8 July 2021

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

Preliminary Results for the year ended 31 March 2021

ReNeuron Group plc (AIM: RENE.L), a UK-based global leader in the development of cell-based therapeutics, announces its preliminary results for the year ended 31 March 2021.

Operational highlights

hRPC stem cell therapy candidate for retinal disease:

- Efficacy signal seen in phase 2a subjects reaching 12 months follow up with some variability of response seen between subjects
- Regulatory approval has been received for the expanded Phase 2a study in US, UK and Spain. This Phase 2a extension study incorporates a doubling of the previous dose, which with other study elements was designed to build on the efficacy signal seen in the earlier cohorts of the study whilst trying to remove some of the variability
- Four out of the nine additional subjects have been treated to date but a presumed case of bacterial endophthalmitis led to precautionary temporary study enrolment suspension; however, following a completed investigation, and with Data & Safety Monitoring Board approval, the study has reopened to enrolment in the US with amendments being filed to reopen in the UK and Spain
- Three-month data from extension segment of Phase 2a study to be available in Q4 2021

Exosome and iPSC platforms:

- Four additional collaboration agreements signed with major pharmaceutical/biotechnology companies and two with leading academic institutions exploring multiple methods of loading exosomes
- Positive early pre-clinical data have shown efficient loading of nucleic acid payloads in its exosomes and these exosome candidates have also demonstrated functional payload delivery
- Exosome pre-clinical proof-of-concept data from current research collaborations are expected during Q4 2021
- New immortalised, licensable cell lines have been generated from the Company's iPSC platform as potential therapeutic agents for cancer immunotherapy and type 1 diabetes

CTX stem cell therapy candidate

- Strategic decision in June 2020 to progress stroke disability programme through regional partnerships
    - Fosun Pharma to develop and commercialise CTX programme in China under the exclusive out-licence agreement signed in April 2019
    - CTX cell therapy candidate available for licensing in stroke disability outside China and in all territories in other potential indications

Board changes:

- Non-executive Board membership reconfigured in September 2020 and CFO announced his retirement from the Board in March 2021
- On 1 July 2021, Iain Ross appointed as Non-Executive Chairman
- Recruitment of new Chief Financial Officer continues to progress well

Financial highlights

- Successful fundraise in December 2020, raising approximately £17.5 million (before expenses)
- Loss for the year slightly lower than expectations at £11.3 million (2020: loss of £11.4 million, including an upfront payment of £5.4 million, net of withholding tax, received through the licence agreement for ReNeuron's CTX and hRPC cell therapy programmes in Greater China with Fosun Pharma)
- Reduced costs incurred in the period of £13.2 million (2020: £20.6 million)
- Reduced cash used in operating activities of £6.1 million (2020: £14.3 million)
- Cash, cash equivalents and bank deposits at 31 March 2021 of £22.2 million (2020: £12.6 million), providing at least a 12-month runway from the date of this announcement

Commenting on the results, Olav Hellebø, Chief Executive Officer, said:
"Over the previous financial year, we have been successful in designing and implementing an extension cohort in the phase 2a clinical trial of our hRPC cell therapy candidate in retinitis pigmentosa, including doubling of the dose and other changes designed to amplify the efficacy signal seen in earlier cohorts. We have received regulatory approvals in the US, UK and Spain, and have started enrolment in all countries. Although dosing was temporarily suspended during the investigation of a presumed bacterial infection, the clinical trial is being restarted, and we expect subjects to be treated shortly, with further data to be presented later in Q4 2021.

"Our exosome and iPSC platforms have also progressed well during the period, with multiple industry-based collaborations now in progress across both platforms and the prospect of pre-clinical proof-of-concept data over the coming months.

"Our decision in 2020 to focus the Company's resources on our retinal disease programme and our exosome and iPSC platforms has resulted in significantly lower operating costs, as reflected in the results for the year. This renewed clarity of focus, together with the fundraise in December, will enable us to reach important, data-driven potential value inflection points across our programmes over the next 12 months."

Investor presentation:
Olav Hellebø, Chief Executive Officer; Rick Beckman, Chief Medical Officer; and John Hawkins, Financial Controller, will be hosting a live online presentation at 4.30pm today via the Investor Meet Company Platform. Investors can register for the meeting here: https://www.investormeetcompany.com/reneuron-group-plc/register-investor

A recording of the presentation will also available on the ReNeuron website in due course: 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 for disease with significant unmet needs. The Company's lead cell therapy candidate is in clinical development for the blindness-causing disease, retinitis pigmentosa.

ReNeuron is also advancing its proprietary exosome technology platform as a potential delivery system for drugs that treat diseases of the central nervous system and other disorders. The Company also has the ability through its conditionally immortalised induced pluripotent stem cell (iPSC) platform to make allogeneic tissue cells of choice; in-house programmes are currently 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 2021. It was a challenging year for everyone with the impact of the coronavirus pandemic and firstly, on behalf of the Company and the Board, I would like to thank our staff, our clinical trial subjects, our commercial and academic partners, our advisors and our shareholders for their continued commitment to the Company and for the resilience they have shown over the past 12 months.

Despite the challenges, the year has again been one of significant progress in both our clinical and strategic development, giving us continued encouragement regarding the potential of the Company's programmes in the short to medium term and beyond.

We remain highly encouraged by the positive one-year data from the initial cohorts of Phase 2a subjects treated in the ongoing Phase 1/2 clinical trial with our hRPC cell therapy candidate for retinitis pigmentosa. We were pleased to receive regulatory approval from the FDA, MHRA and the Spanish Regulatory Agency to expand the ongoing Phase 2a part of the study to treat patients with retinitis pigmentosa (RP) at a higher dose level, at clinical sites in the US, UK and Spain. We were disappointed that we recently had to suspend dosing of subjects across all sites after a subject unfortunately presented with a presumed case of bacterial endophthalmitis. Following a completed investigation, and with Data & Safety Monitoring Board approval, the study has reopened to enrolment in the US with amendments being filed to reopen in the UK and Spain. We look forward to reporting further Phase 2a data from the study in Q4 2021, rather than Q3 2021 as originally planned.

Our exosome technology is being exploited as a novel vector for delivering third party biological drugs and this partnering strategy reflects increasing industry interest in exosomes. We have signed a number of collaboration agreements with major pharmaceutical/biotechnology companies and academic institutions to explore the potential of the Company's exosomes to deliver novel therapeutic agents to the brain and other regions of the body. Early pre-clinical data have been positive and further data across the collaborations are expected in the coming months.

During the period, we have continued to progress our CTX cell-based iPSC technology in a number of potential applications. We are deploying this technology to develop new, immortalised allogeneic cell lines of varying types as potential therapeutic agents in diseases of unmet medical need for subsequent licensing to third parties.

During the year, we announced our intention to focus the Company's resources on our retinal disease programme and our exosome and iPSC research platforms. Consequently, we halted the PISCES III clinical trial of our CTX cell therapy candidate for stroke disability in the US and looked for opportunities to continue the programme through partnerships. We also announced our intention to license out the CTX cell therapy candidate in other indications.

During the 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 has adapted throughout the year to continue to comply with governmental advice and requirements across its operations in the UK, EU and US, without significant impact on our priority internal research projects.

During the period, we reduced the non-executive membership of the Board of the Company. As part of this reconfiguration, I became Chairman of the Board and Mark Evans, the chairman of Obotritia Capital KGaA ("Obotritia"), was appointed as a non-independent Non-Executive Director of the Company in recognition of Obotritia's significant shareholding and ongoing support for the Company.

Since then, we have further configured the Board and I would like to welcome Iain Ross to the Board as Non-Executive Director and Chairman of the Board of Directors. Iain is a highly experienced board director with a career in the international life sciences and technology sectors that spans 40 years. He will be an excellent addition to the Board at a pivotal time for the Company and I wish him the best in his endeavours.

In March, Michael Hunt, CFO of ReNeuron resigned to pursue other projects. Michael joined ReNeuron in 2001 and with tenures over the years as both CFO and CEO of the Company, Michael has played a key role in the development of ReNeuron into the exciting business that it is today. I would like to thank Michael for his very significant contribution to the Company and wish him well in his future endeavours.

ReNeuron has a clear focus to deliver value-generating data across its programmes over the next twelve months and we look forward to updating our shareholders as we continue to make progress.

Dr Tim Corn
Outgoing Non-Executive Chairman and current Non-Executive Director

NEW CHAIRMAN'S STATEMENT

I am delighted to be joining ReNeuron at such a pivotal time as we look to ensure a significant uplift in shareholder value over the next few years.

I would like to thank Tim for his work over the last 10 months and will look forward to working alongside him as he continues his role as Non-Executive Director, as well as the rest of the Board and Management team.

Iain Ross
Newly Appointed Non-Executive Chairman, as of 1 July 2021

CHIEF EXECUTIVE OFFICER'S REVIEW

Review of clinical programmes

hRPC (human retinal progenitor cells) for retinal disease

The hRPC therapeutic candidate is currently undergoing Phase 2a clinical evaluation for the treatment of the inherited blindness-causing disorder retinitis pigmentosa (RP). The study uses a cryopreserved hRPC formulation, enrols subjects with advanced RP with some remaining central vision and, prior to 2021, has been conducted at two clinical sites in the US. Having received regulatory approvals in the UK and in Spain, the Company now has three clinical sites in the US, one in the UK and one in Spain.

In June 2020, we announced an update regarding the ongoing Phase 2a study of our hRPC cell therapy candidate in RP patients. The data at that point continued to demonstrate the efficacy of the therapy, with a clinically meaningful benefit being observed at all time-points. In January 2021, we confirmed that all patients in the study had reached 6 months follow-up post-treatment, eight patients had reached 9 months follow-up, seven patients had reached 12 months follow-up and two patients had reached 18 months follow-up. Following the commencement of the high dose extension of this Phase 2a study, we look forward to presenting further data from this study later in Q4 2021.

In January 2021, the Company announced the completion of dosing of the first cohort of three subjects in the Phase 2a extension segment of the study. This segment of the study is treating up to nine subjects with RP at a higher dose level than the first 10 subjects already treated in the study. In line with the clinical trial protocol, the Data & Safety Monitoring Board for the study has reviewed the short-term safety data from this first cohort and gave its approval for the study to proceed to dosing the next cohort.

Also in January 2021, the Company was pleased to report that a subject had been dosed in the study at a new US site, the prestigious Casey Eye Institute, Oregon Health & Science University. The Principal Investigator at this new site is Mark Pennesi, MD, PhD, Associate Professor of Ophthalmology, Kenneth C. Swan Endowed Professor and Chief, Paul H. Casey Ophthalmic Genetics Division.

We have previously announced that we have received regulatory approval to expand the Phase 2a study in the UK and regulatory approval has also been received to expand the Phase 2a study in Spain. The Company has activated two new sites in the UK and in Spain (The Oxford Eye Hospital and The Institut de la Màcula, Barcelona) to expand the Phase 2a extension study outside the US, thus representing a total of four active sites worldwide.

In early June 2021, we announced that unfortunately, following a successful surgical procedure, the most recently enrolled subject presented with a presumed bacterial intraocular infection in the treated eye which impacted their vision, and was treated initially with an appropriate regimen of antibiotics, to which they responded with clinical improvement. Systemic anti-inflammatory therapy was subsequently added, and the subject continues to improve on this regimen.

As a precaution we temporarily suspended the dosing of further subjects in the study while we undertook an investigation into the cause of the event. The origin of the presumed infection is not clear however investigations have shown no evidence of a causal link to the drug product. The conclusions of the investigation were submitted to the Data & Safety Monitoring Board (DSMB) and the DSMB agreed that the study may proceed. The study has reopened for enrolment in the US and regulatory filings are being made to reopen the study in the UK and Spain. It is anticipated that this process will conclude in August and if so this would allow dosing to resume in all three territories.

There is a pipeline of subjects in screening which gives the Company confidence that following the impending re-start of the Phase 2a study, all subjects will be treated within the next quarter. Data from the earlier cohorts of

subjects indicate that 3-month data have been a good predictor for 12-month data and the plan is to present a minimum of 3-month data for the subjects from the extension segment of the Phase 2a study.

The Company anticipates that, subject to the sufficiency of this expanded Phase 2a data, it will be able to seek regulatory approval to commence a pivotal clinical study in the second half of 2022 with its hRPC cell therapy candidate in RP. The pivotal study will be designed to demonstrate further the safety and efficacy of this treatment and, assuming a successful outcome, enable ReNeuron to seek marketing approvals for its hRPC cell therapy candidate in RP in selected major markets.

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 designated products may also be eligible for accelerated approval and priority review processes at FDA.

During the period, we were pleased to announce that the US Patent and Trademark Office (USPTO) had completed its examination of the Company's patent application (14/379,239), entitled "Phenotype profile of human retinal progenitor cells", and the patent was granted in September 2020 (patent number 10,758,572). The allowed patent protects the composition of our hRPC cell therapy candidate for retinal diseases and adds further intellectual property protection to the hRPC technology, which already has patent protection in a number of other major territories including Europe, Japan and Australia.

Exosome platform

ReNeuron is developing its exosome platform in collaboration with pharmaceutical, biotechnology and academic partners as a novel delivery vehicle for third party therapeutic agents targeting the brain and other parts of the body. The Company’s proprietary cell lines produce a panel of distinct exosome drug delivery candidate tools with commercial potential, and the Company’s iPSC programme provides an opportunity to generate additional bespoke tissue-specific exosomes. This extensive repertoire of exosome candidates has the potential to target a variety of indications and tissues. Exosomes produced by the Company’s neural stem cell line, CTX, can be manufactured through a fully qualified, xeno-free, scalable process and 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. These exosomes have also been shown to exhibit a natural ability to cross the blood brain barrier.

ReNeuron is exploring multiple strategies for loading exosomes and has signed a further four separate research collaboration agreements with major pharmaceutical/biotechnology companies on these projects during the period.

These collaborations have demonstrated efficient loading of nucleic acid payloads in the Company’s exosomes and functional payload delivery, in vivo, to the brain and peripheral tissues via systemic administration.

Specifically, target knockdown by exosome candidates was assessed in multiple brain regions and in key peripheral tissues including the heart, the kidney and the skeletal muscle. Evidence of target knockdown was observed in each of these organs suggesting these exosomes have the potential to deliver payloads to therapeutically-meaningful levels to a variety of tissues. These studies have also anticipated that exosomes are well-tolerated, laying the foundation for expansion to functional delivery studies.

The Company has initiated two additional collaborations with leading academic institutions in the UK and mainland Europe. One key aim of these studies is to consolidate data from a recent pilot study which showed that exosome-loaded growth factors can engage target receptors in the CNS. Confirmation of these findings will enable further studies examining functional delivery of growth factors by the Company's exosomes.

In addition to exploiting natural exosome tissue specificity, ReNeuron has also now successfully decorated the surface of its neural stem-cell derived exosomes with a specific tissue-targeting peptide. This proprietary peptide was modified to enhance binding to the exosome surface, resulting in a several fold increase in surface binding compared with unmodified peptide. This complex has been shown to be stable, enabling the next phase of this collaboration, which aims to confirm that the peptide promotes exosome targeting to additional tissues in vivo. This peptide platform has the potential to generate further targeting peptides that would rapidly expand the therapeutic reach of ReNeuron's exosome candidates.

Further data across these collaborations are expected during the course of the next six months, which, if positive, will enable subsequent potential out-licensing deals with the Company's exosome platform.

Induced Pluripotent Stem Cell (iPSC) Platform

During the period, we have also progressed our CTX cell-based iPSC technology in a number of potential applications. We are deploying this technology to develop new, immortalised allogeneic cell lines of varying types as potential therapeutic agents in diseases of unmet medical need for subsequent licensing to third parties.

Our CTX-iPSCs can be differentiated into hematopoietic stem cells, lymphoid progenitors and, of great interest for cancer immunotherapy, NK and killer T-cells. We are currently collaborating with a commercial third party to explore the possibility of large-scale *in vitro* expansion of CTX-iPSC-derived hematopoietic stem cells and discussions are ongoing with other interested parties in the immunotherapy field.

We have also produced pancreatic progenitor cells from our CTX-iPSCs and from these, insulin-producing β-islet cells. We are currently scaling up this process prior to phenotype analysis and confirmation of the glucose responsiveness of these derived, mature β-islets.

Other activities

During the period, 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 iPSC platforms. As a result, we have closed down the PISCES III clinical trial of our CTX cell therapy candidate for stroke disability in the US and our stroke disability programme will now only continue through partnerships, as it is our stated intention to license out the CTX cell therapy candidate in other indications.

Financial review

Revenues in the year amounted to £0.3 million representing royalties from non-therapeutic licensing activities and income from research collaboration activities (2020: £6.1 million; £0.1 million of royalties plus 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). Grant income of £0.1 million (2020: £0.1 million) was received in the period and is shown as other operating income. The 2021 figure represents funds received under the Government's Coronavirus Job Retention Scheme.

Total operating costs reduced in the period to £13.2 million (2020: £20.6 million). This reduction in costs follows a review of programme priorities and resource requirements, with the Company making the decision to focus its resources on its retinal disease programme and its exosome and iPSC platforms. Research and development costs

in the year reduced to £9.5 million (2020: £16.3 million), primarily reflecting the cost savings achieved as a result of this review and accounting for 72% of operating expenses (2020: 79%). General and administrative expenses reduced to £3.7 million (2020: £4.2 million).

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 £20,000 in the period (2020: £0.6 million). In 2020, finance income included foreign exchange gains of £0.3 million. In 2021, the movement in exchange rates has led to a foreign exchange loss of £0.5 million, which is therefore included in finance expense. Finance expense also includes lease interest of £32,000 (2020: £42,000). The Group holds cash and investments in foreign currencies in order to hedge against operational spend and the strengthening of sterling against the US dollar during the period has resulted in a relative devaluation of the Group's foreign currency deposits.

The total tax credit for the period was £2.0 million (2020: £3.0 million). The figure in 2020 was offset by overseas taxes paid of £0.6 million, related to the income received from Fosun Pharma, to give a net reported tax credit of £2.4 million. The reduction in the tax credit reflects the reduction in research and development costs.

As a result of the above, the total comprehensive loss for the year reduced marginally to £11.3 million (2020: £11.4 million).

Net cash used in operating activities in the period reduced to £6.1 million (2020: £14.3 million), broadly reflecting the above-mentioned reduction in operating costs and the receipt during the period of the £2.9 million tax credit due for the year ended 31 March 2019; the figure in 2020 being 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 £22.2 million at the year-end (2020: £12.6 million). In December 2020, the Company raised £17.5 million, before expenses, by means of a placing, subscription and open offer.

Summary and outlook

During the period under review, we have continued to generate encouraging positive efficacy data from the initial cohorts of subjects in the ongoing Phase 2a clinical trial of our hRPC cell therapy candidate in RP. Having received regulatory approvals in the UK and Spain to expand the ongoing study outside the US, we look forward to continuing treatment of patients at a higher dose level and will be pleased to present further data from this extended study in Q4 2021. The enhanced data set will inform the design of the subsequent pivotal Phase 3 study required for marketing approval, which is anticipated to commence in H2 2022.

Our exosome and iPSC platforms have also progressed well during the period, with multiple industry-based collaborations now in progress across both platforms and the prospect of pre-clinical proof-of-concept data over the coming months.

Our decision earlier this year to focus the Company’s resources on our retinal disease programme and our exosome and iPSC platforms has resulted in significantly lowered operating costs, as reflected in the results for the year. This renewed clarity of focus, together with the fundraise in December, will enable us to reach important, data-driven potential value inflection points across our programmes over the next 12 months.

Olav Hellebø
Chief Executive Officer

Group Statement of Comprehensive Income for the year ended 31 March 2021

	Note	**2021 £'000**	2020 £'000
Revenue		**257**	6,065
Other income		**78**	100
Research and development costs	4,5	**(9,503)**	(16,335)
General and administrative costs	5	**(3,746)**	(4,239)
Operating loss		**(12,914)**	(14,409)
Finance income		**20**	593
Finance expense		**(516)**	(42)
Loss before income tax		**(13,410)**	(13,858)
Taxation	6	**2,063**	2,446
Loss and total comprehensive loss for the year		**(11,347)**	(11,412)
Loss and total comprehensive loss attributable to equity owners of the Company		**(11,347)**	(11,412)
Basic and diluted loss per ordinary share	7	**(29.0p)**	(35.9p)

Group Statement of Financial Position as at 31 March

	Note	**2021 £'000**	2020 £'000
Assets			
Non-current assets			
Property, plant and equipment		**213**	452
Right-of-use asset		**473**	591
Intangible assets		**186**	186
		872	1,229
Current assets			
Trade and other receivables		**444**	696
Income tax receivable		**1,832**	5,826
Investments – bank deposit		**7,500**	-
Cash and cash equivalents		**14,703**	12,625
		24,479	19,147
Total assets		**25,351**	20,376
Equity			
Equity attributable to owners of the Company			
Share capital		**569**	318
Share premium account		**113,904**	97,890
Capital redemption reserve		**40,294**	40,294
Merger reserve		**2,223**	2,223
Accumulated losses		**(138,085)**	(127,502)
Total equity		**18,905**	13,223
Liabilities			
Current liabilities			
Trade and other payables		**5,727**	6,280
Lease liabilities		**157**	166
		5,884	6,446
Non-current liabilities			
Lease liabilities		**562**	707
		562	707
Total liabilities	8	**6,446**	7,153
Total equity and liabilities		**25,351**	20,376

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 2019	**316**	**97,704**	**40,294**	**2,223**	**(117,293)**	**23,244**
Issue of ordinary shares	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**
Issue of ordinary shares	251	17,251	–	–	–	17,502
Costs of share issue	–	(1,237)	–	–	–	(1,237)
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**

Group Statement of Cash Flows for the year ended 31 March

	Note	**2021** **£'000**	2020 £'000
Cash flows from operating activities			
Cash used in operations	9	**(12,075)**	(13,651)
Overseas taxes paid		**(5)**	(611)
Income tax credit received		**6,061**	-
Interest paid		**(33)**	(42)
Net cash used in operating activities		**(6,052)**	(14,304)
Cash flows from investing activities			
Capital expenditure - Fixed Assets		**(25)**	(119)
Interest received		**27**	300
Net cash generated from investing activities		**2**	181
Cash flows from financing activities			
Proceeds from the issue of ordinary shares		**17,502**	188
Costs of share issue		**(1,237)**	-
Bank deposit (invested)/matured		**(7,500)**	6,093
Lease payments		**(154)**	(144)
Lease finance		**-**	12
Net cash generated from financing activities		**8,611**	6,149
Net increase/(decrease) in cash and cash equivalents		**2,561**	(7,974)
Effect of FX movements on cash balances		**(483)**	167
Cash and cash equivalents at the start of year		**12,625**	20,432
Cash and cash equivalents at the end of the year		**14,703**	12,625

Notes to the financial information for the year ended 31 March 2021

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 admitted to trading on the AIM market 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 2021 and audited financial information for the year ended 31 March 2020 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 2021 which will be delivered to the Registrar of Companies in due course. Statutory financial statements for the year ended 31 March 2020 were approved by the Board of directors on 12 August 2020 and have been delivered to the Registrar of Companies. The report of the auditors on these financial statements was unqualified but did include an emphasis of matter paragraph regarding a material uncertainty related to going concern.

The financial statements have been prepared in accordance with International Accounting Standards in conformity with the Companies Act 2006 (IFRS), and the applicable legal requirements of the Companies Act 2006.

Whilst the financial information included in this preliminary announcement has been prepared in accordance with 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 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. The Group had cash, cash equivalents and bank deposits totalling £22.2 million at the year-end (2020: £12.6 million). In December 2020, the Company raised £17.5 million, before expenses, by means of a placing, subscription and open offer.

Based on the above, the Directors expect that the Group's current financial resources will be sufficient to support operations for at least the next 12 months from the date of these financial statements and the Directors are continually reviewing options to secure further funding to finance the future needs of the business. The Group therefore continues to adopt the going concern basis in the preparation of these financial statements.

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

	2021	2020
	£'000	£'000
Loss before income tax is stated after charging:		
Research and development costs:		
Employee benefits	**3,258**	4,502
Depreciation of property, plant and equipment	**216**	228
Depreciation of right-of-use asset	**19**	25
Lease payment	**6**	-
Other expenses	**6,004**	11,580
Total research and development costs	**9,503**	16,335
General and administrative costs:		
Employee benefits	**2,190**	2,166
Legal and professional fees	**653**	911
Depreciation of property, plant and equipment	**46**	59
Depreciation of right-of-use asset	**99**	100
Loss on disposal of fixed assets	**2**	-
Other expenses	**75**	1,003
Total general and administrative costs	**3,746**	4,239
Total research and development costs and general and administrative costs	**13,249**	20,574

6. Taxation

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% (2020: 14.5%) on 230% (2020: 230%) of qualifying expenditure for the year to 31 March 2021.

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

	2021	2020
	£'000	£'000
UK research and development tax credit at 14.5% (2020: 14.5%)	**2,068**	3,057
Overseas taxation	**(5)**	(611)
	2,063	2,446

	2021	2020
	£'000	£'000
Loss before income tax	**13,410**	13,858
Loss before income tax multiplied by the main rate of corporation tax of 19% (2020: 19%)	**2,548**	2,633
Effects of:		
– difference between depreciation and capital allowances	**(33)**	(22)
– expenses not deductible for tax purposes	**(132)**	(612)
– losses not recognised	**(550)**	900
– adjustments in respect of prior year	**236**	158
Overseas taxes paid	**(5)**	(611)
Tax credit	**2,063**	2,446

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 £11,347,000 (2020: 11,412,000) by 39,128,925 shares (2020: 31,811,456 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

	2021	2020
	£'000	£'000
Trade and other payables due within three months	**5,727**	6,280
Current lease liabilities – due within one year	**157**	166
Non-current lease liabilities – due after more than one year	**562**	707
	6,446	7,153

9. Cash used in operations

	Year ended 31-Mar 2021	Year ended 31-Mar 2020
	£'000	£'000
Loss before income tax	**(13,410)**	(13,858)
Adjustments for:		
Finance income	**(20)**	(593)
Finance expense	**516**	42
Depreciation of property, plant and equipment	**262**	287
Depreciation of Right-of-use-asset	**118**	125
Loss on disposal of fixed assets	**2**	-
Share-based payment charges	**764**	1,203
Changes in working capital:		
Receivables	**245**	126
Payables	**(552)**	(983)
Cash used in operations	**(12,075)**	(13,651)