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

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2025

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission File Number 001-36288

Akari Therapeutics, Plc
(Exact name of registrant as specified in its charter)

England and Wales **(State or other jurisdiction of incorporation or organization)**	**98-1034922** **(I.R.S. Employer Identification No.)**
22 Boston Wharf Road, FL 7 **Boston, Massachusetts** **(Address of principal executive offices)**	**02210** **(Zip Code)**

Registrant's telephone number, including area code: (929) 274-7510

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
American Depositary Shares, each representing 2,000 Ordinary Shares, par value $0.0001 per share	**AKTX**	**The Nasdaq Capital Market**
Ordinary Shares, $0.0001 par value per share*		**The Nasdaq Capital Market**

* Trading, but only in connection with the American Depositary Shares.

Indicate by check mark whether the Registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES ☒ NO ☐

Indicate by check mark whether the Registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit such files). YES ☒ NO ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES ☐ NO ☒

The number of shares of Registrant's Ordinary Shares outstanding as of August 13, 2025 was 65,229,461,523.

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GENERAL INFORMATION

Unless otherwise stated or the context requires otherwise, references in this Quarterly Report on Form 10-Q ("Form 10-Q") to "Akari," the "company," the "Company," "we," "us," "our" or similar designations refer to Akari Therapeutics, Plc and its subsidiaries, taken together. All trademarks, service marks, trade names and registered marks used in this report are trademarks, trade names or registered marks of their respective owners.

Statements made in this Form 10-Q concerning the contents of any agreement, contract or other document are summaries of such agreements, contracts or documents and are not complete description of all of their terms. If we filed any of these agreements, contracts or documents as exhibits to this Form 10-Q or to any previous filing with the Securities and Exchange Commission ("SEC"), you may read the document itself for a complete understanding of its terms.

NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Form 10-Q and the documents we incorporate by reference contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). All statements, other than statements of historical fact, included or incorporated in this report regarding, among other things, our cash resources and projected cash runway, financial position, our strategy, strategic alternatives, future operations, clinical trials (including, without limitation, the anticipated timing enrollment, and results thereof), collaborations, intellectual property, future revenues, projected costs, fundraising and/or financing plans, prospects, developments relating to our competitors and our industry, the timing or likelihood of regulatory actions, filings and approvals for our current and future drug candidates, and the plans and objectives of management are forward-looking statements. The words "believes," "anticipates," "estimates," "plans," "expects," "intends," "may," "could," "should," "potential," "likely," "projects," "intend," "continue," "will," "schedule," "would," "aim," "contemplate," "estimate," and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. We cannot guarantee that we will actually achieve the plans, intentions, or expectations disclosed in our forward-looking statements and you should not place undue reliance on our forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties, and other factors, which may be beyond our control, and which may cause the actual results, performance, or achievements of the Company to be materially different from future results, performance, or achievements expressed or implied by such forward-looking statements.

There are a number of important factors that could cause our actual results to differ materially from those indicated or implied by forward-looking statements. These important factors include those set forth under Part I, "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2024 (our "Form 10-K") and Part II "Item 1A. Risk Factors" of this Form 10-Q and in our other disclosures and filings we have made with the SEC. These factors and the other cautionary statements made in this Form 10-Q and the documents we incorporate by reference should be read as being applicable to all related forward-looking statements whenever they appear in this Form 10-Q and the documents we incorporate by reference.

In addition, any forward-looking statements represent our estimates only as of the date that this Form 10-Q is filed with the SEC and should not be relied upon as representing our estimates as of any subsequent date. All forward-looking statements included in this Form 10-Q are made as of the date hereof and are expressly qualified in their entirety by this cautionary notice. We disclaim any intention or obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise, except as may be required by law.

PART I—FINANCIAL INFORMATION

Item 1. Financial Statements.

AKARI THERAPEUTICS, PLC
Condensed Consolidated Balance Sheets
(Amounts in thousands, except share and per share data)
(unaudited)

	June 30, 2025	December 31, 2024
ASSETS		
Current assets:		
Cash	$ 2,711	$ 2,599
Restricted cash	60	60
Prepaid expenses	447	92
Other current assets	83	201
Total current assets	3,301	2,952
Goodwill	8,430	8,430
Other intangible assets	39,180	39,180
Total assets	$ 50,911	$ 50,562
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 11,607	$ 12,407
Accrued expenses	2,468	3,137
Convertible notes	700	700
Convertible notes, related party	—	250
Notes payable	179	659
Notes payable, related party	668	1,651
Warrant liabilities	866	1,012
Other current liabilities	650	94
Total current liabilities	17,138	19,910
Other non-current liabilities	128	383
Deferred tax liability	8,040	8,040
Total liabilities	25,306	28,333
Commitments and contingencies (Note 13)		
Shareholders' equity:		
Share capital of $0.0001 par value		
Authorized: 330,854,276,210 and 245,035,791,523 ordinary shares at June 30, 2025 and December 31, 2024, respectively; issued and outstanding: 65,229,461,523 and 53,186,919,523 ordinary shares at June 30, 2025 and December 31, 2024, respectively	6,523	5,319
Additional paid-in capital	220,846	212,706
Capital redemption reserve	52,194	52,194
Accumulated other comprehensive loss	(1,106)	(738)
Accumulated deficit	(252,852)	(247,252)
Total shareholders' equity	25,605	22,229
Total liabilities and shareholders' equity	$ 50,911	$ 50,562

The accompanying notes are an integral part of these condensed consolidated financial statements.

AKARI THERAPEUTICS, PLC
Condensed Consolidated Statements of Operations and Comprehensive Loss
(amounts in thousands, except share and per share data)
(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	**2024**	**2025**	**2024**
Operating expenses:				
Research and development	$ 667	$ 3,314	$ 1,480	$ 5,593
General and administrative	2,452	2,241	5,164	4,907
Merger-related costs	—	254	—	1,298
Restructuring and other costs	—	1,640	—	1,640
Loss from operations	(3,119)	(7,449)	(6,644)	(13,438)
Other income (expense):				
Interest income	—	2	—	4
Interest expense	(50)	(51)	(105)	(51)
Gain on settlement of current liabilities	1,190	—	1,244	—
Change in fair value of warrant liabilities	134	(151)	80	498
Foreign currency exchange gain (loss), net	(50)	91	(175)	(135)
Other expense, net	—	—	—	(2)
Total other income (expense), net	1,224	(109)	1,044	314
Net loss	$ (1,895)	$ (7,558)	$ (5,600)	$ (13,124)
Net loss per share — basic and diluted	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)
Weighted-average number of ordinary shares used in computing net loss per share — basic and diluted	62,943,895,665	18,836,478,977	58,766,089,753	16,144,813,478
Comprehensive loss:				
Net loss	$ (1,895)	$ (7,558)	$ (5,600)	$ (13,124)
Other comprehensive (loss) income, net of tax:				
Foreign currency translation adjustment	(333)	12	(368)	291
Total other comprehensive (loss) income, net of tax	(333)	12	(368)	291
Total comprehensive loss	$ (2,228)	$ (7,546)	$ (5,968)	$ (12,833)

The accompanying notes are an integral part of these condensed consolidated financial statements.

AKARI THERAPEUTICS, PLC
Condensed Consolidated Statements of Changes in Shareholders' Equity (Deficit)
(amounts in thousands, except share data)
(unaudited)

	Six Months Ended June 30, 2025						
	Share Capital $0.0001 par value		Additional Paid-in-	Capital Redemption	Accumulated Other Comprehensive	Accumulated	Total Shareholders'
	Shares	Amount	Capital	Reserve	Loss	Deficit	Equity
Balance, December 31, 2024	**53,186,919,523**	**$ 5,319**	**$ 212,706**	**$ 52,194**	**$ (738)**	**$ (247,252)**	**$ 22,229**
Issuance of share capital related to financing, net of issuance costs	4,566,062,000	457	1,785	—	—	—	2,242
Stock-based compensation	—	—	1,015	—	—	—	1,015
Foreign currency translation	—	—	—	—	(35)	—	(35)
Net loss	—	—	—	—	—	(3,705)	(3,705)
Balance, March 31, 2025	**57,752,981,523**	**$ 5,776**	**$ 215,506**	**$ 52,194**	**$ (773)**	**$ (250,957)**	**$ 21,746**
Issuance of share capital related to financing, net of issuance costs	5,753,878,000	575	3,829	—	—	—	4,404
Issuance of share capital on conversion of convertible notes, related party	387,880,000	39	270	—	—	—	309
Issuance of share capital for payments in kind	1,002,900,000	100	522	—	—	—	622
Vesting of restricted shares	331,822,000	33	—	—	—	—	33
Stock-based compensation	—	—	719	—	—	—	719
Foreign currency translation	—	—	—	—	(333)	—	(333)
Net loss	—	—	—	—	—	(1,895)	(1,895)
Balance, June 30, 2025	**65,229,461,523**	**$ 6,523**	**$ 220,846**	**$ 52,194**	**$ (1,106)**	**$ (252,852)**	**$ 25,605**

	Six Months Ended June 30, 2024						
	Share Capital $0.0001 par value		Additional Paid-in-	Capital Redemption	Accumulated Other Comprehensive	Accumulated	Total Shareholders'
	Shares	Amount	Capital	Reserve	(Income) Loss	Deficit	Equity (Deficit)
Balance, December 31, 2023	**13,234,315,298**	**$ 1,324**	**$ 174,754**	**$ 52,194**	**$ (1,040)**	**$ (227,461)**	**$ (229)**
Issuance of share capital related to financing, net of issuance costs	2,641,228,000	264	1,400	—	—	—	1,664
Vesting of restricted shares	97,578,000	10	(7)	—	—	—	3
Stock-based compensation	—	—	296	—	—	—	296
Foreign currency translation	—	—	—	—	279	—	279
Net loss	—	—	—	—	—	(5,566)	(5,566)
Balance, March 31, 2024	**15,973,121,298**	**$ 1,598**	**$ 176,443**	**$ 52,194**	**$ (761)**	**$ (233,027)**	**$ (3,553)**
Issuance of share capital related to financing, net of issuance costs	8,059,508,000	806	6,145	—	—	—	6,951
Issuance of share capital for services	91,396,000	9	(9)	—	—	—	—
Vesting of restricted shares	285,697,400	29	(29)	—	—	—	—
Shares withheld for payroll taxes	(120,490,000)	(12)	12	—	—	—	—
Stock-based compensation	—	—	445	—	—	—	445
Foreign currency translation	—	—	—	—	12	—	12
Net loss	—	—	—	—	—	(7,558)	(7,558)
Balance, June 30, 2024	**24,289,232,698**	**$ 2,430**	**$ 183,007**	**$ 52,194**	**$ (749)**	**$ (240,585)**	**$ (3,703)**

The accompanying notes are an integral part of these condensed consolidated financial statements.

AKARI THERAPEUTICS, PLC
Condensed Consolidated Statements of Cash Flows
(amounts in thousands)
(unaudited)

	Six Months Ended June 30,	
	2025	**2024**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (5,600)	$ (13,124)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	—	13
Stock-based compensation	1,734	741
Issuance of share capital for payments in kind	27	—
Gain on settlement of current liabilities	(1,244)	—
Change in fair value of warrant liabilities	(80)	(498)
Unrealized foreign currency exchange (gains) losses	(394)	280
Change in assets and liabilities:		
Prepaid expenses and other current assets	263	702
Accounts payable and accrued expenses	(112)	2,948
Net cash used in operating activities	(5,406)	(8,938)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of shares, net of issuance costs	5,879	8,820
Proceeds from issuance of convertible notes	—	1,000
Proceeds from issuance of shares upon vesting of restricted shares	33	3
Proceeds from issuance of pre-funded warrants	330	—
Repayments of notes payable	(455)	—
Payments on short-term financing arrangement	(273)	(546)
Net cash provided by financing activities	5,514	9,277
Effect of exchange rates on cash	4	(7)
Net change in cash	112	332
Cash and restricted cash at beginning of period	2,659	3,845
Cash and restricted cash at end of period	$ 2,771	$ 4,177
Components of cash and restricted cash		
Cash	$ 2,711	$ 4,177
Restricted cash	60	—
Total cash and restricted cash	$ 2,771	$ 4,177
SUPPLEMENTAL DISCLOSURES OF NONCASH ACTIVITIES:		
Financing costs in accounts payable	$ 233	$ 205
Issuance of share capital for settlement of convertible notes, related party	$ 309	$ —
Issuance of share capital for settlement of related party debt	$ 1,000	$ —
Issuance of share capital for payments in kind	$ 595	$ —
Seller-financed purchases	$ 499	$ 1,105
SUPPLEMENTAL CASH FLOW DISCLOSURES:		
Cash paid for interest	$ 15	$ 51

The accompanying notes are an integral part of these condensed consolidated financial statements.

Note 1. Description of Business

Business Overview

Akari Therapeutics, Plc, (the "Company" or "Akari") is incorporated in the United Kingdom. The Company is developing next-generation antibody-drug conjugates, or ADCs, through its proprietary technology platform of novel payloads, enabling Akari to generate multiple ADC candidates to target a range of cancers. On March 4, 2024, the Company entered into an Agreement and Plan of Merger (the "Merger Agreement") with Peak Bio, Inc. ("Peak Bio") and Pegasus Merger Sub, Inc., a Delaware corporation and a wholly-owned subsidiary of Akari ("Merger Sub"). On November 14, 2024, the Company completed the previously announced strategic business combination contemplated by the Merger Agreement ("Closing"), pursuant to which, Merger Sub merged with and into Peak Bio, with Peak Bio surviving the acquisition as a wholly owned subsidiary of Akari.

Since the Company's acquisition of Peak Bio in November 2024, Akari has focused substantially all of its efforts on its ADC platform utilizing a novel anti-cancer payload called PH1, a spliceosome modulator. Through its payload platform, the Company aims to establish a pipeline of ADC candidates that target and directly kill cancer cells, while also activating the immune system to provide for potentially more durable and sustained efficacy and responses, thereby overcoming limitations inherent in existing ADC therapies. The Company's activities since inception have consisted of performing research and development activities and raising capital.

The Company is subject to a number of risks similar to those of pre-clinical and 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 and development operations, need for marketing authorization of products, risks associated with protection of intellectual property, and competition with larger, better-capitalized companies.

To fully execute its business plan, the Company will need, among other things, to complete its research and development efforts, pre-clinical and regulatory activities, and clinical trials. 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 it could delay, limit, reduce or terminate its pre-clinical studies or other discovery and research activities.

Basis of presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP") for interim financial information and the rules and regulations of the SEC and assumes that the Company will continue to operate as a going concern. Accordingly, they do not include all the information and footnotes required by U.S. GAAP for complete financial statements. These condensed consolidated financial statements have been prepared on the same basis as the Company's annual consolidated financial statements and, in the opinion of management, reflect all adjustments, including normal and recurring adjustments, which the Company considers necessary for the fair statement of financial information. The results of operations and comprehensive loss for the three and six months ended June 30, 2025 are not necessarily indicative of expected results for the fiscal year ending December 31, 2025 or any other future period. The condensed balance sheet at December 31, 2024 has been derived from the audited consolidated financial statements at that date. These unaudited condensed consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements as of December 31, 2024 and notes thereto included in its Form 10-K, as filed with the SEC on April 15, 2025.

Use of estimates

The preparation of the Company's condensed consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that may affect the reported amounts of assets, liabilities, expenses and related disclosures. Significant estimates and assumptions reflected in these condensed consolidated financial statements include, but are not limited to, the valuation of share-based awards, the valuation of warrant liabilities, the valuation of goodwill and indefinite-lived intangible assets, research and development prepayments, accruals and related expenses, and the valuation allowance for deferred income taxes. The Company bases its estimates on historical experience, known trends and other market-specific or other relevant factors that it believes to be reasonable under the circumstances. Estimates are periodically reviewed considering changes in circumstances, facts and experience. Changes in estimates are recorded in the period in which they become known. Actual results may differ from those estimates or assumptions.

Liquidity and Financial Condition

The Company follows the provisions of Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 205-40, *Presentation of Financial Statements—Going Concern*, which requires management to assess the Company's ability to continue as a going concern within one year after the date the consolidated financial statements are issued.

The Company has incurred substantial losses and negative cash flows since inception and had an accumulated deficit of $252.9 million as of June 30, 2025. The Company's cash balance of $2.7 million as of June 30, 2025 is not sufficient to fund its operations for the one-year period after the date these condensed consolidated financial statements are issued. These factors raise substantial doubt about the Company's ability to continue as a going concern. The accompanying unaudited condensed consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. The condensed consolidated financial statements do not include any adjustments related to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might result from the outcome of this uncertainty.

The Company anticipates incurring additional losses until such time, if ever, that it can generate significant sales of its product candidates currently in research and development. The Company is subject to a number of risks and uncertainties similar to those of other companies of the same size within the biotechnology industry, such as uncertainty of pre-clinical research outcomes, uncertainty of additional funding, and history of operating losses. Substantial additional financing will be needed by the Company to fund its operations. Management is currently evaluating different strategies to obtain the required funding for future operations. These strategies may include, but are not limited to: private placements and/or public offerings of equity and/or debt securities, and strategic research and development collaborations and/or similar arrangements. There can be no assurance that these future funding efforts will be successful.

Note 2. Summary of Significant Accounting Policies

The significant accounting policies and estimates used in the preparation of the accompanying unaudited condensed consolidated financial statements are described in the Company's audited consolidated financial statements for the year ended December 31, 2024, included in the Company's Annual Report on Form 10-K filed with the SEC on April 15, 2025. There have been no material changes in the Company's significant accounting policies during the three and six months ended June 30, 2025.

Recent accounting pronouncements

Periodically, new accounting pronouncements are issued by the FASB or other standard setting bodies. Recently issued standards typically do not require adoption until a future effective date. Prior to their effective date, we evaluate the pronouncements to determine the potential effects of adoption on our accompanying unaudited consolidated financial statements. During the first six months of 2025, no new accounting pronouncements issued or effective in the period had or are expected to have a material impact on our accompanying unaudited consolidated financial statements.

Note 3. Agreement and Plan of Merger

In connection with the November 14, 2024 acquisition of Peak Bio, the Company issued a total of 12,613,942 Akari ADSs which reflected the conversion of each issued and outstanding share of Peak Bio Common Stock into the right to receive Akari ADSs representing a number of Akari Ordinary Shares equal to 0.2935 (the "Exchange Ratio"). The Exchange Ratio was calculated in accordance with the terms of the Merger Agreement and is such that the total number of shares of Akari ADSs issued in connection with the acquisition is approximately 48.4% of the outstanding shares of Akari on a fully diluted basis.

At the Closing, each Peak Warrant and Peak Option was converted into an Adjusted Warrant and Adjusted Option to purchase a number of Akari ordinary shares or Akari ADSs, based on the Exchange Ratio. The Adjusted Warrants and the Adjusted Options have substantially similar terms and conditions as were applicable to such Peak Warrants and Peak Options immediately prior to the Closing.

Consideration Paid

The following table summarizes the total consideration paid pursuant to the Merger Agreement, which was based on the closing market price of Akari's ADS as of the November 14, 2024 acquisition date:

($ in thousands)	**Number of ADSs issued and issuable on exercise**	**Consideration**
Company ADSs issued to Peak Bio Inc. shareholders	12,613,942	$ 28,129
Company ADSs issuable on exercise of November 2022 Peak Investor Warrants and April 2023 Peak Investor Warrants	2,764,569	1,844
Company ADSs issuable on exercise of Peak Bio Adjusted Options	1,618,081	—
Total consideration	16,996,592	$ 29,973

The fair value of the 12,613,942 ADS issued in connection with the acquisition is based on the closing price of the Company's ADSs on the Closing Date multiplied by the number of ADSs issued.

In connection with the acquisition of Peak Bio, the Company assumed (i) warrants issued to investors ("November 2022 Peak Warrants") to purchase an aggregate of 1,577,556 ADSs at $39.18 per ADS, and (ii) warrants issued to investors ("April 2023 Peak Warrants") to purchase an aggregate of 1,187,013 ADSs at $2.04 per ADS. The assumed Peak Bio warrants are fully vested, and thus are included in the consideration transferred.

The Company determined that the November 2022 Peak Warrants and the April 2023 Peak Warrants are not indexed to the Company's own stock in the manner contemplated by the relevant accounting standard. Accordingly, on the Closing of the acquisition, the Company classified these warrants as derivative liabilities in its consolidated balance sheets.

The estimated fair value of the Adjusted Warrants of $1.8 million at the acquisition closing date was calculated using the Black Scholes Option Pricing Model. The following assumptions were used to determine the fair value of the assumed warrants as of November 14, 2024:

	Peak Bio Assumed Warrants	
	November 2022	April 2023
Stock (ADS) price	$ 2.23	$ 2.23
Exercise price	$ 39.18	$ 2.04
Expected term (in years)	3.0	3.5
Expected volatility	86.4%	84.1%
Risk-free interest rate	4.3%	4.3%
Expected dividend yield	0.0%	0.0%

The Company assumed Peak Bio's outstanding stock option awards and granted options to purchase 1,618,081 ADSs as replacement awards for the Peak Bio Adjusted Options. The Company determined the Peak Bio Adjusted Options were not probable of vesting prior to the consummation of the Merger Agreement. For this reason, the fair value of the replacement awards was not included as consideration transferred in the business combination. Instead, the entire fair value of the adjusted options will be recognized as compensation cost in the post-combination period. The estimated fair value of the Adjusted Options of $1.8 million at the acquisition closing date was calculated using the Black Scholes Option Pricing Model. The valuation assumptions used in the Black Scholes Option Pricing Model include the Company's stock price on the date of closing of $2.23, volatility ranging from 84.1% to 86.4%, an expected dividend yield of 0.0%, an expected term ranging from 0.20 years to 5.32 years, and a risk-free interest rate ranging from 4.3% to 4.6%.

Total Assets Acquired and Liabilities Assumed

The acquisition of Peak Bio has been accounted for as a business combination using the acquisition method of accounting. The fair value of the purchase price was allocated to the assets acquired and liabilities assumed at their respective fair values. Management estimated the fair value of the acquired in-process research and development ("IPR&D") intangible assets using a multi-period excess earnings method. The significant assumptions used in the valuation are the probability of clinical trial success and obtaining regulatory approval, forecasted gross sales from up-front and milestone payments, royalties and product sales, and the discount rate reflecting the Company's weighted average cost of capital. This acquisition method requires, among other things, that assets acquired, and liabilities assumed in a business combination be recognized at their fair values as of the acquisition date.

The following table summarizes the final fair values of assets acquired and liabilities assumed as of the acquisition date (in thousands):

Assets acquired		
Cash and restricted cash	$	382
Prepaid expenses and other current assets		10
Acquired in-process research and development		39,180
Total assets acquired		39,572
Liabilities assumed		
Accounts payable and accrued expenses		6,979
Convertible notes		700
Notes payable		659
Notes payable, related party		1,651
Deferred tax liability		8,040
Total liabilities assumed		18,029
Total assets acquired and liabilities assumed		21,543
Goodwill		8,430
Net assets acquired	**$**	**29,973**

Intangible assets of approximately $39.2 million and $8.4 million were recorded related to the value of acquired IPR&D from Peak Bio's therapeutic pipeline, consisting of two separate pipelines supported by intellectual property, and goodwill, respectively. The recognized goodwill is attributable primarily to the expected synergies and other benefits from the merger and the deferred tax liability associated with the Company's acquired IPR&D, which is not deductible for income tax purposes.

There were no changes to the carrying value of goodwill and other intangible assets during the three and six months ended June 30, 2025.

The fair value of IPR&D intangible assets was as follows (in thousands):

In-Process Research and Development		
AKTX-101	$	34,000
PHP-303		5,180
Total in-process research and development	**$**	**39,180**

The Company assumed convertible notes and notes payable with third parties, and notes payable with a related party, which are described in Note 6 and Note 12, respectively.

Pro Forma Financial Information (Unaudited)

The following table summarizes certain of the Company's supplemental pro forma financial information for the three and six months ended June 30, 2024, as if the acquisition of Peak Bio had occurred as of January 1, 2024. The unaudited pro forma financial information for the three and six months ended June 30, 2024 reflect (i) the reversal of fair value adjustments recognized on Peak Bio's warrant liabilities and derivative liability, and (ii) the reversal of interest and accretion expense on Peak Bio's debt that was settled on the acquisition date. The unaudited pro-forma financial information is for comparative purposes only and is not necessarily indicative of what would have occurred had the acquisition been made at that date or of results which may occur in the future (in thousands).

	Three Months Ended June 30, 2024		**Six Months Ended June 30, 2024**	
	As Reported	**Pro-Forma**	**As Reported**	**Pro-Forma**
Net loss	$ (7,558)	(8,949)	$ (13,124)	(16,719)

Note 4. Fair Value Measurements

Assets and Liabilities Measured at Fair Value on a Recurring Basis

The following table presents information about the Company's financial liabilities measured at fair value on a recurring basis and indicates the level of the fair value hierarchy used to determine such values:

	June 30, 2025			
(In thousands)	**Total**	**Level 1**	**Level 2**	**Level 3**
Liabilities				
Warrant liability - November 2022 Peak Warrants	$ 63	$ —	$ —	$ 63
Warrant liability - April 2023 Peak Warrants	689	—	—	689
Warrant liability - September 2022 Series B	114	—	—	114
Total liabilities	$ 866	—	—	$ 866

	December 31, 2024			
(In thousands)	**Total**	**Level 1**	**Level 2**	**Level 3**
Liabilities				
Warrant liability - November 2022 Peak Warrants	$ 95	$ —	$ —	$ 95
Warrant liability - April 2023 Peak Warrants	736	—	—	736
Warrant liability - September 2022 Series B	181	—	—	181
Total liabilities	$ 1,012	—	—	$ 1,012

The Company's Level 3 liabilities consist of the September 2022 Warrants, the November 2022 Peak Warrants and the April 2023 Peak Warrants, which were determined to be liability-classified instruments. There were no transfers between Level 1, Level 2, and Level 3 during the three and six months ended June 30, 2025 and the year ended December 31, 2024.

Changes in Level 3 Liabilities Measured at Fair Value on a Recurring Basis

The following table summarizes the activity in the warrant liabilities measured at fair value on a recurring basis using unobservable inputs (Level 3) during the three and six months ended June 30, 2025:

	Warrant Liability			
(In thousands)	**September 2022 Series B Warrants**	**November 2022 Warrants**	**April 2023 Warrants**	**Total**
Balance, December 31, 2024	$ 181	$ 95	$ 736	$ 1,012
Change in fair value of liability	30	—	24	54
Balance, March 31, 2025	211	95	760	1066
Extinguishment of liability	(66)	—	—	(66)
Change in the fair value of liability	(31)	(32)	(71)	(134)
Balance, June 30, 2025	$ 114	$ 63	$ 689	$ 866

The following table summarizes the activity in the warrant liabilities measured at fair value on a recurring basis using unobservable inputs (Level 3) during the three and six months ended June 30, 2024:

	Warrant Liability		
(In thousands)	**September 2022 Series A Warrants**	**September 2022 Series B Warrants**	**Total**
Balance, December 31, 2023	$ 15	$ 1,238	$ 1,253
Change in fair value of liability	(15)	(634)	(649)
Balance, March 31, 2024	—	604	604
Change in the fair value of liability	—	151	151
Balance, June 30, 2024	$ —	$ 755	$ 755

Assumptions Used in Determining Fair Value of Liability-Classified Warrants

The fair value of the warrant liabilities is based on significant inputs not observable in the market, which represents a Level 3 measurement within the fair value hierarchy. The fair value of the liability classified warrants (each defined below) were determined using the Black-Scholes Option Pricing Model, which uses various assumptions, including (i) fair value of the Company's ADSs, (ii) exercise price of the warrant, (iii) expected term of the warrant, (iv) expected volatility and (v) expected risk-free interest rate.

Below are the assumptions used for the fair value calculations of the liability classified warrants as of June 30, 2025 and December 31, 2024:

	June 30, 2025			December 31, 2024		
	September 2022 Series B Warrants	November 2022 Warrants	April 2023 Warrants	September 2022 Series B Warrants	November 2022 Warrants	April 2023 Warrants
Stock (ADS) price	$ 1.17	$ 1.17	$ 1.17	$ 1.22	$ 1.22	$ 1.22
Exercise price	$ 17.00	$ 39.18	$ 2.04	$ 17.00	$ 39.18	$ 2.04
Expected term (in years)	4.2	2.3	2.8	4.7	2.8	3.3
Expected volatility	90.0%	100.0%	100.0%	85.0%	95.0%	90.0%
Risk-free interest rate	3.7%	3.7%	3.7%	4.3%	4.3%	4.3%
Expected dividend yield	—	—	—	—	—	—

Note 5. Accrued Expenses

Accrued expenses consisted of the following as of June 30, 2025 and December 31, 2024 (in thousands):

	June 30, 2025	December 31, 2024
Employee compensation and benefits	$ 775	$ 473
External research and development expenses	134	178
Professional and consulting fees	1,249	1,305
Restructuring	50	450
Other	260	731
Total accrued expenses	$ 2,468	$ 3,137

Note 6. Convertible Notes and Notes Payable

September 2024 Note Payable

In November 2024, the Company assumed a promissory note issued by Peak Bio in September 2024 in the amount of $0.3 million (the "September 2024 Note") to its former California landlord. Due to the short-term nature of the September 2024 Note, the Company concluded that its carrying value approximated its fair value as of the Closing on November 14, 2024. The note bears no interest and is payable over twenty equal monthly installments beginning on November 1, 2024 and expiring on June 1, 2026.

As of June 30, 2025 and December 31, 2024, the outstanding balance on the September 2024 Note was $0.2 million and $0.3 million, respectively.

November 2023 Note Payable

In November 2024, the Company assumed a promissory note issued by Peak Bio in November 2023 in the amount of $0.4 million (the "November 2023 Note") bearing interest at 6% per annum with a maturity date of December 31, 2024. Due to the short-term nature of the November 2023 Note, the Company concluded that its carrying value approximated its fair value as of the Closing on November 14, 2024.

As of December 31, 2024, the principal balance of $0.4 million plus accrued interest of less than $0.1 million was due for payment in order to settle the November 2023 Note obligation. On February 28, 2025, the Company signed a Settlement Agreement and Release in the amount of $325,000 for full satisfaction of the outstanding principal and accrued interest owed on the November 2023 Notes. The payment of $325,000 was made on March 6, 2025 and the Company recognized a gain on debt extinguishment of less than $0.1 million, which is reflected in the gain on settlement of current liabilities in the statements of operations, during the six months ended June 30, 2025.

The Company did not recognize any interest expense during the three and six months ended June 30, 2025.

April 2023 Convertible Notes

In November 2024, the Company assumed convertible promissory notes issued by Peak Bio in April 2023 in the principal amount of a total of $0.7 million (the "April 2023 Convertible Notes"). The April 2023 Convertible Notes permitted the holder to convert the outstanding principal and accrued interest at any time at a price of $0.001 per ordinary share (or $2.04 per ADS) of the Company, after giving effect to the Exchange Ratio. Due to the short-term nature of the April 2023 Convertible Notes, the Company concluded that its carrying value approximated its fair value as of the Closing on November 14, 2024. The April 2023 Convertible Notes were due on October 31, 2024 and currently bear interest at a default rate of 10% per annum. As of June 30, 2025 and December 31, 2024, the outstanding principal amount of $0.7 million was in default.

As of June 30, 2025 and December 31, 2024, accrued interest on the April 2023 Notes of less than $0.1 million is presented within accrued expenses in the unaudited condensed consolidated balance sheets. The Company recognized interest expense of less than $0.1 million during the three and six months ended June 30, 2025.

Refer to Note 12 for notes payable, related party and convertible notes, related party.

Note 7. Shareholders' Equity (Deficit)

Ordinary Shares

On June 30, 2025, the Company's shareholders approved an increase to the number of authorized ordinary shares, par value $0.0001 (the "Ordinary Shares"). The Company can issue up to 200,000,000,000 ordinary shares plus 130,854,276,210 ordinary shares previously granted under previous allotments. All previously unallocated authorized shares were revoked. Accordingly, as of June 30, 2025, the Company was authorized to issue up to 330,854,276,210 ordinary shares.

Currently, each ADS represents 2,000 ordinary shares (the "ADS Ratio"). All ADS and per ADS amounts in the accompanying condensed consolidated financial statements reflect the ADS Ratio.

March 2025 Private Placement

In March 2025, the Company entered into a securities purchase agreement with certain investors and all directors, pursuant to which the Company sold and issued in a private placement (the "March 2025 Private Placement") ADSs, or pre-funded warrants ("Pre-Funded Warrants") in lieu thereof, each representing 2,000 of the Company's ordinary shares (the "Shares"), and, in each case, Series A warrants to purchase ADSs ("Series A Warrants") and Series B warrants to purchase ADSs ("Series B Warrants"), the "Warrants," and together with the ADSs or Pre-Funded Warrants, the "Units"). The Series A Warrants and Series B Warrants have a one-year term and a five-year term from the date of issuance, respectively, and the number of ADSs issuable pursuant to the exercise of each Series A Warrant ranges from 1 ADS to 1.5 ADSs depending on the "tier" of investment made.

In March 2025, the Company closed its first round of financing under the March 2025 Private Placement and issued 2,238,031 ADSs, Series A Warrants to purchase up to 2,283,031 ADS, at a per unit price of $0.87 per ADS, and Series B Warrants to purchase up to 2,283,031 ADS, at a per unit price of $0.87 per ADS. In connection with this round of financing, the Company's Chairman, Dr. Hoyoung Huh, agreed to purchase $1.0 million of Units, with the purchase price thereof to be satisfied through his agreement to cancel and extinguish $1.0 million of notes previously issued to him by Peak Bio in January 2024, which were assumed by the Company (the "March 2025 Note Termination") for an equal amount of ordinary shares and warrants.

In April 2025, the Company closed its final round of financing under the March 2025 Private Placement and issued 2,704,595 ADSs, Pre-Funded Warrants to purchase up to 1,650,000 ADS at a price of $0.20 per ADS, Series A Warrants to purchase up to 6,057,405 ADS, at a per unit price of $0.87 per ADS, and Series B Warrants to purchase up to 4,354,595 ADS, at a per unit price of $0.87 per ADS. The Company received approximately $0.3 million in advance for the Pre-funded Warrants which is reflected in other current liabilities.

At close of the March 2025 Private Placement, the Company incurred a total of approximately $0.4 million in placement agent fees with Paulson Investment Company, LLC ("Paulson") and issued 172,344 ADSs with an estimated fair value of $0.2 million. Net proceeds from the March 2025 Private Placement were approximately $5.6 million, net of the $1.0 million from the March 2025 Note Termination.

Merger with Peak Bio, Inc.

On November 14, 2024, the Company completed its previously announced strategic combination with Peak Bio. In connection with the acquisition, the Company issued 25,227,884,000 ordinary shares and assumed (i) November 2022 Peak Warrants to purchase an aggregate of 1,577,566 ADSs at $39.18 per ADS, and (ii) April 2023 Peak Warrants to purchase an aggregate of 1,187,013 ADSs at $2.04 per ADS.

The Company determined that the November 2022 Peak Warrants and the April 2023 Peak Warrants are not indexed to the Company's own stock in the manner contemplated by the relevant accounting standard. Accordingly, on the Closing of the acquisition, the Company classified these warrants as derivative liabilities in its unaudited condensed consolidated balance sheets.

Warrants

In connection with various previous financing transactions, the Company has issued warrants to purchase the Company's ordinary shares represented by ADSs. The Company accounts for such warrants as equity instruments or liabilities, depending on the specific terms of the warrant agreement.

The following table summarizes the Company's outstanding warrant ADSs, with each ADS representing 2,000 ordinary shares, as of June 30, 2025 and December 31, 2024:

	Number of Warrant ADSs		Weighted-Average Exercise Price	Expiration Date
	June 30, 2025	December 31, 2024		
Equity-classified Warrants				
October 2023 Pre-funded Investor Warrants	48,387	48,387	$ 0.20	None
April 2025 Pre-funded Investor Warrants	1,650,000	—	$ 0.20	None
March 2025 Series A Investor Warrants	2,283,031	—	$ 0.87	3/6/2026
March 2025 Series B Investor Warrants	2,283,031	—	$ 0.87	3/6/2030
April 2025 Series A Investor Warrants	6,057,405	—	$ 0.87	4/25/2026
April 2025 Series B Investor Warrants	4,354,595	—	$ 0.87	4/25/2030
May 2024 Investor Warrants	4,029,754	4,029,754	$ 1.77	May-Jun 2027
March 2024 Placement Agent Warrants	132,061	132,061	$ 1.85	3/27/2029
May 2024 Placement Agent Warrants	322,380	322,380	$ 1.89	5/31/2029
November 2024 Investor Warrants	1,713,402	1,713,402	$ 2.26	Dec 2027-Jun 2028
October 2023 Placement Agent Warrants	42,550	42,550	$ 4.13	10/6/2028
March 2022 Investor Warrants	186,007	186,007	$ 28.00	3/10/2027
March 2022 Placement Agent Warrants	14,874	14,874	$ 30.00	3/10/2027
December 2021 Investor Warrants	107,768	107,768	$ 33.00	1/4/2027
December 2021 Placement Agent Warrants	8,615	8,615	$ 35.00	12/29/2026
2020 Investor Warrants	-	139,882	$ 44.00	Feb-Mar 2025
July 2021 Placement Agent Warrants	19,909	19,909	$ 46.40	7/7/2026
2020 Placement Warrants	-	22,481	$ 51.00	Feb-Mar 2025
	23,253,769	6,788,070		
Liability-classified Warrants				
April 2023 Peak Bio Warrants	1,187,013	1,187,013	$ 2.04	4/28/2028
September 2022 Series B Investor Warrants	519,703	754,997	$ 17.00	9/14/2029
November 2022 Peak Bio Warrants	1,577,556	1,577,556	$ 39.18	11/1/2027
	3,284,272	3,519,566		
Total outstanding warrants	**26,538,041**	**10,307,636**		

The following table summarizes the Company's warrant ADSs activity, with each ADS representing 2,000 ordinary shares, for the six months ended June 30, 2025:

	Number of Warrant ADSs	Weighted-Average Exercise Price per ADS
Outstanding at December 31, 2024	10,307,636	$ 10.37
Issued	16,628,062	0.80
Exercised	—	—
Forfeited	(235,294)	17.00
Expired	(162,363)	44.97
Outstanding at June 30, 2025	26,538,041	$ 4.10

Note 8. Stock-Based Compensation

Stock Options

The following is a summary of the Company's stock option ADSs activity, with each ADS representing 2,000 ordinary shares, under the 2014 Equity Incentive Plan, the 2023 Equity Incentive Plan and the Peak Bio 2022 Long Term Incentive Plan for the six months ended June 30, 2025:

	Number of Stock Option ADSs	Weighted-Average Exercise Price per ADS	Weighted-Average Remaining Contractual Life (in years)	Aggregate Intrinsic Value
Outstanding at December 31, 2024	1,981,982	$ 8.21	7.5	$ —
Granted	5,391,336	1.49		
Exercised	—	—		
Forfeited	(87,130)	26.50		
Expired	(116,569)	20.78		
Outstanding at June 30, 2025 [(1)]	7,169,619	$ 2.73	9.3	$ —
Exercisable at June 30, 2025	1,041,615	$ 8.38	4.0	$ —

(1) Includes both vested stock options as well as unvested stock options for which the requisite service period has not been rendered but that are expected to vest based on achievement of a service condition.

The aggregate intrinsic value of options is calculated as the difference between the exercise price of the options and the fair value of the Company's ADSs for those options that had exercise prices lower than the fair value of the Company's ordinary shares.

The weighted-average grant-date fair value per ADS of options granted during each of the six months ended June 30, 2025 and 2024 was $1.49 and $2.79, respectively.

Option Valuation

The weighted-average assumptions that the Company used to determine the fair value of share options granted were as follows, presented on a weighted average basis:

	2025	2024
Expected volatility	95.3%	98.0%
Risk-free interest rate	4.0%	4.3%
Expected dividend yield	0.0%	0.0%
Expected term (in years)	5.8	5.5

Restricted Stock Units

The 2014 Plan provided, and the 2023 Plan provides, for the award of restricted stock units ("RSUs"). RSUs are granted to employees that are subject to time-based vesting conditions that lapse between one year and four years from date of grant, assuming continued employment. Compensation cost for time-based RSUs, which generally vest only on continued service, is recognized on a straight-line basis over the requisite service period based on the grant date fair value of the RSUs, which is derived from the Nasdaq closing price of the Company's ADSs on the date of grant.

The following table summarizes the Company's RSU ADSs activity, with each ADS representing 2,000 ordinary shares, for the six months ended June 30, 2025:

	Time-based Awards	
	Number of RSU ADSs	Weighted-Average Grant Date Fair Value
Nonvested shares at December 31, 2024	—	$ —
Granted	40,000	1.34
Forfeited	—	—
Vested	(40,000)	1.34
Nonvested shares at June 30, 2025	—	$ —

The fair value of time-based RSUs that vested during the six months ended June 30, 2025 and 2024 was less than $0.1 million and approximately $0.5 million, respectively.

As of June 30, 2025, there were no ordinary shares underlying vested time-based RSUs pending issuance that were included in the unaudited condensed consolidated statement of shareholders' equity (deficit).

Performance-Based Stock Options

In March 2025, the Company granted stock option awards exercisable to purchase 800,000 ADSs to two executives that contain performance-based vesting conditions based on the achievement of either (i) closing a qualified financing or (ii) closing of an ADC-focused license transaction on or before December 31, 2025. The probability of vesting is reviewed each reporting period and management has concluded that these performance based options have not vested until the performance conditions have been satisfied. Therefore, the performance based stock options awards remain unvested and outstanding as of June 30, 2025. The Company has not recognized stock-based compensation expense associated with these performance awards during the three and six months ended June 30, 2025. As of June 30, 2025, total unrecognized compensation cost related to these performance-based stock options awards was $0.9 million, which will be recognized if the awards are deemed to be probable of vesting.

Stock-Based Compensation Expense

The Company classifies stock-based compensation expense in the statements of operations in the same manner in which the award recipients' payroll costs are classified or in which the award recipients' service payments are classified. Total stock-based compensation expense attributable to share-based payments made to employees, consultants and directors included in operating expenses in the Company's condensed consolidated statements of operations and comprehensive loss for the three and six months ended June 30, 2025 and 2024, was as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
($ in thousands)	**2025**	**2024**	**2025**	**2024**
Research and development	$ 184	$ 13	$ 375	$ 56
General and administrative	535	147	1,359	400
Restructuring and other costs	—	285	—	285
Total stock-based compensation expense	$ 719	$ 445	$ 1,734	$ 741

As of June 30, 2025, total unrecognized compensation cost related to unvested stock options was $5.6 million, which is expected to be recognized over a weighted average period of 2.8 years. As of June 30, 2025, no unrecognized compensation cost remains related to time-based RSUs.

Note 9. Net Loss per Share

The following potential dilutive securities, presented based on ordinary shares outstanding at the end of each reporting period, have been excluded from the calculation of diluted net loss per share because including them would have had an anti-dilutive impact:

	As at June 30,	
	2025	**2024**
Stock options	14,339,239,000	351,934,688
Restricted stock units	—	251,823,915
Warrants	49,679,308,000	13,191,074,600
Convertible notes	749,192,000	1,257,860,000
Total	64,767,739,000	15,052,693,203

Note 10. Income Taxes

In accordance with ASC 270, *Interim Reporting*, and ASC 740, *Income Taxes*, the Company is required at the end of each interim period to determine the best estimate of its annual effective tax rate and then apply that rate in providing for income taxes on a current year-to-date (interim period) basis. For the three and six months ended June 30, 2025 and 2024, the Company recorded no tax expense or benefit due to the expected current year loss and its historical losses. The Company has not recorded its net deferred tax asset as of either June 30, 2025 or December 31, 2024 because it maintained a full valuation allowance against all deferred tax assets as of these dates as management has determined that it is not more likely than not that the Company will realize these future tax benefits. As of June 30, 2025 and December 31, 2024, the Company had no uncertain tax positions.

Note 11. Segment Information

The Company manages its operations as a single operating segment for the purpose of assessing performance, making operating decisions and allocating resources, resulting in a single reportable segment. The Company has determined that its Chief Operating Decision Maker (“CODM”) is its Chief Executive Officer. The Company’s CODM reviews the Company’s financial information on a consolidated basis for the purpose of allocating resources and assessing financial performance.

The Company has assembled a portfolio of pre-clinical product candidates that aim to develop next-generation precision bifunctional ADCs for the treatment of cancer. The Company has not generated any revenue since its inception and does not expect to generate any revenue from the sale of products in the near future. The Company primarily incurs expenses in connection with the research and development of its product candidates as well as general and administrative costs consisting of salaries and related costs for personnel in executive, finance and administrative functions, as well as consulting, restructuring and merger-related expenses.

The key measure of segment profit or loss that the CODM uses to allocate resources and assess performance is the Company's consolidated net loss, as reported on the consolidated statements of operations and comprehensive loss. In addition, the CODM is regularly provided the following significant segment expense categories which are reviewed against budgeted expectations to assist in resource allocation decision-making:

	Three Months Ended June 30,		Six Months Ended June 30,	
(In thousands)	**2025**	**2024**	**2025**	**2024**
ADC discovery and pre-clinical development	$ (145)	$ —	$ (162)	$ —
nomacopan HSCT-TMA (AK901) clinical program expense	(44)	(450)	(106)	(1,083)
Chemistry, manufacturing and control	(20)	(2,231)	(48)	(2,942)
Other external development (expense) income	63	(290)	(35)	(595)
Internal and other research and development expense	(337)	(330)	(754)	(917)
General and administrative expense	(1,917)	(2,094)	(3,805)	(4,507)
Merger-related costs	—	(254)	—	(1,298)
Restructuring and other costs	—	(1,355)	—	(1,355)
Stock-based compensation expense	(719)	(445)	(1,734)	(741)
Other segment items *(1)*	1,224	(109)	1,044	314
Net loss	$ (1,895)	$ (7,558)	$ (5,600)	$ (13,124)

(1) Other segment items include interest income, interest expense, gain on settlement of accounts payable, change in fair value of warrant liabilities, net foreign currency exchange gains (losses) and other expense, net as reported in the Company's condensed consolidated statements of operations and comprehensive loss.

Assets regularly provided to the CODM are consistent with those reported on the consolidated balance sheets with particular emphasis on the Company's available liquidity, including its cash and restricted cash. All of the Company's tangible assets are held in the United States.

Note 12. Related Party Transactions

CEO Agreement

On May 31, 2024, the Company and Dr. Samir Patel entered into an Interim Chief Executive Officer Agreement, effective as of May 1, 2024 (the "Interim CEO Agreement"). Pursuant to the Interim CEO Agreement, Dr. Patel served as the Company's Interim President and Chief Executive Officer as an independent contractor on an at-will basis. The Interim CEO Agreement could be terminated by the Company immediately for any reason. As the sole compensation for services provided under the Interim CEO Agreement, Dr. Patel was paid $50,000 per month in the form of fully vested ordinary shares. On September 16, 2024, the Company entered into an amendment to the Interim CEO Agreement (the "CEO Amendment Agreement"), effective July 1, 2024, to revise Dr. Patel's compensation in connection with the services as Interim President and Chief Executive Officer. Pursuant to the CEO Amendment Agreement, in lieu of receiving the stated monthly compensation of $50,000 in the form of fully vested ordinary shares, Dr. Patel is paid in the form of fully vested non-qualified stock options to purchase ordinary shares ("NQSO"), with the number of ADSs underlying each such monthly NQSOs grant to be equal to two times the number determined by dividing (i) $50,000 by (ii) the closing price of the Company's ADSs on the Nasdaq Capital Market on the last day of each month (or partial month) Dr. Patel has served as the Company's Interim President and Chief Executive Officer.

On December 12, 2024, the Company's board of directors approved the appointment of Dr. Samir Patel to President and Chief Executive Officer, effective December 16, 2024. There were no changes to Dr. Patel's revised compensation under the CEO Amendment Agreement described above, following Dr. Patel's appointment as President and Chief Executive Officer on December 16, 2024. On April 21, 2025, Dr. Patel stepped down as President and Chief Executive Officer.

During the three months ended June 30, 2025, the Company recognized (i) $0 in non-cash stock-based compensation pursuant to the CEO Amendment Agreement, pertaining to NQSOs granted to Dr. Patel to purchase ordinary shares, and (ii) $0.2 million in accrued professional fees for compensation earned during the quarter.

During the six months ended June 30, 2025, the Company recognized (i) less than $0.1 million in non-cash stock-based compensation pursuant to the CEO Amendment Agreement, pertaining to NQSOs granted to Dr. Patel to purchase 152,672,000 ordinary shares at an exercise price of less than $0.01 per ordinary share, and (ii) $0.2 million in accrued professional fees for compensation earned during such six month period.

Notes Payable, Related Party

Pursuant to the acquisition of Peak Bio, which closed on November 14, 2024, the Company assumed three notes payable due to Dr. Huh, the Company's Chairman of the Board.

2021 Notes

As a result of the acquisition of Peak Bio, the Company assumed two notes in the amount of a total of $0.9 million owed to Dr. Huh, which were entered into in May and August 2021 (the "2021 Notes") and had a one year maturity date from date of issuance. The 2021 Notes carried an interest rate of 1.0% per annum.

In connection with the March 2025 Private Placement (Note 7), Dr. Huh's 2021 Notes including accrued interest, and a portion of his January 2024 Note (see below), aggregating to $1.0 million were cancelled, extinguished and paid in full for an equal amount of ordinary shares and warrants of the Company.

As of June 30, 2025 and December 31, 2024, the outstanding principal and accrued interest on the 2021 Notes was $0 and $0.9 million, respectively.

January 2024 Note

As a result of the acquisition of Peak Bio, the Company assumed a note in the amount of $0.75 million owed to Dr. Huh, which was entered into in January 2024 (the "January 2024 Note"). The January 2024 Note matures on December 31, 2025 and carries an interest rate of 15% per annum.

In connection with the March 2025 Private Placement (Note 7), a portion of Dr. Huh's January 2024 Note and his 2021 Notes aggregating to $1.0 million were cancelled, extinguished and paid in full for an equal amount of ordinary shares and warrants of the Company.

The Company recognized interest expense of less than $0.1 million during each of the three and six months ended June 30, 2025.

As of June 30, 2025 and December 31, 2024, the outstanding principal balance on the January 2024 Note was $0.7 million and $0.75 million, respectively. As of each of June 30, 2025 and December 31, 2024, accrued interest of $0.2 million and $0.1 million, respectively is presented within accrued expenses in the consolidated balance sheets.

Convertible Notes, Related Party

On May 10, 2024, the Company entered into unsecured convertible promissory notes (the "May 2024 Notes") with Dr. Ray Prudo, the Company's Chairman at the time, and its then Interim President and Chief Executive Officer and director, Dr. Samir Patel, for an aggregate of $1.0 million in gross proceeds. The May 2024 Notes bear interest at 15% per annum, which may be increased to 17% upon the occurrence of certain events of default as described therein, and the principal and all accrued but unpaid interest is due on the date that is the earlier of (a) ten (10) business days following the Company's receipt of a U.K. research and development tax credit from HM Revenue and Customs, and (b) November 10, 2024. Provided, however, at any time or times from the date of the note and until the tenth business day prior to closing of the acquisition, the note holders are entitled to convert any portion of the outstanding and unpaid amount, including principal and accrued interest, into Company ADSs at a fixed conversion price equal to $1.59, representing the Nasdaq official closing price of the Company's ADSs on the issuance date, subject to certain restrictions. In October 2024, the aggregate principal balance of $750,000, was repaid in cash with proceeds from the Company's U.K. research and development tax credit from the U.K. HM Revenue and Customs. Drs. Prudo and Patel each elected to convert the $125,000 of remaining principal and accrued interest into the Company's ADSs at a conversion price of $1.59 per ADS. These ordinary shares were issued to Drs. Prudo and Patel on April 30, 2025.

The Company recognized no interest expense during the three and six months ended June 30, 2025.

As of June 30, 2025 and December 31, 2024, the outstanding principal and accrued interest, presented within accrued expenses, on the May 2024 Notes was $0 and $0.3 million, respectively.

The Doctors Laboratory

The Company leases office space for its U.K. headquarters in London from The Doctors Laboratory ("TDL"), an entity with a common director, and had incurred expenses of less than $0.1 million plus VAT during each of the three and six months ended June 30, 2025 and 2024. The Company also received certain administrative services provided by TDL, and certain laboratory testing services for its clinical trials, and incurred expenses of less than $0.1 million during each of the three and six months ended June 30, 2025 and 2024. The Company recorded payable balances owed to TDL of less than $0.1 million as of June 30, 2025 and December 31, 2024.

Other

In November 2024, the Company assumed an amount due to an entity in which the Company's Chairman, Dr. Hoyoung Huh, is a director. As of June 30, 2025 and December 31, 2024, the amounts due totaled less than $0.1 million and are included in accounts payable in the Company's condensed consolidated balance sheets.

Note 13. Commitments and Contingencies

Leases

The Company currently leases office space for both our U.K. and U.S. headquarters on a short-term basis. The lease for our U.K. headquarters, located in London, expired in July 2025, unless terminated earlier with not less than three months notice. The Company leases its U.S. headquarters virtual office, located in Boston, Massachusetts, on a month-to-month basis. The Company also leases laboratory space, located in San Francisco, California, which expires in September 2025 and is cancellable anytime with 60 days' notice. The Company is not party to any material lease agreements.

For each of the three months ended June 30, 2025 and 2024, the Company incurred lease costs of less than $0.1 million. For the six months ended June 30, 2025 and 2024, the Company incurred lease costs of less than $0.1 million and approximately $0.2 million, respectively.

Employee Benefit Plans

The Company adopted an employee benefit plan under Section 401(k) of the Internal Revenue Code for its U.S.-based employees. The plan allows employees to make contributions up to a specified percentage of their compensation. Under the plan, the Company matches 100% of employees' contributions up to 5% of the annual eligible compensation contributed by each employee, subject to Internal Revenue Code limitations.

The Company also adopted a defined contribution pension scheme which allows for U.K. employees to make contributions and provides U.K. employees with a Company contribution of 10% of compensation, subject to U.K. law.

During each of the three and six months ended June 30, 2025 and 2024, respectively, the Company charged less than $0.1 million to operating expenses related to the Company's contributions to employee benefit plans.

Bayer Acquisition Agreement

In November 2024, the Company assumed an assignment, license, development and commercialization agreement dated March 17, 2017 with Bayer (the "Bayer Acquisition Agreement"), to acquire from Bayer all right, title and interest in and to PHP-303, including each and every invention and any priority rights relating to its patents.

Under the Bayer Acquisition Agreement, the Company is committed to pay certain development and regulatory milestones up to an aggregate amount of $23,500,000 and high single digit royalties based on the sale of products developed based on the licensed compound. Royalties will be payable on a licensed product-by-licensed product and country-by-country basis until the later of ten years after the first commercial sale of such licensed product in such country and expiration of the last patent covering such licensed product in such country that would be sufficient to prevent generic entry.

Either party may terminate the Bayer Acquisition Agreement upon prior written notice for the other party's material breach that remains uncured for a specified period of time or insolvency. Bayer agreed not to assert any Bayer intellectual property rights that were included in the scope of the Bayer Acquisition Agreement against the Company.

The Company incurred zero expenses under this agreement as no milestones have been achieved since inception, and no products were sold from inception through June 30, 2025.

Legal Proceedings

In May 2025, a former employee of Peak Bio CA, Inc. subsidiary filed a claim stating that they are entitled to certain discretionary bonuses from 2022 totaling less than $0.1 million. The Company denies the former employee's claim and intends to defend itself.

In December 2024, the Company received demand letters from two individuals formerly serving the Company as consultants outlining claims relating to wrongful termination. The wrongful termination claims included claims for unpaid consulting fees, consulting fees owed due to improper termination notice, unpaid bonuses, severance, and the accelerated vesting of outstanding restricted stock unit awards as of the termination date. On March 3, 2025 and on May 30, 2025, the Company signed separate Settlement Agreements and Mutual Releases with each of such former consultants. The agreements require the Company to make a payment totaling $0.4 million in equal monthly installments with the last installment being payable November 2025. In addition, the agreements allowed for the terms of the previously awarded restricted stock units to continue to govern, including the continued vesting of the restricted stock units. Accordingly, during the six months ended June 30, 2025, the Company issued 251,822,000 ordinary shares on vesting of these restricted stock awards. As of June 30, 2025, the Company recognized $0.2 million, representing the remainder aggregate settlement amount, which is presented within accounts payable in the Company's condensed consolidated balance sheets.

On November 21, 2024, "Sabby" Volatility Warrant Master Fund Ltd. ("Sabby") filed a lawsuit against the Company in New York state court for alleged breach of contract. Sabby alleges that it validly exercised a warrant issued to Sabby in September 2022 and alleges that the Company breached the warrant by not honoring Sabby's exercise request. On May 7, 2025, the Company and Sabby entered into a Settlement Agreement pursuant to which the Company agreed to issue 272,450 ADSs (representing 544,900,000 ordinary shares) to Sabby, which were issued on June 13, 2025.

Accounts Payable Settlements

During the six months ended June 30, 2025, the Company entered into a settlement agreement with a vendor for the settlement of outstanding payables. This resulted in a $1.2 million gain on settlement of current liabilities, which is reflected in the statements of operations for the three and six months ended June 30, 2025.

On April 4, 2025, the Company issued 204,000 ADS (representing 408,000,000 ordinary shares) to Paulson for the settlement of outstanding placement agent fees earned in connection with a private placement in November 2024.

Note 14. Restructuring

In May 2024, the Company implemented a reduction-in-force of approximately 67% of its total workforce as a result of the recently announced research and development program prioritization under which the Company's hematopoietic stem cell transplantation-associated thrombotic microangiopathy ("HSCT-TMA") program with investigational nomacopan was suspended. The reduction-in-force was part of an operational restructuring plan (the "May 2024 Restructuring Plan") which also included the elimination of certain senior management positions. The May 2024 Restructuring Plan was completed in the third quarter of 2024. The purpose of the May 2024 Restructuring Plan, including the reduction-in-force, was to reduce HSCT-TMA program related operating costs, while supporting the execution of the Company's long-term strategic plan including the acquisition of Peak Bio. As of June 30, 2025, the Company does not expect to incur additional restructuring-related expenses related to the May 2024 Restructuring Plan.

The following table presents the restructuring reserve and activity for the six months ended June 30, 2025:

(In thousands)	Severance and Employee Benefit Costs	Other Restructuring Charges	Total
Balance at December 31, 2024	$ 450	$ —	$ 450
Restructuring adjustment	(50)	—	(50)
Cash payments	(350)	—	(350)
Balance at June 30, 2025	$ 50	$ —	$ 50

The following table presents the restructuring reserve and activity for the six months ended June 30, 2024:

(In thousands)	Severance and Employee Benefit Costs	Other Restructuring Charges	Total
Balance at December 31, 2023	$ —	$ —	$ —
Restructuring charges	1,562	78	1,640
Cash payments	(819)	(78)	(897)
Non-cash stock-based compensation	(285)	—	(285)
Balance at June 30, 2024	$ 458	$ —	$ 458

The restructuring reserve is presented within accounts payable and accrued expenses in the Company's condensed consolidated balance sheets for the six months ended June 30, 2025 and 2024, respectively.

Note 15. Subsequent Events

In August 2025, the Company entered into Note Purchase Agreements with certain investors and the Company's directors (the "August 2025 Note Investors"), pursuant to which the Company agreed to issue unsecured promissory notes with a 20% original issuance discount (each a "August 2025 Note" and together, the "August 2025 Notes") in a private placement (the "August 2025 Notes Offering") for an aggregate purchase price of $3 million, inclusive of the exchange Note Termination (as defined below). The aggregate principal amount of the August 2025 Notes issuable is $3.8 million. The August 2025 Notes mature one year from the date of issuance at which time the principal amount is due and payable. In connection with the 2025 August Notes Offering, the Company's Chairman, Dr. Hoyoung Huh, agreed to purchase an August 2025 Note with a principal amount of $1,250,000 for a purchase price of $1,000,000, with the purchase price thereof to be satisfied through his agreement to cancel and extinguish $837,433 of outstanding principal and accrued interest under a senior secured promissory note previously issued to him by Peak Bio in January 2024, which was assumed by the Company (the "Note Termination") plus cash of $162,567. Further, the Company agreed to amend the Series A Warrants previously issued in the March 2025 Private Placement to certain of the August 2025 Note Investors, at the closing of the 2025 August Notes Offering to extend the expiration date from 2026 to 2030. The 2025 August Notes Offering is expected to close in two tranches in August and September 2025.

The Company also agreed to pay a 5% advisory fee in cash on the total gross cash proceeds of approximately $2.2 million to Paulson Investment Company ("Paulson") in connection with the August 2025 Notes Offering.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with:

- *our unaudited condensed consolidated financial statements and accompanying notes included in Part I, Item 1 of this Form 10-Q; and*
- *our audited consolidated financial statements and accompanying notes included in our Form 10-K, as well as the information contained under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Form 10-K.*

In addition to historical information, this discussion and analysis contains forward-looking statements that are subject to risks and uncertainties, including those discussed in the section titled "Risk Factors," set forth in Item 1A of our Form 10-K, that could cause actual results to differ materially from historical results or anticipated results.

Overview

We are an oncology company developing next-generation antibody-drug conjugates ("ADCs") designed around novel proprietary cancer-killing toxins ("payloads"). We believe these novel payloads may have the potential to transform the efficacy and safety outcomes of ADCs as cancer therapies beyond options that are currently available or in development.

ADCs are a class of cancer therapies that combine the precision targeting of antibodies with payload toxins that attack cancer cells. To date, innovation in the field of ADC therapies has focused primarily on the development of novel antibodies linked to existing classes of payload toxins. For example, there is a range of approved ADCs with antibodies that target the Her2, Trop2, CD19, CD22, CD30, Nectin-4, Tissue Factor, and FR alpha antibodies. However, there is a lack of diversity in the payload toxins to which those antibodies are conjugated to, as more than 90% of ADCs approved or in late-stage clinical development of which we are aware, utilize payloads from just two standard classes: (1) microtubule inhibitors or (2) DNA-damaging agents such as topoisomerase I inhibitors.

Our differentiated ADC discovery and development platform (our "ADC Platform") enables us to generate a range of ADC product candidates that pair our novel payloads with biologically validated antibody targets prevalent in cancer tumors. We believe that our focus on the development of ADCs that utilize our novel payloads may allow us to develop ADCs with benefits that include:

- more effective cancer-killing properties, or cytotoxicity;
- activation of the immune system to generate a greater numbers of neoepitopes than currently available ADCs, leading to activation of both B-cells and T-cells in the tumor microenvironment to generate an immune response that has the potential to continue to kill cancer cells in the tumor microenvironment and throughout the body;
- ability to be used in combination with checkpoint inhibitors to potentially deliver synergistic efficacy results (more than additive);
- sustained duration of response of tumor regression or elimination;
- reduced tumor resistance; and
- improved safety and tolerability relative to ADCs that are currently available.

Our lead product candidate is AKTX-101, a pre-clinical stage Trop2-targeting ADC that combines our novel payload PH1, a spliceosome modulator with the Trop2 antibody. Trop2 is an antigen, which is expressed differentially at higher levels in a number of solid tumor cancer types, including lung, breast, colon and urothelial, and gastric. We aim to establish AKTX-101 as a potential best-in-class Trop2-targeting ADC for the treatment of a variety of solid tumors.

We acquired the ADC Platform in connection with our acquisition of Peak Bio (the "Merger"). Prior to that time, we were primarily focused on advancing our former lead product candidates nomacopan and PAS-nomacopan (longer-acting nomacopan that is PASylated). Since the closing of the Merger, we have focused substantially all of our efforts on the discovery and pre-clinical development of ADCs and our ADC Platform. We have suspended further internal development of our legacy programs, nomacopan and PAS-nomacopan, and intend to seek strategic partners to advance their development externally. For our PHP-303 program, a program that Peak Bio had advanced prior to the closing of the Merger, we also intend to seek strategic partners to further its development externally.

Our activities since inception have consisted of performing research and development activities and raising capital.

We do not have any products available for commercial sale, and we have not generated any product revenue from our portfolio of product candidates or other sources. Our ability to generate revenue sufficient to achieve profitability, if ever, will depend on the successful development and eventual commercialization of our potential therapies, which we expect, if it ever occurs, will take a number of years. The research and development efforts require significant amounts of additional capital and adequate personnel infrastructure. There can be no assurance that our research and development activities will be successfully completed, or that our potential therapies will be commercially viable.

Recent Developments

August 2025 Financing

In August 2025, we entered into Note Purchase Agreements with certain investors and the directors of the Company (the "August 2025 Note Investors"), pursuant to which we agreed to issue unsecured promissory notes with a 20% original issuance discount (each a "August 2025 Note" and together, the "August 2025 Notes") in a private placement (the "2025 August Notes Offering") for an aggregate purchase price of $3 million, inclusive of the exchange Note Termination (as defined below). The aggregate principal amount of the August 2025 Notes issuable is $3.8 million. The August 2025 Notes mature one year from the date of issuance at which time the principal amount is due and payable. In connection with the 2025 August Notes Offering, the Company's Chairman, Dr. Hoyoung Huh, agreed to purchase an August 2025 Note with a principal amount of $1,250,000 for a purchase price of $1,000,000, with the purchase price thereof to be satisfied through his agreement to cancel and extinguish $837,433 of outstanding principal and accrued interest under a senior secured promissory note previously issued to him by Peak Bio in January 2024, which was assumed by the Company (the "Note Termination") plus cash of $162,567. Further, we agreed to amend the Series A Warrants (as defined below) previously issued in the March 2025 Private Placement to certain of the August 2025 Note Investors, at the closing of the 2025 August Notes Offering to extend expiration date from 2026 to 2030. The 2025 August Notes Offering is expected to close in two tranches in August and September 2025.

We also agreed to pay a 5% transaction fee in cash of the total gross cash proceeds of $2.2 million to Paulson Investment Company ("Paulson") in connection with the August 2025 Notes Offering.

Appointment of New President and Chief Executive Officer

On March 14, 2025, we entered into an Executive Offer of Employment Agreement (as amended by a subsequent Chief Executive Officer Letter Agreement, dated March 18, 2025) with Mr. Abizer Gaslightwala pursuant to which Mr. Gaslightwala will serve as our President and Chief Executive Officer, effective on April 21, 2025. As compensation, Mr. Gaslightwala is paid a base salary, which includes an annual cash bonus target, and is entitled to receive share-based payment compensation based on time service and the achievement of specific performance criteria.

March 2025 Private Placement

In March 2025, the Company entered into a securities purchase agreement with certain investors and all directors, pursuant to which the Company sold and issued in a private placement (the "March 2025 Private Placement") ADSs, or pre-funded warrants ("Pre-Funded Warrants") in lieu thereof, each representing 2,000 of the Company's ordinary shares (the "Shares"), and, in each case, Series A warrants to purchase ADSs ("Series A Warrants") and Series B warrants to purchase ADSs ("Series B Warrants"), the "Warrants," and together with the ADSs or Pre-Funded Warrants, the "Units"). The Series A Warrants and Series B Warrants have a one-year term and a five-year term from the date of issuance, respectively, and the number of ADSs issuable pursuant to the exercise of each Series A Warrant ranges from 1 ADS to 1.5 ADSs depending on the "tier" of investment made.

In March 2025, the Company closed its first round of financing under the March 2025 Private Placement and issued 2,238,031 ADSs, Series A Warrants to purchase up to 2,283,031 ADS, at a per unit price of $0.87 per ADS, and Series B Warrants to purchase up to 2,283,031 ADS, at a per unit price of $0.87 per ADS. In connection with this round of financing, the Company's Chairman, Dr. Hoyoung Huh, agreed to purchase $1.0 million of Units, with the purchase price thereof to be satisfied through his agreement to cancel and extinguish $1.0 million of notes previously issued to him by Peak Bio in January 2024, which were assumed by the Company (the "March 2025 Note Termination") for an equal amount of ordinary shares and warrants.

In April 2025, the Company closed its final round of financing under the March 2025 Private Placement and issued 2,704,595 ADSs, Pre-Funded Warrants to purchase up to 1,650,000 ADS at a price of $0.20 per ADS, Series A Warrants to purchase up to 6,057,405 ADS, at a per unit price of $0.87 per ADS, and Series B Warrants to purchase up to 4,354,595 ADS, at a per unit price of $0.87 per ADS.

At close of the March 2025 Private Placement, we incurred a total of approximately $0.4 million in placement agent fees with Paulson and issued 172,344 ADSs with an estimated fair value of $0.2 million. Net proceeds from the March 2025 Private Placement were approximately $5.6 million, net of the $1.0 million from the March 2025 Note Termination.

Pipeline Prioritization of the Merged Companies

In May 2024, we announced the completion of a joint portfolio prioritization review pursuant to which the anticipated combined entity, following completion of the proposed Merger (as defined below), will focus on Peak Bio's ADC platform technology. As a result, our clinical stage nomacopan program in hematopoietic stem cell transplantation-associated thrombotic microangiopathy ("HSCT-TMA") was suspended, with enrollment in our pediatric clinical study discontinued due to cost and timeline. Our pre-clinical PAS-nomacopan program in Geographic Atrophy ("GA") has also been suspended from further internal development and we are looking for an external licensing partner to continue its further development. Following the closing of the Merger on November 14, 2024, we expanded our pipeline of assets from Peak Bio with the addition of Peak Bio's proprietary ADC technology platform with novel payload and linker technologies, as well as the Peak Bio PHP-303 small molecule selective and reversible neutrophil elastase inhibitor. The ADC program includes a novel pre-clinical ADC candidate AKTX-101 targeting Trop-2 with Akari's novel payload, PH1. Akari aims to develop several ADC candidates utilizing its novel PH1 payload, a spliceosome modulator, to significantly improve the outcomes for cancer patients across a range of tumors. Further, related to our PHP-303 program, we do not invest any resources to advance this program internally and instead expect to emphasize partnering/collaboration and licensing opportunities with broad potential impact on patients.

Restructuring and Reduction-in-Force

In May 2024, we implemented a reduction-in-force (the "RIF") of approximately 67% of our total workforce, as a result of the previously announced program prioritization under which our nomacopan HSCT-TMA program was suspended. The RIF was part of an operational restructuring plan and included the elimination of certain senior management positions and was completed by the end of the second quarter of 2024. The purpose of the restructuring plan, including the RIF, was to reduce HSCT-TMA related operating costs, while supporting the execution of our long-term strategic plan. For additional information, refer to Note 14 of our unaudited condensed consolidated financial statements included in this Form 10-Q.

Merger Agreement

On November 14, 2024, we completed the previously announced business combination contemplated by the Merger Agreement with Peak Bio, pursuant to which, upon the terms and subject to the conditions thereof, Merger Sub was merged with and into Peak Bio, with Peak Bio surviving such merger as our wholly owned subsidiary.

For additional information on the Merger, refer to our Form 10-K for the fiscal year ended December 31, 2024.

Results of Operations

Three and Six Months Ended June 30, 2025 and 2024

Overview

During the three months ended June 30, 2025, our loss from operations totaled $3.1 million, a 58% decrease, compared to a loss from operations of $7.4 million for the three months ended June 30, 2024. During the six months ended June 30, 2025, our loss from operations totaled $6.6 million, a 51% decrease, compared to a loss from operations of $13.4 million for the six months ended June 30, 2024. Our total operating expenses are set forth by category in the table below:

	Three Months Ended June 30,			Six Months Ended June 30,		Change
($ in thousands)	**2025**	**2024**	**$ Change**	**2025**	**2024**	**$**
Operating expenses:						
Research and development	$ 667	$ 3,314	$ (2,647)	$ 1,480	$ 5,593	$ (4,113)
General and administrative	2,452	2,241	211	5,164	4,907	257
Merger-related costs	—	254	(254)	—	1,298	(1,298)
Restructuring and other costs	—	1,640	(1,640)	—	1,640	(1,640)
Total operating expenses	$ 3,119	$ 7,449	$ (4,330)	$ 6,644	$ 13,438	$ (6,794)
Loss from operations	$ (3,119)	$ (7,449)	$ 4,330	$ (6,644)	$ (13,438)	$ 6,794

Research and development expenses

Our research and development expenses are charged to operations as incurred and we incur both direct and indirect expenses for each of our programs. We track direct research and development expenses by pre-clinical and clinical programs, which may include third-party costs such as costs related to Contract Research Organizations ("CROs"), contract laboratories, consulting, and clinical trial costs. We do not allocate indirect research and development expenses, which may include product development and manufacturing, clinical, medical, regulatory, laboratory (equipment and supplies), personnel, facility and other overhead costs, to specific programs.

During the three months ended June 30, 2025, total research and development expenses decreased by approximately $2.6 million, or 80%, as compared to the three months ended June 30, 2024. During the six months ended June 30, 2025, total research and development expenses decreased by approximately $4.1 million, or 74%, as compared to the six months ended June 30, 2024. The reduction in research and development expenses is due to the decrease of costs associated with our legacy assets nomacopan and PHP-303 as we suspended the internal development of those programs while we prioritize our research and development activities on our ADC platform and pipeline. The following sets forth research and development expenses for the three and six months ended June 30, 2025 and 2024 by category:

	Three Months Ended June 30,			Six Months Ended June 30,		Change
($ in thousands)	**2025**	**2024**	**$ Change**	**2025**	**2024**	**$**
Clinical trial costs:						
nomacopan HSCT-TMA clinical development (AK901)	$ 44	$ 450	$ (406)	$ 106	$ 1,083	$ (977)
ADC discovery and pre-clinical development	145	—	145	162	—	162
Chemistry, manufacturing and control *("CMC")*	20	2,231	(2,211)	48	2,942	(2,894)
Other external development expenses	(63)	290	(353)	35	595	(560)
Personnel costs	521	343	178	1,129	973	156
Total research and development expenses	$ 667	$ 3,314	$ (2,647)	$ 1,480	$ 5,593	$ (4,113)

HSCT-TMA clinical development (AK901)

These expenses include external expenses that we have incurred in connection with the development of nomacopan for the treatment of pediatric HSCT-TMA and primarily consist of payments to CROs and other vendors. The decrease in HSCT-TMA clinical development expenses of $0.4 million and $1 million, or 90% each, incurred during the three and six months ended June 30, 2025, respectively, as compared to the three and six months ended June 30, 2024, is primarily due to our decision to suspend the AK901 clinical program and find a collaborative partner for nomacopan program.

ADC discovery and pre-clinical development

These expenses include external expenses that we incurred in connection with the discovery and pre-clinical development of our ADC platform and program(s) and primarily consist of payments to external vendors and consultants. In December 2024, we announced our strategic prioritization of our ADC technology and programs and expect to incur material additional costs going forward related to this program as we plan to invest in additional ADC related discovery and pre-clinical development activities.

Chemistry, manufacturing and control ("CMC")

CMC expenses historically included external expenses incurred related to the development and manufacturing of nomacopan for use in clinical trials and pre-clinical development of PAS-nomacopan. In general, such expenses primarily consist of payments to vendors for manufacturing of drug substance (including raw materials), drug product, supplies, validation, quality assurance and other manufacturing development activities. The decrease in expenses of $2.2 million and $2.9 million, or 99% and 98%, incurred during the three and six months ended June 30, 2025, respectively, as compared to the three and six months ended June 30, 2024, is primarily due to our decision to suspend our HSCT-TMA program and instead seek an external partner for further development.

Other external development expenses

These expenses include external expenses, such as payments to contract vendors, that may be related to pre-clinical development activities, discontinued programs and unallocated expenses. During the three months ended June 30, 2025, we recovered certain expenses totaling less than $0.1 million resulting in a decrease of $0.4 million in expenses as compared to the three months ended June 30, 2024. The $0.6 million, or 94%, decrease in expenses incurred during the six months ended June 30, 2025, as compared to the six months ended June 30, 2024, is related to lower costs incurred related to pre-clinical studies and other pre-clinical development work investigating PAS-nomacopan for the treatment of GA.

Personnel costs

These expenses include compensation and related costs associated with employees, independent consultants and staffing firms. Personnel costs increased by $0.2 million, or 52%, and $0.2 million, or 16%, during the three and six months ended June 30, 2025, respectively, as compared to the three and six months ended June 30, 2024. The increase is primarily due to increases in non-cash stock-based compensation expense, partially offset by lower cash-based salaries.

The extent of our future research and development expenditures will be determined based on future funding.

General and administrative expenses

During the three months ended June 30, 2025, total general and administrative costs increased by approximately $0.2 million, or 9%, as compared to the three months ended June 30, 2024, primarily due to an increase in non-cash stock-based compensation expense of $0.4 million, partially offset by a decrease of approximately $0.2 million in premiums for our directors and officers insurance.

During the six months ended June 30, 2025, total general and administrative costs increased by approximately $0.3 million, or 5%, as compared to the six months ended June 30, 2024, primarily due to an increase in non-cash stock-based compensation expense of $1 million, an increase of $0.2 million in professional fees (primarily driven from Merger related financial disclosures), partially offset by a decrease of approximately $0.5 million in cash-based salaries, a decrease of approximately $0.4 million in premiums for our directors and officers insurance.

Merger-related costs

Merger-related costs consist of direct expenses incurred in connection with the Merger and are comprised primarily of legal and professional fees.

Merger-related costs for the three and six months ended June 30, 2024 were $0.3 million and $1.3 million, respectively. No such costs were incurred during three and six months ended June 30, 2025.

Restructuring and other costs

Restructuring costs consist primarily of severance and related benefit costs related to workforce reductions incurred in connection with the RIF, which the Company began to implement in May 2024.

Restructuring and other costs for both of the three and six months ended June 30, 2024 were $1.6 million, including $0.3 million of non-cash share-based compensation expense. No such costs were incurred during three and six months ended June 30, 2025.

Interest income

During each of the three and six months ended June 30, 2025 and 2024, interest income was less than $0.1 million. Amounts may fluctuate from period to period due to changes in average cash balances and prevailing interest rates.

Interest expense

Interest expense primarily consists of interest incurred on the May 2024 Convertible Notes, the financing of director and officer insurance premiums and the notes assumed in the Merger, which include the April 2023 Convertible Notes, the November 2023 Note, the September 2024 Note, the 2021 Notes and the January 2024 Note. Refer to Note 6 and Note 12 of our unaudited condensed consolidated financial statements included in this Form 10-Q.

Interest expense may fluctuate from period to period due to changes in average interest-bearing loans and related interest rates.

Gain on settlement of current liabilities

During the three months ended June 30, 2025, we recognized a gain on settlement of current liabilities of $1.2 million with a former vendor.

During the six months ended June 30, 2025, we recognized a gain on settlement of current liabilities of $1.2 million which is comprised of a gain on settlement of $1.2 million with a former vendor and a less than $0.1 million gain on debt extinguishment related to a promissory note issued by Peak Bio in November 2023 and assumed by the Company in November of 2024 in the amount of $0.4 million, bearing interest at 6% per annum with a maturity date of December 31, 2024 (the “November 2023 Note”).

No such gain was recognized during the three and six months ended June 30, 2024.

Change in fair value of warrant liabilities

Change in fair value of warrant liabilities represents non-cash warrant revaluation gains or losses related to the remeasurement of our liability-classified instruments, namely our September 2022 Warrants and the warrants we assumed on November 14, 2024 in connection with our acquisition of Peak Bio (the “Peak Bio Warrants”), which are more fully described in Note 4 of our condensed consolidated financial statements included in this Form 10-Q. Due to the nature of and inputs in the model used to assess the fair value of our outstanding September 2022 Warrants and Peak Bio Warrants, it is not unusual to experience significant fluctuations during each remeasurement period. These fluctuations may be due to a variety of factors, including changes in our stock price and changes in estimated stock price volatility over the remaining life of the warrants.

During the three months ended June 30, 2025 and 2024, we recorded a change in the fair value of warrant liabilities, representing a non-cash revaluation gain of approximately $0.1 million and a non-cash revaluation loss of $0.2 million, respectively. Change in the fair value of warrant liabilities and resulting warrant revaluation gain for the three months ended June 30, 2025 was driven by the decrease in our stock price during the reporting period. Changes in the fair value of the warrant liability and resulting warrant revaluation loss for the three months ended June 30, 2024 was driven primarily by the increase in our stock price during the reporting period.

During the six months ended June 30, 2025 and 2024, we recorded a change in the fair value of warrant liabilities, representing a non-cash revaluation gain of approximately $0.1 million and $0.5 million, respectively. Change in the fair value of warrant liabilities and resulting warrant revaluation gain for the six months ended June 30, 2025 was driven by the decrease in our stock price during the reporting period, offset by an extinguishment of liability related to certain September 2022 Warrants. Change in the fair value of warrant liabilities and resulting warrant revaluation gain for the six months ended June 30, 2024 was driven primarily by the decrease in our stock price and the decrease in the expected term assumption during the reporting period.

Foreign currency exchange gain (loss), net

During the three months ended June 30, 2025 and 2024, we recorded a net foreign currency exchange loss of less than $0.1 million and net foreign currency gain of approximately $0.1 million, respectively. During the six months ended June 30, 2025 and 2024, we recorded a net foreign currency exchange loss of approximately $0.2 million and $0.1 million, respectively. Exchange gains and losses can fluctuate significantly from period to period due to changes in exchange rates, as well as the volume and timing of expenditures and related payments denominated in foreign currencies.

Other expense, net

Other expense was less than $0.1 million during the six months ended June 30, 2024. During the three and six months ended June 30, 2025 and the three months ended June 30, 2024, we incurred no such expense. Other expenses are not material to our results of operations.

Net loss applicable to common shareholders

As a result of the factors discussed above, our net loss applicable to common shareholders for the three months ended June 30, 2025 was $1.9 million, compared to net loss applicable to ordinary shareholders for the three months ended June 30, 2024 of $7.6 million. Our net loss applicable to common shareholders for the six months ended June 30, 2025 was $5.6 million, compared to net loss applicable to ordinary shareholders for the six months ended June 30, 2024 of $13.1 million.

Financial Condition, Liquidity and Capital Resources

Sources of Liquidity

Since inception, we have incurred substantial losses, and we have primarily funded our operations with proceeds from the sale of equity securities, including ordinary shares, warrants and pre-funded warrants, and convertible notes. At June 30, 2025, we had $2.7 million in cash and an accumulated deficit of $252.9 million. To date, we have not generated any revenue.

We have devoted substantially all of our efforts to research and development, including clinical trials, and we have not commercialized any products. Our research and development activities, together with our general and administrative expenses, are expected to continue to result in substantial operating losses for the foreseeable future. These losses, among other things, have had and will continue to have an adverse effect on our shareholders' equity, total assets and working capital. Due to the numerous risks and uncertainties associated with developing drug candidates and, if approved, commercial products, we are unable to predict the extent of any future losses, whether or when any of our drug candidates will become commercially available or when we will become profitable, if at all. Our future capital requirements will depend on many factors, including:

- the progress and costs of our drug discovery activities and pre-clinical studies, clinical trials and other research and development activities;
- the costs associated with the integration activities related to the Merger;
- the scope, prioritization and number of our clinical trials and other research and development programs;
- the amount of revenues and contributions we receive under future licensing, development and commercialization arrangements with respect to our product candidates;
- the costs of the development and expansion of our operational infrastructure;
- the costs and timing of obtaining regulatory approval for our product candidates;
- the costs of filing, prosecuting, enforcing and defending patent claims and other intellectual property rights;
- the costs and timing of securing manufacturing arrangements for clinical or commercial production;
- the costs of contracting with third parties to provide sales and marketing capabilities for us;
- the magnitude of our general and administrative expenses; and
- any cost that we may incur under future in- and out-licensing arrangements relating to current or future product candidates.

Other than with respect to the August 2025 Notes Offering, we currently do not have any commitments for future external funding. We will need to raise additional funds, and we may decide to raise additional funds even before we need such funds if the conditions for raising capital are available and/or favorable. Until we can generate significant recurring revenues, we expect to satisfy our future cash needs through debt or equity financings, credit facilities or by out-licensing arrangements of our product candidates. The sale of equity or convertible debt securities may result in dilution to our existing shareholders. The incurrence of indebtedness would result in increased fixed obligations and could also subject us to covenants that restrict our operations. We cannot be certain that additional funding, whether through grants, financings, credit facilities or out-licensing arrangements, will be available to us on acceptable terms, if at all. If sufficient funds are not available, we may be required to delay, reduce the scope of or eliminate research or development plans for, or commercialization efforts with respect to, one or more applications of our product candidates, or obtain funds through arrangements with collaborators or others that may require us to relinquish rights to certain potential products that we might otherwise seek to develop or commercialize independently.

August 2025 Financing

In August 2025, the Company entered into Note Purchase Agreements with certain investors and the Company's directors (the "August 2025 Note Investors"), pursuant to which the Company agreed to issue unsecured promissory notes with a 20% original issuance discount (each a "August 2025 Note" and together, the "August 2025 Notes") in a private placement (the "August 2025 Notes Offering") for an aggregate purchase price of $3 million, inclusive of the exchange Note Termination (as defined below). The aggregate principal amount of the August 2025 Notes issuable is $3.8 million. The August 2025 Notes mature one year from the date of issuance at which time the principal amount is due and payable. In connection with the 2025 August Notes Offering, the Company's Chairman, Dr. Hoyoung Huh, agreed to purchase an August 2025 Note with a principal amount of $1,250,000 for a purchase price of $1,000,000, with the purchase price thereof to be satisfied through his agreement to cancel and extinguish $837,433 of outstanding principal and accrued interest under a senior secured promissory note previously issued to him by Peak Bio in January 2024, which was assumed by the Company (the "Note Termination") plus cash of $162,567. Further, the Company agreed to amend the Series A Warrants previously issued in the March 2025 Private Placement to certain of the August 2025 Note Investors, at the closing of the 2025 August Notes Offering to extend the expiration date from 2026 to 2030. The 2025 August Notes Offering is expected to close in two tranches in August and September 2025.

The Company also agreed to pay a 5% advisory fee in cash of the total gross cash proceeds of approximately $2.2 million to Paulson Investment Company ("Paulson") in connection with the August 2025 Notes Offering.

March 2025 Private Placement

In March 2025, the Company entered into a securities purchase agreement (the "March 2025 Private Placement") with certain investors and all directors, pursuant to which the Company sold and issued in a private placement ADSs, or pre-funded warrants ("Pre-Funded Warrants") in lieu thereof, each representing 2,000 of the Company's ordinary shares (the "Shares"), and, in each case, Series A warrants to purchase ADSs ("Series A Warrants") and Series B warrants to purchase ADSs ("Series B Warrants"), the "Warrants," and together with the ADSs or Pre-Funded Warrants, the "Units"). The Series A Warrants and Series B Warrants have a one-year term and a five-year term from the date of issuance, respectively, and the number of ADSs issuable pursuant to the exercise of each Series A Warrant ranges from 1 ADS to 1.5 ADSs depending on the "tier" of investment made.

In March 2025, the Company closed its first round of financing under the March 2025 Private Placement and issued 2,238,031 ADSs, Series A Warrants to purchase up to 2,283,031 ADS, at a per unit price of $0.87 per ADS, and Series B Warrants to purchase up to 2,283,031 ADS, at a per unit price of $0.87 per ADS. In connection with this round of financing, the Company's Chairman, Dr. Hoyoung Huh, agreed to purchase $1.0 million of Units, with the purchase price thereof to be satisfied through his agreement to cancel and extinguish $1.0 million of notes previously issued to him by Peak Bio in January 2024, which were assumed by the Company (the "March 2025 Note Termination") for an equal amount of ordinary shares and warrants.

In April 2025, the Company closed its final round of financing under the March 2025 Private Placement and issued 2,704,595 ADSs, Pre-Funded Warrants to purchase up to 1,650,000 ADS at a price of $0.20 per ADS, Series A Warrants to purchase up to 6,057,405 ADS, at a per unit price of $0.87 per ADS, and Series B Warrants to purchase up to 4,354,595 ADS, at a per unit price of $0.87 per ADS. The Company received approximately $0.3 million in advance for the Pre-funded Warrants which is reflected in other current liabilities.

At close of the March 2025 Private Placement, we incurred a total of approximately $0.4 million in placement agent fees with Paulson and issued 172,344 ADSs with an estimated fair value of $0.2 million. Net proceeds from the March 2025 Private Placement were approximately $5.6 million, net of the $1.0 million from the March 2025 Note Termination.

November 2024 Private Placement

In November 2024, we entered into a definitive purchase agreement with certain investors, Dr. Ray Prudo and Dr. Samir Patel, pursuant to which we sold and issued in a private placement an aggregate of 1,713,402 ADSs, and Series D Warrants (the "Series D Warrants") to purchase up to 1,713,402 ADSs, at a per unit price of $2.26 for aggregate gross proceeds of $3.2 million (the "November 2024 Private Placement"). The Series D Warrants have 3-year terms ranging from December 2, 2027 to June 2, 2028 and have cashless exercise provisions in limited circumstances.

At close of the November 2024 Private Placement, we incurred a total of $204,000 in placement agent fees with Paulson. Net proceeds from the November 2024 Private Placement were approximately $2.8 million after deducting placement agent fees and other expenses. In April 2025, we issued 408,000,000 ordinary shares to Paulson in lieu of $204,000 in cash payment.

May 2024 Private Placement

In May 2024, we entered into a definitive purchase agreement with certain investors, Dr. Ray Prudo and Dr. Samir Patel, pursuant to which we sold and issued in a private placement an aggregate of 4,029,754 ADSs, and May 2024 Series C Warrants (the "Series C Warrants") to purchase up to 4,029,754 ADS, at a per unit price of $1.885 per ADS and Series C Warrant for aggregate gross proceeds of approximately $7.6 million (the "May 2024 Private Placement"). The Series C Warrants have 3-year terms ranging from May 31, 2027 to June 21, 2027 and have cashless exercise provisions in limited circumstances. The Series C Warrants (other than those issued to Dr. Prudo and Dr. Patel) have an exercise price of $1.76 per ADS. The Series C Warrants issued to Dr. Prudo and Dr. Patel have an exercise price of $1.79 per ADS. Net proceeds from the May 2024 Private Placement were approximately $7.0 million after deducting placement agent fees and other expenses.

May 2024 Convertible Notes

In May 2024, we entered into unsecured convertible promissory notes (the "May 2024 Notes") with Dr. Prudo, our Chairman at the time, and our then Interim President and Chief Executive Officer and director, Dr. Patel, for an aggregate of $1.0 million in gross proceeds. The May 2024 Notes bear interest at 15% per annum, which may be increased to 17% upon the occurrence of certain events of default as described therein, and the principal and all accrued but unpaid interest is due on the date that is the earlier of (a) ten (10) business days following our receipt of a U.K. research and development tax credit from HM Revenue and Customs, and (b) November 10, 2024. Provided, however, at any time or times from the date of the note and until the tenth business day prior to closing of the acquisition, the note holders are entitled to convert any portion of the outstanding and unpaid amount, including principal and accrued interest, into our ADSs at a fixed conversion price equal to $1.59, representing the Nasdaq official closing price of our ADSs on the issuance date, subject to certain restrictions.

In October 2024, Drs. Prudo and Patel each elected to convert $125,000 of principal and accrued interest into our ADSs at a conversion price of $1.59 per ADS. These ordinary shares were issued during the six months ended June 30, 2025. The remaining unconverted aggregate principal balance of the May 2024 Notes, or $750,000, was repaid in cash with proceeds from our U.K. research and development tax credit from HM Revenue and Customs.

March 2024 Private Placement

In March 2024, we entered into a definitive purchase agreement with certain existing investors, pursuant to which we sold and issued in a private placement an aggregate of 1,320,614 ADSs at $1.48 per ADS, for aggregate gross proceeds of approximately $2.0 million (the "March 2024 Private Placement"). Net proceeds from the March 2024 Private Placement were approximately $1.7 million after deducting placement agent fees and other expenses.

Funding Requirements

As of the date of this report, our existing cash, together with committed funds from the August 2025 Financing, is sufficient to fund our operations into October 2025. While we have additional funding activities in progress to fund our operations, we will need to raise additional capital to continue to fund our operations and service our obligations in the future. If we are unable to raise additional capital when needed, we will not be able to continue as a going concern. We do not currently have any products approved for sale and do not generate any revenue from product sales. We are currently seeking and expect to continue to seek additional funding through financings of equity and/or debt securities. We may also engage in strategic research and development collaborations, pre-clinical and clinical funding arrangements, the sale or license of technology assets, and/or other strategic alternatives.

Financing may not be available to us when we need it, or on favorable or acceptable terms, or at all. We could be required to seek funds through means that may require us to relinquish rights to some of our technologies, drug candidates or drugs that we would otherwise pursue on our own. In addition, if we raise additional funds by issuing equity securities, our then existing shareholders may experience dilution. The terms of any financing may adversely affect the holdings or the rights of existing shareholders. An equity financing that involves existing shareholders may cause a concentration of ownership. Debt financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends, and are likely to include rights that are senior to the holders of our ordinary shares. Any additional debt or equity financing may contain terms which are not favorable to us or to our shareholders, such as liquidation and other preferences, or liens or other restrictions on our assets. As discussed in Note 11 to the consolidated financial statements included in the 2024 Form 10-K, additional equity financings may also result in cumulative changes in ownership over a three-year period in excess of 50% which would limit the amount of net operating loss and tax credit carryforwards that we may utilize in any one year.

If we are unable to raise additional capital when required or on acceptable terms, we may be required to:

- significantly delay, scale back, or discontinue the development or commercialization of our product candidates;
- seek strategic alliances for research and development programs at an earlier stage than otherwise would be desirable or that we otherwise would have sought to develop independently, or on terms that are less favorable than might otherwise be available in the future;
- dispose of technology assets, including current product candidates, or relinquish or license on unfavorable terms, our rights to technologies or any of our product candidates that we otherwise would seek to develop or commercialize ourselves;
- pursue the sale of our company to a third party at a price that may result in a loss on investment for our shareholders; or
- file for bankruptcy or cease operations altogether.

Any of these events could have a material adverse effect on our business, operating results, and prospects.

We believe the key factors which will affect our ability to obtain funding are:

- the receptivity of the capital markets to financings by biotechnology companies generally and companies with drug candidates and technologies similar to ours specifically;
- the receptivity of the capital markets to any in-licensing, product acquisition or other transaction we may enter into or attempt to enter into;
- our ability to successfully integrate operations with Peak Bio following the Merger and realize anticipated benefits of the Merger;
- the results of our pre-clinical and clinical development activities in our drug candidates we develop on the timelines anticipated;
- competitive and potentially competitive products and technologies and investors' receptivity to our drug candidates we develop and the technology underlying them in light of competitive products and technologies; and
- the cost, timing, and outcome of regulatory reviews.

In addition, increases in expenses or delays in clinical development may adversely impact our cash position and require additional funds or cost reductions.

Based on our recurring losses from operations incurred since inception, our expectation of continuing operating losses for the foreseeable future, negative operating cash flows for the foreseeable future, and the need to raise additional capital to finance its future operations, we have concluded that there is substantial doubt regarding our ability to continue as a going concern within one year after the date that our condensed consolidated financial statements, included in this Form 10-Q (such condensed consolidated financial statements, the "consolidated financial statements") are issued. Because of these uncertainties, the accompanying consolidated financial statements have been prepared assuming that we will continue as a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. As such, the accompanying consolidated financial statements do not reflect any adjustments relating to the recoverability and classification of recorded assets and liabilities that might be necessary if we are unable to continue as a going concern.

Cash Flows

The following table summarizes our sources and uses of cash for each of the periods presented (in thousands):

	Three Months Ended June 30,	
(In thousands)	**2025**	**2024**
Net cash (used in) provided by:		
Net cash (used in) operating activities	$ (5,406)	$ (8,938)
Net cash provided by financing activities	5,514	9,277
Effect of exchange rates on cash	4	(7)
Net change in cash	$ 112	$ 332

Operating Activities. The net cash used in operating activities for the periods presented consists primarily of our net loss adjusted for non-cash charges and changes in components of working capital. The decrease in cash used in operating activities during the six months ended June 30, 2025, as compared to the six months ended June 30, 2024, was primarily due to a decrease in research and development costs and restructuring costs related to the program reprioritization and a decrease in merger-related costs incurred in connection with the Peak Bio acquisition.

Investment Activities. There were no investing activities during the six months ended June 30, 2025 and 2024.

Financing Activities. Net cash provided by financing activities primarily consisted of the following:

- For the six months ended June 30, 2025, an aggregate of $5.9 million in net proceeds received from the March 2025 Private Placement, an aggregate of $0.3 million received in advance for pre-funded warrants issued in the March 2025 Private Placement, partially offset by $0.5 million of payments related to our promissory notes and $0.3 million of payments for our insurance premium financing; and

- For the six months ended June 30, 2024, an aggregate of $9.8 million in net proceeds received from debt and equity financings, including (i) $1.7 million in net proceeds from the March 2024 Private Placement, (ii) $1.0 million in net proceeds from the issuance of the May 2024 Notes, and (iii) $7.1 million in net proceeds from the May 2024 Private Placement, partially offset by $0.5 million in payments related to our short-term insurance premium financing arrangement.

Material Cash Requirements

Insurance Financing Obligations

In January 2025, we entered into a short-term financing arrangement with a third-party vendor to finance insurance premiums. The aggregate amount financed under this agreement was $0.5 million which is scheduled to be paid in monthly installments through November 2025.

Debt Obligations

In November 2024 as part of the Merger, we assumed convertible notes and notes payable with third parties, and notes payable with a related party, through the acquisition of Peak Bio Inc., as more fully described in Note 6 and Note 12, respectively, to our unaudited condensed consolidated financial statements appearing in this Form 10-Q. As of June 30, 2025, these obligations are expected to result in principal payments of approximately $1.6 million.

Other

We enter into a variety of agreements and financial commitments in the normal course of business. The terms generally provide us the option to cancel, reschedule and adjust our requirements based on our business needs, prior to the delivery of goods or performance of services. However, it is not possible to predict the amount of future payments under these agreements due to the conditional nature of our obligations and the unique facts and circumstances involved in each particular agreement.

Critical Accounting Estimates

This management's discussion and analysis of financial condition and results of operations is based on our unaudited condensed consolidated financial statements, which have been prepared in accordance with U.S. GAAP. In doing so, we must make estimates and assumptions that affect our reported amounts of assets, liabilities and expenses, as well as related disclosure of contingent assets and liabilities. On an ongoing basis, management evaluates its estimates and judgments, including, but not limited to, those related to (i) stock-based compensation, (ii) fair value of warrants classified as liabilities, (iii) research and development prepayments, accruals and related expenses, (iv) income taxes, and (v) intangible assets impairment. Management bases its estimates and judgments on historical experience and on various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

We regard an accounting estimate or assumption underlying our financial statements as a "critical accounting estimate" if:

- the nature of the estimate or assumption is material due to the level of subjectivity and judgment necessary to account for highly uncertain matters or the susceptibility of such matters to change; and

- the impact of the estimates and assumptions on financial condition or operating performance is material.

There have been no material changes to our critical accounting policies and estimates since December 31, 2024. See "*Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations — Critical Accounting Estimates"* of our Form 10-K, for a discussion of significant estimates and assumptions made by our management as part of the preparation of this management's discussion and analysis of financial condition and results of operations and accompanying condensed consolidated financial statements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

We are a smaller reporting company, as defined by Rule 12b-2 of the Securities Exchange Act of 1934, as amended, and are not required to provide the information required under this item.

Item 4. Controls and Procedures.

As previously disclosed under "Part II - Item 9A - Controls and Procedures" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2024 (our "Form 10-K"), management concluded that our internal control over financial reporting was not effective at the reasonable assurance level as of December 31, 2024, due to certain deficiencies that constituted material weaknesses in our internal control over financial reporting. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis.

We have not yet begun to engage in the implementation of remediation efforts to address the material weaknesses, as well as other identified areas of risk. For a complete description of management's remediation plan, see "Part II - Item 9A - Controls and Procedures" in our Form 10-K.

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our principal executive officer and principal financial officer, evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) as of June 30, 2025. In designing and evaluating our disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and our management necessarily applied its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based on this evaluation, and previously identified material weaknesses in internal control over financial reporting, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were not effective at a reasonable assurance level as of June 30, 2025.

Management's Implementation of Remediation Plan

Management, with oversight from the Audit Committee, has not yet commenced implementing changes to our internal control over financial reporting in order to remediate the control deficiencies that resulted in the material weaknesses as previously disclosed in our Form 10-K. We expect to begin our efforts during the third quarter and continue our efforts through fiscal year 2025 to remediate the material weaknesses described in our Form 10-K. We believe that the remediation steps disclosed under "Part II - Item 9A - Controls and Procedures" in our Form 10-K will allow us to address the deficient controls within our internal control environment, which will facilitate the remediation of the material weaknesses.

Given that remediation efforts described in our Form 10-K have not commenced, we will not be able to consider the material weaknesses remediated until the applicable remedial controls are designed and implemented and such controls operate for a sufficient period of time and our management has concluded, through testing, that our controls are operating effectively. We, along with our Audit Committee, will continue to monitor and evaluate the effectiveness of these remedial actions and take further actions as deemed appropriate.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during the fiscal quarter ended June 30, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings.

From time to time, we may become involved in litigation relating to claims arising out of operations in the normal course of business, which we consider routine and incidental to our business.

Refer to Note 13 of the Notes to our condensed consolidated financial statements related to commitments and contingencies, which is incorporated herein by reference.

Item 1A. Risk Factors.

Investing in our securities involves a high degree of risk. You should carefully consider the risks and uncertainties discussed within *"Item 1A. Risk Factors"* of our Form 10-K, together with all of the other information in this Form 10-Q, including the section "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our unaudited condensed consolidated financial statements and related notes, before deciding whether to purchase any of our ADSs.

There have been no material changes to the risk factors from those previously disclosed in our Form 10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

During the three and six months ended June 30, 2025, we did not have any sales of unregistered securities, other than as previously disclosed by us in a Current Report on Form 8-K.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

None.

Item 5. Other Information.

None of our directors or "officers," as defined in Rule 16a-1(f) under the Securities Exchange Act of 1934, adopted, modified or terminated a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement," as defined in Item 408(c) of Regulation S-K, which are intended to satisfy the affirmative defense conditions of Rule 10b5-1(c), during the fiscal quarter covered by this report.

August 2025 Financing

In August 2025, the Company entered into Note Purchase Agreements with certain investors and the Company's directors (the "August 2025 Note Investors"), pursuant to which the Company agreed to issue unsecured promissory notes with a 20% original issuance discount (each a "August 2025 Note" and together, the "August 2025 Notes") in a private placement (the "August 2025 Notes Offering") for an aggregate purchase price of approximately $3 million, inclusive of the exchange Note Termination (as defined below). The aggregate principal amount of the August 2025 Notes issuable is approximately $3.8 million. The August 2025 Notes mature one year from the date of issuance at which time the principal amount is due and payable. In connection with the 2025 August Notes Offering, the Company's Chairman, Dr. Hoyoung Huh, agreed to purchase an August 2025 Note with a principal amount of $1,250,000 for a purchase price of $1,000,000, with the purchase price thereof to be satisfied through his agreement to cancel and extinguish $837,433 of outstanding principal and accrued interest under a senior secured promissory note previously issued to him by Peak Bio in January 2024, which was assumed by the Company (the "Note Termination") plus cash of $162,567. Further, the Company agreed to amend the Series A Warrants previously issued in the March 2025 Private Placement to certain of the August 2025 Note Investors, to extend the expiration date of such warrants from 2026 to 2030 (such amendment, the "Series A Warrant Extension Amendment") at the closing of the 2025 August Notes Offering. The 2025 August Notes Offering is expected to close in two tranches in August and September 2025.

The Company also agreed to pay a 5% advisory fee in cash on the total gross cash proceeds of approximately $2.2 million to Paulson Investment Company in connection with the August 2025 Notes Offering.

The issuance of the August 2025 Notes was made pursuant to the exemption from registration contained in Section 4(a)(2) of the Securities Act of 1933, as amended.

The description of the Note Purchase Agreements, the August 2025 Notes and the Series A Warrant Extension Amendment is only a summary and is qualified in its entirety by reference to the full text of the forms of the Note Purchase Agreement, August 2025 Note and Series A Warrant Extension Amendment, which are filed as Exhibits 10.2, 10.3 and 10.4, respectively, to this Quarterly Report on Form 10-Q and incorporated by reference in this Item 5.

Item 6. Exhibits.

Exhibit Number	Description
2.1	Agreement and Plan of Merger, dated as of March 4, 2024, by and among Akari Therapeutics, Plc, Peak Bio, Inc. and Pegasus Merger Sub, Inc. (incorporated by reference to Exhibit 2.1 to Registrant's Current Report on Form 8-K, as filed with the SEC on March 5, 2024).
10.1	Amendment No. 2 to the Akari Therapeutics, PLC 2023 Equity Incentive Plan (incorporated by reference to Exhibit 10.1 to Registrant's Current Report on Form 8-K, as filed with the SEC on July 1, 2025).
10.2*	Form of August 2025 Note Purchase Agreement.
10.3*	Form of 20% Original Issue Discount Promissory Note.
10.4*	Form of Amendment No. 1 to Series A Warrant.
31.1*	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2**	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	Inline XBRL Instance Document–the instance document does not appear in the Interactive Data File as its XBRL tags are embedded within the Inline XBRL document.
101.SCH	lnline XBRL Taxonomy Extension Schema With Embedded Linkbase Documents.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

* Filed herewith.

** This certification is not deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liability of that section. Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent that the Registrant specifically incorporates it by reference.

† Indicates management contract or compensatory arrangement.

SIGNATURES

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

Akari Therapeutics, Plc.

By:

Date: August 13, 2025 */s/ Abizer Gaslightwala*

Abizer Gaslightwala
President and Chief Executive Officer

By: */s/ Torsten Hombeck*

Date: August 13, 2025

Torsten Hombeck, Ph.D.
Chief Financial Officer

Exhibit 10.2

NOTE PURCHASE AGREEMENT

This Note Purchase Agreement (this "Agreement"), dated as of August [●], 2025, is entered into by and between Akari Therapeutics, Plc, a public company with limited liability incorporated under the laws of England and Wales (the "Company"), and the buyer set forth on the signature page(s) hereto (the "Buyer").

RECITALS

On the terms and subject to the conditions set forth herein, the Buyer is willing to purchase from the Company, and the Company is willing to sell to the Buyer, a Promissory Note in substantially the form attached as Exhibit A hereto in the principal amount of set forth on the signature page hereto at a 20% original issue discount (the "Note" and, together with this Agreement, the "Transaction Documents").

The Company has offered and sold, and/or may offer and sell, additional Promissory Notes, each in substantially the form as the Note (any such additional Promissory Notes issued by the Company on or about the date hereof, collectively with the Note, the "Notes"), to one or more other buyers (any such other buyers, collectively with the Buyer, the "Investors").

The Company and the Buyer are executing and delivering this Agreement in reliance upon the exemption from securities registration afforded by the rules and regulations as promulgated by the United States Securities and Exchange Commission (the "SEC") under the Securities Act of 1933, as amended (the "Securities Act").

AGREEMENT

NOW THEREFORE, in consideration of the foregoing, and the representations, warranties, and conditions set forth below, the parties hereto, intending to be legally bound, hereby agree as follows:

1. Purchase and Sale of the Note.

(a) Purchase of the Note. At the Closing (as defined below), the Company shall issue and sell to the Buyer and the Buyer agrees to purchase from the Company the Note as is set forth immediately below the Buyer's name on the signature page(s) hereto.

(b) Form of Payment. At the Closing, (i) the Buyer shall pay the purchase price for the Note to be issued and sold to it at the Closing (the "Purchase Price") by wire transfer of immediately available funds to the Company, in accordance with the Company's written wiring instructions, against delivery of the Note, and (ii) the Company shall deliver such duly executed Note on behalf of the Company against delivery of such Purchase Price.

(c) Closing. Subject to the satisfaction (or written waiver) of the conditions thereto set forth in Section 5 and Section 6 below, the issuance and sale of the Note and the effectiveness of the Warrant Extension Amendment to extend the expiration date of the Buyer Series A Warrants (as defined below) from [●], 2026 to [●], 2030, in substantially the form attached as Exhibit B hereto (the "Warrant Extension Amendment"), pursuant to this Agreement (the "Closing") shall take place remotely on a date mutually agreed to by the Company with each of the Buyers within fourteen days of the date hereof or at such other place and time as the Company and the Buyer may mutually agree.

2. **Buyer's Representations and Warranties**. In connection with the transactions provided for herein, the Buyer hereby represents and warrants to the Company that:

(a) Organization and Qualification. If the Buyer is an entity, such Buyer is duly organized and validly existing under the laws of its jurisdiction of incorporation or organization. The Buyer has all requisite capacity (if such Buyer is an individual), power and authority to enter into, deliver and perform its obligations under the Transaction Documents.

(b) Investment Purpose. As of the date hereof, the Buyer is purchasing the Note for its own account and not with a present view towards the public sale or distribution thereof, except pursuant to sales registered or exempted from registration under the Securities Act.

(c) Accredited Investor Status. The Buyer is an "accredited investor" as that term is defined in Rule 501(a) of Regulation D (an "Accredited Investor").

(d) Reliance on Exemptions. The Buyer understands that the Note is being offered and sold to it in reliance upon specific exemptions from the registration requirements of United States federal and state securities laws and that the Company is relying upon the truth and accuracy of, and the Buyer's compliance with, the representations, warranties, agreements, acknowledgments and understandings of the Buyer set forth herein in order to determine the availability of such exemptions and the eligibility of the Buyer to acquire the Note.

(e) Information. The Company has not disclosed to the Buyer any material nonpublic information and will not disclose such information unless such information is disclosed to the public prior to or promptly following such disclosure to the Buyer.

(f) Legends. The Buyer understands that the Note has not been registered under the Securities Act and may bear a restrictive legend.

(g) Authorization; Enforcement. This Agreement has been duly and validly authorized. This Agreement has been duly executed and delivered on behalf of the Buyer, and this Agreement constitutes a valid and binding agreement of the Buyer enforceable in accordance with its terms.

(h) Series A Warrants. The Buyer is the registered holder of the Series A Warrants (the "Series A Warrants" and such Series A Warrants held by the Buyer, the "Buyer Series A Warrants") to purchase American Depositary Shares of the Company ("ADS"), each representing 2,000 ordinary shares, par value $0.0001 per share, of the Company ("Ordinary Shares"), for an exercise price of $0.87 per ADS, which warrants expire 5:00 p.m. (New York City time) on [●], 2026], set forth on the signature page hereof, and in connection with the Warrant Extension Amendment hereby acknowledges and agrees that the agreements, representations and warranties with respect to the Series A Warrants set forth in Section 4 of that certain Securities Purchase Agreement, dated as of [●], 2025, by and between the Company and the Buyer, shall apply to the Buyer Series A Warrants as amended by the Warrant Extension Amendment.

3. Representations and Warranties of the Company. In connection with the transactions provided for herein, the Company hereby represents and warrants to the Buyer that:

(a) Organization and Qualification. The Company and each of its Subsidiaries (as defined below), if any, is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction in which it is incorporated, with full power and authority (corporate and other) to own, lease, use and operate its properties and to carry on its business as and where now owned, leased, used, operated and conducted. "Subsidiaries" means any corporation or other organization, whether incorporated or unincorporated, in which the Company owns, directly or indirectly, any equity or other ownership interest.

(b) Authorization; Enforcement. (i) The Company has all requisite corporate power and authority to enter into and perform this Agreement, the Note and the Warrant Extension Amendment and to consummate the transactions contemplated hereby and thereby and to issue the Note and amend the Buyer Series A Warrants, in accordance with the terms hereof and thereof, respectively (ii) the execution and delivery of this Agreement, the Note and the Warrant Extension Amendment by the Company and the consummation by it of the transactions contemplated hereby and thereby (including without limitation, the issuance of the Note) has been duly authorized by the Company's Board of Directors and no further consent or authorization of the Company, its Board of Directors, or its shareholders is required, (iii) this Agreement has been duly executed and delivered by the Company by its authorized representative, and such authorized representative is the true and official representative with authority to sign this Agreement and the other documents executed in connection herewith and bind the Company accordingly, and (iv) this Agreement constitutes, and upon execution and delivery by the Company of the Note and the Warrant Extension Amendment, each of such instruments will constitute, a legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms.

(c) No Conflicts. The execution, delivery and performance of this Agreement, the Note and the Warrant Extension Amendment by the Company and the consummation by the Company of the transactions contemplated hereby and thereby will not (i) conflict with or violate any provision of the Company's or any Subsidiary's certificate or articles of association, bylaws or other organizational or charter documents, or (ii) violate or conflict with, or result in a breach of any provision of, or constitute a default (or an event which with notice or lapse of time or both could become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, any agreement, indenture, patent, patent license or instrument to which the Company or any of its Subsidiaries is a party, or (iii) result in a violation of any law, rule, regulation, order, judgment or decree (including federal and state securities laws and regulations and regulations of any self-regulatory organizations to which the Company or its securities are subject) applicable to the Company or any of its Subsidiaries or by which any property or asset of the Company or any of its Subsidiaries is bound or affected (except for such conflicts, defaults, terminations, amendments, accelerations, cancellations and violations as would not, individually or in the aggregate, have a Material Adverse Effect). The business of the Company and its Subsidiaries, if any, are not being conducted, and shall not be conducted so long as the Note is outstanding, in violation of any law, ordinance or regulation of any governmental entity. "Material Adverse Effect" means any material adverse effect on the business, operations, assets, financial condition or prospects of the Company or its Subsidiaries, if any, taken as a whole, or on the transactions contemplated hereby or by the agreements or instruments to be entered into in connection herewith.

(d) SEC Documents; Financial Statements. The Company has filed all reports, schedules, forms, statements and other documents required to be filed by it with the SEC pursuant to the reporting requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act") (all of the foregoing filed prior to the date hereof and all exhibits included therein and financial statements and schedules thereto and documents (other than exhibits to such documents) incorporated by reference therein, being hereinafter referred to herein as the "SEC Documents"). Upon written request the Company will deliver to the Buyer true and complete copies of the SEC Documents, except for such exhibits and incorporated documents. As of their respective dates or if amended, as of the dates of the amendments, the SEC Documents complied in all material respects with the requirements of the Exchange Act and the rules and regulations of the SEC promulgated thereunder applicable to the SEC Documents, and none of the SEC Documents, at the time they were filed with the SEC, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. None of the statements made in any such SEC Documents is, or has been, required to be amended or updated under applicable law (except for such statements as have been amended or updated in subsequent filings prior the date hereof). As of their respective dates or if amended, as of the dates of the amendments, the financial statements of the Company included in the SEC Documents complied as to form in all material respects with applicable accounting requirements and the published rules and regulations of the SEC with respect thereto. Such financial statements have been prepared in accordance with United States generally accepted accounting principles, consistently applied, during the periods involved and fairly present in all material respects the consolidated financial position of the Company and its consolidated Subsidiaries as of the dates thereof and the consolidated results of their operations and cash flows for the periods then ended (subject, in the case of unaudited statements, to normal year-end audit adjustments). The Company is subject to the reporting requirements of the Exchange Act.

(e) Absence of Certain Changes. Since December 31, 2024, except as set forth in the SEC Documents, there has been no material adverse change and no material adverse development in the assets, liabilities, business, properties, operations, financial condition, results of operations, prospects or Exchange Act reporting status of the Company or any of its Subsidiaries.

(f) Absence of Litigation. Except as set forth in the SEC Documents, there is no action, suit, claim, proceeding, inquiry or investigation before or by any court, public board, government agency, self-regulatory organization or body pending or, to the knowledge of the Company or any of its Subsidiaries, threatened against or affecting the Company or any of its Subsidiaries, or their officers or directors in their capacity as such, that could have a Material Adverse Effect. The Company and its Subsidiaries are unaware of any facts or circumstances which might give rise to any of the foregoing.

(g) No Integrated Offering. Neither the Company, nor any of its affiliates, nor any person acting on its or their behalf, has directly or indirectly made any offers or sales in any security or solicited any offers to buy any security under circumstances that would require registration under the Securities Act of the issuance of the Note to the Buyer. The issuance of the Note to the Buyer will not be integrated with any other issuance of the Company's securities (past, current or future) for purposes of any shareholder approval provisions applicable to the Company or its securities.

(h) No Brokers. Other than with respect to Paulson Investment Company, LLC, Company has taken no action which would give rise to any claim by any person for brokerage commissions, transaction fees or similar payments relating to this Agreement or the transactions contemplated hereby.

(i) No Investment Company. The Company is not, and upon the issuance and sale of the Note as contemplated by this Agreement will not be an "investment company" required to be registered under the Investment Company Act of 1940 (an "Investment Company"). The Company is not controlled by an Investment Company.

(j) Breach of Representations and Warranties by the Company. If the Company breaches any of the material representations or warranties set forth in this Section 3 which is continuing after the applicable cure period as set forth in the Note, if any, and in addition to any other remedies available to the Buyer pursuant to this Agreement, it will be considered an Event of Default pursuant to the Note.

4. Covenants.

(a) Best Efforts. The Company shall use its reasonable commercial efforts to satisfy timely each of the conditions described in Section 6 of this Agreement.

(b) Use of Proceeds. The Company shall use the proceeds for general working capital purposes.

(c) Breach of Covenants. If the Company breaches any of the material covenants set forth in this Section 4, and in addition to any other remedies available to the Buyer pursuant to this Agreement which is continuing after the applicable cure period as set forth in the Note, it will be considered an Event of Default under the Note.

(d) Failure to Comply with the Exchange Act. So long as the Buyer beneficially owns the Note, the Company shall comply with the reporting requirements of the Exchange Act and the Company shall continue to be subject to the reporting requirements of the Exchange Act.

(e) The Buyer is Not a "Dealer". The Buyer and the Company hereby acknowledge and agree that the Buyer has not: (i) acted as an underwriter; (ii) acted as a market maker or specialist; (iii) acted as "de facto" market maker; or (iv) conducted any other professional market activities such as providing investment advice, extending credit and lending securities in connection; and thus that the Buyer is not a "Dealer" as such term is defined in the Exchange Act.

5. Conditions to the Company's Obligation to Sell. The obligation of the Company hereunder to issue and sell the Note to the Buyer and to execute and deliver the Warrant Extension Amendment at the Closing is subject to the satisfaction, at or before the Closing of each of the following conditions thereto, provided that these conditions are for the Company's sole benefit and may be waived by the Company at any time in its sole discretion:

(a) The Buyer shall have executed this Agreement and delivered the same to the Company.

(b) The Buyer shall have delivered the Purchase Price in accordance with Section 1(b) above.

(c) The representations and warranties of the Buyer shall be true and correct in all material respects as of the date when made and as of the Closing as though made at that time (except for representations and warranties that speak as of a specific date), and the Buyer shall have performed, satisfied and complied in all material respects with the covenants, agreements and conditions required by this Agreement to be performed, satisfied or complied with by the Buyer at or prior to the Closing.

(d) No litigation, statute, rule, regulation, executive order, decree, ruling or injunction shall have been enacted, entered, promulgated or endorsed by or in any court or governmental authority of competent jurisdiction or any self-regulatory organization having authority over the matters contemplated hereby which prohibits the consummation of any of the transactions contemplated by this Agreement.

6. Conditions to the Buyer's Obligation to Purchase. The obligation of the Buyer hereunder to purchase the Note at the Closing is subject to the satisfaction, at or before the Closing of each of the following conditions, provided that these conditions are for the Buyer's sole benefit and may be waived by the Buyer at any time in its sole discretion:

(a) The Company shall have executed this Agreement and the Warrant Extension Amendment and delivered the same to the Buyer.

(b) The Company shall have delivered the duly executed Note, in accordance with Section 1(b) above.

(c) The representations and warranties of the Company shall be true and correct in all material respects as of the date when made and as of the Closing as though made at such time (except for representations and warranties that speak as of a specific date) and the Company shall have performed, satisfied and complied in all material respects with the covenants, agreements and conditions required by this Agreement to be performed, satisfied or complied with by the Company at or prior to the Closing. The Buyer shall have received a certificate or certificates, executed by the chief executive officer of the Company, dated as of the Closing, to the foregoing effect and as to such other matters as may be reasonably requested by the Buyer including, but not limited to certificates with respect to the Board of Directors' resolutions relating to the transactions contemplated hereby.

(d) No material litigation, statute, rule, regulation, executive order, decree, ruling or injunction shall have been enacted, entered, promulgated or endorsed by or in any court or governmental authority of competent jurisdiction or any self-regulatory organization having authority over the matters contemplated hereby which prohibits the consummation of any of the transactions contemplated by this Agreement.

(e) No event shall have occurred which could reasonably be expected to have a Material Adverse Effect on the Company including but not limited to a change in the Exchange Act reporting status of the Company or the failure of the Company to be timely in its Exchange Act reporting obligations.

7. Governing Law; Miscellaneous.

(a) Governing Law. This Agreement and all actions arising out of or in connection with this Agreement shall be governed by and construed in accordance with the Laws of the State of New York, without regard to the conflicts of law provisions of the State of New York or of any other state. Any action brought by either party against the other concerning the transactions contemplated by this Agreement shall be brought only in the state and federal courts sitting in the City of New York. The parties to this Agreement hereby irrevocably waive any objection to jurisdiction and venue of any action instituted hereunder and shall not assert any defense based on lack of jurisdiction or venue or based upon *forum non conveniens*. The Company and Buyer waive trial by jury. Each party hereby irrevocably waives personal service of process and consents to process being served in any suit, action or proceeding in connection with this Agreement, the Note or any related document or agreement by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by law.

(b) Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same agreement. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, *e.g.*, www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

(c) Headings. The headings of this Agreement are for convenience of reference only and shall not form part of, or affect the interpretation of, this Agreement.

(d) Severability. In the event that any provision of this Agreement is invalid or unenforceable under any applicable statute or rule of law, then such provision shall be deemed inoperative to the extent that it may conflict therewith and shall be deemed modified to conform with such statute or rule of law. Any provision hereof which may prove invalid or unenforceable under any law shall not affect the validity or enforceability of any other provision hereof.

(e) Entire Agreement; Amendments. This Agreement and the instruments referenced herein contain the entire understanding of the parties with respect to the matters covered herein and therein and, except as specifically set forth herein or therein, neither the Company nor the Buyer makes any representation, warranty, covenant or undertaking with respect to such matters. No provision of this Agreement may be waived or amended other than by an instrument in writing signed by the Company and the Buyers holding a majority of the then-outstanding principal amounts under all Notes.

(f) Notices. All notices, requests, demands, consents, instructions or other communications required or permitted hereunder shall in writing and emailed, mailed or delivered to each party as follows: (i) if to the Buyer, at the Buyer's address or email set forth below the Buyer's signature page hereto, or at such other address as the Buyer shall have furnished the Company in writing, or (ii) if to the Company, at such address or email set forth below the Company's signature page hereto. All such notices and communications will be deemed effectively given the earlier of (1) when received, (2) when delivered personally, (3) when sent, if sent by email during the recipient's normal business hours, and if not sent during normal business hours, then on the recipient's next business day, (4) one business day after being deposited with an overnight courier service of recognized standing or (5) four days after being deposited in the U.S. mail, first class with postage prepaid.

(g) Successors and Assigns. Subject to the restrictions on assignment and transfer under the Note, the rights and obligations of the Company and the Buyer under this Agreement, shall be binding upon and benefit the successors, assigns, heirs, administrators and transferees of the parties.

(h) Survival. The representations, warranties, covenants and agreements made herein shall survive the execution and delivery of this Agreement.

(i) Further Assurances. Each party shall do and perform, or cause to be done and performed, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments and documents, as the other party may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

(j) No Strict Construction. The language used in this Agreement will be deemed to be the language chosen by the parties to express their mutual intent, and no rules of strict construction will be applied against any party.

(Signature Page Follows)

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as the date first above written.

COMPANY:

AKARI THERAPEUTICS, PLC

Signature:_____
Print Name:
Print Title:

Address:
Email:

BUYER:

_____
(Entity name, if applicable)

Signature:_____

Print Name:_____

Print Title:_____

Address

_____

Email:_____

Note Principal Amount: $_____

Note Purchase Price [1]: $_____

Series A Warrant No.(s)_____

[Signature Page to Akari Therapeutics, Plc Note Purchase Agreement]

[1] 80% of Note Principal Amount

Exhibit A

Form of Promissory Note

Exhibit B

Form of Warrant Extension Amendment

Exhibit 10.3

20% ORIGINAL ISSUE DISCOUNT PROMISSORY NOTE

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED, OR UNDER THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION, AND MAY NOT BE SOLD, ASSIGNED, TRANSFERRED, PLEDGED OR OTHERWISE DISPOSED OF EXCEPT IN COMPLIANCE WITH, OR PURSUANT TO AN EXEMPTION FROM, THE REQUIREMENTS OF SUCH ACT OR SUCH LAWS.

AKARI THERAPEUTICS, PLC

20% ORIGINAL ISSUE DISCOUNT PROMISSORY NOTE

Original Issue Date: August [●], 2025 Original Interest Discount: 20%

Maturity Date: August [●], 2026 [1] Original Principal Amount: $ [●]

AKARI THERAPEUTICS, PLC., a public company with limited liability incorporated under the laws of England and Wales, (the ***"Company"***), for value received, hereby promises to pay to _____ or his, her or its permitted assigns or successors (the ***"Holder"***), the principal amount of _____ dollars ($_____) (the ***"Principal Amount"***), without demand, on the Maturity Date (as hereinafter defined).

Except as set forth in Section 3.1, payment of all principal due shall be in such coin or currency of the United States of America as shall be legal tender for the payment of public and private debts at the time of payment. This 20% Original Issue Discount Promissory Note (this ***"Note"***) is unsecured.

This Note is a promissory note referred to in that certain Note Purchase Agreement dated as of August [●], 2025 (the ***"Purchase Agreement"***), or series of like note purchase agreements, among the Company and the subscribers named therein, pursuant to which the Company is seeking to raise an aggregate of approximately $2,000,000 - $3,000,000 (or such higher amount as the Company's Board of Directors shall determine). Capitalized terms used herein without definition have the meanings ascribed to them in the Purchase Agreement.

[1] 12 months from the Issuance Date.

1. DEFINITIONS.

1.1 **Definitions.** The terms defined in this Section 1 whenever used in this Note shall have the respective meanings hereinafter specified.

"Applicable Laws" means any and all applicable foreign, federal, state and local statutes, laws, regulations, ordinances, policies, and rules or common law (whether now existing or hereafter enacted or promulgated), of any and all governmental authorities, agencies, departments, commissions, boards, courts, or instrumentalities of the United States, any state of the United States, any other nation, or any political subdivision of the United States, any state of the United States or any other nation, and all applicable judicial and administrative, regulatory or judicial decrees, judgments and orders, including common law rules and determinations.

"Event of Default" shall have the meaning set forth in Section 5.1.

"Holder" or ***"Holders"*** means the person named above or any Person who shall thereafter become a recordholder of this Note in accordance with the terms hereof, including the Holder representation that they are an Accredited Investor as defined by Rule 501 under the Securities Act of 1933, as amended.

"Issue Date" means the issue date stated above.

"Maturity Date" means August [●], 2026.

"Securities Act" means the United States Securities Act of 1933, as amended.

2. GENERAL PROVISIONS.

2.1 **Loss, Theft, Destruction of Note.** Upon receipt of evidence satisfactory to the Company of the loss, theft, destruction or mutilation of this Note and, in the case of any such loss, theft or destruction, upon receipt of indemnity or security reasonably satisfactory to the Company, or, in the case of any such mutilation, upon surrender and cancellation of this Note, the Company will make and deliver, in lieu of such lost, stolen, destroyed or mutilated Note, a new Note of like tenor and unpaid principal amount dated as of the date hereof. This Note shall be held and owned upon the express condition that the provisions of this Section 2.1 are exclusive with respect to the replacement of a mutilated, destroyed, lost or stolen Note and shall preclude any and all other rights and remedies notwithstanding any law or statute existing or hereafter enacted to the contrary with respect to the replacement of negotiable instruments or other securities without their surrender.

3. STATUS; RESTRICTIONS ON TRANSFER.

3.1 **Status of Note.** This Note is a direct, general and unconditional obligation of the Company, and constitutes a valid and legally binding obligation of the Company, enforceable in accordance with its terms subject, as to enforcement, to bankruptcy, insolvency, reorganization and other similar laws of general applicability relating to or affecting creditors' rights and to general principles of equity. This Note does not confer upon the Holder any right to vote or to consent or to receive notice as a stockholder of the Company, as such, in respect of any matters whatsoever, or any other rights or liabilities as a stockholder.

3.2 **Restrictions on Transferability. This Note has not been registered under the Securities Act, or under any state securities or so-called "blue sky laws," and may not be offered, sold, transferred, hypothecated or otherwise assigned except (a) pursuant to a registration statement with respect to such securities which is effective under the Act or (b) upon receipt from counsel satisfactory to the Company of an opinion, which opinion is satisfactory in form and substance to the Company, to the effect that such securities may be offered, sold, transferred, hypothecated or otherwise assigned (i) pursuant to an available exemption from registration under the Act and (ii) in accordance with all applicable state securities and so-called "blue sky laws." The Holder agrees to be bound by such restrictions on transfer.**

4. COVENANTS. In addition to the other covenants and agreements of the Company set forth in this Note, the Company covenants and agrees that so long as this Note shall be outstanding:

4.1 **Payment of Note.** The Company will punctually, according to the terms hereof, pay or cause to be paid all amounts due under this Note via corporate check, bank check, or wire transfer to the account and address directed by the Holder.

4.2 **Notice of Default.** If the Company becomes aware that any one or more events have occurred which constitute or which, with the giving of notice or the lapse of time or both, would constitute an Event of Default, the Company will forthwith give notice to the Holder, specifying the nature and status of the Event of Default.

4.3 **Compliance with Laws.** While this Note is outstanding, the Company will use its reasonable best efforts to comply in all material respects with all Applicable Laws, except where the necessity of compliance therewith is contested in good faith by appropriate proceedings.

5. REMEDIES.

5.1 **Events of Default.** ***"Event of Default"*** wherever used herein means any one of the following events and the continuance of such breach for a period of twenty (20) days after such event:

(a) Default in the due and punctual payment of the principal of, or any other amount owing in respect of (including any fees and expenses then owing), this Note when and as the same shall become due and payable;

(b) The breach by the Company of any covenant or agreement of the Company in this Note (other than a covenant or agreement a default in the performance of which is specifically provided for elsewhere in this Section 5.1), and the continuance of such default for a period of ten (10) days after there has been given to the Company by the Holder a written notice specifying such default and requiring it to be remedied;

(c) The breach by the Company of any material covenant, agreement, representation or warranty of the Company contained in Sections 3 and 4 of the Purchase Agreement;

(d) The entry of a decree or order by a court having jurisdiction adjudging the Company as bankrupt or insolvent; or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Company under the Federal Bankruptcy Code or any other applicable federal or state law, or appointing a receiver, liquidator, assignee, trustee or sequestrator (or other similar official) of the Company or of any substantial part of its property, or ordering the winding-up or liquidation of its affairs, and the continuance of any such decree or order unstayed and in effect for a period of 60 calendar days;

(e) The institution by the Company of proceedings to be adjudicated as bankrupt or insolvent, or the consent by it to the institution of bankruptcy or insolvency proceedings against it, or the filing by it of a petition or answer or consent seeking reorganization or relief under the Federal Bankruptcy Code or any other applicable federal or state law, or the consent by it to the filing of any such petition or to the appointment of a receiver, liquidator, assignee, trustee or sequestrator (or other similar official) of the Company or of any substantial part of its property, or the making by it of an assignment for the benefit of creditors; or

(f) The Company seeks the appointment of a statutory manager or proposes in writing or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or any group or class thereof or files a petition for suspension of payments or other relief of debtors or a moratorium or statutory management is agreed or declared in respect of or affecting all or any material part of the indebtedness of the Company;

(g) Any cessation of operations by the Company or the Company admits it is otherwise generally unable to pay its debts as such debts become due, provided, however, that any disclosure of the Borrower's ability to continue as a "going concern" shall not be an admission that the Borrower cannot pay its debts as they become due;

(h) The Company attempts to assign this Note without the prior written consent of the Holder or consolidates with or merges into any other entity or transfers all or substantially all of its assets to any person or entity by operation of law or otherwise; or

(i) Effects of Default. If an Event of Default occurs, then and in every such case the Holder may declare this Note to be due and payable immediately, by a notice in writing to the Company, and upon any such declaration, the Company shall pay to the Holder the outstanding principal amount of this Note, together with all expenses of collection hereof, including, but not limited to, attorneys' fees and legal expenses.

5.2 **Remedies Not Waived; Exercise of Remedies.** No course of dealing between the Company and the Holder or any delay in exercising any rights hereunder shall operate as a waiver by the Holder. No failure or delay by the Holder in exercising any right, power or privilege under this Note shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by Applicable Law. By acceptance hereof, the Holder acknowledges and agrees that this Note is one of a series of Promissory Notes of similar tenor issued by the Company (collectively, the ***"Related Notes"***) and that upon the occurrence and during the continuance of any Event of Default, the holders of a majority in original principal amount of the Related Notes shall have the right to act on behalf of the holders of all such Notes in exercising and enforcing all rights and remedies available to all of such holders under this Note, including, without limitation, foreclosure of any judgment lien on any assets of the Company. By acceptance hereof, the Holder agrees not to independently exercise any such right or remedy without the consent of the holders of a majority in original principal amount of the Related Notes.

6. MISCELLANEOUS.

6.1 **Severability.** If any provision of this Note shall be held to be invalid or unenforceable, in whole or in part, neither the validity nor the enforceability of the remainder hereof shall in any way be affected.

6.2 **Notice.** Where this Note provides for notice of any event, such notice shall be given (unless otherwise herein expressly provided) in writing and either (a) delivered personally, (b) sent by certified, registered or express mail, postage prepaid or (c) sent by electronic transmission, and shall be deemed given when so delivered personally, sent by electronic transmission or mailed. Notices shall be addressed, if to Holder, to its address or e-mail address as provided in the Purchase Agreement or, if to the Company, to its principal office.

6.3 **Governing Law.** This Note shall be governed by, and construed in accordance with, the laws of the State of New York (without giving effect to any conflicts or choice of law provisions that would cause the application of the domestic substantive laws of any other jurisdiction).

6.4 **Forum.** The Holder and the Company hereby agree that any dispute which may arise out of or in connection with this Note shall be adjudicated before a court of competent jurisdiction in the state and federal courts sitting in the City of New York and they hereby submit to the exclusive jurisdiction of the state and federal courts sitting in the City of New York, Borough of Manhattan, as well as to the jurisdiction of all courts to which an appeal may be taken from such courts, with respect to any action or legal proceeding commenced by either of them and hereby irrevocably waive any objection they now or hereafter may have respecting the venue of any such action or proceeding brought in such a court or respecting the fact that such court is an inconvenient forum.

6.5 **Maximum Payments.** Nothing contained herein shall be deemed to establish or require the payment of a rate of interest or other charges in excess of the maximum permitted by applicable law. In the event that the rate of interest required to be paid or other charges hereunder exceed the maximum permitted by such law, any payments in excess of such maximum shall be credited against amounts owed by the Company to the Holder and thus refunded to the Company.

6.6 **Headings.** The headings of the Articles and Sections of this Note are inserted for convenience only and do not constitute a part of this Note.

6.7 **Amendments.** This Note may be amended or waived only with the written consent of the Company and the holders of a majority in original aggregate principal amount of the Related Notes. Any such amendment or waiver shall be binding on all holders of the Notes, even if they do not execute such consent, amendment or waiver.

6.8 **No Recourse Against Others.** The obligations of the Company under this Note are solely obligations of the Company and no officer, employee or stockholder shall be liable for any failure by the Company to pay amounts on this Note when due or perform any other obligation.

6.9 **Assignment; Binding Effect.** This Note may not be assigned by the Company without the prior written consent of the Holder and any unauthorized assignment shall be null and void ab initio. This Note shall be binding upon and inure to the benefit of both parties hereto and their respective permitted successors and assigns.

6.10 **Non-circumvention.** The Company hereby covenants and agrees that the Company will not, by amendment of its articles of incorporation, bylaws or through any reorganization, transfer of assets, consolidation, merger, scheme of arrangement, dissolution, issue or sale of securities, or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Note, and will at all times in good faith carry out all of the provisions of this Note and take all action as may be required to protect the rights of the Holder of this Note.

In Witness Whereof, the Company has caused this Note to be signed by its duly authorized officer on the date hereinabove written.

Akari Therapeutics, Plc

By: _____
Name: Abizer Gaslightwala
Title: President and Chief Executive Officer

Exhibit 10.4

August [●], 2025

AMENDMENT NO. 1 TO SERIES A WARRANT

This Amendment No. 1 (this "Amendment") to the Series A Warrant (as defined below), is made by and between Akari Therapeutics, Plc, a public company with limited liability incorporated under the laws of England and Wales (the "Company"), and _____ (the "Holder").

WHEREAS, the Holder is the holder of outstanding Series A Warrant to purchase up to ____ American Depositary Shares of the Company, each representing 2,000 ordinary shares, par value $0.0001 per share, of the Company, issued by the Company on [●] (Warrant No. A-__) and attached hereto as Exhibit A (the "Series A Warrant");

WHEREAS, Section 5(l) of the Series A Warrant provides that the Series A Warrant may be amended or modified with the written consent of the Company and the Holder;

WHEREAS, in connection with the issuance and sale of that certain promissory note (the "Note") by the Company to the Holder pursuant to that certain Note Purchase Agreement, dated as of August [●], 2025 (the "Purchase Agreement"), by and between the Company and the Holder, the desire to amend the Series A Warrant as contemplated by the Purchase Agreement and as more particularly set forth below;

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements herein contained, and intending to be legally bound hereby, the parties hereto hereby agree as follows:

1. Termination Date. The definition of Termination Date set forth in the Series A Warrant is hereby amended to extend the Termination Date to 5:00 p.m. (New York City time) on [●], 2030.

2. Effectiveness of the Amendment. This Amendment shall become effective as of (and is contingent upon) the issuance and sale of the Note to the Holder pursuant to the terms of the Purchase Agreement.

3. Full Force and Effect. Except as expressly modified herein, all other terms of the Warrant shall remain in full force and effect, and the Company and Holder reserve their respective rights thereunder.

4. Governing Law; Execution. This Amendment shall be governed by and construed in accordance with the laws of the State of New York. This Amendment may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. This Amendment shall be binding upon and shall inure to the benefit of the parties hereto and their heirs, successors and assigns.

Please acknowledge your agreement of this Amendment by signing below and returning a fully executed copy to the Company.

[*Signature Page Follows*]

Sincerely,

AKARI THERAPEUTICS, PLC

By: _____
Name:
Title:

AGREED TO AND ACKNOWLEDGED
this ___ day of _____, 2025

HOLDER:

_____

[Signature Page to Series A Warrant Amendment No. 1]

Exhibit A
Series A Warrant
[See attached]

Exhibit 31.1

CERTIFICATION OF THE PRINCIPAL EXECUTIVE OFFICER UNDER SECTION 302 OF THE SARBANES-OXLEY ACT

I, Abizer Gaslightwala, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Akari Therapeutics, Plc;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the company's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: August 13, 2025

/s/ Abizer Gaslightwala
Abizer Gaslightwala
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF THE PRINCIPAL FINANCIAL OFFICER UNDER SECTION 302 OF THE SARBANES-OXLEY ACT

I, Torsten Hombeck, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Akari Therapeutics, Plc;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the company's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: August 13, 2025

/s/ Torsten Hombeck

Torsten Hombeck, Ph.D.
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Akari Therapeutics, Plc (the "Company") on Form 10-Q for the quarter ended June 30, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned officer of the Company certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to such officer's knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 13, 2025

/s/ Abizer Gaslightwala
Abizer Gaslightwala
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Akari Therapeutics, Plc (the "Company") on Form 10-Q for the quarter ended June 30, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned officer of the Company certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to such officer's knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 13, 2025

/s/ Torsten Hombeck
Torsten Hombeck, Ph.D.
Chief Financial Officer
(Principal Financial Officer)