04 July 2022 AIM: RENE

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

Preliminary Results for the year ended 31 March 2022

Strategic shift to fully focus on ReNeuron's Proprietary Exosomes Platform

ReNeuron Group plc (AIM: RENE), a UK based leader in stem cell derived exosome technologies, announces its preliminary results for the year ended 31 March 2022.

OPERATIONAL HIGHLIGHTS

Exosomes Platform

- Following a strategic review in January, 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 new 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

Corporate and Organisational Development

- 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

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

- Additionally, during the period, 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

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

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 period 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 II 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

FINANCIAL HIGHLIGHTS

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

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

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

- 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

Iain Ross, Chairman said: *"During the period tough decisions have been taken, the business model re-focussed and the Board and Management team strengthened in line with our future goals. Personally, I have been most impressed with the competence, resilience and determination of the ReNeuron team and look forward to driving the business forward, executing a realistic plan and achieving meaningful milestones over the next 12 months."*

Analyst briefing
Iain Ross, Interim Executive Chairman, Catherine Isted, Chief Financial Officer and Dr Randolph Corteling, Head of Research will be hosting a briefing for analysts which will take place at 75 King William St, London, EC4N 7BE on Monday 4 July 2022 at 13.00 (GMT) / 08:00 EST. A live webcast of the presentation will also be available for those unable to attend the meeting in-person.

For more information and to register to attend the meeting in-person or require the link to the live webcast, please email reneuron@walbrookpr.com or call +44 (0)20 7933 8785.

Investor Briefing
Management will be hosting a live online presentation relating to the preliminary results via the Investor Meet Company platform at 15.00 (GMT) on Monday 4 July. The presentation is open to all existing and potential shareholders.

Investors can sign up to Investor Meet Company for free and register for the presentation here: https://www.investormeetcompany.com/reneuron-group-plc/register-investor

Enquiries:

ReNeuron	www.reneuron.com/investors
Iain Ross, Chairman	Via Walbrook PR
Catherine Isted, Chief Financial Officer	
Liberum Capital Limited (NOMAD and Joint Broker)	+44 (0)20 3110 2000
Phil Walker (Investment Banking)	
Richard Lindley (Investment Banking)	
Ben Cryer (Investment Banking)	
Allenby Capital Limited (Joint Broker)	+44 (0)20 3328 5656
James Reeve/George Payne (Corporate Finance)	
Stefano Aquilino (Sales & Corporate Broking)	
Walbrook PR (Media & Investor Relations)	+44 (0)20 7933 8780 or reneuron@walbrookpr.com
Paul McManus / Alice Woodings	+44 (0)7980 541 893 / +44 (0)7407 804 654

About ReNeuron

ReNeuron is a UK based leader in proprietary stem cell derived exosome technologies, harnessing its unique stem cell technologies to develop 'off the shelf' treatments for diseases with significant unmet needs.

ReNeuron's stem cell derived proprietary exosome technology platform offers a delivery mechanism for a variety of payloads such as siRNA, mRNA, proteins, small molecules and genes. The Group has a growing number of partner collaborations with Global Pharma, Biotech and academic partners in this fast-expanding area of scientific and commercial interest. ReNeuron also has the ability, through its conditionally immortalised induced pluripotent stem cell (iPSC) platform, to make allogeneic tissue cells of choice and has the potential to produce exosomes with tissue specific targeting ability.

The Group has out-licenced its CTX Programme for stroke disability and hRPC programme in retinitis pigmentosa to Fosun in China and is looking to out-license both of these programmes in other territories.

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 also 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.

Interim Results for the year ended 31 March 2022

CHAIRMAN'S STATEMENT

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 re-organise 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 re-organise 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 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

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 period with cash of £14.5 million, providing a current cash runway to at least mid-calendar year 2023, 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 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.

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 period 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.

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 10 patients with a 1 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 2 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 2 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 1 million cell dose. While there have been no serious adverse events (SAEs) attributed to the drug itself, it was decided that a 2 million cell dose was not a viable dosing regimen. Additionally, analysis of the 24-month data at the 1 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 1m 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 (Interim Executive Chairman); 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. Rick Beckman, the Group's CMO and lead for the RP programme stepped down in the period.

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 our 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
Chief Financial Officer

FINANCIAL REVIEW

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 period 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 condensed financial statements.

FINANCIAL HIGHLIGHTS (£'000)	Year ended 31 March 2022	Year ended 31 March 2021
Revenue	403	257
Total comprehensive loss	9,689	11,347
Operating expenses	11,631	13,249
Net cash used in operating activities	7,411	6,052
Cash, cash equivalents & bank deposits	14,548	22,203

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 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 period 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.

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 period 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 period increased to £7.4 million (2021: £6.1 million). However, there is an underlying reduction in net cash used 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
Chief Financial Officer

Financial Statements

Condensed Consolidated Statement of Comprehensive Income

for the year ended 31 March 2022

	Note	**Unaudited 2022 £'000**	Audited 2021 £'000
Revenue		**403**	257
Other income		**-**	78
Research and development costs	4,5	**(8,068)**	(9,503)
General and administrative costs	5	**(3,563)**	(3,746)
Operating loss		**(11,228)**	(12,914)
Finance income		**195**	20
Finance expense		**(25)**	(516)
Loss before income tax		**(11,058)**	(13,410)
Taxation	6	**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	7	**(17.0p)**	(29.0p)

Condensed Consolidated Statement of Financial Position

as at 31 March 2022

	Note	**Unaudited 2022 £'000**	Audited 2021 £'000
Assets			
Non-current assets			
Property, plant and equipment		**288**	213
Right-of-use asset		**373**	473
Intangible assets		**186**	186
		847	872
Current assets			
Trade and other receivables		**536**	444
Income tax receivable		**1,392**	1,832
Investments – bank deposit		**5,000**	7,500
Cash and cash equivalents		**9,548**	14,703
		16,476	24,479
Total assets		**17,323**	25,351
Equity			
Equity attributable to owners of the Company			
Share capital		**571**	569
Share premium account		**113,925**	113,904
Capital redemption reserve		**40,294**	40,294
Merger reserve		**2,223**	2,223
Accumulated losses		**(147,125)**	(138,085)
Total equity		**9,888**	18,905
Liabilities			
Current liabilities			
Trade and other payables		**6,873**	5,727
Lease liabilities		**146**	157
		7,019	5,884
Non-current liabilities			
Lease liabilities		**416**	562
		416	562
Total liabilities	8	**7,435**	6,446
Total equity and liabilities		**17,323**	25,351

Condensed Consolidated Statement of Changes in Equity

for the year ended 31 March 2022

	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 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 (audited)	**569**	**113,904**	**40,294**	**2,223**	**(138,085)**	**18,905**
Issue of ordinary shares	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 (unaudited)	**571**	**113,925**	**40,294**	**2,223**	**(147,125)**	**9,888**

Condensed Consolidated Statement of Cash Flows

for the year ended 31 March 2022

	Note	**Unaudited 2022 £'000**	Audited 2021 £'000
Cash flows from operating activities			
Cash used in operations	9	**(9,196)**	(12,075)
Overseas taxes paid		**(52)**	(5)
Income tax credit received		**1,862**	6,061
Interest paid		**(25)**	(33)
Net cash used in operating activities		**(7,411)**	(6,052)
Cash flows from investing activities			
Capital expenditure - Fixed Assets		**(302)**	(25)
Interest received		**26**	27
Net cash (used in)/generated from investing activities		**(276)**	2
Cash flows from financing activities			
Proceeds from the issue of ordinary shares		**23**	17,502
Costs of share issue		**-**	(1,237)
Bank deposit matured/(invested)		**2,500**	(7,500)
Lease payments		**(157)**	(154)
Net cash generated from financing activities		**2,366**	8,611
Net (decrease)/increase in cash and cash equivalents		**(5,321)**	2,561
Effect of FX movements on cash balances		**166**	(483)
Cash and cash equivalents at the start of year		**14,703**	12,625
Cash and cash equivalents at the end of the year		**9,548**	14,703

Notes to the Financial Statements

for the year ended 31 March 2022

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 2022 and audited financial information for the year ended 31 March 2021 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 2022 which will be delivered to the Registrar of Companies in due course and the report of the auditors for these statutory financial statements is expected to include an emphasis of matter in respect of a material uncertainty in relation to going concern, as further outlined in note 3. Statutory financial statements for the year ended 31 March 2021 were approved by the Board of directors on 6 August 2021 and have been delivered to the Registrar of Companies. The report of the auditors on these financial statements was unqualified.

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 2021.

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 companies 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 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

	Unaudited 2022 £'000	Audited 2021 £'000
Loss before income tax is stated after charging:		
Research and development costs:		
Employee benefits	**2,530**	3,258
Depreciation of property, plant and equipment	**199**	216
Depreciation of right-of-use asset	**-**	19
Other expenses	**5,339**	6,010
Total research and development costs	**8,068**	9,503
General and administrative costs:		
Employee benefits	**2,308**	2,190
Legal and professional fees	**176**	653
Depreciation of property, plant and equipment	**25**	46
Depreciation of right-of-use asset	**100**	99
Loss on disposal of fixed assets	**3**	2
Other expenses	**951**	75
Total general and administrative costs	**3,563**	3,746
Total research and development costs and general and administrative costs	**11,631**	13,249

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:

	Unaudited 2022 £'000	Audited 2021 £'000
UK research and development tax credit at 14.5% (2021: 14.5%)	**1,421**	2,068
Overseas taxation	**(52)**	(5)
	1,369	2,063

	Unaudited	Audited
	2022	2021
	£'000	£'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	**(644)**	(550)
– adjustments in respect of prior year	**30**	236
Overseas taxes paid	**(52)**	(5)
Tax credit	**1,369**	2,063

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 £9,689,000 (2021: 11,347,000) by 56,975,677 shares (2021: 39,128,925 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

	Unaudited	Audited
	2022	2021
	£'000	£'000
Trade and other payables due within twelve months	**6,873**	5,727
Current lease liabilities – due within one year	**146**	157
Non-current lease liabilities – due after more than one year	**416**	562
	7,435	6,446

9. Cash used in operations

	Unaudited Year ended 31-Mar 2022 £'000	Audited Year ended 31-Mar 2021 £'000
Loss before income tax	**(11,058)**	(13,410)
Adjustments for:		
Finance income	**(195)**	(20)
Finance expense	**25**	516
Depreciation of property, plant and equipment	**224**	262
Depreciation of right-of-use-asset	**100**	118
Loss on disposal of fixed assets	**3**	2
Share-based payment charges	**649**	764
Changes in working capital:		
Receivables	**(90)**	245
Payables	**1,146**	(552)
Cash used in operations	**(9,196)**	(12,075)

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

	Unaudited 2022 £'000	Audited 2021 £'000
(Decrease)/increase in cash and cash equivalents	**(5,321)**	2,561
Effect of foreign exchange differences	**166**	(484)
Lease repayments	**182**	187
Lease interest	**(25)**	(32)
Net funds at start of period	**13,984**	11,752
Net funds at end of period	**8,986**	13,984

11. Analysis of net funds

	Unaudited 2022 £'000	Audited 2021 £'000
Cash and cash equivalents	**9,548**	14,703
Lease liabilities	**(562)**	(719)
Net funds	**8,986**	13,984