

Chairman's statement



The year ended 31 March 2020 was a year of significant progress in both clinical and strategic development, providing growing confidence in the short and long term potential of the Company's programmes.

◀ We look forward to reporting further Phase 2a data from the ongoing study with our hRPC cell therapy candidate for retinitis pigmentosa over the next 12 months.

John Berriman
Non-executive Chairman
12 August 2020

● Read more on our **hRPC stem cell therapy** on pages 16 to 17

● Read more on our **exosomes and iPSCs** on pages 18 to 21

I am pleased to introduce the Group's results for the year ended 31 March 2020. It was a year of significant progress in both our clinical and strategic development, providing growing confidence in the short and long term potential of the Company's programmes.

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

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

lines as potential therapeutic agents for subsequent licensing to third parties.

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

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

ReNeuron has a clear focus to deliver value-generating data across its programmes over the next twelve months.

John Berriman
Non-executive Chairman

Additionally, we recently announced the publication of new positive non-clinical data relating to our CTX cell therapy candidate in Huntington's disease.

During the ongoing COVID-19 pandemic, the safety of employees, suppliers, clinical trial participants and all other people with whom the Group interacts has been of over-riding importance to us. 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. In response to COVID-19, we also initiated a research programme focused on the potential utility of our proprietary exosomes as a delivery vehicle for SARS-CoV-2 coronavirus vaccines.

ReNeuron now has a clear focus on delivering value-generating data across its programmes over the next twelve months. Consistent with this new sharper focus and as a consequence of long-serving Non-executive Directors indicating their intention to retire from the Board (having served for nine years and thereby become non-independent under the QCA code of corporate governance), the non-executive membership of the Board will be progressively reconfigured, reducing the number of Non-executive Directors from six to four. This rationalised Board has the expertise necessary to support the Group's new emphasis on retinal diseases and commercial partnerships. I shall therefore not be seeking re-election at the coming

AGM (along with my colleague Simon Cartmell) and Dr Claudia D'Augusta is also stepping down. The company is now stronger and more diversified than when I joined nine years ago and I am particularly pleased to be leaving it in the able hands of my successor chairman, Dr Tim Corn. Furthermore in recognition of the significant shareholding of Obotritia Capital KGaA and their ongoing support for the Company we have approved in principle their request to nominate a non-executive director for election to the Board.

Finally on behalf of the Board I would like to thank our employees for their commitment and determination, especially in the face of the COVID-19 pandemic. On behalf of all Directors and employees I would also like to thank our shareholders for their support as we continue to strive to make ReNeuron a great success.

On page 91 of this report is the Notice of the 2020 annual general meeting (AGM) to be held at 10.00 a.m. on 10 September 2020. A short explanation of the resolutions to be proposed at the AGM is set out on page 94. The Directors recommend that you vote in favour of the resolutions to be proposed at the AGM, as they intend to do in respect of their own beneficial holdings of ordinary shares.

John Berriman
Non-executive Chairman

12 August 2020