

Shield Therapeutics

Next step US Feraccru approval

Shield Therapeutics reported FY18 results in line with our expectations. Total revenue of £11.9m included the £11.0m upfront payment from European partner Norgine. Operating expenses were substantially reduced as Shield moved from a direct selling model to out-licensing deals for Feraccru commercialisation. Norgine will roll out Feraccru across additional European countries in 2020, subject to country-by-country reimbursement negotiations. In the US, we expect Feraccru approval in 2019 and that Shield will seek a marketing partner thereafter. The positive AEGIS-H2H data (non-inferiority to IV iron) announced recently should strengthen Feraccru's appeal. We value Shield at £177m (from £178m).

Year end	Revenue (£m)	PBT* (£m)	EPS* (p)	DPS (p)	P/E (x)	Yield (%)
12/17	0.64	(18.42)	(15.2)	0.0	N/A	N/A
12/18	11.88	(5.15)	(2.0)	0.0	N/A	N/A
12/19e	2.98	(9.37)	(6.5)	0.0	N/A	N/A
12/20e	2.66	(10.0)	(7.8)	0.0	N/A	N/A

Note: *PBT and EPS are normalised, excluding amortisation of acquired intangibles, exceptional items and share-based payments.

2019 US approval and marketing partner

Key inflections in 2019–20 include potential regulatory approval in the US (and a partnering deal), sales growth across Europe and the US, and potential China outlicensing of Feraccru (discussions with Chinese companies are underway). Partnering strategies enhance economic returns and de-risk the investment case. The AEGIS-H2H marketing study, comparing Feraccru (an oral iron treatment) to the market-leading IV iron (Ferinject), has reported promising top-line data, demonstrating that Feraccru is a non-inferior treatment option for patients with iron deficiency anaemia compared to Ferinject. We believe these data will increase clinical uptake, and positively affect pricing negotiations and reimbursement.

Financials: Cash runway into 2020

Shield reported a net loss of £1.8m in FY18 (FY17: £19.6m), benefiting from the £11m upfront licence payment from Norgine and a significant reduction in operating expenses following the restructuring of the company in 2018. The year-end cash position of £9.8m implies a cash runway into 2020. We forecast a 2019 cash burn of £5.1m and sustainable profitability from 2022. Shield is dependent in the near term on royalty and milestone income from partners. A US partnering deal in 2019 should enable an upfront licensing payment to extend cash runway further.

Valuation: £177m or 152p/share

Our valuation of Shield is at £177.4m or 152p/share (153p/share before). We have rolled forward our model and updated FX rates. As detailed in our initiation note, <u>Fortified for growth</u>, our valuation is based on a risk-adjusted NPV model of Feraccru for IDA in Europe and for CKD/IBD-related IDA in the US market. Our NPV calculation is based on Feraccru achieving 2029 peak sales of €133m in Europe and \$251m in the US, utilises a 10% discount rate and risk-adjusts the US opportunity accordingly (75% probability of success).

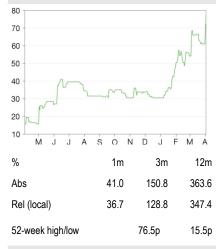
FY18 results

Pharma & biotech

3 April 2019

Price 76.5p £89m Market cap US\$/£0.76, €/£0.85, US\$/€0.89 Net cash (£m) at 31 December 2018 9.8 Shares in issue 116 4m Free float 28% Code STX Primary exchange AIM Secondary exchange N/A

Share price performance



Business description

Shield Therapeutics is a commercial-stage pharmaceutical company. Its proprietary product, Feraccru, is approved by the EMA for iron deficiency and is undergoing review with the US FDA. Feraccru is currently marketed through partners Norgine, AOP Orphan and Ewopharma.

Next events

Feraccru US PDUFA date	27 July 2019			
Feraccru launches in addition European countries	al 2020			
Analysts				
Dr Susie Jana	+44 (0)20 3077 5700			

Dr Susie Jana	+44 (0)20 3077 5700
Dr Daniel Wilkinson	+44 (0)20 3077 5734
Dr Sean Conroy	+44 (0)20 3681 2534

healthcare@edisongroup.com

Edison profile page

Shield Therapeutics is a research client of Edison Investment Research Limited



PROFIT ALOSS Solution Operating revenues 304.0 657.0 11.88.1.0 2.880.8 2.665.8 Cost of sales (100.0) (155.0) (311.0) (527.9) (152.4.5) Gross aragin % na 0.420.01 (16.720.0) (2.429.0) (2.477.9) (152.4.5) SGA (represes) (10.675.0) (16.720.0) (16.720.0) (2.437.0) (2.477.0) (2.424.0) (7.074.7) (7.660.9) SGA (represe) (0.0) 0.0	Exhibit 1: Financial summary					
Revenue 304.0 637.0 11,881.0 2,880.8 3,80.8 3,80.9 1,80.0 1,80.8 2,880.8 3,80.9 1,80.0 1,80.8 2,880.8 3,80.9 1,80.8 2,880.8 3,80.9 1,80.8 1,80.8 1,80.8 1,80.8 1,80.8 1,80.8 1,80.8	Accounts: IFRS, year-end: December, £000s	2016	2017	2018	2019e	2020e
Openating involunse 304.0 637.0 11 881.0 2280.6 2280.6 2280.6 2280.6 2280.6 2280.6 2280.6 2280.6 2280.6 2280.6 2280.6 2280.6 2280.6 2280.6 1130.0 623.7 1138.5 1138.5 1138.5 1138.5 1138.5 1138.6		004.0	007.0	44.004.0		0 000 0
Carl of asies (100.0) (155.0) (115.00) (127.9) (128.42) Gross profit 20.4 442.0 442.0 (128.70) (2.428.6) (7.428.6)						
Gross profit 2040 482.0 11.700 2.422.9 11.713 SCAA (separese) (10.675.0) (16.722.0) (12.430.0) (4.50.00) (5.50.00) (7.76.00) (5.50.00) (7.76.00) (5.50.00) (7.76.00) (5.50.00) (7.76.0) (5.50.00) (7.76.0) (5.50.00) (7.76.0) (5.50.00) (7.76.0)	· ·					
Gross margin % na				1/		
SGA4(negwees) (16,722) (16,722) (16,722) (16,722) (16,722) (16,722) (16,724) (16,668,1) SGA0 costs (2,029) (4,711) (14,300) (45,000) (45,000) (45,000) (45,000) (45,000) (45,000) (45,014) (2,747,1) (76,869) (2,747,1) (16,722) (12,741) (10,000) (11,741) (11,713) (10,022) (15,161) (13,713) (10,022) (15,161) (13,713) (10,022) (13,00) (14,00) (15,152) (13,131) (10,022) (14,01) (14,01) (14,01) (15,152) (13,131) (10,022) (15,152) (13,131) (10,022) (15,152) (14,14) (14,14) (14,14) (14,14) (14,14) (14,14) (14,14) (14,14) (11,14)				,	,	,
RAD cosis (2030) (4/110) (4/300) (4/500) Diter income(sprents) (400 0.0 0.0 0.0 Diter income(sprents) (10524) (12644) (2744) (7.660.9) Deprecision and motistem (12760) (2.757.0) (0.0 0.0 0.0 Aplusted Operating Income (13.430) (14.340) (14.340) (15.350) (9.371.3) (10.228.9) Aplusted Operating Income (15.633.0) (0.294.0) (15.53.0) (9.371.3) (10.228.9) Aplusted PET (15.663.0) (0.294.0) (15.53.0) (9.371.3) (10.228.9) Income income (sprents) (16.160) (19.586.0) (17.715.0) (10.20.20) Basic avegenze (567.0) (12.71) (15.15) (15.4) (16.60) (7.76) Apputed Intimore (10.00 (10.00 (10.00) (10.00) (10.00) (10.00) (10.00) (10.00) (10.00) (10.00) (10.00) (10.00) (10.00) (10.00) (10.00) (10.00)						
EBITD A (socialized) (10.524.0) (2.54.10) (7.047.1) (7.086.7) Reported Operation and anatomisation (12.960.0) (2.954.0) (2.342.2) (2.168.1) Reported Operating Income (12.460.0) (2.954.0) (2.942.2) (2.168.1) Reported Operating Income (13.03.0) (15.80.0) (9.371.3) (10.028.0) Reported PET (15.446.0) (15.81.0) (9.371.3) (10.028.0) Reported PET (15.446.0) (15.81.0) (9.371.3) (10.028.0) Income tax expense (5.71.0) (1.94.20.0) (5.75.1.3) (9.371.3) (10.228.9) Income tax expense (5.71.0) (1.74.0) (7.571.3) (9.371.3) (10.228.9) Income tax expense (5.71.0) (1.44.1) <td< td=""><td></td><td></td><td></td><td></td><td></td><td></td></td<>						
Depresolution and amortisation (19360) (24700) (23440) (23440) (23450) (23713) (10228) (23450) (13440) (1440) (14240) (1450) (12280) (23450) (12200) (23710) (10228) (23650) (12710) (1740) (1740) (1200) (1200) (1200) (1200) (1210) (1340) (1200) (1210) (1340)<	Other income/(expense)	40.0	0.0	0.0	0.0	0.0
Reported Operating Income (12,460.) (20,51.0) (61,86.0) (9,371.3) (10,026.9) Adjusted Operating Income (10,303.0) (18,300.0) (15,80.0) (9,371.3) (10,026.9) Reported PBT (15,61.00) (9,371.3) (10,026.9) (15,71.0) (10,00.0)	EBITDA (reported)					(7,860.9)
Exceptions and adjustments (2,157.0) (2,571.0) (0,01.0) (0,028.9) Finance incomel(expense) (3,13.3) (16,30.0) (15,68.0) (0,27.1) (10,028.9) Adjusted Operating Income (15,01.0) (10,028.9) (15,15.3) (9,37.1) (10,028.9) Adjusted PET (15,61.6) <td< td=""><td></td><td></td><td></td><td></td><td></td><td></td></td<>						
Adjustad Operating Income (10,303,0) (18,380,0) (9,513,0) (19,271,3) (10,028,9) Reported PET (15,603,0) (20,944,0) (51,51,0) (10,028,9) Adjustad PET (15,403,0) (15,413,0) (19,371,3) (10,228,9) Income tax expense (15,415,0) (15,423,0) (15,413,0) (17,413,0) (12,410,0) (12,410,0) (12,410,0) (12,410,0) (12,410,0) (12,410,0) (12,410,0) (12,410,0) (12,411,0) (14,410,0						
Finance socner[expense] (3,14.30) (43.40) (51.50) 0.0 (200.50) Adjusked PBT (15,60.30) (51.33.0) (9,37.13) (10.228.9) Adjusked PBT (13,44.60) (18,42.30) (17,57.13) (10.228.9) Reported rel income (15,01.60) (15,95.30) (17,57.13) (10.228.9) Basic average number of shares, m 10.12 112.4 116.4 116.4 116.4 Vanance data person (12.21) (15.15) (16.50) (7.76) Adjusted EPS (p) (14.24) 10.6 10.6 10.0 Dicked per share (p) (12.21) (15.15) (10.0) 0.00 0.00 Basic EPS (p) (14.24) 10.8 8.6 5.5 3.5 Godwill 19.0 13.0 8.6 5.6 3.9 Godwill 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 <td< td=""><td></td><td></td><td></td><td></td><td></td><td></td></td<>						
Reported PFT ((§ 6030) (20)94(0) (§ 13,30) (§ 37,13) ((0228) income tax expense \$87.0 1,466.0 (§ 14,230) (§ 13,30) (§ 37,13) (§ 1028) income tax expense \$87.0 1,466.0 (§ 15,30) (§ 37,43) (§ 1028) Basic average number of shares, m (10)12 (11,45) (11,64) (16,41) (16,42) Agustad EPS (p) (11,22) (11,54) (16,63) (7,76) Agustad EPS (p) (12,27) (11,51) (16,63) (7,76) Agustad EPS (p) (12,27) (15,15) (20,00) 0.00 <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>						
Adjustad PBT (13,446,0) (14,46,0) (5,13,0) (9,371,3) (10,220) Reported nct income (5)71,0) (14,58,0) (1,794,0) (7,71,3) (9,028,0) Reported nct income (15)16,0) (14,58,1) (14,64,1) (16,4) <						
Income tax expense S87.0 1.40.0 3.39.0 1.800.0 1.200.0 Basic average number of shares, m 101.2 112.4 116.4 11						
Reported number of shares, m (1012 (1124 (1164) (1164)	•				· · /	
Bais: average number of shares, m 101 2 112.4 116.4						
Year-and number of shares, m 1012 1124 1164 <	Basic average number of shares, m					
Adjusted EPS (p) (15.15) (15.4) (6.50) (0.00) BALANCE SHEET 0.00 0.00 0.00 0.00 0.00 BALANCE SHEET 0.0 0.0 0.0 0.0 0.0 0.0 0.0 Codowll 0.0	Year-end number of shares, m	101.2	112.4	116.4	116.4	116.4
Dividend per share (p) 0.00 0.0	Basic EPS (p)	(14.84)	(17.43)	(2.00)	(6.50)	(7.76)
BALANCE SHEET	Adjusted EPS (p)		. ,	. ,	. ,	. ,
Property plant and equipment 19.0 13.0 8.0 5.6 3.9 Goodwill 0.0 1.65.0 1.55.0 1.55.0 1.56.0	Dividend per share (p)	0.00	0.00	0.00	0.00	0.00
Goodwil 0.0 0.0 0.0 0.0 0.0 Inlangble assels 28,984.0 29,961.0 30,957.0 28,885.2 26,686.8 Other non-current assets 0.0 1.057.0 1.767.0 1		10.0				
Intangble assets 28,984.0 29,961.0 30,957.0 28,885.2 26,668.8 Other non-current assets 0.0 0.0 0.0 0.0 0.0 Cash and equivalents 29,003.0 29,974.0 30,965.0 28,890.8 28,972.6 Cash and equivalents 20,978.0 13,259.0 9,776.0 4,706.5 6,6444.7 Inventories 11,865.0 1,572.0 1,031.0 1,855.0 5,584.1 Other receivables 1,980.0 1,572.0 1,031.0 1,850.0 1,560.0 1,500.0 1,600.0 1,500.0 1,500.0 1,600.0 1,500.0 1,600.0 1,500.0 1,600.0 1,500.0 1,600.0 1,500.0 1,600.0 1,500.0 1,600.0 1,500.0						
Other non-current assets 0.0 <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>						
Total non-current assets 29,003.0 29,974.0 30,965.0 28,800.8 26,72.8 Cash and equivalents 20,978.0 13,299.0 9,776.0 4,706.5 6,444.7 Inventories 1,985.0 1,572.0 1,031.0 1,855.0 5,584.1 Other current assets 0.0 0.0 1,500.0 1,500.0 1,500.0 Total current tassets 23,381.0 14,996.0 12,416.0 8,641.7 15,474.1 Non-current tassets 0.0 <td></td> <td></td> <td>,</td> <td>,</td> <td></td> <td>,</td>			,	,		,
Cash and equivalents 20 978 0 3.298 0 9.776 0 4.706.5 6.444.7 Inventories 418.0 125.0 109.0 580.1 1.675.3 Trade and other receivables 1.985.0 1.572.0 1.031.0 1.855.0 5.854.1 Other current assets 23.381.0 14.996.0 12.416.0 8.641.7 15.474.1 Non-current liabilities 0.0 0.0 0.0 0.0 8.641.7 15.474.1 Non-current liabilities 0.0 0.0 0.0 0.0 8.600.0 Trade and other payables 3.827.0 3.501.0 2.548.0 3.770.8 9.214.1 Other current liabilities 161.0 262.0 403.0 403.0 403.0 Total anc-current liabilities 3.980.0 3,765.0 2,951.0 4,173.8 9,614.1 Total anch borrowings 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>						
Inventories 148.0 125.0 109.0 58.01 1.67.2.0 Trade and other receivables 0.0 0.0 0.1,500.0 1,00.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 1,500.0 1,500.0 1,500.0 1,500.0 1,500.0 1,500.0 1,500.0 1,500.0 1,500.0 1,500.0 1,500.0 1,500.0 1,500.0 1,500.0 1,500.0 1,500.0 1,500.0 1,500.0 1,500.0 1						
Trade and other receivables 1,985.0 1,572.0 1,031.0 1,855.0 5,864.1 Other current lassets 0.0 0.0 1,500.0 0,00 0.0 <	· · · · · · · · · · · · · · · · · · ·	,			,	,
Total current assets 23,381.0 14,996.0 12,416.0 8,641.7 15,474.1 Non-current liabilities 0.0	Trade and other receivables	1,985.0		1,031.0	1,855.0	5,854.1
Non-current loans and borrowings 0.0 <th< td=""><td>Other current assets</td><td>0.0</td><td>0.0</td><td>1,500.0</td><td>1,500.0</td><td>1,500.0</td></th<>	Other current assets	0.0	0.0	1,500.0	1,500.0	1,500.0
Other non-current liabilities 0.0 0.0 0.0 0.0 0.0 Total non-current liabilities 0.0 <td< td=""><td>Total current assets</td><td>,</td><td>,</td><td>,</td><td>,</td><td>15,474.1</td></td<>	Total current assets	,	,	,	,	15,474.1
Total non-current liabilities 0.0 0.0 0.0 0.0 8,000.0 Trade and other payables 3,827.0 3,501.0 2,548.0 3,770.8 9,214.1 Current liabilities 0.0						,
Trade and other payables 3,827.0 3,501.0 2,548.0 3,770.8 9,214.1 Current labilities 161.0 262.0 403.0 403.0 403.0 Other current liabilities 3,988.0 3,763.0 2,951.0 4,173.8 9,617.1 Equity attributable to company 48,396.0 41,207.0 40,430.0 33,358.7 24,829.8 CASH FLOW STATEMENT 7,653.0 2,354.0 2,324.2 2,168.1 Share based payments 1,936.0 2,437.0 2,354.0 2,324.2 2,168.1 Share based payments 3,882.0 39.0 4.0 0.5 0.5 Movements in working capital (846.0) (186.0) (255.0) (72.4) 349.0 Cash from operations (CFO) (10,256.0) (1,500.0) 0.0						
Current loans and borrowings 0.0 0.0 0.0 0.0 0.0 0.0 Other current liabilities 161.0 262.0 403.0 403.0 403.0 403.0 403.0 403.0 403.0 403.0 403.0 403.0 403.0 403.0 33,58.7 24,829.8 CASH FLOW STATEMENT 44,396.0 41,207.0 40,430.0 33,358.7 24,829.8 CASH FLOW STATEMENT 500.0 (1,794.0) (7,571.3) (9,028.9) Depreciation and amortisation 1,936.0 2,437.0 2,354.0 2,324.2 2,168.1 Share based payments 288.0 560.0 1,013.0 500.0 500.0 0.0 <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>						
Other current liabilities 161.0 262.0 403.0 403.0 403.0 Total current liabilities 3.988.0 3.763.0 2.951.0 4.173.8 9.617.1 Equity attributable to company 48.396.0 41.207.0 40.430.0 33.358.7 24.829.8 CASH FLOW STATEMENT 9.617.1 9.028.9 Depreciation and amortisation 1.936.0 2.437.0 2.364.0 2.2324.2 2.168.1 Share based payments 288.0 560.0 1.013.0 500.0 500.0 Other adjustments 3.382.0 3.90 4.0 0.5 0.5 Movements in working capital (846.0) (186.0) (255.0) (72.4) 349.0 Incore taxes paid / received 0.0			,			
Total current liabilities 3,988.0 3,763.0 2,951.0 4,173.8 9,617.1 Equity attributable to company 48,396.0 41,207.0 40,430.0 33,358.7 24,829.8 CASH FLOW STATEMENT (15,016.0) (19,588.0) (1,794.0) (7,571.3) (9,028.9) Depreciation and amortisation 1,936.0 2,437.0 2,354.0 2,324.2 2,168.1 Share based payments 288.0 560.0 1,013.0 500.0 500.0 Other adjustments (846.0) (186.0) (255.0) (72.4) 349.0 Interest paid / received 0.0	•					
Equity attributable to company 48,396.0 41,207.0 40,430.0 33,358.7 24,829.8 CASH FLOW STATEMENT V V V V V Reported net income (15,016.0) (19,588.0) (1,794.0) (7,571.3) (9,028.9) Depreciation and amortisation 2,384.0 2,324.2 2,186.1 Share based payments 2,384.0 2,324.2 2,186.1 Share based payments 3,382.0 39.0 4.0 0.5 0.5 Movements in working capital (166.0) (1255.0) (72.4) 349.0 Interest paid / received 0.0						
CASH FLOW STATEMENT (15,016.0) (19,588.0) (1.794.0) (7,571.3) (9,028.9) Depreciation and amortisation 1,936.0 2,437.0 2,354.0 2,324.2 2,168.1 Share based payments 288.0 560.0 1,013.0 500.0 500.0 Other adjustments 3,382.0 39.0 4.0 0.5 0.5 Movements in working capital (846.0) (186.0) (255.0) (72.4) 349.0 Income taxes paid / received 0.0 0.0 0.0 0.0 0.0 0.0 Cash from operations (CFO) (10,256.0) (15,10.0) (178.0) (4,819.5) (6,011.8) Capex (3,175.0) (3,448.0) (3,345.0) (250.0) (250.0) Net proceeds from issue of shares 33,507.0 11,880.0 0.0 0.0 0.0 Net proceeds from issue of shares 0.0 0.0 0.0 0.0 0.0 Cash and equivalents at beginning of period 725.0 20,978.0 13,299.0 9,776.0 4,706.5 6,444.7						
Depreciation and amortisation 1,936.0 2,437.0 2,354.0 2,324.2 2,168.1 Share based payments 288.0 560.0 1,013.0 500.0 500.0 Other adjustments 3,382.0 39.0 4.0 0.5 0.5 Movements in working capital (846.0) (186.0) (255.0) (72.4) 349.0 Interest paid / received 0.0 0.0 0.0 0.0 0.0 0.0 Income taxes paid / received 0.0 587.0 (1,500.0) 0.0 0.0 Capex (3,175.0) (3,408.0) (3,345.0) (250.0) (250.0) Capex 0.0 0.0 0.0 0.0 0.0 0.0 Capex (3,175.0) (3,408.0) (3,345.0) (250.0) (250.0) Capex 0.0 <td>CASH FLOW STATEMENT</td> <td></td> <td>,</td> <td>.,</td> <td>,</td> <td>,</td>	CASH FLOW STATEMENT		,	.,	,	,
Share based payments 288.0 560.0 1,013.0 500.0 500.0 Other adjustments 3,382.0 39.0 4.0 0.5 0.5 Movements in working capital (846.0) (186.0) (255.0) (72.4) 349.0 Interest paid / received 0.0 0.0 0.0 0.0 0.0 0.0 Income taxes paid / received 0.0 587.0 (1,500.0) 0.0 0.0 Cash from operations (CFO) (10,256.0) (16,151.0) (178.0) (4,819.5) (6,011.8) Capex (3,175.0) (3,408.0) (3,345.0) (250.0) (250.0) Acquisitions & disposals net 0.0 0.0 0.0 0.0 0.0 Other investing activities 177.0 0.0 0.0 0.0 0.0 Cash used in investing activities (CFIA) (2,998.0) (3,408.0) (3,345.0) (250.0) (250.0) Net proceeds from issue of shares 33,507.0 11,880.0 0.0 0.0 0.0 Cash metinancing activities (Reported net income	(15,016.0)	(19,588.0)	(1,794.0)		(9,028.9)
Other adjustments 3,382.0 39.0 4.0 0.5 0.5 Movements in working capital (846.0) (186.0) (255.0) (72.4) 349.0 Interest paid / received 0.0 0.0 0.0 0.0 0.0 0.0 Income taxes paid / received 0.0 587.0 (1,500.0) 0.0 0.0 Cash from operations (CFO) (10,256.0) (16,151.0) (178.0) (4,819.5) (6,011.8) Capex (3,175.0) (3,408.0) (3,345.0) (250.0) (250.0) Acquisitions & disposals net 0.0 0.0 0.0 0.0 0.0 Other investing activities (CFIA) (2,998.0) (3,408.0) (3,345.0) (250.0) (250.0) Other investing activities (CFIA) (2,998.0) (3,408.0) (0.0 0	Depreciation and amortisation					
Movements in working capital (846.0) (186.0) (255.0) (72.4) 349.0 Interest paid / received 0.0						
Interest paid / received 0.0 <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>						
Income taxes paid / received 0.0 587.0 (1,500.0) 0.0 0.0 Cash from operations (CFO) (10,256.0) (16,151.0) (178.0) (4,819.5) (6,011.8) Capex (3,175.0) (3,408.0) (3,345.0) (250.0) (250.0) Acquisitions & disposals net 0.0 0.0 0.0 0.0 0.0 Other investing activities 177.0 0.0 0.0 0.0 0.0 Cash used in investing activities (CFIA) (2,998.0) (3,408.0) (3,345.0) (250.0) (250.0) Net proceeds from issue of shares 33,507.0 11,880.0 0.0 0.0 0.0 Movements in debt 0.0 0.0 0.0 0.0 0.0 0.0 Other financing activities (CFF) 33,507.0 11,880.0 0		· · · ·		· · · /	. ,	
Cash from operations (CFO) (10,256.0) (16,151.0) (178.0) (4,819.5) (6,011.8) Capex (3,175.0) (3,408.0) (3,345.0) (250.0) (250.0) Acquisitions & disposals net 0.0 0.0 0.0 0.0 0.0 0.0 Other investing activities 177.0 0.0 0.0 0.0 0.0 0.0 Cash used in investing activities (CFIA) (2,998.0) (3,408.0) (3,345.0) (250.0) (250.0) Net proceeds from issue of shares 33,507.0 11,880.0 0.0 0.0 0.0 Movements in debt 0.0 0.0 0.0 0.0 0.0 0.0 Other financing activities (CFF) 33,507.0 11,880.0 0.0 0.0 8,000.0 Cash from financing activities (CFF) 33,507.0 11,880.0 0.0 0.0 8,000.0 Cash and equivalents at beginning of period 725.0 20,978.0 13,299.0 9,776.0 4,706.5 Increase/(decrease) in cash and equivalents 20,253.0						
Capex (3,175.0) (3,408.0) (3,345.0) (250.0) (250.0) Acquisitions & disposals net 0.0 <t< td=""><td></td><td></td><td></td><td></td><td></td><td></td></t<>						
Acquisitions & disposals net 0.0						
Other investing activities 177.0 0.0 0.0 0.0 0.0 Cash used in investing activities (CFIA) (2,998.0) (3,408.0) (3,345.0) (250.0) (250.0) Net proceeds from issue of shares 33,507.0 11,880.0 0.0 0.0 0.0 Movements in debt 0.0 0.0 0.0 0.0 0.0 8,000.0 Other financing activities 0.0				(/ /	. ,	. ,
Cash used in investing activities (CFIA)(2,998.0)(3,408.0)(3,345.0)(250.0)(250.0)Net proceeds from issue of shares33,507.011,880.00.00.00.00.0Movements in debt0.00.00.00.00.00.00.00.0Other financing activities0.00.00.00.00.00.00.00.0Cash from financing activities (CFF)33,507.011,880.00.00.00.00.00.0Cash and equivalents at beginning of period725.020,978.013,299.09,776.04,706.5Increase/(decrease) in cash and equivalents20,253.0(7,679.0)(3,523.0)(5,069.5)1,738.2Cash and equivalents at end of period20,978.013,299.09,776.04,706.56,444.7Net (debt)/cash20,978.013,299.09,776.04,706.5(1,555.3)						0.0
Net proceeds from issue of shares 33,507.0 11,880.0 0.0	Cash used in investing activities (CFIA)					(250.0)
Other financing activities 0.0 </td <td>Net proceeds from issue of shares</td> <td></td> <td></td> <td></td> <td></td> <td>0.0</td>	Net proceeds from issue of shares					0.0
Cash from financing activities (CFF) 33,507.0 11,880.0 0.0 0.0 8,000.0 Cash and equivalents at beginning of period 725.0 20,978.0 13,299.0 9,776.0 4,706.5 Increase/(decrease) in cash and equivalents 20,253.0 (7,679.0) (3,523.0) (5,069.5) 1,738.2 Cash and equivalents at end of period 20,978.0 13,299.0 9,776.0 4,706.5 6,444.7 Net (debt)/cash 20,978.0 13,299.0 9,776.0 4,706.5 (1,555.3)	Movements in debt			0.0	0.0	8,000.0
Cash and equivalents at beginning of period 725.0 20,978.0 13,299.0 9,776.0 4,706.5 Increase/(decrease) in cash and equivalents 20,253.0 (7,679.0) (3,523.0) (5,069.5) 1,738.2 Cash and equivalents at end of period 20,978.0 13,299.0 9,776.0 4,706.5 6,444.7 Net (debt)/cash 20,978.0 13,299.0 9,776.0 4,706.5 (1,555.3)	Other financing activities					0.0
Increase/(decrease) in cash and equivalents 20,253.0 (7,679.0) (3,523.0) (5,069.5) 1,738.2 Cash and equivalents at end of period 20,978.0 13,299.0 9,776.0 4,706.5 6,444.7 Net (debt)/cash 20,978.0 13,299.0 9,776.0 4,706.5 (1,555.3)						
Cash and equivalents at end of period 20,978.0 13,299.0 9,776.0 4,706.5 6,444.7 Net (debt)/cash 20,978.0 13,299.0 9,776.0 4,706.5 (1,555.3)						
Net (debt)/cash 20,978.0 13,299.0 9,776.0 4,706.5 (1,555.3)	· · · ·					
		20,978.0	13,299.0	9,110.0	4,700.0	(1,000.3)

Source: Shield, Edison Investment Research



General disclaimer and copyright

This report has been commissioned by Shield Therapeutics and prepared and issued by Edison, in consideration of a fee payable by Shield Therapeutics. Edison Investment Research standard fees are £49,500 pa for the production and broad dissemination of a detailed note (Outlook) following by regular (typically quarterly) update notes. Fees are paid upfront in cash without recourse. Edison may seek additional fees for the provision of roadshows and related IR services for the client but does not get remunerated for any investment banking services. We never take payment in stock, options or warrants for any of our services.

Accuracy of content: All information used in the publication of this report has been compiled from publicly available sources that are believed to be reliable, however we do not guarantee the accuracy or completeness of this report and have not sought for this information to be independently verified. Opinions contained in this report represent those of the Edison analyst at the time of publication. Forward-looking information or statements in this report contain information that is based on assumptions, forecasts of future results, estimates of anot yet determinable, and therefore involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of their subject matter to be materially different from current expectations.

Exclusion of Liability: To the fullest extent allowed by law, Edison shall not be liable for any direct, indirect or consequential losses, loss of profits, damages, costs or expenses incurred or suffered by you arising out or in connection with the access to, use of or reliance on any information contained on this note.

No personalised advice: The information that we provide should not be construed in any manner whatsoever as, personalised advice. Also, the information provided by us should not be construed by any subscriber or prospective subscriber as Edison's solicitation to effect, or attempt to effect, any transaction in a security. The securities described in the report may not be eligible for sale in all jurisdictions or to certain categories of investors.

Investment in securities mentioned: Edison has a restrictive policy relating to personal dealing and conflicts of interest. Edison Group does not conduct any investment business and, accordingly, does not itself hold any positions in the securities mentioned in this report. However, the respective directors, officers, employees and contractors of Edison may have a position in any or related securities mentioned in this report, subject to Edison's policies on personal dealing and conflicts of interest.

Copyright: Copyright 2019 Edison Investment Research Limited (Edison). All rights reserved FTSE International Limited ("FTSE") © FTSE 2019. "FTSE®" is a trade mark of the London Stock Exchange Group companies and is used by FTSE International Limited under license. All rights in the FTSE indices and/or FTSE ratings vest in FTSE and/or its licensors. Neither FTSE nor its licensors accept any liability for any errors or omissions in the FTSE indices and/or FTSE ratings or underlying data. No further distribution of FTSE Data is permitted without FTSE's express written consent.

Australia

Edison Investment Research Pty Ltd (Edison AU) is the Australian subsidiary of Edison. Edison AU is a Corporate Authorised Representative (1252501) of Myonlineadvisers Pty Ltd who holds an Australian Financial Services Licence (Number: 427484). This research is issued in Australia by Edison AU and any access to it, is intended only for "wholesale clients" within the meaning of the Corporations Act 2001 of Australia. Any advice given by Edison AU is general advice only and does not take into account your personal circumstances, needs or objectives. You should, before acting on this advice, consider the appropriateness of the advice, having regard to your objectives, financial situation and needs. If our advice relates to the acquisition, or possible acquisition, of a particular financial product you should read any relevant Product Disclosure Statement or like instrument.

New Zealand

The research in this document is intended for New Zealand resident professional financial advisers or brokers (for use in their roles as financial advisers or brokers) and habitual investors who are "wholesale clients" for the purpose of the Financial Advisers Act 2008 (FAA) (as described in sections 5(c) (1)(a), (b) and (c) of the FAA). This is not a solicitation or inducement to buy, sell, subscribe, or underwrite any securities mentioned or in the topic of this document. For the purpose of the FAA, the content of this report is of a general nature, is intended as a source of general information only and is not intended to constitute a recommendation or opinion in relation to acquiring or disposing (including refraining from acquiring or disposing) of securities. The distribution of this document is not a "personalised service" and, to the extent that it contains any financial advice, is intended only as a "class service" provided by Edison within the meaning of the FAA (i.e. without taking into account the particular financial situation or goals of any person). As such, it should not be relied upon in making an investment decision.

United Kingdom

Neither this document and associated email (together, the "Communication") constitutes or form part of any offer for sale or subscription of, or solicitation of any offer to buy or subscribe for, any securities, nor shall it or any part of it form the basis of, or be relied on in connection with, any contract or commitment whatsoever. Any decision to purchase shares in the Company in the proposed placing should be made solely on the basis of the information to be contained in the admission document to be published in connection therewith.

This Communication is being distributed in the United Kingdom and is directed only at (i) persons having professional experience in matters relating to investments, i.e. investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "FPO") (ii) high net-worth companies, unincorporated associations or other bodies within the meaning of Article 49 of the FPO and (iii) persons to whom it is otherwise lawful to distribute it. The investment or investment activity to which this document relates is available only to such persons. It is not intended that this document be distributed or passed on, directly, ro lang value class of persons and in any event and under no circumstances should persons of any other description rely on or act upon the contents of this document (nor will such persons be able to purchase shares in the placing).

This Communication is being supplied to you solely for your information and may not be reproduced by, further distributed to or published in whole or in part by, any other person.

United States

The Investment Research is a publication distributed in the United States by Edison Investment Research, Inc. Edison Investment Research, Inc. is registered as an investment adviser with the Securities and Exchange Commission. Edison relies upon the "publishers' exclusion" from the definition of investment adviser under Section 202(a) (11) of the Investment Advisers Act of 1940 and corresponding state securities laws. This report is a bona fide publication of general and regular circulation offering impersonal investment-related advice, not tailored to a specific investment publication of the needs of current and/or prospective subscribers. As such, Edison does not offer or provide personal advice and the research provided is for informational purposes only. No mention of a particular security in this report constitutes a recommendation to buy, sell or hold that or any security, or that any particular security, portfolio of securities, transaction or investment strategy is suitable for any specific person.

Frankfurt +49 (0)69 78 8076 960 Schumannstrasse 34b 60325 Frankfurt Germany London +44 (0)20 3077 5700 280 High Holborn London, WC1V 7EE United Kingdom New York +1 646 653 7026 1,185 Avenue of the Americas 3rd Floor, New York, NY 10036 United States of America Sydney +61 (0)2 8249 8342 Level 4, Office 1205 95 Pitt Street, Sydney NSW 2000, Australia