

Board of directors



John Berriman
Non-executive Chairman

Appointed

John Berriman was appointed to the Board in July 2011 and became Chairman in March 2015.

External appointments

He is currently also chairman of Confo Therapeutics NV, Autifony Therapeutics Ltd and Depixus SAS, and Deputy Chairman (non-executive) of Autolus Therapeutics plc.

Experience and skills

He is past chairman of Heptares Therapeutics Ltd (sold to Sosei in February 2015) and Algeta ASA (sold to Bayer AG in 2014) and was a director of Micromet Inc. until its sale to Amgen in 2012. Previously he was a director of Abingworth Management, an international healthcare venture capital firm.

Key: Committees

- A** Audit
- R** Remuneration
- N** Nominations and Corporate Governance
- Committee Chair



Olav Hellebø
Chief Executive Officer

Appointed

Olav Hellebø was appointed to the Board in September 2014.

Experience and skills

Prior to ReNeuron, he held the role of CEO at Clavis Pharma ASA, a Norwegian, oncology-focused, listed biotechnology company. He joined Clavis from UCB where he built the global organisation responsible for the successful registration and launch of the anti-TNF Cimzia®. Mr Hellebø was COO of Novartis UK and prior to that held a series of senior roles at Schering Plough, including US marketing director for Claritin and head of the Biotech Oncology Business Unit in the USA.



Michael Hunt ACA
Chief Financial Officer

Appointed

Michael Hunt joined ReNeuron in 2001. Between 2005 and 2014 he served as its CEO, leading the business through its early development to its current position as one of the global, clinical-stage leaders in the regenerative medicine field. He was appointed as Chief Financial Officer in 2014.

External appointments

He sits on the Board and Executive Committee of the US-based Alliance for Regenerative Medicine (ARM) and is a founding member and co-chair of ARM's European Section. He sits on the UK BioIndustry Association's Cell & Gene Therapy Advisory Committee and its Finance and Tax Advisory Committee and is a member of the Cell & Gene Therapy Catapult's Advisory Panel.

Experience and skills

He sits on the Board and Executive Committee of the US-based Alliance for Regenerative Medicine (ARM) and is a founding member and co-chair of ARM's European Section. He sits on the UK BioIndustry Association's Cell & Gene Therapy Advisory Committee and its Finance and Tax Advisory Committee and is a member of the Cell & Gene Therapy Catapult's Advisory Panel.



Simon Cartmell OBE
Non-executive Director

A R N

Appointed

Simon Cartmell OBE was appointed to the Board in July 2011.

External appointments

He is an experienced non-executive director currently chairing OssDsign AB, Oviva AG and Ieso Digital Health Ltd. He is also non-executive director of BoneSupport Holding AB and is active in charitable educational activities through the Worshipful Company of Haberdashers.

Experience and skills

As CEO of ApaTech Ltd, he built a world leader in orthobiologics and led its sale to Baxter International Inc. in March 2010. Prior to ApaTech he was CEO of Celltech Pharmaceuticals and a director of Celltech Group plc before which he was COO of Vanguard Medica plc. His early career was spent at Glaxo plc in multiple senior UK and global commercial strategy, product development, supply chain, marketing, sales and business development roles. Most recently he has served as an operating partner for Imperial Innovations plc, latterly IP Group plc after its acquisition, a leading UK bioscience venture capital firm.



Dr Tim Corn
Non-executive Director

A R

Appointed

Dr Tim Corn was appointed to the Board in June 2012.

External appointments

He serves as Chief Medical Officer of both Izana Bioscience and Akasa Bioscience, and Trustee of Nerve Tumours UK.

Experience and skills

He was formerly Chief Medical Officer at EUSA Pharma (sold to Jazz Pharmaceuticals in 2016) and at Zeneus Pharma (sold to Cephalon in 2006), as well as non-executive director at Circassia Pharmaceuticals plc, Neurocentrx Pharma Ltd and HRA Pharma.

He has held senior medical, clinical and regulatory positions in both big and small pharma as well as in the UK regulatory agency and has played a key role in more than 20 regulatory approvals in the USA and Europe for products mainly in the fields of neurology and oncology.



Dr Claudia D'Augusta
Non-executive Director

A N

Appointed

Dr Claudia D'Augusta was appointed to the Board in September 2017.

External appointments

She is the CFO of VectivBio AG, a global biotechnology company created in July 2019 as a spin-out of Therachon, recently acquired by Pfizer for up to \$810 million.

Experience and skills

She has over 20 years' experience in corporate finance, capital markets and M&A. Before joining Therachon in January 2019, she was CFO, then general manager at TiGenix (now Takeda) where she led the company's IPO on NASDAQ in 2016. She also served as CFO of Cellerix and led its merger with TiGenix. She was also finance director of Aquanima (Santander Group). Previous experience includes roles in corporate finance and M&A at Deloitte & Touche in Milan and Apax Partners in Madrid. She holds a degree in Economics and a Ph.D. in Business Administration from the University of Bocconi, Italy.



Professor Sir Chris Evans OBE
Non-executive Director

Appointed

Professor Sir Chris Evans OBE was appointed to the Board in August 2013.

External appointments

He was the founder of Chiroscience, Celsis, Biovex, Merlin Biosciences, Vectura, Piramed, Excalibur Group, Arthurian Life Sciences, Arix Bioscience plc and Proton Partners. He is also currently Founder and Chairman of Ellipses Pharma, a new cancer medicines company.

Experience and skills

He has built over 50 medical companies from scratch, many from his own ideas and inventions, and floated 20 new medical businesses on stock markets in six different countries. He has created companies worth over \$7 billion, employing over 4,000 scientists, built hundreds of complex medical laboratories and facilities around the world and positively impacted many millions of lives with his work. He has also raised \$2 billion for cancer research projects. He has received numerous prestigious awards and medals for his work and was knighted in the year 2000.



Dr Mike Owen
Non-executive Director

Appointed

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

External appointments

He currently serves as a director of Zealand Pharma, Ossianix Inc, Ossianix UK Ltd, Avacta Group plc, GammaDelta Therapeutics Ltd, Sarium Holdings plc and Ikusda Therapeutics Ltd. He is also a member of the scientific advisory board at Avacta.

Experience and skills

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

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

Fellowships

He is a Fellow of the Academy of Medical Sciences.

Senior management



Dr Richard Beckman
Chief Medical Officer

Appointed

Dr Richard Beckman was appointed Chief Medical Officer in April 2018.

Experience and skills

Prior to joining ReNeuron, Dr Beckman was the Chief Medical Officer of several innovative biotech and device firms, including Clearside, Ophthotech and Neurotech. Prior to that, he had leadership roles at Alcon, Lux Bio, Becton Dickinson and Allergan.

Dr Beckman received his MD from the University of Michigan, completed a residency in ophthalmology at Henry Ford Hospital, and a glaucoma fellowship at the Mass. Eye and Ear Infirmary/Harvard University. Prior to joining the industry, he practised in academic medicine for three years at Cornell University Medical College and was in private practice for ten years.



Dr Randolph Corteling
Head of Research

Appointed

Dr Randolph Corteling was appointed Head of Research in April 2015 having been a senior member of the research team since 2007.

Experience and skills

Prior to joining ReNeuron, Dr Corteling started his scientific career as a Research Associate at Novartis, before undertaking a PhD in Medical and Surgical Sciences at The University of Nottingham. He then spent three years in Canada as a Heart and Stroke Foundation Fellow before joining ReNeuron in 2007. During his career Dr Corteling has developed a number of new discoveries along with a thorough understanding of cell and stem cell biology, with a particular interest and expertise in the role of extracellular vesicles and exosomes.



Shaun Stapleton
Vice President Regulatory Affairs and Pharmacovigilance

Appointed

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

Experience and skills

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



Directors' report

for the year ended 31 March 2020

The Directors present their report and the audited consolidated financial statements of the Company for the year ended 31 March 2020.

Presentation of financial statements

The Group accounts include the financial statements of the Company and its subsidiary undertakings made up to 31 March 2020.

Future developments

Future developments are set out in the Strategic Report on pages 08 to 33.

Results and dividends

The results for the year are given in the Group statement of comprehensive income set out on page 61. The Directors do not recommend the payment of a dividend (2019: £nil).

Research and development

During the year the Group incurred research and development costs of £16,335,000 (2019: £16,246,000) all charged to the statement of comprehensive income.

Events after the reporting period

During March 2020, the COVID-19 pandemic became increasingly prevalent in the UK and US where the Group's principal operations are conducted. The Group 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. Patient recruitment has been on hold in the Group's clinical trials due to the COVID-19 restrictions but we expect to commence treating patients shortly in our Phase 1/2a clinical trial in retinitis pigmentosa, subject to a continued easing of COVID-19 related restrictions at the relevant clinical sites.

The Group and its employees have adapted to new working arrangements, with home-working implemented

wherever possible and where it is necessary for staff to attend the Group's premises, appropriate social distancing and hygiene practices have been implemented.

Financial risk management

Financial risk management is set out in note 24 to the financial statements and also in risks and uncertainties on pages 30 to 33.

Directors

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

John Berriman,
Non-executive Chairman

Olav Hellebø,
Chief Executive Officer

Michael Hunt,
Chief Financial Officer

Simon Cartmell OBE,
Non-executive Director

Dr Tim Corn,
Non-executive Director

Dr Claudia D'Augusta,
Non-executive Director

Professor Sir Chris Evans OBE,
Non-executive Director

Dr Mike Owen,
Non-executive Director

Qualifying third party indemnity

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

Going concern

The Group is expected to incur 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 and Company'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 and/or Company were unable to continue as a going concern.

Engagement with suppliers, customers and others

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

Energy and carbon reporting

The Company and its subsidiaries are low energy users, hence no energy usage information is provided.

Statement of Directors' responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and Parent Company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Parent Company and of the profit or loss of the Group and Parent Company for that period. In preparing the financial statements, the Directors are required to:

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

The Directors are also responsible for safeguarding the assets of the Group and Parent Company and hence for taking

reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Directors' confirmations

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

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

Independent auditors

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

Annual general meeting

The annual general meeting of the Company will be held at the offices of ReNeuron Group plc, Pencoed Business Park, Pencoed, Bridgend, CF35 5HY on 10 September 2020 at 10.00 a.m.

The Notice of the annual general meeting is enclosed on page 91 of this document. Shareholders should note the provisions set out in the Notice of the annual general meeting relating to the impact on the conduct of the meeting of the UK Government's measures for prevention of the spread of the COVID-19 virus.

On behalf of the Board



Michael Hunt

Director

12 August 2020



Corporate governance



This report provides general information on the Group's adoption of corporate governance principles. As an AIM-listed company, ReNeuron intends to adopt as far as possible the principles of the Quoted Companies Alliance Corporate Governance Code (the "QCA Code"). The QCA Code identifies ten principles to be followed in order for companies to deliver growth in long-term shareholder value, encompassing an efficient, effective and dynamic management framework accompanied by good communication to promote confidence and trust.

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

on the website and/or in the Group's Annual Report pertaining to the Group's application of the QCA Code.

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

The strategy and business operations of the Group are set out in the Strategic Report on pages 08 to 33.

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

The Group's overall strategic objective is to develop best-in-class cell-based therapies in its areas of therapeutic focus.

The Group has a balanced portfolio of cell-based platform technologies and therapeutic programmes targeting significant, unmet or poorly met areas of medical need. The Group deploys its financial and other resources towards gaining clinical validation for its therapeutic programmes, via well-designed clinical trials in well-regulated territories. Ultimately, the Directors believe that this approach will deliver significant long-term value for shareholders if the resulting clinical trial data are compelling.

At the appropriate stage of development, the Group may choose to realise monetary value in a therapeutic programme via high-value out-licensing deals with pharmaceutical or biotechnology companies with interests in the relevant therapeutic field and/or geographical territories. The out-licensing in April 2019 of the development and commercialisation of the Group's hRPC and CTX products to Fosun Pharma in China represents a successful manifestation of this strategy. Alternatively, and if resources permit, the Group may choose to advance a therapeutic candidate through late-stage clinical development unpartnered in order to retain the full value of the programme within the Group.

The Group has adopted a portfolio approach to its strategic assets and is not dependent on one particular platform technology, having developed therapeutic programmes around its hRPC retinal stem cell therapy, exosome platform, induced Pluripotent Stem Cells as well as its CTX neural stem cell based asset. The Directors believe that this approach helps to mitigate the risk of failure in any one particular programme.

The Group operates in an inherently high-risk and heavily regulated sector and this is reflected in the principal risks and uncertainties set out on pages 30 to 33. In executing the Group's strategy and operational plans, management will typically confront a range of day-to-day challenges associated with these key risks and uncertainties, and will seek to deploy the identified mitigation steps to manage these risks as they manifest themselves.

2. Seek to understand and meet shareholder needs and expectations

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

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

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

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

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

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

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

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

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

Corporate governance

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

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

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

A summary of the principal risks and uncertainties facing the Group, as well as mitigating actions, are set out on pages 30 to 33.

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

As at 31 March 2020, the Board comprised six Non-executive Directors, and two Executive Directors.

Directors' biographies are set out on pages 34 and 35.

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

John Berriman and Simon Cartmell OBE (having served for nine years and become non-independent under the QCA code of corporate governance) have expressed their intention not to seek re-election at the forthcoming annual general meeting of the Company and they and Dr Claudia D'Augusta will retire with effect from the close of that meeting thereby achieving the planned reconfiguration

of the non-executive membership of the Board. Dr Tim Corn will be appointed Chairman of the Company in place of John Berriman. Mark Evans will also be appointed as a representative of substantial shareholder Obotritia Capital KGaA with effect from the close of the Annual General Meeting.

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

11 formal Board meetings were held in the year ended 31 March 2020.

A summary of Board and Committee meetings attended in the year ended 31 March 2020 is set out below:

| Director | Board meetings | | Nominations and Corporate Governance Committee | | Audit Committee | | Remuneration Committee | |
|-------------|----------------|----------|------------------------------------------------|----------|-----------------|----------|------------------------|----------|
| | Attended | Eligible | Attended | Eligible | Attended | Eligible | Attended | Eligible |
| J Berriman | 11 | 11 | 2 | 2 | 0 | 0 | 0 | 0 |
| O Hellebø | 10 | 11 | 0 | 0 | 0 | 0 | 0 | 0 |
| M Hunt | 11 | 11 | 0 | 0 | 0 | 0 | 0 | 0 |
| S Cartmell | 10 | 11 | 2 | 2 | 2 | 2 | 9 | 9 |
| T Corn | 11 | 11 | 0 | 0 | 2 | 2 | 9 | 9 |
| C D'Augusta | 10 | 11 | 2 | 2 | 2 | 2 | 0 | 0 |
| C Evans | 6 | 11 | 0 | 0 | 0 | 0 | 0 | 0 |
| M Owen | 10 | 11 | 0 | 0 | 0 | 0 | 9 | 9 |

The Board considers itself to be sufficiently independent. The QCA Code suggests that a board should have at least two independent Non-executive Directors. The Company meets this requirement.

Non-executive Directors receive their fees in the form of a basic cash fee and an equity-based fee which takes the form of nominal price share options under the Company's Non-executive Share Option Scheme. To avoid any incentive effect that may influence the Non-executive Directors' independence, these share options vest over three years on a straight-line basis and are not subject to performance conditions. The option grants concerned are not deemed to be significant, either for any individual Non-executive Director or in aggregate. The current remuneration structure for the Board's Non-executive Directors is deemed to be proportionate and was subject to a shareholder consultation process prior to its implementation.

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

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

The Directors' biographies are set out on pages 34 and 35. The Board regularly reviews the composition of the Board to ensure that it has the necessary breadth and depth of skills to support the ongoing development of the Group.

The Chairman, in conjunction with the Company Secretary, ensures that the Directors' knowledge is kept up to date on key issues and developments pertaining to the Group, its operational environment and to the Directors' responsibilities as members of the Board. During the

course of the year, Directors received updates from the Company Secretary and various external advisers on a number of corporate governance matters.

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

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

The Board has a process for evaluation of its own performance, that of its committees and individual Directors, including the Chairman. This process is conducted biennially and last took place in May 2019. The Board utilises the services of an independent third party organisation to manage the evaluation process, analyse the results and report back to the Board for subsequent follow-up. Evaluation criteria include Controls and Procedures, Strategic Aims, Entrepreneurial Leadership and Communications and Relationships.

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

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

The Board seeks to maintain the highest standards of integrity and probity in the conduct of the Group's operations. These values are enshrined in the written policies and working practices adopted by all employees in the Group. An open culture is encouraged within the Group, with regular communications to staff regarding progress and staff feedback regularly sought. There is an Employee Engagement Group and a Staff Engagement Survey has been introduced which has delivered positive feedback. The Executive Committee regularly monitors the Group's cultural environment and seeks to address any concerns that may arise, escalating these to Board level as necessary.



Corporate governance

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

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

The Board has overall responsibility for promoting the success of the Group. The Executive Directors have day-to-day responsibility for the operational management of the Group's activities. The Non-executive Directors are responsible for bringing independent and objective judgement to Board decisions.

There is a clear separation of the roles of Chief Executive Officer and Non-executive Chairman. The Chairman is responsible for overseeing the running of the Board, ensuring that no individual or group dominates the Board's decision-making and ensuring the Non-executive Directors are properly briefed on matters. The Chairman has overall responsibility for corporate governance matters in the Group and chairs the Nominations and Corporate Governance Committee. The Chief Executive Officer has the responsibility for implementing the strategy of the Board and managing the day-to-day business activities of the Group. The Company Secretary is responsible for ensuring that Board procedures are followed and applicable rules and regulations are complied with.

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

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

The Audit Committee Report is set out on pages 46 to 47.

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



During the year ended 31 March 2020, the Remuneration Committee met nine times. The Committee reviewed and approved:

- i. the degree of achievement of objectives for the year ended 31 March 2019 and consequent bonus awards and other adjustments to remuneration for Executive Directors and senior management;
- ii. the corporate and personal objectives for the Group and Executive Directors for the year ended 31 March 2020;
- iii. the exercise of share options by employees;
- iv. non-executive director fees;
- v. the remuneration package of the Head of Business Development and Alliance Management; and
- vi. the Executive Directors' salaries and benefits.

The Directors' Remuneration Report is set out on pages 48 to 56. The Directors believe that this, together with the above summary of the work of the Remuneration Committee, constitutes sufficient disclosure to meet the QCA Code's requirement for a Remuneration Committee Report. Consequently, a separate Remuneration Committee Report is not presented.

The Nominations and Corporate Governance Committee, which meets as required, but at least twice a year, has responsibility for reviewing the size and composition of the Board, the appointment of replacement or additional Directors, regularly evaluating the performance of the Board and the CEO, the monitoring of compliance with applicable laws, regulations and corporate governance guidance and making appropriate recommendations to the Board.

During the year ended 31 March 2020, the Nominations and Corporate Governance Committee met twice. The Committee reviewed and approved:

- i. the outcomes of the Board evaluation exercise undertaken in May 2019;
- ii. the continuation of the appointment of Professor Sir Chris Evans OBE as a Non-executive Director;
- iii. the independence of long serving Non-executive Directors; and
- iv. potential future recruitment of a US based Non-executive Director.

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

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

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

Historical annual reports and other governance-related material can be found on the Group's website in the relevant sections in the Investors section of the site.

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

By order of the Board



John Berriman
Non-executive Chairman

12 August 2020

Audit committee report

for the year ended 31 March 2020

As Chair of the Audit Committee, I am pleased to present the Committee's report for the year ended 31 March 2020.

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

The Audit Committee consists of three Non-executive Directors. It is chaired by me and its other members are Simon Cartmell OBE and Dr Tim Corn.

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

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

The principal duties of the Committee are to:

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

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

This includes:

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

During the year ended 31 March 2020, the Audit Committee met twice. The Committee reviewed and approved the financial statements for the year ended 31 March 2019, the interim results for the six months to 30 September 2019 and the external auditor's plan and fee for the 2020 external audit. The Committee also considered the impact of IFRS 15 "Revenue" and IFRS 16 "Leasing" and approved management proposals.

The Audit Committee considers risk areas in the financial statements throughout the year and before the audit commences. The Committee considered the following items to be areas of risk.

The Group incurs research and development expenditure from third parties. The Group recognises this expenditure in line with the management's best estimation of the stage of completion of each research and development project. This includes the calculation

of accrued costs at each period end to account for expenditure that has been incurred. This requires management to estimate full costs to complete for each project and also to estimate its current stage of completion. The Committee pays particular attention to management's estimates of these items, its analysis of any unusual movements and their impact on cost recognition.

The Committee reviews the going concern basis that the accounts are prepared. The Group is in clinical-stage development and suffers significant operating losses from expenses incurred in research and development of its therapeutic programmes, as well as from general and administrative costs that have been incurred building our business infrastructure. The Group expects to continue to incur significant operating losses for the foreseeable future as it furthers its therapeutic programmes.

The Committee has reviewed cash balances and short and long term cashflow forecasts as well as plans to raise funding and considers the going concern basis to be appropriate. 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.

The Audit Committee has satisfied itself that the external auditor is independent. The Audit Committee has concluded that the external audit process was effective, that the scope of the audit was appropriate and that significant judgements have been robustly challenged. No significant issues have been reported by the auditor.

The Audit Committee does not believe it necessary at this time to propose re-tendering of the audit contract.

A resolution for the reappointment of PricewaterhouseCoopers LLP as the statutory auditor will be proposed at the forthcoming annual general meeting.

No formal recommendations other than the approval of the Interim Statement and Annual Report and Accounts have been made to the Board by the Audit Committee and no external reports have been commissioned on financial control processes during the year ended 31 March 2020.

By order of the Board



Dr Claudia D'Augusta

Chair – Audit Committee

12 August 2020

Directors' remuneration report

for the year ended 31 March 2020

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

Remuneration policy for Executive Directors

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

Remuneration for Executive Directors is composed of the following elements:

Basic salary

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

Bonuses

Annual bonuses are based on achievement of Group strategic and operational objectives, and personal performance objectives. The maximum annual bonus that may be payable in cash is set at 50% of base salary for the Executive Directors. Up to a further 50% of base salary may be awarded, payable in nominal price share options under the Company's Long Term Incentive Plan.

Longer Term Incentives

In order to further incentivise Executive Directors and align their interests with shareholders, the Company operates a Long Term Incentive Plan under which nominal price share options may be granted from time to time. The quantum of these awards will relate to the Executive Director's base salary and will vest subject to the performance conditions detailed in the tables and notes on pages 50 to 56 of this report.

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

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

Pension

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

Other benefits

Other benefits provided are life assurance, private medical insurance and professional subscriptions, where relevant to the duties of the Executive Director, and a car allowance of £10,000 per annum to each Executive Director (disclosed as part of Salaries and fees in the remuneration table below). During the year, the Company paid a living allowance of £47,000 (2019: £50,000) to the Chief Executive Officer pertaining to the relocation of the Group to the Pencoed, South Wales site (also disclosed as part of Salaries and fees in the remuneration table below).

Non-executive Directors' remuneration

The remuneration of the Non-executive Directors is determined by the Remuneration Committee with regard to market comparatives. In setting the remuneration policy for Non-executive Directors, the Committee has sought independent advice and, where appropriate, has consulted with certain of its shareholders. Non-executive Directors are appointed for an initial three-year term via an appointment letter from the Company, with a three months' notice period. The appointment term is renewable for further three-year terms after the initial term has expired. Appointment letters stipulate that the Non-executive Director is expected to commit sufficient time to the role to meet the Company's expectations.

Non-executive Directors receive their fees in the form of a basic cash fee and an equity-based fee which takes the form of nominal price share options under the Company's Non-executive Share Option Scheme. To avoid any incentive effect that may influence the Non-executive Director's independence, these share options will vest over three years on a straight-line basis and are not subject to performance conditions.

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

Directors' emoluments

The Directors received the following remuneration during the year:

| Audited | Salaries and fees £'000 | Bonuses £'000 | Benefits in kind £'000 | 2020 Total £'000 | 2020 Pension contributions £'000 | 2019 Total £'000 | 2019 Pension contributions £'000 |
|-------------------------------|----------------------------|------------------|---------------------------|------------------------|-------------------------------------------|------------------------|-------------------------------------------|
| John Berriman | 46 | – | – | 46 | – | 52 | – |
| Olav Hellebø | 364 | – | 2 | 366 | 31 | 509 | 30 |
| Michael Hunt | 224 | – | 2 | 226 | 21 | 323 | 21 |
| Simon Cartmell OBE | 38 | – | – | 38 | – | 38 | – |
| Dr Tim Corn | 33 | – | – | 33 | – | 30 | – |
| Dr Claudia D'Augusta | 37 | – | – | 37 | – | 37 | – |
| Professor Sir Chris Evans OBE | 26 | – | – | 26 | – | 26 | – |
| Dr Mike Owen | 30 | – | – | 30 | – | 27 | – |
| Total | 798 | – | 4 | 802 | 52 | 1,042 | 51 |

Directors' bonuses comprise a cash element paid as a percentage of base salary, being 50% in both cases, based on achievement of corporate and personal performance objectives in the financial year.

In addition to the above cash bonus, and in line with the above stated remuneration policy, the Executive Directors may earn a non-cash bonus based on achievement of corporate and personal performance objectives, paid in the form of nominally priced share options awarded under the Group's Long-term Incentive Plan.

In the light of the impact of COVID-19, the Executive Directors have waived all bonuses earned based upon the achievement of personal and corporate objectives for the year ended 31 March 2020. As such no cash bonuses are to be paid and no bonus-related options granted in respect of the year ended 31 March 2020. The estimated gain on options granted in respect of the year ended 31 March 2019 at the date of grant was for Olav Hellebø £72,000 and for Michael Hunt £56,000.

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

The Non-executive Directors also received an equity-based fee in the year which took the form of nominal price share options under the Company's Non-executive Share Option Scheme. The estimated gain on these options at the time of grant was £12,900 (2019: £11,859) to each of the Non-executive Directors.

Directors' emoluments include amounts payable to third parties in respect of fees as described in note 33 of the financial statements.

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

| | Ordinary shares of 1p each | |
|-------------------------------|----------------------------|----------------------------|
| | 31 March 2020 Number | 31 March 2019 Number |
| John Berriman | 90,434 | 10,434 |
| Olav Hellebø | 21,630 | 21,630 |
| Michael Hunt | 30,036 | 27,546 |
| Simon Cartmell OBE | 15,633 | 7,875 |
| Dr Tim Corn | 2,000 | 2,000 |
| Dr Claudia D'Augusta | – | – |
| Professor Sir Chris Evans OBE | 254,605 | 240,105 |
| Dr Mike Owen | 4,237 | – |

Directors' remuneration report

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

John Berriman

| | Note | At 1 April 2019 Number | Exercised during the year Number | Granted during the year Number | At 31 March 2020 Number | Exercise price | Exercise period |
|----------------------|------|---------------------------------|-------------------------------------------|-----------------------------------------|----------------------------------|-------------------|------------------------------------|
| Options – unapproved | 3 | 4,800 | – | – | 4,800 | £3.75 | September 2014 – September 2021 |
| Options – unapproved | 5 | 5,752 | – | – | 5,752 | £2.87 | September 2015 – September 2022 |
| Options – unapproved | 7 | 6,000 | – | – | 6,000 | £3.60 | September 2016 – September 2023 |
| Options – unapproved | 9 | 6,000 | – | – | 6,000 | £3.45 | September 2017 – September 2024 |
| Options – unapproved | 14 | 3,000 | – | – | 3,000 | £1.00 | August 2016 – July 2026 |
| Options – unapproved | 15 | 5,000 | – | – | 5,000 | £1.00 | October 2017 – September 2027 |
| Options – unapproved | 17 | 17,700 | – | – | 17,700 | £0.01 | October 2018 – September 2028 |
| Options – unapproved | 20 | – | – | 6,000 | 6,000 | £0.01 | May 2019 – April 2029 |
| | | 48,252 | – | 6,000 | 54,252 | | |

Olav Hellebø

| | Note | At 1 April 2019 Number | Exercised during the year Number | Granted during the year Number | At 31 March 2020 Number | Exercise price | Exercise period* |
|----------------------|------|---------------------------------|-------------------------------------------|-----------------------------------------|----------------------------------|-------------------|------------------------------------|
| Options – approved | 10 | 72,463 | – | – | 72,463 | £1.00 | September 2017 – September 2024 |
| Options – unapproved | 10 | 83,091 | – | – | 83,091 | £1.00 | September 2017 – September 2024 |
| Options – unapproved | 11 | 181,236 | – | – | 181,236 | £1.00 | October 2018 – October 2025 |
| Options – unapproved | 12 | 190,666 | – | – | 190,666 | £1.00 | July 2019 – July 2026 |
| Options – unapproved | 13 | 25,000 | – | – | 25,000 | £1.00 | July 2018 – July 2026 |
| Options – unapproved | 16 | 97,666 | – | – | 97,666 | £1.00 | July 2020 – September 2027 |
| Options – unapproved | 18 | 155,738 | – | – | 155,738 | £0.01 | September 2021 – September 2028 |
| Options – unapproved | 21 | – | – | 260,861 | 260,861 | £0.01 | April 2022 – April 2029 |
| Options – unapproved | 22 | – | – | 30,254 | 30,254 | £0.01 | July 2021 – July 2029 |
| | | 805,860 | – | 291,115 | 1,096,975 | | |

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

Michael Hunt

| | Note | At 1 April 2019 Number | Exercised during the year Number | Granted during the year Number | At 31 March 2020 Number | Exercise price | Exercise period* |
|----------------------|------|---------------------------------|-------------------------------------------|-----------------------------------------|----------------------------------|-------------------|------------------------------------|
| Options – approved | 1 | 3,478 | (3,478)** | – | – | £1.00 | August 2011 – August 2019 |
| Options – unapproved | 2 | 10,355 | – | – | 10,355 | £1.00 | August 2013 – August 2020 |
| Options – unapproved | 4 | 14,583 | – | – | 14,583 | £1.00 | September 2014 – September 2021 |
| Options – approved | 6 | 31,818 | – | – | 31,818 | £1.00 | September 2015 – September 2022 |
| Options – approved | 8 | 6,945 | – | – | 6,945 | £1.00 | September 2016 – September 2023 |
| Options – unapproved | 8 | 32,638 | – | – | 32,638 | £1.00 | September 2016 – September 2023 |
| Options – approved | 10 | 17,153 | – | – | 17,153 | £1.00 | September 2017 – September 2024 |
| Options – unapproved | 10 | 23,471 | – | – | 23,471 | £1.00 | September 2017 – September 2024 |
| Options – unapproved | 11 | 70,909 | – | – | 70,909 | £1.00 | October 2018 – October 2025 |
| Options – unapproved | 12 | 82,916 | – | – | 82,916 | £1.00 | July 2019 – July 2026 |
| Options – unapproved | 13 | 12,500 | – | – | 12,500 | £1.00 | July 2018 – July 2026 |
| Options – unapproved | 16 | 68,000 | – | – | 68,000 | £1.00 | July 2020 – September 2027 |
| Options – unapproved | 18 | 33,334 | – | – | 33,334 | £0.01 | September 2021 – September 2028 |
| Options – parallel | 19 | 44,117 | – | – | 44,117 | £0.01 or £0.68 | September 2021 – September 2028 |
| Options – unapproved | 21 | – | – | 103,785 | 103,785 | £0.01 | April 2022 – April 2029 |
| Options – unapproved | 22 | – | – | 23,697 | 23,697 | £0.01 | July 2021 – July 2029 |
| | | 452,217 | (3,478) | 127,482 | 576,221 | | |

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

** These options were issued under the Group Deferred Share-based Bonus Plan. The estimated gain on these options was disclosed in the Directors Remuneration Report in the year that the options were granted.

Directors' remuneration report

Simon Cartmell OBE

| | Note | At 1 April 2019 Number | Exercised during the year Number | Granted during the year Number | At 31 March 2020 Number | Exercise price | Exercise period* |
|----------------------|------|---------------------------------|-------------------------------------------|-----------------------------------------|----------------------------------|-------------------|------------------------------------|
| Options – unapproved | 3 | 4,800 | – | – | 4,800 | £3.75 | September 2014 – September 2021 |
| Options – unapproved | 5 | 5,752 | – | – | 5,752 | £2.87 | September 2015 – September 2022 |
| Options – unapproved | 7 | 6,000 | – | – | 6,000 | £3.60 | September 2016 – September 2023 |
| Options – unapproved | 9 | 6,000 | – | – | 6,000 | £3.45 | September 2017 – September 2024 |
| Options – unapproved | 14 | 3,000 | – | – | 3,000 | £1.00 | August 2016 – July 2026 |
| Options – unapproved | 15 | 5,000 | – | – | 5,000 | £1.00 | October 2017 – September 2027 |
| Options – unapproved | 17 | 17,700 | – | – | 17,700 | £0.01 | October 2018 – September 2028 |
| Options – unapproved | 20 | – | – | 6,000 | 6,000 | £0.01 | May 2019 – April 2029 |
| | | 48,252 | – | 6,000 | 54,252 | | |

Dr Tim Corn

| | Note | At 1 April 2019 Number | Exercised during the year Number | Granted during the year Number | At 31 March 2020 Number | Exercise price | Exercise period* |
|----------------------|------|---------------------------------|-------------------------------------------|-----------------------------------------|----------------------------------|-------------------|------------------------------------|
| Options – unapproved | 5 | 5,752 | – | – | 5,752 | £2.87 | September 2015 – September 2022 |
| Options – unapproved | 7 | 5,000 | – | – | 5,000 | £3.60 | September 2016 – September 2023 |
| Options – unapproved | 9 | 5,000 | – | – | 5,000 | £3.45 | September 2017 – September 2024 |
| Options – unapproved | 14 | 3,000 | – | – | 3,000 | £1.00 | August 2016 – July 2026 |
| Options – unapproved | 15 | 5,000 | – | – | 5,000 | £1.00 | October 2017 – September 2027 |
| Options – unapproved | 17 | 17,700 | – | – | 17,700 | £0.01 | October 2018 – September 2028 |
| Options – unapproved | 20 | – | – | 6,000 | 6,000 | £0.01 | May 2019 – April 2029 |
| | | 41,452 | – | 6,000 | 47,452 | | |

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

Dr Claudia D'Augusta

| | Note | At 1 April 2019 Number | Exercised during the year Number | Granted during the year Number | At 31 March 2020 Number | Exercise price | Exercise period* |
|----------------------|------|---------------------------------|-------------------------------------------|-----------------------------------------|----------------------------------|-------------------|----------------------------------|
| Options – unapproved | 15 | 5,000 | – | – | 5,000 | £1.00 | October 2017 – September 2027 |
| Options – unapproved | 17 | 17,700 | – | – | 17,700 | £0.01 | October 2018 – September 2028 |
| Options – unapproved | 20 | – | – | 6,000 | 6,000 | £0.01 | May 2019 – April 2029 |
| | | 22,700 | – | 6,000 | 28,700 | | |

Professor Sir Chris Evans OBE

| | Note | At 1 April 2019 Number | Exercised during the year Number | Granted during the year Number | At 31 March 2020 Number | Exercise price | Exercise period* |
|----------------------|------|---------------------------------|-------------------------------------------|-----------------------------------------|----------------------------------|-------------------|------------------------------------|
| Options – unapproved | 7 | 5,000 | – | – | 5,000 | £3.60 | September 2016 – September 2023 |
| Options – unapproved | 9 | 5,000 | – | – | 5,000 | £3.45 | September 2017 – September 2024 |
| Options – unapproved | 14 | 3,000 | – | – | 3,000 | £1.00 | August 2016 – July 2026 |
| Options – unapproved | 15 | 5,000 | – | – | 5,000 | £1.00 | October 2017 – September 2027 |
| Options – unapproved | 17 | 17,700 | – | – | 17,700 | £0.01 | October 2018 – September 2028 |
| Options – unapproved | 20 | – | – | 6,000 | 6,000 | £0.01 | May 2019 – April 2029 |
| | | 35,700 | – | 6,000 | 41,700 | | |

Dr Mike Owen

| | Note | At 1 April 2019 Number | Exercised during the year Number | Granted during the year Number | At 31 March 2020 Number | Exercise price | Exercise period* |
|----------------------|------|---------------------------------|-------------------------------------------|-----------------------------------------|----------------------------------|-------------------|----------------------------------|
| Options – unapproved | 14 | 3,000 | – | – | 3,000 | £1.00 | August 2016 – July 2026 |
| Options – unapproved | 15 | 5,000 | – | – | 5,000 | £1.00 | October 2017 – September 2027 |
| Options – unapproved | 17 | 17,700 | – | – | 17,700 | £0.01 | October 2018 – September 2028 |
| Options – unapproved | 20 | – | – | 6,000 | 6,000 | £0.01 | May 2019 – April 2029 |
| | | 25,700 | – | 6,000 | 31,700 | | |

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

Directors' remuneration report

Note 1:

These options have been issued in accordance with the Group's Deferred Share-based Bonus Plan in respect of corporate and personal objectives achieved in the financial year ending 31 March 2009 and carry no further performance conditions; at 31 March 2020 these options have been exercised.

Note 2:

These options were issued subject to the amended performance conditions below. If all the performance conditions bar performance condition (ii) are met then 50% of the options become exercisable; at 31 March 2020 50% of these options were exercisable.

- i. The first patient is administered with a ReNeuron cell therapy in a second clinical trial;
- ii. The Total Shareholder Return (TSR) of the Company meets or exceeds that of the AIM Healthcare Index in any three-year period from date of grant of the option;
- iii. The business must have operated within its internal financial budgets throughout the period to vesting;
- iv. The business must be a going concern (under the accepted accounting definition) at the time of any exercise of an option.

Note 3:

These options were issued subject to a performance condition, being the first patient administered with a ReNeuron cell therapy in a third clinical trial; at 31 March 2020 these options were exercisable.

Note 4:

These options were awarded in accordance with the Group's Long Term Incentive Plan and are subject to the amended performance conditions set out below. If all the performance conditions bar performance condition (ii) are met then 50% of the options become exercisable; at 31 March 2020 50% of these options were exercisable.

- i. The first patient is administered with a ReNeuron cell therapy in a third clinical trial;
- ii. The Total Shareholder Return (TSR) of the Company meets or exceeds that of the AIM Healthcare Index in any three-year period from date of grant of the option;
- iii. The business must have operated within its internal financial budgets throughout the period to vesting;
- iv. The business must be a going concern (under the accepted accounting definition) at the time of any exercise of an option.

Note 5:

These options were issued subject to a performance condition, being the first patient administered with a ReNeuron cell therapy in a fourth clinical trial; at 31 March 2020 these options were exercisable.

Note 6:

These options were awarded in accordance with the Group's Long Term Incentive Plan and are subject to the amended performance conditions set out below. If all the performance conditions bar performance condition (ii) are met then 50% of the options become exercisable; at 31 March 2020 50% of these options were exercisable.

- i. The first patient is administered with a ReNeuron cell therapy in a fourth clinical trial;

- ii. The Total Shareholder Return (TSR) of the Company meets or exceeds that of the AIM Healthcare Index in any three-year period from date of grant of the option;
- iii. The business must have operated within its internal financial budgets throughout the period to vesting;
- iv. The business must be a going concern (under the accepted accounting definition) at the time of any exercise of an option.

Note 7:

These options were issued subject to a performance condition, being the first patient administered with a ReNeuron cell therapy in a fifth clinical trial; at 31 March 2020 these options were exercisable.

Note 8:

These options were awarded in accordance with the Group's Long Term Incentive Plan and are subject to the amended performance conditions set out below. If all the performance conditions bar performance condition (ii) are met then 50% of the options become exercisable; at 31 March 2020 50% of these options were exercisable.

- i. The first patient is administered with a ReNeuron cell therapy in a fifth clinical trial;
- ii. The Total Shareholder Return (TSR) of the Company meets or exceeds that of the AIM Healthcare Index in any three-year period from date of grant of the option;
- iii. The business must have operated within its internal financial budgets throughout the period to vesting;
- iv. The business must be a going concern (under the accepted accounting definition) at the time of any exercise of an option.

Note 9:

These options were issued subject to a performance condition, being the first patient administered with a ReNeuron cell therapy in a sixth clinical trial; at 31 March 2020 these options were exercisable.

Note 10:

These options were awarded in accordance with the Group's Long Term Incentive Plan and are subject to the amended performance conditions set out below. If all the performance conditions bar performance condition (ii) are met then 50% of the options become exercisable; at 31 March 2020 50% of these options were exercisable.

- i. The first patient is administered with a ReNeuron cell therapy in a sixth clinical trial;
- ii. The Total Shareholder Return (TSR) of the Company meets or exceeds that of the AIM Healthcare Index in any three-year period from date of grant of the option;
- iii. The business must have operated within its internal financial budgets throughout the period to vesting;
- iv. The business must be a going concern (under the accepted accounting definition) at the time of any exercise of an option.

Note 11:

These options were awarded in accordance with the Group's Long Term Incentive Plan and are subject to the performance conditions set out below; at 31 March 2020 66.66% of these options were exercisable.

- i. 33.3% vest when the first patient is administered with a ReNeuron cell therapy in a sixth clinical trial;
- ii. 33.3% vest on completion of the fourth clinical trial of a ReNeuron cell therapy;
- iii. 33.4% vest if the Total Shareholder Return (TSR) of the Company meets or exceeds that of the AIM Healthcare Index in any three-year period from date of grant of the option.

Note 12:

These options were awarded in accordance with the Group's Long Term Incentive Plan and are subject to the performance conditions set out below; at 31 March 2020 these options were not exercisable.

- iv. 33.3% vest when the first patient is administered with a ReNeuron cell therapy in a seventh clinical trial;
- v. 33.3% vest on completion of the fifth clinical trial of a ReNeuron cell therapy;
- vi. 33.4% vest if the Total Shareholder Return (TSR) of the Company meets or exceeds that of the AIM Healthcare Index in any three-year period from date of grant of the option.

Note 13:

These options have been issued in accordance with the Group's Deferred Share-based Bonus Plan in respect of corporate and personal objectives achieved in the financial year ending 31 March 2016 and carry no further performance conditions; at 31 March 2020 these options were exercisable.

Note 14:

These options have been issued in accordance with the Non-executive Share Option Scheme. These share options vest over three years on a straight-line basis and are not subject to performance conditions; at 31 March 2020 these options were exercisable.

Note 15:

These options have been issued in accordance with the Non-executive Share Option Scheme. These share options vest over three years on a straight-line basis and are not subject to performance conditions; at 31 March 2020 83.33% of these options were exercisable.

Note 16:

These options were issued subject to the performance conditions set out below. At 31 March 2020 these options were not exercisable.

- i. 33.3% vest when the first patient is administered with a ReNeuron cell therapy in an eighth clinical trial;
- ii. 33.3% vest on completion of the sixth clinical trial of a ReNeuron cell therapy;
- iii. 33.4% vest if the Total Shareholder Return (TSR) of the Company meets or exceeds that of the FTSE AIM Healthcare Index in any three-year period from the date of grant of the option.

Note 17:

These options have been issued in accordance with the Non-executive Share Option Scheme. These share options vest over three years on a straight-line basis and are not subject to performance conditions; at 31 March 2020 50% of these options were exercisable.

Note 18:

These options were issued subject to the performance conditions set out below. At 31 March 2020 these options were not exercisable.

- i. 33.3% vest when the Company signs an out-licensing deal (or deals) for any of its technologies or programmes which provides sufficient funding to allow the achievement of clinical proof of concept data for the CTX and hRPC products;
- ii. 33.3% vest when the sixth clinical trial of a ReNeuron cell therapy completes;
- iii. 33.4% vest if the Total Shareholder Return (TSR) of the Company meets or exceeds that of the FTSE AIM Healthcare Index in any three-year period from the date of grant of the option.

Directors' remuneration report

Note 19:

These are parallel options which may be exercised either as an unapproved option at an exercise price of 1p, or alternatively, at the choice of the option holder, as approved CSOP options at an exercise price of 68p. These options were issued subject to the performance conditions set out below. At 31 March 2020 these options were not exercisable.

- i. 33.3% vest when the Company signs an out-licensing deal (or deals) for any of its technologies or programmes which provides sufficient funding to allow the achievement of clinical proof of concept data for the CTX and hRPC products;
- ii. 33.3% vest when the sixth clinical trial of a ReNeuron cell therapy completes;
- iii. 33.4% vest if the Total Shareholder Return (TSR) of the Company meets or exceeds that of the FTSE AIM Healthcare Index in any three-year period from the date of grant of the option.

Note 20:

These options have been issued in accordance with the Non-executive Share Option Scheme. These share options vest over three years on a straight-line basis and are not subject to performance conditions; at 31 March 2020 30.56% of these options were exercisable.

Note 21:

These options were issued subject to the performance conditions set out below. At 31 March 2020 these options were not exercisable.

- i. 33% vest when the Company signs an out-licensing deal (or deals) for any of its technologies or programmes which, together with other financial resources, provides sufficient funding to allow the achievement of clinical proof of concept data for the CTX and hRPC products;
- ii. 33% vest when the Company's share price has doubled from the price at the date of grant;
- iii. 34% vest when the sixth clinical trial of a ReNeuron cell therapy completes.

Note 22:

These options have been issued in accordance with the Group's Deferred Share-based Bonus Plan in respect of corporate and personal objectives achieved in the financial year ending 31 March 2019 and carry no further performance conditions; at 31 March 2020 these options were not exercisable.

By order of the Board



Simon Cartmell OBE

Chair – Remuneration Committee

12 August 2020