RNS Number : 0413O
Shield Therapeutics PLC
10 May 2024

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

Audited results for the year ended 31 December 2023
Posting of Annual Report & Accounts
Notice of AGM

London, UK,10 May 2024: Shield Therapeutics plc (LSE: STX), a commercial-stage pharmaceutical company that delivers Accrufer®/Feraccru® (ferric maltol), an innovative and differentiated specialty pharmaceutical product, to address a significant unmet need for patients suffering from iron deficiency (with or without anaemia) confirms its audited final results for the year ended 31 December 2023.

Financial Highlights

- **Total 2023 revenue and other income:** $17.5m, a 2.8x increase over FY22
  - **Accrufer® revenue:** $11.6m, a 3.1x increase over FY22
  - **Ex-U.S. revenue:** $1.5m of royalty revenue from product sales in Europe
  - **Other income revenue including Viatris milestone payments:** $4.4m
- **Total 2023 Prescriptions:** c.77,000, a 3.1x increase over FY22
- **Operating Loss:** $31.3m compared to $49.8m in FY22
- **Cash and cash equivalents**: $13.9m as of 31 December 2023

Operational Highlights

- Launch of Accrufer® in the US with Shield's partner Viatris Inc. with a 100-person dedicated sales team promoting Accrufer® to over 12,000 Health Care Professionals (HCPs)
- Hiring and implementation of the Company's first direct sales team of 50 sales professionals along with six regional sales managers, all of whom are promoting Accrufer® to HCPs
- Increased net revenue per prescription (Rx) to $145/Rx in the second half of the year vs $119/Rx in the first half
- The Company's Canadian partner, KYE Pharmaceuticals, filed for regulatory approval with Health Canada - decision expected in 2024
- Shield's Chinese partner, ASK Pharma, continued to enroll patients into a Phase 3 study
- Strengthening of the senior management team with the appointment of Santosh Shanbhag as Chief Financial Officer and Andy Hurley as Chief Commercial Officer, to lead Shield's commercial team and our partnership with Viatris Inc.

2023 Annual Report and Notice of Annual General Meeting
The Annual Report and Accounts and Notice of AGM will be sent to shareholders today and in accordance with AIM Rule 26, these documents are also available to view on the Company's website: Results, Reports & Presentations | Shield Therapeutics plc.

This year the Company's AGM will be held at 2.00pm (BST) on 20 June 2024 at the offices of Shield Therapeutics plc, Northern Design Centre, Baltic Business Quarter, Gateshead Quays, NE8 3DF.

If you wish to attend the AGM in your capacity as a shareholder, please bring proof of shareholding or if shares are held through a nominee account, a letter of representation, to facilitate your entry to the Meeting.

The Company will provide a facility for shareholders to join the AGM online and telephonically and there will be an opportunity for shareholders to ask questions. In order to facilitate the process, the Board would request that shareholders register for the meeting and submit questions in advance, before 2.00pm (BST) on 18 June 2024.

To register for dial-in details and to submit any questions please contact Walbrook PR via email at shield@walbrookpr.com or call +44 (0)20 7933 8780.

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About Iron Deficiency and Accrufer®/Feraccru®
Clinically low iron levels (aka iron deficiency, ID) can cause serious health problems for adults of all ages, across multiple therapeutic areas. Together, ID and ID with anaemia (IDA) affect about 20 million people in the U.S. and represent a $2.3B market opportunity. As the first and only FDA approved oral iron to treat ID/IDA, Accrufer® has the potential to meet an important unmet medical need for both physicians and patients.

Accrufer®/Feraccru® (ferric maltol) is a novel, stable, non-salt-based oral therapy for adults with ID/IDA. 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 and www.feraccru.com.

About Shield Therapeutics plc
Shield is a commercial-stage specialty pharmaceutical company that delivers Accrufer®/Feraccru® (ferric maltol), an innovative and differentiated pharmaceutical product, to address a significant unmet need for patients suffering from iron deficiency, with or without anaemia. The Company has launched Accrufer® in the U.S. with an exclusive, multi-year commercial agreement with Viatris Inc. (Viatris). Outside of the U.S., the Company has licensed the rights to four specialty pharmaceutical companies. Feraccru® is commercialised in the UK and European Union by Norgine B.V. (Norgine), which also has marketing rights in Australia and New Zealand. Shield also has an exclusive license agreement with Beijing Aosaikang Pharmaceutical Co., Ltd., for the development and commercialisation of Accrufer®/ Feraccru® in China, Hong Kong, Macau and Taiwan; with Korea Pharma Co., Ltd. for the Republic of Korea (Korea Pharma); and with KYE Pharmaceuticals Inc. for Canada.

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

Forward-Looking Statements:
This press release contains forward-looking statements. All statements contained in this press release that do not relate to matters of historical fact should be considered forward-looking statements. These forward-looking statements are based on management's current expectations and include statements related to the commercial strategy for Accrufer®/Feraccru®. These statements are neither promises nor guarantees, but involve known and unknown risks and uncertainties, many of which are beyond our control, that may cause actual results and performance or achievements to be materially different from management's expectations expressed or implied by the forward-looking statements, including, but not limited to, risks associated with the Company's business and results of operations, competition, and other market factors. The forward-looking statements made in this press release represent management's expectations as of the date of this press release, and except as required by law, the Company disclaims any obligation to update any forward-looking statements contained in this release, even if subsequent events cause its views to change.

Chairman and Chief Executive Officer's joint statement

Our growth journey for Shield Therapeutics took a major step forward in 2023 following a successful organisational expansion and new launch of Accrufer® in the US with our partner Viatris Inc. This expanded reach and access to additional resources provides a strong opportunity to continue our mission for making Accrufer® the oral iron of choice for patients with iron deficiency, with or without anaemia (ID/IDA). On the clinical side, we expect to complete enrolment of our paediatric study in 2024, and subject to regulatory approval this would open up additional opportunities in patients under 18 years of age. On the ex-US partnering front, we expect to achieve key milestones in the coming year in Canada, Korea and China as we seek to make ferric maltol available across the globe.

Like a lot of growing businesses, we have encountered a number of challenges through the year including a tighter financing environment, a volatile stock price and some variability in the speed of growth of our US business following the full sales force launch in May 2023. One of the things I am proud of is the Shield team's resilience and our focus on what it takes to achieve our mission to make Accrufer® the oral iron of choice for patients with ID/IDA.

In the US, the Company went through a significant commercial expansion in the first half of 2023, hiring our first direct sales team of 50 sales professionals along with six regional sales managers, all of whom are promoting Accrufer® to healthcare professionals. Our partner Viatris did the same, and by May we had the full team of 100 sales professionals promoting Accrufer® to approximately 12,000-13,000 HCPs. Awareness about Accrufer® as an option to treat ID/IDA among the vast majority of these HCPs remains quite low, and the objective of this expanded team is simple: increase awareness of Accrufer®, generate prescriptions from these HCPs, and allow patients to experience the benefits we believe Accrufer® can provide.

Over the course of the year, we tripled total prescriptions to over 77,000, an increase of 3.1x as compared to all of 2022. Shield announced a prescription reporting issue from our 3rd party data provider earlier in the year, but we have worked closely with our third-party data provider to rectify this and also implemented an enhanced multi-source system. First time writers of Accrufer® saw a dramatic increase with 167% writing for the product for the first time in 2023. The feedback on the product we hear from physicians through our sales team continues to be very positive. All of these metrics provide us additional confirmation in two key areas. First, that there is a need from HCPs and patients for an effective and well tolerated oral iron. Second, Accrufer® is highly promotionally sensitive, so the more HCPs we can reach with sales and marketing efforts, the faster awareness can increase and the opportunity increases to grow our prescriber base. While we have made progress over the first 6+ months of this new commercial launch, there is much opportunity still ahead of us.

On the financial side, we generated a total of $11.6 million in US net revenues for Accrufer® with the bulk of those net sales coming in the second half of the year following the commercial expansion. We also set out to increase our net revenue per prescription, and saw that increase to $145/Rx in the second half of the year vs $119/Rx in the first half of the year. We have a number of initiatives directed to this goal coming in 2024, and expect this to continue to increase while we grow our total prescriptions.

Our partnership with Viatris in the US was initiated in 2023 and has progressed positively throughout the course of 2023. Both organisations are focused on strategic alignment, excellent communication, strong collaboration and focused execution. Together, we remain steadfast in our commitment to making Accrufer® the oral iron of choice in the US.

All of the accomplishments and growth we experienced during 2023 would not be possible without a strong team here at Shield. As we scaled up our sales organisation significantly in the first half of 2023, we added additional talent across human resources, information technology and sales operations to help support our expanded team. Andy Hurley joined us as our Chief Commercial Officer in April of last year to lead both Shield's commercial team and the partnership with Viatris. We have a team of dedicated, smart and passionate individuals who not only share in our Company vision for Accrufer®, but also consistently display our values of agility, empowerment, collaboration and the will to succeed.

Global partnerships and development

We have a number of partnerships across the globe and our objective is to identify opportunities to bring Accrufer®/Feraccru® to patients with iron deficiency in as many markets as possible.

In Europe, where Feraccru® is commercially available to patients through our partnership with Norgine. We have a long standing relationship with Norgine, and their efforts are primarily concentrated in those countries where we have positive reimbursement, specifically Germany, UK and the Nordics. During 2023, we saw 10% growth in packs sold, and a corresponding increase of 33% in our royalty revenue. For several years, the focus of the marketing and sales efforts for Feraccru® has been toward the gastrointestinal specialty. More recently, it has become clear that the oral iron market in many countries is similar to that of the US, with women' health "OB/GYN" and General Practitioner representing the bulk of oral iron prescriptions written. The Norgine team in Germany has already begun their pivot towards a more focused selling and marketing approach to OB/GYNs with some success. We continue to work with our partner to drive further depth into these specialties not only in Germany but in other markets as well.

Excellent progress continues to be made in our development stage partnerships in Canada, Republic of Korea and China. In Canada, our partner KYE Pharmaceuticals filed for regulatory approval with Health Canada, and we expect a decision in 2024. The team at KYE has been preparing for launch pending approval and will be ready to go in 2024. Korea Pharma, our partner in South Korea, completed the pharmacokinetic (PK) study last year, and we are awaiting results of that study in 1H 2024. This is the only study that is required for a regulatory filing, and if successful, would lead to a filing for approval in the second half of 2024. Lastly, our partner in China, ASK Pharma, is enrolling patients into a Phase 3 study that is similar in design to the studies conducted by Shield leading to EMA and FDA approval. The study picked up momentum in the second half of 2023 and is targeted to complete enrolment in late 2024. Each of these markets represent a growth opportunity with many patients challenged in treating their iron deficiency. Shield receives various milestones and royalties on net sales across each of these geographies.

Paediatric study

Shield is enrolling patients in a paediatric study, which if successful, could lead to an expansion of the indication and uses for Accrufer®/Feraccru® in both US and EU markets. The study, a requirement of both FDA and EMA, is enrolling patients with iron deficiency ranging from 12 months to 17 years of age. This is another population where iron deficiency is prevalent and similar challenges to OTC irons exist. As part of this study, Shield is using a new liquid formulation, which, if approved may offer an alternative approach for those who can't swallow our current capsule formulation.

Outlook

Our Company went through a period of significant expansion and growth over the past twelve months, and we have dramatically increased the number of prescriptions for Accrufer® in the US as we continue to build out awareness of the product and fine-tune our commercial efforts. We see an oral iron market which has clear needs based on physician and patient feedback for a product that delivers both effectiveness and tolerability. As we move into 2024, we will come upon the one-year anniversary of our full commercial launch alongside Viatris, and expect our commercial execution to continue to improve. We have exciting plans to add additional resources in the areas of marketing and patient access programmes, which we believe will help achieve continued growth in prescriptions along with our continued improvement in financial metrics. We should complete our paediatric study during 2024, opening up expansion opportunities in both the US and EU in future years. Lastly, our ex-US partnerships continue to progress not only making Accrufer®/Feraccru® available around the globe, but also adding to our revenues through both milestones and royalties.

Hans Peter Hasler, Chairman
Greg Madison, Chief Executive Officer

Financial Review

Change in Presentation Currency

On 1 January 2023, the Group changed its reporting currency from sterling to US dollars to provide greater transparency in the Group's performance for investors and other stakeholders and to reduce exchange rate volatility in reported figures, given that c. 90% of the Group's revenue and c. 90% of the Group's operating expenditure originate in US dollars. In accordance with IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors, this change in presentational currency was applied retrospectively and accordingly, prior year comparatives have been restated. Financial information included in the consolidated financial statements for years ended 31 December 2022 and 2021 has been restated in US dollars.

Revenue

Revenue in 2023 was $13.1 million (2022: $5.5 million), comprising $11.6 million (2022: $3.6 million) net product revenues from Accrufer® sales in the US, $1.5 million income from Feraccru® sales in Europe by Norgine (2022: $1.5 million).

The 77,012 prescriptions of Accrufer® sold in the US yielded net revenue of $11.6 million (2022: $3.8 million from 25,200 prescriptions). A significant number of the 2022 and 2023 prescription sales are still subsidised through patient assistant programmes, resulting in a net average sales price of $137 (2022: $133) per prescription in 2023.

In December 2022, the Group signed an exclusive, multi-year collaborative sales agreement for Accrufer® in the US with Viatris. This collaboration resulted in a 100-person dedicated sales team promoting Accrufer® to over 12,000 Health Care Professionals (HCPs) who write the majority of oral iron prescriptions. The Company received a $5.0 million upfront payment upon execution of the agreement. An amount of $4.3 million of that upfront payment was recorded in other operating income during 2023.

Royalty revenue from Norgine, Shield's licence partner in Europe, increased year on year at $0.6 million in 2022 to $0.8 million in 2023 driven by 10% increase in total packs sold. Germany now accounts for c.62% of the total net sales of

million in 2023 driven by 10% increase in total packs sold. Germany now accounts for c.32% of the total net sales of Feraccru® in Europe, followed by the United Kingdom with c.22%.

Cost of sales
Cost of sales of $9.0 million (2022: $3.0 million) includes the manufacturing and shipping cost of the prescriptions sold in the US, the finished packs supplied to Norgine for sale in Europe and the 5% royalty payable to Vitra Pharmaceuticals Limited ("Vitra") on net sales.

Vitra was the original owner of the intellectual property underpinning Accrufer®/Feraccru® and, under the terms of the 2010 Asset Purchase Agreement, is entitled to receive either a 5% royalty on net sales or 10% of any licence upfront and sales milestones. For the Norgine licence covering European commercialisation, Vitra chose in 2018 to receive 5% on net sales whereas for the ASK Pharm agreement covering China, the Korea Pharma agreement covering the Republic of Korea and the KYE Pharmaceuticals agreement covering Canada, Vitra elected to receive 10% of the upfront and sales milestones instead of future sales royalties.

Selling, general and administrative expenses
Selling, general and administrative expenses were $38.0 million in 2023 (2022: $33.6 million). The increase is due to the expansion within the US as the development of the relationship with Viatris continued. The average number of persons employed by the Group increased from 28 in 2022 to 73 in 2023, with an increase from 12 to 61 staff directly related to the US commercial function.

The share based payment charge to the income statement was $0.9 million in 2022 and 2023.

Impairment of intangible assets
Following the completion of the collaborative sales agreement for Accrufer® in the United States with Viatris, the Group carried out a review of the recoverable amount of its intangible assets. As a result of this review, the Directors concluded that the Group should concentrate the use of its resources on the commercial development of Accrufer®/ Feraccru® and the ongoing paediatric study. During 2022, based on that conclusion, along with the limited remaining patent life of PT20, the Directors decided to write off the assets related to the Phosphate Therapeutics Limited business, resulting in an impairment loss of $18.1 million in the Group's statement of profit and loss for the year ended 31 December 2022. There was no impact in 2023.

Research and development
The Group spent $4.5 million (2022: $3.5 million) on research and development. Of that total spend, $2.7 million (2022: $2.2 million) have been capitalised as additions to intangible assets, as management deemed that it is probable that these costs will generate future economic benefits. The balance of $1.8 million (2022: $1.3 million) was expensed in the current year. Research and development expenditure is predominantly related to the ongoing paediatric study.

Financial income
Financial income of $0.5 million was reported in 2023 (2022: $0.9 million). This income was generated primarily through currency gains on the cash held in US Dollars.

Financial expense
Financial expense of $1.6 million was reported in 2023 (2022: $0.5 million). The expense was primarily related to interest charged on the shareholder loan and later the long-term loan with SWK Holdings.

Balance sheet
Cash at 31 December 2023 was $13.9 million (31 December 2022: $3.4 million).

Intangible assets at 31 December 2023 were $16.9 million (31 December 2022: $14.2 million), comprised of capitalised Feraccru® development costs including the ongoing paediatric pharmacokinetic study and capitalised Feraccru® patent and trademark cost, incurred to strengthen the Group's intellectual property.

Inventories are $3.2 million (31 December 2022: $1.8 million). The increase in inventories is due to the Group adding inventory to keep up with the increasing demand within the US market.

Trade and other receivables increased from $6.5 million at 31 December 2022 to $13.5 million at 31 December 2023, reflecting the increase in trading volume in the US.

The current tax asset of $0.6 million at 31 December 2023 (31 December 2022: $0.5 million) relates to the anticipated R&D tax credit claim in respect of the 2023 and 2022 financials years.

Non-current liabilities are comprised of a long-term loan from SWK Holdings which was fully drawn down in October 2023. During 2023 there was a convertible shareholder loan from AOP Health, which was fully repaid in October 2023. The fair value of the conversion feature of this loan, which will be revalued at each balance sheet date, was separated from the value of the loan principal amount in accordance with IFRS 9. At 31 December 2022, the fair value of the conversion feature was $0.6 million and the remaining loan balance was $6.7 million.

Trade and other payables increased from $11.4 million at 31 December 2022 to $12.7 million at 31 December 2023 as a result of the larger trading volume in the US. Additionally, the balance at 31 December 2022 of $4.3 million represents Viatris upfront payment, received in 2022, which has been recognised as other income in 2023.

Lease liabilities have increased from $0.1 million in 2022 to $0.4 million in 2023. The increase is as a result of moving into a new office in the US.

Cash flow
Net cash inflow in 2023 was $10.1 million, increasing the cash on hand from $3.4 million at 31 December 2022 to $13.9 million at 31 December 2023. Net cash outflows from operating activities was $37.1 million, comprised of $33.3 million loss for the year, adjusted for non-cash items of $3.9 million (including depreciation and amortisation of $1.1 million, share-based payments of $0.9 million, net financial expense of $1.0 million, and income tax of $0.9 million) and net investments in increasing the Group's working capital of $7.7 million.

Net cash outflows from investing activities of $2.4 million are the result of capitalised development expenditure of $2.7 million, the acquisition of tangible assets of $0.2 million and financial income of $0.5 million.

Net cash inflows from financing activities of $49.7 million are attributable to the net proceeds from the convertible shareholder loan of $10.0 million, the net proceeds from the SWK Holdings loan of $19.4 million and net proceeds from an equity raise of $26.4 million.

Going concern
At 31 December 2023, the Group held $13.9 million in cash. The Group's unaudited cash balance at 31 March 2024 was $10.4 million.

Since then, the Group has implemented a $10.0m accounts receivable facility with Sallyport Commercial Finance LLC, and also amended its current $20.0m Credit Agreement with SWK to lower the revenue covenant associated with debt. The Group is planning to use these funds to drive continuing growth in sales volumes of Accrufer® in the US. Management have considered the funding requirements of the Group through the preparation of detailed cash flow forecasts for the period to December 2025, including the prospective Accrufer® sales revenues and the related commercial operating costs.

These forecasts show that the Group's monthly cash flows start to turn positive by H2'25 and that the recent accounts receivable facility should provide sufficient cash to allow the business to continue in operations for at least 12 months from the balance sheet date. The Directors have considered scenarios in which sales revenues fall below base case forecasts. In these circumstances mitigating actions such as reduction of discretionary marketing, general and administrative, and production related expenditure combined with the reliance on the full $10.0m accounts receivable facility could be taken to preserve cash. The Directors also believe that other forms of finance, such as royalty finance are likely to be available to the Group.

Based on the above factors, the Directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

Financial outlook
The exclusive, multi-year collaborative sales agreement signed with Viatris in December 2022 to co-commercialise Accrufer® in the US has already enabled Accrufer® to be on path to be the oral iron of choice in the US Market. Management expects continued growth in Accrufer® prescriptions in 2024 and 2025 driven by the 100-person sales team that is promoting Accrufer® to over 12,000 HCPs.

The Company is focused on maximising revenues, continuing to grow Accrufer® prescriptions in the US, and to continue to improve net prices per Accrufer® script in 2024 and 2025.

With the support of the Viatris partnership, management estimates that Accrufer® has the potential to use its existing resources to support growth and scale of Accrufer® in the US and expects the Group to turn cash flow positive by H2 2025.

Santosh Shanbhag
Chief Financial Officer

Consolidated statement of profit and loss and other comprehensive income
for the year ended 31 December 2023

	2023	2022
	$000	$000
Revenue	**13,085**	5,499
Cost of sales	**(9,058)**	(3,041)
Gross profit	**4,027**	2,458
Other operating income	**4,412**	862
Operating costs - selling, general and administrative expenses	**(37,960)**	(33,646)
Operating loss before impairment and research and development expenditure	**(29,521)**	(30,326)
Impairment of intangible assets	**-**	(18,106)
Research and development expenditure	**(1,810)**	(1,320)
Operating loss	**(31,331)**	(49,752)
Financial income	**518**	888
Financial expense	**(1,562)**	(479)
Loss before tax	**(32,375)**	(49,343)
Taxation	**(918)**	(446)
Loss for the year	**(33,293)**	(49,789)
Other comprehensive income		
Items that are or may be reclassified subsequently to profit or loss:		
Foreign currency translation differences - foreign operations	**(1,890)**	2,686

Total comprehensive expenditure for the year	**(35,182)**	(47,103)
Loss per share		
Basic and diluted loss per share in cents	**(5)**	(21)

Group Balance Sheet

for the year ended 31 December 2023

	2023	Restated 2022	Restated 2021
	$000	$000	$000
Non-current assets			
Intangible assets	**16,863**	14,208	36,220
Property, plant and equipment	**673**	238	410
	17,536	**14,446**	**36,630**
Current assets			
Inventories	**3,203**	1,757	2,206
Trade and other receivables	**13,498**	6,487	3,952
Current tax asset	**614**	526	777
Cash and cash equivalents	**13,948**	3,402	16,345
	31,263	**12,172**	**23,280**
Total assets	**48,799**	**26,618**	**59,910**
Non-current liabilities			
Long-term loan	**(19,836)**	-	-
Convertible shareholder loan	**-**	(6,683)	-
Fair value of loan conversion feature	**-**	(562)	-
Lease liabilities	**(195)**	-	-
	(20,031)	(7,245)	-
Current liabilities			
Trade and other payables	**(12,721)**	(11,444)	(4,200)
Other liabilities	**(800)**	(1,278)	(148)
Lease liabilities	**(214)**	(107)	(210)
	(13,735)	**(12,829)**	**(4,558)**
Total liabilities	**(33,766)**	**(20,074)**	**(4,558)**
Net assets	**15,033**	**6,544**	**55,352**
Equity			
Share capital	**(15,011)**	(5,371)	(4,574)
Share premium	**(198,759)**	(169,482)	(167,424)
Merger reserve	**(43,240)**	(43,240)	(43,240)
Currency translation reserve	**8,452**	10,342	7,656
Deposit for shares	**-**	100	-
Retained earnings	**233,525**	201,107	152,230
Total equity	**(15,033)**	**(6,544)**	**(55,352)**

Group statement of changes in equity

for the year ended 31 December 2023

	Issued capital	Deposit for shares	Share premium	Merger reserve	Currency translation reserve
	$000	$000	$000	$000	$000
Balance at 1 January 2022 (restated)	4,574		167,424	43,240	(7,656)
Loss for the year	-	-	-	-	-
Other comprehensive income:					
Foreign currency translation differences	-	-	-	-	(2,686)
Total comprehensive expense for the year	-	-	-	-	(2,686)
Transactions with owners, recorded directly in equity					
Share options exercised	42	-	68	-	-
Loan conversion	755	-	1,990	-	-
Deposit for shares	-	(100)	-	-	-
Equity-settled share-based payment transactions	-	-	-	-	-
Balance at 31 December 2022	5,371	(100)	169,482	43,240	(10,342)
Loss for the year	-	-	-	-	-
Other comprehensive income:					
Foreign currency translation differences	-	-	-	-	1,890
Total comprehensive expense for the year	-	-	-	-	1,890
Transactions with owners, recorded directly in equity					
Equity placing	6,556	100	19,819	-	-
Warrants exercised	98	-	345	-	-
Loan conversion	2,986	-	9,113	-	-
Equity-settled share-based payment transactions	-	-	-	-	-
Balance at 31 December 2023	**15,011**	**-**	**198,759**	**43,240**	**(8,452)**

Group statement of cash flows

for the year ended 31 December 2023

	2023	2022
	$'000	$'000
Cash flows from operating activities		
Loss for the year	**(33,293)**	(49,789)
Adjustments for:		
Depreciation and amortisation	**1,071**	2,662
Equity-settled share-based payment expenses	**875**	912
Financial income	**(518)**	(888)
Financial expense	**1,562**	479
Impairment of intangible assets	**-**	18,106
Movement in fair value of loan conversion option	**-**	843
Income tax	**918**	446
	(29,385)	(27,229)
(Increase)/decrease in inventories	**(1,446)**	215
Increase in trade and other receivables	**(7,007)**	(2,787)
Increase in trade and other payables	**1,907**	7,272
(Decrease)/increase in other liabilities	**(478)**	(775)
Income tax (paid)/received	**(717)**	714
Net cash flows from operating activities	**(37,126)**	(22,591)
Cash flows from investing activities		
Financial income	**518**	36
Additions to intangible assets	**-**	-
Additions to tangible assets	**(239)**	(64)
Capitalised development expenditure	**(2,709)**	(2,221)
Net cash flows from investing activities	**(2,430)**	(2,249)
Cash flows from financing activities		
Interest paid	**(613)**	(403)
Proceeds from equity raise	**26,375**	-
Warrants exercised	**442**	-
Repayment of convertible shareholder loan	**(5,448)**	-
Proceeds from convertible shareholder loan	**10,000**	9,080
Proceeds from long-term loan	**19,446**	-
Deposit for shares	**-**	(100)
Proceeds of share options exercised	**-**	105

Total cash outflow for leases	**(546)**	(152)
Net cash flows from financing activities	**49,656**	8,530
Net increase/(decrease) in cash	**10,100**	(11,812)
Effects of currency translation on cash and cash equivalents	**446**	(1,131)
Cash and cash equivalents at 1 January	**3,402**	16,345
Cash and cash equivalents at 31 December	**13,948**	3,402

END

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