Shield Therapeutics plc

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

Completion of Loan Agreement and Partial Conversion

London, UK, 1 August 2022: Shield Therapeutics plc (LSE: STX), a commercial stage pharmaceutical company focused on the commercialization of Accrufer®/Feraccru® (ferric maltol), a novel, oral iron therapy differentiated from other conventional irons by its efficacy, well-tolerated formulation, and broad indication, announces that following the Company's general meeting held on 27 July 2022, the Company has concluded the formal loan documentation (the "**Shareholder Loan Agreement**") in relation to the US$10 million loan (the "**Shareholder Loan**") agreed between the Company and AOP Health International Management ("**AOP**"), an existing shareholder of the Company, as first announced by the Company on 30 June 2022, with further details set out in the circular sent to Shield's shareholders on 8 July 2022.

Details of the Shareholder Loan

Pursuant to the Shareholder Loan Agreement, AOP has agreed to lend the Company US$10 million. The Loan will be drawn down in a single tranche on 1 August 2022 and it is secured over Shield's US intellectual property rights associated with Accrufer®. The interest rate benchmark will now be derived from the Secured Overnight Financing Rate ("**SOFR**") rather than USD LIBOR as was previously announced on 30 June 2022 because LIBOR is being wound down and USD 12-month LIBOR will cease to be published after June 2023. Interest under the Shareholder Loan will therefore be payable at a rate of 9.1% above SOFR rather than 7.0% above USD 12-month LIBOR as previously announced. Accordingly, the effective rate of interest payable under the Shareholder Loan is approximately the same as had previously been communicated, based on published SOFR and LIBOR as at the date of this announcement.

The Shareholder Loan will be repayable in full in cash upon the earliest to occur of:

I. Shield completing a debt financing transaction or equity fundraise (or a combination of both) in an amount of at least US$30 million (if not converted as part of such transaction); or
II. 31 December 2023.

Shield is entitled to repay the loan in whole or in part (in multiples of US$500,000) at any time with accrued interest, without penalty. AOP will have the right, but not the obligation, to convert any outstanding loan balances into ordinary shares at any time at a 10% discount to the average closing share price over the preceding ten business days or, in the event of a new equity raise, on the same terms as all other investors subscribe, in each case up to a maximum of 100,000,000 Ordinary Shares.

The Company and AOP have agreed that Shield shall not be required to allot shares to the AOP to the extent that following such allotment, AOP (together with any person or persons with whom AOP is acting in concert) would control thirty per cent. or more of the voting rights in Shield.

The Shareholder Loan will, at the option of AOP, become repayable in full in the event of a change of control of the Company.

An arrangement fee of US$200,000 is payable to AOP on drawdown of the Shareholder Loan.

The Shareholder Loan Agreement contains representations, undertakings and events of default which are customary for an agreement of this nature. AOP will have the ability to accelerate the Shareholder Loan and enforce its security on the occurrence of any such event of default.

Immediately following the finalization of the Loan Agreement, AOP requested the conversion of a portion of the Shareholder Loan into 41,195,246 ordinary shares of £0.015 each in Shield ("**New Ordinary Shares**"). The conversion price is 5.5215p per Ordinary Share, calculated to be 10 per cent below the average mid-market closing price of the shares during the ten business days preceding the conversion date, and the loan balance converted therefore has a value of £2,274,595 (approximately US$2,764,659). Under the terms of the conversion, AOP will be allotted and issued 41,195,246 New Ordinary Shares representing circa 19 per cent. of the Company's current issued share capital and circa 16 per cent of the Company's share capital following the conversion. Application will be been made for the New Ordinary Shares to be admitted to trading on AIM and the date of admission ("**Admission**") is expected to be 5 August 2022. Following Admission, the Company will have 257,387,708 Ordinary Shares in issue each with equal voting rights. No Ordinary Shares are held in treasury.

The above figure of 257,387,708 may be used by shareholders with effect from 5 August 2022 as the denominator for the calculations by which they will determine whether they are required to notify their interest, or a change to their interest, in the Company under the FCA's Disclosure Guidance and Transparency Rules.

Greg Madison, Shield CEO, commented: *"Shield is very pleased and fortunate to be able to count on the continued support by an established and international renown pharmaceutical company like AOP, which has been one of our cornerstone investors from the inception of the business."*

Related Party Transaction

In view of the size of the Shareholder Loan 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 (in that AOP currently has an interest of more than 10 per cent. of the Company's issued share capital), the Company's entry into the Shareholder Loan Agreement constitutes a related party transaction for the purposes of Rule 13 of the AIM Rules for Companies. The Directors consider, having consulted with the Company's nominated adviser, that the terms of the Shareholder Loan and the associated arrangement fee are fair and reasonable insofar as Shield shareholders are concerned.

For further information please contact:

Shield Therapeutics plc	www.shieldtherapeutics.com
Greg Madison, CEO	+44 (0) 191 511 8500
Hans-Peter Rudolf, CFO	
Nominated Adviser and Joint Broker	
Peel Hunt LLP	
James Steel/Christopher Golden	+44 (0)20 7418 8900
Joint Broker	
finnCap Ltd	
Geoff Nash/ George Dollemore/Alice Lane/Nigel Birks	+44 (0)20 7220 0500
Financial PR & IR Advisor	
Walbrook PR	
Lianne Applegarth/Alice Woodings	+44 (0)20 7933 8780 or shield@walbrookpr.com
Investor Contact (US Advisor)	
LifeSci Advisors, LLC	
John Mullaly	+1 617 429 3548 or jmullaly@lifesciadvisors.com

About Accrufer®/Feraccru®

Accrufer®/Feraccru® (ferric maltol) is a novel, stable, non-salt based oral therapy for adults with iron deficiency, with or without anemia. Accrufer®/Feraccru® has a novel mechanism of absorption compared to other oral iron therapies and has been shown to be an efficacious and well-tolerated therapy in a range of clinical trials. More information about Accrufer®/Feraccru®, including the product label, can be found at: www.accrufer.com and www.feraccru.com

About Shield Therapeutics plc

Shield is a commercial stage specialty pharmaceutical company with a focus on addressing iron deficiency with its lead product Accrufer®/Feraccru® (ferric maltol). The Group has launched Accrufer® in the US and Feraccru® is commercialized in the UK and European Union by Norgine B.V., who also have the marketing rights in Australia and New Zealand. Shield also has an exclusive license agreement with Beijing Aosaikang Pharmaceutical Co., Ltd., for the development and commercialization of Accrufer® / Feraccru® in China, Hong Kong, Macau and Taiwan, with Korea Pharma Co., Ltd. in the Republic of Korea, and with KYE Pharmaceuticals Inc. in Canada.

Accrufer®/Feraccru® has patent coverage until the mid-2030s

Accrufer®/Feraccru® are registered trademarks of the Shield Group