The information contained within this announcement is deemed by the Group to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014. Upon the publication of this announcement via the Regulatory Information Service, this inside information is now considered to be in the public domain.

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

**Licence agreement secured in China for Feraccru®/Accrufer®**

*Exclusive licence agreement with Beijing Aosaikang Pharmaceutical Co. Ltd for the development and commercialisation of Feraccru®/Accrufer® in China*

**Deal Highlights:**
- US$11.4 million upfront licence payment to Shield
- Up to US$51.4 million in development and sales milestones
- Ongoing tiered double-digit royalties on net sales payable to Shield
- ASK Pharm to be responsible for, and cover costs of, all development and regulatory activity

**London, UK, 8 January 2020:** Shield Therapeutics plc (LSE: STX), a commercial stage, pharmaceutical company with a focus on addressing iron deficiency, announces that it has entered into an exclusive licence agreement for its lead product Feraccru®/Accrufer® (ferric maltol) with Beijing Aosaikang Pharmaceutical Co. Ltd ("ASK Pharm") in China, Hong Kong, Macau and Taiwan (the "Territory"). Alongside the financial terms of the licence, the agreement sees ASK Pharm undertaking and paying for all activities to achieve marketing authorisation and then commercialising Feraccru®/Accrufer® in the Territory.

Shield will receive an upfront payment of US$11.4 million and is eligible to receive a further US$11.4 million upon regulatory approval of Feraccru®/Accrufer® in China. Shield will also receive up to US$40 million in milestone payments upon the achievement of specified cumulative sales targets. For the duration of the intellectual property in the Territory, Shield will receive tiered ongoing royalties of 10% or 15% of net sales of Feraccru®/Accrufer®. ASK Pharm will be responsible for all clinical and regulatory costs and activities as well as all manufacturing and distribution costs of goods sold in the Territory.

Based in Nanjing, Jiangsu Province, ASK Pharm was founded in 2003 and is listed on the Shenzhen stock exchange (XSEC:002755). ASK Pharm is an integrated pharmaceutical enterprise that focuses on the GI and oncology therapeutic areas, being one of China’s leading manufacturers of proton pump inhibitor and oncology medications. With a market capitalisation of approximately CNY15 billion (US$2.2 billion), 2018 sales revenues in China equivalent to more than US$560 million and over 1,000 sales representatives, ASK Pharm is both well-resourced and very well positioned to capitalise on the Feraccru®/Accrufer® opportunity in China, one of the world’s largest and fastest growing prescription pharmaceutical markets.

**Carl Sterritt, Chief Executive Officer of Shield Therapeutics, said:** “I am delighted to announce this agreement with ASK Pharm, who have been determined to succeed throughout a competitive licensing process for Feraccru®/Accrufer® in China. They are an ambitious and successful pharmaceutical company with an excellent track record of product development and commercial success. Their established product development and commercial infrastructure and expertise in China should speed the regulatory approval and drive subsequent sales of Feraccru®/Accrufer®. The market in China for novel prescription pharmaceuticals continues to grow rapidly and this agreement will mean more patients with iron deficiency will benefit from Feraccru®/Accrufer® therapy, enabling them to enjoy the things that make a difference in their everyday lives. We very much look forward to working with ASK Pharm and supporting them as they advance the Feraccru®/Accrufer® franchise in China.”
We look forward to updating the market on progress with ongoing discussions relating to the commercialisation of Feraccru®/Accrufer® in the US. As previously indicated the priority is to secure a highly motivated partner on attractive commercial terms rather than completing the process to a particular deadline.”

Qingcai Chen, Chairman of Beijing Aosaikang Pharmaceutical Co. Ltd., said: “We are very happy to enter into this agreement with Shield Therapeutics, a leading innovative pharmaceutical company that has shown its product development expertise through the approvals for Feraccru®/Accrufer® in Europe and the USA. ASK Pharm will now work closely with Shield to rapidly complete any required clinical development in China and bring this revolutionary product to patients with iron deficiency as early as possible. This co-operation will expand our company’s therapeutic area experience and improve our competitiveness, whilst also creating a new development and commercialisation opportunity for ASK Pharm.”

Stephenson Harwood LLP acted as legal advisor and Torreya Partners acted as financial advisor to Shield on the transaction.

The person who arranged for the release of this announcement on behalf of Shield Therapeutics plc was Carl Sterritt, Chief Executive Officer.

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About Shield Therapeutics plc
Shield is a de-risked, commercial stage, specialty pharmaceutical company delivering innovative pharmaceuticals to address patients’ unmet medical needs. The Company’s clear purpose is to develop products that help patients become people again, enabling them to enjoy the things that make a difference in their everyday lives. The Group’s lead product, Feraccru®/Accrufer® has exclusive IP rights until the mid-2030s and is approved for the treatment of iron deficiency with or without anaemia in adults in the European Union, the United States and Switzerland. In Europe it is marketed as Feraccru® with commercialisation led by Norgine BV and in the USA the product will be marketed as Accrufer® with Shield currently in the process of selecting a commercialisation partner. For more information please visit www.shieldtherapeutics.com

About Feraccru®/Accrufer®
Feraccru®/Accrufer® is a novel, stable, non-salt based oral therapy for adults with iron deficiency with or without anaemia that has been shown to be an efficacious and well-tolerated therapy in a range of controlled phase 3 trials, including positive results from the Phase IIIb AEGIS-H2H study in which Feraccru®/Accrufer® demonstrated it was non-inferior in delivering improvements in haemoglobin levels compared to intravenously-administered (IV) Ferinject®/Injectafer® (ferric carboxymaltose). Feraccru®/Accrufer® therefore offers a compelling alternative to IV iron for those patients unable to tolerate salt-based oral iron therapies and wish to avoid the complexities of infusion-based iron therapies.
When salt-based oral iron therapies are ingested they can cause a range of mild-to-severe gastrointestinal tract (GI) adverse events, including nausea, bloating and constipation through the release and subsequent reactivity of free iron in the GI tract, leading to poor tolerability, reduced patient compliance and ultimately treatment failure. Feraccru®/Accrufer® is not an iron salt and, as a result, it does not routinely cause the same treatment-limiting intolerance issues of salt-based iron therapies, whilst the iron from the ferric maltol molecule can be readily absorbed.

Prior to Feraccru®/Accrufer®, IV iron therapies were the only realistic alternative treatment option for iron deficient patients with or without anaemia intolerant of or unwilling to be treated salt-based oral iron therapies. However, use of such an invasive, costly, inconvenient and complex to administer treatment option, which is associated with potentially life-threatening and spontaneous hypersensitivity reactions, means there remains a clear unmet medical need for these patients to have access to an effective therapy that is well tolerated, convenient and does not require hospital-based administration. Feraccru®/Accrufer® meets those requirements.

About Iron Deficiency
The WHO state that iron deficiency is the most common and widespread nutritional disorder in the world. As well as affecting a large number of children and women in non-industrialized countries, it is the only nutrient deficiency which is also significantly prevalent in virtually all industrialised nations. There are no current global figures for iron deficiency, so using anaemia as an indirect indicator it can be estimated that most preschool children and pregnant women in non-industrialized countries, and at least 30-40% in industrialized countries, are iron deficient.