee with regard to market comparatives, Board Committee responsibilities and ongoing time commitments. Non-Executive Directors are appointed for an initial three-year term via an appointment letter from the Company, with a three months' notice period, with the exception of the Chairman who has a six months' notice period. The appointment term is renewable for further three-year terms after the initial term has expired. Appointment letters stipulate that the Non-Executive Director is expected to commit sufficient time to the role to meet the Company's expectations.

In previous years, Non-Executive Directors received their fees in the form of a basic cash fee.

Following the recent Board reorganisation, Non-Executive Directors' basic remuneration has been increased and with the exception of Iain Ross, appointed as Chairman on 1 July 2021, they will receive no further awards of share options.

Non-Executive Directors do not receive any pension, bonus or other benefits from the Company. The remuneration of the Non-Executive Directors is reviewed by the Board annually.

Directors' emoluments

The Directors received the following remuneration during the year:

Executive Directors	Year	Salary and fees £'000	Bonus £'000	Payment in lieu of notice £'000	Benefits in Kind £'000	Loss of office £'000	Pension contributions £'000	Total £'000
Iain Ross[1]	**2022**	**103**	–	–	–	–	–	**103**
	2021	–	–	–	–	–	–	–
Catherine Isted[2]	**2022**	**109**	**85**	–	**1**	–	**10**	**205**
	2021	–	–	–	–	–	–	–
Olav Hellebo[3]	**2022**	**318**	–	**158**	**4**	**29**	**29**	**538**
	2021	301	154	–	2	–	31	488
Michael Hunt[4]	**2022**	**51**	–	**235**	**1**	**40**	**4**	**331**
	2021	214	107	–	2	–	21	344
Non-Executive Directors								
Barbara Staehelin[5]	**2022**	**43**	–	–	–	–	–	**43**
	2021	–	–	–	–	–	–	–
Mike Owen	**2022**	**48**	–	–	–	–	–	**48**
	2021	32	–	–	–	–	–	32
Martin Walton[6]	**2022**	**2**	–	–	–	–	–	**2**
	2021	–	–	–	–	–	–	–
Dr Tim Corn[7]	**2022**	**46**	–	**10**	–	–	–	**56**
	2021	41	–	–	–	–	–	41
Professor Sir Chris Evans OBE[8]	**2022**	**22**	–	**11**	–	–	–	**33**
	2021	29	–	–	–	–	–	29
Mark Evans[7]	**2022**	**32**	–	–	–	–	–	**32**
	2021	14	–	–	–	–	–	14

1 Appointed as a Director (Non-Executive Chairman) on 1 July 2021. Following the resignation of the CEO, Iain Ross assumed temporary Executive responsibility on 10 February 2022. In recognition of the additional responsibility and in addition to his monthly Chairman/Director fees of £8,333 per month Mr Ross was paid an additional remuneration of £17,500 per month. Iain Ross will continue to be paid £17,500 on a monthly basis until one month following the appointment of a new CEO. Following appointment of a new CEO or after achievement of certain corporate objectives, Iain is eligible to receive a bonus of £175,000 on the understanding that he will invest £75,000 of the net amount in Company shares before 31 March 2023.

2 Appointed as an Executive Director (Chief Financial Officer) on 11 October 2021, Catherine received a signing-on bonus of £50,000 on joining and a performance bonus of £35,000 in respect of personal objectives for the year ended 31 March 2022.

3 Olav Hellebø ceased to be a Director (CEO) on 28 February 2022, receiving a payment in lieu of notice of £158,000 and an ex-gratia payment of £29,000. In October 2021, he received 83,578 nominally priced share options to the value of £99,040 in respect of personal and corporate objectives achieved during the year ended 31 March 2021; there being no such award in respect of the year ended 31 March 2022. Under the terms of the Company option plans, on his resignation, he retained his vested and unvested options except for 331,382 options, which were deemed to lapse. He retains 1,180,553 outstanding options, of which 165,848 are either already exercisable or subject to a holding period.

4 Michael Hunt ceased to be a Director (CFO) on 31 May 2021. In June 2021, he received a payment in lieu of notice of £235,180, together with an ex-gratia payment of £40,000. Under the terms of the option plans, he retained his vested and unvested share options. The Board agreed that certain of his options would benefit from accelerated vesting, while the remainder in those particular schemes would lapse. Of the 181,236 options under those schemes, 25,816 had vested under their original terms, 77,708 were agreed to have accelerated vesting, while 77,712 were lapsed. Michael Hunt retains options under other awards amounting to 529,815.

5 Appointed as a Director (Senior Independent Non-Executive Director) on 14 July 2021.

6 Appointed as a Director (Non-Executive Director) on 22 March 2022.

7 Ceased to be Directors (Non-Executive Directors) on 22 March 2022.

8 Ceased to be a Director (Non-Executive Director) on 16 October 2021.

DIRECTORS' REMUNERATION REPORT CONTINUED

The Executive Directors elected to take some of their pension benefit as a cash alternative.

During the year ended 31 March 2022, the Chairman and CFO received share options as set out in the tables below. At the date of grant, the estimated gain on these options was £120,000 for the Chairman and £302,000 for the CFO.

In the year ended 31 March 2021, the Non-Executive Directors also received an equity-based fee in the year, which took the form of nominally priced share options under the Company's Non-Executive Share Option Scheme. The estimated gain on these options at the time of grant was £13,845 to each of the Non-Executive Directors.

Directors' emoluments include amounts payable to third parties in respect of fees as described in note 33 of the financial statements. The Directors, who held office at the end of the year, and/or at the date of signing of the financial statements, held the following interests in the Ordinary shares of the Company.

	Ordinary shares of 1p each	
	31 March 2022 Number	31 March 2021 Number
Iain Ross (appointed 1 July 2021)	**–**	N/A
Catherine Isted (appointed 11 October 2021)[1]	**–**	N/A
Barbara Staehelin (appointed 14 July 2021)[1]	**43,000**	N/A
Dr Mike Owen	**11,379**	11,379
Martin Walton (appointed 22 March 2022)	**15,000**	N/A

[1] Post year-end, Barbara Staehelin purchased 127,000 shares and Catherine Isted purchased 50,000 shares.

The Directors, who held office at the end of the year, held the following interests in options over shares of the Company.

Iain Ross

	Note	At 1 April 2021 Number	Lapsed during the year Number	Granted during the year Number	**At 31 March 2022 Number**	Exercise price	Exercise period*
Options – unapproved	2	–	–	100,000	**100,000**	£0.01	November 2021 – October 2031
Options – unapproved	2	–	–	100,000	**100,000**	£1.07	November 2021 – October 2031
		–	–	200,000	**200,000**		

On 14 July 2022, Iain Ross was awarded 300,000 market value options at an exercise price of 31.5p. No gain arose at the date of grant.

Catherine Isted

	Note	At 1 April 2021 Number	Lapsed during the year Number	Granted during the year Number	**At 31 March 2022 Number**	Exercise price	Exercise period*
Options – unapproved	3	–	–	232,068	**232,068**	£0.01	October 2024 – October 2031
Options – unapproved	4	–	–	232,068[1]	**232,068**	£0.948	October 2024 – October 2031
		–	–	464,136	**464,136**		

[1] 26,315 of these options were parallel options which may be exercised either as a non tax-advantaged option at an exercise price of £0.948 or as a tax-advantaged option at an exercise price of £1.14.

On 14 July 2022, Catherine Isted was awarded 650,000 market value options at an exercise price of 31.5p. No gain arose at the date of grant.

Dr. Mike Owen

	Note	At 1 April 2021 Number	Lapsed during the year Number	Granted during the year Number	**At 31 March 2022 Number**	Exercise price	Exercise period*
Options – unapproved	1	3,000	–	–	**3,000**	£1.00	August 2016 – July 2026
Options – unapproved	1	5,000	–	–	**5,000**	£1.00	October 2017 – September 2027
Options – unapproved	1	17,700	–	–	**17,700**	£0.01	October 2018 – September 2028
Options – unapproved	1	6,000	–	–	**6,000**	£0.01	May 2019 – April 2029
Options – unapproved	1	13,500	–	–	**13,500**	£0.01	March 2021 – February 2031
		45,200	–	–	**45,200**		

* The exercise periods indicate the earliest dates for which the options are exercisable subject to meeting the performance conditions disclosed in the following notes.

Note 1:
These options were issued under the Group's Non-Executive Share option Scheme. They vest monthly over three years on a straight-line basis and carry no performance conditions.

Note 2:
These options were issued under the Group's Non-Executive Share option Scheme. They vest monthly over three years on a straight-line basis and carry a performance condition based upon a share price target.

Note 3:
These options were issued under the Group's Long-Term Incentive Plan. They are subject to a market-related performance condition relating to share price performance.

Note 4:
These options were issued under the Group's Long-Term Incentive Plan. They carry no performance conditions.

By order of the Board.

Dr Mike Owen
Chair – Remuneration Committee

11 August 2022

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RENEURON GROUP PLC

Report on the audit of the financial statements

Opinion

In our opinion, ReNeuron Group plc's Group financial statements and Company financial statements (the "financial statements"):

- give a true and fair view of the state of the Group's and of the Company's affairs as at 31 March 2022 and of the Group's loss and the Group's and Company's cash flows for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Accounts 2022 (the "Annual Report"), which comprise: the Group and Company statements of financial position as at 31 March 2022; the Group statement of comprehensive income, the Group and Company statements of changes in equity and the Group and Company statements of cash flows for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Material uncertainty related to going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 3 to the financial statements concerning the Group's and the Company's ability to continue as a going concern. Based on the current forecasts and plans, the directors' expect that the current financial resources will be sufficient to support their operations until mid-calendar year 2023 but the Group and Company will need to raise additional funding or revenues prior to that point in order to support the needs of the business beyond mid-calendar year 2023. The directors continue to seek opportunities to secure further revenues / funding sufficient for the future needs of the company beyond mid-calendar year 2023. These conditions, along with the other matters explained in note 3 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the Group's and the Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Group and the Company were unable to continue as a going concern.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the directors' assessment of the Group's and the Company's ability to continue to adopt the going concern basis of accounting included:

- we reviewed the directors' model supporting their going concern assessment and considered whether the assumptions made supported their conclusion;
- we tested the mathematical accuracy of the model and considered the reasonableness of the assumptions made and the availability of cash throughout the going concern period;
- we compared underlying base assumptions against comparable costs incurred in the year to 31 March 2022;
- we verified certain assumptions to supporting documentation;
- we considered whether the key considerations in relation to going concern are appropriately disclosed within the financial statements.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Our audit approach

Overview

Audit scope

- We have performed full-scope audit procedures in respect of the Company, Reneuron Group plc and it's subsidiary ReNeuron Limited
- Our audit scope included limited desktop audit procedures on the subsidiary, ReNeuron Inc., which were performed by the Group engagement team
- Our audit procedures, all of which have been performed by the Group engagement team, covered 100% of the Group's loss before tax for the year ended 31 March 2022

Key audit matters

- Material uncertainty related to going concern (Group and Company) – refer to 'Material uncertainty related to going concern' above
- Completeness of research and development accruals (Group)
- Valuation of the Company's investment in ReNeuron Limited (Company)

Materiality

- Overall Group materiality: £552,000 (2021: £671,000) based on 5% of loss before tax.
- Overall company materiality: £300,000 (2021: £475,500) based on 1% of total assets (restricted in line with Group scoping in 2022 and 2021).
- Performance materiality: £414,675 (2021: £503,250) (Group) and £225,000 (2021: £356,625) (Company).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to going concern, described in the Material uncertainty related to going concern section above, we determined the matters described below to be the key audit matters to be communicated in our report. This is not a complete list of all risks identified by our audit.

Valuation of the company investment in ReNeuron Limited is a new key audit matter this year. The risk posed by COVID-19, which was a key audit matter last year, is no longer included because of the subsequent progress of the Group and Company to address the specific challenges arising from COVID-19. It is no longer considered a pervasive risk but has been considered as a factor when assessing the valuation of the investment in ReNeuron Limited. Otherwise, the key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
Completeness of research and development accruals (Group) Due to the nature of the clinical trials and general research, it is often difficult to estimate the amount of time a particular trial is going to take. The Group outsources most of its research and development to third parties which restricts visibility and the ability to monitor the progression of a piece of research, or a trial's stage of completion. As a result, it can be difficult for the Group to measure which costs have been incurred in relation to a trial at a particular point in time and as such, based on billings received, whether project accruals are reasonably estimated. Our audit risk is focussed on whether the relevant accruals have been appropriately calculated and reflected on the balance sheet.	We performed the following procedures: • We verified the status of projects through a meeting with the VP of Regulatory Affairs where the progress and status of each project was discussed. • We obtained management's calculations that support the research and development costs incurred during the year and verified the mathematical formulae used. • We obtained the contracts register and for a sample of contracts agreed that management had recognised costs in line with the underlying terms of the contract. • We sampled invoices detailed in management's calculations and tested back to invoice and verified that the cost description in the invoice matched costs included in management's schedule. • We obtained management's calculation of the accrual and verified the mathematical formulae. • We reviewed invoices received post 31 March 2022 to identify any costs not included in management's schedules.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RENEURON GROUP PLC CONTINUED

Key audit matter	How our audit addressed the key audit matter
Valuation of the Company's investment in ReNeuron Limited (Company) The Group's market capitalisation as at 31 March 2022 was £17.5m compared to investments in its subsidiary, ReNeuron Limited, of £80.5m pre any impairment. Accordingly, management has identified that an impairment indicator exists and an impairment assessment has been undertaken. The impairment assessment compares the carrying value to the recoverable amount, which is calculated as the higher of the value in use and the fair value less costs to sell. Management has performed a value in use calculation, based on its forecasts for the next five years. In the absence of other information, management has used the market capitalisation of the Company at 31 March 2022 as a proxy for the fair value less costs to sell. The recoverable amount, based on using the higher of these two models, is £17.5m and accordingly an impairment of £63.0m has been recorded. There is complexity and judgement involved in calculating the valuation of the investments. The key judgement in regard to this balance is using market capitalisation as a proxy for fair value less costs to sell. The key estimate in regards to the value in use calculation is the revenue growth and R&D expenditure over the next 5 years.	We have performed the following procedures: • Assessed whether market capitalisation is appropriate, recalculated the exercise and concluded that the exclusion of costs to sell and control premium in the fair value less costs to sell calculation was reasonable. • Considered any post year-end movements in share price and concluded that none were indicative of conditions existing before year end and should not therefore be reflected in the year-end fair value less costs to sell calculation. • We have confirmed the mathematical accuracy of the value in use model, confirmed the growth forecasts are in line with the Board-approved plan and that the growth assumptions are in line with IAS 36.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Group and the Company, the accounting processes and controls, and the industry in which they operate.

ReNeuron Group plc is listed on the Alternative Investment Market ("AIM") of the London Stock Exchange and its principal activities are research and clinical development of cell-based therapeutics. The Group's accounting function is structured around a local finance function based in the United Kingdom. There are three active entities in the Group; ReNeuron Group plc (which raises the equity to support the principal activity of the Group), ReNeuron Limited (which records the majority of Group activity) and ReNeuron, Inc. (which incurs the costs of supervising the Group's clinical trials in the United States of America and recharges these back to ReNeuron Limited). For each active entity we determined whether we required an audit of their complete financial information ("full scope") or whether specified procedures addressing specific risk characteristics of particular financial statement line items would be sufficient. It was assessed that ReNeuron Group plc and ReNeuron Limited required full scope audit procedures whilst ReNeuron, Inc. did not as it contributed less than 1% of the loss before tax and 1% of Group total assets, and contain no financial statement items that comprise more than 15% of the Group total.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Financial statements – Group	Financial statements – Company
Overall materiality	£552,000 (2021: £671,000).	£300,000 (2021: £475,500).
How we determined it	5% of loss before tax	1% of total assets (restricted in line with Group scoping in 2022 and 2021).
Rationale for benchmark applied	Based on the benchmarks used in the Annual Report, loss before tax is the most relevant measure in assessing the performance of the Group, and is a generally accepted auditing benchmark.	We believe that total assets is the most appropriate measure since this entity is a holding company, and is a generally accepted auditing benchmark. This has been restricted in line with Group scoping in 2022 and 2021.

For each component in the scope of our Group audit, we allocated a materiality that is less than our overall Group materiality. The range of materiality allocated across components was between £300,000 and £525,000. Certain components were audited to a local statutory audit materiality that was also less than our overall Group materiality.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2021: 75%) of overall materiality, amounting to £414,675 (2021: £503,250) for the Group financial statements and £225,000 (2021: £356,625) for the Company financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with those charged with governance that we would report to them misstatements identified during our audit above £27,600 (Group audit) (2021: £33,550) and £15,000 (Company audit) (2021: £23,775) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RENEURON GROUP PLC CONTINUED

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 March 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Group and Company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to product safety (including but not limited to drug regulation) and employment legislation (including health & safety regulation), and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as tax legislation and the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to inappropriate journal entries and management bias in accounting entries. Audit procedures performed by the engagement team included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing Board minutes and legal expenses;
- Identifying and testing journal entries, in particular those having unusual account combinations; and
- Designing audit procedures to incorporate unpredictability around the nature, extent and timing of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the Company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Stuart Couch (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cardiff

11 August 2022

GROUP STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 March 2022

	Note	2022 £'000	2021 £'000
Revenue	5	**403**	257
Other income	6	**–**	78
Research and development costs	7	**(8,068)**	(9,503)
General and administrative costs	7	**(3,563)**	(3,746)
Operating loss		**(11,228)**	(12,914)
Finance income	8	**195**	20
Finance expense	9	**(25)**	(516)
Loss before income tax		**(11,058)**	(13,410)
Taxation	12	**1,369**	2,063
Loss and total comprehensive loss for the year		**(9,689)**	(11,347)
Loss and total comprehensive loss attributable to equity owners of the Company		**(9,689)**	(11,347)
Basic and diluted loss per Ordinary share	14	**(17.0p)**	(29.0p)

GROUP AND COMPANY STATEMENTS OF FINANCIAL POSITION

as at 31 March 2022

		Group		Company	
	Note	**2022 £'000**	2021 £'000	**2022 £'000**	2021 £'000
Assets					
Non-current assets					
Property, plant and equipment	15	**288**	213	**–**	–
Right-of-use asset	16	**373**	473	**373**	469
Intangible assets	17	**186**	186	**–**	–
Investment in subsidiaries	18	**–**	–	**17,500**	75,000
		847	872	**17,873**	75,469
Current assets					
Trade and other receivables	19	**536**	444	**5**	2
Income tax receivable		**1,392**	1,832	**–**	–
Investments – bank deposits	20	**5,000**	7,500	**5,000**	7,500
Cash and cash equivalents	21	**9,548**	14,703	**8,153**	12,049
		16,476	24,479	**13,158**	19,551
Total assets		**17,323**	25,351	**31,031**	95,020
Equity					
Equity attributable to owners of the Company					
Share capital	25	**571**	569	**571**	569
Share premium account	25	**113,925**	113,904	**113,925**	113,904
Capital redemption reserve		**40,294**	40,294	**40,294**	40,294
Merger reserve		**2,223**	2,223	**1,858**	1,858
Accumulated losses					
At 1 April		**(138,085)**	(127,502)	**(62,311)**	(54,551)
Loss for the year attributable to the owners		**(9,689)**	(11,347)	**(64,520)**	(8,524)
Other changes in accumulated losses		**649**	764	**649**	764
At 31 March		**(147,125)**	(138,085)	**(126,182)**	(62,311)
Total equity		**9,888**	18,905	**30,466**	94,314
Liabilities					
Current liabilities					
Trade and other payables	22	**6,873**	5,727	**3**	3
Lease liabilities	23	**146**	157	**146**	141
		7,019	5,884	**149**	144
Non-current liabilities					
Lease liabilities	23	**416**	562	**416**	562
		416	562	**416**	562
Total liabilities		**7,435**	6,446	**565**	706
Total equity and liabilities		**17,323**	25,351	**31,031**	95,020

The financial statements on pages 54 to 76 were approved by the Board of Directors on 11 August 2022 and were signed on its behalf by:

Catherine Isted
Director

Company registered number: 05474163

GROUP AND COMPANY STATEMENTS OF CHANGES IN EQUITY

for the year ended 31 March 2022

Group	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Merger reserve £'000	Accumulated losses £'000	Total equity £'000
As at 1 April 2020	318	97,890	40,294	2,223	(127,502)	13,223
Issue of share capital	250	17,229	–	–	–	17,479
Transaction costs	–	(1,237)	–	–	–	(1,237)
Exercise of employee share options	1	22	–	–	–	23
Credit on share-based payment	–	–	–	–	764	764
Loss and total comprehensive loss for the year	–	–	–	–	(11,347)	(11,347)
As at 31 March 2021	569	113,904	40,294	2,223	(138,085)	18,905
Exercise of employee share options	2	21	–	–	–	23
Credit on share-based payment	–	–	–	–	649	649
Loss and total comprehensive loss for the year	–	–	–	–	(9,689)	(9,689)
As at 31 March 2022	**571**	**113,925**	**40,294**	**2,223**	**(147,125)**	**9,888**

Company	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Merger reserve £'000	Accumulated losses £'000	Total equity £'000
As at 1 April 2020	318	97,890	40,294	1,858	(54,551)	85,809
Issue of share capital	250	17,229	–	–	–	17,479
Transaction costs	–	(1,237)	–	–	–	(1,237)
Exercise of employee share options	1	22	–	–	–	23
Credit on share-based payment	–	–	–	–	764	764
Loss and total comprehensive loss for the year	–	–	–	–	(8,524)	(8,524)
As at 31 March 2021	569	113,904	40,294	1,858	(62,311)	94,314
Exercise of employee share options	2	21	–	–	–	23
Credit on share-based payment	–	–	–	–	649	649
Loss and total comprehensive loss for the year	–	–	–	–	(64,520)	(64,520)
As at 31 March 2022	**571**	**113,925**	**40,294**	**1,858**	**(126,182)**	**30,466**

GROUP AND COMPANY STATEMENTS OF CASH FLOWS

for the year ended 31 March 2022

		Group		Company	
	Note	**2022 £'000**	2021 £'000	**2022 £'000**	2021 £'000
Cash flows from operating activities					
Cash used in operations	28	**(9,196)**	(12,075)	**(1,104)**	(1,112)
Overseas taxes paid		**(52)**	(5)	**–**	–
Income tax credit received		**1,862**	6,061	**–**	–
Interest paid		**(25)**	(33)	**(24)**	(30)
Net cash used in operating activities		**(7,411)**	(6,052)	**(1,128)**	(1,142)
Cash flows from investing activities					
Capital expenditure		**(302)**	(25)	**–**	–
Investment in subsidiaries		**–**	–	**(5,338)**	(6,075)
Interest received		**26**	27	**26**	26
Net cash (used in)/generated from investing activities		**(276)**	2	**(5,312)**	(6,049)
Cash flows from financing activities					
Proceeds from the issue of ordinary shares		**23**	17,502	**23**	17,502
Transaction costs		**–**	(1,237)	**–**	(1,237)
Bank deposit matured/(placed)		**2,500**	(7,500)	**2,500**	(7,500)
Principal element of lease payments		**(157)**	(154)	**(140)**	(136)
Net cash generated from financing activities		**2,366**	8,611	**2,383**	8,629
Net (decrease)/increase in cash and cash equivalents		**(5,321)**	2,561	**(4,057)**	1,438
Effect of foreign exchange movements on cash		**166**	(483)	**161**	(468)
Cash and cash equivalents at the start of the year		**14,703**	12,625	**12,049**	11,079
Cash and cash equivalents at the end of the year		**9,548**	14,703	**8,153**	12,049

1. General information

ReNeuron Group plc (the Company) and its subsidiaries (together, the Group) research and develop therapies using stem cells. The Company is a public limited company incorporated and domiciled in the United Kingdom. The address of its registered office is Pencoed Business Park, Pencoed, Bridgend CF35 5HY. Its shares are listed on the Alternative Investment Market (AIM) of the London Stock Exchange.

2. Accounting policies and basis of preparation

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all of the financial years presented for both the Group and the Company. The accounting policies relate to the Group unless otherwise stated.

Basis of preparation

The financial statements have been prepared in accordance with UK adopted International Accounting Standards (IFRS).

These financial statements have been prepared on a historical cost basis unless otherwise specified.

As permitted by Section 408 of the Companies Act 2006, the Parent Company's statement of comprehensive income has not been presented in these financial statements.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 31 March 2022.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the Group statement of comprehensive income.

Intercompany transactions and balances and unrealised gains on transactions between Group companies are eliminated.

Unrealised losses are also eliminated, but considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The Group elected not to apply IFRS 3 Business Combinations retrospectively to business combinations which took place prior to 1 April 2006 that have been accounted for by the merger accounting method.

Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with IFRS requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from those estimates. IFRS also requires management to exercise its judgement in the process of applying the Group's accounting policies.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are as follows:

Recognition of research and development expenditure

The Group incurs research and development expenditure from third parties. The Group recognises this expenditure in line with the management's best estimation of the stage of completion of each research and development project. This includes the calculation of accrued costs at each period end to account for expenditure that has been incurred. This requires management to estimate full costs to complete for each project and also to estimate its current stage of completion. Costs relating to clinical research organisation expenses in the year were £1.6 million, none of which met the criteria for capitalisation. The related accruals were £2.0 million.

Estimated future recoverability of investment in subsidiary companies

The Company holds an investment balance with its subsidiary companies. This is reviewed for impairment annually or more frequently if events or changes in circumstances indicate a potential impairment.

The directors consider that the Group's market capitalisation at 31 March 2022 is a reasonable representation of the fair value less costs to sell off its investment in subsidiaries. Consequently, this has been written down to £17.5 million, giving rise to an impairment charge of £62.9 million (2021: £6.1 million).

Foreign currency translation

The consolidated financial statements are presented in pounds sterling (£), which is the Company's functional and presentational currency. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at

year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Group statement of comprehensive income in the year in which they occur.

Revenue

Revenue is accounted for in line with the principles of IFRS 15 Revenue from Contracts with Customers. It is measured at the fair value of the consideration received or receivable, net of discounts and sales-related taxes.

Licensing agreements may contain a number of elements and provide for varying consideration terms, such as initial fees, sales, development and regulatory milestones together with sales-based royalties and similar payments. Such arrangements are within the scope of IFRS 15 and are assessed under its five-step model to determine revenue recognition. The distinct performance obligations within the contract and the arrangement transaction price are identified. The fair value of the arrangement transaction price is allocated to the different performance obligations based upon the relative stand-alone selling price of those obligations together with the performance obligation activities to which the terms of the payments specifically relate. The allocated transaction price is recognised over the respective performance period of each performance obligation.

Initial fees relating to the immediate transfer of intellectual property are non-refundable and are recognised as revenue upon signature of the contract.

Development and regulatory approval milestone payments are recognised as revenue when the respective milestones are achieved.

Sales-based royalty income and related milestone payments are recognised in the period when the related sales occur or when the relevant milestone is achieved.

Income which is related to ongoing development activity or technology transfer is recognised as the activity is undertaken, in accordance with the contract.

Where the Group acts as principal in a transaction, it recognises the gross revenue to which it is entitled. If the Group acts as agent in a transaction, it recognises the fee or commission received.

Other income

Other income represents government grants, together with transactions that do not arise in the course of an entity's normal activities and outside the definition of revenue above.

Government grants related to expenses are recognised in the same period as the relevant expense. Other items are recognised when there is an unconditional right to the income, they fall due, and there is no risk of clawback to the Group.

Research and development expenditure

Capitalisation of expenditure on product development commences from the point at which technical feasibility and commercial viability of the product can be demonstrated and the Group is satisfied that it is probable that future economic benefits will result from the product once completed. No such costs have been capitalised to date, given the early stage of the Group's intellectual property.

Expenditure on research and development activities that do not meet the above criteria, including ongoing costs associated with acquired intellectual property rights and intellectual property rights generated internally by the Group, is charged to the Group statement of comprehensive income as incurred.

Pension benefits

The Group operates a defined contribution pension scheme. Contributions payable for the year are charged to the Group statement of comprehensive income. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the Group and Parent Company statements of financial position. The Group has no further payment obligations once the contributions have been paid.

Leases

IFRS 16 Leases applies a single recognition and measurement approach for all applicable leases under which the Group is the lessee.

A lease is defined as "a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration". To apply this definition, the Group assesses whether the contract meets two key evaluations, which are whether:

- the contract contains an identifiable asset; and
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use.

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost. The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the Group's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest.

2. Accounting policies and basis of preparation continued

Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option. Low-value assets comprise IT equipment.

Government and other grants

Revenue grants are credited to other income within the Group statement of comprehensive income, assessed by the level of expenditure incurred on the specific grant project, when it is reasonably certain that amounts will not need to be repaid.

Share-based payments

The Group operates a number of equity-settled share-based compensation plans. The fair value of share-based payments under such schemes is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of market-based vesting conditions. Vesting periods are estimated to be two years for options issued under the deferred bonus and four years for other schemes.

The fair value calculation of share-based payments requires several assumptions and estimates as disclosed in note 27. The calculation uses the Black-Scholes model. At each balance sheet date, the Group reviews its estimate of the number of options that are expected to vest and recognises any revision to original estimates in the Group statement of comprehensive income, with a corresponding adjustment to equity.

For equity-settled share-based payments, where employees of subsidiary undertakings are rewarded with shares issued by the Parent Company, a capital contribution is recorded in the subsidiary, with a corresponding increase in the investment in the Parent Company.

Warrants

Where warrants have been issued together with Ordinary shares, the proportion of the proceeds received that relates to the warrants is credited to reserves.

Where warrants have been issued as recompense for services supplied, the fair value of warrants is charged to the Group statement of comprehensive income over the period the services are received and a corresponding credit is made to reserves.

Intangible assets

Intangible assets relating to intellectual property rights acquired through licensing or assigning patents and know-how are carried at historical cost less accumulated amortisation and any provision for impairment. Milestone payments associated with these rights are capitalised when incurred. Where a finite useful life of the acquired intangible asset cannot be determined, the asset is not subject to amortisation but is tested for impairment annually or more frequently, whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. No amortisation other than historical impairment has been charged to date as the products underpinned by the intellectual property rights are not yet available for commercial use.

Property, plant and equipment

Property, plant and equipment are stated at cost, net of depreciation and any provision for impairment. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is calculated so as to write off the cost less their estimated residual values on a straight-line basis over the expected useful economic lives of the assets concerned. The principal annual periods used for this purpose are:

Plant and equipment	3–8 years
Computer equipment	3–5 years

The residual values and estimated useful lives are reviewed annually.

Profits or losses on disposal of property, plant and equipment reflect the difference between net selling price and carrying amount at the date of disposal and are recognised in the consolidated income statement.

Investments in subsidiaries

Investments in subsidiaries are shown at cost less any provision for impairment. Any monies paid to subsidiaries are deemed to be a capital contribution.

Current income tax

The credit for current income tax is based on the results for the year, adjusted for items that are non-assessable or disallowed. It is calculated using tax rates that have been enacted or substantively enacted at the financial year-end.

Deferred tax

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available, against which the temporary differences can be utilised.

Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance. The Group assesses, on a forward-looking basis, the expected credit losses associated with its trade and other receivables carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Bank deposits, cash and cash equivalents

Cash and cash equivalents in the Group and Parent Company statements of cash flows and the Group and Parent Company statements of financial position include cash in hand and deposits with banks with original maturities of three months or less. Bank deposits with original maturities in excess of three months are classed as investments and measured at amortised cost using the effective interest rate method. Bank deposits with maturities between four and 12 months are disclosed within current assets and those with maturities greater than 12 months are disclosed within non-current assets.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year, which are unpaid. The amounts are unsecured and are, when correctly submitted, usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Capital redemption reserve

Section 733 of the Companies Act 2006 provides that where shares of a company are redeemed or purchased wholly out of the Company's profits, or by a fresh issue, the amount by which the Company's issued share capital is diminished on cancellation of the shares shall be transferred to a reserve called the "capital redemption reserve". It also provides that the reduction of the Company's share capital shall be treated as if the capital redemption reserve were paid-up capital of the Company.

Provisions

Provisions are recognised when the Group has a contractual or constructive obligation as a result of past events, for which it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Contractual milestone payments

The Group is expected to incur future contractual milestone payments linked to the future development of its therapeutic programmes. These costs will be recognised as and when a contractual milestone is expected to be achieved.

Accounting developments

The following new standards, new interpretations and amendments to standards and interpretations are applicable for the first time for the financial year ended 31 March 2022. None of them have any impact on the financial statements of the Group:

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 – Interest rate Benchmark Reform, Phase 2 (effective 1 January 2021); and
- Amendments to IFRS 16 – Covid-19-Related Rent Concessions (effective 1 April 2021).

There are a number of new standards, interpretations and amendments to existing standards that are not yet effective and have not been adopted early by the Group. The future introduction of these standards is not expected to have a material impact on the financial statements of the Group.

- Annual improvements to IFRS 2018–2020 Cycle (Effective 1 January 2022);
- Amendments to IFRS 3 – Reference to the Conceptual Framework (Effective 1 January 2022);
- Amendments to IAS 16 – Property, Plant and Equipment (Effective 1 January 2022);
- Amendments to IAS 37 – Onerous Contracts: Cost of Fulfilling a Contract (Effective 1 January 2022);
- Amendments to IAS 1 – Classification of Liabilities as Current or Non-Current (Effective 1 January 2023);
- Amendments to IAS 1 – Amendments to IFRS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies (Effective 1 January 2023);
- Amendments to IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction – (Effective 1 January 2023); and
- IFRS 17 Insurance Contracts (effective 1 January 2023).

3. Going concern

The Group is expected to incur further costs as it continues to develop its technologies through the research and pre-clinical development pathway. The operations of the Group are currently being financed from funds that have been raised from share placings, commercial partnerships and grants.

The Group actively seeks further business development and commercial opportunities to support its ongoing development programmes. The Board places considerable emphasis on communication with shareholders, potential investors and other commercial organisations in order to maximise the chances of success in exploiting these opportunities. Following a strategic decision, it was announced in January 2022 that the internal development of the Group's hRPC programme would be halted, with existing resources refocused on the Group's exosome technology platform extending the Company's cash runway. It is considered that this strategy provides the best opportunity to create increasing and sustainable shareholder value.

Based on the above, the Directors expect that the Group's current financial resources will be sufficient to support the business until at least mid-calendar year 2023 and the Directors continue to seek opportunities to secure further revenues/funding sufficient for the future needs of the business beyond mid-calendar year 2023.

The Directors, therefore, consider it appropriate to continue to adopt the going concern basis in the preparation of these financial statements. However, there is no guarantee that attempts to secure adequate additional revenues/funding on a timely basis will be successful and, therefore, this represents a material uncertainty, which may cast significant doubt about the Group's and Company's ability to continue as a going concern. These financial statements do not include the adjustments that would result if the Group and Company were unable to continue as a going concern.

4. Segment analysis

The Group has identified the Chairman, who is temporarily acting in an executive capacity, as the Chief Operating Decision Maker (CODM). The CODM manages the business as one segment, the development of cell-based therapies, and activities and assets are predominantly based in the UK. Since this is the only reporting segment, no further information is included. The information used internally by the CODM is the same as that disclosed in the financial statements.

5. Revenue

	2022 £'000	2021 £'000
Royalty income	**119**	89
Income associated with development activities	**284**	168
Total	**403**	257

Royalty income is derived from the licensed sale of the Group's products to customers in the USA.

Income associated with development activities relates to fees received under research agreements and is generated in the United Kingdom, the USA, the People's Republic of China and South East Asia.

6. Other income

	2022 £'000	2021 £'000
Government grants	**–**	78

Grant income during the year ended 31 March 2021 was derived from the Coronavirus Job Retention Scheme.

7. Operating expenses

	2022 £'000	2021 £'000
Loss before income tax is stated after charging:		
Research and development costs:		
Employee benefits[1] (note 11)	**2,530**	3,258
Depreciation of property, plant and equipment (note 15)	**199**	216
Depreciation of right-of-use asset (note 16)	**–**	19
Other expenses	**5,339**	6,010
Total research and development costs	**8,068**	9,503
General and administrative costs:		
Employee benefits[2] (note 11)	**2,308**	2,190
Legal and professional fees	**504**	653
Depreciation of property, plant and equipment (note 15)	**25**	46
Depreciation of right-of-use asset (note 16)	**100**	99
Loss on disposal of fixed assets	**3**	2
Other expenses	**623**	756
Total general and administrative costs	**3,563**	3,746
Total research and development costs and general and administrative costs	**11,631**	13,249

1 In the year ended 31 March 2021, employee benefits charged to Research and development costs included termination costs of £195,000.

2 Employee benefits charged to General and administrative costs include termination costs of £483,000 (2021: £91,000).

During the year, the Group obtained services from the Group's auditors and its associates as detailed below:

Services provided by the Group's auditors	2022 £'000	2021 £'000
Fees payable to the Group's auditors:		
– for the audit of the Company and consolidated financial statements	**25**	22
– for the audit of the Company's subsidiaries pursuant to legislation	**26**	25
Total	**51**	47

8. Finance income

	2022 £'000	2021 £'000
Interest receivable on short-term and investment bank deposits	**29**	20
Foreign exchange gains	**166**	–
Total	**195**	20

9. Finance expense

	2022 £'000	2021 £'000
Lease interest	**25**	32
Foreign exchange losses	**–**	484
Total	**25**	516

10. Directors' emoluments

The Directors of the Company have authority and responsibility for planning, directing and controlling the activities of the Group and they, therefore, comprise key management personnel as defined by IAS 24 Related Party Disclosures.

	2022 £'000	2021 £'000
Aggregate emoluments of Directors:		
Salaries and other short-term employee benefits	**863**	973
Termination costs	**483**	–
Pension contributions	**43**	52
	1,389	1,025
Share-based payments	**293**	417
Directors' emoluments including share-based payments	**1,682**	1,442

One Director (2021: two) had retirement benefits accruing to them under defined contribution pension schemes in respect of qualifying services.

The Directors exercised no share options during the year (2021: Nil).

For detailed disclosure of Directors' emoluments, including highest paid Director, please refer to the Directors' Remuneration Report on pages 44 to 47.

Directors' emoluments include amounts payable to third parties as described in note 33.

11. Employee information

The monthly average number of persons (including Executive Directors) employed by the Group during the year was:

	2022 Number	2021 Number
By activity:		
Research and development	**29**	35
Administration	**7**	8
Total	**36**	43

	2022 £'000	2021 £'000
Staff costs:		
Wages and salaries	**3,164**	3,813
Termination costs	**483**	286
Social security costs	**414**	404
Share-based payment charge	**649**	764
Other pension costs	**128**	181
Total	**4,838**	5,448

The Company holds the employment contracts for the Executive Directors but all employment costs relating to these individuals are incurred by ReNeuron Limited. At 31 March 2022 there was one (2021: two) Executive Director in office.

The Group operates defined contribution pension schemes for UK employees and Directors. The assets of the schemes are held in separate funds and are administered independently of the Group. The total pension cost during the year was £128,000 (2021: £181,000). There were no prepaid or accrued contributions to the scheme at the year-end (2021: £Nil).

12. Taxation

	2022 £'000	2021 £'000
UK research and development tax credit at 14.5% (2021: 14.5%)	**1,392**	1,832
Overseas taxation	**(53)**	(5)
Adjustments in respect of prior years	**30**	236
Total tax credit	**1,369**	2,063

No UK corporation tax liability arises on the results for the year due to the loss incurred.

As a loss-making small and medium sized enterprise, the Group is entitled to research and development tax credits at 14.5% (2021: 14.5%) on 230% (2021: 230%) of qualifying expenditure for the year to 31 March 2022.

The tax credit compares with the loss for the year as follows:

	2022 £'000	2021 £'000
Loss before income tax	**11,058**	13,410
Loss before income tax multiplied by the main rate of corporation tax of 19% (2021: 19%)	**2,101**	2,548
Effects of:		
– difference between depreciation and capital allowances	**42**	(33)
– expenses not deductible for tax purposes	**(108)**	(132)
– losses not recognised	**(643)**	(551)
– adjustments in respect of prior year	**30**	236
Overseas taxes paid	**(53)**	(5)
Total tax credit	**1,369**	2,063

No deferred tax asset has been recognised by the Group or Company as there are currently no foreseeable trading profits.

Following the enactment of the Finance Act 2021, potential deferred taxation has been calculated at 25% (2021: 19%).

The potential deferred tax assets/(liabilities) of the Group are as follows:

	Amount not recognised 2022 £'000	Amount not recognised 2021 £'000
Tax effect of timing differences because of:		
Accelerated capital allowances	**53**	33
Losses carried forward	**27,694**	19,871
Total	**27,747**	19,904

The potential deferred tax assets of the Company are as follows:

	Amount not recognised 2022 £'000	Amount not recognised 2021 £'000
Tax effect of timing differences because of:		
Losses carried forward	**2,181**	1,461

13. Loss for the financial year

As permitted by Section 408 of the Companies Act 2006, the Parent Company's statement of comprehensive income for the current year has not been presented in these financial statements. The Parent Company's loss and total comprehensive loss for the financial year was £64,520,000 (2021: £8,524,000). The loss in the current year was primarily derived from the impairment of investment in subsidiaries.

14. Basic and diluted loss per Ordinary share

The basic and diluted loss per share is calculated by dividing the loss for the financial year of £9,689,000 (2021: £11,347,000) by 56,975,677 shares (2021: 39,128,925 shares), being the weighted average number of one pence Ordinary shares in issue during the year.

Potential Ordinary shares are not treated as dilutive as the entity is loss making.

15. Property, plant and equipment

Group	Plant and equipment £'000	Computer equipment £'000	Total £'000
Cost			
At 1 April 2020	1,255	245	1,500
Additions	22	3	25
Disposals	–	(8)	(8)
At 31 March 2021	1,277	240	1,517
Accumulated depreciation			
At 1 April 2020	847	201	1,048
Charge for the year	224	38	262
Disposals	–	(6)	(6)
At 31 March 2021	1,071	233	1,304
Net book amount			
At 31 March 2021	206	7	213
Cost			
At 1 April 2021	1,277	240	1,517
Additions	294	9	303
Reclassification	343	62	405
Disposals	(29)	(94)	(123)
At 31 March 2022	**1,885**	**217**	**2,102**
Accumulated depreciation			
At 1 April 2021	1,071	233	1,304
Charge for the year	200	24	224
Reclassification	367	39	406
Disposals	(29)	(91)	(120)
At 31 March 2022	**1,609**	**205**	**1,814**
Net book amount			
At 31 March 2022	**276**	**12**	**288**

The Company had no property, plant or equipment at 31 March 2022 (2021: £Nil).

16. Right-of-use asset

Group	31 March 2022 £'000	31 March 2021 £'000
At beginning of the year	**473**	591
Additions	**–**	–
Depreciation charge	**(100)**	(118)
At end of the year	**373**	473

The depreciation charge relating to the Right-of use asset is as follows: assets is as follows:

	31 March 2022 £'000	31 March 2021 £'000
Land and buildings	**96**	95
Computer and office equipment	**4**	23
At end of the year	**100**	118

The net book value of the underlying assets is as follows:

	31 March 2022 £'000	31 March 2021 £'000
Land and buildings	**373**	469
Computer and office equipment	**–**	4
At end of the year	**373**	473

16. Right-of-use asset continued

Company	31 March 2022 £'000	31 March 2021 £'000
At beginning of the year	**469**	564
Depreciation charge	**(96)**	(95)
At end of the year	**373**	469

The above comprises land and buildings.

The associated lease liabilities are set out in note 23.

17. Intangible assets

Group	Licence fees £'000	Intellectual property rights not amortised £'000	Total £'000
At 1 April 2021 and 31 March 2022			
Cost	2,070	6,143	8,213
Accumulated amortisation and impairment	(1,884)	(6,143)	(8,027)
Net book amount at 31 March 2021 and 31 March 2022	186	–	186

The Company holds no intangible assets (2021: £Nil).

18. Investment in subsidiaries

Company	2022 £'000	2021 £'000
At the start of the year	**75,000**	75,000
Increased investment in subsidiaries	**5,338**	6,075
Capital contribution arising from share-based payments	**115**	69
Impairment of investments in subsidiaries	**(62,953)**	(6,144)
Net book amount at 31 March	**17,500**	75,000

The Company has invested in ReNeuron Limited to allow it to carry on the trade of the Group. A capital contribution arises where share-based payments are provided to employees of subsidiary undertakings settled with equity to be issued by the Company.

The main element of the Group's funds are raised by ReNeuron Group plc, with funds then being passed to subsidiary companies via intercompany transactions. The resultant intercompany debtor is reclassified to investment in subsidiaries as a capital contribution. Following the decision to suspend the clinical development programme with ReNeuron Limited's hRPC stem cell therapy candidate for Retinitis Pigmentosa, the Company booked a provision of £62,953,000 to impair its investments in subsidiaries to £17.5 million being the market value of the Group as determined by reference to the closing share price on 31 March 2022. Any further reduction in market value could, at future reporting dates, result in a further impairment of an equivalent amount. The directors consider this to be a reasonable representation of fair value less costs to sell. The Company's investments comprise interests in Group undertakings, details of which are shown below:

Name of undertaking	ReNeuron Holdings Limited	ReNeuron Limited	ReNeuron (UK) Limited	ReNeuron, Inc.	ReNeuron Ireland Limited
Country of incorporation	England and Wales	England and Wales	England and Wales	Delaware, USA	Republic of Ireland
Description of shares held	£0.10 Ordinary shares	£0.001 Ordinary shares	£0.10 Ordinary shares	$0.001 Common stock	€1 Ordinary shares
Proportion of nominal value of shares held by the Company	100%	100%	100%	100%	100%

ReNeuron Limited is the principal trading company in the Group. ReNeuron Inc provides a point of contact with the FDA in the USA and ReNeuron Ireland Limited has been incorporated to enable the Group to maintain a presence in the EU after the United Kingdom's exit, and to mitigate the risks and uncertainties surrounding future relations between the EU and the UK. The other subsidiaries are dormant.

18. Investment in subsidiaries continued

ReNeuron Limited, ReNeuron Holdings Limited and ReNeuron, Inc. are held directly by ReNeuron Group plc. ReNeuron (UK) Limited is held directly by ReNeuron Holdings Limited. ReNeuron Ireland Limited is held directly by ReNeuron Limited. The registered office address for the UK subsidiaries is Pencoed Business Park, Pencoed, Bridgend CF35 5HY. The registered office addresses of the non-UK subsidiaries are:

- ReNeuron Inc., 21/2 Beacon Street, Concord, New Hampshire 03301-4447; and
- ReNeuron Ireland Limited, The Black Church, St Mary's Place, Dublin 7, Ireland D07 P4AX.

19. Trade and other receivables

	Group		Company	
	2022	2021	**2022**	2021
	£'000	£'000	**£'000**	£'000
Current				
Other receivables	**164**	218	**5**	2
Prepayments and accrued income	**372**	226	**–**	–
Total trade and other receivables	**536**	444	**5**	2

The classes within trade and other receivables do not include impaired assets. Due to the short-term nature of the trade and other receivables, their carrying amount is considered to be the same as their fair value.

20. Investments – bank deposits

	Group		Company	
	2022	2021	**2022**	2021
	£'000	£'000	**£'000**	£'000
Deposits maturing at four to 12 months: current asset investments	**5,000**	7,500	**5,000**	7,500

21. Cash and cash equivalents

	Group		Company	
	2022	2021	**2022**	2021
	£'000	£'000	**£'000**	£'000
Cash at bank and in hand	**9,548**	14,703	**8,153**	12,049

22. Trade and other payables

	Group		Company	
	2022	2021 £'000 Restated	**2022**	2021
	£'000		**£'000**	£'000
Trade payables	**734**	788	**3**	3
Taxation and social security	**103**	76	**–**	–
Accruals and deferred income	**6,036**	4,863	**–**	–
Total payables falling due within one year	**6,873**	5,727	**3**	3

Amounts owed by the Company to Group undertakings were not interest-bearing and had no fixed repayment date. Trade payables are unsecured and are usually paid within 35 days of recognition.

The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

23. Lease liabilities

	Group		Company	
	2022	2021	**2022**	2021
	£'000	£'000	**£'000**	£'000
Current lease liabilities	**146**	157	**146**	141
Non-current lease liabilities	**416**	562	**416**	562
Total lease liability	**562**	719	**562**	703

The associated right-of-use asset is set out in note 16.

Maturity of lease liabilities

The maturity profile of the Group's lease liabilities based upon contractual undiscounted payments is set out below:

	Group		Company	
	2022	2021	**2022**	2021
	£'000	£'000	**£'000**	£'000
Less than one year	**165**	180	**165**	165
One year to two years	**165**	165	**165**	165
Two years to three years	**165**	165	**165**	165
Three years to four years	**110**	165	**110**	165
Four years to five years	**–**	110	**–**	110
More than five years	**–**	–	**–**	–

The interest expense on lease liabilities in the years ended 31 March 2022 and 31 March 2021 is shown in note 9.

Other information

The principal lease commitment is in respect of the lease of offices and laboratories in Pencoed. The ten-year lease was signed by the Company with the Welsh Ministers on 11 February 2016 for the offices and laboratory space in new premises in Pencoed, South Wales, with the initial rent being reduced over the first three years. The incremental borrowing rate for the lease is 3.8%.

24. Financial risk management

Capital management

The Group's key objective in managing its capital is to safeguard its ability to continue as a going concern. In particular, it has sought and obtained equity funding alongside non-dilutive grant support commercial partnerships and collaborations to pursue its programmes. The Group strives to optimise the balance of cash spend between research and development and general and administrative expenses and, in so doing, maximise progress for all pipeline products.

Risk

The financial risks faced by the Group include liquidity and credit risk, interest rate risk and foreign currency risk.

Liquidity and credit risk

The Group seeks to maximise the returns from funds held on deposit balanced with the need to safeguard the assets of the business.

The agreed policy is to invest surplus cash in interest-bearing current/liquidity accounts and term deposits and to spread the credit risk across a number of counterparties, the selection criteria being as follows:

- UK-based banks;
- minimum credit rating with Fitch and/or Moody's (long-term A-/A3; short-term F1/P-1); and
- familiar and respected names.

At 31 March 2022 and 31 March 2021, no current asset receivables were aged over three months. No receivables were impaired or discounted.

The Group's cash and cash equivalents and bank deposits are analysed below according to the credit ratings of the deposit holding financial institutions:

	Group		Company	
	Year ended 31 March 2022	Year ended 31 March 2021	**Year ended 31 March 2022**	Year ended 31 March 2021
	£'000	£'000	**£'000**	£'000
F1/P-1	**9,548**	14,703	**8,153**	12,049
F2/P-1	**5,000**	7,500	**5,000**	7,500

24. Financial risk management continued

Ageing profile of the Group's and the Company's financial liabilities

The Group's and the Company's financial liabilities consist of:

	Group		Company	
	2022	2021	**2022**	2021
	£'000	£'000	**£'000**	£'000
Trade and other payables due within 12 months	**6,873**	5,727	**3**	3
Current lease liabilities – due within one year	**146**	157	**146**	141
Non-current lease liabilities – due after more than one year	**416**	562	**416**	562
	7,435	6,446	**565**	706

Interest rate risk

A portion of the Group's cash resources are placed on fixed deposit, with an original term of between three and 12 months, to secure fixed and higher interest rates. The Directors do not currently consider it necessary to use derivative financial instruments to hedge the Group's exposure to fluctuations in interest rates.

Foreign currency risk

The Group holds part of its cash resources in US dollars and euros to cover payments committed in the immediate future. At 31 March 2022, cash of £4,213,000 (2021: £5,422,000) was held in these currencies. Creditors of the Group include £429,000 (2021: £266,000) denominated in US dollars and £149,000 (2021: £164,000) denominated in euros. Of the Group's debtors, £6,000 (2021: £6,000) is denominated in euros. The remainder are denominated in pounds sterling.

At 31 March 2022, if pounds sterling had weakened/strengthened by 5% against the US dollar with all other variables held constant, the recalculated post-tax loss for the year would have been £156,000 (2021: £189,000) higher/lower.

At 31 March 2022, if pounds sterling had weakened/strengthened by 5% against the euro with all other variables held constant, the recalculated post-tax loss for the year would have been £25,000 (2021: £61,000) higher/lower.

The Group has not entered into forward currency contracts.

Currency profile of the Group's and the Company's cash and cash equivalents

	Group		Company	
	2022	2021	**2022**	2021
Currency	**£'000**	£'000	**£'000**	£'000
Pounds sterling	**5,335**	9,281	**2,999**	7,925
US dollars	**3,548**	4,053	**4,645**	3,182
Euros	**665**	1,369	**509**	942
	9,548	14,703	**8,153**	12,049

Currency profile of the Group's and the Company's bank deposit investments

	Group		Company	
	2022	2021	**2022**	2021
Currency	**£'000**	£'000	**£'000**	£'000
Pounds sterling	**5,000**	7,500	**5,000**	7,500
	5,000	7,500	**5,000**	7,500

Fair values of financial assets and financial liabilities

The following table provides a comparison by category of the carrying amounts and the fair value of the Group's and the Company's financial assets and liabilities measured at amortised cost at 31 March. Fair value is the amount at which a financial instrument could be exchanged in an arm's length transaction between informed and willing parties, other than a forced or liquidation sale, and excludes accrued interest.

	2022		2021	
Group	**Book value £'000**	**Fair value £'000**	Book value £'000	Fair value £'000
Investments – bank deposits	**5,000**	**5,000**	7,500	7,500
Cash at bank and in hand	**9,548**	**9,548**	14,703	14,703
Trade and other receivables excluding prepayments and accrued income	**164**	**164**	218	218
Trade and other payables excluding taxation and social security and accruals and deferred income	**734**	**734**	788	788
Lease liabilities	**562**	**562**	719	719

	2022		2021	
Company	**Book value £'000**	**Fair value £'000**	Book value £'000	Fair value £'000
Investments – bank deposits	**5,000**	**5,000**	7,500	7,500
Cash at bank and in hand	**8,153**	**8,153**	12,049	12,049
Receivables: current	**5**	**5**	2	2
Trade and other payables	**3**	**3**	3	3
Lease liabilities	**562**	**562**	703	703

25. Share capital and share premium

	Number of shares	Issued and fully paid share capital £'000	Share premium £'000	Total £'000
Authorised share capital	Unlimited			
At 1 April 2020 shares of 1 pence each	31,833,770	318	97,890	98,208
Issue of new shares – equity fund raising	24,970,381	250	17,229	17,479
Transaction costs – equity fund raising	–	–	(1,237)	(1,237)
Issue of new shares – exercise of employee share options	51,554	1	22	23
As at 31 March 2021	56,855,705	569	113,904	114,473
At 1 April 2021 shares of 1 pence each	56,855,705	569	113,904	114,473
Issue of new shares – exercise of employee share options	207,918	2	21	23
At 31 March 2022 shares of 1 pence each	57,063,623	571	113,925	114,496

Since the year-end, 82,270 new Ordinary shares of one pence each have been issued following the exercise of share options. Accordingly at the date of signature of these financial statements, the authorised, issued, and fully paid share capital was 57,145,893 Ordinary shares of one pence each with a nominal value of £571,459.

26. Warrants

Warrant instrument with Novavest Growth Fund Limited

Novavest Growth Fund Limited has the right to subscribe for 58,239 ReNeuron Limited Ordinary shares at a price of £17.16 per Ordinary share. Pursuant to a put/call agreement dated 6 November 2000, on exercise of such warrant, shares acquired by Novavest in ReNeuron Limited will be exchanged for 582,390 Ordinary shares of ReNeuron (UK) Limited. The Company intends in due course to enter into an agreement with Novavest whereby, if the warrant is exercised, the ReNeuron (UK) Limited shares acquired by Novavest are exchanged directly for 5,823 Ordinary shares of the Company.

27. Share options

The Group operates share option schemes for Directors and employees of Group companies and specific consultants. Options have been issued through a combination of an Inland Revenue-approved Enterprise Management Incentive (EMI) scheme and Company Share Option Scheme (CSOP), together with unapproved schemes. Incentive Stock Options have been provided to US staff.

Awards to Non-Executive Directors are made in accordance with the Group's Non-Executive Share Option Scheme.

The awards of share options to Executive Directors and employees of the Group are made in accordance with the Group's previous Deferred Share-based Bonus Plan, its Long-Term Incentive Plans and US Incentive Stock Option Plan. Total options existing over one pence Ordinary shares in companies in the Group as at 31 March 2022 are summarised below. At 31 March 2022, the total outstanding options represented 6.5% of the total shares in issue.

Scheme name	Number of options at 1 April 2021	Granted during the year	Exercised during the year	Lapsed during the year	**Number of options as at 31 March 2022**	Note	Weighted average exercise price	Weighted average life
Non-Executive Director Scheme	44,000	–	–	(24,000)	**20,000**	1	£3.53	2.00
2009 Employees' Share Option Plan (EMI)	142,099	–	–	(25,904)	**116,195**	2	£1.26	1.08
2009 Employees' Share Option Plan	1,292,466	–	–	(35,560)	**1,256,906**	2	£1.00	1.23
2016 Non-Executive Director Scheme	216,297	200,000	(80,697)	(21,375)	**314,225**	3	£0.42	2.88
2018 Employees' Share Option Plan	2,107,229	547,714	(127,221)	(513,094)	**2,014,628**	2	£0.15	2.62
2018 US Incentive Stock Option Plan	538,082	–	–	(538,082)	–	4	n/a	n/a
	4,340,173	747,714	(207,918)	(1,158,015)	**3,721,954**		n/a	n/a

Note 1:

These options were issued under the Non-Executive Directors' Scheme and were subject to clinically related performance targets.

Note 2:

With the exception of 388,400 options held by current and former Executive Directors, these options were issued subject to performance conditions. These performance conditions may be market related or relating to clinical, scientific or commercial targets. Certain options issued from 2018 on were issued as a parallel option, exercisable either as a tax-advantaged option (with an exercise price equal to the market price on the date of grant) or as a non-tax advantaged option (with an exercise price of one pence).

Note 3:

These options were issued under the Group's 2016 Non-Executive Share option Scheme. They vest over three years on a straight-line basis and with the exception of 200,000 options awarded to Mr Iain Ross during the year, they carry no performance conditions. The 200,000 options issued during the year carry a share price related performance condition.

Note 4:

These options were issued under the Group's US Incentive Stock Option Scheme and were issued subject to performance conditions. These performance conditions may be market related or relating to clinical, scientific or commercial targets. Certain of these options were exercisable either as an ISO at the price shown in the table above or as a conditional right at an exercise price of one pence. The options lapsed during the year.

Fair value charge

Fair value charges for share options have been prepared based on a Black-Scholes model with the following key assumptions:

	Exercise price £	Share price at date of grant £	Risk-free rate %	Assumed time to exercise Years	Assumed volatility %	Fair value per option £
September 2017	1.00	1.70	1.34	5	50.4	1.01
September 2018 UK Plan	0.01*	0.68	1.60	5	58.9	0.67
September 2018 US ISO plan	0.68	0.68	1.60	5	58.9	0.35
February 2019 UK Plan	0.01*	0.53	1.18	5	57.7	0.52
February 2019 US ISO Plan	0.53	0.53	1.18	5	57.7	0.26
April 2019 UK plan	0.01*	2.16	1.10	5	84.6	2.15
April 2019 US ISO Plan	0.01†	2.16	1.10	5	84.6	2.15
July 2019 UK Plan	0.01*	2.45	0.82	5	86.8	2.44
February 2021 US ISO Plan	0.01†	1.10	0.49	5	80.4	1.09
February 2021 US ISO Plan	1.075	1.10	0.49	5	80.4	0.70
February 2021 UK Plan	0.01*	1.10	0.49	5	80.4	1.09
October 2021 UK Plan	0.01	1.14	1.20	5	66.6	1.13
October 2021 UK Plan	1.07	1.14	1.20	5	66.6	0.65
October 2021 UK Plan	0.95	1.14	1.20	5	66.6	0.68

* Certain of these non-tax advantaged options were issued in parallel with tax advantaged CSOP options, either of which lapses upon the exercise of the other.
† Certain of these conditional rights were issued in parallel with ISO options, either of which lapses upon the exercise of the other.

The risk-free rate is taken from the average yields on government gilt edged stock. No dividends are assumed. The assumed vesting period is four years. No lapses are assumed until they take place. Assumed volatility is based on historical experience up to the date of the grant.

The weighted average exercise prices for options were as follows:

	2022		2021	
	Number of options '000	**Weighted average exercise price £**	Number of options '000	Weighted average exercise price £
Outstanding at 1 April	**4,340**	**0.40**	3,599	0.62
Granted	**748**	**0.47**	1,283	0.01
Exercised	**(208)**	**0.11**	(52)	0.41
Lapsed	**(1,158)**	**0.35**	(490)	0.87
Outstanding at 31 March	**3,722**	**0.51**	4,340	0.40
Exercisable at 31 March	**1,354**	**0.97**	1,411	1.08

The share price on 31 March 2022 was 30.5 pence (2021: 115.0 pence).

27. Share options continued

The pattern of exercise price and life is shown below:

	2022				2021			
			Weighted average remaining life (years)				Weighted average remaining life (years)	
Range of exercise prices	Weighted average exercise price	Number of options	Expected	Contractual	Weighted average exercise price	Number of options	Expected	Contractual
Up to £1.00	**0.47**	**3,588,452**	**2.09**	**7.41**	0.34	4,196,767	2.88	7.34
From £1.00 to £10.00	**1.65**	**133,502**	**3.09**	**8.15**	1.99	143,406	2.80	5.49
Total		**3,721,954**				4,340,173		

28. Cash used in operations

	Group		Company	
	Year ended 31 March 2022 £'000	Year ended 31 March 2021 £'000	Year ended 31 March 2022 £'000	Year ended 31 March 2021 £'000
Loss before income tax	**(11,058)**	(13,410)	**(64,520)**	(8,524)
Adjustments for:				
Finance income	**(195)**	(20)	**(191)**	(20)
Finance expense	**25**	516	**24**	499
Depreciation of property, plant and equipment	**224**	262	**–**	–
Depreciation of right-of-use asset	**100**	118	**96**	95
Loss on disposal of fixed assets	**3**	2	**–**	–
Share-based payment charges	**649**	764	**534**	694
Impairment of investment in subsidiary companies	**–**	–	**62,953**	6,144
Changes in working capital:				
Receivables	**(90)**	245	**–**	–
Payables	**1,146**	(552)	**–**	–
Cash used in operations	**(9,196)**	(12,075)	**(1,104)**	(1,112)

29. Reconciliation of net cash flow to movement in net debt

	Group		Company	
	Year ended 31 March 2022 £'000	Year ended 31 March 2021 £'000	Year ended 31 March 2022 £'000	Year ended 31 March 2021 £'000
(Decrease)/increase in cash and cash equivalents	**(5,321)**	2,561	**(4,057)**	1,437
Effect of foreign exchange differences	**166**	(484)	**161**	(468)
Lease repayments	**182**	187	**165**	166
Lease interest	**(25)**	(32)	**(24)**	(30)
Net funds at start of period	**13,984**	11,752	**11,346**	10,241
Net funds at end of period	**8,986**	13,984	**7,591**	11,346

30. Analysis of net funds

	Group		Company	
	Year ended 31 March 2022 £'000	Year ended 31 March 2021 £'000	**Year ended 31 March 2022 £'000**	Year ended 31 March 2021 £'000
Cash and cash equivalents	**9,548**	14,703	**8,153**	12,049
Lease liabilities	**(562)**	(719)	**(562)**	(703)
Net funds	**8,986**	13,984	**7,591**	11,346

31. Financial commitments

The Company had no other financial commitments at 31 March 2022 (2021: £Nil).

The Group is expected to incur future contractual milestone payments linked to the future development of its therapeutic programmes. These costs will be recognised when each contractual milestone has been achieved.

32. Contingent liabilities

The Group and Company had no contingent liabilities as at 31 March 2022 (2021: £Nil).

33. Related party disclosures

The following transactions were carried out with some of the Directors of the Company who are key management personnel as defined by IAS 24 Related Party Disclosures:

Services provided

Aesclepius Consulting Limited charged fees of £16,000 (2021: £18,000) in respect of services provided as a Non-Executive Director by Dr Tim Corn.

Directors' purchases of shares

	Ordinary shares of 1p each			
	31 March 2022		31 March 2021	
	Number	**Consideration £**	Number	Consideration £
Barbara Staehelin (Appointed 14 July 2021)	**43,000**	**49,950**	–	–
Dr Mike Owen	–	–	7,142	4,999
Olav Hellebø (resigned 28 February 2022)	–	–	28,571	20,000
Michael Hunt (Resigned 31 May 2021)	–	–	21,428	15,000
Dr Tim Corn (Resigned 22 March 2022)	–	–	7,142	4,999
Professor Sir Chris Evans OBE (Resigned 16 October 2021)	–	–	1,428,571	1,000,000
Mark Evans (Resigned 22 March 2022)	–	–	299,999	209,999

The purchase of shares by Barbara Staehelin during the year ended 31 March 2022 was made on the open market.

Subsequent to the year end, the following Directors made open market purchases of the Company's shares:

- Barbara Staehelin acquired a further 127,000 shares for a consideration of £38,503; and
- Catherine Isted acquired 50,000 shares for a consideration of £15,950.

The Directors' purchases of shares during the year ended 31 March 2021 were made during the Company's Placing, Subscription and open Offer of 24,970,381 new shares. Mark Evans's investment in new shares was made through a direct investment of 14,285 shares and an indirect subscription for 285,714 shares through Partners Investment Company LLP and Albermarle Life Sciences LLP.

33. Related party disclosures continued

Parent Company and subsidiaries

The Parent Company is responsible for financing and setting Group strategy. ReNeuron Limited carries out the Group strategy, employs all UK-based staff, excluding the Directors, and owns and manages all of the Group's intellectual property. Funds are passed by the Parent Company when required to ReNeuron Limited and treated as an investment. ReNeuron Limited makes payments including the expenses of the Parent Company. ReNeuron Inc. employed US-based staff who supervised the Group's clinical trials in the USA. ReNeuron Limited finances the activities of ReNeuron Inc. via investments in the US subsidiary.

Company: transactions with subsidiaries	**2022 £'000**	2021 £'000
Purchases and staff:		
Parent Company expenses paid by subsidiary	**1,100**	1,113
Transactions involving Parent Company shares:		
Share options	**115**	69
Cash management:		
Capital contribution to subsidiary	**5,338**	6,075

Company	**2022 £'000**	2021 £'000
Year-end balance of investment in subsidiary after impairment	**17,500**	75,000

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting (the "AGM" or the "Meeting") of ReNeuron Group plc (incorporated and registered in England and Wales with registered no. 5474163) (the "Company") will be held at the offices of Covington & Burling LLP, Level 54, 22 Bishopsgate, London EC2N 4BQ on 9 September 2022 at 9.30 a.m. to consider and, if thought fit, pass the following resolutions, of which Resolutions 1 to 6 will be proposed as ordinary resolutions and Resolutions 7 and 8 will be proposed as special resolutions.

At the time of publication of this Notice, the UK Government has lifted most legal restrictions relating to public gatherings that had previously been in place due to the ongoing COVID-19 pandemic. In line with this, the Board welcomes the opportunity to invite shareholders to attend the AGM in person. The Company is proposing to convene the AGM in compliance with the UK Government's guidance on how to stay safe and help prevent the spread of COVID-19 and appropriate safety measures will be in place at the Meeting.

Persons intending to attend and vote at the meeting in person will need a QR code to access the meeting venue. Such QR code will need to be displayed on a smartphone or similar device. A QR code will be able to be obtained in advance by emailing externalproxyqueries@computershare.co.uk with your full name and email address. Please note that this email address should be used for this purpose only, and the Registrar will not be able to respond to any other form of communication or enquiry sent to this email address. Persons who have not obtained a QR code in advance will be able to obtain one at the meeting venue.

The Board remains cognisant of the ongoing public health risk and recognises that the situation in relation to the pandemic can change quickly. The Board will monitor any changes to the UK Government guidance and legislation in relation to COVID-19. Should the situation change such that the Board considers that it is no longer possible or practicable for shareholders to attend the AGM in person, the Board will make changes to the arrangements for the Meeting as necessary. Any such changes will be communicated to shareholders through our website at www.reneuron.com and, where appropriate, by RIS Announcement. It is therefore strongly recommended that shareholders check the Company's website before attending the AGM.

At the time of writing it is uncertain what regulations or public health guidance may be in place at the time of the AGM which may restrict the number of people who can gather in public. Given this uncertainty, shareholders are strongly encouraged to submit their votes by proxy as soon as possible, appointing the Chairman of the AGM as their proxy, so that their votes can be taken into account.

Shareholders are also encouraged to submit any questions for the Chairman to info@reneuron.com at least 48 hours prior to the Meeting. Shareholders that are able to attend the AGM in person will also have an opportunity to ask questions at the Meeting. Where appropriate, questions and answers will be collated and later published on the Company's website at www.reneuron.com.

The results of the proposed resolutions will be published on our website at www.reneuron.com and announced via RIS Announcement as soon as practicable after the conclusion of the AGM.

Ordinary business

1. To receive and adopt the Company's Annual Report and Accounts for the financial year ended 31 March 2022 and the Directors' Report, and the Independent Auditors' Report on those accounts.
2. To reappoint PricewaterhouseCoopers LLP as auditors of the Company from the conclusion of this annual general meeting until the conclusion of the next annual general meeting of the Company at which accounts are laid and to authorise the Directors to determine the remuneration of the auditors.
3. To reappoint as a Director Catherine Isted, who having been appointed by the Board since the last Annual General Meeting of the Company is retiring in accordance with Article 114 of the Company's Articles of Association and who being eligible is offering herself for reappointment.
4. To reappoint as a Director Martin Walton, who having been appointed by the Board since the last Annual General Meeting of the Company is retiring in accordance with Article 114 of the Company's Articles of Association and who being eligible is offering himself for reappointment.
5. To reappoint as a Director Dr Mike Owen, who is retiring by rotation in accordance with Article 122 of the Company's Articles of Association and, being eligible, is offering himself for reappointment.

Special business

6. That the Directors of the Company be and are hereby generally and unconditionally authorised, pursuant to Section 551 of the Companies Act 2006 (the "2006 Act") to:
    a. allot Ordinary shares and to grant rights to subscribe for or to convert any security into Ordinary shares in the Company (all of which shares and rights are hereafter referred to as "Relevant Securities") representing up to £190,486 in nominal value in aggregate of shares; and
    b. allot Relevant Securities (other than pursuant to paragraph (a) above) representing up to £190,486 in nominal value in aggregate of shares in connection with a rights issue, open offer, scrip dividend, scheme or other pre-emptive offer to holders of Ordinary shares where such issue, offer, dividend, scheme or other allotment is proportionate (as nearly as may

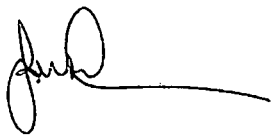
NOTICE OF ANNUAL GENERAL MEETING CONTINUED

be) to the respective number of Ordinary shares held by them on a fixed record date (but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with legal or practical problems under the laws of any overseas territory, the requirements of any regulatory body or any stock exchange in any territory, in relation to fractional entitlements, or any other matter which the Directors consider merits any such exclusion or other arrangements), provided that in each case such authority shall expire (unless previously renewed, varied or revoked by the Company in general meeting) 15 months after the date of the passing of this resolution or at the conclusion of the next annual general meeting of the Company following the passing of this resolution, whichever occurs first, save that the Company may before such expiry, variation or revocation make an offer or agreement which would or might require such Relevant Securities to be allotted after such expiry, variation or revocation and the Directors may allot Relevant Securities pursuant to such an offer or agreement as if the authority conferred hereby had not expired or been varied or revoked.

7. That the Directors are hereby empowered pursuant to Section 570 of the 2006 Act:
   a. subject to and conditionally upon the passing of Resolution 6 to allot equity securities (as defined by Section 560 of the 2006 Act) for cash pursuant to the authority conferred by Resolution 6 as if Section 561 of the 2006 Act did not apply to such allotment; and
   b. to sell Ordinary shares if, immediately before such sale, such shares are held as treasury shares (within the meaning of Section 724 of the 2006 Act) as if Section 561 of the 2006 Act did not apply to such sale, provided that such powers:
      1. shall be limited to:
         i. the allotment of equity securities (or sale of Ordinary shares) representing up to £190,486 in nominal value in aggregate of shares pursuant to the authority conferred by paragraph (b) of Resolution 6; and
         ii. the allotment of equity securities (or sale of Ordinary shares), otherwise than pursuant to sub-paragraph (i) above, representing up to £114,291 in nominal value in aggregate of shares (and including, for the avoidance of doubt, in connection with the grant of options (or other rights to acquire Ordinary shares) in accordance with the rules of the Company's share option schemes (as varied from time to time) or otherwise to employees, consultants and/or Directors of the Company and/or any of its subsidiaries); and
      2. shall expire 15 months after the passing of this resolution or at the conclusion of the next annual general meeting of the Company following the passing of this resolution, whichever occurs first, but so that the Company may before such expiry, revocation or variation make an offer or agreement which would or might require equity securities to be allotted (or Ordinary shares to be sold) after such expiry, revocation or variation and the Directors may allot equity securities (or sell Ordinary shares) in pursuance of such offer or agreement as if such powers had not expired or been revoked or varied.
8. That, with effect from the conclusion of the Meeting, the articles of association produced to the Meeting and, for the purposes of identification, initialled by the Chairman, be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the Company's existing articles of association.

11 August 2022

By order of the Board.



John Hawkins
Company Secretary

Registered office
Pencoed Business Park
Pencoed
Bridgend
CF35 5HY
United Kingdom

Notes

1. Persons intending to attend and vote at the meeting in person will need a QR code to access the meeting venue. Such QR code will need to be displayed on a smartphone or similar device. A QR code will be able to be obtained in advance by emailing externalproxyqueries@computershare.co.uk with your full name and email address. Persons who have not obtained a QR code in advance will be able to obtain one at the meeting venue.
2. In this Notice "Ordinary shares" shall mean Ordinary shares in the capital of the Company, having a nominal value of 1.0 pence per share.
3. A shareholder entitled to attend and vote at the meeting is also entitled to appoint one or more proxies to attend, speak and vote on a show of hands and on a poll instead of him or her. A proxy need not be a member of the Company. Where a shareholder appoints more than one proxy, each proxy must be appointed in respect of different shares comprised in his or her shareholding which must be identified on the Form of Proxy. Each such proxy will have the right to vote on a poll in respect of the number of votes attaching to the number of shares in respect of which the proxy has been appointed. Where more than one joint shareholder purports to appoint a proxy in respect of the same shares, only the appointment by the most senior shareholder will be accepted as determined by the order in which their names appear in the Company's register of members. If you wish your proxy to speak at the meeting, you should appoint a proxy other than the Chairman of the meeting and give your instructions to that proxy.
4. Given the uncertainty as to what regulations or public health guidance may be in place at the time of the AGM, shareholders are strongly encouraged to submit their votes by proxy as soon as possible, appointing the Chairman of the Meeting as their proxy, so that their votes can be taken into account.
5. A corporation which is a shareholder may appoint one or more corporate representatives who have one vote each on a show of hands and otherwise may exercise on behalf of the shareholder all of its powers as a shareholder provided that they do not do so in different ways in respect of the same shares.
6. To be effective, an instrument appointing a proxy and any authority under which it is executed (or a notarially certified copy of such authority) must be deposited at the offices of Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY, by no later than 9.30 a.m. on Wednesday 7 September 2022 except that should the meeting be adjourned, such deposit may be made not later than 48 hours before the time of the adjourned meeting, provided that the Directors may in their discretion determine that in calculating any such period no account shall be taken of any day that is not a working day. A Form of Proxy is enclosed with this Notice. Shareholders who intend to appoint more than one proxy may photocopy the Form of Proxy prior to completion. Alternatively, additional Forms of Proxy may be obtained by contacting Computershare Investor Services PLC on 0370 707 1272. The Forms of Proxy should be returned in the same envelope and each should indicate that it is one of more than one appointments being made. Completion and return of the Form of Proxy will not preclude shareholders from attending and voting in person at the meeting.
7. A "Vote withheld" option has been included on the Form of Proxy. The legal effect of choosing the "Vote withheld" option on any resolution is that the shareholder concerned will be treated as not having voted on the relevant resolution. The number of votes in respect of which there are abstentions will, however, be counted and recorded, but disregarded in calculating the number of votes for or against each resolution.
8. In accordance with Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those shareholders registered in the register of members of the Company as at the close of business on the day which is two working days before the day of the meeting shall be entitled to attend or vote (whether in person or by proxy) at the meeting in respect of the number of shares registered in their names at the relevant time. Changes after the relevant time will be disregarded in determining the rights of any person to attend or vote at the meeting.

EXPLANATORY NOTES TO THE BUSINESS OF THE ANNUAL GENERAL MEETING

Resolution 1

The Company's Annual Report and Accounts for the financial year ended on 31 March 2022 and the Directors' Report and the Independent Auditors' Report on those accounts will be presented to shareholders for approval.

Resolution 2

At every annual general meeting at which accounts are presented to shareholders, the Company is required to appoint auditors to serve until the next such annual general meeting. PricewaterhouseCoopers LLP have confirmed that they are willing to continue as the Company's auditors for the next financial year. The Company's shareholders are asked to reappoint them and to authorise the Directors to determine their remuneration, which will, in accordance with the Company's practice concerning good corporate governance, be subject to the recommendation of the Audit Committee.

Resolutions 3 and 4

In accordance with Article 114 of the Company's articles of association, every Director who has been appointed since the last annual general meeting of the Company is required to retire from office, Catherine Isted and Martin Walton having been appointed as Directors since the last annual general meeting therefore retire and, being eligible, offer themselves for reappointment by the shareholders at the Annual General Meeting.

Resolutions 5

Article 122 of the Company's articles of association requires that at every annual general meeting of the Company at least one third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not greater than one third) shall retire from office by rotation and that all Directors holding office at the start of business on the date of this Notice, and who also held office at the time of both of the two immediately preceding annual general meetings and did not retire at either meeting, shall retire from office and shall be counted in the number required to retire at the annual general meeting.

Resolution 6

This resolution seeks to authorise the Directors to allot shares, subject to the normal pre-emption rights reserved to shareholders contained in the 2006 Act. The Investment Association ("IA") regards as routine a request by a company seeking an annual authority to allot new shares in an amount of up to a third of the existing issued share capital. In addition, the IA will also regard as routine a request for authority to allot up to a further third of the existing issued share capital provided such additional third is reserved for fully pre-emptive rights issues. Resolution 6 seeks to reflect the spirit of the IA's recommendations, though sub-paragraph (b) of Resolution 6 covers a broader range of offers, issues and allotments. The limits imposed under sub-paragraphs (a) and (b) of Resolution 6 each represent one third of the existing issued share capital of the Company.

Resolution 7

Pursuant to Section 561 of the 2006 Act, existing shareholders of the Company have a right of pre-emption in relation to future issues of shares. Sub-paragraph b1(i) of Resolution 7 allows the disapplication of pre-emption rights to allow the issue of shares to existing shareholders, for example, by way of a rights issue or open offer. The limit imposed in respect of the general disapplication pursuant to sub-paragraph b1(ii) of Resolution 7 represents 20% of the existing issued share capital of the Company. The Company is increasingly competing for capital on an international basis against other companies incorporated in the US and elsewhere who are not subject to allotment or pre-emption restrictions such as those applicable to the Company.

The Directors consequently consider it important that they have the authority set out in sub-paragraph b1(ii), which they regard as providing the required flexibility to allow the Company to raise funds at the appropriate time via the issue of such shares as efficiently as possible, on the best terms available and in a timely fashion. The authority set out in sub-paragraph b1(ii) also enables the Company to issue shares in connection with the grant of options (or other rights to acquire Ordinary shares) in accordance with the rules of the Company's share option schemes and more generally for other purposes.

Resolution 8 - Adoption of new articles of association

Resolution 8, which will be proposed as a special resolution, seeks shareholder approval to adopt new articles of association (the "**New Articles**") in order to permit the company to hold 'hybrid' shareholder meetings, including AGMs. The Board believes that having the flexibility to hold hybrid shareholder meetings will allow for greater shareholder and stakeholder engagement over the coming years in a way that is more convenient for all parties.

The New Articles permit the Company to hold 'hybrid' general meetings where shareholders have the option to attend and participate either in person (in a main location or in specified satellite locations) or virtually by electronic means. The New Articles will not permit the Company to hold wholly virtual general meetings. Certain consequential changes to facilitate this amendment have been made throughout the New Articles.

The New Articles showing all the changes to the current articles of association are available for inspection on the Company's website at https://www.reneuron.com/, at the Company's registered office at Pencoed Business Park, Pencoed, Bridgend, Wales, CF35 5HY and at the offices of Covington & Burling LLP, Level 54, 22 Bishopsgate, London EC2N 4BQ for one hour before the meeting and at the meeting itself.

ADVISERS

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Independent auditors

PricewaterhouseCoopers LLP

Chartered Accountants and
Statutory Auditors
1 Kingsway
Cardiff
CF10 3PW

SHAREHOLDER INFORMATION

Shareholder enquiries

Any shareholder with enquiries should, in the first instance, contact our registrar, Computershare Services, using the address provided above in the Advisers section.

Share price information

London Stock Exchange Alternative Investment Market ("AIM") symbol: RENE

Information on the Company's share price is available on the ReNeuron website at www.reneuron.com

Financial calendar

Financial year-end	31 March 2022
Full year-end results announced	04 July 2022
Annual General Meeting	09 September 2022

Investor relations

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GLOSSARY OF SCIENTIFIC TERMS

Adeno associated virus (AAV):

AAV based vectors are small and are generally administered directly to patients into target tissues or into the blood. They allow expression of the therapeutic protein in cells that generally do not divide such as in the liver, the brain or eye.

Allogeneic:

Where a tissue donor and recipient of the cells are from different individuals.

CAR-T/CAR-NK Cells:

These are T-cells or NK cells that have been modified or engineered to produce proteins on their surface called chimeric antigen receptors (CARs). CAR-T cells main use is as a cancer therapy.

Cell line:

A well characterised cell culture that has been demonstrated to be consistent. Cell lines may comprise a family of cells isolated from a single tissue or organ, or may be clonally derived from a single ancestor cell.

Cell therapy:

A process by which healthy cells are introduced into a tissue or an organ to reconstruct or promote regeneration in order to treat disease.

CMC:

To appropriately manufacture a pharmaceutical or biologic product, specific manufacturing processes, product characteristics and product testing must be defined in order to ensure that the product is safe, effective and consistent between batches. These activities are known as chemistry, manufacturing and controls (CMC).

Cryopreservation:

Maintenance of the viability of cells using agents to protect them from damage that can occur during cooling and storage at very low temperatures.

Cytoplasm:

Clear, gel-like substance that fills the inside of a cell but excluding the nucleus.

Differentiation:

Development of a stem cell into a more specialised cell type.

DNA:

Deoxyribonucleic acid (DNA) is a molecule that carries genetic information.

Ectoderm:

One of the three primary germ layers formed in early embryonic development. It is the outermost layer and differentiates to form epithelial and neural tissues (spinal cord, peripheral nerves and brain).

Endocytosis:

A cellular process in which substances are brought into the cell. The material to be internalised is surrounded by an area of cell membrane, which then buds off inside the cell to form a vesicle containing the ingested material.

Endoderm:

The innermost of the three germ layers, or masses of cells (lying within ectoderm and mesoderm), which appears early in the development of an animal embryo.

ETDRS:

The ETDRS eye chart is designed to enable a more accurate estimate of visual acuity and is the standardised eye chart used in clinical trials to measure visual acuity.

ExoPr0:

Our first CTX-derived exosome therapeutic candidate.

Exosomes:

These are nanoparticles secreted from many different types of cells, including the Company's proprietary CTX stem cell line. They play a key role in cell-to-cell signalling.

FDA:

US Food and Drug Administration (FDA) is responsible for protecting the public health by assuring the safety, effectiveness, quality, and security of human and veterinary drugs, vaccines and other biological products, and medical devices.

Good Manufacturing Practice (GMP):

Regulations, codes and guidelines to ensure that products are consistently produced and controlled according to quality standards appropriate to their intended use and as required by the product specification (GMP refers to current good manufacturing practice).

Immortalised cell line:

A population of cells from a multicellular organism, which would normally not proliferate indefinitely but, due to mutation, have evaded normal cellular senescence and instead can keep undergoing division. The cells can, therefore, be grown for prolonged periods in vitro.

Immunogenicity:

Immunogenicity can be stated as the ability of a substance to provoke an immune response or the degree to which it provokes an immune response.

Immunosuppressants:

An agent that can suppress or prevent the body's immune response.

Induced pluripotent stem cells (iPSC):

iPSCs are cells that are reprogrammed back into an embryonic-like pluripotent state that enables the development of an unlimited source of any type of human cell needed for therapeutic purposes.

In vitro vs in vivo:

"In vitro" is in an artificial environment whereas "in vivo" is in a more natural environment (animal model).

Lentivirus:

Lentiviral based vectors integrate into patients' cells and give rise to long term expression and can be used in both dividing and non-dividing cells.

Ligand:

A substance that forms a complex with a biomolecule to serve a biological purpose.

Lipid nanoparticles:

Lipid nanoparticles (LNPs) are a mixture of lipids manufactured in the laboratory to a specific size and density to mimic low-density lipoproteins, which allow them to be taken up into living cells.

Mesoderm:

One of the three primary germ layers in the very early embryo. The other two layers are the ectoderm (outside layer) and endoderm (inside layer), with the mesoderm as the middle layer between them.

MHRA:

Medicines and Healthcare products Regulatory Agency (MHRA) is an Executive agency of the Department of Health and Social Care in the United Kingdom which is responsible for ensuring that medicines and medical devices work and are acceptably safe.

miRNA:

A short segment of RNA that regulates gene expression by binding to complementary segments of messenger RNA to down regulate the subsequent formation of protein.

Monoclonal antibodies:

Identical antibodies derived from a group of identical cloned cells or from an expression vector. Monoclonal antibodies recognise only one kind of antigen, i.e. they bind to the same site on a protein.

mRNA:

Messenger RNA is a type of single stranded RNA that carries codes from the DNA in a cell's nucleus to the sites of protein synthesis in the cell's cytoplasm. One of the uses of synthetic mRNA is in the development of vaccines.

Nano-sized:

Between One–1000nm in size.

Oligonucleotides:

Oligonucleotides are short, single-stranded lengths of DNA or RNA. An example would be siRNAs; small RNA molecules that specifically interact with messenger RNA to prevent the translation of a targeted gene.

Peptides:

Short chains of between two and 50 amino acids, linked by peptide bonds.

Plasmid:

A small circle of DNA, which can be engineered to introduce genes of interest into cells.

Pluripotency:

Pluripotency describes the ability of a cell to develop into the three primary germ cell layers of the early embryo and, therefore, into all cells of the adult body.

Proprietary technology:

This technology is the property of a business or an individual.

Proteins:

Large, complex molecules made up of amino acids. Proteins are required for the structure, function and regulation of the body's tissues and organs.

Regeneration:

The restoration of function in damaged body organs and tissues.

Retinal diseases:

Conditions that lead to damage of the layer of tissue in the back of the eye that senses light and sends images to the brain.

GLOSSARY OF SCIENTIFIC TERMS continued

Retinitis pigmentosa:

A group of inherited diseases of the retina that cause damage to the rods leading to a loss of peripheral vision that is progressive over time.

RNA:

Ribonucleic acid (RNA) is a polymeric molecule essential in various biological roles in coding, decoding, regulation and expression of genes.

siRNA (small interfering RNA):

siRNA is a class of double-stranded RNA and non-coding RNA molecules with a length of 18–25 base pairs.

Stem cell:

A cell that is both able to reproduce itself and, depending on its stage of development, to generate all or certain other cell types within the body or within the organ from which it is derived.

Stroke:

Damage to a group of nerve cells in the brain due to interrupted blood flow, caused by a blood clot or blood vessel bursting.

Depending on the area of the brain that is damaged, a stroke can cause coma, paralysis, speech problems and dementia.

TM Domain:

Transmembrane domain.

Trophic support:

The release of biological factors and support molecules that promote cellular growth, differentiation and survival.

Viral vectors:

Tools commonly based on viruses used by molecular biologists to deliver genetic material into cells.

SHAREHOLDER NOTES

Consultancy, design and production by:
jonesandpalmer.co.uk

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