RNS Number : 5701Q
Shield Therapeutics PLC
26 February 2021

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Shield Therapeutics plc

("Shield" or the "Company")

Successful completion of £25 million Fundraise

London, UK - 26 February 2021: Shield Therapeutics plc (LSE: STX), a commercial stage pharmaceutical company, is pleased to announce the successful completion of the placing (the "**Placing**"), and the subscription (the "**Subscription**") which were announced earlier today raising aggregate gross proceeds of up to £25.0 million for the Company (approximately £23.6 million net of expenses). The new ordinary shares to be allotted pursuant to the Placing and the Subscription are to be issued at an issue price of 30.0 pence per share (the "Issue Price"). The Company also announced details of an open offer to be made to Qualifying Shareholders to raise up to an additional £4.2 million (the "**Open Offer**", and together with the Placing and the Subscription, the "**Transaction**").

The net proceeds of the Transaction, which remains subject, inter alia, to the passing of the Fundraising Resolutions at the General Meeting to be convened for on or around 18 March 2021, will be used to finance the launch of Accrufer® in the US which the Directors believe has the potential to generate significant returns for Shield's shareholders.

Pursuant to the Placing a total of 66,398,720 new ordinary shares of 1.5 pence each in the capital of the Company (the "**Placing Shares**") have been conditionally placed by Peel Hunt LLP ("**Peel Hunt**") and finnCap Limited ("**finnCap**", and together with Peel Hunt, the "**Joint Bookrunners**") with new and existing investors at the Issue Price.

Additionally, pursuant to the Subscription, AOP Orphan International AG (**"AOP"**), a major shareholder in the Company, Tim Watts and Dr. Christian Schweiger, both directors of the

Company (the "**Participating Directors**") and certain employees of the Company, have conditionally subscribed for a total of 16,934,613 new ordinary shares at the Issue Price (the "**Subscription Shares**" and, together with the Placing Shares, the "**New Shares**").

The New Shares represent 70.3 per cent. of the issued ordinary share capital of the Company prior to the Transaction. The Issue Price represents a discount of 43.7 per cent. to the closing price of 53.3 pence on 25 February 2021. Up to a further 13,946,397 new ordinary shares may be issued pursuant to the Open Offer (the "**Open Offer Shares**"). The Transaction is not underwritten.

The New Shares and the Open Offer Shares will, when issued, be credited as fully paid and will be issued subject to the Company's articles of association and will rank pari passu in all respects with the existing issued ordinary shares in the capital of the Company, including the right to receive all dividends and other distributions declared, made or paid on or in respect of such shares by reference to a record date falling after their issue.

Application will be made to the London Stock Exchange for the New Shares and such number of Open Offer Shares as may be subscribed for to be admitted to trading on AIM ("**Admission**"). It is expected that Admission will occur at 08.00 a.m. on 19 March 2021 (or such later date as the Company, Peel Hunt and finnCap may agree, being no later than 8.00 a.m. on 31 March 2021).

The Placing and the Subscription are conditional on, amongst other matters, the passing of the Fundraising Resolutions at the General Meeting. It is expected that the Placing and the Subscription will complete on or around 8.00 a.m. on 19 March 2021, being the expected date of Admission and that dealings in the New Shares and such number of Open Offer Shares as may be subscribed for will commence at that time. The Placing and the Subscription are also conditional upon the placing and open offer agreement between the Company and the Joint Bookrunners becoming unconditional and not being terminated in accordance with its terms.

General Meeting

The Circular containing a notice convening the General Meeting for 11:00 a.m. on 18 March 2021 will be posted to shareholders on or around 1 March 2021. In light of the social distancing measures imposed by the UK Government as a result of the current COVID-19 pandemic, the General Meeting will be held virtually. Members will not be permitted to attend in person and should therefore appoint the chairman of the General Meeting as their proxy. Further details will be set out in the Circular.

Related party transactions

AOP's participation in the Subscription

The subscription for 14,333,333 Subscription Shares by AOP pursuant to the Subscription constitutes a related party transaction in accordance with Rule 13 of the AIM Rules for Companies by virtue of AOP being a substantial shareholder in the Company, in that they currently have an interest in more than 10 per cent. of the Company's current issued share capital.

The Independent Directors consider, having consulted with the Company's nominated adviser, Peel Hunt, that the terms of AOP's participation in the Transaction are fair and reasonable insofar as Shareholders are concerned.

Directors' participation in the Subscription

The Participating Directors have collectively agreed to invest £690,384 in the Subscription. The following Directors have agreed to subscribe for Subscription Shares in the Subscription.

Name of Director	Position	Number of Subscription Shares
Tim Watts	Chief Executive Officer	1,000,000
Dr. Christian Schweiger	Non-Executive Director	1,301,280

As a Director is a related party of the Company pursuant to the AIM Rules, the participation by the Participating Directors in the Subscription is a related party transaction for the purposes of AIM Rule 13.

The Independent Directors consider, having consulted with the Company's nominated adviser, Peel Hunt, that the terms of the Participating Directors' participation in the Transaction are fair and reasonable insofar as Shareholders are concerned.

Open Offer to Qualifying Shareholders

In order to provide Shareholders who have not taken part in the Placing or the Subscription with an opportunity to participate in the Fundraising, the Company intends to make an Open Offer to Qualifying Shareholders on the terms and conditions to be set out in the Circular. The Open Offer provides Qualifying Shareholders with the opportunity to subscribe at the Issue Price for an aggregate of up to 13,946,397 Open Offer Shares to raise up to approximately £4.2 million (before fees and expenses) for the Company, on the basis of:

2 Open Offer Shares for every 17 Ordinary Shares held as at the Record Date.

The Open Offer is conditional on the Placing and the Subscription becoming or being declared unconditional in all respects and not being terminated before Admission. Accordingly, if the conditions to the Placing and the Subscription (including the passing of the Fundraising Resolutions) are not satisfied or waived (where capable of waiver), the Open Offer will not proceed.

Further details of the Open Offer and the terms and conditions on which it is being made, including the procedure for application and payment, will be contained in the Circular, which shall be posted to Shareholders and made available on the Company's website, www.shieldtherapeutics.com, on or around 1 March 2021. A further announcement will confirm the posting date and availability of the Circular on the Company's website.

Capitalised terms in this announcement shall, unless the context demands otherwise, bear the meanings given to such terms in the announcement of the Transaction made via RNS on 26 February 2021.

For further information, please contact:

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Tim Watts (CEO)

Peel Hunt LLP - **Nominated Adviser, Joint Broker and Bookrunner** +44 (0) 20 7148 8900
James Steel / Oliver Jackson
(Investment Banking)
Jock Maxwell Macdonald / Sohail Akbar
(ECM)

finnCap Ltd - Joint Broker and Bookrunner +44 (0) 20 7220 0563
Geoff Nash / Matthew Radley
(Corporate Finance)
Alice Lane / Charlotte Sutcliffe (ECM)

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Paul McManus / Lianne Cawthorne or shield@walbrookpr.com

About Shield

Shield is a commercial stage, pharmaceutical company with a focus on addressing iron deficiency with its lead product Feraccru ® /Accrufer ® (ferric maltol) ®, a novel, stable, non-salt based oral therapy for adults with iron deficiency with or without anaemia. Shield is quoted on AIM (STX). For more information about Shield, please see www.shieldtherapeutics.com

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The new Ordinary Shares, have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered, sold, pledged, taken up, exercised, resold, renounced, transferred or delivered, directly or indirectly, in or into the United States absent registration under the Securities Act, except pursuant to an exemption from the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. The Placing Shares are being offered and sold by the company outside the United States in offshore transactions as defined in, and pursuant to, Regulation S under the Securities Act.

This announcement is being directed to persons in the United Kingdom only in circumstances in which section 21(1) of the Financial Services and Markets Act 2000, as amended ("**FSMA**") does not apply.

This announcement is for information purposes only and are directed only at persons who are: (1) in Member States of the European Economic Area, qualified investors as defined in article 2(e) of the Prospectus Regulation (EU) 2017/1129 (the "**EU Prospectus Regulation**"); (2) in the United Kingdom, qualified investors as defined in article 2(e) of Prospectus Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended (the "**UK Prospectus Regulation**"), who (A) fall within article 19(5) ("investment professionals") of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**"), or (B) fall within article 49(2)(a) to (d) ("high net worth companies, unincorporated associations, etc.") of the Order; or (3) are persons to whom it may otherwise be lawfully communicated; (all such persons together being referred to as "relevant persons"). This announcement and the terms and conditions set out herein must not be acted on or relied on by persons who are not relevant persons. Persons distributing this announcement must satisfy themselves that it is lawful to do so. Any investment or investment activity to which this announcement and the terms and conditions set out herein relates is available only to relevant persons and will be engaged in only with relevant persons.

The new Ordinary Shares have not been approved, disapproved or recommended by the U.S. Securities and Exchange Commission, any state securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of new Ordinary Shares. Subject to certain exceptions, the securities referred to herein may not be offered or sold in the United States, Australia, Canada, Japan, New Zealand or the Republic of South Africa or to, or for the account or benefit of, any national, resident or citizen of the United States, Australia, Canada, Japan or the Republic of South Africa.

No public offering of securities is being made in the United Kingdom, the United States or any other jurisdiction. Offers of the new Ordinary Shares will either be made pursuant to an exemption under the EU Prospectus Regulation and the UK Prospectus Regulation (as such terms are defined below) from the requirement to produce a prospectus or otherwise in circumstances not resulting in an offer of transferable securities to the public under section 102B of FSMA.

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Peel Hunt LLP, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority is acting as nominated adviser and joint bookrunner to the Company and no one else in connection with the Placing and is not acting for and will not be responsible to any person other than the Company for providing the protections afforded to its clients or for providing advice in relation to the Placing. Peel Hunt's responsibilities as the Company's nominated adviser under the AIM Rules for Nominated Advisers are owed solely to London Stock Exchange and are not owed to the Company or to any Director or to any other person in respect of his decision to acquire shares in the Company in reliance on any part of this announcement.

finnCap Ltd, which is authorised and regulated by the FCA for the conduct of regulated activities in the United Kingdom, is acting as joint bookrunner to the Company and no one else in connection with the Placing and is not acting for and will not be responsible to any person other than the Company for providing the protections afforded to its clients or for providing advice in relation to the Placing.

Except as required under applicable law, neither Peel Hunt, finnCap nor any of their directors, officers, partners, members, employees, advisers, affiliates or agents assume or accept any responsibility whatsoever for the contents of the information contained in this announcement or for any other statement made or purported to be made by or on behalf of Peel Hunt, finnCap or any of their affiliates in connection with the Company, the new Ordinary Shares or the Placing. Peel Hunt, finnCap and each of their directors, officers, partners, members, employees, advisers, affiliates and agents accordingly

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The distribution of this announcement and/or the Placing in certain jurisdictions may be restricted by law. No action has been taken by the Company, Peel Hunt, FinnCap or any of their respective affiliates that would, or which is intended to, permit an offering of the new Ordinary Shares in any jurisdiction or result in the possession or distribution of this announcement or any other offering or publicity material relating to new Ordinary Shares in any jurisdiction where action for that purpose is required.

This announcement does not constitute a recommendation concerning any investor's option with respect to the Placing. Each investor or prospective investor should conduct his, her or its own investigation, analysis and evaluation of the business and data described in this announcement and publicly available information. The price and value of securities can go down as well as up. Past performance is not a guide to future performance. The contents of this announcement are not to be construed as legal, business, financial or tax advice. Each investor or prospective investor should consult with his or her or its own legal adviser, business adviser, financial adviser or tax adviser for legal, financial, business or tax advice.

Neither the content of the Company's website nor any website accessible by hyperlinks on the Company's website is incorporated in, or forms part of, this announcement.

Product Governance Requirements

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended, as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II, as amended, as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Placing Shares have been subject to a product approval process, which has determined that the Placing Shares are: (i) compatible with an end target market of: (a) retail investors; (b) investors who meet the criteria of professional clients; and (c) eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, distributors should note that: the price of the Placing Shares may decline and investors could lose all or part of their investment; the Placing Shares offer no guaranteed income and no capital protection; and an investment in the Placing Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Placing. Furthermore, it is noted that, notwithstanding the Target Market Assessment, Peel Hunt and finnCap will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Placing Shares.

Forward Looking Statements

This Announcement contains "forward-looking statements" which include all statements (other than statements of historical facts) including, without limitation, those regarding the Group's financial position, business strategy, plans and objectives of management for future operations, and any statements preceded by, followed by or that include the words "targets", "believes", "expects", "aims", "intends", "will", "may", "anticipates",

"would", "could" or "similar" expressions or negatives thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Company's control that could cause the actual results, performance or achievements of the Group to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Group's present and future business strategies and the environment in which the Group will operate in the future. These forward- looking statements speak only as at the date of this Announcement. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward looking statements contained herein to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based unless required to do so by applicable law or the AIM Rules for Companies.

Notification and public disclosure of transactions by persons discharging managerial responsibilities and persons closely associated with them

1.	**Details of the person discharging managerial responsibilities / person closely associated**	
a.	Name	**1.** Tim Watts **2.** Dr. Christian Schweiger
2.	**Reason for the notification**	
a.	Position/status	1. Chief Executive Officer 2. Non-Executive Director
b.	Initial notification /Amendment	Initial
3.	**Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor**	
a.	Name	Shield Therapeutics plc
b.	LEI	213800G74QWY15FC3W71
4.	**Details of the transaction(s): section to be repeated for (i) each type of instrument; (ii) each type of transaction; (iii) each date; and (iv) each place where transactions have been conducted**	
a.	Description of the Financial instrument, type of instrument Identification code	Ordinary Shares of 1.5p each GB00BYV81293

<table>
<tr><td>b.</td><td>Nature of the transaction</td><td>Purchase subject to Admission of new ordinary shares</td></tr>
<tr><td>c.</td><td>Price(s) and volume(s)</td><td>
<table>
<tr><th>Price(s)</th><th>Volume(s)</th></tr>
<tr><td>1. 30.0 p
2. 30.0 p</td><td>1. 1,000,000
2. 1,301,280</td></tr>
</table>
</td></tr>
<tr><td>d.</td><td>Aggregated information
·Aggregated volume
·Price</td><td>N/A</td></tr>
<tr><td>e.</td><td>Date of the transaction</td><td>26 February 2021</td></tr>
<tr><td>f.</td><td>Place of the transaction</td><td>London Stock Exchange, AIM</td></tr>
</table>

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