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

Form 6-K

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

August 2019

Commission file number: 001-36288

# Akari Therapeutics, Plc

(Translation of registrant's name into English)

75/76 Wimpole Street
London W1G 9RT
United Kingdom
(Address of principal executive offices)

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

Form 20-F ☒ Form 40-F ☐

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

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

**CONTENTS**

On August 29, 2019, Akari Therapeutics, Plc (the "Company") issued unaudited interim condensed consolidated financial statements as of June 30, 2019, prepared in accordance with generally accepted accounting principles in the United States, together with the Company's Management Discussion and Analysis of Financial Condition and Results of Operations for the same period. Attached hereto and incorporated by reference herein are the following exhibits:

99.1 Unaudited Interim Condensed Consolidated Financial Statements as of June 30, 2019
99.2 Management Discussion and Analysis of Financial Condition and Results of Operations as of June 30, 2019

In addition, on August 29, 2019, the Company issued a press release announcing its second quarter 2019 financial results and recent clinical progress highlights. A copy of the press release is attached hereto as Exhibit 99.3 and incorporated herein by reference.

The information contained in Exhibits 99.1 and 99.2 and the statements under "Second Quarter 2019 Financial Results", the accompanying financial statements and "Cautionary Note Regarding Forward-Looking Statements" of Exhibit 99.3 are hereby incorporated by reference into all effective registration statements filed by the Company under the Securities Act of 1933.

**Exhibit No.**

99.1 Unaudited Interim Condensed Consolidated Financial Statements as of June 30, 2019

99.2 Management Discussion and Analysis of Financial Condition and Results of Operations as of June 30, 2019

99.3 Press release dated August 29, 2019

**SIGNATURES**

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

Akari Therapeutics, Plc
(Registrant)

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

Date: August 29, 2019

**Exhibit 99.1**

**AKARI THERAPEUTICS, PLC**

**Quarterly Report For the Period Ended June 30, 2019**

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**Condensed Consolidated Financial Statements**

AKARI THERAPEUTICS, Plc

CONDENSED CONSOLIDATED BALANCE SHEETS
As of June 30, 2019 and December 31, 2018
(in U.S. Dollars, except share data)

| | June 30, 2019 (Unaudited) | December 31, 2018 |
|---|---|---|
| **Assets** | | |
| Current Assets: | | |
| Cash | $ 2,736,663 | $ 5,446,138 |
| Prepaid expenses and other current assets | 1,747,365 | 1,423,184 |
| Deferred financing costs | 606,508 | 585,000 |
| Total Current Assets | 5,090,536 | 7,454,322 |
| Restricted cash | 17,364 | 521,829 |
| Property and equipment, net | 12,056 | 20,425 |
| Patent acquisition costs, net | 31,065 | 32,978 |
| Total Assets | $ 5,151,021 | $ 8,029,554 |
| **Liabilities and Shareholders' (Deficiency) Equity** | | |
| Current Liabilities: | | |
| Accounts payable | $ 1,481,536 | $ 1,586,285 |
| Accrued expenses | 2,671,393 | 1,489,558 |
| Liabilities related to options | 2,370,507 | 1,842,424 |
| Total Liabilities | 6,523,436 | 4,918,267 |
| Commitments and Contingencies | | |
| Shareholders' (Deficiency) Equity: | | |
| Share capital of £0.01 par value | | |
| Authorized: 10,000,000,000 ordinary shares; issued and outstanding: 1,650,693,413 and 1,580,693,413 at June 30, 2019 and December 31, 2018, respectively | 24,538,137 | 23,651,277 |
| Additional paid-in capital | 107,960,836 | 106,616,083 |
| Accumulated other comprehensive loss | (405,374) | (352,426) |
| Accumulated deficit | (133,466,014) | (126,803,647) |
| Total Shareholders' (Deficiency) Equity | (1,372,415) | 3,111,287 |
| Total Liabilities and Shareholders' Equity | $ 5,151,021 | $ 8,029,554 |

See notes to condensed consolidated financial statements.

AKARI THERAPEUTICS, Plc

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS - UNAUDITED
For the Three Months Ended June 30, 2019 and June 30, 2018
(in U.S. Dollars)

| | Three Months Ended | | Six Months Ended | |
|---|---|---|---|---|
| | June 30, 2019 | June 30, 2018 | June 30, 2019 | June 30, 2018 |
| Operating Expenses: | | | | |
| Research and development expenses | $ 3,593,341 | $ 5,120,840 | $ 1,274,981 | $ 6,129,228 |
| General and administrative expenses | 2,438,106 | 2,858,065 | 4,744,504 | 6,155,038 |
| Total Operating Expenses | 6,031,447 | 7,978,905 | 6,019,485 | 12,284,266 |
| Loss from Operations | (6,031,447) | (7,978,905) | (6,019,485) | (12,284,266) |
| | | | | |
| Other Income (Expenses): | | | | |
| Interest income | 449 | 67,436 | 1,735 | 132,073 |
| Changes in fair value of option liabilities – gain/(loss) | 1,830,689 | (152,557) | (528,083) | 2,792,974 |
| Foreign currency exchange gains (losses) | 86,438 | 47,421 | (109,198) | 6,446 |
| Other expenses | (3,213) | (5,591) | (7,336) | (7,998) |
| Total Other Income (Expenses) | 1,914,363 | (43,291) | (642,882) | 2,923,495 |
| | | | | |
| Net Loss | (4,117,084) | (8,022,196) | (6,662,367) | (9,360,771) |
| | | | | |
| Other Comprehensive (Loss) Income: | | | | |
| Foreign Currency Translation Adjustment | (160,116) | (27,188) | (52,948) | 5,611 |
| | | | | |
| Comprehensive Loss | $ (4,277,200) | $ (8,049,384) | $ (6,715,315) | $ (9,355,160) |
| | | | | |
| Loss per ordinary share (basic and diluted) | $ (0.00) | $ (0.01) | $ (0.00) | $ (0.01) |
| | | | | |
| Weighted average ordinary shares (basic and diluted) | 1,607,121,984 | 1,525,693,393 | 1,594,063,579 | 1,525,693,393 |

See notes to condensed consolidated financial statements.

AKARI THERAPEUTICS, Plc

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' (DEFICIT) EQUITY - UNAUDITED
As of and for the Three and Six Months Ended June 30, 2019 and 2018
(in U.S. Dollars)

| | Share Capital | | Additional Paid-in Capital | Accumulated Other Comprehensive Income (Loss) | Accumulated Deficit | Total |
|---|---|---|---|---|---|---|
| | Shares | Amount | | | | |
| Balance, December 31, 2018 | 1,580,693,413 | $ 23,651,277 | $ 106,616,083 | $ (352,426) | $ (126,803,647) | $ 3,111,287 |
| Stock-based compensation | - | - | 394,439 | - | - | 394,439 |
| Issuance of share capital related to financing, net of issuance costs | 5,000,000 | 65,598 | 86,955 | - | - | 152,553 |
| Comprehensive income (loss) | - | - | - | 107,168 | (2,545,283) | (2,438,115) |
| Balance, March 31, 2019 | 1,585,693,413 | 23,716,875 | 107,097,477 | (245,258) | (129,348,930) | 1,220,164 |
| Stock-based compensation | - | - | 409,622 | - | - | 409,622 |
| Issuance of share capital related to financing, net of issuance costs | 65,000,000 | 821,262 | 453,737 | - | - | 1,274,999 |
| Comprehensive loss | - | - | - | (160,116) | (4,117,084) | (4,277,200) |
| Balance, June 30, 2019 | 1,650,693,413 | $ 24,538,137 | $ 107,960,836 | $ (405,374) | $ (133,466,014) | $ (1,372,415) |

| | Share Capital | | Additional Paid-in Capital | Accumulated Other Comprehensive Income (Loss) | Accumulated Deficit | Total |
|---|---|---|---|---|---|---|
| | Shares | Amount | | | | |
| Balance, December 31, 2017 | 1,525,693,393 | $ 22,927,534 | $ 104,799,550 | $ (236,246) | $ (110,336,867) | $ 17,153,971 |
| Stock-based compensation | - | - | 475,958 | - | - | 475,958 |
| Comprehensive income (loss) | - | - | - | 32,799 | (1,338,575) | (1,305,776) |
| Balance, March 31, 2018 | 1,525,693,393 | 22,927,534 | 105,275,508 | (203,447) | (111,675,442) | 16,324,153 |
| Stock-based compensation | - | - | 351,981 | - | - | 351,981 |
| Comprehensive income (loss) | - | - | - | (27,188) | (8,022,196) | (8,049,384) |
| Balance, June 30, 2018 | 1,525,693,393 | $ 22,927,534 | $ 105,627,489 | $ (203,635) | $ (119,697,638) | $ 8,626,750 |

See notes to condensed consolidated financial statements.

AKARI THERAPEUTICS, Plc

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS - UNAUDITED
For the Six Months Ended June 30, 2019 and 2018
(in U.S. Dollars)

| | Six Months Ended | |
|---|---|---|
| | **June 30, 2019** | **June 30, 2018** |
| Cash Flows from Operating Activities: | | |
| Net loss | $ (6,662,367) | $ (9,360,771) |
| Adjustments to reconcile net loss to net cash used in operating activities: | | |
| Depreciation and amortization | 10,266 | 18,722 |
| Stock-based compensation | 804,061 | 827,939 |
| Changes in fair value of the liability for options – losses (gains) | 528,083 | (2,792,974) |
| Foreign currency exchange losses (gains) | 91,905 | (19,649) |
| Changes in operating assets and liabilities: | | |
| Increase in assets: | | |
| Prepaid expenses and other current assets | (324,111) | (747,101) |
| Increase (decrease) in liabilities: | | |
| Accounts payable and accrued expenses | 1,008,598 | (773,086) |
| Other liabilities | - | 165,201 |
| Total adjustments | 2,118,802 | (3,320,948) |
| Net Cash Used in Operating Activities | (4,543,565) | (12,681,719) |
| | | |
| Cash Flows from Financing Activities: | | |
| Net proceeds from issuance of shares | 1,473,828 | - |
| Net Cash Provided by Financing Activities | 1,473,828 | - |
| | | |
| Effect of Exchange Rates on Cash and Restricted Cash | (144,203) | 24,163 |
| | | |
| Net Decrease in Cash and Restricted Cash | (3,213,940) | (12,657,556) |
| Cash and Restricted Cash, beginning of period | 5,967,967 | 28,248,906 |
| Cash and Restricted Cash, end of period | $ 2,754,027 | $ 15,591,350 |
| Supplemental Disclosures of Non-Cash Financing Activities: | | |
| Deferred financing costs | $ 114,058 | $ - |

See notes to condensed consolidated financial statements.

## NOTE 1 – Nature of Business

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

The accompanying financial statements have been prepared in conformity with U.S. Generally Accepted Accounting Principles, assuming that the Company will continue to operate as a going concern. As of June 30, 2019, the Company has an accumulated deficit of $133,466,014 and cash of $2,736,663. On September 26, 2018, the Company entered into a securities purchase agreement (the "Purchase Agreement") with Aspire Capital Fund, LLC, an Illinois limited liability company ("Aspire Capital"), which provides that, upon the terms and subject to the conditions and limitations set forth therein, Aspire Capital is committed to purchase up to an aggregate of $20.0 million of the Company's ADSs over the 30-month term of the Purchase Agreement. In consideration for entering into the Purchase Agreement, concurrently with the execution of the Purchase Agreement, the Company issued 30,000,000 ordinary shares, par value £0.01 per share, ("Ordinary Shares") to Aspire Capital and sold to Aspire Capital 25,000,000 Ordinary Shares for gross proceeds of $500,000. In addition to the foregoing issuances to Aspire Capital, during the six months ended June 30, 2019, the Company sold to Aspire Capital 70,000,000 Ordinary Shares of the Company for gross proceeds of approximately $1,543,000 (See Note 4). Subsequent to June 30, 2019, the Company sold additional shares to Aspire Capital (See Note 8). The Company believes its current capital resources are sufficient to support its operations through the end of the third quarter of 2019 without giving effect to the sale of additional shares to Aspire Capital under the Purchase Agreement.

The Company's activities since inception have consisted of raising capital and performing research and development activities. As of June 30, 2019, principal commercial operations have not commenced. The Company is subject to a number of risks similar to those of clinical stage companies, including dependence on key individuals, uncertainty of product development and generation of revenues, dependence on outside sources of capital, risks associated with clinical trials of products, dependence on third-party collaborators for research operations, need for regulatory approval of products, risks associated with protection of intellectual property, and competition with larger, better-capitalized companies. In addition, the Company is subject to risks related to an active U.S. Securities and Exchange Commission ("SEC") investigation.

For the three and six months ended June 30, 2019, the Company reported a net loss of $4,117,084 and $6,662,367, respectively, and expects to continue to incur substantial losses over the next several years during its development phase. To fully execute its business plan, the Company will need, among other things, to complete its research and development efforts and clinical and regulatory activities. These activities may take several years and will require significant operating and capital expenditures in the foreseeable future. There can be no assurance that these activities will be successful. If the Company is not successful in these activities or there is not a favorable resolution of the SEC investigation, it could delay, limit, reduce or terminate preclinical studies, clinical trials or other research and development activities. To fund its capital needs, the Company plans to raise funds through equity or debt financings or other sources, such as strategic partnerships and alliance and licensing arrangements, and in the long term, from the proceeds from sales. Additional funds may not be available when the Company needs them, on terms that are acceptable to it, or at all. These matters raise substantial doubt about the Company's ability to continue as a going concern. The financial statements do not include any adjustments to the carrying amounts and classifications of assets and liabilities that would result if the Company was unable to continue as a going concern.

## NOTE 2 – Summary of Significant Accounting Policies

**Basis of Presentation** – The accompanying condensed consolidated financial statements have been prepared in accordance with U.S. GAAP for interim financial information and the rules and regulations of the SEC. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. These financial statements have been prepared on the same basis as the Company's annual financial statements and, in the opinion of management, reflect all adjustments, including normal and recurring adjustments, which the Company considers necessary for the fair presentation of financial information. The results of operations and comprehensive loss for the three and six months ended June 30, 2019 and June 30, 2018, are not necessarily indicative of expected results for the full fiscal year or any other period.

**Principles of Consolidation –** The Condensed Consolidated Financial Statements include the accounts of the Company and Volution Immuno Pharmaceuticals SA, a private Swiss company, its wholly-owned subsidiary. All intercompany transactions have been eliminated.

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

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

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

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

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

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

**Cash** – The Company considers all highly-liquid investments with original maturities of 90 days or less at the time of acquisition to be cash equivalents. The Company had no cash equivalents as of June 30, 2019 and December 31, 2018.

**Restricted cash** - Restricted cash is collateral for a letter of credit related to the Company's former office leases.

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

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

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

| | **Years** |
|---|---|
| Computers, peripheral, and scientific equipment | 3 |
| Office furniture and equipment | 3 |

Depreciation expense for the three and six months ended June 30, 2019 and 2018 was $3,778, $8,369, $8,647 and $10,952, respectively.

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

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

**Patent Acquisition Costs** – Patent acquisition costs and related capitalized legal fees are amortized on a straight-line basis over the shorter of the legal or economic life. The estimated useful life is 22 years. The Company expenses costs associated with maintaining and defending patents subsequent to their issuance in the period incurred. Amortization of patent acquisition costs for the three and six months ended June 30, 2019 and 2018 was $922, $1,897, $731 and $762, respectively.

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

**Research and Development Expenses –** Costs associated with research and development are expensed as incurred. Research and development expenses include, among other costs, personnel expenses, costs incurred by outside laboratories, manufacturers' and other accredited facilities in connection with clinical trials and preclinical studies. Research and development expenses for the three and six months ended June 30, 2019 and 2018 were $3,593,341, $1,274,981, $5,120,840 and $6,129,228, respectively. The Company accounts for research and development tax credits at the time its realization becomes probable. In March 2019 and March 2018, respectively, the Company realized research and development tax credits of $4,872,716 and $3,794,094, that was recorded as a credit to research and development costs in the Condensed Consolidated Statements of Comprehensive Loss, for the 2017 and 2016 tax years, respectively.

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

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

(in U.S. Dollars)

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

**Income Taxes** – The Company accounts for income taxes in accordance with the accounting rules that require an asset and liability approach to accounting for income taxes based upon the future expected values of the related assets and liabilities. Deferred income tax assets and liabilities are determined based on the differences between the financial reporting and tax bases of assets and liabilities and for tax loss and credit carry forwards and are measured using the expected tax rates estimated to be in effect when such basis differences reverse. Valuation allowances are established, if necessary, to reduce the deferred tax asset to the amount that will, more likely than not, be realized. The Company has recorded a full valuation allowance on its deferred tax assets as of June 30, 2019 and December 31, 2018.

**Uncertain Tax Positions –** The Company follows the provisions of ASC 740 "*Accounting for Uncertainty in Income Taxes*", which prescribes recognition thresholds that must be met before a tax position is recognized in the financial statements and provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. Under ASC 740 "*Accounting for Uncertainty in Income Taxes*," an entity may only recognize or continue to recognize tax positions that meet a "more-likely-than-not" threshold. Interest and penalties related to uncertain tax positions are recognized as income tax expense. At June 30, 2019 and December 31, 2018, the Company had no uncertain tax positions.

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

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

The following table provides details with respect to changes in accumulated other comprehensive loss, which is comprised of foreign currency translation adjustments, as presented in the balance sheets at June 30, 2019:

| | |
|---|---|
| Balance, January 1, 2019 | $ (352,426) |
| Net current period other comprehensive loss | (52,948) |
| Balance, June 30, 2019 | $ (405,374) |

**Recent Accounting Pronouncements**

**Adopted during year –**
In February 2016, the FASB issued ASU No. 2016-02, *Leases* ("ASU 2016-02"). ASU 2016-02 establishes a right-of-use (ROU) model that requires a lessee to record a ROU asset and a lease liability on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. The new standard is effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. The adoption of this standard in 2019 did not have a material impact on the Company's financial position, results of operations or related financial statement disclosures since the Company does not have a lease with a term longer than 12 months.

In October 2016, the FASB issued ASU 2016-16, *Intra-Entity Transfers of Assets Other Than Inventory*. This guidance removes the prohibition in ASC 740 against the immediate recognition of the current and deferred income tax effects of intra-entity transfers of assets other than inventory. This guidance is intended to reduce the complexity of U.S. GAAP and diversity in practice related to the tax consequences of certain types of intra-entity asset transfers, particularly those involving intellectual property. This guidance is effective for annual reporting periods beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019. The adoption of this standard in 2019 did not have a material impact on the Company's financial position, results of operations or related financial statements.

(in U.S. Dollars)

## NOTE 3 – Fair Value Measurements

Fair value of financial instruments:

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

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

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

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

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

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

The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

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

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

The fair value of the RPC options was $2,370,507 and $1,842,424 as of June 30, 2019 and December 31, 2018, respectively. The fair value of the RPC options for the three-month period ended June 30, 2019 decreased by $1,830,689 and for the three-month period ended June 30, 2018 increased by $152,557, respectively, and the fair value of the RPC options for the six-month period ended June 30, 2019 increased by $528,083 and for the six-month period ended June 30, 2018 decreased by $2,792,974, respectively, and the change which represents a gain (loss), respectively, was recognized as change in fair value of option/warrant liabilities gains (losses) in the Condensed Consolidated Statements of Comprehensive Loss. The Company accounts for the RPC options as a liability in accordance with ASC 815-40-25, *Accounting for Derivative Financial Instruments Indexed to, and Potentially Settled in, a Company's Own Stock* and ASC 815-40-15, *Determining Whether an Instrument (or Embedded Feature) Is Indexed to an Entity's Own Stock*.

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

| | June 30, 2019 | December 31, 2018 |
|---|---|---|
| RPC options | $ 2,370,507 | $ 1,842,424 |

(in U.S. Dollars)

**NOTE 3 – Fair Value Measurements (cont.)**

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

| | Fair value of liabilities related to stock options |
|---|---|
| Balance at December 31, 2017 | $ 5,081,335 |
| Changes in values of liabilities related to options | (2,792,974) |
| Balance at June 30, 2018 | $ 2,288,361 |

| | Fair value of liabilities related to stock options |
|---|---|
| Balance at December 31, 2018 | $ 1,842,424 |
| Changes in values of liabilities related to options | 528,083 |
| Balance at June 30, 2019 | $ 2,370,507 |

**NOTE 4 – Shareholders' Equity**

**Share Capital** – The Company has 10,000,000,000 Ordinary Shares of authorized capital and 1,650,693,413 and 1,580,693,413 Ordinary Shares outstanding at June 30, 2019 and December 31, 2018, respectively.

**Purchase Agreement and Registration Rights Agreement with Aspire Capital**

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

Under the Purchase Agreement, after the SEC has declared effective the registration statement referred to above (which occurred in March 2019), on any trading day selected by the Company, the Company has the right, in its sole discretion, to present Aspire Capital with a purchase notice (each, a "Purchase Notice"), directing Aspire Capital (as principal) to purchase up to 150,000 ADSs per business day and up to $20.0 million of the Company's ADSs in the aggregate at a per share price (the "Purchase Price") equal to the lesser of:

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

**NOTE 4 – Shareholders' Equity (cont.)**

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

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

The Purchase Agreement provides that the Company and Aspire Capital shall not effect any sales under the Purchase Agreement on any purchase date where the closing sale price of the Company's ADSs is less than $0.25. There are no trading volume requirements or restrictions under the Purchase Agreement, and the Company will control the timing and amount of sales of the Company's ADSs to Aspire Capital. Aspire Capital has no right to require any sales by the Company but is obligated to make purchases from the Company as directed by the Company in accordance with the Purchase Agreement. There are no limitations on use of proceeds, financial or business covenants, restrictions on future fundings, rights of first refusal, participation rights, penalties or liquidated damages in the Purchase Agreement. In consideration for entering into the Purchase Agreement, concurrently with the execution of the Purchase Agreement, the Company issued to Aspire Capital 30,000,000 Ordinary Shares of the Company (the "Commitment Shares") and sold to Aspire Capital 25,000,000 Ordinary Shares (the "Initial Shares") for gross proceeds of $500,000. In addition to the issuance of the Commitment Shares and Initial Shares, during the six months ended June 30, 2019, the Company sold to Aspire Capital 70,000,000 Ordinary Shares of the Company for gross proceeds of approximately $1,543,000. Subsequent to June 30, 2019, the Company sold additional shares to Aspire Capital (See Note 8). The Company recorded the value of the Commitment shares as deferred financing costs and included the costs in current assets. They are amortized proportionally as the Company sells shares to Aspire. As of June 30, 2019, the Company recognized $61,275 of such costs and included the costs in additional paid-in capital. The Purchase Agreement may be terminated by the Company at any time, at its discretion, without any cost to the Company. Aspire Capital has agreed that neither it nor any of its agents, representatives and affiliates shall engage in any direct or indirect short-selling or hedging of the Company's securities during any time prior to the termination of the Purchase Agreement. Any proceeds the Company receives under the Purchase Agreement are expected to be used for working capital and general corporate purposes.

**Share option plan** –
In accordance with the Company's 2014 Equity Incentive Plan (the "Plan"), the number of shares that may be issued upon exercise of options under the Plan shall not exceed 183,083,207 Ordinary Shares. At June 30, 2019, 82,661,209 Ordinary Shares are available for future issuance under the Plan. The option plan is administered by the Company's board of directors and grants are made pursuant thereto by the compensation committee. The per share exercise price for the shares to be issued pursuant to the exercise of an option shall be such price equal to the fair market value of the Company's Ordinary Shares on the grant date and set forth in the individual option agreement. Options expire ten years after the grant date and typically vest over one to four years.

(in U.S. Dollars)

**NOTE 4 – Shareholders' Equity (cont.)**

The following is a summary of the Company's share option activity and related information for employees and directors for the period ended June 30, 2019:

| | Number of shares | Weighted average exercise price | Weighted average grant date fair value | Weighted average remaining contractual term (in years) | Aggregate intrinsic value |
|---|---|---|---|---|---|
| Options outstanding as of January 1, 2019 | 94,096,998 | $ 0.12 | | 8.4 | $ - |
| Changes during the period: | | | | | |
| Granted | 7,800,000 | $ 0.02 | $ 0.01 | | |
| Forfeited | (1,475,000) | $ 0.04 | $ 0.03 | | |
| Options outstanding at June 30, 2019 | 100,421,998 | $ 0.11 | | 8.0 | $ 48,025 |
| Exercisable options at June 30, 2019 | 52,038,260 | $ 0.19 | | 7.1 | $ - |

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

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

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

Below are the assumptions used for the options granted during the six months ended June 30, 2019 and 2018:

| | June 30, 2019 | June 30, 2018 |
|---|---|---|
| Expected dividend yield | 0% | 0% |
| Expected volatility | 75.40% | 82.23% |
| Risk-free interest | 1.76% | 2.49% |
| Expected life in years | 5.50 | 6.25 |

(in U.S. Dollars)

**NOTE 4 – Shareholders' Equity (cont.)**

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

| Exercise price (range) ($) | Options outstanding at June 30, 2019 | Weighted average remaining contractual life (years) | Weighted average exercise price ($) | Options exercisable at June 30, 2019 | Remaining contractual life (years for exercisable options) | Weighted average exercise price ($) |
|---|---|---|---|---|---|---|
| 0.02-0.05 | 60,875,000 | 9.04 | 0.02 | 15,637,500 | 8.65 | 0.03 |
| 0.12-0.19 | 18,584,629 | 6.82 | 0.15 | 16,709,629 | 6.80 | 0.16 |
| 0.32 | 20,782,369 | 6.22 | 0.32 | 19,511,131 | 6.22 | 0.32 |
| 0.75-2.00 | 180,000 | 3.94 | 1.62 | 180,000 | 3.94 | 1.62 |
| | **100,421,998** | | | **52,038,260** | | |

During the three and six months ended June 30, 2019 and 2018, the Company recorded approximately $410,000, $804,000 $352,000 and $828,000, respectively, in stock-based compensation expenses for employees and directors. At June 30, 2019, there was approximately $923,000 of unrecognized compensation cost related to unvested share-based compensation arrangements granted under the Company's share option plans which the Company expects to recognize over 1.7 years.

**Warrants to service providers and investors –** At June 30, 2019, there were no warrants outstanding. At June 30, 2018, there were warrants to purchase 22,575 Ordinary Shares outstanding and during the six months ended June 30, 2018, warrants to purchase 376,585 Ordinary Shares expired.

**NOTE 5 – Related Party Transactions**

**Office Lease** - A non-employee director of the Company is also the CEO of The Doctors Laboratory ("TDL"). The Company leases its UK office space from TDL and has incurred expenses of approximately $34,000, $68,000 $35,000 and $72,000 plus VAT during the three and six months ended June 30, 2019 and 2018, respectively (see Note 6).

**Consulting** - A director of the Company began providing business development consulting services in January 2018. The Company has incurred expenses of approximately $25,000, $50,000 $18,000 and $36,000 during the three and six months ended June 30, 2019 and 2018, respectively, relating to these consulting services.

**NOTE 6 – Commitments and Contingencies**

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

**NOTE 6 – Commitments and Contingencies (cont.)**

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

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

On May 9, 2018, the parties engaged in a mediation session and came to an agreement in principle to settle the dispute. On June 8, 2018, the parties entered into a memorandum of understanding. A memorandum of understanding is not a definitive settlement agreement, which must be approved by the Court. By the terms of the memorandum, the parties agreed in principle to a total payment of $2.7 million in cash. The Company recorded the $2.7 million SCAC litigation settlement loss in the Consolidated Statement of Comprehensive Loss in the year ended December 31, 2017, which is the period in which the lawsuits were originally filed. The $2.7 million SCAC settlement liability was recorded as a loss contingency in accrued expenses in the Company's Consolidated Balance Sheets as of December 31, 2017. On July 26, 2018, plaintiffs filed a notice with the Court voluntarily dismissing Edison from the action. On August 3, 2018, the remaining parties executed and filed a stipulation and agreement of settlement (the terms of which were consistent with the memorandum of understanding). On August 7, 2018, the Court granted plaintiffs' motion for preliminary approval of the settlement, and on November 28, 2018, following a hearing with the parties, the court ordered final approval of the settlement. Plaintiffs subsequently moved to distribute the settlement funds to the class, and the Court granted plaintiffs' motion on February 4, 2019.

On August 24, 2018, the Company received a $2.7 million payment from its directors' and officers' liability insurance provider, the sum of which was paid to an escrow account for the benefit of the settlement class on August 27, 2018. This was recorded as a gain in the Consolidated Statements of Comprehensive Loss during the third quarter of 2018.

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

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

**Lease commitment –** In March 2014, the Company entered into a lease agreement for offices in London which was amended January 1, 2016. The lease term commenced on December 1, 2014 and expired in March 2019, which we are currently leasing month-to-month on the same terms of the lease. The lease can be cancelled early by either party upon 3 months' notice (See Note 5).

(in U.S. Dollars)

**NOTE 6 – Commitments and Contingencies (cont.)**

The Company also had a five-year lease for offices in New York, New York effective July 2014. The lease ended early in December 2018. In January 2018, the Company entered into a sublease of office space in New York, New York for an approximately four-year term, which ended early in December 2018. The Company leases office space in New York, New York on a month-to-month basis.

For the three and six months ended June 30, 2019 and 2018, the Company incurred rental expense in the amount of approximately $43,000, $86,000, $164,000 and $463,000, respectively.

**NOTE 7 – Loss Per Share**

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

The following is the calculation of the basic and diluted weighted average shares outstanding for the three and six months ended June 30, 2019 and 2018, respectively:

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| **Loss per share** | **2019** | **2018** | **2019** | **2018** |
| Company posted | Net loss | Net loss | Net loss | Net loss |
| Basic weighted average shares outstanding | 1,607,121,984 | 1,525,693,393 | 1,594,063,579 | 1,525,693,393 |
| Dilutive effect of Ordinary Share equivalents | None | None | None | None |
| Dilutive weighted average shares outstanding | 1,607,121,984 | 1,525,693,393 | 1,594,063,579 | 1,525,693,393 |
| Loss per common share (basic and diluted) | $ 0.00 | $ 0.01 | $ 0.00 | $ 0.01 |

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

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

| | Six Months Ended June 30, 2019 | Six Months Ended June 30, 2018 |
|---|---|---|
| Total share options | 100,421,998 | 63,561,998 |
| Total warrants-equity classified | - | 22,575 |
| Total share options and warrants | 100,421,998 | 63,584,573 |

**NOTE 8 – Subsequent Event**

On July 3, 2019, the Company sold to certain institutional investors, accredited investors and an existing shareholder, RPC Pharma Ltd., an affiliated entity of Dr. Ray Prudo, the Company's Chairman, an aggregate 2,368,392 ADSs in a registered direct offering at $1.90 per ADS, resulting in gross proceeds of approximately $4.5 million. In addition, the Company issued to the investors unregistered warrants to purchase an aggregate of 1,184,213 ADSs in a private placement. The warrants are immediately exercisable and will expire five years from issuance at an exercise price of $3.00 per ADS, subject to adjustment as set forth therein. The warrants may be exercised on a cashless basis if six months after issuance there is no effective registration statement registering the ADSs underlying the warrants. The Company paid an aggregate of $337,496 in placement agent fees and expenses and issued unregistered placement agent warrants to purchase an aggregate of 177,629 ADS on the same terms as the warrants, except that the placement agent warrants are exercisable at $2.85 per ADS, and expire on June 28, 2024.

In addition, in August 2019, the Company sold to Aspire Capital 153,333,300 Ordinary Shares of the Company for gross proceeds of approximately $3,452,000 under the Purchase Agreement.

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

*You should read this discussion together with the condensed consolidated financial statements, related notes and other financial information included elsewhere in this Report on Form 6-K. The following discussion may contain predictions, estimates and other forward-looking statements that involve a number of risks and uncertainties, including those discussed under "Risk Factors" in our Annual Report on Form 20-F for the year ended December 31, 2018. These risks could cause our actual results to differ materially from any future performance suggested below.*

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

**Overview**

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

On September 26, 2018, we entered into a securities purchase agreement (the "Purchase Agreement") with Aspire Capital Fund, LLC ("Aspire Capital") which provides that, upon the terms and subject to the conditions and limitations set forth therein, Aspire Capital is committed to purchase up to an aggregate of $20.0 million of our ADSs beginning on the effective date of a registration statement related to the transaction. In consideration for entering into the Purchase Agreement, concurrently with the execution of the Purchase Agreement, we issued 30,000,000 ordinary shares to Aspire Capital and sold to Aspire Capital 25,000,000 ordinary shares for gross proceeds of $500,000. In addition to the foregoing issuances to Aspire Capital, during the six months ended June 30, 2019, we issued 70,000,000 ordinary shares for gross proceeds of approximately $1,543,000 and in August 2019, we issued 153,333,300 ordinary shares for gross proceeds of approximately $3,452,000. On July 3, 2019, we sold to certain institutional investors, accredited investors and an existing shareholder, RPC Pharma Ltd., an affiliated entity of Dr. Ray Prudo, our Chairman, an aggregate 2,368,392 ADSs in a registered direct offering at $1.90 per ADS, resulting in gross proceeds of approximately $4.5 million. In addition, we issued to the investors unregistered warrants to purchase an aggregate of 1,184,213 ADSs in a private placement. The warrants are immediately exercisable and will expire five years from issuance at an exercise price of $3.00 per ADS, subject to adjustment as set forth therein. The warrants may be exercised on a cashless basis if six months after issuance there is no effective registration statement registering the ADSs underlying the warrants.

**Critical Accounting Policies and Use of Estimates**

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

***Stock-Based Compensation and Fair Value of Ordinary Shares***

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

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

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

**RPC Options**

In connection with a short-term working capital loan from shareholders of approximately $3 million, the shareholders were granted options in RPC Pharma Limited ("RPC"), equivalent to 15% of the current outstanding equity issued by RPC. The RPC options were accounted for in accordance with ASC 718, "*Compensation-Stock Compensation*". The fair value of the RPC options is estimated using the fair value of Akari ordinary shares times RPC's ownership in Akari ordinary shares times 15% and was initially valued at approximately $26 million. These options do not relate to the share capital of Akari. At June 30, 2019, the fair value of the options was $2,370,507. At December 2018, the fair value of the options was $1,842,424. The change in fair value of the options for the three-month period ended June 30, 2019, was a decrease of $1,830,689 and for the six-month period ended June 30, 2019 was an increase of $528,083, and was recognized as a change in fair value of option liabilities in the Condensed Consolidated Statement of Comprehensive Loss.

**Functional Currency**

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

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

**Results of Operations**

***For the Three months Ended June 30, 2019 and June 30, 2018***

Research and development expenses

Research and development expenses for the three months ended June 30, 2019 were approximately $3,593,000 compared to approximately $5,121,000 for the three months ended June 30, 2018. This 30% or $1,528,000 decrease in expenses was primarily due to lower expenses of approximately $2,338,000 for manufacturing as we had previously manufactured clinical trial material for supply through 2019 offset by approximately $603,000 of higher clinical trial costs and approximately $159,000 of personnel expenses.

We expect our clinical expenses to increase in the future as we conduct additional trials to support the development of nomacopan (Coversin), and advance other product candidates into pre-clinical and clinical development.

General and administrative expenses

General and administrative expenses for the three months ended June 30, 2019 were approximately $2,438,000 compared to approximately $2,858,000 for the three months ended June 30, 2018. This 15% or $420,000 decrease was primarily due to lower expenses of approximately $274,000 for legal and professional fees, $96,000 for rent expense, $77,000 for recruiting expenses and $32,000 for personnel expenses offset by $55,000 of higher stock-based non-cash compensation expense.

We expect our general and administrative expenses to increase due to increased legal, accounting and professional fees associated with being a publicly reporting company in the United States and rental expense associated with offices in the London and United States to support the Company's operations and anticipated growth.

Other income (expenses)

Other income for the three months ended June 30, 2019 was approximately $1,914,000 compared to other expense of approximately $43,000 for the three months ended June 30, 2018. This change was primarily attributed to approximately $1,983,000 of higher income related to the change in the fair value of the stock option liabilities in the second quarter of 2019 compared to the same period in 2018 and higher foreign exchange gains in the second quarter of 2019 of approximately $39,000 as compared to the same period in 2018.

***For the Six months Ended June 30, 2019 and June 30, 2018***

Research and development expenses

Research and development expenses for the six months ended June 30, 2019 were approximately $1,275,000 compared to approximately $6,129,000 for the six months ended June 30, 2018. This 79% or $4,854,000 decrease in expenses was primarily due to the receipt of an R&D tax credit of $4,873,000 in the first half of 2019 compared to $3,794,000 in the first half of 2018 which offset overall R&D expenses, and lower expenses of approximately $4,526,000 for manufacturing as we had previously manufactured clinical trial material for supply through 2019 offset by approximately $516,000 of higher clinical trial costs and approximately $253,000 of personnel expenses.

We expect our clinical expenses to increase in the future as we conduct additional trials to support the development of nomacopan (Coversin), and advance other product candidates into pre-clinical and clinical development.

General and administrative expenses

General and administrative expenses for the six months ended June 30, 2019 were approximately $4,745,000 compared to approximately $6,155,000 for the six months ended June 30, 2018. This 23% or $1,410,000 decrease was primarily due to lower expenses of approximately $727,000 for legal and professional fees, $462,000 for rent expense, $119,000 for personnel expenses, $114,000 for recruiting and $45,000 of higher stock-based non-cash compensation expense.

We expect our general and administrative expenses to increase due to increased legal, accounting and professional fees associated with being a publicly reporting company in the United States and rental expense associated with offices in the London and United States to support the Company's operations and anticipated growth.

Other income (expenses)

Other expense for the six months ended June 30, 2019 was approximately $643,000 compared to other income of $2,923,000 for the six months ended June 30, 2018. This change was primarily attributed to approximately $3,321,000 of higher income related to the change in the fair value of the stock option liabilities in the first half of 2019 compared to the same period in 2018 and higher foreign exchange losses in the first half of 2019 of approximately $116,000 as compared to the same period in 2018.

**Liquidity and Capital Resources**

At June 30, 2019, we had $2,736,663 in cash and an accumulated deficit in the amount of $133,466,014. Since inception, we have funded our operations primarily through the sale of equity securities and debt financing. On September 26, 2018, we entered into a Purchase Agreement with Aspire Capital which provides that, upon the terms and subject to the conditions and limitations set forth therein, Aspire Capital is committed to purchase up to an aggregate of $20.0 million of our ADSs beginning on the effective date of a registration statement related to the transaction. In consideration for entering into the Purchase Agreement, concurrently with the execution of the Purchase Agreement, we issued 30,000,000 ordinary shares to Aspire Capital and sold to Aspire Capital 25,000,000 ordinary shares for gross proceeds of $500,000. In addition to the foregoing issuances to Aspire Capital, during the six months ended June 30, 2019, we issued 70,000,000 ordinary shares for gross proceeds of approximately $1,543,000 and in August 2019, we issued 153,333,300 ordinary shares for gross proceeds of approximately $3,452,000. Approximately $14.5 million remains available for draw down under the Purchase Agreement. See "Aspire Capital Financing Arrangement" below. In addition, in March 2019, we received research and development tax credit of approximately $4,900,000 for the year ended December 31, 2017 from the HM Revenues and Customs. On July 3, 2019, we sold to certain institutional investors, accredited investors and an existing shareholder, RPC Pharma Ltd., an affiliated entity of Dr. Ray Prudo, our Chairman, an aggregate 2,368,392 ADSs in a registered direct offering at $1.90 per ADS and unregistered warrants to purchase an aggregate of 1,184,213 ADSs in a concurrent private placement, resulting in gross proceeds of approximately $4.5 million.

We have not yet generated any revenues and we expect to continue to incur net losses and negative cash flows for the foreseeable future. These net losses and negative cash flows have had, and will continue to have, an adverse effect on our shareholders' equity and working capital. We believe our current cash is sufficient to fund future operations through the end of the third quarter of 2019 and we plan to raise additional funds from external sources and/or from Aspire Capital. This forecast of cash resources is forward-looking information that involves risks and uncertainties, and the actual amount of our expenses over the next twelve months could vary materially and adversely as a result of a number of factors, including the risks and uncertainties set forth in Item 3D under the heading "Risk Factors" of our Annual Report on Form 20-F for the year ended December 31, 2018.

For the six months ended June 30, 2019, we reported a net loss of $6,662,367 and we expect to continue to incur substantial losses over the next several years during our development phase. Our independent registered public accounting firm, in its report on our audited financial statements for the year ended December 31, 2018 expressed substantial doubt about our ability to continue as a going concern. To fully execute our business plan, we will need, among other things, to complete our research and development efforts and clinical and regulatory activities. These activities may take several years and will require significant operating and capital expenditures in the foreseeable future. There can be no assurance that these activities will be successful. If we are not successful in these activities or there is not a favorable resolution of the SEC investigation, it could delay, limit, reduce or terminate preclinical studies, clinical trials or other research and development activities. To fund our capital needs, we plan to raise funds through equity or debt financings or other sources, such as strategic partnerships and alliance and licensing arrangements, and in the long term, from the proceeds from sales. Additional funds may not be available when we need them, on terms that are acceptable to it, or at all. To the extent that we raise additional funds by issuing equity securities, our shareholders may experience significant dilution. There can be no assurance that we will be successful in obtaining an adequate level of financing needed for our long-term research and development activities. If we are unable to raise sufficient capital resources, we will not be able to continue the development of all of our products or may be required to delay part of our development programs and significantly reduce our activities in order to maintain our operations. These matters raise substantial doubt about the Company's ability to continue as a going concern.

***Aspire Capital Financial Arrangement***

On September 26, 2018, we entered into the Purchase Agreement with Aspire Capital which provides that, upon the terms and subject to the conditions and limitations set forth therein, Aspire Capital is committed to purchase up to an aggregate of $20.0 million of our ADSs, beginning during a 30-month period beginning on the effective date of a registration statement related to the transaction. Concurrently with entering into the Purchase Agreement, we also entered into a registration rights agreement with Aspire Capital, or the Registration Rights Agreement, in which we agreed to file one or more registration statements, as permissible and necessary to register under the Securities Act, the sale of our securities that have been and may be issued to Aspire Capital under the Purchase Agreement. Subsequently on October 9, 2018, we filed a registration statement on Form F-1 to register the resale of such securities and such registration statement was declared effective on March 4, 2019.

Under the Purchase agreement, after the SEC has declared effective the registration statement referred to above (which occurred on March 4, 2019), on any trading day selected by us, we have the right, in our sole discretion, to present Aspire Capital with a purchase notice, each, a Purchase Notice, directing Aspire Capital (as principal) to purchase up to 150,000 ADSs per business day and up to $20.0 million of our ADSs in the aggregate at a per share price, or the Purchase Price, equal to the lesser of:

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

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

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

The Purchase Agreement provides that we and Aspire Capital shall not effect any sales under the Purchase Agreement on any purchase date where the closing sale price of our ADSs is less than $0.25. There are no trading volume requirements or restrictions under the Purchase Agreement, and we will control the timing and amount of sales of our ADSs to Aspire Capital. Aspire Capital has no right to require any sales by us, but is obligated to make purchases from us as directed by us in accordance with the Purchase Agreement. There are no limitations on use of proceeds, financial or business covenants, restrictions on future fundings, rights of first refusal, participation rights, penalties or liquidated damages in the Purchase Agreement. In consideration for entering into the Purchase Agreement, concurrently with the execution of the Purchase Agreement, we issued to Aspire Capital 30,000,000 ordinary shares of us, or the Commitment Shares, and sold to Aspire Capital 25,000,000 ordinary shares, or the Initial Shares, for gross proceeds of $500,000. The Purchase Agreement may be terminated by us at any time, at its discretion, without any cost to us. Aspire Capital has agreed that neither it nor any of its agents, representatives and affiliates shall engage in any direct or indirect short-selling or hedging of our securities during any time prior to the termination of the Purchase Agreement. Any proceeds we receive under the Purchase Agreement are expected to be used for working capital and general corporate purposes.

In addition to the Commitment Shares and the Initial Shares, as of the date of the issuance of this Report on Form 6-K, we sold an aggregate of 223,333,300 ordinary shares for gross proceeds of approximately $4,995,000.

***July 2019 Financing***

On July 3, 2019, we sold to certain institutional investors, accredited investors and an existing shareholder, RPC Pharma Ltd., an affiliated entity of Dr. Ray Prudo, our Chairman, an aggregate 2,368,392 ADSs in a registered direct offering at $1.90 per ADS, resulting in gross proceeds of approximately $4.5 million. In addition, we issued to the investors unregistered warrants to purchase and aggregate of 1,184,213 ADSs in a private placement. The warrants are immediately exercisable and will expire five years from issuance at an exercise price of $3.00 per ADS, subject to adjustment as set forth therein. The warrants may be exercised on a cashless basis if six months after issuance there is no effective registration statement registering the ADSs underlying the warrants. We paid an aggregate of $337,496 in placement agent fees and expenses and issued unregistered placement agent warrants to purchase an aggregate of 177,629 ADS on the same terms as the warrants, except that the placement agent warrants are exercisable at $2.85 per ADS, and expire on June 28, 2024.

***Cash Flows***

Net cash used in operating activities was $4,544,000 during the six months ended June 30, 2019 compared to $12,682,000 during the six months ended June 30, 2018. Net cash flow used in operating activities was primarily attributed to our ongoing research activities to support Nomacopan (Coversin), including manufacturing, clinical trial and preclinical activities.

There were no investing activities during the six months ended June 30, 2019 and June 30, 2018.

Net cash provided by financing activities was $1,474,000 during the six months ended June 30, 2019. There were no financing activities during the six months ended June 30, 2018.

**Research and Development Expenditures**

Our research and development expenditures were approximately $3,593,000, $1,275,000, $5,121,000 and $6,129,000 for the three and six months ended June 30, 2019 and 2018 respectively. Most of such research and development expenditures were in the form of payments to third parties to carry out our manufacturing, pre-clinical and clinical research activities.

We incurred the following research and development expenses for the three and six months ended June 30, 2019 and 2018:

| | Three Months ended June 30, (in $000's) | | Six Months ended June 30 (in $000's) | |
|---|---|---|---|---|
| | **2019** | **2018** | **2019** | **2018** |
| Direct Expenses: | | | | |
| Nomacopan (Coversin) | $ 759 | $ 3,097 | $ 1,218 | $ 5,744 |
| Clinical trials | 1,519 | 916 | 2,593 | 2,077 |
| Other | 350 | 335 | 492 | 553 |
| Total direct expenses | 2,628 | 4,348 | 4,303 | 8,374 |
| Indirect Expenses: | | | | |
| Staffing | 603 | 444 | 1,199 | 945 |
| Other indirect | 362 | 329 | 646 | 604 |
| Total indirect expenses | 965 | 773 | 1,845 | 1,549 |
| Tax credits | - | - | (4,873) | (3,794) |
| Total Research and Development | $ 3,593 | $ 5,121 | $ 1,275 | $ 6,129 |

**Off-balance Sheet Arrangements**

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

**Exhibit 99.3**

# Akari Therapeutics Reports Second Quarter 2019 Financial Results And Highlights Recent Clinical Progress

- *Positive early safety and efficacy data with nomacopan*
    - *Phase II clinical study in patients with mild-to-moderate bullous pemphigoid (BP) announced April 2019*
    - *Phase I/II clinical study in patients with moderate-to-severe atopic keraconjunctivitis (AKC) announced June 2019*
    - *Further clinical data from BP and AKC trials anticipated Q4 2019*
- *Pivotal clinical trial for pediatric hematopoietic stem cell transplant-related thrombotic microangiopathy (HSCT-TMA) expected to start Q4 2019*
    - *FDA Fast Track designation granted August 2019*
- *Long term treatment data continues to accumulate*
    - *Approximately 20 cumulative patient-years of data with no drug related serious adverse events*
    - *Positive data reported across paroxysmal nocturnal haemoglobinuria (PNH), BP and thrombotic microangiopathy (TMA) patients on chronic and acute systemic nomacopan treatment*

NEW YORK and LONDON, August 29, 2019 - Akari Therapeutics, Plc (Nasdaq: AKTX), a biopharmaceutical company focused on innovative therapeutics to treat orphan autoimmune and inflammatory diseases where complement (C5) and/or leukotriene (LTB4) systems are implicated, today announced financial results for the second quarter ended June 30, 2019 and recent clinical progress.

“We are pleased with the progress we have made advancing our BP, HSCT-TMA and AKC programs and are encouraged by the initial data we have received to date in these programs,” said Clive Richardson, Chief Executive Officer of Akari Therapeutics. “Both AKC and BP have further planned clinical readouts this year, providing a potential opportunity for advancing both programs into pivotal trials in 2020 and further supporting the novel therapeutic role of combined C5 and LTB4 treatment. In addition, we are planning to start a pivotal clinical trial for HSCT-TMA in the fourth quarter of this year.”

**Second Quarter 2019 and Recent Business Highlights**

§ **Pediatric HSCT-TMA**

- The Company continues to progress towards a pivotal trial for HSCT-TMA with nomacopan, which is expected to start in the fourth quarter of 2019. This condition has an estimated 80% mortality rate in children with this severe disease, with currently no approved treatments. In a March 2019 meeting, a framework for the trial design was agreed with the U.S. Food and Drug Administration (FDA). In August 2019, the FDA granted Fast Track designation for nomacopan for the treatment of HSCT-TMA in pediatric patients.

§ **Phase II clinical trial in patients with BP**

- Initial results from the first three patients with mild-to-moderate BP in the ongoing Phase II trial with nomacopan demonstrated a rapid reduction in BP Disease Area Index (BPDAI) score and blistering of 52% and 87%, respectively, by day 42. There were no drug related serious adverse events. The Company anticipates new safety and efficacy data in mild-to-moderate patients from this study to be given as an oral presentation at the the 28th European Academy of Dermatology and Venereology (EADV) Congress, October 10, 2019.

- In early August, the Company announced new data demonstrating synergistic benefits of nomacopan's dual C5 and LTB4 inhibitory activity in pemphigoid disease, generated by Dr. Christian Sadik's group at University of Lubeck, Germany, and published in the August 2019 edition of JCI Insight [link].

§ **Phase I/II clinical trial in patients with AKC**

- Successfully completed Part A of TRACKER, a Phase I/II clinical trial evaluating the safety and efficacy of topical nomacopan in patients with moderate-to-severe AKC. Results showed a rapid response and an overall improvement of 55% in the composite clinical score, which was composed of an improvement in symptoms of 62% and signs of 52% by Day 56. Three patients were treated with twice daily nomacopan eye drops in addition to standard of care for up to 56 days, with one patient completing 14 days and then withdrawing for reasons unrelated to the study. All patients had been on maximal topical cyclosporine, the standard of care, for at least three months prior to entry. The nomacopan eye drops were found to be comfortable and well tolerated with no serious adverse events. Enrollment in the Part B placebo-controlled efficacy arm in 16 patients continues to progress, with data read out planned for the fourth quarter of 2019.

**§ Clive Richardson has been appointed permanent Chief Executive Officer of Akari after having served as interim Chief Executive Officer since May, 2018**

**Upcoming Events and Milestones**

§ HSCT-TMA pivotal clinical trial expected to start in the fourth quarter of 2019.

§ Mild-to-moderate BP trial data to be presented at EADV Congress, October 10, 2019.

§ Completion of Part B of AKC Phase I/II trial by the fourth quarter of 2019.

**Second Quarter 2019 Financial Results**

§ Research and development (R&D) expenses in the second quarter of 2019 were $3.6 million, as compared to R&D expenses of $5.1 million in the same quarter the prior year. This decrease was primarily due to lower manufacturing expenses as the Company had previously manufactured clinical trial material for supply through 2019, which was slightly offset by higher clinical trial costs and personnel expenses. R&D expenses for the six months ended June 30, 2019 were $1.3 million reflecting the receipt of a Q1 R&D tax credit of $4.9 million.

§ General and administrative (G&A) expenses in the second quarter of 2019 were $2.4 million, as compared to $2.9 million in the same quarter last year. This decrease was primarily due to lower expenses associated with professional services, personnel and rent, partially offset by higher stock-based non-cash compensation expenses.

§ Total other income for the second quarter of 2019 was $1.9 million, as compared to total other expense of $43,000 in the same period the prior year. This change was primarily due to $2.0 million of higher income related to the change in the fair value of the stock option liabilities in 2019 compared to 2018, and to higher foreign exchange gains of approximately $39,000 in 2019 as compared to 2018.

§ Net loss for the second quarter of 2019 was $4.1 million, compared to a net loss of $8.0 million for the same period in 2018. The decrease in net loss in the second quarter of 2019 was due primarily to the change in the fair value of the stock option liabilities and foreign exchange gains previously cited, accompanied by lower operating expenses in the second quarter of 2019.

§ As of June 30, 2019, the Company had cash of $2.7 million, as compared to cash of $5.4 million as of December 31, 2018. On July 3, 2019, the Company sold to certain institutional investors, accredited investors and an existing shareholder, RPC Pharma Ltd., an affiliated entity of Dr. Ray Prudo, Akari's Chairman, an aggregate 2,368,392 registered American Depository Shares (ADSs) of Akari at a purchase price of $1.90 per ADS, resulting in gross proceeds of approximately $4.5 million. Additionally, for each ADS purchased by investors, the investors received an unregistered warrant to purchase one-half ADS. The warrants have an exercise price of $3.00 per ADS, were exercisable upon their issuance and will expire five years from the issuance date.

§ As of June 30, 2019, the Company has sold to Aspire Capital Fund, LLC (Aspire Capital) a total of $2.0 million of ordinary shares. Subsequent to June 30, 2019, the Company sold to Aspire Capital a further $3.5 million of ordinary shares and approximately $14.5 million remains available for draw down under the purchase agreement entered into with Aspire Capital.

**About Akari Therapeutics**

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

**Cautionary Note Regarding Forward-Looking Statements**

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

AKARI THERAPEUTICS, Plc

CONDENSED CONSOLIDATED BALANCE SHEETS
As of June 30, 2019 and December 31, 2018
(in U.S. Dollars, except share data)

| | June 30, 2019 | December 31, 2018 |
|---|---|---|
| | (Unaudited) | |
| **Assets** | | |
| Current Assets: | | |
| Cash | $ 2,736,663 | $ 5,446,138 |
| Prepaid expenses and other current assets | 1,747,365 | 1,423,184 |
| Deferred financing costs | 606,508 | 585,000 |
| Total Current Assets | 5,090,536 | 7,454,322 |
| Restricted cash | 17,364 | 521,829 |
| Property and equipment, net | 12,056 | 20,425 |
| Patent acquisition costs, net | 31,065 | 32,978 |
| Total Assets | $ 5,151,021 | $ 8,029,554 |
| **Liabilities and Shareholders' (Deficiency) Equity** | | |
| Current Liabilities: | | |
| Accounts payable | $ 1,481,536 | $ 1,586,285 |
| Accrued expenses | 2,671,393 | 1,489,558 |
| Liabilities related to options | 2,370,507 | 1,842,424 |
| Total Liabilities | 6,523,436 | 4,918,267 |
| Commitments and Contingencies | | |
| Shareholders' (Deficiency) Equity: | | |
| Share capital of £0.01 par value | | |
| Authorized: 10,000,000,000 ordinary shares; issued and outstanding: 1,650,693,413 and 1,580,693,413 at June 30, 2019 and December 31, 2018, respectively | 24,538,137 | 23,651,277 |
| Additional paid-in capital | 107,960,836 | 106,616,083 |
| Accumulated other comprehensive loss | (405,374) | (352,426) |
| Accumulated deficit | (133,466,014) | (126,803,647) |
| Total Shareholders' (Deficiency) Equity | (1,372,415) | 3,111,287 |
| Total Liabilities and Shareholders' Equity | $ 5,151,021 | $ 8,029,554 |

AKARI THERAPEUTICS, Plc

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS - UNAUDITED
For the Three Months Ended June 30, 2019 and June 30, 2018
(in U.S. Dollars)

| | Three Months Ended | | Six Months Ended | |
|---|---|---|---|---|
| | June 30, 2019 | June 30, 2018 | June 30, 2019 | June 30, 2018 |
| Operating Expenses: | | | | |
| Research and development expenses | $ 3,593,341 | $ 5,120,840 | $ 1,274,981 | $ 6,129,228 |
| General and administrative expenses | 2,438,106 | 2,858,065 | 4,744,504 | 6,155,038 |
| Total Operating Expenses | 6,031,447 | 7,978,905 | 6,019,485 | 12,284,266 |
| Loss from Operations | (6,031,447) | (7,978,905) | (6,019,485) | (12,284,266) |
| | | | | |
| Other Income (Expenses): | | | | |
| Interest income | 449 | 67,436 | 1,735 | 132,073 |
| Changes in fair value of option liabilities – gain/(loss) | 1,830,689 | (152,557) | (528,083) | 2,792,974 |
| Foreign currency exchange gains (losses) | 86,438 | 47,421 | (109,198) | 6,446 |
| Other expenses | (3,213) | (5,591) | (7,336) | (7,998) |
| Total Other Income (Expenses) | 1,914,363 | (43,291) | (642,882) | 2,923,495 |
| | | | | |
| Net Loss | (4,117,084) | (8,022,196) | (6,662,367) | (9,360,771) |
| | | | | |
| Other Comprehensive (Loss) Income: | | | | |
| Foreign Currency Translation Adjustment | (160,116) | (27,188) | (52,948) | 5,611 |
| | | | | |
| Comprehensive Loss | $ (4,277,200) | $ (8,049,384) | $ (6,715,315) | $ (9,355,160) |
| | | | | |
| Loss per ordinary share (basic and diluted) | $ (0.00) | $ (0.01) | $ (0.00) | $ (0.01) |
| | | | | |
| Weighted average ordinary shares (basic and diluted) | 1,607,121,984 | 1,525,693,393 | 1,594,063,579 | 1,525,693,393 |

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