Details are given below of an analyst conference call at 12.00 noon BST today

20 July 2020 **AIM: RENE**

ReNeuron Group plc
("ReNeuron" or "the Company")

Preliminary Results for the year ended 31 March 2020

ReNeuron Group plc (AIM: RENE.L), a UK-based global leader in the development of cell-based therapeutics, is pleased to announce its preliminary results for the year ended 31 March 2020.

Operational highlights

hRPC stem cell therapy candidate for retinal disease:

- Positive and sustained top-line efficacy data at all time-points from Phase 2a patients in ongoing US Phase 1/2a clinical trial in retinitis pigmentosa
- Regulatory approval received in US and UK to expand ongoing Phase 2a study to allow for subsequent potential single pre-approval clinical study and shorter route to market
- Further readouts from expanded study expected over next 12 months, leading to intention to file application in second half of 2021 to commence pivotal clinical study

Exosome and iPS cell technologies:

- Grant-funded collaboration initiated with European Cancer Stem Cell Research Institute to enable delivery of therapeutic nucleic acids using Company's exosomes
- New data presented supporting use of Company's iPSCs (induced pluripotent stem cells) to develop new immortalised cell lines as potential therapeutic agents for subsequent licensing to third parties
- Collaboration agreements signed with major pharmaceutical/biotechnology companies post year-end to explore the potential of the Company's exosomes to deliver therapeutic agents to the brain
- Proprietary exosome developed for the potential delivery of COVID-19 vaccines

CTX stem cell therapy candidate for stroke disability:

- Positive data from PISCES II Phase 2a clinical trial of CTX in stroke disability published in peer reviewed journal
- Post year-end decision to continue stroke disability programme through regional partnerships

    - Fosun Pharma to develop and commercialise hRPC and CTX programmes in China under exclusive out-licence agreement signed in April 2019
    - PISCES III Phase 2b stroke study to remain suspended in US, following earlier COVID-19 restrictions at clinical sites

- CTX cell therapy candidate available for licensing in all territories in other indications
    - Publication of new positive non-clinical data demonstrating ability of CTX cells to rescue deficits associated with Huntington's disease

- Intention to reconfigure non-executive Board membership to reflect the Company's new emphasis on retinal diseases and commercial partnerships
    - As part of this reorganisation, the Board has approved in principle a request from substantial shareholder Obotritia Capital KGaA to nominate a non-executive director to the Board

Financial highlights

- Loss for the year in line with expectations at £11.4 million (2019: loss of £14.3 million)
- Net cash used in operating activities of £14.3 million (2019: £11.9 million)
- Upfront licence fee of £5.4 million, net of withholding tax, received pertaining to licence agreement with Fosun Pharma
- Cash, cash equivalents and bank deposits at 31 March 2020 of £12.6 million (2019: £26.4 million)

Commenting on the results, Olav Hellebø, Chief Executive Officer, said:

"During the period under review, and subsequent to it, we have continued to generate encouraging positive efficacy data from the ongoing US Phase 2a clinical trial of our hRPC cell therapy candidate in retinitis pigmentosa. We are pleased to have recently received regulatory approvals in both the US and the UK to pursue this study in further patients at a higher dose level and we look forward to presenting further data from this extended study in due course.

"Additionally, we have been very encouraged to see the potential of our exosome and iPS cell technologies emerge during the period, with further collaboration agreements expected in the near term to complement the agreements we have already signed with major pharmaceutical/biotechnology companies regarding our exosome programme.

"The decision we have recently taken to focus our in-house activities on our retinal disease and exosome-based programmes provides the Company with significant near-term opportunities to deliver value-enhancing data and commercial partnerships. Our stroke disability programme will continue through regional

partnerships and we are pleased to be working with Fosun Pharma as our partner for China, following the signing of the exclusive licence agreement for both our CTX and hRPC programmes in that territory during the period."

Analyst and investor presentation:
A conference call for analysts will be held at 12.00 noon BST today. Analysts who would like to join the call are invited to contact Buchanan for details at reneuron@buchanan.uk.com.

A recording of the conference call will be made available later this afternoon on ReNeuron's website, www.reneuron.com.

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This announcement contains inside information. The person responsible for arranging for the release of this announcement on behalf of the Company is Olav Hellebø, Chief Executive Officer.

About ReNeuron

ReNeuron is a global leader in cell-based therapeutics, harnessing its unique stem cell technologies to develop 'off the shelf' stem cell treatments, without the need for immunosuppressive drugs. The Company's clinical-stage candidates are in development for the blindness-causing disease, retinitis pigmentosa, and, via regional partnerships, for disability as a result of stroke.

ReNeuron is also advancing its proprietary exosome technology platform as a potential delivery system for drugs that treat diseases of the brain. The Company also has the ability through its conditionally immortalised induced pluripotent

stem cell (iPSC) platform to make any tissue cells of choice; in-house programmes are focused on treatments for blood cancers and diabetes. ReNeuron's shares are traded on the London AIM market under the symbol RENE.L. For further information visit www.reneuron.com.

This announcement contains forward-looking statements with respect to the financial condition, results of operations and business achievements/performance of ReNeuron and certain of the plans and objectives of management of ReNeuron with respect thereto. These statements may generally, but not always, be identified by the use of words such as "should", "expects", "estimates", "believes" or similar expressions. This announcement also contains forward-looking statements attributed to certain third parties relating to their estimates regarding the growth of markets and demand for products. By their nature, forward-looking statements involve risk and uncertainty because they reflect ReNeuron's current expectations and assumptions as to future events and circumstances that may not prove accurate. A number of factors could cause ReNeuron's actual financial condition, results of operations and business achievements/performance to differ materially from the estimates made or implied in such forward-looking statements and, accordingly, reliance should not be placed on such statements.

CHAIRMAN'S STATEMENT

I am pleased to introduce the Group's Preliminary Results for the year ended 31 March 2020. It was a year of significant progress in both our clinical and strategic development, giving us great encouragement regarding the potential of the Company's programmes in the short to medium term and beyond.

We remain highly encouraged by the positive interim data and duration of therapeutic response from the Phase 2a patients treated in the ongoing US Phase 1/2 clinical trial with our hRPC cell therapy candidate for retinitis pigmentosa. We are also pleased to have received regulatory approval from both the FDA and MHRA to expand the ongoing Phase 2a part of the study to treat patients with RP at a higher dose level, at clinical sites in both the US and the UK. We look forward to reporting further Phase 2a data from the study over the next 12 months.

We have successfully refocused our exosome technology programme towards value-generating business partnerships, in which our exosomes are being exploited as a potential novel vector for delivering third party biological drugs. This refocusing has culminated in the signing of two collaboration agreements post year-end with major pharmaceutical/biotechnology companies to explore the potential of our neural stem cell derived exosomes to deliver therapeutic agents to the brain. During the period, we also presented new data supporting the use of the Company's iPSCs (induced pluripotent stem cells) to develop new immortalised cell lines as potential therapeutic agents for subsequent licensing to third parties.

We recently announced a strategic decision to focus the Company's resources on our retinal disease programme and our exosome and iPSC research platforms. Consequently, our stroke disability programme will continue through regional partnerships. In April 2019, we were delighted to sign an exclusive licence agreement with Shanghai Fosun Pharmaceutical Industrial Development Co., Ltd. ("Fosun Pharma") for the development, manufacture and commercialisation of both our CTX and hRPC cell therapy programmes in the People's Republic of China. Fosun Pharma is a leading healthcare group in China with extensive healthcare business interests worldwide. Clinical trial applications have recently been filed by Fosun Pharma to open clinical sites in the licensed territory to build on the Phase 2b clinical data already generated with the CTX cell therapy candidate for stroke disability in the US.

In addition to making our CTX cell therapy candidate available for licensing in stroke disability outside China, we further announced that the candidate is available for licensing in other indications. In support of this licensing strategy, we were pleased to have recently published positive data from the PISCES II Phase 2a clinical trial of CTX in stroke disability in the Journal of Neurology, Neurosurgery, and Psychiatry. Additionally, we recently announced the publication of new positive non-clinical data relating to our CTX cell therapy candidate in Huntington's disease.

During the ongoing COVID-19 pandemic, the safety of employees, suppliers, clinical trial participants and all other people with whom the Company interacts has been of over-riding importance to us. The Company continues to comply with governmental advice and requirements across its operations in the UK and US, without significant impact on our priority internal research projects. In response to COVID-19, we also initiated a research programme focused on the potential utility of our proprietary exosomes as a delivery vehicle for SARS-CoV-2 coronavirus vaccines.

ReNeuron has a clear focus to deliver value-generating data across its programmes over the next twelve months. Further, we intend to reconfigure and streamline the non-executive membership of the Board, reducing the number of non-executive directors from six to four, to reflect the Company's new emphasis on retinal diseases and commercial partnerships. In this regard, and in recognition of its significant shareholding and ongoing support for the Company, we have approved in principle a request from Obotritia Capital KGaA, to nominate a non-executive director to the Board.

The Board and I would like to extend our thanks to our employees for their ongoing commitment and hard work, especially in light of the difficult circumstances we have all had to face as a result of the COVID-19 pandemic. As always, I would also like to thank our shareholders for their continued support.

John Berriman
Chairman

CHIEF EXECUTIVE OFFICER'S REVIEW

Review of clinical programmes

hRPC (human retinal progenitor cells) for retinal disease

During the period under review, and thereafter, we have made significant progress with our ongoing clinical programme targeting retinitis pigmentosa (RP). RP is a group of hereditary diseases of the eye that lead to progressive loss of sight due to cells in the retina becoming damaged and eventually dying.

The ongoing Phase 1/2a clinical trial is an open-label study to evaluate the safety, tolerability and preliminary efficacy of our hRPC stem cell therapy candidate in patients with advanced RP. The Phase 2a segment of the study, which uses a cryopreserved hRPC formulation, enrols subjects with some remaining retinal function and, thus far, has been conducted at two clinical sites in the US – Massachusetts Eye and Ear in Boston and Retinal Research Institute in Phoenix, Arizona.

In April 2019, initial data from the first cohort of three patients in the Phase 2a segment of the study were presented at the sixth annual Retinal Cell and Gene Therapy Innovation Summit in Vancouver, Canada. The data demonstrated a sustained improvement in visual acuity compared with baseline in these patients, as measured by the number of letters read on the ETDRS chart (the standardised eye chart used to measure visual acuity in clinical trials).

In October 2019, further positive efficacy data from the study were presented at the American Academy of Ophthalmology Annual Meeting (AAO) in San Francisco. At this point, 22 patients had been treated in the study, consisting of 12 patients in the Phase 1 segment of the study and 10 patients in the Phase 2a segment of the study. Eight out of the ten Phase 2a patients treated had reached at least the one month follow up time point. The visual acuity data presented at the AAO conference from the patients treated in the Phase 2a segment of the study continued to show the hRPC therapy's ability to deliver clinically meaningful signals of efficacy in a patient population where inexorable disease progression is the norm.

We announced further updates regarding the Phase 2a study in February 2020 and, more recently, in June 2020. This latest update summarised data gathered from patients at six, nine, twelve and, for the first patient treated, 18 months follow-up. The latest data continue to demonstrate the efficacy of the therapy, with a clinically meaningful benefit being observed at all time-points. The results announced in February 2020 excluded two subjects who experienced sight loss in the treated eye as a result of complications arising from the surgical procedure. In the June update, we reported that one of these two patients has now recovered their vision and is back to at least baseline at one year post treatment.

Also in June 2020, we announced that the Company had received regulatory approval from both the FDA and MHRA to expand the ongoing Phase 2a clinical study to treat patients with RP at a higher dose level, at clinical sites in both the US and the UK. We intend to open the ongoing study to a highly experienced UK clinical site, the Oxford Eye Hospital, with Professor Robert MacLaren, a world-renowned leader in the treatment of retinal diseases, as Principal Investigator. These approvals will enable the treatment of up to a further nine patients in the Phase 2a extension segment of the study (beyond the ten Phase 2a patients already treated).

We expect to commence treating patients shortly in both the US and the UK under the revised approved study protocol, subject to a continued easing of COVID-19 related restrictions at the relevant clinical sites. On this basis, and as announced in June, we expect to present further data from the expanded Phase 2a clinical trial during the next twelve months and we expect to have sufficient data from the study to enable the Company to seek approval in the second half of 2021 to commence a single pivotal clinical study with our hRPC cell therapy candidate in RP.

Our hRPC cell therapy candidate offers a number of potential advantages over alternative approaches to the treatment of RP. Firstly, our cell therapy candidate is independent of the many specific genetic defects that collectively define RP as a disease, thereby allowing a much broader potential patient population to be eligible for the treatment. Secondly, the cells are cryopreserved, enabling on-demand shipment and use at local surgeries and hospitals. Finally, the cells are injected directly to the site of retinal degeneration, allowing a greater chance of anatomic restoration of photoreceptor function.

Our RP clinical programme has been granted Orphan Drug Designation in both Europe and the US, as well as Fast Track designation from the FDA in the US. Orphan Drug Designation provides the potential for a significant period of market exclusivity once the therapy is approved in those territories. Fast Track designation provides eligibility for an accelerated approval and priority review process by the FDA.

Exosome and iPS cell technologies

Our exosome technology is being exploited as a novel vector for delivering third party biological drugs. We have developed exosomes derived from our CTX human neural stem cell line that have a natural ability to cross the blood brain barrier and can thus be used to deliver therapeutics for diseases of the brain. These exosomes can be produced through a fully qualified, xeno-free, scalable process and the clinical-grade source cell-line ensures consistent exosome product. The exosomes can be loaded with a diverse range of potential therapeutics, such as siRNA/mRNA/miRNA, CRISPR/Cas9, antibodies, peptides and small molecules.

In July 2019, we announced the grant of a number of key patents in Europe, Japan, China and South Korea covering our exosomes and their methods of production. In August 2019, we announced a new grant-funded collaboration with the European Cancer Stem Cell Research Institute at Cardiff University to develop novel systems to enable the delivery of therapeutic nucleic acids across the blood brain barrier using our exosomes.

In April and June 2020, we announced separate commercial collaboration agreements to explore the potential of our exosomes to deliver therapeutic agents to the brain. The first of these agreements, with a major pharmaceutical company, focuses on the use of our exosomes for the delivery of novel gene silencing therapeutics. The second, with a major US biotechnology company, focuses on the use of the exosomes to deliver the US biotechnology company's neuroscience therapeutic candidates.

Further collaborations with pharmaceutical/biotechnology companies are anticipated to commence over the coming months. In response to COVID-19, we have also developed a proprietary exosome displaying the SARS-CoV-2 spike protein with the objective of out-licensing it for the potential delivery of COVID-19 vaccines.

In October 2019, we presented new data demonstrating the stability and scalability of new stem cell lines derived from our CTX human neural stem cells following re-programming to an embryonic stem cell-like state (induced pluripotent stem cells, or iPSCs). This means that we are able to take our CTX neural stem cells back to being stem cells that are able to differentiate into any other type of stem cell, including bone, nerve, muscle and skin. Further, we showed that the new stem cell lines generated could be grown at scale by virtue of the Company's conditional immortalisation technology, enabling the efficient production of clinical-grade, allogeneic ("off the shelf") cell therapy candidates.

As a result of the above findings, we are exploring the potential of our iPSC technology to be utilised to develop further new, immortalised allogeneic cell lines of varying types as potential therapeutic agents in diseases of unmet medical need for subsequent licensing to third parties. For example, the production of allogeneic haematopoietic stem cells from our iPSCs could potentially provide an alternative approach to those cancer immunotherapies currently in development that rely on the use of the patient's own T-cells. The iPSC-derived cell populations can also be utilised for the production of exosomes with specific tissue targeting, thus providing further scope for a wide range of industry partnerships.

CTX for stroke disability

During the period, we continued to progress the clinical development of our CTX cell therapy candidate for stroke disability, via our PISCES III clinical study, a randomised, placebo-controlled, Phase 2b clinical trial being undertaken in the US. Patients in the study are treated between six and 24 months after their stroke and

are randomised to receive either CTX therapy or placebo treatment. The primary end-point of the PISCES III study is the proportion of patients showing a clinically important improvement (at least one point) on the modified Rankin Scale (mRS) at six months post-treatment compared with baseline. The mRS is a global measure of disability or dependence upon others in carrying out activities of daily living and is accepted by regulatory authorities as an appropriate end-point for marketing approval in stroke disability.

In February 2020, we announced that positive data from the PISCES II Phase 2a clinical trial of CTX in stroke disability had been published in the Journal of Neurology, Neurosurgery, and Psychiatry. PISCES II was a single arm, open-label study in patients living with significant disability resulting from ischaemic stroke. A total of 23 stable stroke patients with moderate to severe disability were treated with a single dose of 20 million CTX cells a median of seven months post-stroke. Clinically meaningful improvements in disability scales were measured out to 12 months post-implantation.

In June 2020, we announced that, following a review of programme priorities and resource requirements, we intended to focus the Company's resources on our retinal disease programme and our exosome and induced pluripotent stem cell (iPSC) research platforms. Consequently, we have suspended the PISCES III clinical trial in the US and our stroke disability programme will now continue through regional partnerships. Fosun Pharma, our exclusive licensing partner in China, will develop the CTX cell therapy candidate for stroke disability in the licensed territory (Greater China including Hong Kong, Macao and Taiwan) where the Company has the potential to benefit from future operational and regulatory milestones under this out-license agreement. Clinical trial applications have recently been filed by Fosun Pharma to open clinical sites in the licensed territory to build on the clinical data already generated in the US. Patient recruitment in the PISCES III study, which has been on hold due to COVID-19 related restrictions, will remain suspended in the US for the foreseeable future; clinical trial sites will be kept open and patients already treated will be followed up over time in line with the clinical trial protocol.

As part of the June 2020 programme update, we announced that our CTX cell therapy candidate would be made available for licensing in stroke disability outside China. We further announced that the CTX cell therapy candidate would be available for licensing in other indications where the candidate might have the potential to address the deficits in those indications. As an illustration of this potential, in May 2020 we announced the publication of new positive data relating to our CTX cell therapy candidate in the journal Stem Cells. The new data showed for the first time that our CTX human neural stem cell line can rescue deficits associated with an accepted animal model of Huntington's disease, a progressive genetic brain disorder.

Other activities

In April 2019, we announced the signing of an exclusive licence agreement with Fosun Pharma for the development, manufacture and commercialisation of both our CTX and hRPC cell therapy programmes in the People's Republic of China. Under the terms of the licence agreement, Fosun Pharma will fully fund the development of our CTX and hRPC cell therapy programmes in China, including clinical development and subsequent commercialisation activities. Fosun Pharma has also been granted rights to manufacture the licensed products in China. In return, ReNeuron received £6.0 million (before withholding tax) on entering into the agreement and will receive up to £6.0 million in near-term operational milestones and up to £8.0 million in future regulatory milestone payments. In addition, ReNeuron will receive post-launch profit threshold milestone payments derived from the licensed products, leading to total estimated milestone payments of £80.0 million provided all milestones and profit thresholds are successfully met, as well as tiered royalties at rates between 12% and 14% on sales of the licensed products in the Chinese market.

We continue to work closely with Fosun Pharma as it pursues the development, manufacture and commercialisation of our cell therapy programmes in the People's Republic of China, with the CTX programme for stroke disability being the initial focus of activities.

Financial review

Revenues in the year amounted to £6.1 million (2019: £0.05 million), being an upfront licence fee of £6.0 million received from Fosun Pharma in respect of the above-mentioned licence agreement signed with that company in April 2019, together with £0.1 million (2019: £0.05 million) of royalties from non-therapeutic licensing activities. Grant income of £0.1 million (2019: £0.8 million) has been recognised in other income. In 2019, other income also included £1.9 million relating to an exclusivity fee received during out-licensing negotiations.

Research and development costs in the year were £16.3 million (2019: £16.2 million) and accounted for 79% of operating expenses (2019: 77%). General and administrative expenses were £4.2 million (2019: £4.8 million), the decrease in costs being primarily due to reductions in staff costs and reductions in legal and professional fees over the prior year.

Finance income represents income received from the Group's cash and investments and gains from foreign exchange, with lease interest arising from the application of IFRS 16 shown in finance costs. Finance income was £0.6 million in the year (2019: £1.1 million), primarily reflecting reduced foreign exchange gains. The Group holds cash and investments in foreign currencies in order to hedge against operational spend in those currencies.

The total tax credit for the year was £3.0 million (2019: £2.9 million). This was offset by overseas taxation of £0.6 million (2019: £Nil).

As a result of the above, the total comprehensive loss for the year reduced to £11.4 million (2019: £14.3 million).

Net cash used in operating activities was £14.3 million (2019: £11.9 million), largely reflecting the operating costs incurred during the period, net of the Fosun Pharma licence fee of £5.4 million (net of withholding tax). The Group had cash, cash equivalents and bank deposits totalling £12.6 million at the year-end (2019: £26.4 million).

Summary and outlook

During the period under review, and subsequent to it, we have continued to generate encouraging positive efficacy data from the ongoing US Phase 2a clinical trial of our hRPC cell therapy candidate in retinitis pigmentosa. We are pleased to have recently received regulatory approvals in both the US and the UK to pursue this study in further patients at a higher dose level and we look forward to presenting further data from this extended study in due course.

Additionally, we have been very encouraged to see the potential of our exosome and iPS cell technologies emerge during the period, with further collaboration agreements expected in the near term to complement the agreements we have already signed with major pharmaceutical/biotechnology companies regarding our exosome programme.

The decision we have recently taken to focus our in-house activities on our retinal disease and exosome-based programmes provides the Company with significant near-term opportunities to deliver value-enhancing data and commercial partnerships. Our stroke disability programme will continue through regional partnerships and we are pleased to be working with Fosun Pharma as our partner for China, following the signing of the exclusive licence agreement for both our CTX and hRPC programmes in that territory during the period.

Olav Hellebø
Chief Executive Officer

Group Statement of Comprehensive Income for the year ended 31 March 2020

	Note	**2020** **£'000**	2019 (Restated)[1] £'000
Revenue		**6,065**	49
Other income		**100**	2,671
Research and development costs	4,5	**(16,335)**	(16,246)
General and administrative costs	5	**(4,239)**	(4,773)
Operating loss		**(14,409)**	(18,299)
Finance income		**593**	1,103
Finance expense		**(42)**	(39)
Loss before income tax		**(13,858)**	(17,235)
Taxation	6	**2,446**	2,887
Loss and total comprehensive loss for the year		**(11,412)**	(14,348)
Loss and total comprehensive loss attributable to equity owners of the Company		**(11,412)**	(14,348)
Basic and diluted loss per ordinary share	7	**(35.9p)**	(45.3p)

[1]Comparative figures have been restated following the implementation of IFRS 16 Leases.

Group Statement of Financial Position as at 31 March

	Note	**2020**	2019 (Restated)[1]	2018 (Restated)[1]
		£'000	£'000	£'000
Assets				
Non-current assets				
Property, plant and equipment		**452**	632	726
Right-of-use asset		**591**	704	755
Intangible assets		**186**	186	186
		1,229	1,522	1,667
Current assets				
Trade and other receivables		**696**	834	1,282
Income tax receivable		**5,826**	2,768	3,010
Investments – bank deposit		**-**	5,954	9,500
Cash and cash equivalents		**12,625**	20,432	27,911
		19,147	29,988	41,703
Total assets		**20,376**	31,510	43,370
Equity				
Equity attributable to owners of the Company				
Share capital		**318**	316	316
Share premium account		**97,890**	97,704	97,704
Capital redemption reserve		**40,294**	40,294	40,294
Merger reserve		**2,223**	2,223	2,223
Accumulated losses		**(127,502)**	(117,293)	(103,985)
Total equity		**13,223**	23,244	36,552
Liabilities				
Current liabilities				
Trade and other payables		**6,280**	7,261	5,819
Lease liabilities		**166**	141	31
		6,446	7,402	5,850
Non-current liabilities				
Lease liabilities		**707**	864	968
		707	864	968
Total liabilities	8	**7,153**	8,266	6,818
Total equity and liabilities		**20,376**	31,510	43,370

[1]Comparative figures have been restated following the implementation of IFRS 16 Leases.

Group Statement of Changes in Equity

	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Merger reserve £'000	Accumulated losses £'000	Total equity £'000
As at 1 April 2018 (as previously reported)	**316**	**97,704**	**40,294**	**2,223**	**(103,868)**	**36,669**
Change in accounting policy[1]	–	–	–	–	(117)	(117)
As at 1 April 2018 (restated)	**316**	**97,704**	**40,294**	**2,223**	**(103,985)**	**36,552**
Credit on share-based payment	–	–	–	–	1,040	1,040
Loss and total comprehensive loss for the year	–	–	–	–	(14,348)	(14,348)
As at 31 March 2019	**316**	**97,704**	**40,294**	**2,223**	**(117,293)**	**23,244**
Exercise of employee share options	2	186	–	–	–	188
Credit on share-based payment	–	–	–	–	1,203	1,203
Loss and total comprehensive loss for the year	–	–	–	–	(11,412)	(11,412)
As at 31 March 2020	**318**	**97,890**	**40,294**	**2,223**	**(127,502)**	**13,223**

[1]The change in accounting policy reflects the implementation of IFRS 16 Leases.

Group Statement of Cash Flows for the year ended 31 March

	Note	**2020** **£'000**	2019 (Restated)[1] £'000
Cash flows from operating activities			
Cash used in operations	9	**(13,651)**	(15,037)
Overseas taxes paid		**(611)**	-
Income tax credit received		**-**	3,129
Interest paid		**(42)**	(39)
Net cash used in operating activities		**(14,304)**	(11,947)
Cash flows from investing activities			
Capital expenditure - Fixed Assets		**(119)**	(239)
Interest received		**300**	342
Net cash generated from investing activities		**181**	103
Cash flows from financing activities			
Proceeds from the issue of ordinary shares		**188**	-
Bank deposit matured		**6,260**	4,359
Lease payments		**(144)**	(45)
Lease finance		**12**	51
Net cash generated from financing activities		**6,316**	4,365
Net decrease in cash and cash equivalents		**(7,807)**	(7,479)
Cash and cash equivalents at the start of year		**20,432**	27,911
		12,625	20,432

[1]Comparative figures have been restated following the implementation of IFRS 16 Leases.

Notes to the financial information for the year ended 31 March 2020

1. General information

ReNeuron Group plc ("the Company") and its subsidiaries (together "the Group") are engaged in the research and development of therapies using stem cells. The Company is a public limited company incorporated and domiciled in England with registered number 05474163. Its shares are listed on the Alternative Investment Market (AIM) of the London Stock Exchange.

2. Basis of preparation

The unaudited financial information included in this preliminary results announcement for the year ended 31 March 2020 and audited financial information for the year ended 31 March 2019 does not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. The information has been extracted from the draft statutory financial statements for the year ended 31 March 2020 which will be delivered to the Registrar of Companies in due course. Statutory financial statements for the year ended 31 March 2019 were approved by the Board of directors on 18 July 2019 and have been delivered to the Registrar of Companies. The report of the auditors on these financial statements was unqualified and did not include an emphasis of matter paragraph.

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union, the interpretations of International Financial Reporting Standards Interpretations Committee (IFRSIC) and the Companies Act 2006 applicable to companies reporting under IFRS.

Whilst the financial information included in this preliminary announcement has been prepared in accordance with International Financial Reporting Standards (IFRS), this announcement does not contain sufficient information to comply with IFRS. The accounting policies used in the preparation of these unaudited financial statements are consistent with those used in the preparation of the audited financial statements for the year ended 31 March 2019, with the exception of IFRS 16 Leases, which has been implemented during the year ended 31 March 2020.

3. Going concern

The Group is expected to incur significant further costs as it continues to develop its therapies and technologies through clinical development. 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 fundraising opportunities in order 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. Further, it was announced post year-end that the Group's existing resources will be refocused on programmes and activities offering the greatest prospect of value generation in the near to medium term.

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-2021 and the Directors are considering a number of options to secure further funding sufficient for the future needs of the business beyond mid-2021 .

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 raise adequate additional 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 were unable to continue as a going concern.

4. Research and development costs

All research and development costs incurred in the year have been charged directly to the Group Statement of Comprehensive Income.

5. Operating expenses

	2020	2019
	£'000	£'000
Loss before income tax is stated after charging:		
Research and development costs:		
Employee benefits (note 11)	**4,502**	4,712
Depreciation of property, plant and equipment (note 14)	**228**	208
Depreciation of right-of-use asset (note 15)	**25**	6
Other expenses	**11,580**	11,320
Total research and development costs	**16,335**	16,246
General and administrative costs:		
Employee benefits (note 11)	**2,166**	2,300
Legal and professional fees	**911**	1,304
Depreciation of property, plant and equipment (note 14)	**59**	74
Depreciation of right-of-use asset (note 15)	**100**	96
Other expenses	**1,003**	999
Total general and administrative costs	**4,239**	4,773
Total research and development costs and general and administrative costs	**20,574**	21,019

6. Taxation

	2020	2019
	£'000	£'000
UK research and development tax credit at 14.5% (2018: 14.5%)	**3,057**	2,887
Overseas taxation	**(611)**	–
	2,446	2,887

No 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% (2019: 14.5%) on 230% (2019: 230%) of qualifying expenditure for the year to 31 March 2020.

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

	2020	2019
	£'000	£'000
Loss before income tax	**13,858**	17,235
Loss before income tax multiplied by the main rate of corporation tax of 19% (2019: 19%)	**2,633**	3,275
Effects of:		
– difference between depreciation and capital allowances	**(22)**	(13)
– expenses not deductible for tax purposes	**(612)**	(197)
– losses not recognised	**900**	(302)
– overseas losses utilised	**-**	5
– adjustments in respect of prior year	**158**	119
	(611)	-
Tax credit	**2,446**	2,887

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

7. 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 £11,412,000 (2019: 14,348,000) by 31,811,456 shares (2019: 31,646,186 shares), being the weighted average number of 1p Ordinary shares in issue during the year.

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

8. Ageing profile of financial liabilities

	2020	2019
	£'000	£'000
Trade and other payables due within three months	**6,280**	7,261
Current lease liabilities – due within one year	**166**	141
Non-current lease liabilities – due after more than one year	**707**	864
	7,153	8,266

9. Cash used in operations

	Year ended 31-Mar 2020 £'000	Year ended 31-Mar 2019 £'000
Loss before income tax	**(13,858)**	(17,235)
Adjustments for:		
Finance income	**(593)**	(1,103)
Finance expense	**42**	39
Depreciation of property, plant and equipment	**287**	282
Depreciation of Right-of-use-asset	**125**	102
Share-based payment charges	**1,203**	1,040
Changes in working capital:		
Receivables	**126**	397
Payables	**(983)**	1,441
Cash used in operations	**(13,651)**	(15,037)