

Shield Therapeutics eyes £14.7m fund raise and seals deal with healthcare company

Gateshead drug manufacturer Shield Therapeutics is aiming to raise £14.7m (\$18m) via a share placing and subscription move.

Announcing the move to the London Stock Exchange, Shield said it had also extended its convertible debt facility with shareholder AOP Health International Management AG by \$10m. The subscription and placing comes at 6p per share – a move that Shield says represents an 11% discount on its share price at the close of markets on Monday.

At the same time the business is also making an open offer to existing, qualifying shareholders that aims to raise up to £3.9m. AOP has signalled it will subscribe to 57,096,248 shares at the issue price, while some directors and employees of Shield will subscribe to 11,459,213 shares.

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Shield has also revealed a major partnership agreement with US pharmaceuticals firm Viatris that will help it tackle the American market with its iron deficiency products. The North East firm estimates it can sell \$150m of its Accrufer capsules to the US by the end of 2025.

The two firms will put forward a combined team of 100 sales people to promote the drug, which treats iron deficiency anaemia. They will target around 12,000 health care professionals who write the majority of oral iron prescriptions in the US.

Taken together, Shield said the value of the share

subscription and placing, the extended shareholder loan facility and the Viatrix partnership amounts to about \$37.7m. Around \$13m of that will be used to fund 50 of the field salespeople needed for the Viatrix partnership, while \$8m is earmarked for marketing; \$3m for what it called “expansion of market access and distribution channels”, and \$8m will be put towards working capital needs.

In a connected update on the performance of Accrufer, Shield stated: “In the nine months to September 30 2022, Accrufer has generated unaudited net revenues in the US of \$2.4m. Other unaudited revenues generated in the nine-month period amount to circa £0.8m generated from royalties from sales of Feraccru in Europe and a £0.2m license upfront payment from its commercial partner in Canada.

“Shield expects to recognise as revenue the \$5m upfront payment from Viatrix in the current financial year. Shield’s unaudited cash balances as at November 30, 2022 was approximately £0.7m.”

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