UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 6-K

Report of Foreign Private Issuer
Pursuant to Rule 13a-16 or 15d-16
under the Securities Exchange Act of 1934

November 2018

Commission file number: 001-36288

Akari Therapeutics, Plc

(Translation of registrant's name into English)

75/76 Wimpole Street
London W1G 9RT
United Kingdom
Tel: (646) 448-8743
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F ☒ Form 40-F ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulations S-T Rule 101(b)(1):_____

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulations S-T Rule 101(b)(7):_____

CONTENTS

On November 15, 2018, Akari Therapeutics, Plc (the "Company") issued unaudited interim condensed consolidated financial statements as of September 30, 2018, prepared in accordance with generally accepted accounting principles in the United States, together with the Company's Management Discussion and Analysis of Financial Condition and Results of Operations for the same period. Attached hereto and incorporated by reference herein are the following exhibits:

99.1 Unaudited Interim Condensed Consolidated Financial Statements as of September 30, 2018

99.2 Management Discussion and Analysis of Financial Condition and Results of Operations as of September 30, 2018

In addition, on November 15, 2018, the Company issued a press release announcing its third quarter 2018 financial results and business highlights. A copy of the press release is attached hereto as Exhibit 99.3 and incorporated herein by reference.

The information contained in Exhibits 99.1 and 99.2 and the statements under "Third Quarter 2018 Financial Results", the accompanying financial statements and "Cautionary Note Regarding Forward Looking Statements" of Exhibit 99.3 are hereby incorporated by reference into all effective registration statements filed by the Company under the Securities Act of 1933.

Cautionary Note Regarding Forward-Looking Statements

This Report on Form 6-K contains "forward-looking" statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These forward-looking statements reflect our current views about our plans, intentions, expectations, strategies and prospects, which are based on the information currently available to us and on assumptions we have made. Although we believe that our plans, intentions, expectations, strategies and prospects as reflected in or suggested by those forward-looking statements are reasonable, we can give no assurance that the plans, intentions, expectations or strategies will be attained or achieved. Furthermore, actual results may differ materially from those described in the forward-looking statements and will be affected by a variety of risks and factors that are beyond our control. Such risks and uncertainties for our company include, but are not limited to: needs for additional capital to fund our operations, our ability to continue as a going concern; uncertainties of cash flows and inability to meet working capital needs; an inability or delay in obtaining required regulatory approvals for Coversin and any other product candidates, which may result in unexpected cost expenditures; our ability to obtain orphan drug designation in additional indications; risks inherent in drug development in general; uncertainties in obtaining successful clinical results for Coversin and any other product candidates and unexpected costs that may result therefrom; difficulties enrolling patients in our clinical trials; failure to realize any value of Coversin and any other product candidates developed and being developed in light of inherent risks and difficulties involved in successfully bringing product candidates to market; inability to develop new product candidates and support existing product candidates; the approval by the FDA and EMA and any other similar foreign regulatory authorities of other competing or superior products brought to market; risks resulting from unforeseen side effects; risk that the market for Coversin may not be as large as expected; risks associate with the departure of our former Chief Executive Officers and other executive officers; risks related to material weaknesses in our internal controls over financial reporting and risks relating to the ineffectiveness of our disclosure controls and procedures; risks associated with the putative shareholder class action and SEC investigation; inability to obtain, maintain and enforce patents and other intellectual property rights or the unexpected costs associated with such enforcement or litigation; inability to obtain and maintain commercial manufacturing arrangements with third party manufacturers or establish commercial scale manufacturing capabilities; the inability to timely source adequate supply of our active pharmaceutical ingredients from third party manufacturers on whom the company depends; unexpected cost increases and pricing pressures and risks and other risk factors detailed in our public filings with the U.S. Securities and Exchange Commission, including our most recently filed Annual Report on Form 20-F filed with the SEC on July 18, 2018. Except as otherwise noted, these forward-looking statements speak only as of the date of this press release and we undertake no obligation to update or revise any of these statements to reflect events or circumstances occurring after this press release. We caution investors not to place considerable reliance on the forward-looking statements contained in this Form 6-K.

Exhibit No.

99.1 Unaudited Interim Condensed Consolidated Financial Statements as of September 30, 2018

99.2 Management Discussion and Analysis of Financial Condition and Results of Operations as of September 30, 2018

99.3 Press release dated November 15, 2018

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Akari Therapeutics, Plc
(Registrant)

By: /s/ Clive Richardson
Name: Clive Richardson
Interim Chief Executive Officer
and Chief Operating Officer

Date: November 15, 2018

Exhibit 99.1

AKARI THERAPEUTICS, PLC

Quarterly Report For the Period Ended September 30, 2018

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Condensed Consolidated Financial Statements

AKARI THERAPEUTICS, Plc

CONDENSED CONSOLIDATED BALANCE SHEETS
As of September 30, 2018 and December 31, 2017
(in U.S. Dollars, except share data)

	September 30, 2018 (Unaudited)	December 31, 2017
Assets		
Current Assets:		
Cash	$ 10,073,345	$ 28,106,671
Prepaid expenses and other current assets	1,382,472	706,415
Deferred financing costs	585,000	-
Total Current Assets	12,040,817	28,813,086
Restricted cash	521,620	142,235
Property and equipment, net	29,955	55,898
Patent acquisition costs, net	34,839	39,124
Total Assets	$ 12,627,231	$ 29,050,343
Liabilities and Shareholders' Equity		
Current Liabilities:		
Accounts payable	$ 1,404,496	$ 1,971,161
Accrued expenses	1,710,693	4,795,873
Liabilities related to options and warrants	3,004,207	5,081,335
Other current liabilities	29,792	-
Total Current Liabilities	6,149,188	11,848,369
Other long-term liabilities	175,055	48,003
Total liabilities	6,324,243	11,896,372
Commitments and Contingencies		
Shareholders' Equity:		
Share capital of GBP .01 par value		
Authorized: 10,000,000,000 ordinary shares; issued and outstanding: 1,580,693,413 at September 30, 2018 and 1,525,693,393 at December 31, 2017, respectively	23,651,277	22,927,534
Additional paid-in capital	106,239,087	104,799,550
Accumulated other comprehensive loss	(296,483)	(236,246)
Accumulated deficit	(123,290,893)	(110,336,867)
Total Shareholders' Equity	6,302,988	17,153,971
Total Liabilities and Shareholders' Equity	$ 12,627,231	$ 29,050,343

See notes to condensed consolidated financial statements.

AKARI THERAPEUTICS, Plc

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS - UNAUDITED
For the Three and Nine Months Ended September 30, 2018 and September 30, 2017
(in U.S. Dollars)

	Three Months Ended		Nine Months Ended	
	September 30, 2018	**September 30, 2017**	**September 30, 2018**	**September 30, 2017**
Operating Expenses:				
Research and development costs	$ 3,303,790	$ 6,382,542	$ 9,433,018	$ 16,167,426
General and administrative expenses	2,382,153	2,158,656	8,537,191	8,006,097
Litigation settlement gain	(2,700,000)	-	(2,700,000)	-
Total Operating Expenses	2,985,943	8,541,198	15,270,209	24,173,523
Loss from Operations	(2,985,943)	(8,541,198)	(15,270,209)	(24,173,523)
Other Income (Expense):				
Interest income	66,073	46,906	198,146	124,357
Changes in fair value of option and warrant liabilities – (loss) gain	(715,846)	(1,657,783)	2,077,128	1,010,005
Foreign currency exchange gain (loss)	36,036	(218,274)	42,481	(231,326)
Other expenses (income)	6,425	(6,226)	(1,572)	(10,615)
Total Other Income (Expense)	(607,312)	(1,835,377)	2,316,183	892,421
Net Loss	(3,593,255)	(10,376,575)	(12,954,026)	(23,281,102)
Other Comprehensive Loss:				
Foreign Currency Translation Adjustment	(65,848)	85,428	(60,237)	(8,302)
Comprehensive Loss	$ (3,659,103)	$ (10,291,147)	$ (13,014,263)	$ (23,289,404)
Loss per common share (basic and diluted)	$ (0.00)	$ (0.01)	$ (0.01)	$ (0.02)
Weighted average common shares (basic and diluted)	1,528,682,540	1,177,693,393	1,526,700,724	1,177,693,386

See notes to condensed consolidated financial statements.

AKARI THERAPEUTICS, Plc

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY - UNAUDITED
As of and for the Nine Months Ended September 30, 2018
(in U.S. Dollars)

	Akari Therapeutics, Plc Share Capital		Additional Paid-in	Accumulated Other Comprehensive	Accumulated	
	Shares	Amount	Capital	Loss	Deficit	Total
Shareholders' Equity, January 1, 2018	1,525,693,393	$ 22,927,534	$104,799,550	$ (236,246)	$ (110,336,867)	$ 17,153,971
Stock-based compensation	-	-	1,231,708	-	-	1,231,708
Issuance of share capital to directors	20	-	-	-	-	-
Issuance of share capital related to financing, net of issuance costs	55,000,000	723,743	207,829	-	-	931,572
Comprehensive income loss	-	-	-	(60,237)	(12,954,026)	(13,014,263)
Shareholders' Equity, September 30, 2018	1,580,693,413	$ 23,651,277	$106,239,087	$ (296,483)	$ (123,290,893)	$ 6,302,988

See notes to condensed consolidated financial statements.

AKARI THERAPEUTICS, Plc

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS - UNAUDITED
For the Nine Months Ended September 30, 2018 and 2017
(in U.S. Dollars)

	Nine Months Ended	
	September 30, 2018	**September 30, 2017**
Cash Flows from Operating Activities:		
Net loss	$ (12,954,026)	$ (23,281,102)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	28,230	32,897
Stock-based compensation	1,231,708	2,229,008
Changes in fair value of the liability for options and warrants	(2,077,128)	(1,010,005)
Foreign currency exchange (gains) loss	(71,500)	33,463
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Prepaid expenses and other current assets	(676,120)	293,492
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(3,650,919)	(1,375,854)
Other liabilities	156,844	(3,265)
Total adjustments	(5,058,885)	199,736
Net Cash Used in Operating Activities	(18,012,911)	(23,081,366)
Cash Flows from Investing Activities:		
Purchase of property and equipment	-	(36,885)
Redemption of short-term investments	-	10,021,963
Purchase of letter of credit	(379,075)	-
Net Cash (Used in) Provided by Investing Activities	(379,075)	9,985,078
Cash Flows from Financing Activities:		
Net proceeds from issuance of shares	346,572	-
Net Cash Provided by Financing Activities	346,572	-
Effect of Exchange Rates on Cash	12,088	(28,584)
Net Decrease in Cash	(18,033,326)	(13,124,872)
Cash, beginning of period	28,106,671	34,098,812
Cash, end of period	$ 10,073,345	$ 20,973,940
Supplemental disclosure of non-cash financing activities:		
Deferred financing costs	$ 585,000	$ -

See notes to condensed consolidated financial statements.

NOTE 1 – Nature of Business

Akari Therapeutics, Plc, (the "Company" or "Akari"), formerly Celsus Therapeutics Plc ("Celsus"), is incorporated in the United Kingdom. The Company is a clinical-stage biopharmaceutical company focused on developing inhibitors of acute and chronic inflammation, specifically the complement system, the eicosanoid system and the bioamine system for the treatment of rare and orphan diseases.

The accompanying financial statements have been prepared in conformity with U.S. GAAP, assuming that the Company will continue to operate as a going concern. As of September 30, 2018, the Company has an accumulated deficit of $123,290,893, cash of $10,073,345 and negative cash flows from operating activities in the amount of $18,012,911. On October 20, 2017, the Company sold an aggregate of 3,480,000 American Depositary Shares ("ADSs") representing 348,000,000 ordinary shares, par value £0.01 ("Ordinary Shares") for gross proceeds of $17.4 million at $5.00 per ADS with issuance costs of approximately $1.7 million. On September 26, 2018, the Company entered into a securities purchase agreement (the "Purchase Agreement") with Aspire Capital Fund, LLC, an Illinois limited liability company ("Aspire Capital"), which provides that, upon the terms and subject to the conditions and limitations set forth therein, Aspire Capital is committed to purchase up to an aggregate of $20.0 million of the Company's ADSs over the 30-month term of the Purchase Agreement. In consideration for entering into the Purchase Agreement, concurrently with the execution of the Purchase Agreement, the Company issued 30,000,000 Ordinary Shares to Aspire Capital and sold to Aspire Capital 25,000,000 Ordinary Shares for $0.02 per share (equivalent to $2.00 per ADS) (See Note 4). The Company believes its current capital resources are sufficient to support its operations through the end of the second quarter of 2019 without giving effect to the sale of additional shares to Aspire Capital under the Purchase Agreement.

The Company's activities since inception have consisted of raising capital and performing research and development activities. As of September 30, 2018, principal commercial operations have not commenced. The Company is subject to a number of risks similar to those of clinical stage companies, including dependence on key individuals, uncertainty of product development and generation of revenues, dependence on outside sources of capital, risks associated with clinical trials of products, dependence on third-party collaborators for research operations, need for regulatory approval of products, risks associated with protection of intellectual property, and competition with larger, better-capitalized companies. In addition, the Company is subject to risks related to a putative class action lawsuit and an SEC investigation.

For the three and nine months ended September 30, 2018, the Company reported a net loss of $3,593,255 and $12,954,026, respectively, and expects to continue to incur substantial losses over the next several years during its development phase. To fully execute its business plan, the Company will need, among other things, to complete its research and development efforts and clinical and regulatory activities. These activities may take several years and will require significant operating and capital expenditures in the foreseeable future. There can be no assurance that these activities will be successful. If the Company is not successful in these activities or there is not a favorable resolution of the putative class action or SEC investigation it could delay, limit, reduce or terminate preclinical studies, clinical trials or other research and development activities. To fund its capital needs, the Company plans to raise funds through equity or debt financings or other sources, such as strategic partnerships and alliance and licensing arrangements, and in the long term, from the proceeds from sales. Additional funds may not be available when the Company needs them, on terms that are acceptable to it, or at all. These matters raise substantial doubt about the Company's ability to continue as a going concern. The financial statements do not include any adjustments to the carrying amounts and classifications of assets and liabilities that would result if the Company was unable to continue as a going concern.

NOTE 2 – Summary of Significant Accounting Policies

Basis of Presentation – The accompanying condensed consolidated financial statements have been prepared in accordance with U.S. GAAP for interim financial information and the rules and regulations of the U.S. Securities and Exchange Commission ("SEC"). Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. These financial statements have been prepared on the same basis as the Company's annual financial statements and, in the opinion of management, reflect all adjustments, including normal and recurring adjustments, which the Company considers necessary for the fair presentation of financial information. The results of operations and comprehensive loss for the three and nine months ended September 30, 2018 and September 30, 2017, are not necessarily indicative of expected results for the full fiscal year or any other period.

Principles of Consolidation – The condensed consolidated financial statements include the accounts of the Company and Volution Immuno Pharmaceuticals SA, a private Swiss company, ("Volution"), its wholly-owned subsidiary. All intercompany transactions have been eliminated.

Foreign Currency – The functional currency of the Company is U.S. dollars as that is the primary economic environment in which the Company operates as well as the currency in which it has been financed.

The reporting currency of the Company is U.S. Dollars. The Company translated its non-U.S. operations' assets and liabilities denominated in foreign currencies into U.S. dollars at current rates of exchange as of the balance sheet date and income and expense items at the average exchange rate for the reporting period. Translation adjustments resulting from exchange rate fluctuations are recorded as foreign currency translation adjustments, a component of accumulated other comprehensive loss. Gains or losses from foreign currency transactions are included in foreign currency exchange gains/(losses).

Use of Estimates – The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and judgments that may affect the reported amounts of assets, liabilities, equity, revenue, expenses and related disclosure of contingent assets and liabilities. Management's estimates and judgments include assumptions used in the evaluation of impairment and useful lives of intangible assets (patents), accrued liabilities, deferred income taxes, liabilities related to stock options and warrants, stock-based compensation and various other assumptions that are believed to be reasonable under the circumstances. Actual results may differ from those estimates under different assumptions or conditions.

Fair Value Measurements – The carrying amounts of financial instruments, including cash, restricted cash, accounts payable and accrued expenses approximate fair value due to their short-term maturities.

The Company's liabilities related to options and warrants relate to equity and debt financing rounds and options related to RPC Pharma Limited ("RPC"), Akari's majority shareholder, and are recognized on the balance sheet at their fair value, with changes in the fair value accounted for in the Condensed Consolidated Statements of Comprehensive Loss and included in changes in fair value of option/warrant liabilities gain (loss).

Cash – The Company considers all highly-liquid investments with original maturities of 90 days or less at the time of acquisition to be cash equivalents. The Company had no cash equivalents as of September 30, 2018 and December 31, 2017.

Restricted cash – Restricted cash is collateral for letters of credit related to the Company's office leases.

(in U.S. Dollars)

NOTE 2 – Summary of Significant Accounting Policies (cont.)

Prepaid Expenses and Other Current Assets – Prepaid expenses and other current assets consist principally of VAT receivables and prepaid expenses.

Deferred Financing Costs – Deferred financing costs relate to the upfront commitment fee paid to Aspire Capital in the form of Ordinary Shares and are included in current assets. They are amortized proportionally as the Company sells shares to Aspire Capital.

Property and equipment, net – Property and equipment are stated at cost, net of accumulated depreciation. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets at the following annual rates:

	Years
Computers, peripheral, and scientific equipment	3
Office furniture and equipment	3

Depreciation expense for the three and nine months ended September 30, 2018 and 2017 was $8,743, $9,565 and $25,943 and $30,609, respectively.

Long-Lived Assets – The Company reviews all long-lived assets for impairment whenever events or circumstances indicate the carrying amount of such assets may not be recoverable. Recoverability of assets to be held or used is measured by comparison of the carrying value of the asset to the future undiscounted net cash flows expected to be generated by the asset. If such asset is considered to be impaired, the impairment recognized is measured by the amount by which the carrying value of the asset exceeds the discounted future cash flows expected to be generated by the asset.

Patent Acquisition Costs – Patent acquisition costs and related capitalized legal fees are amortized on a straight-line basis over the shorter of the legal or economic life. The estimated useful life is 22 years. The Company expenses costs associated with maintaining and defending patents subsequent to their issuance in the period incurred. Amortization of patent acquisition costs for the three and nine months ended September 30, 2018 and 2017 was $764 and $779 and $2,287 and $2,288, respectively.

Accrued Expenses – As part of the process of preparing the condensed consolidated financial statements, it requires the estimate of accrued expenses. This process involves identifying services that third parties have performed on the Company's behalf and estimating the level of service performed and the associated cost incurred on these services as of each balance sheet date in the Company's condensed consolidated financial statements. Examples of estimated accrued expenses include contract service fees in conjunction with pre-clinical and clinical trials, professional service fees and contingent liabilities. In connection with these service fees, the Company estimates are most affected by its understanding of the status and timing of services provided relative to the actual services incurred by the service providers. In the event that the Company does not identify certain costs that have been incurred or it under or over-estimates the level of services or costs of such services, the Company's reported expenses for a reporting period could be understated or overstated. The date on which certain services commence, the level of services performed on or before a given date, and the cost of services are often subject to the Company's estimation and judgment. The Company makes these judgments based upon the facts and circumstances known to it in accordance with U.S. GAAP.

NOTE 2 – Summary of Significant Accounting Policies (cont.)

Research and Development Expenses – Costs associated with research and development are expensed as incurred. Research and development expenses include, among other costs, personnel expenses, costs incurred by outside laboratories, manufacturers' and other accredited facilities in connection with clinical trials and preclinical studies. Research and development expenses for the three and nine months ended September 30, 2018 and 2017 was $3,303,790 and $6,382,542 and $9,433,018 and $16,167,426, respectively. The Company accounts for research and development tax credits at the time its realization becomes probable. In March 2018, the Company realized research and development tax credits of $3,794,094 that was recorded as a credit to research and development costs in the Condensed Consolidated Statements of Comprehensive Loss for the nine months ended September 30, 2018. The Company did not realize research and development credits in 2017.

Stock-Based Compensation Expense – Stock-based compensation expense is recorded using the fair-value based method for all awards granted. Compensation costs for stock options and awards is recorded in earnings (loss) over the requisite service period based on the fair value of those options and awards. For employees, fair value is estimated at the grant date and for non-employees fair value is re-measured at each reporting date as required by ASC 718, "*Compensation-Stock Compensation*," and ASC 505-50, "*Equity-Based Payments to Non-Employees*." Fair values of awards granted under the share option plans are estimated using a Black-Scholes option pricing model. The determination of fair value for stock-based awards on the date of grant using an option pricing model requires management to make certain assumptions regarding a number of complex and subjective variables. The Company classifies its stock-based payments as either liability-classified awards or as equity-classified awards. The Company remeasures liability-classified awards to fair value at each balance sheet date until the award is settled. The liability for liability-classified awards generally is equal to the fair value of the award as of the balance sheet date multiplied by the percentage vested at the time. The Company charges (or credits) the change in the liability amount from one balance sheet date to another to changes in fair value of option/warrant liabilities gain (loss). The Company accounts for awards of equity instruments issued to employees and directors under the fair value method of accounting and recognizes such amounts, upon vesting, in general administrative or research and development expenses within its Condensed Consolidated Statements of Comprehensive Loss.

Concentration of Credit Risk – Financial instruments that subject the Company to credit risk consist of cash. The Company maintains cash with well-capitalized financial institutions. At times, those amounts may exceed insured limits. The Company has no significant concentrations of credit risk.

Income Taxes – The Company accounts for income taxes in accordance with the accounting rules that require an asset and liability approach to accounting for income taxes based upon the future expected values of the related assets and liabilities. Deferred income tax assets and liabilities are determined based on the differences between the financial reporting and tax bases of assets and liabilities and for tax loss and credit carry forwards, and are measured using the expected tax rates estimated to be in effect when such basis differences reverse. Valuation allowances are established, if necessary, to reduce the deferred tax asset to the amount that will, more likely than not, be realized. The Company has recorded a full valuation allowance on its deferred tax assets as of September 30, 2018 and December 31, 2017.

2017 U.S. Tax Reform – On December 22, 2017, the Tax Cuts and Jobs Act (the "TCJA") was signed into United States law. The TCJA includes a number of changes to existing tax law, including, among other things, a permanent reduction in the federal corporate income tax rate from 34% to 21%, effective as of January 1, 2018, as well as limitation of the deduction for net operating losses to 80% of annual taxable income and elimination of net operating loss carrybacks, in each case, for losses arising in taxable years beginning after December 31, 2017 (though any such net operating losses may be carried forward indefinitely). The staff of the Securities and Exchange Commission issued Staff Accounting Bulletin No. 118 to address the application of U.S. GAAP in situations when a registrant does not have the necessary information available, prepared or analyzed (including computations) in reasonable detail to complete the accounting for certain income tax effects of the TCJA. In connection with the impact of the TCJA, the tax rate change resulted in (i) a reduction in the gross amount of the Company's deferred tax assets recorded as of December 31, 2017, without an impact on the net amount of its deferred tax assets, which are reported with a full valuation allowance, and (ii) no income tax expense or benefit being recognized as of the enactment date of the TCJA.

(in U.S. Dollars)

NOTE 2 – Summary of Significant Accounting Policies (cont.)

Uncertain Tax Positions – The Company follows the provisions of ASC 740 *Accounting for Uncertainty in Income Taxes*, which prescribes recognition thresholds that must be met before a tax position is recognized in the financial statements and provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. Under ASC 740 *Accounting for Uncertainty in Income Taxes*, an entity may only recognize or continue to recognize tax positions that meet a "more-likely-than-not" threshold. Interest and penalties related to uncertain tax positions are recognized as income tax expense. As of September 30, 2018 and December 31, 2017, the Company had no uncertain tax positions.

Comprehensive Loss – Comprehensive loss is defined as the change in equity of a business enterprise during a period from transactions and other events and circumstances from non-owner sources. The Company's other comprehensive loss is comprised of foreign currency translation adjustments.

The following table provides details with respect to changes in accumulated other comprehensive loss, which is comprised of foreign currency translation adjustments, as presented in the balance sheets at September 30, 2018:

Balance January 1, 2018	$ (236,246)
Net current period other comprehensive loss	(60,237)
Balance September 30, 2018	$ (296,483)

Recent Accounting Pronouncements -

Adopted –
In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers* ("ASU 2014-09"), which supersedes nearly all existing revenue recognition guidance under GAAP. The core principle of ASU 2014-09 is to recognize revenues when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled for those goods or services. ASU 2014-09 defines a five-step process to achieve this core principle and, in doing so, more judgment and estimates may be required within the revenue recognition process than are required under existing GAAP. On July 9, 2015, the FASB voted to defer the effective date by one year to December 15, 2017 for interim and annual reporting periods beginning after that date.

When effective, ASU 2014-09 prescribes either of the following transition methods: (i) a full retrospective approach reflecting the application of the standard in each prior reporting period with the option to elect certain practical expedients; or (ii) a retrospective approach with the cumulative effect of initially adopting ASU 2014-09 recognized at the date of adoption (which includes additional footnote disclosures). The Company adopted ASU 2014-09 using the modified retrospective method and since the Company is pre-revenue the adoption did not have any impact on its financial statements. The future impact of ASU 2014-09 will be dependent on the nature of the Company's future revenue contracts and arrangements, if any.

NOTE 2 – Summary of Significant Accounting Policies (cont.)

Not yet adopted –
In February 2016, the FASB issued ASU No. 2016-02, *Leases* ("ASU 2016-02"). ASU 2016-02 establishes a right-of-use (ROU) model that requires a lessee to record a ROU asset and a lease liability on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. The new standard is effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. The Company is currently evaluating the impact of its pending adoption of the new standard on its condensed consolidated financial statements.

In August 2016, the FASB issued ASU 2016-15, *Classification of Certain Cash Receipts and Cash Payments*, which addresses eight specific cash flow issues with the objective of reducing the existing diversity in practice, including presentation of cash flows relating to contingent consideration payments, proceeds from the settlement of insurance claims, and debt prepayment or debt extinguishment costs, among other matters. This guidance is effective for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019. Early adoption is permitted, including adoption in an interim period. If adopted in an interim period, any adjustments should be reflected as of the beginning of the fiscal year that includes that interim period. Adoption of this guidance is required to be applied using a retrospective transition method to each period presented, unless impracticable to do so. The Company does not believe the adoption of this standard will have a material impact on its condensed statements of cash flows or related financial statement disclosures.

In October 2016, the FASB issued ASU 2016-16, *Intra-Entity Transfers of Assets Other Than Inventory*. This guidance removes the prohibition in ASC 740 against the immediate recognition of the current and deferred income tax effects of intra-entity transfers of assets other than inventory. This guidance is intended to reduce the complexity of U.S. GAAP and diversity in practice related to the tax consequences of certain types of intra-entity asset transfers, particularly those involving intellectual property. This guidance is effective for annual reporting periods beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019. Early adoption is permitted. The Company is currently evaluating the impact of this guidance on its condensed consolidated financial statements.

In November 2016, the FASB issued ASU 2016-18, *Restricted Cash*, which requires that restricted cash be included with cash and cash equivalents when reconciling the beginning and ending total amounts shown on the statement of cash flows. This guidance is effective for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019 and should be applied using a retrospective transition method to each period presented. Early adoption is permitted, including adoption in an interim period. If an entity early adopts the amendments in an interim period, any adjustments should be reflected as of the beginning of the fiscal year that includes that interim period. The Company has not yet determined the timing of adoption. The Company currently presents changes in restricted cash within investing activities and so the adoption of this guidance will result in changes in net cash flows from investing activities and to certain beginning and ending cash and cash equivalent totals shown on Condensed Consolidated Statements of Cash Flows. The Company does not believe the adoption of this standard will have a material impact on its financial position, results of operations or related financial statement disclosures.

(in U.S. Dollars)

NOTE 3 – Fair Value Measurements

Fair value of financial instruments:

The estimated fair value of financial instruments has been determined by the Company using available market information and valuation methodologies. Considerable judgment is required in estimating fair values. Accordingly, the estimates may not be indicative of the amounts the Company could realize in a current market exchange.

The carrying amounts of cash, restricted cash, accounts payable and accrued expenses approximate their fair value due to the short-term maturity of such instruments.

Fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or a liability. As a basis for considering such assumptions, ASC 820, *Fair Value Measurements and Disclosures* establishes a three-tier value hierarchy, which prioritizes the inputs used in the valuation methodologies in measuring fair value:

Level 1 - quoted prices in active markets for identical assets or liabilities;

Level 2 - inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; or

Level 3 - unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The following represents assets that are recorded at carrying value which equals fair value:

	September 30, 2018		December 31, 2017			
	Carrying Amount $	Fair Value $	Carrying Amount $	Fair Value $	Fair Value Level	Reference
Cash	10,073,345	10,073,345	28,106,671	28,106,671	1	Note 2
Restricted cash	521,620	521,620	142,235	142,235	1	Note 2

In accordance with ASC No. 820, the Company measures its liabilities related to options and warrants on a recurring basis at fair value. The liabilities related to options and warrants are classified within Level 3 value hierarchy because the liabilities are based on present value calculations and external valuation models whose inputs include market interest rates, estimated operational capitalization rates, volatilities and illiquidity. Unobservable inputs used in these models are significant.

(in U.S. Dollars)

NOTE 3 – Fair Value Measurements (cont.)

Warrants to purchase 5,806,280 Ordinary Shares had full ratchet anti-dilution protection (which would be triggered by a share or warrant issuance at less than $0.18945 price share or exercise price per share). As of September 30, 2018 and December 31, 2017, the fair value of the warrants was $0 and $0, respectively. The warrants expired on April 4, 2017.

The Company accounts for the liability warrants issued in accordance with ASC 815, *Derivatives and Hedging* as a freestanding liability instrument that is measured at fair value at each reporting date, based on its fair value, with changes in the fair values being recognized in the Company's Condensed Consolidated Statements of Comprehensive Loss as a change in fair value of option/warrant liabilities gain (loss).

In June 2015, the Company raised short-term working capital in the form of loans from shareholders of approximately $3 million with the loans carrying with it, options in RPC, equivalent to 15% of the current outstanding equity issued by RPC. RPC is a private company that is a majority shareholder of the Company. The RPC options were accounted for in accordance with ASC 718, *Compensation – Stock Compensation*. The fair value of the RPC options was estimated using the fair value of Akari Ordinary Shares times RPC's ownership in Akari Ordinary Shares times 15% and was initially valued at approximately $26 million. These options do not relate to the share capital of Akari. The exact terms of these options have not been finalized.

The fair value of the RPC options was $3,004,207 and $5,081,335 as of September 30, 2018 and December 31, 2017, respectively. The fair value of the RPC options for the three-month periods ended September 30, 2018 and 2017 increased by $715,846 and $1,657,783, respectively, and the fair value of the RPC options for the nine-month periods ended September 30, 2018 and 2017 decreased by $2,077,128 and $975,167, respectively, and the change which represents a gain (loss), respectively, was recognized as change in fair value of option/warrant liabilities gain (loss) in the Condensed Consolidated Statements of Comprehensive Loss. The Company accounts for the RPC options as a liability in accordance with ASC 815-40-25, *Accounting for Derivative Financial Instruments Indexed to, and Potentially Settled in, a Company's Own Stock* and ASC 815-40-15, *Determining Whether an Instrument (or Embedded Feature) Is Indexed to an Entity's Own Stock*.

The Company's financial assets and liabilities measured at fair value on a recurring basis, consisted of the following instruments as of the following dates:

	September 30, 2018	December 31, 2017
RPC options	$ 3,004,207	$ 5,081,335

(in U.S. Dollars)

NOTE 3 – Fair Value Measurements (cont.)

Fair value measurements using significant unobservable inputs (Level 3):

	Fair value of liabilities related to stock options and warrants
Balance at December 31, 2016	$ 7,662,808
Changes in values of liabilities related to options and warrants	(1,010,005)
Balance at September 30, 2017	$ 6,652,003

	Fair value of liabilities related to stock options and warrants
Balance at December 31, 2017	$ 5,081,335
Changes in values of liabilities related to options and warrants	(2,077,128)
Balance at September 30, 2018	$ 3,004,207

NOTE 4 – Shareholders' Equity

Share Capital – The Company has 10,000,000,000 Ordinary Shares of authorized capital and 1,580,693,413 and 1,525,693,393 Ordinary Shares outstanding at September 30, 2018 and December 31, 2017, respectively.

On June 26, 2017, previously issued Deferred B Shares and Deferred C Shares were converted into 10 Ordinary Shares.

On October 20, 2017, the Company issued an aggregate of 3,480,000 ADSs representing 348,000,000 Ordinary Shares for gross proceeds of $17.4 million with issuance costs of approximately $1.7 million generating net proceeds of approximately $15.7 million.

On July 19, 2018, the Company issued 10 Ordinary Shares each to two directors.

Purchase Agreement and Registration Rights Agreement with Aspire Capital

On September 26, 2018, the Company entered into a Purchase Agreement with Aspire Capital, which provides that, upon the terms and subject to the conditions and limitations set forth therein, Aspire Capital is committed to purchase up to an aggregate of $20.0 million of the Company's ADS, with each ADS representing one hundred (100) Ordinary Shares, during a 30-month period beginning on the effective date of a registration statement related to the transaction. Concurrently with entering into the Purchase Agreement, the Company also entered into a registration rights agreement with Aspire Capital (the "Registration Rights Agreement"), in which the Company agreed to file one or more registration statements, as permissible and necessary to register under the Securities Act of 1933, as amended (the "Securities Act"), the sale of the Company's securities that have been and may be issued to Aspire Capital under the Purchase Agreement.

NOTE 4 – Shareholders' Equity (cont.)

Under the Purchase agreement, after the Securities and Exchange Commission (the "SEC") has declared effective the registration statement referred to above, on any trading day selected by the Company, the Company has the right, in its sole discretion, to present Aspire Capital with a purchase notice (each, a "Purchase Notice"), directing Aspire Capital (as principal) to purchase up to 150,000 ADSs per business day and up to $20.0 million of the Company's ADSs in the aggregate at a per share price (the "Purchase Price") equal to the lesser of:

- the lowest sale price of the Company's ADSs on the purchase date; or
- the arithmetic average of the three (3) lowest closing sale prices for the ADSs during the ten (10) consecutive business days ending on the business day immediately preceding such Purchase Date (to be appropriately adjusted for any reorganization, recapitalization, non-cash dividend, stock split, reverse stock split or other similar transaction).

In addition, on any date on which the Company submits a Purchase Notice to Aspire Capital in an amount of 150,000 ADSs, the Company also has the right, in its sole discretion, to present Aspire Capital with a volume-weighted average price purchase notice (each, a "VWAP Purchase Notice") directing Aspire Capital to purchase an amount of ADSs equal to up to 30% of the aggregate shares of the Company's ADSs traded on its principal market on the next trading day (the "VWAP Purchase Date"), subject to a maximum number of 250,000 ADSs. The purchase price per share pursuant to such VWAP Purchase Notice is generally 97% of the volume-weighted average price for the Company's ADSs traded on its principal market on the VWAP Purchase Date.

The Purchase Price will be adjusted for any reorganization, recapitalization, non-cash dividend, stock split, or other similar transaction occurring during the period(s) used to compute the Purchase Price. The Company may deliver multiple Purchase Notices and VWAP Purchase Notices to Aspire Capital from time to time during the term of the Purchase Agreement, so long as the most recent purchase has been completed.

The Purchase Agreement provides that the Company and Aspire Capital shall not effect any sales under the Purchase Agreement on any purchase date where the closing sale price of the Company's ADSs is less than $0.25. There are no trading volume requirements or restrictions under the Purchase Agreement, and the Company will control the timing and amount of sales of the Company's ADSs to Aspire Capital. Aspire Capital has no right to require any sales by the Company, but is obligated to make purchases from the Company as directed by the Company in accordance with the Purchase Agreement. There are no limitations on use of proceeds, financial or business covenants, restrictions on future fundings, rights of first refusal, participation rights, penalties or liquidated damages in the Purchase Agreement. In consideration for entering into the Purchase Agreement, concurrently with the execution of the Purchase Agreement, the Company issued to Aspire Capital 30,000,000 Ordinary Shares of the Company (the "Commitment Shares") and sold to Aspire Capital 25,000,000 Ordinary Shares (the "Initial Shares") for $0.02 per share (equivalent to $2.00 per ADS). The Company recorded the value of the Commitment shares as deferred financing costs and included the costs in current assets. They are amortized proportionally as the Company sells shares to Aspire. As of September 30, 2018, the Company recognized $15,000 of such costs and included the costs in additional paid-in capital. The Purchase Agreement may be terminated by the Company at any time, at its discretion, without any cost to the Company. Aspire Capital has agreed that neither it nor any of its agents, representatives and affiliates shall engage in any direct or indirect short-selling or hedging of the Company's securities during any time prior to the termination of the Purchase Agreement. Any proceeds the Company receives under the Purchase Agreement are expected to be used for working capital and general corporate purposes.

(in U.S. Dollars)

NOTE 4 – Shareholders' Equity (cont.)

Share option plan – In accordance with the Company's 2014 Equity Incentive Plan (the "Plan") the number of shares that may be issued upon exercise of options under the Plan, shall not exceed 183,083,207 Ordinary Shares. As of September 30, 2018, 90,129,543 Ordinary Shares are available for future issuance under the Plan. The option plan is administered by the Company's board of directors and grants are made pursuant thereto by the compensation committee. The per share exercise price for the shares to be issued pursuant to the exercise of an option shall be such price equal to the fair market value of the Company's Ordinary Shares on the grant date and set forth in the individual option agreement. Options expire ten years after the grant date and typically vest over one to four years.

The following is a summary of the Company's share option activity and related information for employees and directors for the period ended September 30, 2018:

	Number of shares	Weighted average exercise price	Weighted average grant date fair value	Weighted average remaining contractual term (in years)	Aggregate intrinsic value
Options outstanding as of January 1, 2018	90,061,998	$ 0.15		8.8	$ 266,011
Changes during the period:					
Granted	32,400,000	$ 0.02	$ 0.01		
Forfeited	(29,508,334)	$ 0.04	$ 0.03		
Options outstanding at September 30, 2018	92,953,664	$ 0.13		8.4	$ 182,240
Exercisable options at September 30, 2018	44,682,893	$ 0.21		7.7	$ -

The Company measures compensation cost for all share-based awards at fair value on the date of grant and recognizes compensation expense in general administrative and research and development expenses within its Condensed Consolidated Statements of Comprehensive Loss using the straight-line method over the service period over which it expects the awards to vest.

The Company estimates the fair value of all time-vested options as of the date of grant using the Black-Scholes option valuation model, which was developed for use in estimating the fair value of traded options that have no vesting restrictions and are fully transferable. Option valuation models require the input of highly subjective assumptions, including the expected share price volatility, which is calculated based on the historical volatility of peer companies. The Company uses a risk-free interest rate, based on the U.S. Treasury instruments in effect at the time of the grant, for the period comparable to the expected term of the option. Given its limited history with share option grants and exercises, the Company uses the "simplified" method in estimating the expected term, the period of time that options granted are expected to be outstanding, for its grants.

(in U.S. Dollars)

NOTE 4 – Shareholders' Equity (cont.)

The Company classifies its stock-based payments as either liability-classified awards or as equity-classified awards. The Company remeasures liability-classified awards to fair value at each balance sheet date until the award is settled. The Company measures equity-classified awards at their grant date fair value and does not subsequently remeasure them. The Company has classified its stock-based payments which are settled in ordinary shares as equity-classified awards and share-based payments that are settled in cash as liability-classified awards. Compensation costs related to equity-classified awards generally are equal to the grant-date fair value of the award amortized over the vesting period of the award. The liability for liability-classified awards generally is equal to the fair value of the award as of the balance sheet date multiplied by the percentage vested at the time. The Company charges (or credits) the change in the liability amounts from one balance sheet date to another to stock-based compensation expense.

Below are the assumptions used for the options granted during the nine months ended September 30, 2018 and 2017.

	September 30, 2018	September 30, 2017
Expected dividend yield	0%	0%
Expected volatility	70.52%-82.23%	78.77%-79.89%
Risk-free interest	2.76-2.96%	1.21%-2.02%
Expected life	5.5-6.25 years	5.5-6.25 years

The following is a summary of the Company's share options granted separated into ranges of exercise price:

Exercise price (range) ($)	Options outstanding at September 30, 2018	Weighted average remaining contractual life (years)	Weighted average exercise price ($)	Options exercisable at September 30, 2018	Remaining contractual life (years for exercisable options)	Weighted average exercise price ($)
0.02-0.19	71,355,017	8.88	0.07	28,169,199	7.95	0.12
0.32	21,053,647	6.97	0.32	15,968,694	6.97	0.32
0.60-0.75	170,000	5.52	0.69	170,000	5.52	0.69
1.56-2.00	375,000	4.29	1.79	375,000	4.29	1.79
	92,953,664			**44,682,893**		

During the nine-month periods ended September 30, 2018 and 2017, the Company recorded approximately $1,232,000 and $2,229,000, respectively, in stock-based compensation expenses for employees and directors. At September 30, 2018, there was approximately $1,977,000 of unrecognized compensation cost related to unvested share-based compensation arrangements granted under the Company's share option plans which the Company expects to recognize over 1.8 years.

Warrants to service providers and investors – At September 30, 2018 there were no warrants outstanding. During the nine months ended September 30, 2018, 399,160 warrants to purchase Ordinary Shares expired.

(in U.S. Dollars)

NOTE 5 – Related Party Transactions

Office Lease – A director of the Company is also the CEO of The Doctors Laboratory ("TDL"). The Company leases its UK office space from TDL and has incurred expenses of approximately $106,000 and $100,000 plus VAT during the nine months ended September 30, 2018 and 2017, respectively.

Consulting – A director of the Company began providing business development consulting services in January 2018. The Company has incurred expenses of approximately $59,000 during the nine months ended September 30, 2018 relating to these consulting services.

NOTE 6 – Loss Per Share

Basic loss per Ordinary Share is computed by dividing net loss available to ordinary shareholders by the weighted-average number of Ordinary Shares outstanding during the period. Diluted loss per ordinary share is computed by dividing net loss available to ordinary shareholders by the sum of (1) the weighted-average number of Ordinary Shares outstanding during the period, (2) the dilutive effect of the assumed exercise of share options using the treasury stock method, and (3) the dilutive effect of other potentially dilutive securities.

	Three Months Ended September 30,		Nine Months Ended September 30,	
Loss per share	**2018**	**2017**	**2018**	**2017**
Company posted	Net loss	Net loss	Net loss	Net loss
Basic weighted average shares outstanding	1,528,682,540	1,177,693,393	1,526,700,724	1,177,693,386
Dilutive effect of Ordinary Share equivalents	None	None	None	None
Dilutive weighted average shares outstanding	1,528,682,540	1,177,693,393	1,526,700,724	1,177,693,386
Loss per common share (basic and diluted)	$ 0.00	$ 0.01	$ 0.01	$ 0.02

For purposes of the diluted net loss per share calculation, share options and warrants are considered to be potentially dilutive securities and are excluded from the calculation of diluted net loss per share because their effect would be anti-dilutive. Therefore, basic and diluted net loss per share was the same for the periods presented due to the Company's net loss position.

The following table shows the number of share equivalents that were excluded from the computation of diluted loss per share for the respective periods because the effect would have been anti-dilutive:

	Nine Months Ended September 30, 2018	Nine Months Ended September 30, 2017
Total share options	92,953,664	95,961,998
Total warrants	-	865,090
Total share options and warrants	92,953,664	96,827,088

NOTE 7 – Contingencies

Loss contingencies - On April 27, 2017, the Company issued a press release stating that Edison Investment Research Ltd. ("Edison") had withdrawn its report issued April 26, 2017 titled "Akari's Coversin matches Soliris in Phase II" (the "Edison Report") because it contained material inaccuracies, including without limitation, with respect to the Company's interim analysis of its ongoing Phase II PNH trial of Coversin. Investors were cautioned not to rely upon any information contained in the Edison Report and instead were directed to the Company's press release issued on April 24, 2017 that discusses the interim analysis of the Company's then ongoing Phase II PNH trial and other matters. The Company's Board of Directors established an ad hoc special committee of the Board to review the involvement, if any, of its personnel with the Edison Report, which was later retracted. Edison was retained by the Company to produce research reports about the Company. While that review was pending, Dr. Gur Roshwalb, the Company's former Chief Executive Officer, was placed on administrative leave and Dr. Ray Prudo in his role as Executive Chairman temporarily assumed Dr. Roshwalb's duties in his absence. Following that review, the Company determined that the Edison Report was reviewed and approved by Dr. Roshwalb, in contravention of Company policy. On May 29, 2017, Dr. Roshwalb submitted his resignation as Chief Executive Officer and member of the Company's Board of Directors, effective immediately.

On May 12, 2017, a putative securities class action captioned Derek Da Ponte v. Akari Therapeutics, PLC, Gur Roshwalb, and Dov Elefant (Case 1:17-cv-03577) was filed in the U.S. District Court for the Southern District of New York against the Company, its former Chief Executive Officer and its Chief Financial Officer. The plaintiff asserted claims alleging violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (the "Exchange Act"), based primarily on the Company's press releases or statements issued between April 24, 2017 and May 11, 2017 concerning the Phase II PNH trial of Coversin and the Edison Report about the Company and actions taken by it after the report was issued. The purported class covers the period from March 30, 2017 to May 11, 2017. The complaint seeks unspecified damages and costs and fees. On May 19, 2017, an almost identical class action complaint captioned Shamoon v. Akari Therapeutics, PLC, Gur Roshwalb, and Dov Elefant (Case 1:17-cv-03783) was filed in the same court. On July 11-12, 2017, candidates to be lead plaintiff filed motions to consolidate the cases and appoint a lead plaintiff. On August 10, 2017, the court issued a stipulated order: (i) consolidating the class actions under the caption In re: Akari Therapeutics, PLC Securities Litigation (Case 1:17-cv-03577); and (ii) setting out schedule for plaintiffs to file a consolidated amended complaint and defendants to respond thereto.

By order dated September 7, 2017, the court appointed lead plaintiffs for the class and lead plaintiffs' counsel. On November 6, 2017, lead plaintiffs filed a consolidated amended complaint (the "CAC"). While the CAC contains similar substantive allegations to the initial complaints, it adds two additional defendants, Ray Prudo and Edison Investment Research Ltd., and the purported class period was changed to April 24, 2017 through May 30, 2017. On January 10, 2018, at a hearing regarding the defendants' impending motions to dismiss the CAC, the Court gave plaintiffs permission to file a second consolidated amended complaint (the "SCAC") and established a briefing schedule for defendants' motions to dismiss the SCAC. Pursuant to that schedule, plaintiffs' SCAC was filed on January 31, 2018. All briefing on the motions to dismiss was completed on April 20, 2018.

On May 9, 2018, the parties engaged in a mediation session and came to an agreement in principle to settle the dispute. On June 8, 2018, the parties entered into a memorandum of understanding. A memorandum of understanding is not a definitive settlement agreement, which must be approved by the Court. By the terms of the memorandum, the parties agreed in principle to a total payment of $2.7 million in cash. The Company recorded the $2.7 million CAC litigation settlement loss in the Condensed Consolidated Statement of Comprehensive Loss in the year ended December 31, 2017, which is the period in which the lawsuits were originally filed. The $2.7 million CAC settlement liability is recorded as a loss contingency in accrued expenses in the Company's Condensed Consolidated Balance Sheets as of December 31, 2017. On July 26, 2018, plaintiffs filed a notice with the Court voluntarily dismissing Edison from the action. On August 3, 2018, the remaining parties executed and filed a stipulation and agreement of settlement (the terms of which were consistent with the memorandum of understanding), and plaintiffs filed a motion seeking preliminary approval of the parties' settlement. The Court issued an order on August 7, 2018 granting plaintiffs' motion for preliminary approval of the settlement, and set a settlement conference for November 28, 2018. On August 24, 2018, the Company received a $2.7 million payment from its directors' and officers' liability insurance provider, the sum of which was paid to an escrow account for the benefit of the settlement class on August 27, 2018. This was recorded as a gain in the Condensed Consolidated Statements of Comprehensive Loss during the third quarter of 2018.

NOTE 7 – Contingencies (cont.)

Separately, Edison has sought indemnification from the Company pursuant to its contract with the Company, including reimbursement of all legal expenses that Edison incurs in connection with the securities class action (to which, as discussed above, Edison was added as a defendant on November 6, 2017) and lost profits from customer relationships that Edison claims it lost as a result of the retraction of the Edison Report. The parties have come to an agreement in principle to settle the dispute. The settlement amount is expected to be immaterial to the Company's operations and future cash flows. The parties are in continued discussions regarding finalizing a settlement.

The Company voluntarily reported to the SEC the circumstances leading to the withdrawal of the Edison Report and the outcome of its special committee's investigation. In response, the SEC requested certain documents from the Company with respect to the matters it reported. The Company is cooperating with the SEC's requests for information. On June 5, 2018, the Company received a subpoena from the SEC, which requested further documents and information primarily related to the Company's Phase II clinical trial of Coversin in connection with an investigation of the Company that the SEC is conducting. The Company is in the process of responding to the subpoena and will continue to cooperate with the SEC.

Exhibit 99.2

Management's Discussion and Analysis of Financial Condition and Results of Operations.

You should read this discussion together with the condensed consolidated financial statements, related notes and other financial information included elsewhere in this Report on Form 6-K. The following discussion may contain predictions, estimates and other forward-looking statements that involve a number of risks and uncertainties, including those discussed under "Risk Factors" in our Annual Report on Form 20-F for the year ended December 31, 2017. These risks could cause our actual results to differ materially from any future performance suggested below.

Unless the context otherwise requires, all references to "Akari," "we," "us," "our," the "Company" and similar designations refer to Akari Therapeutics, PLC and its subsidiaries.

Overview

We are a clinical-stage biopharmaceutical company focused on developing inhibitors of acute and chronic inflammation, specifically the complement system, the eicosanoid system and the bioamine system for the treatment of rare and orphan diseases. Each of these systems has scientifically well-supported causative roles in the diseases we are targeting. We believe that blocking early mediators of inflammation will prevent initiation and continual amplification of the processes that cause certain diseases.

On September 18, 2015, we completed our acquisition, or the Acquisition, of all of the capital stock of Volution Immuno Pharmaceuticals SA, or Volution, from RPC Pharma Limited, or RPC, Volution's sole shareholder, in exchange for ordinary shares, par value £0.01, or ordinary shares, in accordance with the terms of the Share Exchange Agreement, dated as of July 10, 2015, by and among Celsus and RPC. In connection with the Acquisition, the name of the combined company was changed to Akari Therapeutics, Plc. Our American Depositary Shares, or ADSs, each representing 100 ordinary shares, began trading on The NASDAQ Capital Market under the symbol "AKTX" on September 21, 2015.

For accounting purposes, the Acquisition was treated as a "reverse acquisition" and Volution was considered the accounting acquirer. Accordingly, our consolidated financial statements reflect the historical financial statements of Volution as our historical financial statements, except for the legal capital which reflects our legal capital (ordinary shares).

In connection with the consummation of the Acquisition, Celsus issued an aggregate of 722,345,600 ordinary shares to RPC, which represented, prior to giving effect to the Financing (as defined below), 92.85% of Celsus's outstanding ordinary shares following the closing of the Acquisition (or 91.68% of Celsus ordinary shares on a fully diluted basis). This yielded a share exchange ratio of approximately 721:1 of Akari ordinary shares to RPC shares. Our earnings (loss) per share have been retrospectively adjusted in the Consolidated Statement of Comprehensive Loss to reflect this recapitalization.

In addition, on September 18, 2015, we completed a private placement of an aggregate of 3,958,811 restricted ADSs representing 395,881,100 ordinary shares for gross proceeds of $75 million, or the "Financing", at a price of $18.945 per restricted ADS, which represented approximately 33.3% of our outstanding ordinary shares after giving effect to the Acquisition and the Financing. We incurred $5.4 million of share issuance costs for net proceeds of $69.6 million.

On October 20, 2017, we completed a public offering of an aggregate of 3,480,000 ADSs representing 348,000,000 ordinary shares for gross proceeds of $17.4 million at a price of $5.00 per ADS. In connection with the offering we incurred $1.7 million of share issuance costs for net proceeds of $15.7 million.

Purchase Agreement and Registration Rights Agreement with Aspire Capital

On September 26, 2018, we entered into a securities purchase agreement (the "Purchase Agreement") with Aspire Capital Fund, LLC, an Illinois limited liability company ("Aspire Capital"), which provides that, upon the terms and subject to the conditions and limitations set forth therein, Aspire Capital is committed to purchase up to an aggregate of $20.0 million of our ADSs during a 30-month period beginning on the effective date of a registration statement related to the transaction. Concurrently with entering into the Purchase Agreement, we also entered into a registration rights agreement with Aspire Capital (the "Registration Rights Agreement"), in which we agreed to file one or more registration statements, as permissible and necessary to register under the Securities Act of 1933, as amended (the "Securities Act"), the sale of our securities that have been and may be issued to Aspire Capital under the Purchase Agreement.

Under the Purchase agreement, after the Securities and Exchange Commission (the "SEC") has declared effective the registration statement referred to above, on any trading day selected by us, we have the right, in our sole discretion, to present Aspire Capital with a purchase notice (each, a "Purchase Notice"), directing Aspire Capital (as principal) to purchase up to 150,000 ADSs per business day and up to $20.0 million of our ADSs in the aggregate at a per share price (the "Purchase Price") equal to the lesser of:

- the lowest sale price of our ADSs on the purchase date; or
- the arithmetic average of the three (3) lowest closing sale prices for the ADSs during the ten (10) consecutive business days ending on the business day immediately preceding such Purchase Date (to be appropriately adjusted for any reorganization, recapitalization, non-cash dividend, stock split, reverse stock split or other similar transaction).

In addition, on any date on which we submit a Purchase Notice to Aspire Capital in an amount of 150,000 ADSs, we also has the right, in our sole discretion, to present Aspire Capital with a volume-weighted average price purchase notice (each, a "VWAP Purchase Notice") directing Aspire Capital to purchase an amount of ADSs equal to up to 30% of the aggregate shares of our ADSs traded on its principal market on the next trading day (the "VWAP Purchase Date"), subject to a maximum number of 250,000 ADSs. The purchase price per share pursuant to such VWAP Purchase Notice is generally 97% of the volume-weighted average price of our ADSs traded on its principal market on the VWAP Purchase Date.

The Purchase Price will be adjusted for any reorganization, recapitalization, non-cash dividend, stock split, or other similar transaction occurring during the period(s) used to compute the Purchase Price. We may deliver multiple Purchase Notices and VWAP Purchase Notices to Aspire Capital from time to time during the term of the Purchase Agreement, so long as the most recent purchase has been completed.

The Purchase Agreement provides that we and Aspire Capital shall not effect any sales under the Purchase Agreement on any purchase date where the closing sale price of our ADSs is less than $0.25. There are no trading volume requirements or restrictions under the Purchase Agreement, and we will control the timing and amount of sales of our ADSs to Aspire Capital. Aspire Capital has no right to require any sales by us, but is obligated to make purchases from us as directed by us in accordance with the Purchase Agreement. There are no limitations on use of proceeds, financial or business covenants, restrictions on future fundings, rights of first refusal, participation rights, penalties or liquidated damages in the Purchase Agreement. In consideration for entering into the Purchase Agreement, concurrently with the execution of the Purchase Agreement, we issued to Aspire Capital 30,000,000 Ordinary Shares (the "Commitment Shares") and sold to Aspire Capital 25,000,000 Ordinary Shares (the "Initial Shares") for $0.02 per share (equivalent to $2.00 per ADS). The Purchase Agreement may be terminated by us at any time, at our discretion, without any cost to us. Aspire Capital has agreed that neither it nor any of its agents, representatives and affiliates shall engage in any direct or indirect short-selling or hedging of our securities during any time prior to the termination of the Purchase Agreement. Any proceeds we receive under the Purchase Agreement are expected to be used for working capital and general corporate purposes.

Critical Accounting Policies and Use of Estimates

The preparation of the condensed consolidated financial statements in conformity with United States generally accepted accounting principles, or U.S. GAAP, requires management to make estimates, judgments and assumptions. Our management believes that the estimates, judgments and assumptions used are reasonable based upon information available at the time they are made. These estimates, judgments and assumptions can affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements, and the reported amounts of expenses during the reporting period. Actual results could differ from those estimates.

JOBS Act

On April 5, 2012, the Jumpstart Our Business Startups Act of 2012, or the JOBS Act, was enacted. Section 107 of the JOBS Act provides that an "emerging growth company" can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards. In other words, an "emerging growth company" can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We chose to "opt out" of the extended transition period related to the exemption from new or revised accounting standards, and as a result, we will comply with new or revised accounting standards on the relevant dates on which adoption of such standards is required for non-emerging growth companies. This election is irrevocable. Additionally, we are continuing to evaluate the benefits of relying on other exemptions and reduced reporting requirements provided by the JOBS Act.

Subject to certain conditions set forth in the JOBS Act, as an "emerging growth company," we intend to rely on certain of these exemptions, including without limitation, (i) providing an auditor's attestation report on our system of internal controls over financial reporting pursuant to Section 404 and (ii) complying with any requirement that may be adopted by the PCAOB regarding mandatory audit firm rotation or a supplement to the auditor's report providing additional information about the audit and the financial statements (auditor discussion and analysis). These exemptions will apply for a period of five years following the first sale of our common equity securities pursuant to an effective registration statement under the Securities Act or until we are no longer an "emerging growth company," whichever is earlier.

Share-Based Compensation and Fair Value of Ordinary Shares

We account for awards of equity instruments issued to employees and directors under the fair value method of accounting and recognize such amounts in our Condensed Consolidated Statements of Comprehensive Loss. We measure compensation cost for all stock-based awards at fair value on the date of grant and recognize compensation expense in general administrative and research and development expenses in our Condensed Consolidated Statements of Comprehensive Loss using the straight-line method over the service period over which we expect the awards to vest.

We estimate the fair value of all time-vested options as of the date of grant using the Black-Scholes option valuation model, which was developed for use in estimating the fair value of traded options that have no vesting restrictions and are fully transferable. Option valuation models require the input of highly subjective assumptions, including the expected share price volatility, which we calculate based on the historical volatility of peer companies. We use a risk-free interest rate, based on U.S. Treasury instruments in effect at the time of the grant, for the period comparable to the expected term of the option. Given our limited history with share option grants and exercises, we use the "simplified" method in estimating the expected term, the period of time that options granted are expected to be outstanding, for our grants.

We classify our stock-based payments as either liability-classified awards or as equity-classified awards. We remeasure liability-classified awards to fair value at each balance sheet date until the award is settled. We measure equity-classified awards at their grant date fair value and do not subsequently remeasure them. We have classified our share-based payments which are settled in our ordinary shares as equity-classified awards and our share-based payments that are settled in cash as liability-classified awards. Compensation costs related to equity-classified awards generally are equal to the grant-date fair value of the award amortized over the vesting period of the award. The liability for liability-classified awards generally is equal to the fair value of the award as of the balance sheet date multiplied by the percentage vested at the time. We charge (or credit) the change in the liability amount from one balance sheet date to another to changes in fair value of options and warrants liabilities gain (loss) on our condensed consolidated statements of comprehensive loss.

Warrants and RPC Options

In connection with the issuance of certain warrants, we applied ASC 470-20, "*Debt with Conversion and Other Options*" ("ASC 470-20"). In accordance with ASC 470-20, we first allocated the proceeds received to the warrant, freestanding liability instrument that is measured at fair value at each reporting date, with changes in the fair values being recognized in our Condensed Consolidated Statement of Comprehensive Loss as changes in fair value of option/warrant liabilities gain (loss). The fair value of the warrants granted was valued by using the Binomial method of valuation. The anti-dilution rights of the warrants were calculated by using the Binomial method of valuation put option using the same parameters as the warrants call option. The computation of expected volatility is based on realized historical share price volatility of our ordinary shares. The expected term is based on the contractual term. The risk-free interest rate assumption is the implied yield currently available on U.S. Treasury yield zero-coupon issues with a remaining term equal to the expected life of the options. The dividend yield assumption is based on our historical experience and expectation of no future dividend payouts and may be subject to substantial change in the future. We have historically not paid cash dividends and have no foreseeable plans to pay cash dividends in the future. At September 30, 2018, the fair value of the warrants was $0. The change in fair value of the warrants for the nine months ended September 30, 2017, was a decrease of $34,838 and was recognized as a change in fair value of option and warrant liabilities gain (loss) in the Condensed Consolidated Statement of Comprehensive Loss. The warrants expired on April 4, 2017.

In connection with a short-term working capital loan from shareholders of approximately $3 million, the shareholders were granted options in RPC, equivalent to 15% of the current outstanding equity issued by RPC. The RPC options were accounted for in accordance with ASC 718, "*Compensation-Stock Compensation*". The fair value of the RPC options is estimated using the fair value of Akari ordinary shares times RPC's ownership in Akari ordinary shares times 15% and was initially valued at approximately $26 million. These options do not relate to the share capital of Akari. The fair value of the RPC options was $3,004,207 and $5,081,335 as of September 30, 2018 and December 31, 2017, respectively. The fair value of the RPC options for the three-month periods ended September 30, 2018 and 2017 increased by $715,846 and $1,657,783, respectively, and the fair value of the RPC options for the nine-month periods ended September 30, 2018 and 2017 decreased by $2,077,128 and $975,167, respectively, and the change which represents a gain (loss), respectively, was recognized as change in fair value of option/warrant liabilities gain (loss) in the Condensed Consolidated Statements of Comprehensive Loss.

Functional Currency

The functional currency of Akari is U.S. dollars as that is the primary economic environment in which he Company operates as well as the currency in which it has been financed.

The reporting currency of the Company is U.S. Dollars. The Company translated its non-U.S. operations' assets and liabilities denominated in foreign currencies into U.S. dollars at current rates of exchange as of the balance sheet date and income and expense items at the average exchange rate for the reporting period. Translation adjustments resulting from exchange rate fluctuations are recorded as foreign currency translation adjustments, a component of accumulated other comprehensive loss. Gains or losses from foreign currency transactions and the remeasurement of intercompany balances are included in foreign currency exchange gain/(loss).

Results of Operations

For the Three Months Ended September 30, 2018 and September 30, 2017

Research and development expenses

Research and development expenses for the three months ended September 30, 2018 were approximately $3,304,000 compared to approximately $6,383,000 for the three months ended September 30, 2017. This $3,079,000 decrease was due primarily to lower manufacturing costs of approximately $3,360,000 for Coversin as we manufactured clinical trial material for supply through 2019 offset by higher clinical costs of $440,000 as we increased clinical trial activity.

Our research and development expenses may increase in the future as we conduct additional clinical trials to support the clinical development of Coversin, and advance other product candidates into pre-clinical and clinical development.

General and administrative expenses

General and administrative expenses for the three months ended September 30, 2018 were approximately $2,382,000 compared to approximately $2,159,000 for the three months ended September 30, 2017. This $223,000 increase was primarily due to higher legal fees.

Our general and administrative expenses may increase due to increased personnel, legal, accounting and professional fees and increased rental expense.

Litigation settlement gain

Litigation settlement gain for the three months ended September 30, 2018 was $2,700,000. This relates to a settlement agreement of our securities class action lawsuit and the receipt of the settlement funds from our insurance carrier.

Other Income (expense)

Other expense for the three months ended September 30, 2018 was approximately $607,000 compared to approximately $1,835,000 for the three months ended September 30, 2017. This change was primarily attributed to the change in the fair value of the stock option and warrant liabilities.

For the Nine Months Ended September 30, 2018 and September 30, 2017

Research and development expenses

Research and development expenses for the nine months ended September 30, 2018 were approximately $9,433,000 compared to approximately $16,167,000 for the nine months ended September 30, 2017. This $6,734,000 decrease was primarily due to lower expenses related to the receipt of a $3,794,000 research and development tax credit that was recorded as a credit to research and development costs during the nine months ended September 30, 2018 and lower manufacturing costs of approximately $3,678,000 for Coversin as we manufactured clinical trial material for supply through 2019 offset by higher clinical costs of $1,160,000 as we increased clinical trial activity.

Our research and development expenses may increase in the future as we conduct additional clinical trials to support the clinical development of Coversin, and advance other product candidates into pre-clinical and clinical development.

General and administrative expenses

General and administrative expenses for the nine months ended September 30, 2018 were approximately $8,537,000 compared to approximately $8,006,000 for the nine months ended September 30, 2017. This $531,000 increase was primarily due to higher professional fees.

Our general and administrative expenses may increase due to increased legal, accounting and professional fees and increased rental expense.

Litigation settlement gain

Litigation settlement gain for the nine months ended September 30, 2018 was $2,700,000. This relates to a settlement agreement of our securities class action lawsuit and the receipt of the settlement funds from our insurance carrier.

Other income (expenses)

Other income for the nine months ended September 30, 2018 was approximately $2,316,000 compared to approximately $892,000 for the nine months ended September 30, 2017. This was primarily attributed to the change in the fair value of the stock option and warrant liabilities.

Liquidity and Capital Resources

At September 30, 2018, we had $10,073,345 in cash. In addition, as of September 30, 2018, we had accumulated losses of $123,290,893. Since inception, we have funded our operations primarily through the sale of equity securities and debt financing. In October 2017, we completed a public offering of an aggregate of 3,480,000 ADSs representing 348,000,000 ordinary shares for gross proceeds of $17.4 million at a price of $5.00 per ADS. In connection with the offering, we incurred $1.7 million of share issuance costs for net proceeds of $15.7 million. On September 26, 2018, we entered into a Purchase Agreement, with Aspire Capital which provides that, upon the terms and subject to the conditions and limitations set forth therein, Aspire Capital is committed to purchase up to an aggregate of $20.0 million of our ADSs over the 30-month term of the Purchase Agreement. In consideration for entering into the Purchase Agreement, concurrently with the execution of the Purchase Agreement, we issued 30,000,000 Ordinary Shares to Aspire Capital and sold to Aspire Capital 25,000,000 Ordinary Shares for $0.02 per share (equivalent to $2.00 per ADS).

We have not yet generated any revenues and we expect to continue to incur net losses and negative cash flows for the foreseeable future. These net losses and negative cash flows have had, and will continue to have, an adverse effect on our shareholders' equity and working capital. We believe our current cash is sufficient to fund future operations through the end of the second quarter of 2019 without giving effect to the sale of selling additional shares to Aspire Capital under the Purchase Agreement. This forecast of cash resources is forward-looking information that involves risks and uncertainties, and the actual amount of our expenses over the next twelve months could vary materially and adversely as a result of a number of factors, including the risks and uncertainties set forth in Item 3D under the heading "Risk Factors" of our Annual Report on Form 20-F for the year ended December 31, 2017.

For the nine months ended September 30, 2018, we reported a net loss of $12,954,026 and we expect to continue to incur substantial losses over the next several years during our development phase. Our independent registered public accounting firm, in its report on our audited financial statements for the year ended December 31, 2017 expressed substantial doubt about our ability to continue as a going concern. To fully execute our business plan, we will need, among other things, to complete our research and development efforts and clinical and regulatory activities. These activities may take several years and will require significant operating and capital expenditures in the foreseeable future. There can be no assurance that these activities will be successful. If we are not successful in these activities or there is not a favorable resolution of the putative class action or SEC investigation, it could delay, limit, reduce or terminate preclinical studies, clinical trials or other research and development activities. To fund our capital needs, we plan to raise funds through equity or debt financings or other sources, such as strategic partnerships and alliance and licensing arrangements, and in the long term, from the proceeds from sales. Additional funds may not be available when we need them, on terms that are acceptable to it, or at all. To the extent that we raise additional funds by issuing equity securities, our shareholders may experience significant dilution. There can be no assurance that we will be successful in obtaining an adequate level of financing needed for our long-term research and development activities. If we are unable to raise sufficient capital resources, we will not be able to continue the development of all of our products or may be required to delay part of our development programs and significantly reduce our activities in order to maintain our operations. These matters raise substantial doubt about the Company's ability to continue as a going concern.

Net cash used in operating activities was approximately $18,013,000 during the nine months ended September 30, 2018 compared to approximately $23,081,000 during the nine months ended September 30, 2017. Net cash flow used in operating activities was primarily attributed to our ongoing research activities to support Coversin, including manufacturing, clinical trial and preclinical activities.

Net cash used in investing activities was approximately $379,000 during the nine months ended September 30, 2018 related to the purchase of a letter of credit compared to approximately $9,985,000 of net cash provided by investing activities during the nine months ended September 30, 2017 primarily related to maturity of short-term investments. We also used cash to purchase office equipment.

Net cash provided by financing activities was approximately $347,000 during the nine months ended September 30, 2018. This is from net proceeds from issuance of shares to Aspire Capital. In the nine months ended September 30, 2017, we had no financing activity.

Research and Development Expenditures

Our research and development expenditures were approximately $3,304,000 and $6,383,000 and $9,433,000 and $16,167,000 for the three and nine months ended September 30, 2018 and 2017, respectively. Most of such research and development expenditures were in the form of payments to third parties to carry out our manufacturing, pre-clinical and clinical research activities.

We incurred the following research and development expenses for the three and nine months ended September 30, 2018 and 2017:

	Three Months ended September 30, (in $000's)		Nine Months ended September 30 (in $000's)	
	2018	**2017**	**2018**	**2017**
Direct Expenses:				
Coversin	$ 754	$ 4,114	$ 6,498	$ 10,176
Clinical trials	1,221	781	3,298	2,138
Other	299	543	852	1,291
Total direct expenses	2,274	5,438	10,648	13,605
Indirect Expenses:				
Staffing	740	457	1,685	1,365
Other indirect	290	488	894	1,197
Total indirect expenses	1,030	945	2,579	2,562
Tax credits	-	-	(3,794)	-
Total Research and Development	$ 3,304	$ 6,383	$ 9,433	$ 16,167

Off-balance Sheet Arrangements

We currently do not have any off-balance sheet arrangements.

Exhibit 99.3

Akari Announces Third Quarter 2018 Financial Results and Business Highlights

- *Four ongoing clinical trial programs*
- *Two clinical programs expected to report initial data in first quarter 2019*
- *Long-term clinical study continues to yield encouraging safety data*

NEW YORK and LONDON, November 15, 2018 - Akari Therapeutics, Plc (NASDAQ:AKTX), a biopharmaceutical company focused on innovative therapeutics to treat orphan autoimmune and inflammatory diseases where complement and or leukotriene systems are implicated, today announced its financial results for the third quarter ended September 30, 2018.

"We are focused on moving our four priority clinical programs forward and expect initial data from our trials in patients with bullous pemphigoid (BP) and atopic keratoconjunctivitis (AKC) in the first quarter of 2019," commented Clive Richardson, Interim Chief Executive Officer of Akari Therapeutics.

Clinical development highlights and upcoming milestones

- *Coversin clinical trials focused on orphan diseases mediated by both the complement and leukotriene pathways with initial data readouts expected in the first quarter 2019:*
  - Phase II trial in patients with BP, a severe blistering skin disease
  - Phase I/II trial in patients with AKC, a sight-threatening surface of the eye condition
- *Coversin clinical trials in orphan diseases in which complement dysregulation is the primary disease driver:*
  - Two trials open in PNH: a Phase III trial in naïve patients and a Phase II trial in patients who are resistant to eculizumab
  - An open Phase II trial in atypical hemolytic syndrome (aHUS), a severe thrombotic microangiopathy
  - Ongoing named patient program in pediatric patients with thrombotic microangiopathy (TMA) post bone marrow transplant
- *Long-term safety study for Coversin*
  - Total cumulative number of patient-years on Coversin treatment approximately 15 years
  - All patients in the long term study have now been treated for more than 15 months and the first patient has now been treated for 34 months
  - No drug related serious adverse events and no neutralizing antibodies reported to date
  - Six PNH patients were transfusion dependent prior to treatment with Coversin, of which four in the long-term study are now transfusion independent; two remain on transfusion.

Third Quarter 2018 Financial Results

- Research and development (R&D) expenses in the third quarter of 2018 were $3.3 million, as compared to $6.4 million in the same quarter the prior year. The decrease was due primarily to lower manufacturing costs for Coversin as the Company had previously manufactured clinical trial material for supply through 2019, partially offset by higher clinical trial activity.

- General and administrative (G&A) expenses in the third quarter of 2018 were $2.4 million, as compared to $2.2 million in the same quarter last year. This increase was due primarily to higher professional fees.

- Operating expenses were $3.0 million in the third quarter of 2018. Excluding a $2.7 million one-time litigation settlement gain, operating expenses were $5.7 million in the third quarter of 2018, as compared to $8.5 million in the same quarter the prior year. This decrease is primarily due to lower R&D expenses.

- Total other expense for the third quarter of 2018 was $0.6 million, as compared to $1.8 million in the same quarter the prior year. This change was primarily attributed to a $0.7 million loss in fair value of the stock option liabilities in the third quarter of 2018, compared to a $1.7 million loss in the third quarter of 2017.

- Net loss for the third quarter of 2018 was $3.6 million, compared to a net loss of $10.4 million for the same period in 2017. This year over year decrease in net loss was due primarily to the aforementioned $2.7 million litigation settlement gain, lower R&D expenses and change in fair value of the stock option and warrant liabilities, which were lower in the third quarter of 2018 compared to the prior year period.

- As of September 30, 2018, the Company had cash of $10.1 million, as compared to cash of $28.1 million as of December 31, 2017.

- In addition, on September 26, 2018, the Company entered into a securities purchase agreement (the "Purchase Agreement") with Aspire Capital Fund, LLC ("Aspire Capital"), which provides that, upon the terms, Aspire Capital is committed to purchase up to an aggregate of $20.0 million of the Company's ADSs over the 30-month term of the Purchase Agreement. In consideration for entering into the Purchase Agreement, concurrently with the execution of the Purchase Agreement, the Company issued 30,000,000 ordinary shares to Aspire Capital and sold to Aspire Capital 25,000,000 ordinary shares for $0.02 per share (equivalent to $2.00 per ADS and $500,000).

About Akari Therapeutics

Akari is a biopharmaceutical company focused on developing inhibitors of acute and chronic inflammation, specifically for the treatment of rare and orphan diseases, in particular those where the complement (C5) or leukotriene (LTB4) systems, or both complement and leukotrienes together, play a primary role in disease progression. Akari's lead drug candidate, Coversin, is a C5 complement inhibitor that also independently and specifically inhibits leukotriene B4 (LTB4) activity. Coversin is currently being clinically evaluated in four indications: bullous pemphigoid (BP), atopic keratoconjunctivitis (AKC), atypical hemolytic uremic syndrome (aHUS), and paroxysmal nocturnal hemoglobinuria (PNH). Akari believes that the dual action of Coversin on both C5 and LTB4 may be beneficial in AKC, BP, and aHUS. Akari is also developing other tick derived proteins, including longer acting versions.

Cautionary Note Regarding Forward-Looking Statements

Certain statements in this press release constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements reflect our current views about our plans, intentions, expectations, strategies and prospects, which are based on the information currently available to us and on assumptions we have made. Although we believe that our plans, intentions, expectations, strategies and prospects as reflected in or suggested by those forward-looking statements are reasonable, we can give no assurance that the plans, intentions, expectations or strategies will be attained or achieved. Furthermore, actual results may differ materially from those described in the forward-looking statements and will be affected by a variety of risks and factors that are beyond our control. Such risks and uncertainties for our company include, but are not limited to: needs for additional capital to fund our operations, our ability to continue as a going concern; uncertainties of cash flows and inability to meet working capital needs; an inability or delay in obtaining required regulatory approvals for Coversin and any other product candidates, which may result in unexpected cost expenditures; our ability to obtain orphan drug designation in additional indications; risks inherent in drug development in general; uncertainties in obtaining successful clinical results for Coversin and any other product candidates and unexpected costs that may result therefrom; difficulties enrolling patients in our clinical trials; failure to realize any value of Coversin and any other product candidates developed and being developed in light of inherent risks and difficulties involved in successfully bringing product candidates to market; inability to develop new product candidates and support existing product candidates; the approval by the FDA and EMA and any other similar foreign regulatory authorities of other competing or superior products brought to market; risks resulting from unforeseen side effects; risk that the market for Coversin may not be as large as expected; risks associate with the departure of our former Chief Executive Officers and other executive officers; risks related to material weaknesses in our internal controls over financial reporting and risks relating to the ineffectiveness of our disclosure controls and procedures; risks associated with the putative shareholder class action and SEC investigation; inability to obtain, maintain and enforce patents and other intellectual property rights or the unexpected costs associated with such enforcement or litigation; inability to obtain and maintain commercial manufacturing arrangements with third party manufacturers or establish commercial scale manufacturing capabilities; the inability to timely source adequate supply of our active pharmaceutical ingredients from third party manufacturers on whom the company depends; unexpected cost increases and pricing pressures and risks and other risk factors detailed in our public filings with the U.S. Securities and Exchange Commission, including our most recently filed Annual Report on Form 20-F filed with the SEC on July 18, 2018. Except as otherwise noted, these forward-looking statements speak only as of the date of this press release and we undertake no obligation to update or revise any of these statements to reflect events or circumstances occurring after this press release. We caution investors not to place considerable reliance on the forward-looking statements contained in this press release.

AKARI THERAPEUTICS, Plc
CONDENSED CONSOLIDATED BALANCE SHEETS
As of September 30, 2018 and December 31, 2017
(in U.S. Dollars, except share data)

Assets	September 30, 2018 (Unaudited)	December 31, 2017
Current Assets:		
Cash	$ 10,073,345	$ 28,106,671
Prepaid expenses and other current assets	1,382,472	706,415
Deferred Financing Costs	585,000	-
Total Current Assets	12,040,817	28,813,086
Restricted cash	521,620	142,235
Property and equipment, net	29,955	55,898
Patent acquisition costs, net	34,839	39,124
Total Assets	$ 12,627,231	$ 29,050,343
Liabilities and Shareholders' Equity		
Current Liabilities:		
Accounts payable	$ 1,404,496	$ 1,971,161
Accrued expenses	1,710,693	4,795,873
Liabilities related to options and warrants	3,004,207	5,081,335
Other current liabilities	29,792	-
Total Current Liabilities	6,149,188	11,848,369
Other long-term liabilities	175,055	48,003
Total liabilities	6,324,243	11,896,372
Commitments and Contingencies		
Shareholders' Equity:		
Share capital GBP of .01 par value Authorized: 10,000,000,000 ordinary shares; issued and outstanding: 1,580,693,413 at September 30, 2018 and 1,525,693,393 at December 31, 2017, respectively	23,651,277	22,927,534
Additional paid-in capital	106,239,087	104,799,550
Accumulated other comprehensive loss	(296,483)	(236,246)
Accumulated deficit	(123,290,893)	(110,336,867)
Total Shareholders' Equity	6,302,988	17,153,971
Total Liabilities and Shareholders' Equity	$ 12,627,231	$ 29,050,343

AKARI THERAPEUTICS, Plc
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS-UNAUDITED
For the Three and Nine Months Ended September 30, 2018 and September 30, 2017
(in U.S. Dollars)

	Nine Months Ended		Three Months Ended	
	September 30, 2018	**September 30, 2017**	**September 30, 2018**	**September 30, 2017**
Operating Expenses:				
Research and development costs	$ 9,433,018	$ 16,167,426	$ 3,303,790	$ 6,382,542
General and administrative expenses	8,537,191	8,006,097	2,382,153	2,158,656
Litigation settlement gain	(2,700,000)	-	(2,700,000)	-
Total Operating Expenses	15,270,209	24,173,523	2,985,943	8,541,198
Loss from Operations	(15,270,209)	(24,173,523)	(2,985,943)	(8,541,198)
Other Income (Expense):				
Interest income	198,146	124,357	66,073	46,906
Changes in fair value of option and warrant liabilities - (loss) gain	2,077,128	1,010,005	(715,846)	(1,657,783)
Foreign currency exchange gain (loss)	42,481	(231,326)	36,036	(218,274)
Other expenses (income)	(1,572)	(10,615)	6,425	(6,226)
Total Other Income (Expense)	2,316,183	892,421	(607,312)	(1,835,377)
Net Loss	(12,954,026)	(23,281,102)	(3,593,255)	(10,376,575)
Other Comprehensive Loss:				
Foreign Currency Translation Adjustment	(60,237)	(8,302)	(65,848)	85,428
Comprehensive Loss	$ (13,014,263)	$ (23,289,404)	$ (3,659,103)	$ (10,291,147)
Loss per common share (basic and diluted)	$ (0.01)	$ (0.02)	$ (0.00)	$ (0.01)
Weighted average common shares (basic and diluted)	1,526,700,724	1,177,693,386	1,528,682,540	1,177,693,393

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