RNS Number : 4175N
Shield Therapeutics PLC
29 January 2021

Shield Therapeutics plc
("Shield" or the "Group" or the "Company")

Shareholder loan facilities provide ongoing support

London, UK, 29 January 2021: Shield Therapeutics plc (LSE: STX), a commercial stage pharmaceutical company with a focus on addressing iron deficiency with its lead product Feraccru®/Accrufer® (ferric maltol), confirms that formal agreements for the shareholder loan facilities announced on 10 December 2020 have now been executed.

AOP Orphan International AG ("AOP"), a shareholder owning 10.7% of the Company's issued share capital (registered in the name of MaRu AG), and Dr Christian Schweiger, a board member and holder of 3.5% of the Company's issued share capital, had provided letters of intent to the Company stating that they would be prepared to lend the Group up to €4.0 million and CHF1.0 million respectively in order to provide additional working capital for the Group. In total these amount to approximately £4.4 million which, if drawn down in full, would extend the Group's cash runway until around the end of 2021, a significant extension from the current cash runway which extends into Q2 2021.

The two loan facilities are unsecured and are structured identically and provide for 50% of each facility to be drawn down by 31 March 2021 (originally planned as 1 February 2021), and the remaining 50% to be available for drawdown at Shield's request during the rest of 2021. Interest of 10% pa is payable on any amounts drawn down. The shareholder loans will be repayable in cash in the event that Shield receives an upfront licence payment of no less than €10 million for US rights to Accrufer®, secures a debt facility with another lender for no less than approximately £4.4 million, raises more than €10 million of new equity or, in any event, by 31 January 2022. The lenders will have the right, but not the obligation, to convert any outstanding loan balances into new ordinary shares in Shield at any time at a 5% discount to the average closing middle market price for the preceding ten business days or, in the event of a new equity raise, on the same terms as all other investors subscribe. An arrangement fee of 2% is payable to the lenders on signing the formal loan documentation.

Related Party Transactions
In view of the size of the shareholder loan facilities and the associated arrangement fee and the fact that AOP is a substantial shareholder in Shield for the purposes of the AIM Rules for Companies and Dr. Christian Schweiger is on the Board of Shield, the entering into of the two shareholder loan facilities is considered to constitute related party transactions under Rule 13 of the AIM Rules for Companies. The independent directors consider, having consulted with Peel Hunt LLP, the Company's nominated adviser, that

the terms of the shareholder loan facilities are fair and reasonable insofar as shareholders are concerned.

Commenting on this update, Tim Watts, CEO of Shield Therapeutics plc, said: *"I am very grateful to AOP and Dr Schweiger for making these loan facilities available to the Group as they will provide the cash runway and the time for the Board to reach the optimal outcome for shareholders regarding the commercialisation of Accrufer® in the US."*

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About Shield Therapeutics plc

Shield is a de-risked, specialty pharmaceutical company focused on commercialising its lead product, Feraccru®/Accrufer®, a novel, non-salt based oral therapy for adults with iron deficiency with or without anaemia. Feraccru®/Accrufer® has been approved for use in the United States, European Union, UK and Switzerland and has exclusive IP rights until the mid-2030s. Feraccru® is commercialised in the UK and European Union by Norgine B.V. and the Company is currently in the process of evaluating commercialisation options for the US market, including the potential launch of Accrufer® in the US by Shield. Shield also has an exclusive licence agreement with Beijing Aosaikang Pharmaceutical Co., Ltd., for the development and commercialisation of Feraccru®/Accrufer® in China, Hong Kong, Macau and Taiwan.

For more information, please visit www.shieldtherapeutics.com. Follow Shield on Twitter @ShieldTx

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