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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION.

FOR IMMEDIATE RELEASE.

4 May 2023

**AOP LOAN CONVERSION**

**MANDATORY CASH OFFER**

for

**SHIELD THERAPEUTICS PLC  
("SHIELD")**

by

**AOP HEALTH INTERNATIONAL MANAGEMENT AG  
("AOP")**

**Summary and highlights**

- The boards of AOP, a company incorporated in Liechtenstein and the holder of approximately 26.99 per cent. of the issued ordinary shares of Shield, and Shield announce that AOP has requested, pursuant to a conversion notice dated 3 May 2023, the conversion of USD 9,542,019 of the convertible shareholder loan facility between Shield and AOP into 127,366,565 ordinary shares of 1.5 pence each in Shield (the "**Conversion Shares**") at a price of 6.01 pence per Shield Share, being a 10 per cent. discount to the average mid-market closing price of a Shield Share over the 20 Business Days prior to 3 May 2023, being the date of the Conversion request.
- Pursuant to the terms of the Shareholder Loan, Shield is not required to allot Shield Shares to the extent that, following such allotment, AOP (together with its concert parties) would control 30 per cent. of the voting rights. Since the issue of the Conversion Shares would cause AOP and its concert parties to hold in excess of 30 per cent. of the voting rights of Shield, the Conversion is subject to the consent of the board of Shield. As explained below, Shield has provided its consent to the Conversion on 4 May 2023.
- Following the Conversion, AOP and its concert parties will hold interests in Shield Shares representing approximately 41.9 per cent. of the voting rights in Shield. Consequently, AOP is required to make a mandatory cash offer for Shield pursuant to Rule 9 of the City Code on Takeovers and Mergers.
- Accordingly, the board of AOP hereby announces the terms of a mandatory cash offer to be made by AOP to acquire the entire issued and to be issued share capital of Shield not already held by AOP or to be held by AOP pursuant to the Conversion.

- The directors of Shield (excluding Dr. Christian Schweiger) (the “**Recommending Shield Directors**”) recognise that conversion of the Shareholder Loan, and receipt of the Conversion Shares and a resulting increase in AOP’s percentage shareholding in Shield, is AOP’s primary goal and that the Mandatory Offer is a consequence of the Conversion.
- Under the terms of the Mandatory Offer, Shield Shareholders (other than AOP) will be entitled to receive:

**for each Shield Share: 6.20 pence in cash**

- The Mandatory Offer Price of 6.20 pence per Shield Share is equal to the highest price at which AOP or its concert parties have acquired Shield Shares over the 12 months prior to the date of this Announcement.
- The Mandatory Offer values the entire issued and to be issued share capital of Shield at approximately GBP 46.1 million on a fully diluted basis, inclusive of the Conversion Shares and taking into account the exercise of all outstanding options under the Shield Option Plans and any outstanding warrants issued by Shield.
- The Mandatory Offer Price of 6.20 pence per Shield Share represents a discount of approximately:
  - 13.3 per cent. to the Closing Price of 7.15 pence per Shield Share on 3 May 2023 (being the last Business Day before the date of this Announcement); and
  - 10.0 per cent. to the volume-weighted average price of 6.89 pence per Shield Share between 13 December 2022 when Shield announced a debt and equity financing and 3 May 2023 (being the last Business Day before the date of this Announcement).
- If, on or after the date of this Announcement and on or prior to the Unconditional Date, any dividend, distribution or other return of value is announced, declared, made or paid or becomes payable by Shield, AOP reserves the right to reduce the Consideration accordingly (save to the extent any such dividend, distribution or other return of value is or is to be received by or on behalf of AOP). In such circumstances, Shield Shareholders shall be entitled to retain any such dividend, distribution or other return of value declared, made or paid.
- The Recommending Shield Directors are recommending Shield Shareholders do not accept the Mandatory Offer, but do not view the Mandatory Offer as being hostile. The Recommending Shield Directors are supportive of the Conversion and have given their consent to it.
- The AOP Board confirms that the terms of the Mandatory Offer, including the Mandatory Offer Price, are final and will not be increased, except that AOP reserves the right to amend the financial terms of the Mandatory Offer: (i) if there is an announcement on or after the date of this Announcement of a possible offer or of a firm intention to make an offer by a third party offeror or potential offeror; (ii) with the agreement or consent of the Panel; or (iii) in wholly exceptional circumstances as provided for by Rule 32.2(b)(ii) of the Code.
- Irrevocable undertakings not to accept the Mandatory Offer have been received from Recommending Shield Directors holding 0.97% per cent. of the issued share capital of Shield.

- Jupiter Asset Management, the holder of 37,146,992 Shield Shares, representing 6.3% of the issued share capital of Shield (prior to the Conversion) have issued a letter noting the Recommending Shield Directors' recommendation not to accept the Mandatory Offer and stating that they believe the terms of the Mandatory Offer are not in the best interests of their funds' investors or Shield.
- A copy of this letter will be made available on AOP's website at <https://www.aop-health.com> and on Shield's website at <https://www.shieldtherapeutics.com/investors-and-media/results-reports-and-presentations/> by no later than 12 noon on the Business Day following this Announcement.
- AOP and Shield have entered into the Relationship Agreement pursuant to which AOP has agreed amongst other things to permit Shield to continue to be able to operate independently of AOP following the Conversion and the Mandatory Offer, for so long as: (i) AOP holds at least 20 per cent. of Shield's issued share capital (irrespective of where such shares are admitted to trading); (ii) AOP holds less than 75 per cent. of Shield's issued share capital (irrespective of where such shares are admitted to trading); (iii) if Shield's shares become admitted to trading on a securities market other than AIM (the "**Other Securities Market**"), the mean average daily trading volume over a period of 4 months of the securities listed and traded on the Other Securities Market is less than 1.5x the mean average daily trading volume over the same period of the securities listed and traded on AIM; (iv) the share capital of Shield remains admitted to trading on AIM; (v) Shield and AOP have not agreed to terminate the Relationship Agreement; and (vi) if the share capital of Shield becomes admitted to trading on a securities market other than AIM, the existence of the Relationship Agreement is permitted by the rules applicable to that exchange.
- If the Mandatory Offer does become unconditional, AOP intends for Shield to operate in materially the same way and to ensure that Shield continues to achieve its broader strategic goals.

### **Background to and reasons for the Mandatory Offer**

- On 1 August 2022, Shield and AOP entered into a convertible loan agreement providing for the provision of a USD 10 million convertible loan facility to Shield. Further, on 13 December 2022, Shield and AOP agreed to extend the Shareholder Loan. Pursuant to such extension, AOP agreed to provide Shield with a further USD 10 million convertible loan facility. The Shareholder Loan permits AOP to convert any outstanding loan balances into Shield Shares, provided that Shield is not required to allot Shield Shares to the extent that, following such allotment, AOP (together with its concert parties) would control 30 per cent. or more of the voting rights.
- As permitted by the Shareholder Loan, AOP has requested a conversion of a further USD 9,542,019 of the Shareholder Loan into 127,366,565 Shield Shares.
- Shield has consented to the Conversion for the reasons explained further below.
- AOP recognises that the Mandatory Offer is at a discount to the price at which Shield Shares could be sold on the market. On this basis, AOP acknowledges that the Mandatory Offer may not succeed. AOP notes that the Recommending Shield Directors are not recommending the

Mandatory Offer and that, as detailed further below, the Recommending Shield Directors have provided irrevocable undertakings not to accept the Mandatory Offer.

### **Shield consent to the Conversion**

- Under the terms of the Shareholder Loan, Shield's consent to the Conversion was required, which has been provided. In providing this consent, the Recommending Shield Directors considered the following:
  - the fact that the Conversion indicates a high level of belief from AOP in the value creation potential of Shield's equity;
  - the positive impact of the Conversion on Shield's balance sheet debt, which will be reduced from circa. USD 15 million to circa. USD 5.5 million immediately following the Conversion and the consequent positive effect on Shield's interest burden and capital structure;
  - the potential increased financing options available to Shield following the Conversion, including both debt and equity financing;
  - the dilutive impact of the Conversion on Shield's existing shareholders; and
  - the potential effects of AOP's increased shareholding, including in relation to the Mandatory Offer and the attractiveness of Shield to potential future investors.

### **Recommendation**

- Following careful consideration, the Recommending Shield Directors are recommending that Shield Shareholders do not accept the Mandatory Offer for, among others, the following reasons:
  - the fact that the Mandatory Offer is a technical consequence of the Conversion;
  - since 2021 Shield has raised approximately GBP 63 million of financing to progress its commercialisation strategy in the U.S. and in December 2022 it also entered into the collaborative sales agreement with Viatris Inc. to accelerate revenue growth of Accrufer® in the U.S., which is estimated to have a USD 2 billion oral iron market. In Shield's business update issued on 27 April 2023, Shield reported progress in assembling the combined sales team in the U.S. and expects to have 98 sales representatives promoting Accrufer® by the middle of May 2023, which is expected to drive a significant increase in prescriptions going forwards. Further, Shield is also encouraged by recent growth in total prescription volumes, new prescription volumes and first time prescribers as also outlined in the recent business update;
  - Shield's unaudited cash balances at 31 March 2023 were GBP 19.2 million which Shield believes is sufficient to support its planned operations to cashflow break even, expected in Q4 of 2024;

- the Mandatory Offer Price is a 13.3 per cent. discount to the share price prior to the issue of this Announcement;
- the Recommending Shield Directors consequently believe Shield has the potential to drive significant value for all Shield Shareholders in the future.
- The Recommending Shield Directors, who have been so advised by Peel Hunt LLP (“**Peel Hunt**”) as to the financial terms of the Mandatory Offer, do not consider the terms of the Mandatory Offer to be fair and reasonable. In providing its advice, Peel Hunt has taken into account the commercial assessments of the Recommending Shield Directors.
- **Accordingly, the Recommending Shield Directors confirm that they intend to recommend unanimously that Shield Shareholders do not accept the Mandatory Offer, as they have irrevocably undertaken not to do (or procure not to be done) in respect of their own holdings over which they have control, being, in aggregate, 5,652,767 Shield Shares representing approximately 0.97% per cent. of the ordinary share capital of Shield in issue as at 3<sup>rd</sup> May 2023 (being the last Business Day before the date of this Announcement).**

#### **Irrevocable Undertakings not to accept the Mandatory Offer**

- Shield has received irrevocable undertakings from the Recommending Shield Directors not to accept the Mandatory Offer.
- On 3<sup>rd</sup> May 2023 (being the last Business Day before the date of this Announcement) these irrevocable undertakings together represented, in aggregate, 5,652,767 Shield Shares representing 0.97% per cent. of Shield's current issued share capital (prior to the Conversion).
- Full details of the irrevocable undertakings, including the terms under which they cease to be binding, are set out in Appendix 3 to this Announcement.

#### **AOP intentions regarding the Shield business if the Mandatory Offer becomes unconditional**

- AOP is a long-term shareholder of Shield and is supportive of Shield's current strategy, its Board and management team.
- AOP and Shield entered into the Relationship Agreement on 4 May 2023 to regulate the relationship between Shield and AOP, as Shield's single largest shareholder. Pursuant to the Relationship Agreement, AOP has, amongst other things:
  - undertaken that it shall exercise all powers and rights which it has as a shareholder of Shield to procure that all transactions between Shield and AOP and their respective associates are at arm's length and on normal commercial terms and in accordance with the related party rules set out in the AIM Rules;
  - agreed not to do anything which, at any time, would (i) result in Shield not being capable of carrying on its business independently of AOP or (ii) interfere in the day-to-day management of Shield or (iii) prevent the Shield Directors from managing Shield independently of AOP; and

- agreed not take any steps which would cause the majority of either the executive Shield Directors or the non-executive Shield Directors to cease to be independent of AOP.
- If the Mandatory Offer becomes unconditional, AOP intends to review Shield's business and operations (the "**Review**"). AOP notes that the Mandatory Offer has arisen, in accordance with Rule 9 of the Code, solely as a technical consequence of the Conversion. AOP has not conducted any due diligence on Shield for the purposes of making the Mandatory Offer. Therefore, the purpose of the Review would be to understand the operations of Shield and the best way of maximising value under AOP ownership.
- If the Mandatory Offer becomes unconditional, AOP intends for Shield to operate in materially the same way and to ensure that Shield continues to achieve its broader strategic goals.

### **Timetable and Condition**

- The AOP Board announces that the terms of the Mandatory Offer, including the Mandatory Offer Price, are final and will not be increased, except that AOP reserves the right to amend the financial terms of the Mandatory Offer: (i) if there is an announcement on or after the date of this Announcement of a possible offer or of a firm intention to make an offer by a third party offeror or potential offeror; (ii) with the agreement or consent of the Panel; or (iii) in wholly exceptional circumstances as provided for by Rule 32.2(b)(ii) of the Code.
- It is intended that the Acquisition will be implemented by way of the Mandatory Offer. The Mandatory Offer is subject to the Acceptance Condition and further terms set out in Appendix 1 to this Announcement and to the full terms and the Acceptance Condition which will be set out in the Offer Document and Form of Acceptance.
- As required by the Code, the Mandatory Offer is conditional only upon AOP having received acceptances in respect of Shield Shares which, together with Shield Shares it already holds, when aggregated with the Conversion Shares, will result in AOP and its concert parties holding Shield Shares carrying more than 50 per cent. of the voting rights in Shield.
- It is expected that the Offer Document containing further information about the Mandatory Offer will be published and sent to Shield Shareholders as soon as practicable and, in any event, within 28 days of the date of this Announcement (unless otherwise agreed between AOP and Shield, with the consent of the Panel).
- The Mandatory Offer will remain open for acceptance until 1.00 p.m. (London time) on the Unconditional Date (unless AOP has set aside the Acceleration Statement in accordance with the Code).
- By specifying an Unconditional Date which is earlier than Day 60 (as defined in the Code), AOP is treated as having made an acceleration statement to which Rule 31.5 of the Code applies. In accordance with Rule 31.5(e) of the Code, AOP reserves the right to set this Acceleration Statement aside: (i) with the agreement or consent of the board of Shield; (ii) if a third party announces an offer for Shield or there is otherwise an announcement of a possible offer for Shield by a third party or an announcement which refers to the existence of a new potential offeror for Shield (whether the potential offeror is identified or not); (iii) if a third party announces a firm intention to make an offer for Shield; (iv) in the event of an increased or improved offer

for Shield by AOP being recommended by the board of Shield; and (v) in wholly exceptional circumstances as provided for by Rule 31.5(e)(ii) of the Code.

- Subject to the satisfaction of the Acceptance Condition and certain further terms set out in Appendix 1, the Acquisition would become or be declared unconditional during the second quarter of 2023.

**This summary should be read in conjunction with, and is subject to, the full text of this Announcement (including the Appendices). The Mandatory Offer will be subject to the Acceptance Condition and other terms set out in Appendix 1 and to the full terms and the Acceptance Condition to be set out in the Offer Document. Appendix 2 of this Announcement contains the sources and bases of certain information contained in this summary and this Announcement. Details of irrevocable undertakings received by Shield are set out in Appendix 3. Appendix 4 contains details of the Shield Profit Forecast. Certain terms used in this summary and this Announcement are defined in Appendix 5.**

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Slaughter and May is acting as legal adviser to AOP in connection with the Mandatory Offer. Taylor Wessing LLP is acting as legal adviser to Shield in connection with the Mandatory Offer.

**Further information**

*This Announcement is for information purposes only and is not intended to, and does not, constitute or form part of an offer, invitation or the solicitation of an offer to purchase or subscribe, otherwise acquire, subscribe for, sell or otherwise dispose of any securities, or the solicitation of any vote or approval in any jurisdiction, pursuant to the Mandatory Offer or otherwise, nor shall there be any sale, issuance or*

*transfer of securities in Shield in any jurisdiction in contravention of applicable law. The Mandatory Offer will be made solely pursuant to the terms of the Offer Document, which will contain the full terms of the Acquisition, including details of how to vote in respect of the Acquisition. Any vote or other decision in respect of, or other response to, the Acquisition, should be made only on the basis of information contained in the Offer Document. This Announcement does not constitute a prospectus, prospectus equivalent document or an exempted document.*

*If you are in any doubt about the contents of this Announcement or the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant or from an independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended).*

### **Disclaimers**

*Numis Securities Limited ("Numis"), which is authorised and regulated in the UK by the Financial Conduct Authority, is acting as financial adviser to AOP, and no one else, in connection with the matters set out in this Announcement, and will not be responsible to anyone other than the board of AOP for providing the protections afforded to clients of Numis nor for providing advice in relation to the contents of this Announcement or any other matter or arrangement referred to herein. Neither Numis nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Numis in connection with this Announcement, any matter, arrangement or statement contained or referred to herein or otherwise.*

*Peel Hunt, which is authorised and regulated in the UK by the Financial Conduct Authority, is acting as nominated adviser, financial adviser and joint broker to Shield, and no one else, in connection with the matters set out in this Announcement, and will not be responsible to anyone other than the board of Shield for providing the protections afforded to clients of Peel Hunt nor for providing advice in relation to the contents of this Announcement or any other matter or arrangement referred to herein. Neither Peel Hunt nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Peel Hunt in connection with this Announcement, any matter, arrangement or statement contained or referred to herein or otherwise.*

*finnCap, which is authorised and regulated in the UK by the Financial Conduct Authority, is acting as joint broker to Shield, and no one else, in connection with the matters set out in this Announcement, and will not be responsible to anyone other than the board of Shield for providing the protections afforded to clients of finnCap or for providing advice in relation to the contents of this Announcement or any other matter or arrangement referred to herein. Neither finnCap nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of finnCap in connection with this Announcement, any matter, arrangement or statement contained or referred to herein or otherwise.*

### **No profit forecasts, estimates or qualified benefit statements**

*Other than the Shield Profit Forecast, no statement in this Announcement, or incorporated by reference in this Announcement, is intended as a profit forecast, profit estimate or quantified benefits statement for any period and no statement in this Announcement should be interpreted to mean that earnings or*



earnings per share for Shield for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for Shield.

### **Overseas jurisdictions**

The release, publication or distribution of this Announcement in jurisdictions other than the UK may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the UK should inform themselves about, and observe, any applicable requirements. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by law, the companies and persons involved in the Mandatory Offer disclaim any responsibility or liability for the violation of such restrictions by any person. This Announcement has been prepared for the purposes of complying with English law and the Code and the information disclosed may not be the same as that which would have been disclosed if this Announcement had been prepared in accordance with the laws of jurisdictions outside of England.

Copies of this Announcement and any formal documentation relating to the Mandatory Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction (or any jurisdiction where to do so would violate the laws of that jurisdiction) and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send it in or into or from any Restricted Jurisdiction. Doing so may render invalid any related purported vote in respect of the Mandatory Offer. Unless otherwise permitted by applicable law and regulation, the Mandatory Offer may not be made directly or indirectly, in or into, or by the use of mails or any means or instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of any Restricted Jurisdiction and the Mandatory Offer may not be capable of acceptance by any such use, means, instrumentality or facilities.

Further details in relation to overseas shareholders will be included in the Offer Document.

### **Additional information for US investors**

The receipt of cash pursuant to the Mandatory Offer by a US holder of Shield Shares as consideration for the transfer of its Shield Shares pursuant to the Mandatory Offer will likely be a taxable transaction for United States federal income tax purposes and under applicable United States state and local, as well as foreign and other, tax laws. Shield Shareholders are urged to consult with legal, tax and financial advisers in connection with making a decision regarding the Mandatory Offer.

Financial information included in this Announcement and the Offer Document has been or will have been prepared in accordance with accounting standards applicable in the UK that may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the US.

To the extent permitted by applicable law and in accordance with normal UK market practice, AOP or its nominees, or its brokers (acting as agents) may from time to time make certain purchases of, or arrangements to purchase, Shield Shares outside of the US other than pursuant to the Mandatory Offer, until the date on which the Mandatory Offer becomes unconditional, lapses or is otherwise withdrawn. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases or arrangements to purchase shall be

disclosed as required in the UK, shall be reported to a Regulatory Information Service and shall be available on the London Stock Exchange website at [www.londonstockexchange.com](http://www.londonstockexchange.com).

*It may be difficult for US holders of Shield Shares to enforce their rights and any claim arising out of the US federal laws, since AOP and Shield are located in a non-US jurisdiction, and some or all of their officers and directors may be residents of a non-US jurisdiction. US holders of Shield Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.*

### **Forward-Looking Statements**

*This Announcement contains certain forward-looking statements with respect to the financial condition, results of operations and business of Shield and certain plans and objectives of AOP and with respect thereto.*

*These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. These statements are based on assumptions and assessments made by AOP and Shield in light of their experience and their perception of historical trends, current conditions, future developments and other factors they believe appropriate, and therefore are subject to risks and uncertainties which could cause actual results to differ materially from those expressed or implied by those forward-looking statements.*

*The forward-looking statements contained in this Announcement include statements relating to the expected effects of the Acquisition on AOP and Shield, the expected timing and scope of the Acquisition and other statements other than historical facts. Forward-looking statements often use words such as "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", "hope", "aims", "continue", "will", "may", "should", "would", "could", or other words of similar meaning. By their nature, forward-looking statements involve risk and uncertainty, because they relate to events and depend on circumstances that will occur in the future and the factors described in the context of such forward-looking statements in this document could cause actual results and developments to differ materially from those expressed in or implied by such forward-looking statements. Forward-looking statements may include statements in relation to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of AOP or Shield's operations and potential synergies resulting from the Acquisition; and (iii) the effects of global economic conditions and governmental regulation on AOP or Shield's business.*

*Although it is believed that the expectations reflected in such forward-looking statements are reasonable, neither AOP nor Shield, nor any of their representatives, associates or directors, officers or advisers provides any assurance that such expectations will prove to have been correct and you are therefore cautioned not to place undue reliance on these forward-looking statements which speak only as at the date of this document. None of Shield, AOP assumes any obligation to update or correct the information contained in this document (whether as a result of new information, future events or otherwise), except as required by applicable law.*

### **Dealing and Opening Position Disclosure requirements**

*Under Rule 8.3(a) of the Code, any person who is interested in 1 per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the Offer Period and, if later, following the Announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 p.m. (London time) on the 10th Business Day following the commencement of the Offer Period and, if appropriate, by no later than 3.30 p.m. (London time) on the tenth 10th Business Day following the Announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.*

*Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1 per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 p.m. (London time) on the Business Day following the date of the relevant dealing.*

*If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.*

*Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).*

*Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel's website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk), including details of the number of relevant securities in issue, when the Offer Period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.*

### **Electronic communications**

*Please be aware that addresses, electronic addresses and certain information provided by Shield Shareholders, persons with information rights and other relevant persons for the receipt of communications from Shield may be provided to AOP during the Offer Period as requested under Section 4 of Appendix 4 of the Code to comply with Rule 2.11(c) of the Code.*

### **Publication on website**

*A copy of this Announcement will be made available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on AOP's website at <https://www.aop-health.com> and on Shield's website at <https://www.shieldtherapeutics.com/investors-and-media/results-reports-and-presentations> by no later than 12 noon on the Business Day following this Announcement. For the avoidance of doubt, the contents of the websites referred to in this Announcement are not incorporated into and do not form part of this Announcement.*

*If you are in any doubt about the contents of this Announcement or the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant or independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.*

### **Requesting hard copy documents**

*In accordance with Rule 30.3 of the Code, Shield Shareholders, persons with information rights may request a hard copy of this Announcement (and any information incorporated by reference in this Announcement) by contacting Shield's registrars, Link Group, between 09.00 – 17.30, Monday to Friday excluding public holidays in England and Wales on 0371 664 0300 (or if calling from outside the UK +44 371 664 0300) or by submitting a request in writing via email at [shareholderenquiries@linkgroup.co.uk](mailto:shareholderenquiries@linkgroup.co.uk) or at 10<sup>th</sup> Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL.*

*For persons who receive a copy of this Announcement in electronic form or via a website notification, a hard copy of this Announcement will not be sent unless so requested. Such persons may also request that all future documents, announcements and information be sent to them in relation to the Mandatory Offer should be in hard copy form.*

### **Rounding**

*Certain figures included in this Announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.*

### **Rule 2.9 Disclosure**

*For the purposes of Rule 2.9 of the Code, Shield confirms that, as at the date of this Announcement, it has in issue 585,669,777 ordinary shares of 1.5 pence each. The International Securities Identification Number (ISIN) for the shares is GB00BYV81293.*

**NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF SUCH JURISDICTION.**

**THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION.**

**FOR IMMEDIATE RELEASE.**

**4 May 2023**

**AOP LOAN CONVERSION**

**MANDATORY CASH OFFER**

**for**

**SHIELD THERAPEUTICS PLC  
("SHIELD")**

**by**

**AOP HEALTH INTERNATIONAL MANAGEMENT AG  
("AOP")**

**1. Introduction**

The boards of AOP and Shield are pleased to announce that AOP has requested, pursuant to a conversion notice dated 3 May 2023, the conversion of USD 9,542,019 of the convertible shareholder loan facility between Shield and AOP into 127,366,565 ordinary shares of 1.5 pence each in Shield at a price of 6.01 pence per Shield Share, being a 10 per cent. discount to the average mid-market closing price of a Shield Share over the 20 Business Days prior to 3 May 2023, being the date of the Conversion request.

Pursuant to the terms of the Shareholder Loan, Shield is not required to allot Shield Shares to the extent that, following such allotment, AOP (together with its concert parties) would control 30 per cent. of the voting rights. Since the issue of the Conversion Shares would cause AOP and its concert parties to hold in excess of 30 per cent. of the voting rights of Shield, the Conversion is subject to the consent of the board of Shield. As explained below, Shield has provided its consent to the Conversion on 4 May 2023.

Following the Conversion, AOP and its concert parties will hold interests in Shield Shares of approximately 41.9 per cent. of the voting rights in Shield. Consequently, AOP is required to make a mandatory cash offer for Shield pursuant to Rule 9 of the City Code on Takeovers and Mergers.

Accordingly, the board of AOP hereby announces the terms of a mandatory cash offer to be made by AOP to acquire the entire issued and to be issued share capital of Shield not already held by AOP or to be held by AOP pursuant to the Conversion.

The directors of Shield (excluding Dr. Christian Schweiger) (the "**Recommending Shield Directors**") recognise that conversion of the Shareholder Loan, and receipt of the Conversion Shares and a resulting increase in AOP's percentage shareholding in Shield is AOP's primary goal and that the Mandatory Offer is a consequence of the Conversion.

The Mandatory Offer is intended to be effected by means of a takeover offer.

## **2. The Mandatory Offer**

Under the terms of the Acquisition, Shield Shareholders (other than AOP) will be entitled to receive:

**for each Shield Share: 6.20 pence in cash**

The Mandatory Offer values the entire issued and to be issued share capital of Shield at approximately GBP 46.1 million a fully diluted basis, inclusive of the Conversion Shares and taking into account the exercise of all outstanding options under the Shield Option Plans and any outstanding warrants issued by Shield.

The Mandatory Offer Price of 6.20 pence per Shield Share represents a discount of approximately:

- 13.3 per cent. to the Closing Price of 7.15 pence per Shield Share on 3 May 2023 (being the last Business Day before the date of this Announcement); and
- 10.0 per cent. to the volume-weighted average price of 6.89 pence per Shield Share between 13 December 2022 when Shield announced a debt and equity financing and 3 May 2023 (being the last Business Day before the date of this Announcement).

Holders of options pursuant to the Shield Option Plans will be contacted regarding the effect of the Mandatory Offer on their rights under the Shield Option Plans.

## **3. Background to and reasons for the Mandatory Offer**

This section provides a history of AOP's investment in Shield, and explains why AOP is required to make the Mandatory Offer pursuant to Rule 9 of the Code as a result of the Conversion.

In October 2010, AOP introduced its associate IRORPH GmbH to Shield and IRORPH GmbH agreed to commit an amount of GBP 3.9million as a strategic investor into Shield. Shield and IRORPH GmbH also entered into an exclusive distribution agreement at that time, which was subsequently novated to AOP in January 2015. AOP first invested in Shield Shares in July 2018 and has continued to increase its holding since then. In June 2022, AOP was a 13.1 per cent. shareholder of Shield, and due to the belief in the strategy adopted by the Shield management team, and it agreed a Shareholder Loan of USD 10 million with Shield. This Shareholder Loan extended Shield's cash runway until approximately the end of calendar year 2022.

On 1 August 2022, AOP partially converted the Shareholder Loan into Shield Shares (at a conversion price of 5.5215p) resulting in a holding of approximately 27 per cent. of Shield following that conversion. On 13 December 2022, Shield announced a placing and subscription to raise approximately USD 18.5 million and AOP provided an extension of its Shareholder Loan of USD 10 million. As part of this capital raise, AOP subscribed for c. GBP 3.4 million of Shield Shares at 6.0p per Shield Share.

On 9 January 2023, AOP converted some of its Shareholder Loan (at a conversion price of 6.0p) into Shield Shares, to return its holding to approximately 27 per cent. of Shield.

Under the terms of the Shareholder Loan, AOP can convert outstanding loan balances into newly issued shares in Shield at any time at a 10 per cent. discount to the average closing share price over the preceding twenty Business Days. AOP has agreed with Shield that it will convert a further USD 9,542,019 of the Shareholder Loan into 127,366,565 Shield Shares. The conversion price is 6.01 pence per Conversion Share, calculated pursuant to the terms of the Shareholder Loan. The loan balance converted at this time therefore has a value of £7,658,424 at the exchange rate of USD 1.25: GBP 1, determined pursuant to the terms of the Shareholder Loan.

Under the terms of the Conversion, AOP will be allotted and issued the Conversion Shares representing circa 21.7 per cent. of Shield's current issued share capital and circa 17.9 per cent of Shield's enlarged share capital immediately following the Conversion. Upon issue of the Conversion Shares, AOP's shareholding in Shield is expected to be approximately 40.0 per cent. As a result of the Conversion, AOP's shareholding in Shield will exceed 30 per cent. of the voting rights of Shield. Consequently, AOP is required to make a mandatory offer for Shield pursuant to Rule 9 of the Code.

AOP notes that the Recommending Shield Directors are recommending Shield Shareholders do not accept the Mandatory Offer, but do not view the Mandatory Offer as being hostile. The Recommending Shield Directors are supportive of the Conversion and have given their consent to it. The Recommending Shield Directors recognise that conversion of the Shareholder Loan, and receipt of the Conversion Shares and a resulting increase in AOP's percentage shareholding in Shield is AOP's primary goal and that the Mandatory Offer is a consequence of the Conversion.

AOP notes that the Recommending Shield Directors have made irrevocable undertakings to not accept Mandatory Offer, as further described below.

AOP also notes that Jupiter Asset Management, the holder of 37,146,992 Shield Shares, representing 6.3% of the issued share capital of Shield (prior to the Conversion) has issued a letter noting the Recommending Shield Directors' recommendation not to accept the Mandatory Offer. Jupiter Asset Management state in their letter that they believe the terms of the Mandatory Offer are not in the best interests of their funds' investors or Shield. A copy of this letter will be made available on AOP's website at <https://www.aop-health.com> and on Shield's website at <https://www.shieldtherapeutics.com/investors-and-media/results-reports-and-presentations/> by no later than 12 noon on the Business Day following this Announcement.

Pursuant to the Conversion, the price payable for the Conversion Shares is 6.01 pence per Conversion Share.

AOP recognises that the Mandatory Offer is at a discount to the price at which Shield shares could be sold on the market. On this basis, AOP acknowledges that the Mandatory Offer may not succeed.

Following the issue and allotment of the Conversion Shares, an application will be made for the Conversion Shares to be admitted to trading on AIM and the date of admission is expected to be 9 May 2023 (the "**Admission**"). Following the Admission, Shield will have 713,036,342 Shield Shares in issue each with equal voting rights. No Shield Shares are held in treasury. Following the Admission AOP will continue to have warrants to subscribe for up to 5,147,754 Shield Shares.

Further details of the Shareholder Loan are set out in the circulars sent to Shield Shareholders on 8 July 2022 and 16 December 2022.

#### **4. Information relating to AOP**

AOP is provider of integrated therapy solutions from its headquarters in Vienna, its subsidiaries and representative offices throughout Europe and the Middle East, as well as through partners worldwide. AOP was founded in 1996 and operates in the field of rare and complex diseases.

AOP had revenue of more than €200 million in 2022.

AOP employs more than 500 people across more than 20 countries, including countries in Europe, the United Arab Emirates and Israel. AOP also has multiple strategic partnerships through which it operates internationally.

AOP focuses on four areas and develops, produces and markets innovative solutions in the treatment areas of Haemato-oncology, Cardiology & Pulmonology, Intensive Care and Neurology & Metabolic Disorders.

#### **5. Information relating to Shield**

Shield is 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.

Shield has launched Accrufer® in the US with an exclusive, multi-year collaboration agreement with Viatrix, Inc. Feraccru® is commercialised 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. for the Republic of Korea, and with KYE Pharmaceuticals Inc. for Canada.

Accrufer®/Feraccru® has patent coverage until the mid-2030s. Accrufer®/Feraccru® are registered trademarks of the Shield Group.

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](http://www.accrufer.com) and [www.feraccru.com](http://www.feraccru.com).

On 27 April 2023, Shield announced its unaudited preliminary results for the year ended 31 December 2022 and also issued a business update covering its activities in Q1 2023. Shield confirmed strong growth in US Accrufer® prescriptions, led by increases in March 2023 and confirmed it believes it has the resources to support its planned operations to cashflow break-even, expected in Q4 2024.

#### **6. Background to and reasons for the consent and the recommendation not to accept**

Under the terms of the Shareholder Loan, since the Conversion causes AOP's holding to exceed 30 per cent. of the voting rights of Shield, it requires the approval of Shield. This has been provided,



conditional upon execution of the Relationship Agreement. In providing this consent, the Recommending Shield Directors considered the following:

- the fact that the Conversion indicates a high level of belief of AOP in the value creation potential of Shield's equity;
- the positive impact of the Conversion on Shield's balance sheet debt, which will be reduced from circa. USD 15 million to circa. USD 5.5 million immediately following the Conversion and the consequent positive effect on Shield's interest burden and capital structure;
- the potential increased financing options available to Shield following Conversion, including both debt and equity financing;
- the dilutive impact of the Conversion on Shield's existing shareholders; and
- the potential effects of AOP's increased shareholding, including in relation to the Mandatory Offer and the attractiveness of Shield to potential future investors

Following careful consideration, the Recommending Shield Directors are recommending that Shield Shareholders do not accept the Mandatory Offer for, among others, the following reasons:

- the fact that the Mandatory Offer is a technical consequence of the Conversion;
- since 2021 Shield has raised approximately GBP 63 million of financing to progress its commercialisation strategy in the U.S. and in December 2022 it also entered into the collaborative sales agreement with Viatris Inc. to accelerate revenue growth of Accrufer® in the U.S., which is estimated to have a USD 2 billion oral iron market. In Shield's business update issued on 27 April 2023, Shield reported progress in assembling the combined sales team in the U.S. and expects to have 98 sales representatives promoting Accrufer® by the middle of May 2023, which is expected to drive a significant increase in prescriptions going forwards. Further, Shield is also encouraged by recent growth in total prescription volumes, new prescription volumes and first time prescribers as also outlined in the recent business update;
- Shield's unaudited cash balances at 31 March 2023 were GBP 19.2 million which Shield believes is sufficient to support its planned operations to cashflow break even, expected in Q4 of 2024;
- the Mandatory Offer Price is a 13.3 per cent. discount to the share price prior to the issue of this Announcement and the Recommending Shield Directors believe Shield has the potential to drive significant value for all Shield Shareholders in the future.

## **7. Recommendation**

The Recommending Shield Directors, who have been so advised by Peel Hunt as to the financial terms of the Mandatory Offer, do not consider the terms of the Mandatory Offer to be fair and reasonable. In providing its advice, Peel Hunt has taken into account the commercial assessments of the Recommending Shield Directors.

Accordingly, the Recommending Shield Directors confirm that they intend to recommend unanimously that Shield Shareholders do not accept the Mandatory Offer, as they have irrevocably undertaken not to (or procure not to be done) in respect of their own holdings over which they have control, being, in aggregate, 5,652,767 Shield Shares representing approximately 0.97 per cent. of the ordinary share capital of Shield in issue as at 3 May 2023 (being the last Business Day prior to the date of this Announcement).

#### **8. Irrevocable Undertakings not to accept the Mandatory Offer**

Shield has received irrevocable undertakings to not accept the Mandatory Offer from all of the Recommending Shield Directors who hold Shield Shares in respect of their own legal and/or beneficial holdings which are under their control, totalling 5,652,767 Shield Shares (representing approximately 0.97 per cent. of the existing issued ordinary share capital of Shield as at 3 May 2023, being the last Business Day before the date of this Announcement), as well as any further Shield Shares of which they may become the legal or beneficial holder.

Further details of these irrevocable undertakings, including the circumstances in which they cease to be binding, are set out in Appendix 3 to this Announcement.

#### **9. AOP intentions regarding the Shield business if the Mandatory Offer becomes unconditional**

##### AOP's strategic plans for Shield

AOP is a long-term shareholder of Shield is supportive of Shield's current strategy and intends to continue developing and implementing the existing strategy. AOP believes that Accrufer® has significant potential for growth, particularly in the US, where there is a large and under-served market. AOP has great confidence in the future for Accrufer®, and was pleased to note in Shield's full year trading update published on 27 April, 2023, the substantial progress Shield has made in a number of areas, including:

- entering into an exclusive, multi-year agreement with Viatris, Inc, a global healthcare company, in December 2022 to co-commercialise Accrufer®;
- both Shield and Viatris, Inc hiring a team of dedicated sales professionals to promote Accrufer®; and
- a nearly 12-fold increase in prescriptions in 2022 from 2021 in the US.

AOP and Shield entered into the Relationship Agreement on 4 May 2023 to regulate the relationship between Shield and AOP, as Shield's single largest shareholder. The Relationship Agreement will address, *inter alia*, a number of aspects of the relationship between Shield and AOP, as further described in paragraph 11 below. AOP acknowledges that, with respect to its intentions for Shield's business, it will comply with the terms of the Relationship Agreement, for so long as the Relationship Agreement is in full force and effect.

If the Mandatory Offer becomes unconditional, AOP intends for Shield to operate in materially the same way and to ensure that Shield's continues to achieve its broader strategic goals.

If the Mandatory Offer becomes unconditional, AOP intends to review Shield's business and operations (the "**Review**"). AOP notes that the Mandatory Offer has arisen, in accordance with Rule 9 of the Code, solely as a technical consequence of the Conversion. AOP has not conducted any due diligence on Shield for the purposes of making the Mandatory Offer. Therefore, the purpose of the Review would be to understand the operations of Shield and the best way of maximising value under AOP ownership. As at the date of this Announcement, the results of the Review are uncertain and no firm decisions have been made in relation to specific actions which may be taken. AOP expects that the Review will be completed within approximately six months from the Effective Date.

#### Research and development

Shield spent GBP 2.9 million on research and development in 2022. All of this research development expenditure was related to the ongoing Phase 3 paediatric study to expand the label and market opportunity for Accrufer® and complete the fulfilment of all FDA post-marketing commitments. AOP does not intend to make any changes to Shield's research and development functions.

#### Employees and management

AOP attaches great importance to the skills and experience of Shield's management and employees and recognises that the employees and management of Shield will be key to its future success. AOP is looking forward to working with Shield's management and employees to support the future development of Shield and to ensure that the business continues to thrive.

If, as a result of the Mandatory Offer becoming unconditional, Shield ceases to be a publicly listed company on AIM, it is likely that there will be limited headcount reductions related to a small number of public company-related functions. AOP will seek to reassign individuals involved in these functions where possible. AOP expects that, if the Mandatory Offer becomes unconditional and the trading in Shield Shares on AIM is cancelled, each of the non-executive directors on the Shield Board may resign from their office as a director of Shield.

AOP does not intend to make any other material reductions to the Shield Group's employee headcount.

The board of directors of AOP also confirms that, if the Mandatory Offer becomes unconditional, the existing contractual and statutory employment rights, including pension rights, of all management and employees of Shield and its subsidiaries will be fully safeguarded, and envisages that there will be no material change in their terms and conditions of employment or in the balance of their skills and functions.

In addition, the Review and any headcount reduction would be subject to applicable informing and consulting requirements and conducted in accordance with applicable law.

AOP has not entered into, and has not discussed any form of incentivisation arrangements with members of Shield's management. AOP does not intend to discuss any form of incentivisation agreement with members of Shield's management team unless the Mandatory Offer becomes unconditional.

#### Pension schemes

Shield does not operate or contribute to any defined benefit pension schemes in respect of its employees. Shield operates a defined contribution pension scheme, AOP does not intend to make any changes to the defined contribution pension scheme if the Mandatory Offer becomes unconditional.

#### Headquarters, locations and fixed assets

There are no plans to change the locations of Shield's places of business, headquarters and headquarters functions, or to redeploy the fixed assets of Shield.

#### Trading facilities

If AOP has received acceptances under the Mandatory Offer such that its holding of Shield Shares, including the Conversion Shares, exceeds 75 per cent. of the Shield Shares, AOP may:

- apply to the London Stock Exchange to cancel the trading in Shield Shares on AIM, to take effect on or shortly after AOP's holding of Shield Shares exceeding 75%; and subsequently
- cause Shield be re-registered as a private limited company as soon as practicable on or following such de-listing.

No statement in this paragraph 10 constitutes or is intended to become a "post-offer undertaking" for the purposes of Rule 19.5 of the Code.

AOP does not plan to make any changes to AOP or any of its subsidiaries if the Mandatory Offer becomes unconditional.

### **10. Financing of the Mandatory Offer**

The Consideration payable by AOP pursuant to the Mandatory Offer will be fully funded by existing cash held by AOP.

Numis, in its capacity as financial adviser to AOP, is satisfied that sufficient resources are available to AOP to satisfy in full the Consideration payable to the Shield Shareholders pursuant to the Mandatory Offer.

Further information on the financing of the Mandatory Offer will be set out in the Offer Document.

### **11. Relationship Agreement**

AOP and Shield entered into the Relationship Agreement on 4 May 2023 to regulate the relationship between Shield and AOP, as Shield's single largest shareholder.

The key terms of the Relationship Agreement are that AOP:

- undertakes that it shall exercise all powers and rights which it has as a shareholder of Shield to procure that all transactions between Shield and AOP and their respective associates are at arm's length and on normal commercial terms and in accordance with the related party rules set out in the AIM Rules;

- agrees not to do anything which, at any time, would (i) result in Shield not being capable of carrying on its business independently of AOP or (ii) interfere in the day-to-day management of Shield or (iii) prevent the Shield Directors from managing Shield independently of AOP.
- agrees not take any steps which would cause the majority of either the executive Shield Directors or the non-executive Shield Directors to cease to be independent of AOP.

The Relationship Agreement will continue for so long as:

- AOP holds at least 20 per cent. of Shield's issued share capital (irrespective of where such shares are admitted to trading);
- AOP holds less than 75 per cent. of Shield's issued share capital (irrespective of where such shares are admitted to trading);
- if Shield's shares become admitted to trading on a securities market other than AIM (the "**Other Securities Market**"), the mean average daily trading volume over a period of 4 months of the securities listed and traded on the Other Securities Market is less than 1.5x the mean average daily trading volume over the same period of 4 months of the securities listed and traded on AIM;
- the share capital of Shield remains admitted to trading on AIM;
- Shield and AOP have not agreed to terminate the Relationship Agreement; and
- if the share capital of Shield becomes admitted to trading on a securities market other than AIM, the existence of the Relationship Agreement is permitted by the rules applicable to that exchange

## 12. Structure of and Condition to the Mandatory Offer

It is intended that the Acquisition will be implemented by the Mandatory Offer.

The Acquisition is subject to the Acceptance Condition and further terms set out in Appendix 1 to this Announcement and to the full terms and Acceptance Condition which will be set out in the Offer Document and Form of Acceptance.

Subject to the satisfaction of the Acceptance Condition and certain further terms set out in Appendix 1, it is expected that the Acquisition would become or be declared unconditional during the second quarter of 2023.

The long-stop date for the Mandatory Offer shall be the Unconditional Date, meaning the Mandatory Offer lapse and shall not proceed unless the Acceptance Condition has been fulfilled by the Unconditional Date. The Mandatory Offer will not be conditional on the admission of the Conversion Shares to trading on AIM.

If the Mandatory Offer becomes or is declared unconditional, AOP will keep the Mandatory Offer open for acceptances for at least 14 days following the date on which the Mandatory Offer becomes or is declared unconditional.

The AOP Board confirms that the terms of the Mandatory Offer, including the Mandatory Offer Price, are final and will not be increased, except that AOP reserves the right to amend the financial terms of the Mandatory Offer: (i) if there is an announcement on or after the date of this Announcement of a possible offer or of a firm intention to make an offer by a third party offeror or potential offeror; (ii) with the agreement or consent of the Panel; or (iii) in wholly exceptional circumstances as provided for by Rule 32.2(b)(ii) of the Code.

### **13. Acceleration Statement**

The Mandatory Offer will remain open for acceptance until 1.00 p.m. (London time) on the Unconditional Date (unless AOP has set aside the Acceleration Statement in accordance with the Code).

By specifying an Unconditional Date which is earlier than Day 60 (as defined in the Code), AOP is treated as having made an acceleration statement to which Rule 31.5 of the Code applies (the “**Acceleration Statement**”). In accordance with Rule 31.5(e) of the Code, AOP reserves the right to set this Acceleration Statement aside:

- (i) with the agreement or consent of the board of Shield;
- (ii) if a third party announces an offer for Shield or there is otherwise an announcement of a possible offer for Shield by a third party or an announcement which refers to the existence of a new potential offeror for Shield (whether the potential offeror is identified or not);
- (iii) if a third party announces a firm intention to make an offer for Shield;
- (iv) in the event of an increased or improved offer for Shield by AOP being recommended by the board of Shield; and
- (v) in wholly exceptional circumstances as provided for by Rule 31.5(e)(ii) of the Code.

Under Rules 31.5(c) and (d) of the Code, as a result of this Acceleration Statement being made (and unless the Panel consents otherwise):

- Rule 31.8(a) of the Code is disapplied and there will therefore be no restriction on the date by which the board of Shield may announce any material new information; and
- Rules 2.6(d) and (e) of the Code are disapplied and there will therefore be no requirement for an identified potential competing offeror to clarify its position by no later than Day 53 (as defined in the Code) of the timetable for the Offer.

In the event that AOP sets aside the Acceleration Statement in accordance with the Code, AOP will retain the right to bring forward the date by which the Acceptance Condition must be satisfied (and therefore shorten the period for which the Mandatory Offer is open for acceptance) by publishing a Subsequent Acceleration Statement, in accordance with the requirements of the Code.

AOP also has the right to seek to invoke the Acceptance Condition, so as to cause the Mandatory Offer to lapse, by publishing a notice of its intention to do so in accordance with the requirements of Rule 31.6 of the Takeover Code (an “**ACIN**”). The ACIN will specify the date on which AOP intends to seek to invoke the Acceptance Condition so as to cause the Offer to lapse, in accordance with the requirements of the Code. In such circumstances, AOP will make an announcement of the new date by which the Form of Acceptance must be received in order to be taken into account for purposes of determining the level of acceptances and/or whether the Acceptance Condition has been satisfied.

#### **14. Disclosure of interests**

AOP currently owns 158,070,394 Shield Shares, representing approximately 26.99 per cent. of the issued ordinary share capital of Shield (as at the close of business on 3 May 2023, being the last Business Day prior to the date of this Announcement).

Based on information currently held by AOP, AOP and its concert parties are together interested in approximately 171,597,107 Shield Shares, representing approximately 29.3 per cent. of the issued ordinary share capital of Shield (as at the close of business on 3 May 2023, being the last Business Day prior to the date of this Announcement).

AOP currently holds warrants to subscribe for up to 5,147,754 Shield Shares.

Except for the interests referred to above, as at the close of business on 3 May 2023 (being the last Business Day prior to the date of this Announcement), AOP:

- does not have any interest in, or right to subscribe for, any Shield Share;
- does not have any short position in Shield Shares, including any short position under a derivative, any agreement to sell, any delivery obligation or right to require another person to purchase or take delivery of Shield Shares; nor
- has not borrowed or lent any Shield Shares or entered into any financial collateral arrangements relating to Shield Shares; nor
- is not party to any dealing arrangement of the kind referred to in Note 11 on the definition of acting in concert in the Code in relation to relevant securities of Shield.

#### **15. Consent**

Numis has given and not withdrawn its consent to the publication of this Announcement with the inclusion herein of the reference to its name in the form and context in which it appears.

Peel Hunt has given and not withdrawn its consent to the publication of this Announcement with the inclusion herein of the reference to its name in the form and context in which it appears.

## 16. General

It is expected that the Offer Document, containing further information about the Mandatory Offer will be published and sent to Shield Shareholders as soon as practicable and, in any event, within 28 days of this Announcement (unless otherwise agreed between AOP and Shield with the consent of the Panel).

An expected timetable of key events relating to the Mandatory Offer will be provided in the Offer Document.

The Acquisition will be subject to the Acceptance Condition and certain further terms set out in Appendix 1 and to the full terms and Acceptance Condition to be set out in the Offer Document.

Appendix 2 contains the sources and bases of certain information contained in Announcement. Appendix 3 contains details of certain irrevocable undertakings received by Shield. Appendix 4 contains details of the Shield Profit Forecast. Appendix 5 contains the definitions of certain terms used in this Announcement.

### Enquiries

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Slaughter and May is acting as legal adviser to AOP in connection with the Mandatory Offer. Taylor Wessing LLP is acting as legal adviser to Shield in connection with the Mandatory Offer.

### **Further information**

*This Announcement is for information purposes only and is not intended to, and does not, constitute or form part of an offer, invitation or the solicitation of an offer to purchase or subscribe, otherwise acquire,*



*subscribe for, sell or otherwise dispose of any securities, or the solicitation of any vote or approval in any jurisdiction, pursuant to the Mandatory Offer or otherwise, nor shall there be any sale, issuance or transfer of securities in Shield in any jurisdiction in contravention of applicable law. The Mandatory Offer will be made solely pursuant to the terms of the Offer Document, which will contain the full terms and conditions of the Mandatory Offer. Any decision in respect of, or other response to, the Mandatory Offer, should be made only on the basis of information contained in the Offer Document. This Announcement does not constitute a prospectus, prospectus equivalent document or an exempted document.*

*If you are in any doubt about the contents of this Announcement or the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant or from an independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended).*

### **Disclaimers**

*Numis, which is authorised and regulated in the UK by the Financial Conduct Authority, is acting as financial adviser to AOP, and no one else, in connection with the matters set out in this Announcement, and will not be responsible to anyone other than the board of AOP for providing the protections afforded to clients of Numis nor for providing advice in relation to the contents of this Announcement or any other matter or arrangement referred to herein. Neither Numis nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Numis in connection with this Announcement, any matter, arrangement or statement contained or referred to herein or otherwise.*

*Peel Hunt, which is authorised and regulated in the UK by the Financial Conduct Authority, is acting as nominated adviser, financial adviser and joint broker to Shield, and no one else, in connection with the matters set out in this Announcement, and will not be responsible to anyone other than the board of Shield for providing the protections afforded to clients of Peel Hunt nor for providing advice in relation to the contents of this Announcement or any other matter or arrangement referred to herein. Neither Peel Hunt nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Peel Hunt in connection with this Announcement, any matter, arrangement or statement contained or referred to herein or otherwise.*

*finnCap, which is authorised and regulated in the UK by the Financial Conduct Authority, is acting as joint broker to Shield, and no one else, in connection with the matters set out in this Announcement, and will not be responsible to anyone other than the board of Shield for providing the protections afforded to clients of finnCap or for providing advice in relation to the contents of this Announcement or any other matter or arrangement referred to herein. Neither finnCap nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of finnCap in connection with this Announcement, any matter, arrangement or statement contained or referred to herein or otherwise.*

### **No profit forecasts, estimates or qualified benefit statements**

*Other than the Shield Profit Forecast, no statement in this Announcement, or incorporated by reference in this Announcement, is intended as a profit forecast, profit estimate or quantified benefits statement for any period and no statement in this Announcement should be interpreted to mean that earnings or*

earnings per share for Shield for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for Shield.

### **Overseas jurisdictions**

The release, publication or distribution of this Announcement in jurisdictions other than the UK may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the UK should inform themselves about, and observe, any applicable requirements. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by law, the companies and persons involved in the Mandatory Offer disclaim any responsibility or liability for the violation of such restrictions by any person. This Announcement has been prepared for the purposes of complying with English law and the Code and the information disclosed may not be the same as that which would have been disclosed if this Announcement had been prepared in accordance with the laws of jurisdictions outside of England.

Copies of this Announcement and any formal documentation relating to the Mandatory Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction (or any jurisdiction where to do so would violate the laws of that jurisdiction) and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send it in or into or from any Restricted Jurisdiction. Mandatory Offer. Unless otherwise permitted by applicable law and regulation, the Mandatory Offer may not be made directly or indirectly, in or into, or by the use of mails or any means or instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of any Restricted Jurisdiction and the Mandatory Offer may not be capable of acceptance by any such use, means, instrumentality or facilities.

Further details in relation to overseas shareholders will be included in the Offer Document.

### **Additional information for US investors**

The receipt of cash pursuant to the Mandatory Offer by a US holder of Shield Shares as consideration for the transfer of its Shield Shares pursuant to the Mandatory Offer will likely be a taxable transaction for United States federal income tax purposes and under applicable United States state and local, as well as foreign and other, tax laws. Shield Shareholders are urged to consult with legal, tax and financial advisers in connection with making a decision regarding the Mandatory Offer.

Financial information included in this Announcement and the Offer Document has been or will have been prepared in accordance with accounting standards applicable in the UK that may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the US.

To the extent permitted by applicable law and in accordance with normal UK market practice, AOP or its nominees, or its brokers (acting as agents) may from time to time make certain purchases of, or arrangements to purchase, Shield Shares outside of the US other than pursuant to the Mandatory Offer, until the date on which the Mandatory Offer becomes unconditional, lapses or is otherwise withdrawn. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases or arrangements to purchase shall be

disclosed as required in the UK, shall be reported to a Regulatory Information Service and shall be available on the London Stock Exchange website at [www.londonstockexchange.com](http://www.londonstockexchange.com).

*It may be difficult for US holders of Shield Shares to enforce their rights and any claim arising out of the US federal laws, since AOP and Shield are located in a non-US jurisdiction, and some or all of their officers and directors may be residents of a non-US jurisdiction. US holders of Shield Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.*

### **Forward-Looking Statements**

*This Announcement contains certain forward-looking statements with respect to the financial condition, results of operations and business of Shield and certain plans and objectives of AOP and with respect thereto.*

*These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. These statements are based on assumptions and assessments made by AOP and/or Shield in light of their experience and their perception of historical trends, current conditions, future developments and other factors they believe appropriate, and therefore are subject to risks and uncertainties which could cause actual results to differ materially from those expressed or implied by those forward-looking statements.*

*The forward-looking statements contained in this Announcement include statements relating to the expected effects of the Acquisition on AOP and Shield, the expected timing and scope of the Acquisition and other statements other than historical facts. Forward-looking statements often use words such as "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", "hope", "aims", "continue", "will", "may", "should", "would", "could", or other words of similar meaning. By their nature, forward-looking statements involve risk and uncertainty, because they relate to events and depend on circumstances that will occur in the future and the factors described in the context of such forward-looking statements in this document could cause actual results and developments to differ materially from those expressed in or implied by such forward-looking statements. Forward-looking statements may include statements in relation to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of AOP or Shield's operations and potential synergies resulting from the Acquisition; and (iii) the effects of global economic conditions and governmental regulation on AOP or Shield's business.*

*Although it is believed that the expectations reflected in such forward-looking statements are reasonable, neither AOP nor Shield, nor any of their representatives, associates or directors, officers or advisers provides any assurance that such expectations will prove to have been correct and you are therefore cautioned not to place undue reliance on these forward-looking statements which speak only as at the date of this document. None of Shield, AOP assumes any obligation to update or correct the information contained in this document (whether as a result of new information, future events or otherwise), except as required by applicable law.*

### **Dealing and Opening Position Disclosure requirements**

*Under Rule 8.3(a) of the Code, any person who is interested in 1 per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the Offer Period and, if later, following the Announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 p.m. (London time) on the 10<sup>th</sup> Business Day following the commencement of the Offer Period and, if appropriate, by no later than 3.30 p.m. (London time) on the tenth 10<sup>th</sup> Business Day following the Announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.*

*Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1 per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 p.m. (London time) on the Business Day following the date of the relevant dealing.*

*If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.*

*Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).*

*Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel's website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk), including details of the number of relevant securities in issue, when the Offer Period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.*

### **Electronic communications**

*Please be aware that addresses, electronic addresses and certain information provided by Shield Shareholders, persons with information rights and other relevant persons for the receipt of communications from Shield may be provided to AOP during the Offer Period as requested under Section 4 of Appendix 4 of the Code to comply with Rule 2.11(c) of the Code.*

### **Publication on website**

*A copy of this Announcement will be made available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on AOP's website at <https://www.aop-health.com> and on Shield's website at <https://www.shieldtherapeutics.com/investors-and-media/results-reports-and-presentations/> by no later than 12 noon on the Business Day following this Announcement. For the avoidance of doubt, the contents of the websites referred to in this Announcement are not incorporated into and do not form part of this Announcement.*

*If you are in any doubt about the contents of this Announcement or the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant or independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.*

### **Requesting hard copy documents**

*In accordance with Rule 30.3 of the Code, Shield Shareholders, persons with information rights may request a hard copy of this Announcement (and any information incorporated by reference in this Announcement) by contacting Shield's registrars, Link Group, between 09.00 – 17.30, Monday to Friday excluding public holidays in England and Wales on 0371 664 0300 (or if calling from outside the UK +44 371 664 0300) or by submitting a request in writing via email at [shareholderenquiries@linkgroup.co.uk](mailto:shareholderenquiries@linkgroup.co.uk) or at 10<sup>th</sup> Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL.*

*For persons who receive a copy of this Announcement in electronic form or via a website notification, a hard copy of this Announcement will not be sent unless so requested. Such persons may also request that all future documents, announcements and information be sent to them in relation to the Mandatory Offer should be in hard copy form.*

### **Rounding**

*Certain figures included in this Announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.*

### **Rule 2.9 Disclosure**

*For the purposes of Rule 2.9 of the Code, Shield confirms that, as at the date of this Announcement, it has in issue 585,669,777 ordinary shares of 1.5 pence each. The International Securities Identification Number (ISIN) for the shares is GB00BYV81293.*

## APPENDIX 1

### CONDITION TO AND CERTAIN FURTHER TERMS OF THE MANDATORY OFFER

#### PART A: CONDITIONS TO THE MANDATORY OFFER

The Mandatory Offer will be subject to the following condition (the "**Acceptance Condition**"):

1. valid acceptances of the Mandatory Offer being received and not, where permitted, withdrawn, by no later than 1.00 p.m. (London time) on the Unconditional Date (or such later time(s) and date(s) as AOP may, subject to the rules of the Code or with the consent of the Panel, decide) in respect of Shield Shares, which together with any Shield Shares acquired or agreed to be acquired by AOP before or during the Mandatory Offer, representing not less than 50 per cent. of the voting rights attached to Shield Shares.

For the purposes of this Acceptance Condition:

- (i) Shield Shares that are unconditionally allotted or issued before the Mandatory Offer becomes, or is declared, unconditional whether pursuant to the exercise of any outstanding subscription or conversion rights or otherwise, shall be deemed to carry the voting rights they will carry upon issue; and
- (ii) all percentage of voting rights and share capital are to be calculated by reference to the percentage held and in issue excluding any and all shares held in treasury by Shield from time to time.

## **PART B: CERTAIN FURTHER TERMS OF THE MANDATORY OFFER**

1. The Acceptance Condition cannot be waived. The Mandatory Offer will be subject to the satisfaction of the Acceptance Condition set out in this Part A, to the further terms set out in this Appendix 1, and to the full terms and the Acceptance Condition which will be set out in the Offer Document and the Form of Acceptance.
2. The Mandatory Offer shall lapse unless the Acceptance Condition has been fulfilled.
3. Save as may otherwise be required by the Panel, the Mandatory Offer will not proceed, will lapse or will be withdrawn if by midnight on the Unconditional Date sufficient acceptances have not been received so as to enable the Acceptance Condition to be satisfied.
4. The Acquisition will be governed by English law and be subject to the Acceptance Condition and further terms set out in this Appendix 1 and to be set out in the Offer Document and the Form of Acceptance. The Acquisition will be subject to the applicable rules, regulations and requirements of the Financial Conduct Authority, the Panel, the London Stock Exchange and the Code. This Announcement does not constitute, or form part of, an offer or invitation to purchase Shield Shares or any other securities.
5. The availability of the Acquisition to persons not resident in the United Kingdom may be affected by the laws of the relevant jurisdiction. Any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about and observe any applicable requirements. Details in relation to Shield Shareholders in overseas jurisdictions will also be contained in the Offer Document.
6. Any Shield Shares acquired by AOP in connection with the Acquisition will be acquired fully paid and free from all liens, equitable interests, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature whatsoever and together with all rights now or hereafter attaching or accruing to them, including voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid on or after the date of this Announcement.
7. If, on or after the date of this Announcement and before the Unconditional Date, any dividend and/or other distribution and/or other return of capital is declared, made or paid or becomes payable in respect of the Shield Shares, AOP reserves the right to reduce the consideration payable under the terms of the Acquisition for the Shield Shares by an amount up to the amount of such dividend and/or distribution and/or return of capital, in which case any reference in this Announcement or in the Offer Document to the consideration payable under the terms of the Acquisition will be deemed to be a reference to the consideration as so reduced. To the extent that any such dividend and/or distribution and/or other return of capital is declared, made or paid or is payable and it is: (i) transferred pursuant to the Mandatory Offer on a basis which entitles AOP to receive the dividend or distribution and to retain it; or (ii) cancelled, the consideration payable under the terms of the Mandatory Offer will not be subject to change in accordance with this paragraph. Any exercise by AOP of its rights referred to in this paragraph shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the Mandatory Offer.

## APPENDIX 2

### SOURCES OF INFORMATION AND BASES OF CALCULATION

Unless otherwise stated in this Announcement:

1. As at 3 May 2023 (being the last Business Day before the date of this Announcement), there were 585,669,777 Shield Shares in issue. The International Securities Identification Number (ISIN) for the shares is GB00BYV81293.
2. The value attributed to the fully diluted issued ordinary share capital of Shield is based on 585,669,777 Shield Shares in issue, 24,821,557 Shield Shares subject to awards under the Shield Option Plans and 5,147,754 Shield Shares which AOP has warrants to subscribe for, in each case as at 3<sup>rd</sup> May, 2023 (the last Business Day before the date of this Announcement).
3. The value of the Acquisition based on the Mandatory Offer Price of 6.20 pence per Shield Share is calculated on the basis of the issued and to be issued share capital of Shield (as set out in paragraph (1) above).
4. Unless otherwise stated, all Closing Prices and volume weighted average prices for Shield Shares referred to in this Announcement have been derived from Bloomberg.
5. The premia calculations have been calculated by reference to:
  - a. The closing share price on 3 May 2023 (the last Business Day before the date of this Announcement) of 7.15 pence per Shield share
  - b. The volume weighted average close price between 13 December 2022 and the last Business Day before the date of this Announcement of 6.89 pence per Shield share
6. Unless otherwise stated, the financial information relating to Shield is extracted from the audited consolidated financial statements of Shield for the financial year to 31 December 2021, prepared in accordance with IFRS.
7. Unless otherwise stated, the financial information relating to AOP is extracted from the audited consolidated financial statements of AOP for the financial year to 2022, prepared in accordance with IFRS.



### APPENDIX 3

#### IRREVOCABLE UNDERTAKINGS

The following Shield Directors have given irrevocable undertakings to not to accept the Mandatory Offer:

<b>Name</b>	<b>Total Number of Shield Shares</b>	<b>Percentage of existing issued share capital of Shield</b>
Hans Peter Hasler	3,300,000	0.56%
Greg Madison	1,893,039	0.32%
Peter Llewellyn-Davies	177,842	0.03%
Fabiana Lacerca-Allen	271,886	0.05%
Anders Lundstrom	10,000	-
<b>Total</b>	<b>5,652,767</b>	<b>0.97%</b>

Shield has therefore received irrevocable undertakings not to accept the Mandatory Offer in respect of a total of 5,652,767 Shield Shares representing, in aggregate, approximately 0.97% per cent. of Shield's share capital in issue as at 3 May 2023.

## APPENDIX 4

### SHIELD PROFIT FORECAST

As part of its 2023 preliminary results statement on 27 April 2023, Shield provided the following guidance on its financial outlook.

“With the support of the Viatrix partnership, management estimates that Accrufer<sup>®</sup> has the potential to generate combined net product revenues of c. US\$150 million by the year ending 31 December 2025 and it expects the Group to turn cash flow positive by the end of 2024. Nearer term Shield expects to deliver strong growth in prescription numbers in 2023, in line with the 125,000 to 160,000 range provided at the time of the December 2022 financing, with a significant weighting to the second half when the 100-person sales team will be in situ for the entire period.

Annual operating expenses for Shield are expected to be in the range of US\$40-45 million in the year ending 31 December 2023 and are expected to remain approximately at this level until the year ending 31 December 2025 assuming Accrufer<sup>®</sup> prescriptions and revenues build as expected. The costs of servicing interest on the convertible shareholder loan will be around £1.7 million (or US\$2.0 million) per annum, however no interest is payable on the £8.2 million (or US\$10 million) extension during 2023.”

Within the same announcement, Shield also announced that the prescriptions in Accrufer<sup>®</sup> had a “net average sales price of approximately \$135 per prescription in 2022, which is expected to increase over the next two years.”

In addition, as part of its 13 December 2022 financing announcement, Shield stated “gross margin on Accrufer<sup>®</sup> net revenues is expected to be around 50%”.

#### ***Application of Rule 28 to the Shield Profit Forecast***

When taken together, the statements with respect to a prescription volume range noting a lower bound, a sales price that is expected to increase, gross margin expectation and operating expenses can be used to estimate a minimum Net Operating Profit for the U.S. business, for a period under 15 months from the date published. For the purposes of Rule 28.1 this constitutes a profit forecast (the “**Shield Profit Forecast**”).

#### ***Shield Directors’ confirmation***

The Shield directors confirm that, as at the date of this Announcement, the Shield Profit Forecast remains valid and it has been properly compiled on the basis of the assumptions stated below and that the basis of accounting used is consistent with Shield’s accounting policies which are in accordance with International Financial Reporting Standards and those that Shield applied in preparing its financial statements for the year ended 31 December 2021. Further information on the basis of preparation of the Shield Profit Forecast, including the principal assumptions on which it is based, is set out below.

#### ***Basis of preparation and principal assumptions***

The Shield Profit Forecast is based on the assumptions listed below.

*Factors outside the influence or control of the Shield directors*

- There will be no material changes to the existing prevailing macroeconomic or political conditions in the markets and regions in which Shield operates.
- There will be no material changes in market conditions in relation to either customer demand, competitive environment or production capabilities
- The interest, inflation and tax rates in the markets and regions Shield operates will remain materially unchanged from the prevailing rates
- There will be no material adverse events that will have a significant impact on Shield's financial performance.
- There will be no business disruptions that materially affect Shield or its key customers, including natural disasters, acts of terrorism, technological issues or supply chain disruptions.
- There will be no material changes to the prevailing foreign exchange rates that will have a significant impact on Shield's revenue or cost base.
- There will be no material changes in legislation or regulatory requirements impacting on Shield's operations or on its accounting policies.
- There will be no material litigation in relation to any of Shield's operations.

*Factors within the influence or control of the Shield directors*

- There will be no material change to the present executive management of Shield.
- There will be no material change in the operational strategy of Shield.
- There will be no material adverse change in Shield's ability to maintain customer, sales team and partner relationships
- There will be no material acquisitions or disposals.
- There will be no material strategic investments over and above those currently planned.
- There will be no material change in the dividend or capital allocation policies of Shield.

## APPENDIX 5

### DEFINITIONS

<b>"Acceleration Statement"</b>	the statement made by AOP as set out in this Announcement to which Rule 31.5 of the Code applies, which AOP is treated as having made by specifying an Unconditional Date in this Announcement which is earlier than Day 60 (as defined in the Code);
<b>"Acceptance Condition"</b>	the condition set out in paragraph 1 of Part A of Appendix 1;
<b>"Acquisition"</b>	the proposed acquisition by AOP of Shield (excluding Shield Shares held by AOP) by way of the Mandatory Offer;
<b>"Announcement"</b>	this announcement made pursuant to Rule 2.7 of the Code;
<b>"Business Day"</b>	any day (excluding any Saturday or Sunday or any public holiday in England) on which banks in London are generally open for business;
<b>"Closing Price"</b>	the closing middle market quotations of a Shield Share on any particular date;
<b>"Code" or the "City Code on Takeovers and Mergers"</b>	the UK City Code on Takeovers and Mergers as issued, and as from time to time amended and interpreted by, the Panel;
<b>"Companies Act"</b>	the Companies Act 2006;
<b>"concert parties"</b>	persons who are acting in concert as defined in the Code;
<b>"Consideration"</b>	the consideration payable by AOP to Shield Shareholders pursuant to the Acquisition, comprising 6.20 pence in cash for each Shield Share;
<b>"Conversion"</b>	the conversion of USD 9,542,019 of the Shareholder Loan into 127,366,565 Shield Shares pursuant to the terms and conditions of the Shareholder Loan;
<b>"Court"</b>	the High Court of Justice in England and Wales;
<b>"finnCap"</b>	finnCap Limited, registered in England and Wales with company number 06198898 and having its registered office at 1 Bartholomew Close, London, EC1A 7BL, Shield's joint broker;
<b>"Form of Acceptance"</b>	the form of acceptance to accept the Mandatory Offer, which will accompany the Offer Document;
<b>"GBP"</b>	the lawful currency from time to time of the United Kingdom of Great Britain and Northern Ireland;
<b>"Mandatory Offer"</b>	the offer to be made by or on behalf of AOP to acquire the entire issued and to be issued share capital of Shield (excluding Shield

	Shares already held by AOP), and, where the context admits, any subsequent revision, variation, extension or renewal of such offer;
<b>“Mandatory Offer Price”</b>	6.20 pence per Shield share;
<b>“Offer Document”</b>	the document to be sent to Shield Shareholders which will contain, <i>inter alia</i> , the terms and conditions of the Mandatory Offer;
<b>“Offer Period”</b>	the period which commenced on 4 May 2023 and ending on the earlier of the date on which the Mandatory Offer becomes unconditional and/or the date on which the Mandatory Offer lapses or is withdrawn (or such other date as the Panel may decide);
<b>“Opening Position Disclosure”</b>	an announcement containing details of interests or short positions in, or rights to subscribe for, any relevant securities of a party to the offer if the person concerned has such a position;
<b>“Panel”</b>	the UK Panel on Takeovers and Mergers;
<b>“Relationship Agreement”</b>	the relationship agreement dated 4 May 2023 between AOP and Shield, which regulates the relationship between AOP, as Shield’s largest shareholder and Shield;
<b>“Restricted Jurisdiction”</b>	any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure if information concerning the Acquisition is sent or made available to Shield Shareholders in that jurisdiction;
<b>“Shareholder Loan”</b>	the convertible shareholder loan facility dated 1 August 2022 as amended on 12 December 2022, between, amongst others, AOP and Shield;
<b>“Shield”</b>	Shield Therapeutics plc, a company incorporated in England and Wales with registered number 09761509 and with its registered address at Northern Design Centre Studio 6, 3rd Floor, Baltic Business Quarter, Gateshead Quays, England, NE8 3DF;
<b>“Shield Directors”</b>	the directors of Shield, from time to time;
<b>“Shield Option Plans”</b>	the share options plans of Shield, including (i) the Shield Company Share Option Plan; (ii) the Shield Long Term Incentive Plan; (iii) the Shield Retention Share Plan; and (iv) the Shield Retention and Performance Share Plan;
<b>“Shield Profit Forecast”</b>	the Shield forecast, as set out in Appendix 4 of this announcement;
<b>“Shield Shareholders”</b>	the holders of Shield Shares from time to time;
<b>“Shield Shares”</b>	the ordinary shares of 1.5 pence each in the capital of Shield;
<b>“Subsequent Acceleration Statement”</b>	any further statement made subsequent to the Acceleration Statement being set aside in which AOP, in accordance with Rule 31.5 of the Code, brings forward the latest date by which the Acceptance Condition must be satisfied;

**"Unconditional Date"**

the 21<sup>st</sup> calendar day from the date of publication of the Offer Document, or, if AOP has, where permitted, set aside the Acceleration Statement, such other date as AOP may specify in the Offer Document or any Subsequent Acceleration Statement (unless, where permitted, it has set aside such Subsequent Acceleration Statement); and

**"USD"**

the lawful currency from time to time of the United States of America.