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

For the month of: September 2023

Commission file number: 001-36288

AKARI THERAPEUTICS, PLC
(Translation of registrant's name into English)

22 Boston Wharf Road
FL 7
Boston, MA 02210
(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 ☐

CONTENTS

On September 29, 2023, Akari Therapeutics, Plc (the "Company") issued unaudited interim condensed consolidated financial statements as of and for the six month periods ended June 30, 2023 and 2022, 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, which are attached hereto and incorporated by reference herein as Exhibit 99.1 and Exhibit 99.2, respectively.

In addition, on September 29, 2023, the Company issued a press release announcing its first half 2023 financial results and 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 "First Half 2023 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, 2023
99.2	Management Discussion and Analysis of Financial Condition and Results of Operations as of June 30, 2023
99.3	Press Release issued by Akari Therapeutics, Plc on September 29, 2023

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/ Rachelle Jacques
Name: Rachelle Jacques
Title: President and Chief Executive Officer

Date: September 29, 2023

Exhibit 99.1

AKARI THERAPEUTICS, PLC

For The Six Month Period Ended June 30, 2023

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Condensed Consolidated Financial Statements (Unaudited)

AKARI THERAPEUTICS, PLC

CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited, in U.S. dollars)

	June 30, 2023	December 31, 2022*
Assets		
Current assets:		
Cash	$ 7,180,688	$ 13,249,945
Prepaid expenses	629,938	465,244
Other current assets	186,566	99,543
Total current assets	7,997,192	13,814,732
Patent acquisition costs, net	15,779	16,880
Total assets	$ 8,012,971	$ 13,831,612
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	$ 1,030,622	$ 946,658
Accrued expenses	2,401,984	3,148,090
Warrant liability	1,704,790	7,852,000
Other liability	94,118	94,118
Total liabilities	5,231,514	12,040,866
Commitments and contingencies (Note 7)		
Shareholders' equity:		
Share capital of $0.0001 par value		
Authorized: 35,000,000,000 and 15,000,000,000 ordinary shares at June 30, 2023 and December 31, 2022, respectively; issued and outstanding: 10,122,321,523 and 7,444,917,123 at June 30, 2023 and December 31, 2022, respectively	1,012,232	744,492
Additional paid-in capital	170,853,009	167,076,392
Capital redemption reserve	52,193,811	52,193,811
Accumulated other comprehensive loss	(825,877)	(770,839)
Accumulated deficit	(220,451,718)	(217,453,110)
Total shareholders' equity	2,781,457	1,790,746
Total liabilities and shareholders' equity	$ 8,012,971	$ 13,831,612

See notes to condensed consolidated financial statements.

* The condensed balance sheet at December 31, 2022 has been derived from the audited financial statements at that date.

AKARI THERAPEUTICS, PLC

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(Unaudited, in U.S. dollars)

	Six Months Ended June 30,	
	2023	2022
Operating expenses:		
Research and development expenses	$ 3,255,221	$ 4,990,715
General and administrative expenses	5,954,379	6,069,422
Total operating expenses	9,209,600	11,060,137
Loss from operations	(9,209,600)	(11,060,137)
Other income:		
Interest income	59,091	8,317
Change in fair value of warrant liability	6,147,210	—
Foreign currency exchange gain	27,516	211,761
Other expenses	(22,825)	(16,314)
Total other income, net	6,210,992	203,764
Net loss	$ (2,998,608)	$ (10,856,373)
Net loss per ordinary share, basic and diluted	$ (0.00)	$ (0.00)
Weighted average ordinary shares outstanding — basic and diluted	8,787,337,361	5,648,226,680
Comprehensive loss:		
Net loss	$ (2,998,608)	$ (10,856,373)
Other comprehensive loss:		
Foreign currency translation adjustment	(55,038)	(80,590)
Total comprehensive loss	$ (3,053,646)	$ (10,936,963)

See notes to condensed consolidated financial statements.

AKARI THERAPEUTICS, PLC

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Unaudited, in U.S. dollars)

	Six Months Ended June 30, 2023						
	Share Capital		Additional Paid-in Capital	Capital Redemption Reserve	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Shareholders' Equity
	Shares	Amount					
Balance at December 31, 2022	7,444,917,123	$ 744,492	$ 167,076,392	$ 52,193,811	$ (770,839)	$ (217,453,110)	$ 1,790,746
Issuance of share capital, net of issuance costs	2,666,666,700	266,666	3,235,091	—	—	—	3,501,757
Issuance of share capital upon vesting of restricted stock units	10,737,700	1,074	—	—	—	—	1,074
Stock-based compensation	—	—	541,526	—	—	—	541,526
Comprehensive loss	—	—	—	—	(55,038)	(2,998,608)	(3,053,646)
Balance at June 30, 2023	10,122,321,523	$ 1,012,232	$ 170,853,009	$ 52,193,811	$ (825,877)	$ (220,451,718)	$ 2,781,457

	Six Months Ended June 30, 2022						
	Share Capital		Additional Paid-in Capital	Capital Redemption Reserve	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Shareholders' Equity
	Shares	Amount					
Balance at December 31, 2021	4,759,731,923	$ 475,973	$ 153,130,813	$ 52,193,811	$ (540,967)	$ (199,705,048)	$ 5,554,582
Issuance of share capital, net of issuance costs	1,175,185,200	117,519	13,368,950	—	—	—	13,486,469
Stock-based compensation	—	—	221,692	—	—	—	221,692
Comprehensive loss	—	—	—	—	(80,590)	(10,856,373)	(10,936,963)
Balance at June 30, 2022	5,934,917,123	$ 593,492	$ 166,721,455	$ 52,193,811	$ (621,557)	$ (210,561,421)	$ 8,325,780

See notes to condensed consolidated financial statements.

AKARI THERAPEUTICS, Plc

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited, in U.S. dollars)

	Six Months Ended June 30,	
	2023	2022
Cash Flows from Operating Activities:		
Net loss	$ (2,998,608)	$ (10,856,373)
Adjustments to reconcile net loss to net cash used in operating activities:		
Amortization	1,850	1,948
Stock-based compensation	541,526	221,692
Change in fair value of warrant liability	(6,147,210)	—
Foreign currency exchange gain	(52,070)	(136,504)
Changes in operating assets and liabilities:		
Prepaid expenses	(164,484)	(908,468)
Other current assets	(86,979)	(24,871)
Accounts payable	78,814	(147,136)
Accrued expenses	(746,541)	(1,773,629)
Net cash used in operating activities	(9,573,702)	(13,623,341)
Cash Flows from Financing Activities:		
Proceeds from issuance of shares, net of issuance costs	3,501,757	12,366,469
Proceeds from employee vesting of restricted shares	1,074	—
Net cash provided by financing activities	3,502,831	12,366,469
Effect of exchange rates on cash	1,614	46,779
Net decrease in cash	(6,069,257)	(1,210,093)
Cash, beginning of period	13,249,945	9,361,270
Cash, end of period	$ 7,180,688	$ 8,151,177
Supplemental disclosures of non-cash financing activities		
Ordinary share subscriptions deposit	$ —	$ 1,120,000

See notes to condensed consolidated financial statements.

AKARI THERAPEUTICS, PLC

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 1 – Nature of Business

Business Overview

Akari Therapeutics, Plc, (the "Company" or "Akari") is incorporated in the United Kingdom. The Company is a clinical-stage biotechnology company focused on developing advanced therapies for autoimmune and inflammatory diseases involving the complement component 5 (C5) and leukotriene B4 (LTB4) pathways. The Company's activities since inception have consisted of performing research and development activities and raising capital.

The Company is subject to a number of risks similar to those of 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 the Russian invasion of Ukraine, risks associated with clinical trials of products, dependence on third-party collaborators for research and development operations, need for marketing authorization of products, risks associated with protection of intellectual property, and competition with larger, better-capitalized companies.

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

Liquidity and Financial Condition

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

The Company has incurred substantial losses and negative cash flows since inception and had an accumulated deficit of $220.5 million as of June 30, 2023. The Company's cash balance of $7.2 million as of June 30, 2023 is not sufficient to fund its operations for the one-year period after the date these condensed consolidated financial statements are issued. These factors raise substantial doubt about the Company's ability to continue as a going concern. The accompanying condensed consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. The consolidated financial statements do not include any adjustments related to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might result from the outcome of this uncertainty.

Nasdaq Continued Listing Rules

On October 24, 2022, the Company received a deficiency notification letter from the Listing Qualifications Staff (the "Staff") of the Nasdaq Stock Market ("Nasdaq") indicating that the Company was not in compliance with Nasdaq Listing Rule 5550(a)(2) because the bid price for the Company's Common Stock had closed below $1.00 per share (the "Minimum Bid Requirement") for the previous thirty consecutive business days. In accordance with Nasdaq Listing Rule 5810(c)(3)(A), the Company had 180 calendar days from the date of such notice, or until April 24, 2023, to regain compliance with the Minimum Bid Requirement. To regain compliance, the bid price for the Company's American Depository Shares ("ADSs") must have closed at $1.00 per share or more for a minimum of ten consecutive business days. On April 25, 2023, the Staff granted the Company an additional 180 calendar day period, or until October 23, 2023, in which to regain compliance with the Minimum Bid Requirement.

Following the successful completion of the ADS Ratio Change (defined below), the Company received a written notice from the Staff that it has regained compliance with the Minimum Bid Requirement as a result of the Company's ADSs having a closing bid price of $1.00 per share or greater for 10 consecutive business days.

While the Company has regained compliance and is currently in compliance with Nasdaq continued listing requirements, there is no guarantee that the Company will be able to perpetually satisfy Nasdaq's continued listing requirements to maintain its listing on Nasdaq

for any periods of time. The Company's failure to continue to meet these requirements may result in its securities being delisted from Nasdaq.

ADS Ratio Change

Effective August 17, 2023, the Company changed the ratio of its ADSs to ordinary shares from one ADS representing 100 ordinary shares to a new ratio of one ADS representing 2,000 ordinary shares (the "ADS Ratio Change"). All ADS and per ADS amounts in the accompanying condensed consolidated financial statements and notes thereto have been retroactively adjusted for all periods presented to reflect the ADS Ratio Change.

NOTE 2 – Summary of Significant Accounting Policies

Basis of presentation – The accompanying unaudited interim condensed consolidated financial statements have been prepared in accordance with U.S. GAAP for interim financial information and the rules and regulations of the United States Securities and Exchange Commission ("SEC") and assumes that the Company will continue to operate as a going concern. Accordingly, they do not include all the information and footnotes required by U.S. GAAP for complete financial statements. These condensed consolidated financial statements have been prepared on the same basis as the Company's annual consolidated financial statements and, in the opinion of management, reflect all adjustments, including normal and recurring adjustments, which the Company considers necessary for the fair presentation of financial information. The results of operations and comprehensive loss for the six months ended June 30, 2023 are not necessarily indicative of expected results for the fiscal year ended December 31, 2023 or any other future period. These interim condensed consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements as of December 31, 2022 and notes thereto included in its Form 20-F for the year ended December 31, 2022 as filed with the SEC on May 1, 2023 ("2022 Annual Report").

Principles of consolidation – The unaudited condensed consolidated financial statements include the accounts of the Company, Celsus Therapeutics, Inc., a Delaware corporation, Volution Immuno Pharmaceuticals SA, a private Swiss company, and Akari Malta Limited, a private Maltese company, each wholly-owned subsidiaries. All intercompany transactions have been eliminated.

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

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

Fair value measurements –Certain assets and liabilities are carried at fair value under U.S. GAAP. 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* ("ASC 820") 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 and 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.
- 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.

Determining which category an asset or liability falls within the hierarchy requires significant judgment. The Company evaluates its hierarchy disclosures each reporting period. The fair value hierarchy also requires the Company to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

The carrying values of the Company's cash, prepaid expenses and other current assets, accounts payable and accrued expenses approximate their fair values due to the short-term nature of these assets and liabilities. The Company's liability-classified warrants are recorded at their estimated fair value. See Note 3.

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, 2023 and December 31, 2022.

Prepaid expenses – Payments made prior to the receipt of goods or services are capitalized until the goods or services are received.

Other current assets – Other current assets consist principally of Value Added Tax ("VAT") receivables.

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 after their issuance in the period incurred. Amortization expense for each of the six months ended June 30, 2023 and 2022 was less than $0.1 million.

Accrued expenses – As part of the process of preparing the unaudited condensed consolidated financial statements, the Company estimates 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 unaudited 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. If 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.

Warrant Liability – The Company accounts for ordinary share or ADS warrants as either equity instruments, liabilities or derivative liabilities in accordance with ASC Topic 480, *Distinguishing Liabilities from Equity* ("ASC 480") and/or ASC Topic 815, *Derivatives and Hedging* ("ASC 815"), depending on the specific terms of the warrant agreement. Liability-classified warrants are recorded at their estimated fair values at issuance are remeasured each reporting period until they are exercised, terminated, reclassified or otherwise settled. Changes in the estimated fair value of liability-classified warrants are recorded in Change in Fair Value of Warrant Liability in the Company's condensed consolidated statements of operations and comprehensive loss. Equity-classified warrants are recorded within additional paid-in capital at the time of issuance and not subject to remeasurement.

Research and development expenses – Costs associated with research and development are expensed as incurred unless there is an alternative future use in other research and development projects. Research and development expenses include, among other costs, salaries and personnel–related expenses, fees paid for contract research services, fees paid to clinical research organizations, costs incurred by outside laboratories, manufacturers and other accredited facilities in connection with clinical trials and preclinical studies.

Payments made prior to the receipt of goods or services to be used in research and development are capitalized until the goods or services are received. The Company records expenses related to clinical studies and manufacturing development activities based on its estimates of the services received and efforts expended pursuant to contracts with multiple contract research organizations and manufacturing vendors that conduct and manage these activities on its behalf. The financial terms of these agreements are subject to negotiation, vary from contract to contract, and may result in uneven payment flows. There may be instances in which payments made to the Company's vendors will exceed the level of services provided and result in a prepayment of the expense. Payments under some of these contracts depend on factors such as the successful enrollment of subjects and the completion of clinical study milestones. In amortizing or accruing service fees, the Company estimates the time period over which services will be performed, enrollment of subjects, number of sites activated and the level of effort to be expended in each period. If the actual timing of the performance of services or the level of effort varies from the Company's estimate, the Company will adjust the accrued or prepaid expense balance accordingly.

The Company accounts for research and development tax credits at the time its realization becomes probable as a credit to research and development expenses in the condensed consolidated statements of operations and comprehensive loss.

Stock-based compensation expense – The Company measures all stock-based awards granted to employees, directors and non-employees based on the estimated fair value on the date of grant and recognizes compensation expense of those awards over the requisite service period, which is generally the vesting period of the respective awards. Forfeitures are accounted for as they occur. The Company classifies stock-based compensation expense in its condensed consolidated statements of operations and comprehensive loss in the same manner in which the award recipient's payroll costs are classified or in which the award recipient's service payments are classified.

The fair value of each restricted ordinary share award is determined on the date of grant based on the fair value of the Company's ordinary shares on that same date. The fair value of each share option grant is determined on the date of grant using the Black-Scholes option pricing model, which requires inputs based on certain subjective assumptions, including the expected stock price volatility, the expected term of the award, the risk-free interest rate, and expected dividends (See Note 5). Beginning on January 1, 2023, the Company began using its historical stock price volatility to determine the volatility assumption to be used in its Black-Scholes option pricing model. Prior to January 1, 2023, the Company estimated its expected stock price volatility based on the historical volatility of publicly traded peer companies. The expected term of the Company's options has been determined utilizing the "simplified" method for awards that qualify as "plain-vanilla" options. The risk-free interest rate is determined by reference to the U.S. Treasury yield curve in effect at the time of grant of the award for time periods approximately equal to the expected term of the award. The expected dividend yield is based on the fact that the Company has never paid cash dividends on ordinary shares and does not expect to pay any cash dividends in the foreseeable future.

Leases – The Company accounts for its leases in accordance with ASC 842, *Leases*. In accordance with ASC 842, the Company records a right-of-use ("ROU") asset and corresponding lease liability on the balance sheet for all leases with terms longer than 12 months. Leases with an initial term of twelve months or less are not recorded on the consolidated balance sheet and are recognized on a straight-line basis over the lease term. As of June 30, 2023 and December 31, 2022, the Company did not have a lease with a term longer than twelve months. Accordingly, no ROU assets and corresponding lease liabilities are included in the Company's condensed consolidated balance sheets as of June 30, 2023 or December 31, 2022.

Concentration of credit risk – Financial instruments that potentially expose the Company to concentrations of credit risk consist primarily of cash. The Company generally maintains balances in various operating accounts at financial institutions in amounts that may exceed federally insured limits. The Company has not experienced any losses related to its cash and does not believe that it is subject to unusual credit risk beyond the normal credit risk associated with commercial banking relationships.

Income taxes – In accordance with ASC 270, *Interim Reporting*, and ASC 740, *Income Taxes*, the Company is required at the end of each interim period to determine the best estimate of its annual effective tax rate and then apply that rate in providing for income taxes on a current year-to-date (interim period) basis. For the six months ended June 30, 2023 and 2022, the Company recorded no tax expense or benefit due to the expected current year loss and its historical losses. The Company has not recorded its net deferred tax asset as of either June 30, 2023 or December 31, 2022 because it maintained a full valuation allowance against all deferred tax assets as of these dates as management has determined that it is not more likely than not that the Company will realize these future tax benefits. As of June 30, 2023 and December 31, 2022, the Company had no uncertain tax positions.

Net loss per share – Basic net income (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 net income (loss) per ordinary share is computed by dividing the diluted net income (loss) available to ordinary shareholders by the weighted average number of ordinary shares, including potential dilutive ordinary shares assuming the dilutive effect as determined using the treasury stock method.

For periods in which the Company has reported net losses, diluted net loss per ordinary share is the same as basic net loss per ordinary share, since dilutive ordinary shares are not assumed to have been issued if their effect is anti-dilutive. The Company reported a net loss for the six months ended June 30, 2023 and 2022.

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

	As of June 30,	
	2023	2022
Options to purchase ordinary shares	680,112,400	379,811,585
Warrants to purchase ordinary shares	4,155,347,500	1,135,347,500
Unvested restricted stock units	418,580,700	21,475,400
Total anti-dilutive share equivalents	5,254,040,600	1,536,634,485

New Accounting Pronouncements – From time to time, new accounting pronouncements are issued by the FASB and rules are issued by the SEC that the Company has or will adopt as of a specified date. Unless otherwise noted, management does not believe that any other recently issued accounting pronouncements issued by the FASB or guidance issued by the SEC had, or is expected to have, a material impact on the Company's present or future consolidated financial statements.

NOTE 3 – Fair Value Measurements

Assets and Liabilities Measured at Fair Value on a Recurring Basis

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

	June 30, 2023			
	Total	Level 1	Level 2	Level 3
Liabilities				
Warrant liability - Series A	$ 128,350	$ —	$ —	$ 128,350
Warrant liability - Series B	1,576,440	—	—	1,576,440
Total liabilities	$ 1,704,790	$ —	$ —	$ 1,704,790

	December 31, 2022			
	Total	Level 1	Level 2	Level 3
Liabilities				
Warrant liability - Series A	$ 1,812,000	$ —	$ —	$ 1,812,000
Warrant liability - Series B	6,040,000	—	—	6,040,000
Total liabilities	$ 7,852,000	$ —	$ —	$ 7,852,000

The Company's Level 3 liabilities consist of the September 2022 Warrants (defined below), which were determined to be liability-classified instruments. There were no transfers between Level 1, Level 2, and Level 3 during the six months ended June 30, 2023.

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

The following table summarizes the activity in the warrant liability measured at fair value on a recurring basis using unobservable inputs (Level 3) during the six months ended June 30, 2023:

	Warrant Liability		
	Series A	Series B	Total
Balance, December 31, 2022	$ 1,812,000	$ 6,040,000	$ 7,852,000
Change in fair value	(1,683,650)	(4,463,560)	(6,147,210)
Balance, June 30, 2023	$ 128,350	$ 1,576,440	$ 1,704,790

Assumptions Used in Determining Fair Value of Liability-Classified Warrants

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

Below are the assumptions used for the fair value calculations of the Series A Warrants and Series B Warrants (each defined below), as of June 30, 2023 and December 31, 2022, adjusted, where applicable, to reflect the ADS Ratio Change for all periods presented, as more fully described in Note 1:

	June 30, 2023		December 31, 2022	
	Series A	Series B	Series A	Series B
Stock (ADS) price	$ 3.40	$ 3.40	$ 9.40	$ 9.40
Exercise price	$ 17.00	$ 17.00	$ 17.00	$ 17.00
Expected term (in years)	1.2	6.2	1.7	6.7
Expected volatility	90 %	100 %	80 %	120 %
Risk-free interest rate	5.3 %	4.0 %	4.4 %	4.0 %

NOTE 4 – Shareholders' Equity

Ordinary Shares

On June 30, 2023, the Company's shareholders approved an increase to the number of authorized ordinary shares the Company can issue to 35,000,000,000 ordinary shares. As of December 31, 2022, the Company was authorized to issue 15,000,000,000 ordinary shares.

March 2023 Registered Direct Offering

On March 31, 2023, the Company entered into securities purchase agreements with certain accredited and institutional investors, including Dr. Ray Prudo, the Company's Chairman, providing for the issuance of an aggregate of 1,333,333 ADSs in a registered direct offering at $3.00 per ADS, resulting in gross proceeds of approximately $4.0 million. The Company paid an aggregate of approximately $0.5 million in placement agent fees and expenses.

September 2022 Registered Direct Offering

On September 14, 2022, the Company sold to certain accredited and institutional investors, led by existing investors of the Company, including Dr. Ray Prudo, the Company's Chairman, an aggregate of 755,000 ADSs in a registered direct offering ("September 2022 Registered Direct Offering") at $17.00 per ADS for aggregate gross proceeds of approximately $12.8 million. In connection with the sale of the ADSs in the September 2022 Registered Direct Offering, the Company issued to the investors registered Series A warrants ("Series A Warrants") to purchase an aggregate of 755,000 ADSs at $17.00 per ADS and registered Series B warrants ("Series B Warrants") to purchase an aggregate of 755,000 ADSs at $17.00 per ADS (collectively, the "September 2022 Warrants").

The Company determined that the September 2022 Warrants are not indexed to the Company's own stock in the manner contemplated by ASC 815-40-15, *Determining Whether an Instrument (or Embedded Feature) Is Indexed to an Entity's Own Stock*. The Company classifies the September 2022 Warrants as derivative liabilities in its condensed consolidated balance sheets. The Company measures the fair value of the warrants at the end of each reporting period and recognizes changes in the fair value from the prior period in the Company's operating results for the current period. See Note 3 for discussion of fair value measurement of the warrant liabilities.

March 2022 Registered Direct Offering

On March 10, 2022, the Company sold to certain accredited and institutional investors, led by existing investors of the Company, including Dr. Ray Prudo, the Company's Chairman, an aggregate of 372,042 ADSs in a registered direct offering ("March 2022 Registered Direct Offering") at $24.00 per ADS for aggregate gross proceeds of approximately $8.9 million. The Company also entered into a letter agreement with Paulson Investment Company, LLC (the "March 2022 Placement Agent") to serve as the placement agent for the Company in connection with this offering. In connection with the sale of the ADSs in the March 2022 Registered Direct Offering, the Company issued to the investors registered warrants to purchase an aggregate of 186,020 ADSs at $28.00 per ADS ("March 2022 Investor Warrants"). The March 2022 Investor Warrants are immediately exercisable and will expire five years from issuance, subject to adjustment as set forth therein. The Company paid to the March 2022 Placement Agent an aggregate of approximately $0.8 million in placement agent fees and expenses and issued registered warrants to the March 2022 Placement Agent to purchase an aggregate of 14,882 ADS ("March 2022 Placement Agent Warrants") on the same terms as the March 2022 Investor Warrants, except that the March 2022 Placement Agent Warrants are exercisable at $30.00 per ADS.

The Company determined that the March 2022 Warrants met all of the criteria for equity classification. Accordingly, upon closing of the March 2022 Registered Direct Offering, the March 2022 Warrants were recorded as a component of additional paid-in capital.

Warrants

In connection with various financing transactions, the Company has issued warrants to purchase the Company's ordinary shares represented by ADSs. The Company accounts for such warrants as equity instruments or liabilities, depending on the specific terms of the warrant agreement. See Note 2 for further details on accounting policies related to the Company's warrants.

The following table summarizes the Company's outstanding warrants as of June 30, 2023 and December 31, 2022:

Description	Number of Warrant ADSs		Exercise Price (per ADS)		Expiration Date
	June 30, 2023	December 31, 2022			
Equity-classified Warrants					
2019 Investor Warrants	59,211	59,211	$	60.00	07/01/2024
2019 Placement Warrants	8,881	8,881	$	57.00	06/28/2024
2020 Investor Warrants	139,882	139,882	$	44.00	Feb-Mar 2025
2020 Placement Warrants	22,481	22,481	$	51.00	Feb-Mar 2025
July 2021 Placement Agent Warrants	19,919	19,919	$	46.40	07/07/2026
December 2021 Investor Warrants	107,775	107,775	$	33.00	01/04/2027
December 2021 Placement Agent Warrants	8,622	8,622	$	35.00	12/29/2026
March 2022 Investor Warrants	186,020	186,020	$	28.00	03/10/2027
March 2022 Placement Agent Warrants	14,882	14,882	$	30.00	03/08/2027
	567,673	567,673			
Liability-classified Warrants					
September 2022 Series A Investor Warrants	755,000	755,000	$	17.00	09/14/2024
September 2022 Series B Investor Warrants	755,000	755,000	$	17.00	09/14/2029
	1,510,000	1,510,000			
Total outstanding	2,077,673	2,077,673			

NOTE 5 – Equity Incentive Plans

2023 Equity Incentive Plan

On June 30, 2023, the Company's shareholders approved the 2023 Equity Incentive Plan (the "2023 Plan"), which provides for the grant of stock options, both incentive stock options and nonqualified stock options, stock, with and without vesting restrictions, restricted stock units and stock appreciation rights, to be granted to employees, directors and consultants. The Company is permitted to grant up to 980,000,000 ordinary share incentive awards under the 2023 Plan.

All outstanding ordinary shares under the 2014 Equity Incentive Plan (the "2014 Plan") relating to stock options and restricted stock units may be issued under the 2023 Plan if such awards are forfeited, cancelled or expire unexercised. As of June 30, 2023, the Company had 855,637,300 outstanding stock options and restricted stock units under the 2014 Plan. Accordingly, the total number of ordinary shares that may ultimately be issued under rights granted under the 2023 Plan, including shares subject to outstanding grants under the 2014 Plan, shall not exceed 1,835,637,300 ordinary shares. In addition, if an award issued under the 2023 Plan is terminated or results in any shares not being issued, the unissued or reacquired shares shall again be available for issuance under the 2023 Plan. As of June 30, 2023, 736,944,200 remained available for issuance under the 2023 Plan.

The 2023 and 2014 Plans provide that they be administered by the compensation committee of the board of directors. The exercise price for stock option awards may not be less than 100% of the fair market value of the Company's ordinary shares on the date of grant and the term of awards may not be greater than ten years. The Company determines the fair value of its ordinary shares based on the quoted market price of its ADSs. Vesting periods are determined at the discretion of the compensation committee. Awards granted to employees typically vest over two to four years and directors over one year.

2014 Equity Incentive Plan

Under the 2014 Plan the Company was authorized to grant stock options, restricted stock units and other awards, to employees, members of the board of directors and consultants. Upon effectiveness of the 2023 Plan no further awards were available to be issued under the 2014 Plan.

Options

The following is a summary of the Company's option activity under the 2014 Plan and the 2023 Plan for the six months ended June 30, 2023:

	Number of ordinary shares	Weighted average exercise price	Weighted average remaining contractual term (in years)	Aggregate intrinsic value
Outstanding as of December 31, 2022	513,673,885	$ 0.02	8.7	$ —
Granted	191,690,700	$ —		
Exercises	—	$ —		
Forfeited	(25,252,185)	$ 0.02		
Outstanding at June 30, 2023	680,112,400	$ 0.01	8.7	$ 15,269
Exercisable at June 30, 2023	195,249,175	$ 0.03	7.1	$ —

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

The weighted-average grant-date fair value per share of options granted during the six months ended June 30, 2023 was less than $0.01.

Option Valuation

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

	Six Months Ended June 30,	
	2023	2022
Risk-free interest rate	3.8 %	2.8 %
Expected dividend yield	—	—
Expected term (in years)	6.0	6.1
Expected volatility	99.3 %	76.9 %

Restricted Stock Units

The 2014 Plan provided, and the 2023 Plan provides, for the award of restricted stock units ("RSUs"). RSUs are granted to employees that are subject to time-based vesting conditions that lapse between one year and two years from date of grant, assuming continued employment. The Company estimates the fair value of its time-based RSUs based on the Company's closing ADS price on the date of grant. The Company recognizes compensation expense for RSU grants on a straight-line basis.

The following table summarizes the Company's restricted stock activity for the six months ended June 30, 2023:

	Number of ordinary shares		Weighted average grant date fair value
Unvested as of December 31, 2022	21,475,400	$	0.01
Granted	407,843,000	$	0.00
Vested	(10,737,700)	$	0.01
Forfeited	—	$	—
Unvested as of June 30, 2023	418,580,700	$	0.00

The fair value of time-based RSUs that vested during the six months ended June 30, 2023 and 2022 were $126,705 and $0, respectively.

Stock-Based Compensation Expense

The Company classifies stock-based compensation expense in the statement of operations in the same manner in which the award recipients' payroll costs are classified or in which the award recipients' service payments are classified. Total stock-based compensation expense attributable to stock-based payments made to employees, consultants and directors included in operating expenses in the Company's condensed consolidated statements of operations and comprehensive loss for the six months ended June 30, 2023 and 2022 was as follows:

	Six Months Ended June 30,			
	2023		2022	
Stock-based compensation:				
Research and development	$	63,273	$	57,398
General and administrative		478,253		164,294
Total stock-based compensation expense	$	541,526	$	221,692

As of June 30, 2023, total unrecognized compensation cost related to unvested share-based payment awards was $3.0 million, which is expected to be recognized over a weighted average period of 2.9 years.

NOTE 6 – Related Party Transactions

The Doctors Laboratory

The Company leases its offices in London from The Doctors Laboratory ("TDL") and has incurred expenses of approximately $65,000 and $67,000 plus VAT during the six months ended June 30, 2023 and 2022, respectively. David Byrne, a former non-employee director

of the Company, is the Chief Executive Officer of TDL and Dr. Ray Prudo, the Company's Chairman, is the non-Executive Chairman of the Board of Directors of TDL.

The Company received laboratory testing services for its clinical trials provided by TDL and incurred expenses of approximately $18,000 and $9,000 during the six months ended June 30, 2023 and 2022, respectively. The Company recorded payable balances owed to TDL of approximately $21,000 and $23,000 as of June 30, 2023 and December 31, 2022, respectively.

Other

A non-employee director of the Company began providing business development consulting services in January 2018. The consulting agreement was terminated in November 2022. The Company incurred expenses of approximately $50,000 during the six months ended June 30, 2022. No such expenses were incurred during the six months ended June 30, 2023.

NOTE 7 – Commitments and Contingencies

Leases

The Company currently leases office space for both its U.K. and U.S headquarters on a month-to-month basis. The Company is not party to any material lease agreements.

For each of the six months ended June 30, 2023 and 2022, the Company incurred rent expense of approximately $0.1 million.

NOTE 8 – Subsequent Events

The Company considers events or transactions that occur after the balance sheet date but prior to the issuance of the financial statements to provide additional evidence relative to certain estimates or to identify matters that require additional disclosure. In some instances, such subsequent events may require retroactive adjustment to information reported at the balance sheet date.

ADS Ratio Change

In August 2023, the Company completed the ADS Ratio Change, as more fully described in Note 1.

U.K. Research and Development Tax Credit

In August 2023, the Company received a U.K. research and development tax credit in the amount of $2.5 million.

September 2023 Private Placement

In September 2023, the Company entered into purchase agreements to sell in a private placement to existing investors, including Dr. Ray Prudo, the Company's Chairman, and Ms. Rachelle Jacques, the Company's President and CEO (the "September 2023 Private Placement") an aggregate of 551,816 ADSs at $3.30 per ADS, and pre-funded warrants (the Pre-Funded Warrants") to purchase up to 48,387 ADSs at a purchase price per Pre-Funded Warrant of $3.10, for aggregate gross proceeds of approximately $2.0 million. The Pre-Funded Warrants are exercisable at an exercise price of $0.20 per ADS and will not expire until exercised in full. In connection with this offering, the Company agreed to issue to Paulson Investment Company, LLC, as placement agent for the September 2023 Private Placement, warrants to purchase 42,550 ADSs at an exercise price of $4.13 per ADS (representing 125% of the price per ADS in the September 2023 Private Placement) and a term expiring on September 22, 2028. Closing of the September 2023 Private Placement is expected to occur in the first week of October, 2023.

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

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

- *our unaudited condensed consolidated financial statements, related notes and other financial information included elsewhere in this Current Report on Form 6-K; and*
- *our audited consolidated financial statements and accompanying notes included in our Annual Report on Form 20-F for the year ended December 31, 2022 ("2022 Form 20-F"), as well as the information contained within Item 4 "Information on the Company" and Item 5 "Operating and Financial Review and Prospects" in our 2022 Form 20-F.*

In addition to historical information, this discussion and analysis may contain predictions, estimates and other forward-looking statements regarding, among other things, our product development efforts, business, financial condition, results of operations, strategies or prospects and statements related to the private placement described herein, the expected proceeds and the expected closing of the offering. that involve a number of risks and uncertainties, including those set forth under Item 3D "Risk Factors" in our 2022 Form 20-F. These risks could cause our actual results to differ materially from any future performance suggested below and elsewhere in the report.

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.

All American Depository Shares ("ADSs") and per share amounts, including the exercise or conversion price of any of our securities for or into in ADSs, reflect, as applicable, the ADS Ratio Change (as defined below).

Overview

We are a clinical-stage biotechnology company focused on developing advanced therapies for autoimmune and inflammatory diseases involving the complement component 5 ("C5") and leukotriene B4 ("LTB4") pathways. Each of these pathways 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. Our activities since inception have consisted of performing research and development activities and raising capital.

Our lead product candidate, nomacopan, is a recombinant small protein (16,769 Da) derived from a protein originally discovered in the saliva of the *Ornithodoros moubata* tick, which modulates the host immune system to allow the parasite to feed without alerting the host to its presence or provoking an immune response. Nomacopan is a second-generation complement inhibitor which acts on complement C5, preventing release of C5a and formation of C5b–9 (also known as the membrane attack complex ("MAC")), and independently and specifically also inhibits LTB4 activity, both elements that are often co-located as part of the immune/inflammatory response. The importance of nomacopan's dual inhibitory action is therefore twofold. First, it can prevent inflammatory and prothrombotic activities of two key pathways, and second, the pathways can be independently activated. Additionally, nomacopan's bio-physical properties allow it to be potentially used in a variety of formulations, including subcutaneous, intravenous, topical to eye, inhaled and intravitreous routes of administration.

We are currently advancing clinical trials of subcutaneous nomacopan for the treatment of hematopoietic stem cell transplant-related thrombotic microangiopathy ("HSCT-TMA") in both pediatrics and adults. We are planning to start enrolling for a registrational Phase 3 trial for pediatric HSCT-TMA. Additionally, we are planning to conduct a registrational Phase 3 double-blind placebo-controlled clinical trial of nomacopan in adult HSCT-TMA. We are also investigating long-acting PASylated-nomacopan ("PAS-nomacopan") for treatment of geographic atrophy ("GA") secondary to dry age-related macular degeneration ("dry AMD") in preclinical studies.

The U.S. Food and Drug Administration ("FDA") has granted Rare Pediatric Disease, Orphan Drug (pediatric and adult), and Fast Track (pediatric) designations to nomacopan for the treatment of HSCT-TMA. If the nomacopan marketing application is ultimately determined to meet the FDA's criteria to be a rare pediatric disease application,

nomacopan may be eligible for a Rare Pediatric Disease priority review voucher. Additionally, nomacopan was granted Orphan Drug designation by the European Medicines Agency ("EMA") as a treatment for HSCT-TMA in July 2023.

Recent Developments

Clinical Programs

In February 2023, based on Type C guidance from the FDA, we announced our plans to move forward into design and planning for a pivotal Part B of the Phase 3 clinical trial of nomacopan for treatment of pediatric HSCT-TMA in patients between 2 years and <18 years of age. Additionally, we announced the new adult HSCT-TMA pipeline program, inclusive of a study that is supportive of the pediatric program. Assuming adequate funding, enrollment in our planned Phase 3 double-blind placebo-controlled clinical trial of nomacopan in adult HSCT-TMA is expected to begin in 2024.

In July 2023, we received Orphan Drug designation from the EMA for the use of nomacopan as a treatment for HSCT-TMA.

Also in July 2023, we announced completion of our evaluation of PAS-nomacopan candidates and selected a single drug candidate to move forward into clinical trials for treatment of GA. We plan to submit and Investigational New Drug Application ("IND") with the FDA in the first half of 2024, assuming adequate funding.

Equity Financings

In March 2023, we issued and sold 1,333,333 ADSs in connection with the March 2023 Registered Offering (as defined below), resulting in aggregate gross proceeds of approximately $4.0 million.

In September 2023, we entered into purchase agreements for the sale in a private placement of 600,203 ADSs (or pre-funded warrants to purchase ADSs in lieu thereof) in the September 2023 Private Placement (as defined below) which upon closing is expected to result in gross proceeds of approximately $2.0 million.

See additional information included under the heading "Financial Condition, Liquidity and Capital Resources—Liquidity and Capital Resources," below for additional details on our recent equity financings.

U.K. Research and Development Tax Credit

In August 2023, we received a United Kingdom (U.K.) research and development tax credit in the amount of $2.5 million.

ADS Ratio Change

Effective August 17, 2023, we changed the ratio of our ADSs to our ordinary shares, par value $0.0001 per ordinary share (the "ordinary shares"), from one ADS representing 100 ordinary shares to a new ratio of one ADS representing 2,000 ordinary shares (the "ADS Ratio Change").

Corporate Headquarters

In August 2023 we announced the establishment of a new U.S. corporate headquarters location in Boston, Massachusetts to support our expanding operations and preparations for our registrational trials.

Results of Operations

Comparison of the Six Months Ended June 30, 2023 and 2022

Overview

The following table summarizes our condensed consolidated results of operations for the six months ended June 30, 2023 and 2022 (in thousands):

	Six Months Ended June 30,		Change	
	2023	2022	$	%
Operating expenses:				
Research and development expenses	$ 3,255	$ 4,991	$ (1,736)	(35)%
General and administrative expenses	5,954	6,069	(115)	(2)%
Total operating expenses	$ 9,209	$ 11,060	$ (1,851)	(17)%
Loss from operations	$ (9,209)	$ (11,060)	$ 1,851	(17)%
Total other income, net	$ 6,211	$ 204	$ 6,007	2,945 %
Net loss	$ (2,998)	$ (10,856)	$ 7,858	(72)%

Research and development expenses

For each of our research and development programs, we incur both direct and indirect expenses. Most of our research and development expenditures were in the form of payments to third parties to carry out our manufacturing, pre-clinical and clinical research activities.

The following sets forth research and development expenses for six months ended June 30, 2023 and 2022 by category (in thousands):

	Six Months Ended June 30,		Change	
	2023	2022	$	%
Direct expenses:				
Drug product (nomacopan)	$ 1,110	$ 2,769	$ (1,659)	(60)%
Clinical trials	(312)	458	(770)	(168)%
Other	272	186	86	46%
Total direct expenses	$ 1,070	$ 3,413	$ (2,343)	(69)%
Indirect expenses:				
Staffing	$ 1,646	$ 1,073	$ 573	53%
Other	539	505	34	7%
Total indirect expenses	$ 2,185	$ 1,578	$ 607	38%
Total research and development expenses	$ 3,255	$ 4,991	$ (1,736)	(35)%

During the six months ended June 30, 2023, total research and development expenses decreased approximately $1.7 million, or 35%, as compared to the comparable six month period in 2022, primarily due to decreases in direct clinical trial expenses resulting from the discontinuation of our bullous pemphigoid (“BP”) clinical program in 2022, including an approximate $1.1 million credit recorded as a result of the final reconciliation of clinical trial close-out costs, as well as decreased drug product manufacturing expenses related to timing of drug manufacturing. These decreases were partially offset by increases in direct clinical trial expenses incurred related to the conduct of our HSCT-TMA trials following our pipeline prioritization and additional staffing costs. Excluding the $1.1 million credit recognized during the six months ended June 30, 2023 related to our BP program, direct clinical trial expenses for the six months ended June 30, 2023 would have been approximately $0.8 million, representing an increase of $0.3 million, or 64%, as compared to the comparable six month period in 2022.

Assuming adequate funding, we expect our clinical expenses including other research and development expenses to increase in the future as we plan to conduct additional trials to support the development of nomacopan,

including our planned pivotal Part B trial of nomacopan in pediatric HSCT-TMA and Phase 3 double-blind placebo-controlled clinical trial of nomacopan in adult HSCT-TMA, as well as advance PAS-nomacopan toward clinical development.

General and administrative expenses

During the six months ended June 30, 2023, total general and administrative costs decreased by approximately $0.1 million, or 2%, as compared to the six months ended June 30, 2022. The nominal decrease was primarily due to the net impact of various changes to our organizational structure.

Other income, net

Other income, net consists of interest income, income resulting from changes in the fair value of liability-classified warrants, foreign currency exchange gains and losses, and other expenses. During the six months ended June 30, 2023, total other income, net increased by approximately $6.0 million, or 2,945%, as compared to 2022. The increase was primarily attributed to $6.1 million of income recognized resulting from a decrease in the fair value of the warrant liability for the September 2022 Warrants (as defined below) during the six months ended June 30, 2023, primarily due to a decrease in our stock price.

Liquidity and Capital Resources

Since inception, we have incurred substantial losses, and we have primarily funded our operations with proceeds from the sale of equity securities, including ordinary shares, warrants and pre-funded warrants. At June 30, 2023, we had $7.2 million in cash and an accumulated deficit of $220.5 million. To date, we have not generated any revenue.

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

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

We currently do not have any commitments for future external funding. We will need to raise additional funds, and we may decide to raise additional funds even before we need such funds if the conditions for raising capital are

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

September 2023 Private Placement

In September 2023, we entered into purchase agreements with certain existing investors, including Dr. Ray Prudo, our Chairman, and Ms. Rachelle Jacques, our President and CEO, for the sale a private placement (the "September 2023 Private Placement") of an aggregate of 551,816 ADSs at $3.30 per ADS, and pre-funded warrants (the Pre-Funded Warrants") to purchase up to 48,387 ADSs at a purchase price per Pre-Funded Warrant of $3.10, for aggregate gross proceeds of approximately $2.0 million. The Pre-Funded Warrants are exercisable at an exercise price of $0.20 per ADS and will not expire until exercised in full. In connection with this offering, we agreed to issue to Paulson Investment Company, LLC ("Paulson"), as placement agent for the September 2023 Private Placement, warrants to purchase 42,550 ADSs at an exercise price of $4.13 per ADS (representing 125% of the price per ADS in the September 2023 Private Placement) and a term expiring on September 22, 2028. Closing of the September 2023 Private Placement is expected to occur in the first week of October, 2023. Net proceeds after deducting placement agent fees and other expenses are expected to be approximately $1.7 million.

March 2023 Registered Direct Offering

In March 2023, we sold to certain accredited and institutional investors, led by our existing investors, including Dr. Ray Prudo, our Chairman, an aggregate of 1,333,333 ADSs in a registered direct offering (the "March 2023 Registered Offering"), at $3.00 per ADS for aggregate gross proceeds of approximately $4.0 million. Net proceeds after deducting placement agent fees and other expenses were approximately $3.5 million.

September 2022 Registered Offering

In September 2022, we sold to certain accredited and institutional investors, including our former Executive Chairman and current Chairman of the Board of Directors, Dr. Ray Prudo, an aggregate of 755,000 ADSs in a registered direct offering (the "September 2022 Registered Offering"), at $17.00 per ADS for aggregate gross proceeds of approximately $12.8 million. In addition, we issued to the investors in a private placement (the "September 2022 Private Placement") that closed simultaneously with the September 2022 Registered Offering (i) Series A warrants exercisable to purchase up to 755,000 ADSs at an exercise price of $17.00 per ADS and (ii) Series B warrants exercisable to purchase up to 755,000 ADSs at an exercise price of $17.00 per ADS (the Series A and B warrants collectively, the "September 2022 Warrants"). The September 2022 Warrants became exercisable immediately following the date of issuance and expire two years following issuance, in the case of the Series A warrants, and seven years following issuance, in the case of the Series B warrants. Net proceeds after deducting placement agent fees and other expenses were approximately $11.8 million.

March 2022 Registered Offering

In March 2022, we sold to certain accredited and institutional investors, led by our existing investors, including Dr. Ray Prudo, our Chairman, an aggregate of 372,042 ADSs in a registered direct offering (the "March 2022 Registered Offering"), at $24.00 per ADS for aggregate gross proceeds of approximately $8.9 million. In connection with this offering, we issued to the investors and Paulson, as placement agent for the March 2022 Registered Offering, registered warrants to purchase 186,020 ADSs at $28.00 per ADS and 14,882 ADSs at $30.00 per ADS, respectively. Net proceeds after deducting placement agent fees and other expenses were approximately $8.1 million.

Funding Requirements

As of the date of this report, we expect our existing cash, along with aggregate gross proceeds of approximately $2.0 million which we expect to receive from our September 2023 Private Placement in October 2023, will be sufficient to fund our operations into the first quarter of 2024.

Based on our recurring losses from operations incurred since inception, our expectation of continuing operating losses for the foreseeable future, negative operating cash flows for the foreseeable future, and the need to raise additional capital to finance its future operations, we have concluded that there is substantial doubt regarding our ability to continue as a going concern within one year after the date that the accompanying condensed consolidated financial statements attached as Exhibit 99.1 to the Current Report on Form 6-K to which this management's discussion and analysis is attached as Exhibit 99.2 (such consolidated financial statements, the "consolidated financial statements") are issued. Because of these uncertainties, the accompanying consolidated financial statements have been prepared assuming that we will continue as a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. As such, the accompanying consolidated financial statements do not reflect any adjustments relating to the recoverability and classification of recorded assets and liabilities that might be necessary if we are unable to continue as a going concern.

Cash Flows

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

	Six Months Ended June 30,	
	2023	**2022**
Net cash (used in) provided by:		
Operating activities	$ (9,574)	$ (13,623)
Financing activities	3,503	12,366
Effects of exchange rates on cash	2	47
Net decrease in cash	$ (6,069)	$ (1,210)

Operating Activities. The net cash used in operating activities for the periods presented consists primarily of our net loss adjusted for non-cash charges and changes in components of working capital. The decrease in cash used in operating activities during the six months ended June 30, 2023, as compared to the 2022 period, was primarily due to a $1.9 million decrease in operating expenses, as more fully described above under the heading "Results of Operations," and the net impact of changes in components of working capital.

Investment Activities. There were no investing activities during the six months ended June 30, 2023 and 2022.

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

- For the six months ended June 30, 2023, $3.5 million in net proceeds from our March 2023 Registered Direct Offering;
- For the six months ended June 30, 2022, $12.4 million in aggregate net proceeds from registered offerings consisting of approximately $4.3 million in net proceeds from our December 2021 registered offering received in January 2022, and approximately $8.1 million in net proceeds from our March 2022 Registered Offering.

Material Cash Requirements

During the six months ended June 30, 2023, there were no material changes outside the ordinary course of our business to our material cash requirements from known contractual obligations as disclosed in our 2022 Form 20-F.

Critical Accounting Estimates

This management's discussion and analysis of financial condition and results of operations is based on our consolidated financial statements, which have been prepared in accordance with U.S. GAAP. In doing so, we must make

estimates and assumptions that affect our reported amounts of assets, liabilities and expenses, as well as related disclosure of contingent assets and liabilities. On an ongoing basis, management evaluates its estimates and judgements, including, but not limited to, those related to (i) stock-based compensation, (ii) fair value of warrants classified as liabilities, (iii) research and development prepayments, accruals and related expenses, and (iv) the valuation allowance for deferred income taxes. Management bases its estimates and judgments on historical experience and on various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

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

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

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

Our significant accounting estimates are described in Note 2 of the notes to our audited consolidated financial statements included in our 2022 Form 20-F. However, please refer to Note 2 in the accompanying notes to the condensed consolidated financial statements for certain updated estimates that could impact our results of operations, financial position, and cash flows. Not all of these estimates identified in either place, however, fit the definition of critical accounting estimates. We believe that our accounting estimates relating to (i) stock-based compensation, (ii) fair value of warrants classified as liabilities, and (iii) research and development prepayments, accruals and related expenses, as described under the caption "Item 5. Operating and Financial Review and Prospects — E. Critical Accounting Estimates" in our 2022 Form 20-F, fit the description of critical accounting estimates and judgments.

Exhibit 99.3

Akari Therapeutics Reports First Half 2023 Financial Results and Highlights

- Akari's priority pipeline programs remain on track to begin enrollment in the registrational nomacopan Phase 3 clinical trials in pediatric and adult HSCT-TMA and start PAS-nomacopan clinical trials in geographic atrophy (GA)
- Granted orphan drug designation from the European Commission for treatment in hematopoietic stem cell transplantation, adding to existing FDA Orphan Drug, Fast Track and Rare Pediatric Disease designations
- The company established a Boston U.S. headquarters office to support expanding operations and the start of registrational Phase 3 clinical trials
- Strengthened capabilities with appointment of Beth-Anne Lang, an experienced executive with a long track record of successful regulatory approvals, as Senior Vice President, Regulatory Affairs, and industry veterans Wa'el Hashad as independent director and Wendy DiCicco as interim CFO

BOSTON and LONDON, September 29, 2023 (GLOBE NEWSWIRE) – Akari Therapeutics, Plc (Nasdaq: AKTX), a late-stage biotechnology company developing advanced therapies for autoimmune and inflammatory diseases today announced financial results and highlights for the first half of 2023, ended June 30th. Akari's lead asset, investigational nomacopan, is a bispecific recombinant inhibitor of complement C5 and leukotriene B4 (LTB4). Nomacopan is in Phase 3 development for pediatric hematopoietic stem cell transplant-related thrombotic microangiopathy (HSCT-TMA) and is entering Phase 3 development in adult HSCT-TMA. Long-acting PAS-nomacopan is in final pre-clinical development and is advancing toward clinical trials in geographic atrophy (GA).

"I'm delighted our Akari team continues to make steady progress on our ambitions for investors and the patients who are waiting with urgent unmet needs," said Rachelle Jacques, Akari President and CEO. "We believe we are building strong momentum as we prepare for the start of enrollment in the registrational portion of our nomacopan

pediatric and adult Phase 3 clinical trials in HSCT-TMA and move our PAS-nomacopan geographic atrophy development program toward clinical trials."

HSCT-TMA

Akari remains on track to start enrollment by the end of 2023 in the registrational Phase 3 study of nomacopan in pediatric HSCT-TMA, which is expected to generate safety and efficacy data that may support U.S. and European regulatory filings for potential marketing authorization in these regions.

Consensus guidelines were published in early 2023 by an international panel of experts that harmonize diagnostic criteria and support earlier screening and diagnosis in the care of patients. The design of Akari's HSCT-TMA Phase 3 clinical trials has been significantly informed by these consensus criteria for earlier diagnosis of high-risk (severe) patients. Adult study design will be an important topic of discussion during a Type C meeting with the U.S. Food and Drug Administration (FDA) scheduled for November 15, 2023.

A case study, *Clinical Response to Nomacopan in the Paediatric HSCT-TMA Setting*, was presented as a late-breaker at The Transplantation & Cellular Therapy Tandem Meetings in February 2023 and as a poster in April 2023 at The European Society for Blood and Marrow Transplantation (EBMT). A 6-year-old male HSCT-TMA patient at Royal Manchester Children's Hospital, Manchester University NHS Foundation Trust in Manchester, United Kingdom was enrolled in the nomacopan Phase 3 Part A clinical trial, treated with nomacopan and discharged home from the hospital.

Akari was granted orphan drug designation from the European Commission for treatment in hematopoietic stem cell transplantation. This designation is an important addition to the FDA Orphan Drug, Fast Track and Rare Pediatric Disease designations for nomacopan for the treatment of pediatric HSCT-TMA. With the Rare Pediatric Disease Designation, Akari is eligible to receive a Priority Review Voucher (PRV) upon

approval that it can either redeem for priority review of a subsequent marketing application for a different product or sell to a third party.

Akari is also moving forward into a registrational Phase 3 double-blind placebo-controlled clinical trial of nomacopan in adult HSCT-TMA with enrollment expected to begin in 2024 (subject to funding).

Regulatory authorities in Poland (Office for Registration of Medicinal Products, Medical Devices and Biocidal Products/URPL) and the U.K. (Medicines & Healthcare products Regulatory Agency/MHRA) approved amendments to the company's Investigational Medicinal Product Dossier (IMPD) and Clinical Trial Authorization (CTA), respectively, for clinical use of the third-generation drug substance manufacturing process that increases the final yield of nomacopan by at least 5-fold.

Geographic Atrophy (GA)

Akari completed evaluation of long-acting PAS-nomacopan candidates and based on extensive pre-clinical work selected a single drug candidate to move forward into clinical trials for treatment of GA. The selected version has a product profile with characteristics important for a GA therapy, including fully active drug potency, planned small (<100µL) injection volume, viscosity enabling intravitreal injection with a fine needle, and pre-clinical half-life that supports a potential clinical dose interval of 3 months or longer.

Akari also selected Wacker Biotech GmbH as the manufacturing partner to support production of PAS-nomacopan for use in clinical trials. The company remains on track for an Investigational New Drug (IND) submission to the FDA in the first half of 2024 and the start of clinical trials in the second half of 2024 (subject to funding).

In May, Akari hosted a key opinion leader event featuring Elias Reichel, M.D., Professor of Ophthalmology at the Tufts University School of Medicine. At the event, Dr. Reichel discussed disease pathology and the need to reduce frequency of intravitreal injections and prevent sight-threatening choroidal neovascularization (CNV) risk in the treatment

of GA. At that event, Akari management presented a progress update on the final stages pre-clinical development of long-acting PAS-nomacopan as a potential treatment for GA and the status of clinical trials.

Other Highlights

As Akari approaches the start of registrational Phase 3 clinical trials in pediatric and adult HSCT-TMA and a regulatory filing to begin clinical trials in GA, the company will be assisted by Beth-Anne Lang, who was appointed as Senior Vice President, Regulatory Affairs in August 2023. Ms. Lang has more than 20 years of experience in regulatory strategy, regulatory affairs, and drug development, and a long track record of successful drug approvals in the U.S. and rest of world.

The U.S. industry capabilities of Akari's Board of Directors was strengthened with the appointment of industry veteran Wa'el Hashad as an independent director. Mr. Hashad brings more than 35 years of biopharmaceutical experience to the Akari Board of Directors with deep experience in drug approvals and commercialization, mergers and acquisitions, and business development.

Akari appointed experienced life sciences executive Wendy DiCicco as interim Chief Financial Officer (CFO). Ms. DiCicco has more than 25 years of experience in the life sciences industry, serving as an independent financial and board advisor to companies, often in the role of interim CFO.

The company established a Boston Seaport area office that is the Akari U.S. headquarters. The office will support the company's operations in preparation for the start of registrational nomacopan Phase 3 clinical trials.

Akari continues to secure IP for lead asset nomacopan in pipeline programs beyond current priority programs in preparation for future development by the company, licensing or partnering. In April 2023, the European Patent Office granted a patent for

nomacopan in the treatment of autoimmune blistering diseases (including bullous pemphigoid).

After requesting and being granted a 180-day extension by Nasdaq to meet Nasdaq's minimum bid price requirement, the company regained compliance in August 2023 and the matter is now closed. Akari's American Depository Shares (ADSs) continue to trade on the Nasdaq Capital Market under the symbol AKTX.

As Akari continues to build out the capabilities, presence, and investor base in the U.S., it has qualified for domestic issuer status with the U.S. Securities and Exchange Commission (SEC) and will begin reporting as a domestic filer effective January 1, 2024.

First Half of 2023 Financial Results

As of June 30, 2023, the company had cash of approximately $7.2 million. Following the end of the first half 2023, Akari received a United Kingdom (U.K.) research and development tax credit in the amount of $2.5 million and entered into definitive purchase agreements for the sale in a private placement of 551,816 ADSs and pre-funded warrants to purchase up to 48,387 ADSs, which upon closing is expected to result in gross proceeds of approximately $2.0 million. Closing is expected to occur during the first week of October. Existing cash, which assumes closing of the proceeds from the private placement, is expected to be sufficient to fund operations into the first quarter of 2024.

Research and development expenses were approximately $3.3 million for the six months ended June 30, 2023, as compared to approximately $5.0 million for the same period in 2022. General and administrative expenses were approximately $6.0 million for the six months ended June 30, 2023, as compared to approximately $6.1 million for the same period in 2022. Total other income was approximately $6.2 million for the six

months ended June 30, 2023, as compared to approximately $0.2 million for the same period in 2022.

Net loss was approximately $3.0 million for the six months ended June 30, 2023, as compared to net loss of approximately $10.9 million for the same period in 2022. Excluding the non-cash gain of approximately $6.1 million for the six months ended June 30, 2023 related to the change in fair value of warrant liability, net loss was $9.1 million.

About Akari Therapeutics

Akari Therapeutics, plc (Nasdaq: AKTX) is a biotechnology company developing advanced therapies for autoimmune and inflammatory diseases. Akari's lead asset, investigational nomacopan, is a bispecific recombinant inhibitor of complement C5 activation and leukotriene B4 (LTB4) activity. Akari's pipeline includes a Phase 3 clinical trial program investigating nomacopan for severe pediatric hematopoietic stem cell transplant-related thrombotic microangiopathy (HSCT-TMA). Akari has been granted Orphan Drug, Fast Track and Rare Pediatric Disease designations from the FDA for nomacopan for the treatment of pediatric HSCT-TMA and orphan drug designation from the European Commission for treatment in hematopoietic stem cell transplantation. Akari's pipeline also includes a clinical program developing nomacopan for adult HSCT-TMA and pre-clinical research of long-acting PAS-nomacopan in geographic atrophy (GA). For more information about Akari, please visit akaritx.com.

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, our product development efforts, business, financial condition, results of operations, strategies or prospects and statements related to the offering of securities described herein, 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 there; 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 impact of the COVID-19 pandemic; 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 Statements of Operations and Comprehensive Loss
(Unaudited, in U.S. dollars)

	Six Months Ended June 30,	
	2023	2022
Operating expenses:		
Research and development expenses	$ 3,255,221	$ 4,990,715
General and administrative expenses	5,954,379	6,069,422
Total operating expenses	9,209,600	11,060,137
Loss from operations	(9,209,600)	(11,060,137)
Other income:		
Interest income	59,091	8,317
Change in fair value of warrant liability	6,147,210	—
Foreign currency exchange gain	27,516	211,761
Other expenses	(22,825)	(16,314)
Total other income, net	6,210,992	203,764
Net loss	$ (2,998,608)	$ (10,856,373)
Net loss per ordinary share, basic and diluted	$ (0.00)	$ (0.00)
Weighted average ordinary shares outstanding — basic and diluted	8,787,337,361	5,648,226,680
Comprehensive loss:		
Net loss	$ (2,998,608)	$ (10,856,373)
Other comprehensive loss:		
Foreign currency translation adjustment	(55,038)	(80,590)
Total comprehensive loss	$ (3,053,646)	$ (10,936,963)

Akari Therapeutics Plc
Consolidated Balance Sheet Data
(Unaudited, in U.S. dollars)

	June 30, 2023	December 31, 2022
Cash	$ 7,180,688	$ 13,249,945
Other assets	832,283	581,667
Total assets	$ 8,012,971	$ 13,831,612
Total liabilities	$ 5,231,514	$ 12,040,866
Total shareholders' equity	2,781,457	1,790,746
Total liabilities and shareholders' equity	$ 8,012,971	$ 13,831,612

For more information

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