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

Half-year Report
Interim Report for the six months ended 30 June 2021
Six month period dominated by preparation for launch of Accrufer® in US

London, UK, 17 August 2021: Shield Therapeutics plc (LSE: STX), a commercial stage pharmaceutical company with a focus on addressing iron deficiency with its lead product Feraccru®/Accrufer® (ferric maltol), announces its unaudited interim results for the six months ended 30 June 2021.

Operational Highlights (including post-period end)
- Accrufer® launched in US on 1 July 2021
- 51% growth in Feraccru® sales volumes in Europe compared with H2 2020
- Chinese authorities confirm regulatory approval pathway for Feraccru® in China
- First stage of Feraccru®/Accrufer® paediatric study completed
- License deal for development and commercialisation of Accrufer® in Republic of Korea secured (August 2021)

Financial Highlights
- Revenues of £0.5 million (H1 2020: £8.9 million)
- Loss for the period of £7.3 million (H1 2020 profit: £3.1 million)
- Net cash outflow from operating activities of £8.0 million (H1 2020: £2.0 million inflow)
- £27.7 million net proceeds from placing, subscription and open offer in March 2021
- Cash balance at 30 June 2021 £22.6 million (31 December 2020: £2.9 million)

Commenting on the interim results, Greg Madison, CEO of Shield, said *"The first six months of 2021 have been a truly pivotal and exciting period for Shield which opens up the prospect of substantially greater shareholder value for investors. During the first quarter the Group's US strategy transitioned from an out-licence approach to one of launching Accrufer® ourselves in the US, and the successful fundraise in March 2021 provided the financial resources for the launch. In the second quarter a huge amount of planning and implementation was completed which allowed us to launch Accrufer® on 1 July 2021 and I am pleased with progress to date. With Accrufer® now available in the US, and Feraccru® available in Europe, I am excited about the long-term prospects for our product(s) and Shield."*

Analyst briefing
A briefing open to analysts will take place remotely via video conference call today, Tuesday, 17 August 2021 at 2.00pm BST/9.00am EST. If you would like the details of this call please contact Walbrook PR on shield@walbrookpr.com.

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About Shield Therapeutics plc

Shield is a commercial stage, pharmaceutical company with a focus on addressing iron deficiency with its lead product Feraccru®/Accrufer® (ferric maltol), a novel, stable, non-salt based oral therapy for adults with iron deficiency with or without anaemia.

Shield's lead product, Feraccru®/Accrufer®, has been approved for use in the United States, European Union, UK, Switzerland and Australia and has exclusive IP rights until the mid-2030s. Accrufer® has been launched in the US in 2021 through a highly experienced sales and marketing team. Feraccru® is being 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 exclusive licence agreements with Beijing Aosaikang Pharmaceutical Co., Ltd., for the development and commercialisation of Feraccru®/Accrufer® in China, Hong Kong, Macau and Taiwan; and with KOREA PHARMA CO.,LTD for development and commercialisation in the Republic of Korea.

For more information, please visit www.shieldtherapeutics.com*. Follow Shield on Twitter @ShieldTx*

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 Feraccru®/ Accrufer® 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, 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 Group'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 Group disclaims any obligation to update any forward-looking statements contained in this release, even if subsequent events cause our views to change.

Operational Review

Commercialisation of Feraccru®/Accrufer®

USA

Accrufer® was launched in the US on 1 July 2021 in line with prior guidance. During the second quarter of 2021, a sales force including 30 sales representatives was recruited and trained and started to contact key prescribers. Due to the ongoing impact of the COVID pandemic and the emergence of the delta variant in the US, face-to-face contact with clinicians has been limited in the initial phase of launch. Discussions are ongoing with payers regarding formulary placement of Accrufer® and will continue over the next several months.

Europe/Australia

Norgine BV is our license partner for commercialisation of Feraccru® in most of Europe, Australia and New Zealand. Having initially been focused on Germany and the UK, Norgine took on responsibility for selling in the Nordic markets during the second half of 2020 (previously undertaken by AOP Orphan) and also launched the product in Belgium and Luxembourg in early 2021. The number of Feraccru® packs sold by Norgine in Europe increased by 51% in H1 2021 compared with H2 2020 and by 57% compared with H1 2020.

Norgine continues to focus on driving commercial adoption in countries where Feraccru® has already gained reimbursement while looking to obtain reimbursement in further countries, with a particular focus on the major European markets of France, Italy and Spain.

In March 2021, the Australian Therapeutics Goods Administration (the local regulatory authority for medicinal products) registered Feraccru® in the Australian Register of Therapeutic Goods to treat iron deficiency with or without anaemia in adults.

China

Feraccru® is not yet approved in China. The Chinese regulatory authority (CDE) has approved an Investigational New Drug (IND) application for Feraccru® which was submitted by our Chinese licence partner, ASK Pharm, to conduct two studies which CDE has confirmed are sufficient to support a New Drug Application: a 12-week Phase III study in 120 Inflammatory Bowel Disease (IBD) patients and a pharmacokinetic/pharmacodynamic study to be conducted in parallel. Clinical supplies have been manufactured and released for the study, and ASK Pharm has started screening patients. The study could be completed by the end of 2022 and marketing approval and product launch could follow by late 2023. On approval, Shield is due to receive an $11.4 million milestone payment from ASK Pharm and tiered royalties of 10% or 15% depending on the level of net sales, and up to US$40 million in milestone payments upon the achievement of specified cumulative sales targets. ASK Pharm will be responsible for all clinical and regulatory costs and activities as well as all manufacturing and distribution costs of goods sold in the territory.

Other markets

We announced a licence deal on 12 August 2021 with KOREA PHARMA CO. LTD to develop and commercialise Accrufer® in South Korea. The terms of the deal includes an upfront payment of £500,000 and will be entitled to a further £1.5 million on first sale in Korea, 15% royalties and up to £4 million in potential sales milestones. We are also in early discussions with potential partners in several other countries.

Product development

Shield has agreed a Feraccru®/Accrufer® Paediatric Investigational Plan (PIP)/Pediatric Development Plan (PDP) with the EMA/FDA, respectively, both culminating in the conduct of a study to evaluate the safety, tolerability and efficacy of the product in infants, children and adolescents. The first stages were to develop an age-appropriate formulation suitable for small children and infants and to demonstrate therapeutic equivalence with the adult

capsule formulation. Both these stages were completed satisfactorily in the first half of 2021 and the main study is expected to start recruiting subjects in September 2021.

We have also started work on the development of a new formulation of PT20, our development stage phosphate binder.

Outlook

The outlook for the second six months of 2021 is dominated by the launch of Accrufer® in the US. The focus will be on building awareness among healthcare providers, initiating prescriptions for appropriate patients to generate clinical experience, and extending patient access through negotiations with payer groups. In Europe, Feraccru® sales are expected to continue to grow steadily in Germany, the UK, Scandinavia and Belgium whilst progress is made on pricing and reimbursement in other countries. In China ASK Pharm will start the Phase III study required for approval while Shield will start recruiting patients into the paediatric study.

Financial Review

Revenue
Revenue in the first six months of 2021 (H1 2021) was £0.5 million (H1 20120: £8.9 million). The £0.5 million revenue arises entirely from royalties from Norgine in respect of sales of Feraccru® in Europe. In H1 2020, £8.7 million came from the upfront payment received from ASK Pharm on entering into the license agreement for the development and commercialisation of Feraccru® in China. The remaining £0.2 million arose from royalties under the Norgine agreement.

Cost of sales
Cost of sales in H1 2021 amounted to £0.4 million (H1 2020: £1.0 million). The H1 2021 cost of sales comprises manufacturing costs of the packs sold in Europe and the 5% royalty on Norgine's net sales which is payable to Vitra Pharmaceuticals Ltd (Vitra) under the 2010 Asset Purchase Agreement. In H1 2020 the cost of sales of £1.0 million was predominantly a payment to Vitra of 10% of the licence upfront received from ASK Pharm. Vitra was the original owner of the intellectual property underpinning 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 agreement Vitra chose to receive a royalty of 5% of net sales; for the ASK Pharm agreement Vitra opted to receive 10% of the upfront receipt and any subsequent milestones.

Selling, general and administrative expenses
Selling, general and administrative expenses were £6.1 million in H1 2020 (H1 2020: £4.8 million) of which £1.3 million (H1 2020 £1.3 million) is the amortisation of intangible assets. Excluding amortisation, the underlying costs increased from £3.5 million in H1 2020 to £4.8 million in H1 2021 but the H1 2020 expenses included significant one-off costs related to the China licence transaction and to the resolution of the issues which arose on the AEGIS-H2H study in March 2020. The underlying increase from H1 2020 to H1 2021 is largely due to the pre-launch costs in the US.

Research and development
In H1 2021, £1.6 million (H1 2020: £0.7 million) development costs were incurred. The increase in H1 2021 is predominantly due the paediatric study. Stage 1 of the paediatric study, during which the child-appropriate suspension formulation was tested for equivalence with the adult capsule was started in H2 2020 and completed in H1 2021. H1 2021 also saw expenditure on the set up of Stage 2 during which subjects will be dosed with the new suspension formulation. The bulk of the H1 2020 costs were incurred on employee and contractor costs, with relatively little external spend.

Tax
The tax credit of £0.3 million (H1 2020: £0.4 million) comprises the anticipated UK R&D tax credit in respect of the first half of 2021. The H1 2020 tax credit included £0.2 million UK R&D tax credit in respect of the first half of 2020 and a reduction in the prior-year tax charge for Shield TX (Switzerland) AG as a result of the final tax returns being completed (£0.2 million).

Loss for the period
The loss for H1 2021 was £7.3 million. In H1 2020 a profit of £3.1 million was recorded as a result of the £8.7 million upfront received from ASK Pharm on the signing of the Chinese licence transaction in January 2020.

Balance sheet
Intangible assets at 30 June 2021 were £26.0 million (31 December 2020: £27.3 million). The components of this are £16.5 million (31 December 2020: £17.4 million) relating to the acquisition costs of PT20, the phosphate binder product in our development portfolio; £8.1 million (31 December 2020: £8.4 million) relating to capitalised Feraccru® development expenditure, and £1.3 million (31 December 2020: £1.4 million) expenditure on strengthening the Group's intellectual property. The reductions in the balances all relate to amortization charged in the period.

Inventory at 30 June 2021 amounted to £1.4 million which mainly comprises £1.1 million of raw materials and £0.3 million finished product. The £1.4 million inventory balance at 31 December 2020 was entirely raw materials.

Trade and other receivables increased to £2.0 million at 30 June 2021 compared with £0.6 million at 31 December 2020. A substantial part of the increase relates to prepaid expenses in the US operation.

The current tax asset of £0.3 million (31 December 2020: £0.3 million) represents anticipated R&D tax credits.

Following the equity fundraise completed in March 2021, which raised £27.7 million net of expenses, cash at 30 June 2021 was £22.6 million (31 December 2020: £2.9 million).

Trade and other payables at 30 June 2021 were £1.3 million, slightly lower than the £1.5 million at 31 December 2020.

Other liabilities reduced from £0.8 million at 31 December 2020 to £0.1 million at 30 June 2021. The balance at 31 December 2020 included a tax liability of £0.5 million in respect of Shield TX (Switzerland) AG which was paid during the period.

Cash flow

The net cash outflow from operations in H1 2021 was £8.0 million, compared with an inflow of £2.0 million in H1 2020 which was attributable to the upfront received in January 2020 from ASK Pharm. The H1 2021 loss for the period was £7.3 million but, after adjusting for non-cash items, the actual cash outflow from this loss was £5.4 million. Working capital cash outflows amounted to £2.6 million caused mainly by prepaid expenses in the US operations and the reduction in trade payables and other liabilities.

Following the receipt of £27.7 million from the March 2021 fundraise and including £0.1 million of other minor movements, the cash inflow for the period was £19.6 million.

Going concern

For the reasons set out in Note 3 below, the Directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

Financial outlook

As explained above the focus in the US will be on building awareness among healthcare providers, initiating prescriptions for appropriate patients to generate clinical experience, and extending patient access through negotiations with payer groups. Over the course of the next six to twelve months, we expect to increase payer coverage of Accrufer® by signing reimbursement agreements with various providers. As we increase payer coverage, we will be able to accelerate revenue growth beyond the increases in sales volumes, which will then determine the extent of further investments in related commercial activities. We expect steady growth in European royalties from Norgine. Expenditure is expected to increase significantly as the US launch gathers momentum and recruitment in the paediatric study gets under way. Having signed the Korea licence transaction, we expect to recognise the £500k upfront as revenue in the second half of 2021.

Consolidated statement of profit and loss and other comprehensive income

for the six months ended 30 June 2021

	Note	**Six months ended 30 June 2021 (unaudited) £000**	Six months ended 30 June 2020 (unaudited) £000	Year ended 31 December 2020 (audited) £000
Revenue	4	**481**	8,919	10,387
Cost of sales		**(411)**	(1,011)	(1,354)
Gross profit		**70**	7,908	9,033
Operating costs – selling, general and administrative expenses	5	**(6,121)**	(4,834)	(8,608)
Operating (loss)/profit before research and development expenditure		**(6,051)**	3,074	425
Research and development expenditure		**(1,592)**	(681)	(2,579)
Operating (loss)/profit		**(7,643)**	2,393	(2,154)
Financial income		**63**	358	269
Financial expense		**(3)**	(3)	(1)
Profit/(loss) before tax		**(7,583)**	2,748	(1,886)
Taxation	6	**300**	376	(744)
(Loss)/profit for the period		**(7,283)**	3,124	(2,630)
Attributable to:				
Equity holders of the parent		**(7,283)**	3,124	(2,630)
Other comprehensive income				
Items that are or may be reclassified subsequently to profit or loss:				
Foreign currency translation differences – foreign operations		**58**	(29)	**(16)**
Total comprehensive income/(expenditure) for the period		**(7,225)**	3,095	(2,646)
Attributable to:				
Equity holders of the parent		**(7,225)**	3,095	(2,646)
Total comprehensive income/(expenditure) for the period		**(7,225)**	3,095	(2,646)
Earnings per share				
Basic and diluted (loss)/profit per share	7	**£(0.04)**	£0.03	£(0.02)

Group balance sheet

at 30 June 2021

	Note	**30 June 2021 (unaudited) £000**	30 June 2020 (unaudited) £000	31 December 2020 (audited) £000
Non-current assets				
Intangible assets	8	**26,016**	28,641	27,266
Property, plant and equipment		**59**	5	32
		26,075	28,646	27,298
Current assets				
Inventories	9	**1,435**	1,385	1,379
Trade and other receivables		**1,996**	543	619
Current tax asset		**300**	1,152	292
Cash and cash equivalents		**22,602**	6,515	2,940
		26,333	9,595	5,230
Total assets		**52,408**	38,241	32,528
Current liabilities				
Trade and other payables		**(1,281)**	(2,320)	(1,471)
Lease liabilities		**-**	-	(28)
Other liabilities		**(113)**	(454)	(753)
		(1,394)	(2,774)	(2,252)
Total liabilities		**(1,394)**	(2,774)	(2,252)
Net assets		**51,014**	35,467	30,276
Equity				
Share capital	10	**3,238**	1,758	1,764
Share premium		**114,583**	88,352	88,352
Merger reserve		**28,358**	28,358	28,358
Currency translation reserve		**111**	40	53
Retained earnings		**(95,276)**	(83,041)	(88,251)
Total equity		**51,014**	35,467	30,276

Group statement of changes in equity

for the six months ended 30 June 2021

	Share capital £000	Share premium £000	Merger reserve £000	Currency translation reserve £000	Retained earnings £000	Total £000
Balance at 1 January 2020 (audited)	1,758	88,352	28,358	69	(86,392)	32,145
Loss for the year	-	-	-	-	(2,630)	(2,630)
Other comprehensive income:						
Foreign currency translation differences	-	-	-	(16)	-	(16)
Total comprehensive expense for the year	-	-	-	(16)	(2,630)	(2,646)
Transactions with owners, recorded directly in equity						
Equity-settled share-based payment transactions	6	-	-	-	771	777
Balance at 31 December 2020 (audited)	1,764	88,352	28,358	53	(88,251)	**30,276**
Loss for the period	-	-	-	-	(7,283)	(7,283)
Other comprehensive income:						
Foreign currency translation differences	-	-	-	58	-	58
Total comprehensive expense for the period	-	-	-	58	(7,283)	(7,225)
Transactions with owners, recorded directly in equity						
Share options exercised	15	11	-	-	-	26
Equity placing – new shares issued	1,459	26,220				27,679
Equity-settled share-based payment transactions	-	-	-	-	258	258
Balance at 30 June 2021 (unaudited)	**3,238**	**114,583**	**28,358**	**111**	**(95,276)**	**51,014**

Group statement of cash flows

for the six months ended 30 June 2021

	Six months ended 30 June 2021 (unaudited) £000	Six months ended 30 June 2020 (unaudited) £000	Year ended 31 December 2020 (audited) £000
Cash flows from operating activities			
(Loss)/profit for the period	**(7,283)**	3,124	(2,630)
Adjustments for:			
Depreciation and amortization	**1,290**	1,281	2,705
Equity-settled share-based payment expenses	**257**	227	771
Financial income	**(63)**	(358)	(269)
Financial expense	**3**	3	1
Unrealised foreign exchange losses	**58**	(29)	(11)
Income tax	**300**	(376)	744
	(5,438)	3,872	1,311
(Increase)/decrease in inventories	**(56)**	(437)	(431)
(Increase)/decrease in trade and other receivables	**(1,685)**	(14)	(264)
(Decrease)/increase in trade and other payables	**(190)**	(1,227)	(2,075)
(Decrease)/increase in other liabilities	**(640)**	(153)	140
Change in lease assets and liabilities	**(28)**	-	8
Income tax (paid)/received	**-**	-	(89)
Net cash flows from operating activities	**(8,037)**	2,041	(1,400)
Cash flows from investing activities			
Financial income	**2**	358	3
Acquisitions of intangible assets	**(66)**	(2)	(23)
Net cash flows from investing activities	**(64)**	356	(20)
Cash flows from financing activities			
Financial expense	**(3)**	(3)	(1)
Finance leases – interest payment	**-**	-	(4)
Proceeds of share options exercise	**26**	-	6
Net proceeds from equity share placing	**27,679**	-	-
Finance leases – capital payment	**-**	(20)	(48)
Net cash flows from financing activities	**27,702**	(23)	(47)
Net increase/(reduction) in cash	**19,601**	2,374	(1,467)
Effect of exchange rate fluctuations on cash held	**61**	-	266
Cash and cash equivalents at beginning period	**2,940**	4,141	4,141
Cash and cash equivalents at period end	**22,602**	6,515	2,940

Notes

for the six months ended 30 June 2021

1. General information

Shield Therapeutics plc (the "Company") is incorporated in England and Wales as a public limited company. The Company trades on the London Stock Exchange's AIM market.

The Company is domiciled in England and the registered office of the Company is at Northern Design Centre, Baltic Business Quarter, Gateshead Quays NE8 3DF.

This interim report, which is not audited, has been prepared in accordance with the measurement and recognition criteria of EU Adopted International Financial Reporting Standards. It does not include all the information required for full annual financial statements and should be read in conjunction with the financial statements of the Company and its subsidiaries (the "Group") as at and for the year ended 31 December 2020. This financial information does not constitute statutory financial statements as defined in Section 435 of the Companies Act 2006. The comparative figures for the year ended 31 December 2020 are not the Company's statutory accounts for that financial year. Those accounts have been reported on by the Company's auditor and delivered to the Registrar of Companies. The report of the auditors was unqualified. The auditor has reported on those accounts; their report was unqualified and did not contain a statement under Section 498 (2) or (3) of the Companies Act 2006; though it did include a reference to a matter to which the auditor drew attention by way of emphasis without qualifying their report in relation to going concern. It does not comply with IAS 34 Interim financial reporting, as is permissible under the rules of AIM.

The interim report was approved by the board of directors on 16 August 2021.

2. Accounting policies

The accounting policies applied in these interim financial statements are consistent with those of the annual financial statements for the year ended 31 December 2020, as described in those annual financial statements.

3. Critical accounting judgments and key sources of estimation uncertainty

In the application of the Group's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The significant judgments made in relation to the financial statements are:

Going concern

At 30 June 2021 the Group held £22.6 million in cash. The Directors have considered the funding requirements of the Group through the preparation of detailed cash flow forecasts for the period to 31 December 2022 including the Accrufer® US launch costs and prospective sales revenues and the costs of the paediatric study. These forecasts show that the Group has sufficient funds to allow the business to continue in operations for at least 12 months from the date of approval of these financial statements. The Directors have considered severe but plausible scenarios in which sales revenues fall below base case forecasts. In these circumstances mitigating actions such as reduction of discretionary selling and marketing expenditure could be taken to preserve cash. The Directors also believe that other forms of finance, such as debt finance or 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.

Development expenditure

Development expenditure is capitalised when the conditions referred to in Note 2 of the Company's annual report are met.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. The significant estimates which may lead to material adjustment in the next accounting period are:

Valuation of intellectual property acquired with Phosphate Therapeutics Limited - £16.5 million

The valuation of intellectual property acquired with Phosphate Therapeutics Limited in 2016 is based on cash flow forecasts for the underlying product, PT20, and an assumed appropriate cost of capital and other inputs, such as the size of the market in major markets, in order to arrive at a value in use for the asset. The realisation of its value is ultimately dependent on the positive outcome of a PT20 Phase III clinical study followed by regulatory approval and successful commercialisation of the asset. Whilst earlier PT20 clinical studies provide grounds for confidence that the Phase III study would be successful, this cannot be guaranteed. Work on the development of a suitable commercial formulation of the drug product is ongoing. In the event that commercial returns are lower than current expectations this may lead to an impairment.

Valuation of intellectual property associated with Feraccru®/Accrufer® – £9.5 million

The valuation of intellectual property associated with Feraccru®/Accrufer® (including patents, development costs and the Company's investment in Shield TX (Switzerland) AG)) is based on cash flow forecasts for the underlying business and an assumed appropriate cost of capital and other inputs in order to arrive at a fair value for the asset. The realisation of its value is ultimately dependent on the successful commercialisation of the asset. In the event that commercial returns are lower than current expectations this may lead to an impairment. No impairment has been recognised to date.

Deferred tax assets

Estimates of future profitability are required for the decision whether or not to create a deferred tax asset. To date no deferred tax assets have been recognised.

4. Segmental reporting

The following analysis by segment is presented in accordance with IFRS 8 on the basis of those segments whose operating results are regularly reviewed by the Chief Operating Decision Maker (considered to be the Board of Directors) to assess performance and make strategic decisions about the allocation of resources. Segmental results are calculated on an IFRS basis.

A brief description of the segments of the business is as follows:

- Feraccru®/Accrufer® – development and commercialisation of the Group's lead Feraccru®/Accrufer® product
- PT20 – development of the Group's secondary asset

Operating results which cannot be allocated to an individual segment are recorded as central and unallocated overheads.

	Six months ended 30 June 2021 (unaudited)				Year ended 31 December 2020 (audited)			
	Feraccru®/ Accrufer® £000	**PT20 £000**	**Central and unallocated £000**	**Total £000**	Feraccru®/ Accrufer® £000	PT20 £000	Central and unallocated £000	Total £000
Revenue	**481**	**-**	**-**	**481**	10,387	-	-	10,387
Operating loss	**(4,315)**	**(61)**	**(3,267)**	**(7,643)**	424	(2,047)	(531)	(2,154)
Financial income				**63**				269
Financial expense				**(3)**				(1)
Tax				**300**				(744)
Loss for the period				**(7,283)**				(2,630)

The revenue analysis in the table below is based on the country of registration of the fee paying party. £Nil revenue (year ended 31 December 2020: £9.7 million) was derived from licence upfront and milestone payments from commercial partners. The remainder of revenue is derived from the sale of goods.

	Six months ended 30 June 2021 (unaudited) £000	Six months ended 30 June 2020 (unaudited) £000	Year ended 31 December 2020 (audited) £000
UK	**-**	23	-
Europe	**463**	203	729
Rest of the World	**18**	8,692	9,658
	481	8,919	10,387

5. Operating costs – selling, general and administrative expenses

Operating costs are comprised of:

	Six months ended 30 June 2021 (unaudited) £000	Six months ended 30 June 2020 (unaudited) £000	Year ended 31 December 2020 (audited) £000
Selling costs	**2,245**	137	281
General and administrative expenses	**2,586**	3,417	5,622
Depreciation and amortisation	**1,290**	1,281	2,705
	6,121	4,834	8,608

6. Taxation

The Group's tax credit in the 6 months ended 30 June 2021 was £300,000 (H1 2020: £376,000), comprising anticipated R&D tax credits in respect of claims not yet submitted for the 2021 financial year.

7. Loss per share

The basic loss per share of £0.04 (H1 2020 (restated): profit per share £0.03) has been calculated by dividing the loss for the period by the weighted average number of shares of 182,955,436 in issue during the six months ended 30 June 2021 (six months ended 30 June 2020: 117,088,657).

Although there are potentially-dilutive ordinary shares these would not serve to increase or reduce the loss per ordinary share, as the Group is loss-making. There is therefore no difference between the loss per ordinary share and the diluted loss per ordinary share.

8. Intangible assets

Group	**Patents and trademarks £000**	**Development costs £000**	**Phosphate Therapeutics licences £000**	**Total £000**
Cost				
Balance at 1 January 2020 (audited)	2,055	9,943	27,047	**39,045**
Additions – externally purchased	-	-	23	23
Balance at 31 December 2020 (audited)	2,055	9,943	27,070	**39,068**
Additions – externally purchased	-	-	9	9
Balance at 30 June 2021 (unaudited)	**2,055**	**9,943**	**27,079**	**39,077**
Accumulated amortisation				
Balance at 1 January 2020 (audited)	574	982	7,591	**9,147**
Charge for the period	94	527	2,034	2,655
Balance at 31 December 2020 (audited)	668	1,509	9,625	11,802
Charge for the period	47	302	910	1,259
Disposals	-	-	-	-
Balance at 30 June 2021 (unaudited)	**715**	**1,811**	**10,535**	**13,061**
Net book values				
30 June 2021 (unaudited)	**1,340**	**8,132**	**16,544**	**26,016**
31 December 2020 (audited)	1,387	8,434	17,445	27,266

9. Inventories

Group	**Six months ended 30 June 2021 (unaudited) £000**	Six months ended 30 June 2020 (unaudited) £000	Year ended 31 December 2020 (audited) £000
Raw materials	**1,079**	524	1,379
Work in progress	**-**	861	-
Finished goods	**356**	-	-
	1,435	1,385	1,379

10. Share capital

	Six months ended 30 June 2021 Number 000	**Six months ended 30 June 2021 £000**	Year ended 31 December 2020 Number 000	Year ended 31 December 2020 £000
At beginning of period	**117,189**	**1,758**	117,189	1,758
Equity placing	**97,700**	**1,465**	-	-
Exercise of share options	**985**	**15**	431	6
At end of period	**215,874**	**3,238**	117,620	1,764

985,067 share options were exercised during the 6 months ended 30 June 2021 (6 months ended 30 June 2020: Nil)