

Shield Therapeutics finalises \$10m loan agreement from cornerstone shareholder

A cornerstone investor at Shield Therapeutics has finalised a \$10m shareholder loan agreement with the Tyneside pharma firm.

Gateshead-based Shield Therapeutics has developed an iron deficiency anaemia drug which is manufactured at a number of sites including North East bases, and is available in Europe under the Ferracru brand and other countries as Accrufer.

In June the firm announced a strong start to its new financial year, but revealed that efforts to raise \$30m in equity which would have opened the door to a larger debt facility had failed “due to the extremely challenging equity market conditions”.

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However, shareholder AOP Orphan International AG outlined plans to help the group extend its cash for the rest of 2022, through a multimillion-pound loan note which had to get full shareholder approval. The company has now announced that the company has concluded the formal loan documentation in relation to the \$10m loan agreed between the company and AOP Health International Management.

The loan will be drawn down in a single tranche on August 1 and it is secured over Shield’s US intellectual property rights associated with Accrufer. Shield is entitled to repay the loan in whole or in part, in multiples of \$500,000, at any time with accrued interest, without penalty.

Greg Madison, Shield CEO, said: “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.”

In full year results published in July the company saw revenues of £1.5m in 2021, a significant drop on 2020's £10.4m which had been boosted by a licensing deal in China. Losses for the year also widened from £2.6m to £17.9m, primarily as a result of £11.4m in costs related to its US launch.

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