AKARI THERAPEUTICS, PLC

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2025

Registered in England and Wales, number: 05252842

AKARI THERAPEUTICS PLC

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FOR THE YEAR ENDED 31 DECEMBER 2025

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AKARI THERAPEUTICS PLC

OFFICERS AND PROFESSIONAL ADVISERS

FOR THE YEAR ENDED 31 DECEMBER 2025

Directors	H Hoyoung R Prudo-Chlebosz S Patel R Bazemore J Neal Sandip I. Patel A Gaslightwala
Secretary	Prism Cosec Limited
Registered Office	Highdown House, Yeoman Way, Worthing, West Sussex BN99 3HH
Independent Auditors	HaysMac LLP 10 Queen Street Place London EC4R 1AG

Unless the context otherwise requires, all references to "Akari," "we," "us," "our," the "Company", the "Group" and similar designations refer to Akari Therapeutics, Plc and its subsidiaries. All references to "Parent company" refer to Akari Therapeutics, Plc excluding its subsidiaries.

The directors of the Company ("Directors") present their report and the audited financial statements for the year ended 31 December 2025.

The Company has chosen, in accordance with section 414C(11) of the Companies Act 2006, to include in its strategic report the following matters that would otherwise be required to be disclosed in this Directors' report: information on material financial instruments; information on research and development activities; and an indication of likely future developments in the business of the Company.

PRINCIPAL ACTIVITY

The Group is an oncology company developing next-generation antibody-drug conjugates ("ADCs") designed around novel proprietary cancer-killing toxins ("payloads"). The Group believes these novel payloads may have the potential to transform the efficacy and safety outcomes of ADCs as cancer therapies beyond options that are currently available or in development. The Group's activities since inception have consisted of performing research and development activities and raising capital.

DIRECTORS

The Directors who served the Company during the year and up to the date of signing the Annual Report were as follows:

H Hoyoung
R Prudo-Chlebosz
S Patel
R Bazemore
J Neal
Sandip I. Patel
A Gaslightwala

DIRECTORS' INDEMNITY

The Company's Articles of Association provide, subject to the provisions of UK legislation, an indemnity for directors and officers of the Company in respect of liabilities they may incur in the discharge of their duties or in the exercise of their powers, including any liabilities relating to the defence of any proceedings brought against them which relate to anything done or omitted, or alleged to have been done or omitted, by them as officers or employees of the Company.

Appropriate directors and officer's liability insurance cover is in place in respect of all Company directors.

ENVIRONMENTAL DISCLOSURES

We are a group with a small number of employees. We have serviced offices and we currently outsource our research, development, testing and manufacturing activities. As a result, the group itself consumed 40,000 kWh of energy or less during the year ended 31 December 2025. For this reason, no disclosures concerning greenhouse gas emissions, energy consumption and energy efficiency action are made under the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

AUDITORS

HaysMac LLP have indicated their willingness to continue in office as auditor for another year. In accordance with section 489 of the Companies Act 2006, a resolution proposing that HaysMac LLP be reappointed as auditors of the Company will be put to the Annual General Meeting.

SUBSTANTIAL SHAREHOLDERS

On 31 December 2025, the following shareholders held an interest of 3% or more of the ordinary share capital of the Company:

	Ordinary shares of $0.000000005	% of issued share capital
Hoyoung Huh, M.D. (1)	9,610,622,000	10.6%
PranaBio Investments, LLC (2)	6,347,346,000	7.0%
Ray Prudo, M.D. (3)	6,003,396,800	6.6%

(1) Represents the holdings of Hannol Ventures LLC ("Hannol") and Dr. Hoyoung Huh as reported on Schedule 13G filed with the U.S. Securities and Exchange Commission ("SEC") on 4 March 2026. The principal business address of Hannol is 16703 Early Riser Avenue, Suite 563, Land O Lakes, FL 34638. Dr. Huh is the sole member of Hannol and exercises voting and dispositive power over the shares held of record by Hannol.

(2) Represents the holdings of Pranabio Investments, LLC ("PranaBio") and Samir R. Patel, M.D., as reported on the Amendment No. 2 Schedule 13D filed with the SEC on 4 March 2026. The principal address of PranaBio is 1701 Chicon Street, Austin, TX 78745. Dr. Patel is the managing member of PranaBio and has sole voting and investment power with respect to the shares held of record by PranaBio.

(3) Represents the entire holdings of RPC Pharma Limited, Praxis Trustees Limited as trustee of The Sonic Healthcare Holding Company and Dr. Ray Prudo as reported on the Amendment No. 10 Schedule 13D filed with the SEC on 4 March 2026. The principal business office of RPC Pharma Limited is c/o Landmark Fiduciare (Suisse) SA, 6 Place des Eaux-Vives, P.O. Box 3461, Geneva, V8 1211, Switzerland. Dr. Ray Prudo has shared voting and dispositive control over the ordinary shares held by RPC Pharma Limited and owns approximately 67.8% of RPC's outstanding shares (including option grants), including 10.6% of RPC's outstanding shares held in trust for Dr. Ungar. Dr. Prudo disclaims beneficial ownership except to the extent of his actual pecuniary interest in such shares.

As at 31 December 2025 no other person had reported an interest of 3% or more in the Company's ordinary shares.

CORPORATE GOVERNANCE

The Group is not required to implement the provisions of the UK Corporate Governance Code (the "Code").

Regular Board of Directors meetings are held. The Board of Directors meets regularly and is responsible for overseeing management, formulating strategy and monitoring the Group's performance.

GOING CONCERN

The Group meets its day-to-day working capital requirements through funding. In assessing the Group's ability to continue as a going concern, Management has prepared financial forecasts covering at least the next twelve months from the date of approval of the financial statements.

The Group's forecast and projections show that at present, the Group has insufficient working capital to fulfil its current business plan without the Group raising additional capital.

As of 31 December 2025, the Group's cash balance was $5.2 million. To date, the Group has incurred substantial losses and negative cash flows since inception and had an accumulated deficit of $252.9 million as of 31 December 2025.

The Group anticipates incurring additional losses until such time, if ever, that it can generate significant sales of its product candidates currently in development. The Group is subject to a number of risks and uncertainties similar to those of other companies of the same size within the biotechnology industry, such as uncertainty of clinical trial outcomes, uncertainty of additional funding, and history of operating losses. Substantial additional financing will be needed by the Group to fund its operations and to commercially develop its product candidates and there can be no assurance that additional funds will be available when the Group need them on terms that are acceptable to it, or at all. As of 1 June 2026, the Group's cash balance of $3.2 million, which includes net proceeds received from the May 2026 Private Placement (see note 26 of the notes to financial statements), is not sufficient to fund its operations for the one-year period after the date these consolidated financial statements are issued.

Management is currently evaluating different strategies to obtain the required funding for future operations. These strategies may include, but are not limited to product development financing, private placements and/or public offerings of equity and/or debt securities, and strategic research and development collaborations and/or similar arrangements. While management is confident in the Company's ability to obtain future funding, there can be no assurance that these future funding efforts will be successful. Based on the requirement for Group to raise additional capital to finance future operations and for it to manage its working capital position, particularly in relation to accounts payable balances, until further such capital can be raised, management has concluded that these outcomes represent material uncertainties that cast significant doubt regarding the Group's ability to continue as a going concern within one year after the date that these consolidated financial statements are issued.

Notwithstanding these uncertainties, the accompanying consolidated financial statements have been prepared assuming that we will continue as a going concern, which contemplates the realisation 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 the Group is unable to continue as a going concern.

SUBSEQUENT EVENTS

Events occurring after the year end and required to be disclosed are detailed in note 26 of the notes to the financial statements.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable laws and regulations.

Company law requires the directors to prepare Group and Parent company financial statements for each financial year. Under that law the directors have elected to prepare the Group and Parent company financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the United Kingdom. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and their profit or loss for that period.

The financial statements are required by law and IFRS as adopted by the United Kingdom to present fairly the financial position and performance of the Group.

In preparing these financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRS as adopted by the United Kingdom subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Parent company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and Parent company and to enable them to ensure that the financial statements comply with the Companies Act 2006 and Article 4 of the IAS Regulation. They have general responsibility for taking such steps as are reasonably open to safeguard the assets of the Group and Parent company and to prevent and detect fraud and other irregularities.

The directors consider that the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's performance, business model and strategy.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the directors at the time the report is approved confirms that, as at that time:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This report was approved by the board on 3 June 2026 and signed on its behalf.

Abizer Gaslightwala

Abizer Gaslightwala
Director, President and Chief Executive Officer

REVIEW OF BUSINESS

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

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

The Group's differentiated ADC discovery and development platform (our "ADC Platform") enables it to generate a range of ADC product candidates that pair our novel payloads with biologically validated antibody targets prevalent in cancer tumours. The Group believes that its focus on the development of ADCs that utilise our novel payloads may allow it to develop ADCs with benefits that include:

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

The Group's lead product candidate is AKTX-101, a preclinical stage Trop2-targeting ADC that combines PH1 with the Trop2 antibody, which is expressed in the highest number of solid tumor cancer types, including lung, breast, colon and prostate. The Group aims to establish AKTX-101 as a best-in-class Trop2-targeting ADC for the treatment of a variety of solid tumors.

The Group acquired the ADC Platform in connection with the merger with Peak Bio, Inc. ("Peak Bio"), which closed on 14 November 2024. Prior to that time, the Group was primarily focused on advancing its former product candidates nomacopan and PAS-nomacopan (longer-acting nomacopan that is PASylated). Since the closing of the merger with Peak Bio, the Group has focused substantially on the development of ADCs and its ADC Platform. The Group has suspended further internal development of its legacy programs, nomacopan and PAS-nomacopan, and intends to seek strategic partners to advance their development externally. For its PHP-303 program, a program that Peak Bio had advanced prior to the closing of the merger, the Group intends to seek strategic partners for it as well to further its development externally.

The Group's activities since inception have consisted of performing research and development activities and raising capital.

Given the current size and stage of development of the Group's operations, the Group does not currently collect or maintain detailed information regarding environmental, employee, social, community or human rights matters, nor has it adopted formal policies or key performance indicators in respect of such matters. The Directors will continue to review the appropriateness of such disclosures in line with the future development of the business.

Merger Agreement

On 14 November 2024, the Group completed the previously announced business combination contemplated by the Agreement and Plan of Merger (the "Merger Agreement") by and among us, Peak Bio and Pegasus Merger Sub, Inc., a Delaware corporation and a wholly-owned subsidiary of Akari (the "Merger Sub"), as amended by a side letter dated 15 August 2024, pursuant to which, upon the terms and subject to the conditions thereof, Merger Sub was merged with and into Peak Bio, with Peak Bio surviving such merger as the Group's wholly owned subsidiary.

RESULTS AND DIVIDENDS

Research and development expenses for the year ended 31 December 2025 were approximately $3,370,000 (2024: $8,265,000). The decrease was the result of lower costs relating to preclinical studies and other development work for our ADC platform as well as our decision to suspend our HSCT-TMA program and preclinical studies and other development work investigating PAS-nomacopan for the treatment of geographic atrophy.

Administrative expenses for the year ended 31 December 2025 were approximately $9,281,000 (2024: $9,497,000). The decrease was the result of the net impact of multiple factors. The Group's administrative expenses decreased primarily due to decreases in (i) personnel and consulting costs of approximately $1.1 million resulting from reorganization of the team and resources, (ii) director and officer insurance premiums of approximately $0.7 million, and (iii) rent of approximately $0.2 million. These decreases were offset by increases in non-cash stock-based compensation of $1.1 million and regulatory and legal fees of approximately $0.5 million.

Impairment loss on in-process R&D and goodwill for the year ended 31 December 2025 was approximately $17,667,000 (2024: $Nil), of which $5.18 million related to PHP-303 in process R&D, $3.7 million related to AKTX-101 in process R&D and the remainder related to goodwill. The impairment loss on PHP-303 was triggered due to reprioritization of resources to our ADC platform, no further development plans and inability to find a collaborative partner to date. The impairment loss on AKTX-101 was triggered due to sustained decline in the Company's ADS price and market capitalization resulting in refinement to the expected development timelines and probability weighted cash flows to reflect current market conditions, capital availability considerations, and the heightened uncertainty inherent in advancing the program under these conditions, as well as an increase in the discount rate to reflect the overall risk profile of the asset.

The Group had an operating loss for the year ended 31 December 2025 of approximately $30,318,000 (2024: $22,758,000). The operating loss increased mainly due to the impairment loss of approximately $17,667,000 and was offset by reductions in merger-related expenses (2024: $3,273,000) and restructuring costs (2024: $1,723,000) that were incurred in the year ended 31 December 2024.

Net cash used in operating activities for the year ended 31 December 2025 was approximately $10,466,000 (2024: $12,201,000). 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 year ended 31 December 2025 as compared to the year ended 31 December 2024, was primarily due to a decrease in research and development costs, restructuring costs related to the program reprioritization, and a decrease in merger-related costs incurred in connection with the Peak Bio acquisition.

Net cash generated from investing activities for the year ended 31 December 2025 was $Nil (2024: $382,000).

Net cash generated from financing activities for the year ended 31 December 2025 was approximately $13,071,000 (2024: $10,638,000). For the year ended 31 December 2025, an aggregate of $14.2 million in net proceeds received from the issuance of debt and equity securities, including (i) $5.6 million in net proceeds from the March 2025 Private Placement, (ii) $2.0 million in net proceeds from the issuance of the October 2025 Registered Direct Offering, (iii) $3.1 million in net proceeds from the issuance of the December 2025 Registered Direct Offering, (iv) $1.0 million in net proceeds from the December 2025 Private Placement, (v) $2.1 million in net proceeds from the August 2025 Notes, and (vi) $0.3 million received in advance for pre-funded warrants issued in the March 2025 Private Placement, partially offset by repayment of $0.6 million of payments related to our promissory notes and $0.5 million of payments for our insurance premium financing.

Cash increased to approximately $5,203,000 on 31 December 2025 (2024: $2,599,000).

The Group made a loss for the year ended 31 December 2025 of approximately $29,276,000 (2024: $20,058,000). The loss for the Group, with the exception of the one-time impairment loss, was in line with the expected performance and the Directors are satisfied with the results for the year.

No dividends were paid during the year (2024: $Nil) and the Directors do not propose a final dividend.

PRINCIPAL RISKS AND UNCERTAINTIES

Financing

The Group requires additional funding to continue its future operations and planned research and development activities. The Directors recognise that the Group may not be able to obtain financing on favourable terms and the terms of the Group's finance arrangements may be dilutive. The Group may also seek additional funding through partnership arrangements with collaborators and other third parties. These types of arrangements may require the Group to relinquish rights to internally developed technology, product candidates or products. If the Group is unable to obtain additional funding on a timely basis, the Group may be required to curtail or terminate some or all of its research or development programs, including some or all of its product candidates. Additionally, the report of the Group's statutory audit firm on its financial statements for the period ended 31 December 2025, includes an explanatory paragraph raising significant doubt about the Group's ability to continue as a going concern as a result of recurring losses from operations and net capital deficiency. The Group's future is dependent upon its ability to obtain financing in the future.

The Group plans to raise additional funds through equity or debt financings or other sources, such as strategic partnerships, alliance and/or licensing arrangements and government grants. There can be no assurance that additional funds will be available when the Group needs them on terms that are acceptable, or at all.

Preclinical development stage

The Company is a preclinical development stage Group with limited history of trading on which future projections can be based. There is no guarantee that the Group will succeed in growing its current business or that the Group will be able to provide or maintain sufficient resources required for operations in the development and introduction of its products. It is not unusual that preclinical development stage companies fail to achieve their business plans due to lack of being able to estimate the speed of new market entrants and the costs associated with entering markets and obtaining market share.

Prior to the merger with Peak Bio, the Group was primarily focused on advancing its former product candidates nomacopan and PAS-nomacopan (longer-acting nomacopan that is PASylated). Since the closing of the merger with Peak Bio, the Group has focused substantially on the development of ADCs and its ADC Platform. The Group has suspended further internal development of its legacy programs, nomacopan and PAS-nomacopan, and intends to seek strategic partners to advance their development externally. For its PHP-303 program, a program that Peak Bio had advanced prior to the closing of the merger, the Group intends to seek strategic partners for it as well to further its development externally.

Drug development

The Group's drug development activities are complex, and all of the product candidates are in preclinical development with a significant risk of failure. It is impossible to predict when or if any of the product candidates will prove effective or safe in humans and/or will receive regulatory approval.

Further common challenges for similar companies and the Group is to:

- Find a stable active product or formulation without extensive clinical trials and substantial additional costs or create adequate assays for the products for formulations or clinical testing purposes;
- Manufacture, and/or formulate sufficient amounts of its product candidates or upscale or optimise such synthesis so as to enable efficient production of scale;
- Find safe and effective doses for its product candidates without extensive clinical trials and substantial additional costs;
- Obtain sufficient supply or quality of product candidates supply or materials to produce product candidates or other materials necessary to conduct clinical trials; and
- Establish manufacturing capabilities or enter into agreements with third parties to supply materials in a timely fashion to make product candidates, or manufacture clinical trial drug supplies.

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Departure of and search for executive officers
The Group's success depends upon the continued service and performance of our senior management and other key personnel. The loss of the services of these personnel could delay or prevent the successful completion of our planned clinical trials or the commercialization of our therapeutic candidates or otherwise affect our ability to manage our company effectively and to carry out our business plan. The Group does not maintain key-man life insurance. Although the Group has entered into employment agreements with all the members of its senior management team, members of its senior management team may resign at any time. High demand exists for senior management and other key personnel in the biopharmaceutical industry. There can be no assurance that the Group will be able to continue to attract and retain such personnel.

Market acceptance
The Group is not guaranteed that any of its product candidates will gain market acceptance amongst physicians, patients, healthcare providers, pharmaceutical companies or other customers.

Even if the Group is successful in continuing to build and expand its development portfolio, the potential product candidates that it identifies may not be suitable for clinical development. For example, they may be shown to have harmful side effects or other characteristics that indicate that they are unlikely to be drugs that will be successful in clinical trials or receive marketing approval and achieve market acceptance. If the Group does not successfully develop and commercialize product candidates, it will not be able to obtain drug revenues in future periods, which likely would result in significant harm to its financial position.

Intense competition from larger competitors
Many companies, universities and research organisations developing product candidates have greater resources and significantly greater experience in financial, research and development, manufacturing, marketing, sales, distribution and technical regulatory matters than the Group has. These competitors could commence and complete clinical testing of their products, obtain regulatory approval, and begin commercial-scale manufacturing of their products faster than the Group is able to, thus resulting in a situation whereby the Group may not be able to commercialise its product candidates or achieve a competitive position in the market.

Product liability exposure
The Group faces exposure to product liability and other claims if its product candidates, products or processes are alleged to have caused harm. These risks are inherent in testing, manufacturing, and marketing human therapeutic products. If the Group is sued for any injury caused by its products, product candidates or processes, the Group's liability could exceed its product liability insurance coverage and its total assets. Claims against the Group, regardless of their merit or potential outcome, may also generate negative publicity or damage the Group's ability to obtain physician endorsement of its products or expand its business.

Intellectual property
The Group may be unable to protect the intellectual property relating to its product candidates, or if it infringes the rights of others, its ability to successfully commercialise its product candidates may be harmed. The Group owns or hold licenses to a number of issued patents (foreign and foreign counterparts) and pending patent applications. The Group's success depends in part on its ability to obtain patent protection both in the United States and in other territories for its product candidates, as well as the methods for treating patients in the product indications using these product candidates. The Group's ability to protect its product candidates from unauthorised or infringing use by third parties depends in substantial part on its ability to obtain and maintain valid and enforceable patents. Due to evolving legal standards relating to the patentability, validity and enforceability of patents covering pharmaceutical inventions and the scope of claims made under these patents, the Group's ability to obtain, maintain and enforce patents is uncertain and involves complex legal and factual questions. Even if the Group's product candidates, as well as methods for treating patients for prescribed indications using these product candidates are covered by valid and enforceable patents and have claims with sufficient scope, disclosure and support in the specification, the patents will provide protection only for a limited amount of time. Accordingly, rights under any issued patents may not provide the Group with sufficient protection for a commercial advantage against competitive products or processes.

FINANCIAL INSTRUMENTS

The Group finances its operations using cash generated by the sale of equity instruments in the Group. The cash flow of the Group is monitored on a regular basis to ensure the Group has sufficient funding to meet its capital and operational requirements.

RESEARCH AND DEVELOPMENT

The Group is an oncology company developing next-generation ADCs designed around novel payloads, which it believes may have the potential to transform the efficacy and safety outcomes of ADCs as cancer therapies beyond options that are currently available or in development.

KEY PERFORMANCE INDICATOR

The Directors consider the key performance indicator to be the Group's cash position. This allows the Directors to manage the on-going activities and strategies for further development of the Group.

The key performance indicator is measured and reviewed on a regular basis at Board meetings and enable the Directors to communicate the performance of the Group against predetermined targets.

Key performance indicator:

Operational key performance indicators relate to R&D activities and are discussed in the preceding elements of this report. Financially, the Group's key performance indicator is cash and utilisation thereof. As at the year ended 31 December 2025, the Group's cash position was $5,203,000 (2024: $2,599,000). Further analysis of changes in the year is provided in the Group Statement of Cash Flows.

EMPLOYEES

As at 31 December 2025, we had 5 full-time employees and 1 part-time employee. The table shows the number of staff of each gender employed at the Company and their level of seniority.

	Male	Female	Total
Directors	7*	-	7
Senior Managers	1	-	1
Employees	1	3	4

*Includes our President, Chief Executive Officer and director as of 31 December 2025, who is reflected in the Directors level.

SECTION 172 STATEMENT

When making decisions, the Directors act in the way they consider is most likely to promote the success of the Company, for the benefit of its members as a whole, while also considering the broad range of stakeholders who interact with the business.

Our strategy is to develop a robust and diverse portfolio of potentially first-in-class and best-in-class oncology therapies through the use of our proprietary ADC Platform to identify indications that are particularly suitable for the linkers and payloads that we have developed, including AKTX-101, or may in the future develop.

In striving to achieve the goal to develop new therapeutic medicines, the business touches the lives of many people. The Group exists in a complex and evolving regulatory and scientific environment and as a result has a number of key stakeholder groups. Considering the interests of its stakeholders is fundamental to the way in which the Company operates. Our values and Code of Ethics empower employees to make the best decisions in the interest of the Company and its stakeholders, and help to ensure that these considerations are made not only at Board level, but throughout the entire organization.

Post the reporting period end, the Directors of the Company have continued to take into account the Company's stakeholders, including the potential impact of its future activities on the community, the environment and the Company's reputation when making decisions. The Directors also continue to take all necessary measures to ensure the Company is acting in good faith and fairly between members and is promoting the success of the Company for its members in the long term.

The table below serves as our Section 172 statement by setting out the key stakeholder groups, their interests and how the Company engages with them. Akari's key stakeholders include its investors, employees, regulatory bodies and suppliers.

Stakeholder	**Why Akari engages**	**How Akari engages**
Investors	Management maintains a regular and constructive dialogue with existing and potential investors to communicate the Company's strategy and performance to promote investor confidence and ensure continued access to capital.	• Annual General Meetings • Financial reports filed with the SEC • One-to-one meetings by Management with analysts and investors • Investor outreach programs including attending virtual and in-person conferences, events and roadshows • Press releases • Company website • Social media (e.g. LinkedIn, Twitter)
Employees	Akari employees are key to the Company's success and to the achievement of business objectives. Akari aims to be a responsible employer in our approach to employee engagement, development, performance and rewards. The health, safety and well-being of the Group's employees is one of Akari's primary considerations in the way the Company does business. Employee engagement is led primarily by the CEO (or interim CEO) and the Executive Team.	• Market competitive compensation and benefits aligned with role and overall performance • Individual development through coaching, on-the-job learning, external conferences and training opportunities • Communication channels between the Board, Executive Team and Akari employees

Stakeholder	**Why Akari engages**	**How Akari engages**
Regulatory bodies	Akari is subject to a wide range of laws, regulations, and listing requirements including the regulatory framework from FDA, EMA and other regulatory agencies, the SEC, data protection, employment, tax, environmental and health and safety legislation.	• Company website • SEC filings • Annual Report • Direct contact and communications with regulators • Compliance updates at Board Meetings
Suppliers	Akari has several key suppliers with whom the Company has built strong relationships. Akari has established communication channels to ensure its working relationship remains collaborative and forward – focused, and to create a successful and fair collaboration.	• Building strong working relationships with suppliers through open two-way discussions and regular meetings. • Executing contracts that guide expectations of both Akari and the suppliers.

This report was approved by the Board on 3 June 2026 and signed on its behalf.

Abizer Gaslightwala

Abizer Gaslightwala
Director, President and Chief Executive Officer

PART I - ANNUAL REPORT ON REMUNERATION

Single Total Figure of Remuneration for Each Director

The following table shows the compensation paid or accrued during the fiscal year ended 31 December 2025.

Name of Director	Salary and/or Fees ($)	Other compensation ($)	Bonus ($)	RSU Awards ($)(1)	Option Awards ($)(2)	Pension Benefits ($)(3)	2025 Total ($)	2025 Total Fixed ($)	2025 Total variable ($)
Executive Director									
Abizer Gaslightwala (4)	343,394	-	-	-	1,332,542	-	1,675,936	343,394	1,332,542
Samir R. Patel, M.D. (5)	27,434	-	-	-	788,610	-	816,054	27,434	788,610
Non-Executive Director									
Hoyoung Huh, M.D.	85,570	-	-	-	463,625	-	549,205	85,570	463,625
Ray Prudo, M.D.	45,570	-	-	-	463,625	-	509,205	45,570	463,625
Robert Bazemore	63,625	-	-	-	463,625	-	527,260	63,625	463,625
James Neal	59,875	-	-	-	463,625	-	523,510	59,875	463,625
Sandip I. Patel	60,750	-	-	-	463,625	-	524,385	60,750	463,625

(1) Represents the aggregate grant date fair value of time-based restricted stock units ("RSUs") issued under our 2014 Equity Incentive Plan (the "2014 Plan") and/or our 2023 Equity Incentive Plan (the "2023 Plan") in accordance with IFRS 2, Share-based payment.

(2) Represents the aggregate grant date fair value of options to purchase ordinary shares issued under our 2014 Plan, our 2023 Plan and the assumed options from the Peak Bio 2022 Long Term Incentive Plan, in accordance with IFRS 2, Share-based payment.

(3) Consists of company contributions to the U.K. pension scheme or the U.S. 401k Plan.

(4) Mr. Gaslightwala began serving as our President and Chief Executive Officer on 21 April 2025. He continues to be a member of our board of directors (since 16 December 2024). Mr. Gaslightwala's remuneration package includes an annual salary of $475,000, discretionary bonus of up to 50% annual salary and stock options to purchase ordinary shares subject to vesting conditions.

(5) Dr. Patel served as our President and Chief Executive Officer from 16 December 2024 to 20 April 2025. He continues to be a member of our board of directors (since 29 November 2023). Dr. Patel's remuneration package of $50,000 per month was paid in the form of fully vested non-qualified stock options to purchase ordinary shares, with the number of ADSs underlying each monthly grant to be equal to two times the number determined by dividing (i) $50,000 by (ii) the closing price of our ADSs on the Nasdaq Capital Market on the last day of each month (or partial month).

The following table shows the compensation paid or accrued during the fiscal year ended 31 December 2024.

Name of Director	Salary and/or Fees ($)	Other compensation ($)	Bonus ($)	RSU Awards ($)(1)	Option Awards ($)(2)	Pension Benefits ($)(3)	2024 Total ($)	2024 Total Fixed ($)	2024 Total variable ($)
Executive Director									
Samir R. Patel, M.D. (4)	15,138	127,497	-	-	308,270	-	450,905	15,138	435,767
Rachelle Jacques (5)	207,582	523,812	-	-	-	11,563	742,957	207,582	535,375
Non-Executive Director									
Hoyoung Huh, M.D. (6)	13,770	-	-	-	529,857	-	543,627	13,770	529,857
Ray Prudo, M.D.(7)	93,059	-	-	-	10,853	-	103,912	93,059	10,853
Robert Bazemore (8)	15,104	-	-	-	6,527	-	21,631	15,104	6,527
James Neal (9)	7,868	-	-	-	220,774	-	228,642	7,868	220,774
Sandip I. Patel (9)	8,511	-	-	-	176,619	-	185,130	8,511	176,619
Abizer Gaslightwala (10)	1,796	-	-	-	-	-	1,796	1,796	-
Michael Grissinger (11)	63,203	-	-	-	-	-	63,203	63,203	-
Mohamed Wa'el Ahmed Hashad (11)	47,609	-	-	-	-	-	47,609	47,609	-
Donald Williams (11)	66,425	-	-	-	-	-	66,425	66,425	-

(1) Represents the aggregate grant date fair value of time-based restricted stock units ("RSUs") issued under our 2014 Equity Incentive Plan (the "2014 Plan") and/or our 2023 Equity Incentive Plan (the "2023 Plan") in accordance with IFRS 2, Share-based payment.

(2) Represents the aggregate grant date fair value of options to purchase ordinary shares issued under our 2014 Plan, our 2023 Plan and the assumed options from the Peak Bio 2022 Long Term Incentive Plan, in accordance with IFRS 2, Share-based payment.

(3) Consists of company contributions to the U.K. pension scheme or the U.S. 401k Plan.

(4) Dr. Patel served as our interim President and Chief Executive Officer from 1 May 2024 to 15 December 2024, our President and Chief Executive Officer from 16 December 2024 to 20 April 2025 and as a member of our compensation committee since 30 January 2024. He continues to be a member of our board of directors (since 29 November 2023). Dr. Patel's remuneration package of $50,000 per month was paid in the form of fully vested ordinary shares and valued based on the closing price of our ordinary shares on the Nasdaq Capital Market on the last day of each month (or partial month).

Beginning on 16 September 2024, his monthly remuneration of $50,000 was paid in the form of fully vested non-qualified stock options to purchase ordinary shares, with the number of ADSs underlying each monthly grant to be equal to two times the number determined by dividing (i) $50,000 by (ii) the closing price of our ADSs on the Nasdaq Capital Market on the last day of each month (or partial month). The Other Compensation amount represents the fair value of the ordinary shares issued to Dr. Patel on the last day of the relevant month.

(5) Ms. Jacques stepped down as our President and Chief Executive Officer, effective 1 May 2024. On 19 August 2024, we entered into a separation agreement with Ms. Jacques, which included a one-time lump sum payment in the amount of $450,000, (ii) vesting of a portion of RSUs held by Ms. Jacques representing 276,000,000 ordinary shares and (iii) forfeiture of a portion of RSUs held by Ms. Jacques representing 482,250,000 ordinary shares. Ms. Jacques also was paid $22,500 for earned and unused vacation.

(6) Effective 14 November 2024, Dr. Huh began serving as the Chairman of our board of directors with a remuneration package of $100,000 per annum, paid in equal monthly installments.

(7) Dr. Prudo served as the Chairman of our board of directors from 1 January 2023 through 14 November 2024, with a remuneration package of $100,000 per annum, paid in equal monthly installments. Effective 14 November 2024, Dr. Prudo began serving as a director.

(8) Mr. Bazemore has served as a member of our board of directors since 17 September 2024 and serves as a member of our audit committee and compensation committee.

(9) Mr. Neal and Mr. Sandip have served as members of our board of directors since 14 November 2024, following our merger with Peak Bio. They both serve as members of our audit committee and compensation committee.

(10) Mr. Gaslightwala has served as a member of our board of directors since 16 December 2024. Effective 21 April 2025, Mr. Gaslightwala became our President and Chief Executive Officer.

(11) Former director, who resigned during the year ended 31 December 2024. Stock option awards granted to these directors in 2024 were also forfeited in 2024 and are not presented in the table.

Incentive Plan Awards

Akari has three compensation plans under which our equity securities are authorized for issuance (the 2014 Equity Incentive Plan, the 2023 Equity Incentive Plan and the Peak Bio Inc. Long Term Incentive Plan) under which directors receive options to acquire ordinary shares in Akari. Upon effectiveness of the 2023 Plan Incentive Plan in June 2023, no further awards are available to be issued under the 2014 Plan and the Peak Bio Inc. Long Term Incentive Plan.

Options and restricted stock units granted during the fiscal year ended 31 December 2025 are as follows:

Name of Director	Award Type	Number of Awards (1)	Grant Date	Exercise Price ($)	Face Value ($) (2)	Vesting Date	Expiry Date
Abizer Gaslightwala	Option	2,200,000,000	20/03/2025	0.00075	1,332,542	(3)	20/03/2035
Samir Patel, M.D.	Option	152,672,000	03/01/2025	0.000655	69,440	(4)	03/01/2035
	Option	350,000,000	20/03/2025	0.00075	211,995	(3)	20/03/2035
	Option	450,000,000	20/03/2025	0.00075	251,640	(5)	20/03/2035
	Option	649,120,000	23/07/2025	0.000570	42,182	(4)	23/07/2035
Hoyoung Huh, M.D.	Option	350,000,000	20/03/2025	0.00075	211,995	(3)	20/03/2035
	Option	450,000,000	20/03/2025	0.00075	251,640	(5)	20/03/2035
James Neal	Option	350,000,000	20/03/2025	0.00075	211,995	(3)	20/03/2035
	Option	450,000,000	20/03/2025	0.00075	251,640	(5)	20/03/2035
Sandip I. Patel	Option	350,000,000	20/03/2025	0.00075	211,995	(3)	20/03/2035

	Option	450,000,000	20/03/2025	0.00075	251,640	(5)	20/03/2035
Robert Bazemore	Option	350,000,000	20/03/2025	0.00075	211,995	(3)	20/03/2035
	Option	450,000,000	20/03/2025	0.00075	251,640	(5)	20/03/2035
Ray Prudo, M.D.	Option	350,000,000	20/03/2025	0.00075	211,995	(3)	20/03/2035
	Option	450,000,000	20/03/2025	0.00075	251,640	(5)	20/03/2035

(1) Option and restricted stock unit awards are subject to time-based vesting conditions without performance measures or targets other than continued service until the date of vesting.

(2) These amounts represent the face value for options awards, calculated as the number of shares awarded (assuming full vesting) multiplied by the price per share implied by the market price per ADS, which is equal to the stated exercise price.

(3) The stock option award vests over four years with one fourth (1/4) vesting on 20 March 2026 and the remainder vesting ratably on a monthly basis over remaining 36 months.

(4) Stock option awards granted to Dr. Patel are 100% vested on the date of grant.

(5) The stock option award vests one fourth (1/4) on 2 June 2025 (the date of shareholder approval of the grant), one fourth (1/4) on 31 December 2025, and the remainder vesting ratably on a monthly basis over 24 months thereafter.

Directors' shareholdings

The table below shows, for each director, the total number of ordinary shares owned (by the director and connected persons), the total number of unvested restricted stock units held, the total number shares issuable upon exercise of outstanding warrants, and the total number of share options that were held and the number of share options vested as at 31 December 2025. All unvested restricted stock units and share options are subject to time-based vesting without performance measures or targets other than continued service until the date of vesting. No director exercised any share options or warrants during the year ended 31 December 2025.

Name of Director	Ordinary Shares Owned(1)	Unvested Restricted Stock Units	Share Warrants	Share Options	Vested Share Options
Executive Director					
Abizer Gaslightwala	614,856,000	-	4,866,316,000	2,200,000,000	-
Samir Patel, M.D.(2)	6,347,346,000	-	7,258,538,000	2,024,160,000	1,447,493,333
Non-Executive Director					
Hoyoung Huh, M.D.(3)	9,610,622,000	-	18,522,714,000	1,504,400,000	929,400,000
Ray Prudo, M.D.(4)	6,003,396,800	-	7,732,075,500	820,000,000	245,000,000
James Neal	41,144,000	-	59,690,000	1,093,500,000	518,500,000
Sandip I. Patel	1,113,498,000	-	1,787,072,000	1,034,800,000	459,800,000
Robert Bazemore	89,284,000	-	797,220,000	805,000,000	226,666,667

(1) Our shareholders, named executive officers and directors may hold ordinary shares, ADSs or a combination of both. This column shows each holder's ownership assuming all shares were held as ordinary shares, which may not be the case. Our ADSs are listed on The Nasdaq Capital Market under the trading symbol "AKTX." Ordinary shares are convertible to ADSs at a 2,000 to one ratio.

(2) Dr. Patel is the manager of PranaBio Investments, LLC ("PranaBio") and may be deemed the beneficial owner of shares held of record by PranaBio. Consists of (i) 285,336,000 shares held of record by Dr. Patel, (ii) 6,062,010,000 shares held of record by PranaBio, (iii) 1,447,493,333 options

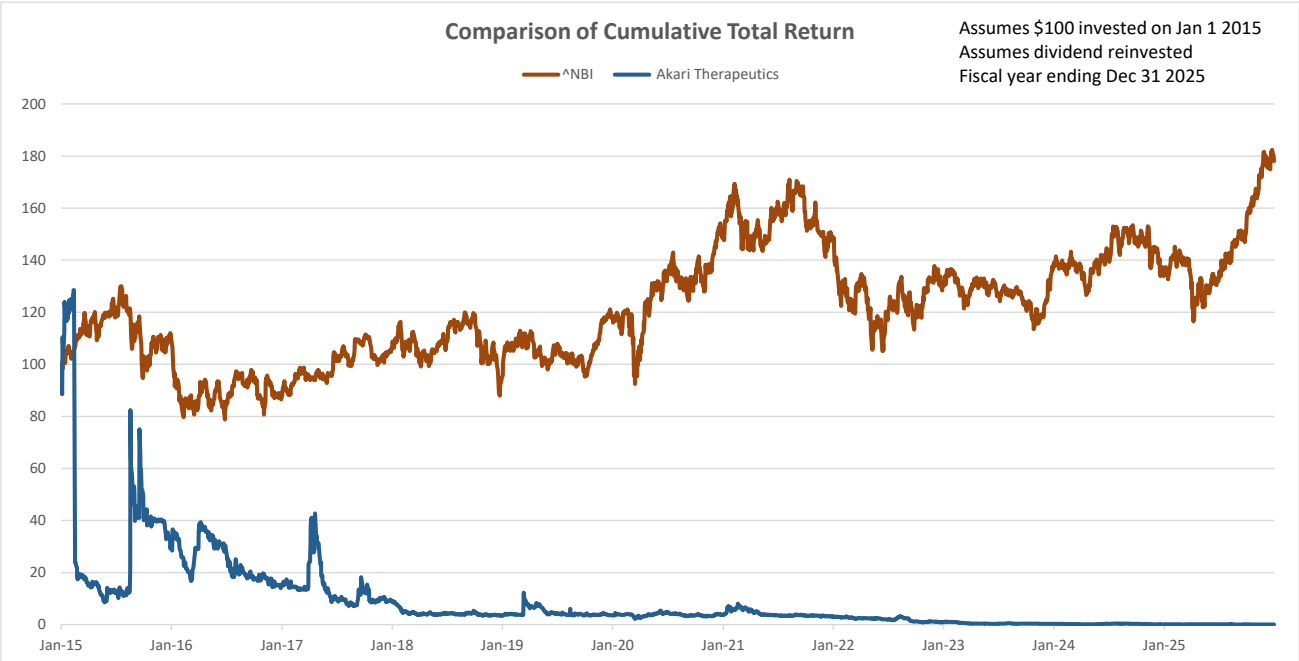
exercisable granted to Dr. Patel, (iv) 1,798,084,000 shares underlying prefunded warrants to PranaBio and (v) 5,460,454,000 shares underlying warrants issued to Dr. Patel. The principal office address of PranaBio is 1701 Chicon Street, Austin, TX 78745.

(3) Consists of (i) 9,391,708,000 shares held of record by Dr. Huh, (ii) 929,400,000 shares underlying options exercisable granted to Dr. Huh, (iii) 7,423,902,000 shares underlying prefunded warrants (iii) 11,098,812,000 shares underlying warrants exercisable and (iv) 218,914,000 shares held of record by Hannol Ventures LLC ("Hannol"). Dr. Huh is the sole member of Hannol and exercises voting and dispositive power over the shares held of record by Hannol and may be deemed the beneficial owner of such shares. The principal office address of Hannol is 16703 Early Riser Avenue, Suite 563, Land O Lakes, FL 34638.

(4) Amounts include holdings of RPC Pharma Limited ("RPC Pharma"), together with Ray Prudo, M.D. and Praxis Trustees Limited as trustee of The Sonic Healthcare Holding Company ("Praxis"). Consists of (i) 5,163,920,600 shares held of record by Dr. Prudo, (ii) 245,000,000 shares underlying options exercisable granted to Dr. Prudo, (iii) 2,0,10,638,000 shares underlying prefunded warrants, (iv) 5,721,437,500 shares underlying warrants issued to Dr. Prudo, (iv) 800,766,600 shares held of record by RPC Pharma and (v) 38,709,600 ordinary shares held of record by Praxis. Voting and investment decisions with respect to shares owned by RPC Parma and Praxis are controlled by Dr. Prudo.

Illustration of Total Shareholder Return

The following graph compares the cumulative total shareholder return on Akari's ADSs, each representing 2,000 ordinary shares, with that of the NASDAQ Biotech Index (^NBI) from the period that Akari's ADSs were publicly traded on The Nasdaq Capital Market through 31 December 2025. Akari selected the NASDAQ Biotech Index because Akari's ADSs trade on The NASDAQ Capital Market and Akari believes this indicates its relative performance against a group consisting of more similarly situated companies.



Chief Executive Total Remuneration History

The table below sets out total remuneration details for the Chief Executive Officer.

Period	Single total figure of remuneration ($)	Bonus ($)	Short-term incentive payout against maximum (1)	Option and restricted stock awards ($)	Option Awards against maximum (2)
2025 Abizer Gaslightwala (3)	331,061	-	-	1,332,542	-
2025 Samir Patel, M.D. (4)	-	-	-	324,985	-
2024 Samir Patel, M.D. (4)	-	-	-	435,767	-
2024 Rachelle Jacques (5)	207,582	-	-	658,216	-
2023 Rachelle Jacques	615,750	-	-	927,891 (6)	-
2022 Rachelle Jacques (5)	4,147,808	875,000 (5)	-	2,799,224 (7)	-
2022 Clive Richardson	802,373	657,764 (9)	-	-	-
2021 Clive Richardson	612,047	206,826	-	-	-
2020 Clive Richardson	503,941	214,960	-	-	-
2019 Clive Richardson (8)	432,408	177,028	-	-	-
2018 (David Solomon) (10)	173,611	-	-	-	-
2017 (Gur Roshwalb and David Solomon) (10)	1,338,253	119,041 (11)	100% (12)	-	-
2016 (Gur Roshwalb)	581,250	187,500	125% (13)	-	-

(1) All cash bonuses to Rachelle Jacques and Clive Richardson were awarded on a discretionary annual basis, except Ms. Jacques's sign-on bonus.

(2) All options were awarded on a discretionary basis.

(3) Mr. Gaslightwala appointed President and Chief Executive Officer effective 21 April 2025. Remuneration excludes fees earned as a board member prior to becoming an executive officer.

(4) Dr. Patel served as our interim President and Chief Executive Officer from 1 May 2024 to 15 December 2024, our President and Chief Executive Officer from 16 December 2024 to 20 April 2025 He continues to be a member of our board of directors (since 29 November 2023). Remuneration excludes fees earned as a board member.

(5) Rachelle Jacques stepped down as our President and Chief Executive Officer effective 1 May 2024 (the "Separation Date"). On 19 August 2024, we entered into a separation agreement with Ms. Jacques (the "Separation Agreement"). The Separation Agreement, in exchange for a release of claims and other agreements, acknowledgements and representations of Ms. Jacques set forth therein, provides for: (i) a one-time lump sum payment in the amount of $450,000; (ii) vesting of a portion of RSUs held by Ms. Jacques representing 276,000,000 ordinary shares; and (iii) forfeiture of a portion of RSUs held by Ms. Jacques representing 482,250,000 ordinary shares. Ms. Jacques was appointed as Akari's Chief Executive Officer on 28 March 2022.Ms. Jacques's 2022 bonus included a $650,000 sign-on bonus.

(6) In addition to Ms. Jacques's stock option awards granted during 2023, Ms. Jacques received a restricted stock awards with a grant date fair value of $729,393 in the aggregate.

(7) In addition to Ms. Jacques's stock option awards granted during 2022, Ms. Jacques received a restricted stock award whose grant date fair value was $253,410.

(8) Clive Richardson was appointed Interim Chief Executive on 8 May 2018 and Chief Executive Officer on 18 July 2019.

(9) Mr. Richardson resigned as Akari's Chief Executive Officer and Chief Operating Officer in March 2022. Mr. Richardson received a termination payment of $657,746.

(10) Dr. Roshwalb resigned as Akari's Chief Executive Officer on 29 May 2017 and David Solomon was appointed as Akari's Chief Executive Officer on 28 August 2017 and resigned 8 May 2018.

(11) Includes a $50,000 signing bonus.

(12) Bonus was awarded in 2017 but calculated from Dr. Solomon's appointment on 28 August 2017.

(13) Bonus was awarded in 2016 but calculated for a 15-month period from the date of the acquisition of Volution Immuno Pharmaceutical SA on 18 September 2015.

Directors' Remuneration Compared to Other Employees

The table below shows the percentage change in remuneration of each director and the Parent company's non-executive directors on a full-time equivalent basis between the year ended 31 December 2024 and the year ended 31 December 2025.

	Change in Remuneration in year ended 31 December 2024 compared with remuneration in the year ended 31 December 2025		
	Salary and/or Fees	**Taxable Benefits**	**Annual Bonus**
Executive Director			
Abizer Gaslightwala	19020% (1)	-	-
Samir Patel, M.D.	81% (2)	-	-
Rachelle Jacques	-100% (8)	-	-
Non-Executive Director			
Hoyoung Huh, M.D.	521% (3)	-	-
Ray Prudo, M.D.	-51% (4)	-	-
Robert Bazemore	321% (5)	-	-
James Neal	661% (6)	-	-
Sandip I. Patel	614% (7)	-	-
Donald Williams	-100% (8)	-	-
Mohamed Wa'el Ahmed Hashad	-100% (8)	-	-
Michael Grissinger	-100% (8)	-	-
Other Employees	14%	-	-

(1) Mr. Gaslightwala appointed President and Chief Executive Officer effective 21 April 2025 with a base salary of $475,000 per annum. He continues to be a member of our board of directors (since 16 December 2024).

(2) Dr. Patel served as our interim President and Chief Executive Officer from 1 May 2024 to 15 December 2024, our President and Chief Executive Officer from 16 December 2024 to 20 April 2025. He continues to be a member of our board of directors (since 29 November 2023).

(3) Dr. Huh was appointed as the Chairman of our board of directors effective 14 November 2024. Increase is due to full year of service.

(4) Dr. Prudo served as the Chairman of our board of directors from 1 January 2023 through 14 November 2024, with a remuneration package of $100,000 per annum, paid in equal monthly installments. Effective 14 November 2024, Dr. Prudo began serving as a director.

(5) Mr. Bazemore was appointed to our board of directors effective 17 September 2024 and was appointed as chairman of our nominating and governance committee on 14 November 2024. Increase is due to full year of service.

(6) Mr. Neal was appointed to our board of directors effective 14 November 2024 and has served as the chairman of our compensation committee since 14 November 2024. Increase is due to full year of service.

(7) Mr. Patel was appointed to our board of directors effective 14 November 2024 and has served as the chairman of our audit committee since 14 November 2024. Increase is due to full year of service.

(8) Ms. Jacques, Mr. Williams, Mr. Hasad and Mr. Grissinger resigned from positions in 2024 and no remuneration was received in 2025.

Directors' Remuneration Compared to Other Employees (continued)

The table below shows the percentage change in remuneration of each director and the Parent company's non-executive directors on a full-time equivalent basis between the year ended 31 December 2023 and the year ended 31 December 2024.

	Change in Remuneration in year ended 31 December 2023 compared with remuneration in the year ended 31 December 2024		
	Salary and/or Fees	**Taxable Benefits**	**Annual Bonus**
Executive Director			
Samir Patel, M.D.	309%(1)	-	-
Rachelle Jacques	-66%(2)	-	-
Non-Executive Director			
Hoyoung Huh, M.D.	-	-	-
Ray Prudo, M.D.	-7%(3)	-	-
Robert Bazemore	-	-	-
James Neal	-	-	-
Sandip I. Patel	-	-	-
Abizer Gaslightwala	-	-	-
James Hill, M.D.	-	-	-
Stuart Ungar, M.D.	-	-	-
David Byrne	-	-	-
Donald Williams	2%(4)	-	-
Mohamed Wa'el Ahmed Hashad	66%(5)	-	-
Michael Grissinger	5%(6)	-	-
Other Employees	10%	-	-

(1) Dr. Patel served as our interim President and Chief Executive Officer from 1 May 2024 to 15 December 2024, our President and Chief Executive Officer from 16 December 2024 to 20 April 2025 and as a member of our compensation committee since 30 January 2024. He continues to be a member of our board of directors (since 29 November 2023). Dr. Patel's remuneration as President and Chief Executive Officer was paid in the form of our ordinary shares. Dr. Patel is paid in cash for his service as a director. The increase is due to a full year of service as a director during the year ended 31 December 2024.

(2) Ms. Jacques stepped down as our President and Chief Executive Officer, effective 1 May 2024.

(3) Dr. Prudo served as the Chairman of our board of directors from 1 January 2023 through 14 November 2024, with a remuneration package of $100,000 per annum, paid in equal monthly installments. Effective 14 November 2024, Dr. Prudo began serving as a director.

(4) Mr. Williams resigned from our board of directors on 16 December 2024.

(5) Mr. Hashad was appointed to our board of directors effective 30 June 2023 and resigned from our board of directors on 14 November 2024. Accordingly, the increase is due to a longer service period for the year ended 31 December 2024.

(6) Mr. Grissinger was appointed as chairman of our nominating and governance committee on 30 June 2023. He resigned from our board of directors on 14 November 2024.

Directors' Remuneration Compared to Other Employees (continued)

The table below shows the percentage change in remuneration of each director and the Parent company's non-executive directors on a full-time equivalent basis between the year ended 31 December 2022 and the year ended 31 December 2023.

	Change in Remuneration in year ended 31 December 2022 compared with remuneration in the year ended 31 December 2023		
	Salary and/or Fees	**Taxable Benefits**	**Annual Bonus**
Executive Director			
Ray Prudo, M.D.	-76%(1)	-	-100%
Rachelle Jacques	34%(2)	-	-100%
Non-Executive Director			
James Hill, M.D.	-52%(3)	-	-
Stuart Ungar, M.D.	-52%(3)	-	-
David Byrne	-16%(3)	-	-
Donald Williams	15%(4)	-	-
Mohamed Wa'el Ahmed Hashad	-	-	-
Michael Grissinger	45%(5)	-	-
Samir Patel, M.D.	-	-	-
Other Employees	1%	-	-100%

(1) Dr. Prudo served as our executive chairman from 2015 September through 2022 December. Effective 1 January 2023, Dr. Prudo began serving as the Chairman of our board of directors with a remuneration package of $100,000 per annum, paid in equal monthly installments.

(2) Rachelle Jacques was appointed as Akari's Chief Executive Officer on 28 March 2022. Accordingly, the increase is primarily due to remuneration during the year ended 31 December 2023 being for twelve months versus nine months for the year ended 31 December 2022.

(3) Served as a director until our 2023 annual general meeting on 30 June 2023. Accordingly, the decrease is primarily due to a partial year of service for the year ended 31 December 2023.

(4) Mr. Williams was appointed chairman of the compensation committee on 30 June 2023 which increased his annual retainer.

(5) Mr. Grissinger was appointed to the compensation and audit committees on 1 November 2022 and our as chairman of the nominating and governance committee on 30 June 2023 which increased his annual retainer.

Directors' Remuneration Compared to Other Employees (continued)

The table below shows the percentage change in remuneration of each director and the Parent company's non-executive directors on a full-time equivalent basis between the year ended 31 December 2021 and the year ended 31 December 2022.

	Change in Remuneration in year ended 31 December 2021 compared with remuneration in the year ended 31 December 2022		
	Salary and/or Fees	**Taxable Benefits**	**Annual Bonus**
Executive Director			
Ray Prudo, M.D.	0**%**	**-**	0**%**
Rachelle Jacques	(1)	(1)	(1)
Clive Richardson	-78% (2)	-3%	-100% (2)
Non-Executive Director			
James Hill, M.D.	**-**	**-**	**-**
Stuart Ungar, M.D.	**-**	**-**	**-**
David Byrne	**-**	**-**	**-**
Donald Williams	**-**	**-**	**-**
Peter Feldschreiber	**-**	**-**	**-**
Michael Grissinger	**-**	**-**	**-**
Other Employees	2**%**	76**%**	-34**%**

(1) Rachelle Jacques was appointed as Akari's Chief Executive Officer on 28 March 2022; there is no comparison.

(2) Mr. Richardson resigned as Akari's Chief Executive Officer and Chief Operating Officer in March 2022. Mr. Richardson received three months of salary in 2022; he did not receive a 2022 bonus.

The table below shows the percentage change in remuneration of each director and the Parent company's non-executive directors on a full-time equivalent basis between the year ended 31 December 2020 and the year ended 31 December 2021.

	Change in Remuneration in year ended 31 December 2020 compared with remuneration in the year ended 31 December 2021		
	Salary and/or Fees	**Taxable Benefits**	**Annual Bonus**
Executive Director			
Ray Prudo, M.D.	0%	-	0%
Clive Richardson	4%	5%	-4%
Non-Executive Director			
James Hill, M.D.	-	-	-
Stuart Ungar, M.D.	-	-	-
David Byrne	-	-	-
Donald Williams	-	-	-
Peter Feldschreiber	-	-	-
Michael Grissinger	-	-	-
Other Employees	11%	44%	25%

Relative Importance of Cash Position

The following table sets forth the cash amounts as at 31 December 2025 and 31 December 2024.

Period	31 December 2025 ($)	31 December 2024 ($)	Change (%)
Cash	5,203,000	2,599,000	100%

Implementation of remuneration policy for year ending 31 December 2025

Our director remuneration, comprised of annual cash retainers and equity grants, is administered by our board of directors with the assistance of the compensation committee. The compensation committee conducts an annual review of director remuneration and makes recommendations to the board with respect thereto. The shareholders approved our Directors Remuneration Policy on 30 June 2025 to provide a framework for the Directors' remuneration packages.

On March 14, 2025, we entered into an Executive Offer of Employment Agreement (as amended by a subsequent Chief Executive Officer Letter Agreement, dated March 18, 2025, the "Employment Agreement") with Mr. Abizer Gaslightwala pursuant to which Mr. Gaslightwala began to serve as the President and Chief Executive Officer of the Company, effective 21 April 2025 (the "Start Date"). The Employment Agreement has an indefinite term and either party may terminate it by giving at least 30 days' prior written notice for any reason or for no particular reason.

Under the Employment Agreement, Mr. Gaslightwala's annual base salary is $475,000 (the "Base Salary"), which is subject to review on a periodic basis. Mr. Gaslightwala is also eligible to receive (i) an annual cash bonus with a target of 50% of the Base Salary, provided that the actual amount of such bonus shall be based on the achievement of performance goals established between Mr. Gaslightwala and the Board of Directors of the Company (the "Board"), (ii) a stock option to purchase ADS in the Company equal to 1,100,000 ADS, the equivalent of 2,200,000,000 of the Company's Ordinary Shares, (the "Option"), and (iii) a stock option to purchase ADS in the Company equal to 600,000 ADS, the equivalent of 1,200,000,000 of the Company's Ordinary Shares, (the "Performance Option"). The Option and the Performance Option shall be subject to Board approval and the terms and conditions of the Company's 2023 Equity Incentive Plan. The Option shall have a four-year vesting schedule pursuant to which 25% shall vest on the twelve-month anniversary of the Grant Date and the remainder shall vest ratably on a monthly basis over the then remaining thirty-six months from the Grant Date such that it will be fully vested on the fourth anniversary of the Grant Date. The Performance Option shall vest if at least one of the following criteria is met: (a) closing of a Qualified Financing of at least $15,000,000 on or before 31 December 2025, or (b) closing of an antibody drug conjugate focused license transaction, with a minimum upfront payment of $10,000,000, on or before 31 December 2025. If neither of these criteria are met by 31 December 2025, the Performance Option will expire.

Upon termination of Mr. Gaslightwala's employment for any reason, he will receive his earned but unpaid Base Salary and, if applicable, (i) any accrued but unused vacation, through the date of termination, and (ii) the amount of any documented expenses properly incurred on behalf of the Company prior to any such termination and not yet reimbursed (the "Accrued Obligations").

Upon termination of Mr. Gaslightwala's employment without cause or by Mr. Gaslightwala with good reason, which does not occur within 12 months of a change of control, in addition to the Accrued Obligations, and subject to his timely execution of a separation agreement and release in a form and manner satisfactory to the Company, he shall be entitled to receive (i) the sum of 12 months of the Base Salary and target annual performance bonus for the same time period, payable as salary continuation and (ii) reimbursement for any monthly premium paid under the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), as amended, by Mr. Gaslightwala on his behalf until the earliest of (a) 12 months following the date of termination, (b) the date on which Mr. Gaslightwala is no longer eligible to receive such coverage, or (b) the date on which Mr. Gaslightwala becomes eligible to receive similar coverage from another employer or other source. Further, Mr. Gaslightwala's Option will continue to vest for a 6-month period from the date of termination and to the extent Mr. Gaslightwala is terminated without Cause, or he resigns for Good Reason in the first year of employment, at a minimum vest 25% of the Option shall vest on the twelfth month anniversary of the Grant Date.

Upon termination of Mr. Gaslightwala's employment by us without cause or by Mr. Gaslightwala for good reason within 12 months of a change of control, in addition to the Accrued Obligations, and subject to his timely execution of a separation agreement and release in a form and manner satisfactory to the Company, he shall be entitled to receive (i) the sum of 1.5

times Accrued Obligations amount. Further, Mr. Gaslightwala's Option shall immediately accelerate and become fully exercisable or nonforfeitable as of the later of (i) the date of termination or (ii) the effective date of the separation agreement and release.

In addition, the Company has a non-executive director remuneration policy, which was amended and restated on 19 November 2015, and was subsequently amended on 29 June 2016, 26 January 2017, 23 January 2018, 8 January 2019, and on 9 January 2020. On 1 February 2023, our board resolved that the annual cash retainers would be increased by 5%, as compared to 2022. For the year ended 31 December 2024, our non-executive directors were compensated for service on our board of directors as follows, unchanged from 2023:

- an annual retainer for service as member of the board of directors of $40,000 and an annual retainer for service as chairperson of the board of directors of $80,000;
- an annual retainer for service as a member of the compensation committee and nominating and governance committee of $5,570;
- an annual retainer for service as a member of the audit committee of $7,875;
- for the chairperson of the nominating and governance committee, an annual retainer of $10,000;
- for the chairperson of the compensation committee, an annual retainer of $12,000; and
- for the chairperson of the audit committee, an annual retainer of $15,000.

The following table presents the compensation (board fees and/or salaries) agreed for the upcoming fiscal year (with the agreed changes for the year ended 31 December 2025 presented as comparative information):

Director	31 December 2024	31 December 2025	Increase/ (Decrease) %(1)	31 December 2025	31 December 2026(2)	Increase/ (Decrease) %(3)
Executive Director						
Abizer Gaslightwala [(4)]	$1,796	$343,394	19020%	$343,394	$475,000	38%
Samir R. Patel, M.D. [(5)]	$15,138	$27,434	81%	$27,434	$40,000	46%
Rachelle Jacques[(6)]	$207,582	N/A	(100%)	N/A	N/A	N/A
Non-Executive Director						
Hoyoung Huh, M.D.	$13,770	$85,570	521%	$13,770	$85,570	0%
Ray Prudo, M.D.	$93,059	$45,570	(51%)	$93,059	$45,570	0%
James Neal	$7,868	$59,857	661%	$7,868	$59,875	0%
Sandip I. Patel	$8,511	$60,750	614%	$8,511	$60,570	0%
Robert Bazemore	$15,104	$63,625	321%	$15,104	$63,445	0%
Michael Grissinger	$63,203	N/A	(100%)	N/A	N/A	N/A

Mohamed Wa'el Ahmed Hashad	$47,609	N/A	(100%)	N/A	N/A	N/A
Donald Williams	$66,425	N/A	(100%)	N/A	N/A	N/A

(1) The fees for our non-executive directors were reduced during the year ended 31 December 2025 as compared to same period in 2024. All directors are eligible to receive reimbursement for reasonable out-of-pocket expenses incurred in connection with attendance at meetings of our board of directors, and our non-executive directors are also eligible to receive reimbursement, upon approval of the board of directors or a committee thereof, for reasonable out-of-pocket expenses incurred in connection with attendance at various conferences or meetings with our management.

(2) All figures are estimates. Additional discretionary bonuses may be awarded in accordance with contractual entitlement and the remuneration policy.

(3) There were no changes to annual retainers for our executive and non-executive directors in 2026.

(4) Mr. Gaslightwala began serving as our President and Chief Executive Officer from 21 April 2025.

(5) Dr. Patel served as our interim President and Chief Executive Officer from 1 May 2024 to 15 December 2024, our President and Chief Executive Officer from 16 December 2024 to 20 April 2025. He continues to be a member of our board of directors (since 29 November 2023).

(6) Ms. Jacques was appointed as our Chief Executive Officer in March 2022. Ms. Jacques received an annual base salary of $615,750 until her departure, effective May 1, 2024.

Compensation Committee Approach to Remuneration Matters

Our board of directors and compensation committee review compensation annually for our executives. In setting executive base salaries and bonuses and granting equity incentive awards, we consider compensation for comparable positions in the market, the historical compensation of our executives, individual performance as compared to our expectations and objectives, our desire to motivate our employees to achieve short- and long-term results that are in the best interests of our shareholders, and a long-term commitment to our Company.

Our compensation committee is primarily responsible for determining the compensation for our executive officers. Our compensation committee typically reviews and discusses management's proposed compensation with our Chief Executive Officer for all executives other than the Chief Executive Officer. Based on those discussions and its discretion, taking into account the factors noted above, the compensation committee then sets the compensation for each executive officer other than the Chief Executive Officer and recommends the compensation for the Chief Executive Officer to our board of directors for approval. Our board of directors discusses the compensation committee's recommendation and ultimately approves the compensation of our Chief Executive Officer without members of management present.

Our compensation committee currently consists of three members, appointed by the Board of Directors: Mr. James Neal (Chair), Mr. Robert Bazemore, and Mr. Sandip I. Patel, each of whom are independent within the meaning of SEC corporate governance rules of independence for purposes of the compensation committee.

The compensation committee did not use any consultants to provide advice or services in relation to directors' remuneration during the year ended 31 December 2025.

In respect of the last resolution to approve the Directors' Remuneration Report (excluding the Directors' Remuneration Policy) at the 2025 AGM, of the 41,478,451,229 votes cast in respect of the above resolution 27,472,675,229 votes were in favour of this resolution, 528,262,000 votes were against and 13,447,514,000 votes abstained.

In respect of the last resolution to approve the Directors' Remuneration Policy at the 2023 AGM, of the 5,361,634,466 votes cast in respect of the above resolution, 4,233,987,156 votes were in favour of this resolution, 983,560,110 votes were against and 144,086,200 votes abstained.

2026 implementation

A summary of how the Committee intends to operate the Policy during 2026 is set out below.

Base salaries
Mr. Gaslightwala joined us on 21 April 2025 and his base salary was established as of his start date and are expected to remain constant until his annual performance review in 2026.

Pension and benefits
Pension provision will continue to be offered at 5% of salary in line with our Section 401(k) U.S. employee benefit plan. Benefits to Mr. Gaslightwala will be limited to private healthcare, paid vacation days and reimbursement of reasonable business expenses.

Variable pay
Maximum annual bonus potential for Mr. Gaslightwala will remain at 50% of salary. Performance targets will comprise personal and strategic objectives as established with the Committee. During 2026, Mr. Gaslightwala may be granted (i) a stock option award with time-based vesting and/or (ii) a stock option award with performance-based vesting based on specific performance criteria.

PART II - DIRECTORS' REMUNERATION POLICY

This section sets out the proposed new forward-looking Directors' Remuneration Policy (the "Policy") of Akari, which has evolved from the existing policy. The Policy provides, subject to shareholder approval, a framework for execution of Akari's compensation framework from the date of its approval at the 2026 Annual General Meeting of Shareholders ("AGM") and for a period of three years thereafter, unless changes to the Policy are required earlier and a new Policy is put to shareholder vote. The existing policy, which was approved by shareholders at the 2023 AGM, can be found in our 2022 remuneration report and is substantially the same with the exception of the minimum annual grant to non-executive directors.

For the avoidance of doubt, in approving the Policy, authority is given to Akari to honour any commitments entered into with current or former directors (such as the payment of a pension, fees or the vesting/exercise of past share option awards) for the periods for which they apply.

The Policy seeks to provide compensation packages which will attract, motivate, reward and retain an executive team with the right calibre of talent, experience, and skills to lead a successful future for Akari. Akari's compensation framework is designed to provide a competitive package in comparison to companies of similar size, complexity, maturity profile and geographic presence. Elements of compensation packages which are subject to performance conditions as noted in the Policy may include key performance indicators (KPIs), both financial and non-financial, which are an important component of the information needed to explain a company's progress towards its stated goals. Other elements which are not subject to performance measures are considered an important component of attracting and retaining UK resident employees, including Executive Directors.

The table below sets out the main elements of the Policy for its Executive Directors and seeks to explain how each element of the compensation package operates:

Policy Table – Executive Directors

Element	Purpose and Link to Strategy	Operation	Maximum Opportunity	Performance Metrics and Recovery Provisions
Base Salary	Support the recruitment and retention of Executive Officers	• Base salary levels are set taking into account the role, responsibilities and individual's experience in the position, performance of the individual and Akari. Market competitiveness within the Company's peer benchmarks are	• There is no prescribed maximum increase nor any requirement to increase salary at any time. The Company uses established salary ranges for annual merit increases • By exception, higher increases may be made to reflect individual	• None, although overall performance of the individual is considered when setting and reviewing salaries. • No provisions for recovery or withholding of sums as this is not performance-related.

Element	Purpose and Link to Strategy	Operation	Maximum Opportunity	Performance Metrics and Recovery Provisions
		utilised to "price" a job. • Base salaries are typically reviewed annually.	circumstances. These may include significant changes in the job size or complexity and/or promotion.	
Pension and other retirement plans	Encourages and enables executives to build savings for their retirement	• Akari typically makes contributions to pension plans (or retirement savings plans) to match prevailing local market practices.	• Currently up to 10% of salary per annum.	• None. • No provisions for recovery or withholding of sums as this is not performance-related.
Other Benefits	Provide market competitive benefits in a cost-effective way	• Provisions include medical insurance, life insurance, permanent health insurance, etc. • In exceptional circumstances, such as the relocation of an executive or for a new hire, additional benefits may be provided in the form of relocation allowance and benefits. • Other benefits may be offered if considered appropriate and reasonable by the Compensation Committee.	• No prescribed maximum. The cost of benefits will vary from year to year in accordance with the cost of insuring such benefits.	• None. • No provisions for recovery or withholding of sums as this is not performance-related.
Bonus	To reward the delivery of annual targets as well as to recognize individual contributions towards our key	• Any bonus is paid in cash typically within 120 days after the end of the financial year to which it relates.	• The maximum annual bonus payable for any financial year is 100% of target bonus, although the Compensation Committee reserves the right to vary this	• Where performance conditions are attached to a bonus payment, targets are either fixed contractually or selected by the Compensation

Element	Purpose and Link to Strategy	Operation	Maximum Opportunity	Performance Metrics and Recovery Provisions
	strategic achievements	• Performance objectives and targets are either fixed contractually or set annually and actual payout levels are determined after the year end, based on performance against targets subject to overriding discretion of the Compensation Committee.	amount in exceptional circumstances and based on assessment of Company and individual performance and goals achievement.	Committee and set annually and can include key financial, operational and/or individual objectives. • All assessments of performance against target is made by the Compensation Committee in its sole discretion. • No provisions for recovery or withholding of sums as the performance measures are considered adequate.
Equity Incentive Plan *(2014 Equity Incentive Plan & 2023 Equity Incentive Plan)*	To motivate and reward long-term performance in alignment with the shareholder interests and value- creation	• Awards may be made periodically to Executive Officers in the form of options or in shares including stock appreciation rights, phantom stock awards or restricted stock units. • Awards typically vest over two or four years and may be subject to incremental vesting.	• There is no specific maximum set for annual equity awards. • When making awards, the Compensation Committee will take into account internal grant guidelines, which have been set in reference to local market norms.	• Where performance conditions are attached to an award, these typically include key financial, operational and/or individual objectives subject to overall Compensation Committee discretion. • No provisions for recovery or withholding of sums as the performance measures are considered adequate.
CSOP *(UK resident employees and directors only)*		• Executives are eligible to participate in the all- employee CSOP Plan under the same conditions as all other employees.	• Grant value of £60,000 or local market rules as amended from time to time.	• None. • No provisions for recovery or withholding of sums as this is not performance-related.

Policy Table – Non-Executive Directors

Akari's non-executive compensation policy is administered by its Board of Directors (the "Board") with the assistance of the Compensation Committee. The Compensation committee periodically reviews the non-executive director compensation policy and makes recommendations to the Board.

Non-Executive Directors typically receive an annual retainer paid in cash for their service (depending on their additional membership and chairman responsibilities) and an annual grant of stock options but do not participate in the bonus plan to which Executive Officers are eligible, nor do they typically receive any other performance related payment. There are no elements of the non-executive director compensation policy which are subject to performance conditions given the necessity to maintain directors' independence and board effectiveness in corporate governance, and accordingly there are no provisions for recovery or withholding of sums.

The table below sets out some of the features of Akari's current non-employee director compensation policy:

Element	Purpose and Link to Strategy	Operation	Maximum Opportunity	Performance Metrics
Annual Cash Retainer Fee	Support the recruitment and retention of Non-Executive Directors	• Each Non-Executive Director serving on the Board receives an annual cash retainer, with additional amounts payable for acting as a chairman or a member of various committees. • In addition, the Chairman receive an additional cash retainer. • Annual cash retainers are typically payable on a quarterly basis. • A Non-Executive Director may elect to receive annual cash payments in the form of fully-vested ordinary shares.	• There is no prescribed maximum increase nor any requirement to increase salary at any time.	• None.

Element	Purpose and Link to Strategy	Operation	Maximum Opportunity	Performance Metrics
Share Options	Strengthens the alignment to shareholders' interests through share ownership	• Awards may be made periodically to non-executive directors in the form of market value options under the Company's Equity Incentive Plan then in effect. • Awards typically vest over two or four years, may be subject to incremental vesting and to the Non-Executive Directors continued service on the Board, have a term of 10 years from date of grant, and vesting accelerates in the case of a change of control.	• There is no specific maximum set for annual equity awards. • When making awards, the Compensation Committee will take into account internal grant guidelines, which have been set in reference to local market norms.	• None.

The foregoing is qualified in its entirety by Akari's current non-executive director compensation policy, as may be amended from time to time

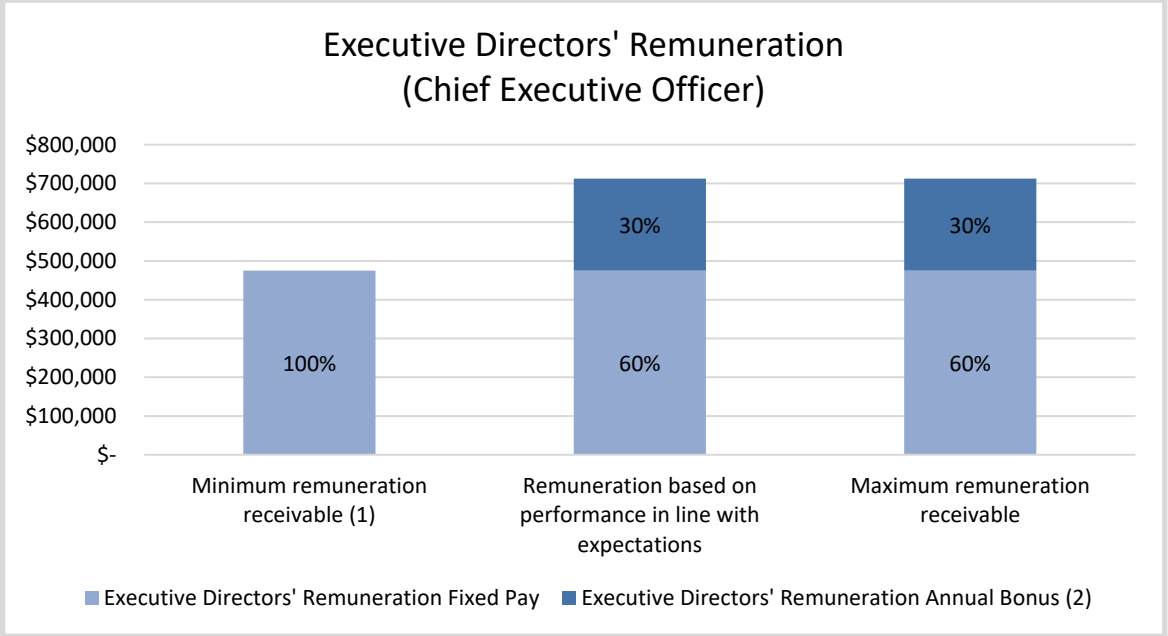
Approach to Recruitment Compensation

Akari's policy is to pay a fair remuneration package for the role being undertaken and the experience of the individual to be appointed.

Akari expects remuneration packages for Executive Directors to include base salary, targeted level of annual cash incentive, initial and ongoing equity-based awards, standard benefits and special provisions tailored to the recruiting situation, such as: sign-on bonus, reasonable relocation support and make-whole awards for remuneration forfeited from a prior employer (whether on account of cash bonuses, share awards, pension benefits or other forfeited items). The Compensation Committee retains the discretion to provide additional cash, share based payment, benefits and other remuneration where necessary or useful to recruit new Executive Directors or to secure the ongoing service of existing Executive Directors.

The remuneration package for any new non-Executive Director will be set in accordance with the terms of Akari's non-employee director compensation policy then in effect. Akari expects remuneration packages for non-Executive Directors to include an annual retainer paid in cash for their service (depending on their additional membership and chairman responsibilities) and an annual grant of stock options. Non-Executive Directors do not participate in the bonus plan to which Executive Officers are eligible, nor do they typically receive any other performance related payment.

The chart below sets out the level of remuneration that would be received by each Executive Director in accordance with Akari's remuneration policy for its Executive Directors in the first year to which the policy applies in each of three scenarios: (i) if the director receives the minimum remuneration receivable; (ii) if the director performs in line with the company's expectations in respect of performance measures; and (iii) if the director receives the maximum remuneration receivable (not allowing for any share price appreciation).



(1) The Minimum Remuneration Receivable consists of salary and fees.

(2) Annual bonus relates to performance over one financial year. No remuneration has performance measures relating to more than one financial year.

Directors Service Contracts

Akari's board of directors is divided into three classes for purposes of election (Class A Directors, who serve a one year term before being subject to re-election at Akari's annual general meeting; Class B Directors, who serve a two year term before being subject to re-election at the annual general meeting; and Class C Directors who serve a three year term before being subject to re-election at the annual general meeting, provided also that in any two year period, a majority of the board must stand for re-election).

It is the Company's policy that executive Directors should have contracts with an indefinite term. Directors' notice periods are set by the compensation committee, having regard to the need to attract and retain talent, ensure an orderly succession and enable the company to manage its personnel while avoiding excessive costs. Service contracts are available for inspection at Akari's registered office.

Policy on Payments for Loss of Office

Akari's approach to payments to Executive Directors in the event of termination is to take account of the individual circumstances including the reason for termination, individual performance, contractual obligations and the terms of any option award.

Generally, Akari employment arrangements for Executive Directors include a notice provision and continuing payment obligations as per the individual Executive Director service contracts following termination by Akari of an Executive Director without cause or termination by the Executive Director for good reason or change of control. Payment obligations, if any, include base salary, benefits, and all or some portion of target annual cash remuneration. Akari may offer payment in lieu of notice if it is considered to be in the best interests of Akari.

Treatment of unvested outstanding equity awards will be determined according to the specific nature of termination, individual contracts, and plan rules.

The Compensation Committee reserves the right to make payments it considers reasonable under a compromise or settlement agreement, including payment or reimbursement of reasonable legal and professional fees, and any payment or compensation (in whatever form) in respect of statutory rights under employment law in the US, UK or other jurisdictions. Payment or reimbursement (in whatever forms) of reasonable outplacement fees may also be provided.

Other Relevant Information Considered

As appropriate, the Compensation Committee considers the pay and conditions of the broader employee workforce, as well as the Consumer Price Index and Retail Price Index, when making compensation related decisions for the directors. The Compensation Committee does not consult employees, other than Executive Directors, when drafting the Policy.

The Compensation Committee also considers shareholder feedback, so far as it relates to compensation, when reviewing the appropriateness of the Policy. In addition, the Compensation Committee considers potential conflicts of interest and directors do not have sole discretion over their own remuneration.

Opinion

We have audited the financial statements of Akari Therapeutics, Plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2025 which comprise the consolidated statement of comprehensive loss, the consolidated statement of financial position, the parent company statement of financial position, the consolidated statement of changing in equity, the parent company statement of changes in equity, the consolidated statement of cash flows, the parent company statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards.

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2025 and of the group's loss for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter - Valuation of intangible assets, and investment in subsidiaries

We draw attention to Note 2(s) of the financial statements, which explains the significant estimates and assumptions applied in recognising $30 million of acquired in-process research and development (IPR&D). These amounts are contingent on future clinical success, regulatory approval, and successful commercialisation. The valuation is directly linked to the parent's $22 million investment in Peak Bio. The ultimate outcome of these matters is inherently uncertain, and the group and parent company financial statements do not reflect any adjustments that may be required based on future outcomes. Our audit opinion is not modified in respect of these matters.

An overview of the scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered areas where subjective judgement was exercised by the directors and management, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. We also assessed the risk of management override of controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud. We tailored the scope of our audit to ensure that we performed sufficient work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the group and the parent company, the accounting processes and controls, and the industry in which they operate.

Our audit scope included the statutory audit of the parent company for the year ended 31 December 2025.Specified audit procedures were performed on non-UK registered subsidiaries by the group audit team, to component materiality for the purposes of the group audit.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our scope addressed this matter
Valuation and impairment assessment of Intangible Assets Goodwill had a carrying amount of $nil (2024: $8.8m) and is accounted for at cost less provision for impairment. An impairment of $8.8m (2024: $nil) has been recognised in the current year. Intangible asset in progress had a carrying value of $30.3m (2024: $39.2m) and is accounted for at cost less provision for impairment. An impairment of $8.8m (2024: $nil) has been recognised in the current year. International accounting standard ('IAS') 36 'Impairment of assets' requires annual testing of goodwill and assets under development for impairment. Management prepares impairment models to assess the recoverable amount and then compares this to the carrying value of the CGU to assess for impairment. Determining the recoverable amount requires management to make significant judgements over several key inputs of the value-in-use discounted cash flow models. We have identified the valuation and impairment assessment of Intangible Assets to be a key audit matter.	Our audit work included, but was not restricted to, the following: • Challenged management's assumptions and calculations performed as part of the impairment review and assessment • Checked the mathematical accuracy of the impairment model • Engaged our internal valuations specialists to review the discount rate used by management • We considered internal and external indicators per IAS 36 as to whether there were other indicators of impairment, confirming that the fact that the trading entities and group is loss making to be an indicator of impairment. • Evaluated post year end events and valuations and assessed if these met the criteria under IAS10 to be adjusting balance sheet events • Assessed the adequacy of disclosures made by management
Valuation of investment in Subsidiaries Investments in subsidiary undertakings of $22.0m (2024 :$30.3m) are accounted for at cost less provision for impairment in the parent company balance sheet at 31 December 2025. An impairment of $8.3m (2024: $18.3) has been recognised in the current year. The recoverable amounts of the investments in subsidiaries are estimated to determine whether there is an impairment loss and if so, the extent of such loss, which is recognised in the income statement. Due to the presence of impairment indicators and the high level of estimation uncertainty present in the impairment test, we have identified the valuation of the investments held by the parent company to be a key audit matter.	Our audit work included, but was not restricted to, the following: • Considered whether any impairment indicators existed at 31 December 2025, • Assessed how management have utilised the value-in-use model, as discussed in the key audit matter above, for the purposes of evaluating the valuation of investments in subsidiary undertakings • Considered the completeness and accuracy of the impairment charge recognised in the current period; and • Assessed the adequacy of disclosures made by management

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements on our audit and on the financial statements. For the purposes of determining whether the financial statements are free from material misstatement we define materiality as the magnitude of misstatement that makes it probable that the economic decisions of a reasonably knowledgeable person, relying on the financial statements, would be changed or influenced. We determined overall materiality for the Group and Parent Company financial statements as a whole to be US$241,000 being 2% of R&D and administrative expenditure for the year. We considered it appropriate to determine our materiality based on expenditure as we consider this to be the key metric in assessing the financial performance and position of the Group given its primary purpose is to undertake research and development activities. On the basis of our risk assessments, together with our assessment of the overall control environment, we apply a different level of materiality, performance materiality, to determine the extent of our testing and this was set at 75% of the overall audit financial statements' materiality, being $181,000.

We agreed with management that we would report to the Audit Committee all audit differences in excess of US$ 12,000 as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

Material uncertainty in relation to going concern

We draw attention to note 1(c) in the financial statements, which outlines considerations relating to the group's and parent company's ability to continue as a going concern. The disclosure indicates that the group and parent company is reliant on additional funding to meet their liabilities as they fall due. These circumstances indicate the existence of a material uncertainty which may cast significant doubt on the group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. They have concluded that there is a material uncertainty which could cast significant doubt over the going concern status of the Group due to the impact of the requirement for additional fundraising, and we agree that this is adequately disclosed in the Directors' Report and the accounting policies.

The key risk identified was uncertainty around the ability of the Group and Parent Company to raise funds in order to continue operations. While the Group and Parent Company have a history of raising funds as required, past history is no guarantee that further fundraising will be successful. Future fundraising could be delayed and the amounts arising from future fundraises are uncertain. A significant delay in the ability to raise funds would negatively impact the group's ability to generate cash to meet its liabilities as and when they fall due.

Our evaluation of the directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting included an assessment of the inherent risks to the Group's business model and how such risks may impact the ability to continue operations over the going concern assessment period. We also undertook the following procedures:

- We reviewed trading and fundraising activities after the reporting date and considered management's assessment of the Group's and Parent Company's prospects regarding further fundraising.
- We reviewed cash flow forecasts prepared by management and assessed their adequacy, and also challenged the assumptions and judgements inherent within them.
- We have corroborated cash levels after the reporting date to consider whether they are in line with forecasts and investigated the reasons for any significant discrepancies.
- We reviewed prior period budgets and forecasts against actual performance to consider management's ability to accurately forecast and budget.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to regulatory requirements for the company. We considered the extent to which noncompliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, income tax and payroll taxes.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to areas subject to significant judgement and management bias through accounting estimates. Audit procedures performed by the engagement team included:

- Inspecting filings with regulators;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;

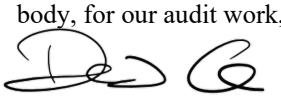
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with key words, by individuals who do not usually make journals, posted around the end of the period, posted with certain keywords, and journals posted at unusual dates or times, and;
- Challenging assumptions and judgements made by management in their critical accounting estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



David Cox (Senior Statutory Auditor)
For and on behalf of HaysMac LLP, Statutory Auditors
3 June 2026

10 Queen Street Place
London
EC4R 1AG

AKARI THERAPEUTICS PLC

CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS

FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	Year ended 31 December 2025 $000	Year ended 31 December 2024 $000
Research and development expenses		(3,370)	(8,265)
Administrative expenses		(9,281)	(9,497)
Merger-related expenses		-	(3,273)
Restructuring costs		-	(1,723)
Impairment	11/12	(17,667)	-
Operating loss	4	(30,318)	(22,758)
Fair value movement on liability related to warrants	21	775	2,085
Net finance expense	6	(948)	(171)
Exchange loss		(443)	-
Net loss on debt extinguishment	7	(180)	-
Initial recognition of derivative liability	18	(230)	-
Loss before income tax		(31,344)	(20,844)
Income tax expense	8	2,112	484
Loss for the year after income tax		(29,232)	(20,360)
Other comprehensive loss:			
Currency translation differences		(44)	302
Comprehensive loss for the year		(29,276)	(20,058)
Loss per share attributable to the ordinary equity holder of the parent:			
Basic and diluted (cents)	10	(0.04)	(0.09)

All losses are derived from continuing activities for the current and previous financial year.

The Company has elected to take the exemption under section 408 of the Companies Act 2006 not to present the Parent company income statement. Refer to note 8 for the results of the Parent company.

The notes on pages 44 to 75 form an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	Notes	31 December 2025 $000	31 December 2024 $000
ASSETS			
Non-current assets			
Intangible assets	11	30,300	39,180
Goodwill	12	-	8,787
Total non-current assets		30,300	47,967
Current assets			
Trade and other receivables	14	438	834
Cash	15	5,203	2,599
Total current assets		5,641	3,433
TOTAL ASSETS		35,941	51,400
EQUITY			
Share capital	19	-	5,319
Share premium	20	165,750	155,089
Capital redemption reserve	20	59,342	52,194
Other reserves	20	(821)	(777)
Merger reserve	20	34,734	34,734
Share based payment reserve	22	32,184	21,432
Reverse acquisition reserve	20	(20,983)	(20,983)
Retained losses	20	(252,973)	(223,940)
TOTAL EQUITY		17,233	23,068
LIABILITIES			
Current liabilities			
Trade and other payables	16	11,620	17,597
Borrowings	17	673	1,300
Derivative liability	18	230	-
Warrant liability	21	61	1,012
Total current liabilities		12,584	19,909
Non-current liabilities			
Deferred tax	8	6,093	8,040
Other non-current liabilities	17	31	383
Total non-current liabilities		6,124	8,423
TOTAL LIABILITIES		18,708	28,332
TOTAL EQUITY AND LIABILITIES		35,941	51,400

The notes on pages 44 to 75 form an integral part of the consolidated financial statements.

The financial statements were approved and authorized for issue by the Board of Directors on 3 June 2026 and were signed below on its behalf by:

Abizer Gaslightwala

Abizer Gaslightwala
President and Chief Executive Officer

PARENT COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	Notes	31 December 2025 $000	31 December 2024 $000
ASSETS			
Non-current assets			
Investment in subsidiaries	13	22,014	30,330
		22,104	30,330
Current assets			
Trade and other receivables	14	273	586
Cash	15	5,117	2,558
		5,390	3,144
TOTAL ASSETS		27,404	33,474
EQUITY			
Share capital	19	-	5,319
Share premium	20	165,949	155,089
Capital redemption reserve	20	59,342	52,194
Merger reserve	20	34,734	34,734
Share based payment reserve	22	32,184	21,432
Retained losses	20	(273,860)	(245,458)
TOTAL EQUITY		18,349	23,310
LIABILITIES			
Current liabilities			
Trade and other payables	16	8,091	8,902
Borrowings	17	673	250
Derivative liability	18	230	-
Warrant liability	21	61	1,012
TOTAL LIABILITIES		9,055	10,164
TOTAL EQUITY AND LIABILITIES		27,404	33,474

The notes on pages 44 to 75 form an integral part of the consolidated financial statements.

As permitted by Section 408 of the Companies Act 2006, the income statement of the Parent Company is not presented as part of these financial statements. The Parent Company's loss for the financial year was $28,402,600 (2024: loss of $38,331,918).

The financial statements were approved and authorized for issue by the Board of Directors on 3 June 2026 and were signed below on its behalf by:

Abizer Gaslightwala

Abizer Gaslightwala
President and Chief Executive Officer

AKARI THERAPEUTICS PLC
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2025

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital $000	Share premium $000	Other reserves $000	Merger reserve $000	Share based payment reserve $000	Reverse acquisition reserve $000	Capital redemption reserve $000	Retained losses $000	Total equity $000
At 1 January 2024	**1,324**	**144,797**	**(1,079)**	**9,128**	**19,187**	**(20,983)**	**52,194**	**(203,580)**	**988**
Loss for the year	-	-	-	-	-	-	-	(20,360)	(20,360)
Other comprehensive income			302	-	-	-	-	-	302
Total comprehensive loss for the year	**-**	**-**	**302**	**-**	**-**	**-**	**-**	**(20,360)**	**(20,058)**
Share based payments	-	-	-	-	2,245	-	-	-	2,245
Shares issued, net of transaction cost	1,413	10,054	-	-	-	-	-	-	11,467
Shares issued, Peak Bio Inc acquisition	2,523	-	-	25,606	-	-	-	-	28,129
Issue of shares for services	33	238	-	-	-	-	-	-	271
Issue of restricted shares	26	-	-	-	-	-	-	-	26
Total transactions with owners	3,995	10,292	-	25,606	2,245	-	-	-	42,138
At 31 December 2024	**5,319**	**155,089**	**(777)**	**34,734**	**21,432**	**(20,983)**	**52,194**	**(223,940)**	**23,068**
Loss for the year	-	-	-	-	-	-	-	(29,232)	(29,232)
Other comprehensive loss	-	-	(44)	-	-	-	-	-	(44)
Total comprehensive loss for the year	**-**	**-**	**(44)**	**-**	**-**	**-**	**-**	**(29,232)**	**(29,276)**
Share based payments	-	-	-	-	2,890	-	-	-	2,890
Shares issued, net of transaction cost	1,657	10,068	-	-	-	-	-	-	11,725
Issuance of share capital on conversion of convertible notes	39	270	-	-	-	-	-	-	309
Issue of shares for services	100	522	-	-	-	-	-	-	622
Vesting of restricted shares	33	-	-	-	-	-	-	-	33
Cancelation of deferred shares	(7,148)	-	-	-	-	-	7,148	-	-
Issuance of warrants related to financing and note extinguishment	-	-	-	-	5,027	-	-	-	5,027
Reclassification in relation to Peak Bio acquisition	-	(199)	-	-	-	-	-	199	-
Modification of warrants	-	-	-	-	2,643	-	-	-	2,643
Reclassification and modification of warrants in connection with amendment of convertible notes	-	-	-	-	192	-	-	-	192
Total transactions with owners	(5,319)	10,661	-	-	10,751	-	7,148	-	23,441
At 31 December 2025	**-**	**165,750**	**(821)**	**34,734**	**32,184**	**(20,983)**	**59,342**	**(252,973)**	**17,233**

The notes on pages 44 to 75 form an integral part of the consolidated financial statements.

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

	Share capital $000	Share premium $000	Merger reserve $000	Share based payment reserve $000	Capital redemption reserve $000	Retained losses $000	Total equity $000
At 1 January 2024	**1,324**	**144,797**	**9,128**	**19,187**	**52,194**	**(207,126)**	**19,504**
Loss for the year	-	-	-	-	-	(38,332)	(38,332)
Total comprehensive loss for the year	-	-	-	-	-	**(38,332)**	**(38,332)**
Share based payments	-	-	-	2,245	-	-	2,245
Shares issued, net of transaction costs	1,413	10,054	-	-	-	-	11,467
Shares issued, Peak Bio Inc acquisition	2,523	-	25,606	-	-	-	28,129
Issue of shares for vendor services	33	238	-	-	-	-	271
Issue of restricted shares	26	-	-	-	-	-	26
Total transactions with owners	3,995	10,292	25,606	2,245	-	-	42,138
At 31 December 2024	**5,319**	**155,089**	**34,734**	**21,432**	**52,194**	**(245,458)**	**23,310**
Loss for the year	-	-	-	-	-	(28,402)	(28,402)
Total comprehensive loss for the year	-	-	-	-	-	**(28,402)**	**(28,402)**
Share based payments	-	-	-	2,890	-	-	2,890
Shares issued, net of transaction costs	1,657	10,068	-	-	-	-	11,725
Issuance of share capital on conversion of convertible notes	39	270	-	-	-	-	309
Issue of shares for vendor services	100	522	-	-	-	-	622
Vesting of restricted shares	33	-	-	-	-	-	33
Cancelation of deferred shares	(7,148)	-	-	-	7,148	-	-
Issuance of warrants related to financing and note extinguishment	-	-	-	5,027	-	-	5,027
Modification of warrants	-	-	-	2,643	-	-	2,643
Reclassification and modification of warrants in connection with amendment of convertible notes	-	-	-	192	-	-	192
Total transactions with owners	(5,319)	10,860	-	10,752	7,148	-	23,441
At 31 December 2025	**-**	**165,949**	**34,734**	**32,184**	**59,342**	**(273,860)**	**18,349**

The notes on pages 44 to 75 form an integral part of the consolidated financial statement

AKARI THERAPEUTICS PLC

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	31 December 2025 $000	31 December 2024 $000
Cash flows from operating activities			
Loss before income tax		(31,342)	(20,844)
Adjustments for:			
Change in fair value of warrants	21	(775)	(2,085)
Share-based payment	22	2,890	1,888
Issue of shares for vendor services		27	271
Finance expense		948	-
Net loss on debt extinguishment	7	180	-
Foreign currency exchange gains / (loss)		(101)	191
Amortization		-	13
Loss on derivative liability	18	230	-
Impairment	11/12	17,667	-
Decrease in trade and other receivables		593	1,319
(Decrease)/increase in trade and other payables		(1,334)	5,764
Tax received		551	1,282
Net cash flows used in operating activities		(10,466)	(12,201)
Cash flows from investing activities			
Cash acquired with Subsidiary		-	382
Cash generated from investing activities		-	382
Cash flows from financing activities			
Proceeds from issuance of ordinary shares		12,516	12,751
Issue costs		(1,791)	(1,284)
Proceeds from the issuance of warrants		1,036	-
Proceeds from issuance of convertible notes		-	1,000
Repayment of convertible notes		-	(750)
Proceeds from issuance of Notes payable	17	2,099	-
Repayment of notes payable and convertible notes	17	(553)	-
Proceeds from prefunded warrants		330	-
Proceeds from employee vesting of restricted shares	19	33	26
Payment on note payable and seller-financed purchases		(499)	-
Repayment of short-term financing arrangements		-	(1,105)
Interest paid		(101)	-
Cash generated from financing activities		13,071	10,638
Exchange gains/(losses) on cash		1	(5)
Net increase/(decrease) in cash		2,605	(1,186)
Cash at beginning of year		2,659	3,845
Cash at end of year		5,263	2,659
Restricted cash		(60)	(60)
Cash at end of year		**5,203**	**2,599**

The notes on pages 44 to 75 form an integral part of the consolidated financial statements.

AKARI THERAPEUTICS PLC

PARENT COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	31 December 2025 $000	31 December 2024 $000
Cash flows from operating activities			
Loss before income tax		(28,625)	(38,816)
Adjustments for:			
Issue of shares for vendor services		27	271
Bad debt intercompany		5,286	-
Finance expense		918	-
Changes in fair value of warrants	21	(775)	(2,085)
Share based payments	22	2,890	1,888
Impairment on investment	13	8,316	18,339
Loss on debt extinguishment	7	2,391	-
Loss on derivative liability	18	230	-
Decrease in trade and other receivables		666	1,357
Increase in trade and other payables		(7)	5,849
Taxation received		551	1,282
Exchange rate differences		-	(64)
Net cash flows used in operating activities		(8,159)	(11,979)
Cash flows from investing activities			
Movement in intercompany		(2,906)	154
Net cash (used in)/generated from investing activities		(2,906)	154
Cash flows from financing activities			
Proceeds from issuance of ordinary shares		12,516	12,751
Issue costs		(1,791)	(1,284)
Proceeds from the issuance of warrants		1,036	-
Proceeds from issuance of convertible notes		-	1,000
Repayment of convertible notes		-	(750)
Proceeds from issuance of Notes payable	17	2,099	-
Proceeds from refunded warrants		330	-
Proceeds from employee vesting of restricted shares	19	33	26
Payment on note payable and seller-financed purchases		(499)	-
Repayment of short-term financing arrangements		-	(1,105)
Interest paid		(101)	-
Net cash generated from financing activities		13,623	10,638
Exchange gains on cash		-	-
Net increase/(decrease) in cash		2,559	(1,187)
Cash at beginning of year		**2,558**	3,745
Cash at end of year		**5,117**	**2,558**

The notes on pages 44 to 75 form an integral part of the consolidated financial statements.

1. GENERAL INFORMATION

Akari Therapeutics, Plc is a public company limited by shares registered in England and Wales under number 5252482, with its registered office at Highdown House, Yeoman Way, Worthing, West Sussex, BN99 3HH.

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2. MATERIAL ACCOUNTING POLICY INFORMATION

(a) Basis of preparation

These consolidated financial statements of Akari Therapeutics, Plc have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the United Kingdom and in accordance with the requirements of the Companies Act 2006 applicable to companies reporting under IFRS.

The consolidated and Parent Company financial statements are presented in U.S. Dollars ("USD" or "$"), which is the functional and presentation currency of the Group.

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant, are disclosed in note 2(u).

(b) Basis of consolidation

Subsidiaries are entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The subsidiaries are fully consolidated from the date on which control is transferred to the Group and deconsolidated from the date that control ceases.

The financial statements of the subsidiaries are prepared for the same financial year as the Parent company, applying consistent accounting policies throughout the Group. Inter-company balances and transactions, including unrealized profits are eliminated on consolidation.

The Group financial statements consolidate the Company's financial statements of Akari Therapeutics, Plc and its subsidiaries (the "Group").

(c) Going Concern

The Group meets its day-to-day working capital requirements through funding. In assessing the Group's ability to continue as a going concern, Management has prepared financial forecasts covering at least the next twelve months from the date of approval of the financial statements.

The Group's forecast and projections show that at present, the Group has insufficient working capital to fulfil its current business plan without the Group raising additional capital.

As of 31 December 2025, the Group's cash balance was $5.2 million. To date, the Group has incurred substantial losses and negative cash flows since inception and had an accumulated deficit of $252.9 million as of 31 December 2025.

The Group anticipates incurring additional losses until such time, if ever, that it can generate significant sales of its product candidates currently in development. The Group is subject to a number of risks and uncertainties similar to those of other companies of the same size within the biotechnology industry, such as uncertainty of clinical trial outcomes, uncertainty of additional funding, and history of operating losses. Substantial additional financing will be needed by the Group to fund its operations and to commercially develop its product candidates and there can be no assurance that additional funds will be available when the Group need them on terms that are acceptable to it, or at all. As of 1 June 2026, the Group's cash balance of $3.2 million, which includes net proceeds received from the May 2026 Private Placement (see note 26 of the notes to financial statements), is not sufficient to fund its operations for the one-year period after the date these consolidated financial statements are issued.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(c) Going concern (continued)

Management is currently evaluating different strategies to obtain the required funding for future operations. These strategies may include, but are not limited to: product development financing, private placements and/or public offerings of equity and/or debt securities, and strategic research and development collaborations and/or similar arrangements. While management is confident in the Company's ability to obtain future funding, there can be no assurance that these future funding efforts will be successful. Based on the requirement for Group to raise additional capital to finance future operations and for it to manage its working capital position, particularly in relation to accounts payable balances, until further such capital can be raised, management has concluded that these outcomes represent material uncertainties that cast significant doubt regarding the Group's ability to continue as a going concern within one year after the date that these consolidated financial statements are issued.

Notwithstanding these uncertainties, the accompanying consolidated financial statements have been prepared assuming that we will continue as a going concern, which contemplates the realisation 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 the Group is unable to continue as a going concern.

(d) Standards and interpretations adopted during the year

New standards, amendments and interpretations

The group has applied the following amendment for the first time for its annual reporting period commencing 1 January 2025:

- Lack of Exchangeability – Amendments to IAS 21.

The amendment listed above did not have any material impact on these financial statements.

New standards, amendments and interpretations in issue but not yet effective

Certain new accounting standards and amendments to accounting standards have been published that are not mandatory for 31 December 2025 reporting periods and have not been early adopted by the group. The group's assessment of the impact of these new standards and amendments is set out below:

Standard	Effective date
IFRS 9 and IFRS 7 Classification and Measurement of Financial Instruments	1 January 2026
IFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027

The Directors do not expect that the adoption of these standards will have a material impact on the financial information of the Group or Company in future periods.

(e) Foreign currency translation

Functional and presentation currency
Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The functional currency of Akari Therapeutics, Plc is U.S. dollars. The Group and Parent Company financial statements are presented in U.S. Dollars which is considered to the Group's presentation currency.

Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the date of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(e) Foreign currency translation

Group companies
The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated as follows:

- assets and liabilities at the balance sheet date are translated at the closing rate as at that balance sheet date;
- income and expenses for each income statement are translated at average exchange rates; and
- all resulting exchange differences are recognised in other comprehensive income.

(f) Segment information

The Company manages its operations as a single operating segment, or reporting unit, for the purposes of assessing performance, making operating decisions and allocating resources, resulting in a single reportable segment. The Company has determined that its Chief Operating Decision Maker ("CODM") is its Chief Executive Officer. The Company's CODM reviews the Company's financial information on a consolidated basis for purposes of allocating resources and assessing financial performance. All of the Company's tangible assets are held in the United States.

(g) Cash

Cash includes cash in hand and deposits held at call with banks.

(h) Trade and other payables

Trade payables are obligations to pay for goods or services received that have been acquired in the ordinary course of the business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Executory contracts are recognised when both parties to the contract met their respective obligations. Trade and other payable are unsecured, non-interest bearing and are stated at cost.

(i) Trade and other receivables

Trade and other receivables are recognised at fair value less a provision for impairment. Bad debts are written off through the income statement when identified. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

(j) Financial liabilities

All financial liabilities are recognised in the statement of financial position when the Group becomes a party to the contractual provision of the instrument.

Financial liabilities measured at amortized cost
The Group's financial liabilities measured at amortized cost comprise trade payables and other payables and bank and other borrowings.

These financial liabilities are initially measured at fair value net of any transaction costs directly attributable to the issue of the instrument and are subsequently measured at amortized cost using the effective interest rate method.

The effective interest method is a method of calculating the amortized cost of financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability to the amortized cost of a financial liability.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(j) Financial liabilities (continued)

Financial liabilities measured at fair value through profit or loss
Financial liabilities held at fair value through the profit or loss comprise warrants on initial recognition. The warrants are initially measured at fair value and are carried in the statement of financial position at fair value. Subsequent to the initial recognition, the warrants are remeasured to fair value at each financial period end date. The changes in fair value are recognised in the statement of comprehensive income.

All instruments for which fair value is recognised or disclosed are categorized within the fair value hierarchy, which consists of the following 3 levels:

- Quoted prices (unadjusted), in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2); and
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs), (level 3).

Derivative instruments
Derivative liabilities are initially recognised at fair value and subsequently remeasured at fair value at each reporting date, with changes in fair value recognised in profit or loss. The Group does not hold or issue derivative instruments for speculative or hedging purposes. Other than these derivative financial instruments, the Group does not have any liabilities held for trading nor has it designated any financial liabilities as being at fair value through profit or loss. The fair value of derivatives is determined by appropriate valuation techniques, including pricing models, and observable market inputs.

Transaction costs associated with hybrid instruments are allocated to their equity and liability components on the basis of their fair values at initial recognition. Transaction costs associated with derivative liabilities classified as fair value through the profit and loss are recognised immediately in the profit and loss, transaction costs associated with equity are treated as a deduction in equity.

Convertible loan notes and notes payable
Convertible notes and notes payable are classified in accordance with IAS 32 as financial liabilities or compound financial instruments based on the substance of the contractual arrangements.

Where applicable, compound financial instruments are separated into liability and equity components on initial recognition. The liability component is subsequently measured at amortized cost using the effective interest rate method, while the equity component is not remeasured.

The Group assesses whether convertible notes and notes payable contain embedded derivatives requiring separation. Based on management's assessment, the Group has determined that no embedded derivatives require separate accounting, and such instruments are accounted for as financial liabilities measured at amortized cost.

Where debt instruments are modified and the modification results in substantially different terms, the original liability is derecognised and a gain or loss recognised in profit or loss in accordance with IFRS 9.

(k) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(l) Research and development expenditure

Research costs are expensed through the income statement as they are incurred. Research and development expenses include, among other costs, costs incurred by outside laboratories and other accredited facilities in connection with clinical trials and preclinical studies.

Under IAS 38, development costs are only capitalized after technical and commercial feasibility of the asset for sale or use have been established. The company must intend and be able to complete the asset and either use it or sell it and be able to demonstrate how the asset will generate future economic benefit. If the company cannot distinguish between the research and the development phase, then all costs are expensed as research costs.

(m) Intangible assets

Intangible assets are recognised when it is probable that the expected future economic benefits attributable to the asset will flow to the Group and the cost of the asset can be measured reliably. Intangible assets are initially measured at cost, or at fair value when acquired as part of a business combination

Patent acquisition costs
Patent acquisition costs and related capitalized legal fees are recognised at historical cost. Patents have a finite useful life and are carried at cost less accumulated amortization. Amortization is calculated using the straight-line basis method and are amortized over the shorter of the legal or useful life. The estimated useful life for current patents is twenty-two years.

The Group expenses costs associated with maintaining and defending patents subsequent to their issuance in the period the costs are incurred.

Goodwill
Goodwill represents the excess of the consideration transferred over the Group's interest in the net fair value of the identifiable assets acquired and liabilities assumed in a business combination. Goodwill is recognised as an asset and is not amortized.

Goodwill is tested for impairment annually, or more frequently when there is an indication that goodwill may be impaired, in accordance with IAS 36. For impairment testing purposes, goodwill is allocated to one or more cash-generating units ("CGUs") expected to benefit from the combination.

An impairment loss is recognised when the carrying amount of the CGU exceeds its recoverable amount. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Other intangible assets
Acquired in-process research and development is recognised as an intangible asset at fair value at the acquisition date when acquired as part of a business combination.

IPR&D is initially classified as an indefinite-lived intangible asset as the underlying research or development activities are not yet complete and the asset is not yet available for use. Indefinite-lived intangible assets are not amortized.

IPR&D assets are tested for impairment annually, and whenever events or changes in circumstances indicate that the asset may be impaired. Impairment testing is performed by comparing the asset's recoverable amount to its carrying amount. The recoverable amount is the higher of value in use and fair value less costs of disposal. If an IPR&D project is abandoned or discontinued, the carrying amount of the related asset is written off immediately to profit or loss.

Upon successful completion of the development phase and once the asset becomes available for use, the IPR&D asset is reclassified as a finite-lived intangible asset and amortized over its estimated useful life.

(n) Investments

Investments in subsidiary undertakings are stated at cost less provisions for impairment. Investments are assessed for the presence of impairment indicators, if any indicators are present then an impairment review is conducted. See note 14 for additional details on the Parent's impairment assessment.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(o) Share-based payments

The Group operates share-based compensation arrangements, including share options and warrants, for directors, officers, employees and, where applicable, other service providers.

Equity-settled share-based payment arrangements are measured at the fair value of the equity instruments granted at the grant date. The fair value is recognised as an expense over the vesting period, based on the Group's estimate of the equity instruments expected to vest.

Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative expense recognised is based on the number of equity instruments that vest. Market vesting conditions are reflected in the grant-date fair value of the equity instruments and are not subsequently adjusted. Where vesting conditions are not satisfied, no amount is recognised for services received, and any previously recognised expense is reversed.

Where the terms and conditions of equity-settled share-based payment arrangements are modified before vesting, any incremental fair value granted is recognised over the remaining vesting period in addition to the expense recognised for the original grant.

(p) Warrants

Warrants issued by the Group are classified as equity instruments or financial liabilities in accordance with IAS 32, based on the substance of the contractual arrangements. Equity-classified warrants are recognised in equity at fair value on the grant or issue date and are not subsequently remeasured.

Warrants that do not meet the criteria for equity classification are accounted for as financial liabilities. Liability-classified warrants are initially recognised at fair value and are subsequently remeasured at fair value at each reporting date, with changes in fair value recognised in profit or loss.

Where warrants are granted as part of share-based payment arrangements, the fair value of the warrants is recognised as an expense over the vesting period in accordance with IFRS 2.

(q) Finance income and expenses

Interest income and expenses are recognised using the effective interest method. It mainly comprises of changes in the fair value of financial assets and liabilities that are measured at fair value through the income statement and exchange gains and losses which is reported on a net basis in the statement of comprehensive loss.

(r) Deferred taxation

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements. The deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction does not affect either the accounting or taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which temporary differences can be utilised.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(s) Critical accounting estimates and judgements

The Group makes estimates and assumptions concerning the future. The preparation of financial statements requires management and the Board of Directors to make estimates and judgments that affect reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. These estimates are based on historical experience and various other assumptions that management and the Board believe are 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, significantly impacting earnings and financial position.

Significant estimates and assumptions reflected in these consolidated financial statements include, but are not limited to, the valuation of share-based awards, the valuation of warrant liabilities, the valuation of goodwill and indefinite-lived intangible assets, research and development prepayments, accruals and related expenses, and the valuation allowance for deferred income taxes.

Key accounting judgements
Research and Development: Under IAS 38: Intangible Assets, the Group must determine whether to recognize research costs incurred as an expense or asset. Depending on the development stage of a project determines whether an expense can be capitalized. Difficulties can arise at determining the stage of a project. No costs have been capitalized in the year ended 31 December 2025 given the absence of any regulatory approval which the directors considered relevant in determining any probably future economic benefits.

Classification of warrants: The classification of warrants as equity or liabilities is a significant area of accounting judgement, particularly under the 'fixed-for-fixed' criterion in IAS 32, Financial Instruments: Presentation. During the year ended 31 December 2025, certain warrants were determined not to meet the criteria for equity classification due to non-standard settlement terms. These warrants were therefore classified as derivative financial liabilities and measured at fair value through profit or loss. Management reassessed warrant classification upon modification or amendment of warrant terms during the year.

Debt modification and extinguishments: Management applied judgement in assessing whether amendments to the terms of convertible notes and other borrowings resulted in substantially different terms under IFRS 9. Where modifications were considered substantial, the original financial liability was derecognised and a new liability recognised, with any resulting gain or loss recognised in profit or loss. This judgement affected the recognition of losses on debt extinguishment during the year.

Equity line of credit arrangement: The determination that the ELOC meets the definition of a derivative under IFRS 9 and does not qualify for equity classification under IAS 32 requires the application of judgement. In addition, the measurement of the fair value of the derivative involves estimation uncertainty, particularly in assessing the impact of expected utilisation patterns and contractual restrictions on valuation. Changes in these assumptions could result in a material adjustment to the carrying amount of the derivative in future periods.

Key accounting estimates and assumptions
Share based payments: The Group issues share options and warrants to employees, service providers, and investors. The fair value of these instruments is determined using appropriate valuation methods, such as the Black-Scholes option pricing model. These valuation methods require significant estimation, particularly concerning unobservable input assumptions, resulting in a higher degree of estimation uncertainty.

Warrant liabilities: Warrants issued to investors are classified as free-standing liabilities and are remeasured to fair value at each reporting date. This remeasurement involves judgment and estimation, especially regarding unobservable valuation inputs, leading to increased estimation uncertainty.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(s) Critical accounting estimates and judgements (continued)

Derivative liabilities: The Group recognised a derivative liability during the year ended 31 December 2025 in respect of embedded features within an equity financing arrangement. The derivative liability was measured at fair value using a Monte Carlo simulation model. The valuation relied on significant assumptions, including projected share price paths, expected volatility, risk-free interest rates and probability-weighted outcomes. Due to the inherent subjectivity of these assumptions, changes in inputs could result in a materially different fair value.

Goodwill and indefinite-lived intangible assets: The Group assesses the recoverable amount of goodwill and indefinite-lived intangible assets annually or more frequently if events or changes in circumstances indicate that they might be impaired. Key areas of judgement include the forecasting of future cash flows, which are dependent on the expected development, timing and commercialisation of the Group's pipeline products. In particular, management applies significant judgement in determining the timing of progression through clinical trial phases, regulatory approval, and subsequent revenue generation, as well as the associated probability of technical and regulatory success at each stage. Additional judgement is applied in selecting appropriate discount rates, long-term growth rates, and other market participant assumptions. Changes in these assumptions, particularly relating to the timing of product development milestones and commercial launch, could have a significant impact on the recoverable amount and the resulting impairment charge.

Deferred tax assets: The recognition of deferred tax assets involves judgment regarding the likelihood of future taxable income against which deductible temporary differences can be utilised. A valuation allowance is established if it is more likely than not that some portion or all of the deferred tax assets will not be realized.

Research and development costs: Under IAS 38, development costs are capitalized only after technical and commercial feasibility have been established. Determining the stage of a project and whether future economic benefits are probable involves significant judgment.

3. SEGMENT INFORMATION

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

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

During the year ended 31 December 2025, the Group's activities were concentrated on ADC platform development following the suspension or de-prioritisation of legacy programmes.

3. SEGMENT INFORMATION

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

	31 December 2025 $000	31 December 2024 $000
HSCT-TMA (AK901) program expense	(79)	(3,115)
ADC preclinical development	(1,285)	(47)
Chemistry, manufacturing and control	(216)	(3,497)
Other external development expense	(160)	(837)
Internal and other research and development expense	(1,182)	(129)
Administrative expense	(6,839)	(8,472)
Merger-related expense	-	(3,273)
Restructuring costs	-	(1,438)
Impairment of goodwill	(8,787)	-
Impairment of intangible assets	(8,880)	-
Stock based compensation	(2,890)	(1,888)
Other segmental items (1)	(1,026)	1,852
Loss before income tax	(31,344)	(20,844)

(1) Other segment items include interest income, interest expense, change in fair value of warrant liabilities, net foreign currency exchange gains (losses) and other expense, net as reported on the consolidated statement of comprehensive loss.

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

4. OPERATING LOSS

	31 December 2025 $000	31 December 2024 $000
The operating loss is stated after charging/(crediting):		
Employee benefit expense (Note 5)	4,789	4,317
Impairment loss	17,667	-
Auditors' remuneration		
- fees for the audit of the Group and Parent Company financial statements	127	122
Restructuring costs	-	1,723
Merger related expenses	-	3,273

The table below represents the restructuring reserve and accrual activity for the year ended 31 December 2025:

	Severance and employee benefit costs $000
Balance at 31 December 2024	450
Restructuring adjustments	(50)
Cash payments	(400)
Balance at 31 December 2025	-

5. EMPLOYEE EXPENSES

	31 December 2025 $000	31 December 2024 $000
Employee benefit expense		
Wages and salaries	1,757	1,770
Employer taxes	142	302
Share-based payments	2,890	2,245
Total employee benefit expense	4,789	4,317
The average number of persons (including directors)* employed by the group during the year was as follows:		
Research and development	3	6
Office and administration	5	4
	8	10
Key management remuneration		
Wages and salaries	686	540

*In 2025 all the employees are employed of the parent company except 2 female full-time employees.

The key management is considered to be the directors and senior management team. Details of directors' remuneration and share based compensation can be seen within the Directors' Remuneration Report beginning on page 13.

6. NET FINANCE EXPENSE

	31 December 2025 $000	31 December 2024 $000
Interest income	1	8
Interest expense	(949)	(244)
Other	-	65
	(948)	(171)

Interest expense for the year ended 31 December 2025 primarily comprised the effective interest on debt instruments (see further details in Note 17), interest expense on the May 2024 Notes, costs related to the financing of directors' and officers' insurance premiums, and interest arising on notes assumed in connection with the Peak Bio acquisition, including the April 2023 Convertible Notes, the November 2023 Note, the September 2024 Note, the 2021 Notes and the January 2024 Note.

7. NET LOSS ON DEBT EXTINGUISHMENT

	31 December 2025 $000	31 December 2024 $000
Gain on settlement of current liabilities	2,984	-
Loss on debt extinguishment	(3,164)	-
	(180)	-

During the year ended 31 December 2025, the Group recognised a gain on settlement of current liabilities of $3.0 million. The gain primarily related to settlements with former vendors in respect of outstanding trade payables, with the remainder arising from the settlement of a promissory note assumed in connection with the Peak Bio acquisition. No gain was recognised in the year ended 31 December 2024.

7. NET LOSS ON DEBT EXTINGUISHMENT (continued)

During the year ended 31 December 2025, the Group recognised a non-cash loss on debt extinguishment of $3.2 million. This loss primarily arose from financing and debt restructuring activities undertaken during the year, including the cancellation and exchange of the outstanding August 2025 Notes for pre-funded warrants and note exchange warrants in December 2025, which resulted in a loss of $2.2 million. In addition, a loss of $0.5 million was recognised in connection with the cancellation and exchange of a related party promissory note, and a loss of $0.4 million arose on the issuance of the August 2025 Notes to third-party investors, including the impact of associated warrant amendments. A further loss of $0.1 million was recognised in relation to the modification of the April 2023 Convertible Notes. No loss on debt extinguishment was recognised in the year ended 31 December 2024.

8. INCOME TAX CREDIT

	31 December 2025 $000	31 December 2024 $000
Current tax:		
Research and development tax credit receivable for current year	(182)	(472)
Current tax on losses for the year	84	-
Adjustment in respect of prior years	(67)	(12)
Overseas current tax	-	-
	(165)	(484)
Deferred tax:		
Origination and reversal of temporary differences	(1,947)	-
Tax on loss on ordinary activities	(2,112)	(484)

The tax assessed in the year is different from the standard rate of corporation tax in the UK of 25% in 2025 (2024: 25%).

8. INCOME TAX CREDIT(CONTINUED)

	31 December 2025 $000	31 December 2024 $000
The differences are explained below:		
Loss before tax	(31,344)	(20,844)
Loss on ordinary activities before tax multiplied by the standard companies' rate of tax in the UK	(7,836)	(5,211)
Effects of:		
Difference in overseas tax rates	217	38
Deferred tax asset on losses not recognised	2,305	4,283
Expenses not deductible for tax purposes	3,395	(288)
Enhanced research and development relief	(126)	707
Adjustment in respect of prior years	(67)	(12)
Tax credit	(2,112)	(484)

The Group has accumulated losses available to carry forward against future trading profits of $251,509,911 (2024: $223,553,882). No deferred tax asset has been recognised in respect of tax losses since it is uncertain at the balance sheet date as to whether future profits will be available against which the unused tax losses can be utilised. The estimated value of the deferred tax asset not recognised, measured at a standard rate of 25% is $63,527,663 (2024: $59,312,671).

Deferred tax assets and liabilities reflect the net tax effects of temporary differences between the carrying amount of assets and liabilities for financial reporting and the amounts used for income tax purposes. Significant components of the Company's deferred tax assets and liabilities were as follows:

	31 December 2025 $000	31 December 2024 $000
Deferred tax liabilities		
Intangibles	6,093	8,040
Total recognised deferred tax liability	6,093	8,040
Deferred tax assets		
Net operating loss carryforwards	(61,581)	(55,888)
General provisions	(150)	(376)
Accelerated capital allowances	(23)	(27)
Share awards	(1,062)	(809)
Research and development	(691)	(1,888)
Other	(20)	(325)
Total unrecognised deferred tax assets	(63,527)	(59,313)

9. LOSS ATTRIBUTABLE TO THE PARENT COMPANY

The Parent Company has taken advantage of section 408 of the Companies Act 2006 and has not included its own profit and loss account in these financial statements. The Parent Company had a loss for the year of $28,402,600 (2024: $38,331,918).

10. BASIC AND DILUTED LOSS PER SHARE

The calculation of basic and diluted loss per share is based on the loss attributable to ordinary shareholders of $29,231,892 (2024: $20,359,989) and a weighted average number of Ordinary Shares outstanding during the year ended 31 December 2025 of 64,160,019,556 (2024: 23,791,236,485) calculated below. As a loss-making group, outstanding share options are considered anti-dilutive and therefore basic and diluted loss per share are considered to be equal.

	31 December 2025 $000	31 December 2024 $000
Loss attributable to ordinary shareholders	29,232	20,360

	31 December 2025 Number	31 December 2024 Number
Weighted average number of ordinary shares		
Number of shares in issue at the beginning of the year	53,283,694,698	13,234,315,298
Effect of shares issued during year	10,876,324,858	10,556,921,187
Weighted average number of ordinary shares in issue for the year	64,160,019,556	23,791,236,485

11. INTANGIBLE ASSETS

	Patent acquisition costs $000	Intangible asset in progress $000	Total $000
GROUP:			
Cost			
At 1 January 2024	95	-	95
Acquired as part of Peak Bio Acquisition	-	39,180	-
Write off	(95)	-	(95)
At 31 December 2024	**-**	39,180	39,180
Impairment			
At 1 January 2024	(81)	-	**-**
Charge	(13)	-	**-**
Write off	94	-	**-**
At 31 December 2024	**-**	**-**	**-**
Cost			
At 1 January 2025	-	39,180	39,180
At 31 December 2025	-	39,180	39,180
Impairment			
At 1 January 2025	-	-	-
Charge	-	(8,880)	(8,880)
At 31 December 2025	-	(8,880)	(8,880)
Net book value 31 December 2024	**-**	**39,180**	**39,180**
Net book value 31 December 2025	-	**30,300**	**30,300**

During the year, management performed an impairment assessment of the Group's in-process research and development assets in accordance with IAS 36. The recoverable amount was estimated using a discounted cash flow methodology incorporating management's assumptions regarding probability of success, future development costs and expected cash inflows.

For the year ended 31 December 2025, the Group recognised an impairment loss of $8.88 million, of which $5.18 million related to the Group's PHP-303 program and $3.7 million related to the Group's ADC platform.

The impairment loss on PHP-303 was triggered in the third quarter of calendar year 2025 due to reprioritization of resources to our ADC platform, no further development plans and inability to find a collaborative partner to date.

The impairment loss on AKTX-101 was triggered at year end due to sustained decline in the Company's ADS price and market capitalization resulting in refinement to the expected development timelines and probability weighted cash flows to reflect current market conditions, capital availability considerations, and the heightened uncertainty inherent in advancing the program under these conditions, as well as an increase in the discount rate to reflect the overall risk profile of the asset.

12. GOODWILL

	Goodwill $000
GROUP	
Cost	
At 1 January 2024	-
Acquired as part of Peak Bio Acquisition	8,787
At 31 December 2024	8,787
Impairment	
At 1 January 2024	-
At 31 December 2024	-
Cost	
At 1 January 2025	8,787
At 31 December 2025	8,787
Impairment	
At 1 January 2025	-
Charge	(8,787)
At 31 December 2025	(8,787)
Net book value 31 December 2024	**8,787**
Net book value 31 December 2025	**-**

The Company performed a quantitative impairment assessment and concluded that an impairment of $8.7 million be recognised for the year ended 31 December 2025.

13. INVESTMENTS IN SUBSIDIARIES

	Investments in Subsidiary Undertakings $000
COMPANY:	
Net Book Value:	
At 1 January 2024	18,339
Add: Acquisition of Peak Bio	30,330
Less: Impairment Charge	(18,339)
At 31 December 2024	**30,330**
Net Book Value:	
At 1 January 2025	30,330
Less: Impairment Charge	8,316
At 31 December 2025	**22,014**

Impairment assessment on Investments

During the year ended 31 December 2025, the Group performed a quantitative impairment assessment of the PHP-303 and AKTX-101 in-process research and development ("IPR&D") assets following changes in the Group's allocation of resources and sustained decline in the Group's market price and market capitalization. As a result of this assessment, an impairment loss of $8.88 million was recognised in the consolidated financial statements.

As the impaired IPR&D asset is held within a wholly-owned subsidiary, the reduction in the carrying amount of the subsidiary's net assets constituted an indicator of impairment of the Parent Company's investment in that subsidiary under IAS 36, Impairment of Assets.

Accordingly, the Parent Company performed an impairment assessment of its investment in the subsidiary during the year ended 31 December 2025. The recoverable amount of the investment was determined by reference to the underlying net assets of the subsidiary following recognition of the IPR&D impairment. As a result, an impairment loss of $8.3 million was recognised in the Parent Company's financial statements.

13. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Investments
The Company directly owns 100% of the issued share capital of the following subsidiaries, which have been included in the consolidated financial statements:

Subsidiary	Principal activity	Country of incorporation	Holdings	%
Volution Immuno Pharmaceuticals SA	Development of pharmaceutical drugs	Switzerland	Ordinary	100
Celsus Therapeutics Inc.	Dormant	United States	Ordinary	100
Morria Biopharma Ltd.	Dormant	Israel	Ordinary	100
Akari Malta Limited	Regulatory compliance	Malta	Ordinary	100
Peak Bio Incorporated	Development of pharmaceutical drugs	United States	Ordinary	100
Peak Bio Corporation Limited	Development of pharmaceutical drugs	South Korea	Indirect Holding	100
Ignyte Korea Corporation Limited	Dormant	South Korea	Indirect Holding	100
Peak Bio California Incorporated	Development of pharmaceutical drugs	United States	Indirect Holding	100

Registered office addresses of subsidiaries:
Volution Immuno Pharmaceuticals SA : Place Des Eaux-Vives 6, 1207 Geneva, Switzerland
Celsus Therapeutics Inc: 1209 Orange Street, Wilmington, DE 19801
Morria Biopharma Ltd: 1209 Orange Street, Wilmington, DE 19801
Akari Malta Limited: 189 Marina Suites, Marina Street, Pieta, Malta PTA9041
Peak Bio Incorporated: 108 W. 13th Street, Suite 100, Wilmington, DE 19801
Peak Bio Corporation Limited: 670 Daewangpangyo-ro, Bundang-gu, Seongnam, South Korea
Ignyte Korea Corporation Limited:25 Teheran-ro 108-gil, Gangnam-gu, CitySeoul- 06175
Peak Bio California Incorporated: 4900 Hopyard Road, Suite 100, Pleasanton, CA 94588

14. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2025 $000	2024 $000	2025 $000	2024 $000
Prepayments and accrued income	185	91	-	67
Income tax receivable	182	484	182	484
Other receivables	71	259	90	35
	438	834	273	586

15. CASH

	Group		Company	
	2025 $000	2024 $000	2025 $000	2024 $000
Cash in hand and in bank	5,203	2,599	5,117	2,558

16. TRADE AND OTHER PAYABLES

	Group		Company	
	2025	2024	2025	2024
	$000	$000	$000	$000
Trade payables	8,854	12,407	5,790	6,483
Accrued expenses	2,342	3,138	1,877	2,419
Due to related parties	-	1,651	-	-
Other payables	424	401	424	-
	11,620	17,597	8,091	8,902

17. BORROWINGS

	Group		Company	
	2025	2024	2025	2024
	$000	$000	$000	$000
Current liabilities				
Convertible loan notes	673	950	673	250
Promissory note payables	-	350	-	-
Total current liabilities	673	1,300	673	250
Non-current liabilities				
Employee wages, bonuses and benefits	31	383	-	-
Total non-current liabilities	31	383	-	-

September 2024 Note Payable

In November 2024, the Company assumed a promissory note issued by Peak Bio in September 2024 in the amount of $308,750 (the "September 2024 Note") to its former California landlord. Due to the short-term nature of the September 2024 Note, the Company concluded that its carrying value approximated its fair value as of 14 November 2024. The note bears no interest and is payable over twenty equal monthly instalments beginning on 1 November 2024 and expiring on 1 June 2026. As of 31 December 2025, the outstanding balance on the September 2024 Note was $81,250 (2024: $308,750).

November 2023 Note Payable

In November 2024, the Company assumed a promissory note issued by Peak Bio in November 2023 in the amount of $350,000 (the "November 2023 Note") bearing interest at 6% per annum with a maturity date of 31 December 2024. Due to the short-term nature of the November 2023 Note, the Company concluded that its carrying value approximated its fair value as of 14 November 2024.

As of 31 December 2024, the principal balance plus accrued interest, presented within accrued expenses in the Company's consolidated balance sheets, was due for payment. On 28 February 2025, the Company signed a Settlement Agreement and Release in the amount of $325,000 for full satisfaction of the outstanding principal and accrued interest owed on the November 2023 Notes.

The payment of $325,000 was made on 6 March 2025 and the Company recognised a gain on debt extinguishment $25,000 which is reflected in the gain on settlement of current liabilities in the Consolidated statement of other comprehensive income for the year ended 31 December 2025.

The Company did not recognize any interest expense during the year ended 31 December 2025.

17. BORROWINGS (CONTINUED)

April 2023 Convertible Notes

In connection with the acquisition of Peak Bio in November 2024, the Group assumed convertible promissory notes originally issued in April 2023 with an aggregate principal amount of $0.7 million (the "April 2023 Convertible Notes"). The notes carried a default interest rate of 10% per annum and were short-term in nature, such that their carrying amount approximated fair value at the acquisition date.

During the year, the Group amended the terms of its outstanding convertible loan notes with three lenders in September 2025.

The amendments were agreed at a time when the Group was experiencing liquidity constraints and were intended to provide additional operational runway. The key changes to the contractual terms included:

- a repricing of the conversion feature at the holder's option, reflecting the Group's revised share and American Depositary Share ("ADS") structure; and
- amendments to the terms of the detachable warrants, including an extension of the warrant expiry date and a revision to the exercise price.

As a result of the amendments, management assessed whether the revised terms were substantially different from the original terms in accordance with IFRS 9. The assessment involved comparing the present value of the revised contractual cash flows, discounted using the original effective interest rate, with the carrying amount of the financial liability immediately prior to the amendment.

Management concluded that the revised terms were substantially different from the original terms. Accordingly, the original convertible loan notes were derecognised and a new financial liability was recognised at fair value at the modification date. The difference between the carrying amount of the original financial liability and the fair value of the new financial liability, together with the fair value of equity instruments issued as part of the transaction, resulted in a loss on extinguishment recognised in profit or loss during the year of $44,285.

Following the extinguishment, the newly recognised convertible loan notes are accounted for as a compound financial instrument. The host debt component is measured at amortised cost using a revised effective interest rate, while the conversion option is classified as an equity component in accordance with IAS 32, as it met the fixed-for-fixed criterion.

The amended warrants issued to the lenders as part of the transaction were classified as equity instruments under IAS 32. The warrants were measured at fair value at the extinguishment date and recognised within equity as non-cash consideration transferred to the lenders. As equity-classified instruments, the warrants are not subsequently remeasured.

August 2025 Notes

In August 2025, the Group issued unsecured promissory notes with a 20% original issue discount ("OID Notes") to certain investors. The notes were issued in three tranches for aggregate gross proceeds of $3 million and aggregate principal amount of $3.8 million, and a one-year maturity.

In conjunction with the OID Notes issue, previous senior secured promissory notes held by Dr Huh, the Company's Chairman, were cancelled in exchange for OID Notes with a principal amount of $1.25 million for a purchase price of $1 million, satisfied by a cash payment of $162,567 and the cancellation of $837,433 of outstanding principal of the cancelled notes. Management assessed whether the exchange resulted in substantially different terms in accordance with IFRS 9. The assessment involved comparing the present value of the revised contractual cash flows, discounted using the original effective interest rate, with the carrying amount of the financial liability immediately prior to the exchange.

Management concluded that the terms of the OID Notes were substantially different from the cancelled notes. Accordingly, the original notes were derecognised and a new financial liability was recognised at fair value at the OID Note issue date. The difference between the carrying amount of the original financial liability and the fair value of the new financial liability, together with the fair value of equity instruments issued as part of the transaction, resulted in a gain on extinguishment recognised in profit or loss during the year of $489,045.

17. BORROWINGS (CONTINUED)

As part of the financing, the Company extended Series A Warrants held by note investors. The Series A Warrants were classified as equity instruments under IAS 32. The warrants were measured at fair value at the extinguishment date and recognised within equity as non-cash consideration transferred to the lenders.

In December 2025, the Company entered into exchange agreements with the holders of the OID Notes to exchange the total principal amount of $1.8 million for pre-funded warrants ("Note Exchange Pre-Funded Warrants") to purchase 116,849 ADSs and unregistered note exchange warrants to purchase 116,849 ADSs ("Note Exchange Warrants"). The Pre-Funded Warrants have an exercise price of $0.0004 per ADS, will be immediately exercisable following the Shareholder Approval, and will not expire until fully exercised. The Note Exchange Warrants are exercisable commencing on the Shareholder Approval Date for a term of five years following the Shareholder Approval Date and have an exercise price of $16.16 per ADS. The aggregate fair value of the Note Exchange Pre-Funded Warrants and the Note Exchange Warrants at issuance date using a Black Scholes Option Pricing Model was $2.0 million based on a stock price of $0.25, expected volatility of 93%, a risk-free rate of 3.70% and an expected term of 5 years.

Management assessed whether the exchange resulted in substantially different terms in accordance with IFRS 9. The assessment involved comparing the present value of the revised contractual cash flows, discounted using the original effective interest rate, with the carrying amount of the financial liability immediately prior to the exchange.

Management concluded that the present value of the future cash flows was substantially different from the carrying value of the OID Notes. Accordingly, the OID Notes were derecognised and a loss on extinguishment of $2.2 million was recognised in profit or loss. The Company determined that the Note Exchange Prefunded Warrants and the Note Exchange Warrants met all the criteria for equity classification. Accordingly, each of the Note Exchange Prefunded Warrants and the Note Exchange Warrants were recorded as a component of equity.

18. DERIVATIVE LIABILITY

	Group		Company	
	2025 $000	2024 $000	2025 $000	2024 $000
Derivative liability	230	-	230	-

The derivative liability recognised in respect of the equity line of credit ("ELOC") purchase agreement is measured at fair value and classified as a Level 3 financial instrument under IFRS 13, Fair Value Measurement, due to the use of significant unobservable inputs.

The fair value of the derivative liability was determined using an appropriate valuation technique and reflects assumptions relating primarily to the projected share price, expected volatility and the probability of the Group meeting ongoing regulatory and listing requirements. The derivative liability was initially recognised at a fair value of $100,000 on inception of the ELOC arrangement and was remeasured to $230,000 as at 31 December 2025, with movements in fair value recognised in profit or loss.

19. CALLED UP SHARE CAPITAL

Issued and fully paid **Akari Therapeutics, Plc**	Ordinary shares No. of Shares	Share Capital $000
As at 1 January 2025	53,186,919,523	5,319
Issuance of ordinary shares	35,627,358,000	1,657
Issuance of share capital on conversion of convertible notes	387,880,000	39
Issuance of ordinary shares for services	1,002,900,000	100
Issuance of restricted shares	331,822,000	33
Cancellation of deferred shares	10	(7,148)
As at 31 December 2025	90,536,879,533	-

19. CALLED UP SHARE CAPITAL (CONTINUED)

Equity line of credit arrangement

On 29 August 2025, the Company entered into an equity line of credit arrangement with White Lion Capital, LLC, pursuant to which the Company may, subject to certain conditions, issue Ordinary Shares from time to time. As at 31 December 2025, no purchase notices had been issued under this arrangement.

Certain components of the ELOC arrangement are accounted for as derivative financial instruments and are recognised separately as a derivative liability in the statement of financial position. Further information is set out in Note 18.

Par value change

On 15 December 2025, shareholders approved a subdivision of each ordinary share (par value $0.0001) into one ordinary share with a reduced par value of $0.000000005 and 19,999 deferred shares with the same par value. The deferred shares carried negligible rights and were subsequently repurchased and cancelled. As a result of the transaction, the number of ordinary shares in issue remained unchanged.

Ordinary shares

On 15 December 2025, the Company's shareholders approved an increase in the authorised share capital of the Company's ordinary shares, with the result that, as at 31 December 2025, the Company was authorised to issue up to 761.96 billion Ordinary Shares (2024: 245.04 billion). At 31 March 2026 date, each American Depositary Share ("ADS") represented 80,000 Ordinary Shares, and all ADS and per-ADS amounts presented in the consolidated financial statements have been prepared on this basis.

December 2025 Registered Direct Offering

In December 2025, the Company closed a registered direct offering with institutional and non-institutional investors, pursuant to which it issued an aggregate of 19,057,418,000 ordinary shares (238,217 ADSs) together with Series G warrants to purchase up to 19,057,418,000 ordinary shares (238,217 ADSs). The combined purchase price per ADS and accompanying Series G warrant was $0.3883, resulting in aggregate gross proceeds of approximately $4.7 million.

The Series G warrants are exercisable at $15.532 per ADS and have a five-year term, commencing on the effective date of shareholder approval of the issuance of the ADSs underlying the warrants. Shareholder approval was obtained on 2 March 2026.

In connection with the offering, the Company paid placement agent fees of $0.5 million and issued placement agent warrants to purchase 12,607 ADSs, exercisable at $19.416 per ADS and expiring on 16 December 2030. Net proceeds from the offering were approximately $4.1 million, after deducting fees and other expenses.

December 2025 Private Placement

In December 2025, the Company entered into a private placement with certain directors of the Company, pursuant to which it issued pre-funded warrants to purchase up to 5,127,426,000 ordinary shares (64,093 ADSs) together with Series G warrants to purchase an equivalent number of ordinary shares, for aggregate gross proceeds of approximately $1.0 million. The pre-funded warrants are exercisable at a nominal price of $0.0004 per ADS, do not expire and become exercisable upon shareholder approval. The Series G warrants are exercisable at $16.164 per ADS for a term of five years commencing on the shareholder approval date.

October 2025 Registered Direct Offering

In October 2025, the Company completed a registered direct offering with institutional investors, pursuant to which it issued 6,250,000,000 ordinary shares (78,125 ADSs) together with Series E warrants and Series F warrants, each to purchase up to 78,125 ADSs. The combined purchase price per ADS and accompanying warrants was $32, resulting in aggregate gross proceeds of $2.5 million.

The Series E warrants are exercisable at $39.20 per ADS and expire on 15 December 2030, while the Series F warrants are exercisable at the same price and expire on 15 June 2028.

19. CALLED UP SHARE CAPITAL (CONTINUED)

In connection with the offering, the Company paid placement agent fees of $0.3 million and issued placement agent warrants to purchase 3,125 ADSs, exercisable at $40.00 per ADS and expiring on 14 October 2030. Net proceeds from the offering were approximately $2.0 million after deducting fees and expenses.

March 2025 Private Placement

In March and April 2025, the Company completed a private placement with investors and directors, pursuant to which it issued ADSs or pre-funded warrants together with Series A and Series B warrants.

Across the two tranches, the Company issued ADSs and pre-funded warrants representing Ordinary Shares, Series A warrants with a one-year term, and Series B warrants with a five-year term, each exercisable at $34.80 per ADS. Certain Series A warrants provide for variable settlement of between 1.0 and 1.5 ADSs depending on the level of investment.

Gross proceeds from the placement were approximately $6.6 million, including $1.0 million satisfied through the extinguishment of shareholder notes, with net proceeds of approximately $5.6 million after fees and expenses.

Merger with Peak Bio, Inc.

On 14 November 2024, the Company completed its previously announced strategic combination with Peak Bio. In connection with the acquisition, the Company issued 25,227,884,000 ordinary shares and assumed (i) November 2022 Peak Warrants to purchase an aggregate of 39,439 ADSs at $1,567.20 per ADS, and (ii) April 2023 Peak Warrants to purchase an aggregate of 29,675 ADSs at $81.60 per ADS.

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

November 2024 Private Placement

In November 2024, the Company entered into a definitive purchase agreement with certain investors, Dr. Prudo and Dr. Patel, pursuant to which the Company sold and issued in a private placement an aggregate of 3,426,804,000 ordinary shares (42,835 ADSs), and Series D Warrants (the "Series D Warrants") to purchase up to 42,835 ADSs, at a per unit price of $90.40 for aggregate gross proceeds of $3.2 million (the "November 2024 Private Placement"). The Series D Warrants have 3-year terms ranging from 2 December 2027 to 2 June 2028 and have cashless exercise provisions in limited circumstances.

At close of the November 2024 Private Placement, the Company incurred $204,000 in placement agent fees with Paulson Investment Company, LLC ("Paulson"). Net proceeds from the November 2024 Private Placement were approximately $2.8 million after deducting placement agent fees and other expenses. In April 2025, the Company issued 408,000,000 ordinary shares (5,100 ADSs) to Paulson in lieu of $204,000 in cash payment.

The Company determined that the Series D Warrants met all of the criteria for equity classification. Accordingly, upon closing of the November 2024 Private Placement, each of the Series D Warrants was recorded as a component of equity.

May 2024 Private Placement

In May 2024, the Company entered into a definitive purchase agreement with certain investors, Dr. Prudo and Dr. Patel, pursuant to which the Company sold and issued in a private placement an aggregate of 8,059,508,000 ordinary shares (100,744 ADSs), and Series C Warrants (the "Series C Warrants") to purchase up to 100,744 ADS, at a per unit price of $75.40 per ADS and Series C Warrant for aggregate gross proceeds of approximately $7.6 million (the "May 2024 Private Placement"). The Series C Warrants have 3-year terms ranging from 31 May 2027 to 21 June 2027 and have cashless exercise provisions in limited circumstances. The Series C Warrants (other than those issued to Dr. Prudo and Dr. Patel) have an exercise price of $70.40 per ADS. The Series C Warrants issued to Dr. Prudo and Dr. Patel have an exercise price of $71.60 per ADS. Net proceeds from the May 2024 Private Placement were approximately $7.0 million after deducting placement agent fees and other expenses.

19. CALLED UP SHARE CAPITAL (CONTINUED)

At close of the May 2024 Private Placement, the Company issued to Paulson, as placement agent for the May 2024 Private Placement, warrants to purchase 8,059 ADSs at an exercise price of $75.40 per ADS and a term expiring on 31 May 2029 (the "May 2024 Placement Agent Warrants"). The estimated fair value of the May 2024 Placement Agent Warrants on the issuance date was approximately $0.4 million.

The Company determined that the Series C Warrants and May 2024 Placement Agent Warrants met all of the criteria for equity classification. Accordingly, upon closing of the May 2024 Private Placement, each of the Series C Warrants and May 2024 Placement Agent Warrants was recorded as a component of equity.

March 2024 Private Placement

In March 2024, the Company entered into a definitive purchase agreement with certain existing investors, pursuant to which the Company sold and issued in a private placement an aggregate of 2,641,228,000 ordinary shares (33,015 ADSs) at $59.20 per ADS, for aggregate gross proceeds of approximately $2.0 million (the "March 2024 Private Placement"). Net proceeds from the March 2024 Private Placement were approximately $1.7 million after deducting placement agent fees and other expenses.

At close of the March 2024 Private Placement, the Company issued to Paulson, as placement agent for the March 2024 Private Placement, warrants to purchase 3,302 ADSs at an exercise price of $74 per ADS (representing 125% of the purchase price per ADS sold in the March 2024 Private Placement) and a term expiring on 27 March 2029 (the "March 2024 Placement Agent Warrants"). The estimated fair value of the March 2024 Placement Agent Warrants on the issuance date was approximately $0.2 million.

The Company determined that the March 2024 Placement Agent Warrants met all of the criteria for equity classification. Accordingly, upon closing of the March 2024 Private Placement, each of the March 2024 Placement Agent Warrants was recorded as a component of equity.

20. RESERVES

The following describes the nature and purpose of each reserve within equity:

Share premium - Accumulated amounts subscribed for share capital in excess of the nominal value of the share capital issued. Costs relating to the issue of shares are offset against share premium. Issue costs incurred in the year ended 31 December 2025 offset in share premium were $1,791,000 (31 December 2024: $1,284,000).

Retained earnings – Includes all current and prior period losses

Other reserves - Accounts for all other gains and losses reported by the group and not recognised elsewhere. Includes accumulated gains and losses arising from the retranslation of the net assets of overseas entities.

Share based payment reserve – This includes the cumulative fair value of share options and warrants.

Merger reserve – In accordance with the provisions of S612 of the Companies Act of 2006, the merger reserve represents (i) the premium on the shares issued to acquire Volution Immuno Pharmaceuticals SA, and (ii) the premium on the shares issued to acquire Peak Bio.

Reverse acquisition reserve – The reverse acquisition reserve relates to the reverse acquisition between Celsus Therapeutics PLC and Volution Immuno Pharmaceuticals SA on 18 September 2015.

Capital redemption reserve – Amounts transferred from share capital on redemption of issued shares.

21. WARRANTS

The fair value of the warrant liabilities is based on significant inputs not observable in the market, which represents a Level 3 measurement within the fair value hierarchy. The fair value of the September 2022 Series A Warrants, the September 2022 Series B Warrants, the November 2022 Peak Bio Warrants and the April 2023 Bio Peak Warrants 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.

	31 December 2025 Number	31 December 2024 Number *(Restated[1])*	Average exercises price	Expiration date
April 2023 Peak Bio Warrants	21,115	29,675	$81.06	28/04/2028
September 2022 Series B Investor Warrants	12,993	18,875	$680.00	14/09/2029
November 2022 Peak Bio Warrants	39,439	39,439	$1,567.20	01/11/2027
	73,546	87,989		

[1] The comparative information for 31 December 2024 has been restated to reflect the change in the ratio of American Depositary Shares to ordinary shares, with each ADS representing 80,000 ordinary shares.

Below are the assumptions used for the fair value calculations of warrants, adjusted where applicable to reflect the change in ADS ratio at the year ended 31 December 2025 and 31 December 2024:

	31 December 2025			31 December 2024 *(Restated[1])*		
	September 2022 Series B	November 2022 Peak Bio Warrants	April 2023 Peak Bio Warrants	September 2022 Series B	November 2022 Peak Bio Warrants	April 2023 Peak Bio Warrants
Stock price	$11.60	$11.60	$11.60	$48.80	$48.80	$48.80
Exercise price	$680	$1,567.20	$81.60	$680	$1,567.80	$81.60
Expected term (in years)	3.7	1.8	2.3	4.7	2.8	3.3
Volatility	100%	115%	105%	85%	95%	90%
Risk-free rate	3.7%	3.5%	3.5%%	4.4%	4.3%	4.3%

[1] The comparative information for 31 December 2024 has been restated to reflect the change in the ratio of American Depositary Shares to ordinary shares, with each ADS representing 80,000 ordinary shares.

The following table summarizes the activity in the warrant liability during the year ended 31 December 2025:

	September 2022 Series B ($000)	November 2022 Peak Bio Warrants ($000)	April 2023 Peak Bio Warrants ($000)	Total ($000)
Fair value at 1 January 2025	181	95	736	1,012
Reclassification to equity	-	-	(110)	(110)
Extinguishment of liability	(66)	-	-	(66)
Change in fair value of liability	(105)	(95)	(575)	(775)
Fair value at 31 December 2025	10	-	51	61

21. WARRANTS (CONTINUED)

The following table summarises the activity in the warrant liability during the year ended 31 December 2024:

	September 2022 Series A ($000)	September 2022 Series B ($000)	November 2022 Peak Bio Warrants ($000)	April 2023 Peak Bio Warrants ($000)	Total ($000)
Fair value at 1 January 2024	15	1,238	-	-	1,253
Assumption of Peak Bio Warrants	-	-	213	1,631	1,844
Change in fair value of liability	(15)	(1,056)	(119)	(895)	(2,085)
Fair value at 31 December 2024	-	182	94	736	1,012

The Company is accounting for the warrants in accordance with IAS 32 Financial Instruments: Presentation. IAS 32 provides that the Company's financial instruments shall be classified on initial recognition in accordance with the substance of the contractual arrangement and the definitions of a financial liability or an equity instrument.

The Company determined that the warrants represent freestanding financial instruments because based on the warrant term their volatility input would preclude an option contract from being considered indexed to an entity's own stock.

The following table summarises the Company's outstanding warrants as at 31 December 2025 and 2024:

	31 December 2025		31 December 2024	
	Number of ADS Warrants	Weighted Average Exercise Price ($)	Number of ADS Warrants *(Restated[1])*	Weighted Average Exercise Price *(Restated[1])* ($)
Outstanding at 1 January 2025	257,692	414.80	54,215	878.80
Granted during the year	1,429,223	68.80	159,940	76.40
Assumed during the year	-		69,114	929.20
Forfeited during the year	(5,882)	680	-	-
Expired during the year	(4,059)	1,798	(20,577)	820.80
Outstanding at 31 December 2025	1,676,972	73.60	257,692	414.80

[1] The comparative information for 31 December 2024 has been restated to reflect the change in the ratio of American Depositary Shares to ordinary shares, with each ADS representing 80,000 ordinary shares.

22. SHARE-BASED EQUITY AWARDS

2023 Equity Incentive Plan

On 30 June 2023, the Company's shareholders approved the 2023 Equity Incentive Plan (the "2023 Plan"), under which awards including share options, restricted stock, restricted stock units ("RSUs") and share appreciation rights may be granted to employees, directors and consultants.

On 30 June 2025, shareholders approved an increase in the number of ordinary shares available for issuance under the 2023 Plan by 11,026,000,000 shares, resulting in a total pool of 19,174,713,522 ordinary shares, including shares previously reserved under the 2014 Equity Incentive Plan that may become available through forfeiture, cancellation or lapse.

As at 31 December 2025, 9,084,764,210 ordinary shares remained available for future grant under the 2023 Plan. The 2023 Plan is administered by the Company's remuneration (compensation) committee. The exercise price of share options is not less than the fair value of the Company's ordinary shares at the date of grant, and the contractual term of awards does not exceed ten years. Vesting conditions are determined by the remuneration committee at the date of grant. Fair value is determined with reference to the quoted market price of the Company's ADS.

22. SHARE-BASED EQUITY AWARDS (CONTINUED)

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 are available to be issued under the 2014 Plan.

Peak Bio Long Term Incentive Plan

On 14 November 2024, in connection with the acquisition of Peak Bio, the Company assumed the Peak Bio Long Term Incentive Plan. Upon completion of the acquisition, no additional awards may be granted under the Peak Bio Long Term Incentive Plan. Any awards that are forfeited, expired or cancelled will not result in an increase in the number of Ordinary Shares available for grant under the Company's 2023 Share Incentive Plan.

As at 31 December 2025, options outstanding under the Peak Bio Long Term Incentive Plan entitled holders to purchase up to 3,003,024,000 Ordinary Shares.

Share Options

The following is a summary of the Company's stock option activity for the year ended 31 December 2025:

	31 December 2025		31 December 2024	
	Number	Weighted Average Exercise Price ($)	Number	Weighted Average Exercise Price ($)
Outstanding at 1 January	3,963,964,688	0.01	651,237,400	0.01
Granted during the year	12,281,792,000	0.00	447,368,000	0.00
Assumed during the year	-	-	3,236,162,000	0.00
Forfeited/expired during the year	(2,634,772)	0.01	(370,802,712)	0.01
Outstanding at 31 December	13,610,984,000	0.01	3,963,964,688	0.01
Exercisable (Vested) at 31 December	5,991,860,000	0.01	1,473,081,355	0.01

The weighted average remaining contractual life outstanding as of 31 December 2025 is 6.5 years (2024: 7.5 years).

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

Exercise price (range) ($)	Options outstanding at 31 December 2025	Weighted average remaining contractual life (years)	Weighted average exercise price ($)	Options exercisable at 31 December 2025	Remaining contractual life for exercisable options (years)	Weighted average exercise price for exercisable options ($)
<0.01	13,005,210,000	9.15	0.00087	5,390,210,000	9.00	0.00105
0.01-0.018	601,474,000	1.10	0.01149	597,349,000	1.06	0.01148
0.02-0.05	1,050,000	1.67	0.03599	1,050,000	1.67	0.03599
0.12-0.32	3,250,000	0.30	0.13916	3,250,000	0.30	0.13916
	13,610,984,000			**5,991,859,000**		

22. SHARE-BASED EQUITY AWARDS (CONTINUED)

Exercise price (range) ($)	Options outstanding at 31 December 2024	Weighted average remaining contractual life (years)	Weighted average exercise price ($)	Options exercisable at 31 December 2024	Remaining contractual life for exercisable options (years)	Weighted average exercise price for exercisable options ($)
<0.01	2,982,904,338	9.6	0.00139	504,021,005	8.8	0.00138
0.01-0.018	961,760,350	1.4	0.00975	949,760,350	1.4	0.00983
0.02-0.05	13,450,000	1.2	0.02651	13,450,000	1.2	0.02651
0.12-0.32	5,850,000	0.8	0.14193	5,850,000	0.8	0.14193
	3,963,964,688			**1,473,081,355**		

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 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 which are settled in ordinary shares as equity-classified awards. The Company measures equity-classified awards at their grant date fair value and does not subsequently re-measure them. 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.

Below are the weighted-average assumptions used for the options granted are below:

	Year ended 31 December	
	2025	**2024**
Expected dividend yield	0%	0%
Expected volatility	94.1%	83.0%
Risk-free interest	4.0%	3.9%
Expected life	5.7 years	5.0 years

Restricted Stock Units

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

22. SHARE-BASED EQUITY AWARDS (CONTINUED)

The following table summarizes the Company's restricted stock activity for the years ended 31 December 2025 and 2024:

	31 December 2025		31 December 2024	
	Number	Weighted Average Grant Fair Value	Number	Weighted Average Grant Fair Value
		$		$
Nonvested shares at 1 January	-	-	385,954,925	0.00
Granted during the year	209,792,000	0.97	731,393,807	0.00
Forfeited during the year	-	-	(482,249,417)	0.00
Vested during the year	(92,554,000)	1.26	(635,099,315)	0.00
Nonvested shares at 31 December	117,238,000	0.75	-	-

The fair value of time-based RSUs that vested during the years ended 31 December 2025 and 2024 was approximately $0.1 million and $0.5 million, respectively.

As of 31 December 2025, 12,554,000 Ordinary Shares underlying vested time-based RSUs were pending issuance. As of 31 December 2024, there were no ordinary shares underlying vested time-based RSUs.

Share-based Compensation Expense

The Company classifies stock-based compensation expense in the statement of comprehensive loss 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 consolidated statement of comprehensive loss for the years ended 31 December 2025 and 2024, was as follows:

	Year ended 31 December	
	2025 $000	2024 $000
Research and development	444	577
Administrative	2,446	1,026
Restructuring costs	-	285
Total stock-based compensation expense	2,890	1,888

As of 31 December 2025, total unrecognised compensation cost related to unvested share options and time-based RSUs was $3.8 million, which is expected to be recognised over a weighted average period of 2.7 years.

23. FINANCIAL INSTRUMENTS

The Group's activities expose it to financial risks: foreign current risk and credit risk and also non-financial risks: market risk. The Group's overall risk management program focuses on unpredictability and seeks to minimize the potential adverse effects on the Group's financial performance. The Board, on a regular basis, reviews key risks and, where appropriate, actions are taken to mitigate the key risks identified.

The fair value measurement of the Group's financial and non-financial assets and liabilities utilities market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the "fair value hierarchy"):

Level 1: Quoted prices in active markets for identical items;
Level 2: Observable direct or indirect inputs other than Level 1 inputs; and
Level 3: Unobservable inputs, thus not derived from market data.

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. There have been no transfers between levels during the period.

23. FINANCIAL INSTRUMENTS (CONTINUED)

The Group has the following categories of financial instruments as at 31 December 2025:

	31 December 2025 $000	31 December 2024 $000
Financial assets measured at amortised cost		
Other receivables	90	259
Financial liabilities measured at amortised cost		
Borrowings (Note 17)	673	1,300
Trade payables and other payables	11,620	17,597
Financial liabilities measured at fair value through profit or loss		
Derivative liability (Note 18)	230	-
Warrant liability (Note 21)	61	1,012

There is no significant difference between the fair value and the carrying value of financial instruments. All financial instruments are classified as current assets and current liabilities. There are no non-current financial instruments as at 31 December 2025.

For details of valuation techniques and significant unobservable inputs related to determining the fair value of the warrant liability, which is classified in level 3 of the fair value hierarchy, refer to Note 21.

The Company's Level 3 liabilities consist of the September 2022 Warrants, the November 2022 Peak Bio Warrants and the April 2023 Peak Bio Warrants, which were determined to be liability-classified instruments, and a derivative liability related to the ELOC Purchase Agreement (described in Note 18). There were no transfers between Level 1, Level 2, and Level 3 during the years ended 31 December 2025 and 2024.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

Financial risks factors:

The Group's activities are exposed to foreign exchange risk, liquidity risk, credit risk and interest rate risk. The Group's comprehensive risk management plan focuses on activities and strategies that reduce adverse effects on the financial performance of the Group to a minimum.

Foreign currency risk:

The Group is exposed to foreign currency risk arising on cash and receivables denominated in a currency other than the respective functional currencies of the Group. The currencies in which these transactions primarily are denominated are GBP Sterling (GBP), South Korean won (KRW) Swiss Franc (CHF) and Euro (EUR).

The following balances held in foreign currency at the reporting date are:

	Group		Company	
	31 December 2025 $000	31 December 2024 $000	31 December 2025 $000	31 December 2024 $000
GBP	360	1,537	308	1,278
CHF	17	104	-	50
EUR	2,958	2,587	2,933	2,540
KRW	582	5	-	-
Total net exposure	3,917	2,696	3,231	2,590

23. FINANCIAL INSTRUMENTS (CONTINUED)

Sensitivity analysis

A 10 percent strengthening/weakening of USD against the respective currencies at 31 December 2025 would have decreased/increased equity and profit and loss by the amounts shown below:

Group:

	Profit and loss		Equity	
	31 December 2025 $000	31 December 2024 $000	31 December 2025 $000	31 December 2024 $000
GBP	(36)	(153)	(36)	(153)
CHF	(2)	(10)	(2)	(10)
EUR	(295)	(258)	(295)	(258)
KRW	(58)	-	(58)	-
Total net exposure	(391)	(421)	(391)	(421)

Company:

	Profit and loss		Equity	
	31 December 2025 $000	31 December 2024 $000	31 December 2025 $000	31 December 2024 $000
GBP	(31)	(128)	(31)	(128)
CHF	-	(5)	-	(5)
EUR	(293)	(254)	(293)	(254)
Total net exposure	(324)	(387)	(324)	(387)

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities when expenses are denominated in a different currency from the Group's functional currency.

Credit risk:
Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or supplier contract, leading to a financial loss. Financial instruments that potentially subject the Group to concentrations of credit risk consist principally of cash. Cash and short-term deposits are deposited with major banks in Europe and the United States and invested mostly in U.S. dollars and Great British Pounds. Such redeemed upon demand and therefore bear low risk.

Liquidity risk:
The Group's financial instruments comprise equity investments, cash and various items such as trade debtors and trade creditors that arise directly from its operations. The main risk arising from the Groups financial instruments is liquidity risk. The Group seeks to maintain sufficient cash balances. Management reviews cash flow forecasts on a regular basis to determine whether the Group has sufficient cash reserves to meet future working capital requirements and to take advantage of business opportunities.

Interest rate risk
Akari Therapeutics, Plc manages interest rate risk through its financing arrangements. As of 31 December 2025, the Company had a cash balance of approximately $5.3million. Interest income may fluctuate due to changes in average cash balances and prevailing interest rates. Interest expense for the year ended 31 December 2025 primarily comprised the effective interest on debt instruments (see further details in Note 17), interest expense on the May 2024 Notes, costs related to the financing of directors' and officers' insurance premiums, and interest arising on notes assumed in connection with the Peak Bio acquisition. During the year ended 31 December 2025, interest expense was $948,524. Interest expense may fluctuate from period to period due to changes in average interest-bearing loans and related interest rates.

The Company does not currently use any financial hedging instruments to mitigate interest rate risk. Management assesses the impact of interest rate changes on the Company's financial position and results of operations to be immaterial.

24. RELATED PARTY TRANSACTIONS

Notes Payable, Related Party

Dr. Huh Notes

As part of the acquisition of Peak Bio, completed on 14 November 2024, the Company assumed certain notes payable to the Company's Chairman. These included promissory notes with an aggregate principal amount of $0.9 million issued in 2021, bearing interest at 1.0% per annum, and a promissory note with a principal amount of $0.75 million issued in January 2024, bearing interest at 15% per annum, which was extended to mature on 31 December 2025.

In March 2025, $1.0 million of principal and accrued interest under these notes was extinguished in exchange for ordinary shares and warrants of the Company. In September 2025, a portion of the remaining balance of the January 2024 Note was cancelled and replaced with an August 2025 Note. The transaction was accounted for as an extinguishment of financial liabilities, and a loss of $0.5 million was recognised in profit or loss.

For the year ended 31 December 2025, interest expense recognised in respect of these notes was $134,797. As at 31 December 2025 and 31 December 2024, outstanding principal and accrued interest amounted to $nil and $1.65 million, respectively, with accrued interest included in accrued expenses.

August 2025 Notes

In August 2025, the Company issued unsecured notes to certain directors on terms consistent with the August 2025 Notes described in Note 17, for an aggregate purchase price of $1.5 million and an aggregate principal amount of $1.9 million, including a note exchange with the Company's Chairman. The notes mature between 15 August 2026 and 18 August 2026, at which time the principal is due and payable.

In connection with the issuance of the notes, the Company amended certain existing Series A warrants held by the noteholders, extending the expiry dates of warrants exercisable for an aggregate of 49,330 ADSs (3,946,422,000 Ordinary shares) to dates ranging between 6 March 2030 and 25 April 2030. The modification of these warrants was accounted for as a transaction cost associated with the notes and was amortised to finance costs over the expected term of the notes using the effective interest method. During the period from issuance to cancellation of the notes, the Company recognised $0.1 million of amortisation within finance costs.

On 17 December 2025, the Company entered into exchange agreements with the holders of the August 2025 Notes, pursuant to which the total outstanding principal amount of $1.9 million was exchanged for:

- pre funded warrants to purchase up to 116,849 ADSs, exercisable at $0.0004 per ADS, and
- warrants to purchase up to 116,849 ADSs, exercisable at $16.164 per ADS for a term of five years from the shareholder approval date.

The exchange of the notes for equity instruments was accounted for as an extinguishment of financial liabilities. As the fair value of the equity instruments issued differed significantly from the carrying amount of the extinguished debt, the Company recognised a loss on debt extinguishment of approximately $0.6 million in profit or loss for the year ended 31 December 2025. The pre funded warrants and warrants issued on exchange met the criteria for equity classification and were recorded within equity.

Convertible Notes

On 10 May 2024, the Company issued unsecured convertible promissory notes with aggregate gross proceeds of $1.0 million. The notes bore interest at 15% per annum and matured on 10 November 2024, unless earlier converted. During October 2024, $0.75 million of the principal was repaid using proceeds from a UK research and development tax credit received from HM Revenue and Customs. The remaining principal and accrued interest were converted into the Company's American Depositary Shares at a conversion price of $63.60 per ADS.

For the years ended 31 December 2025 and 31 December 2024, interest expense recognised in respect of the notes was $nil and $72,959, respectively. As at 31 December 2025 and 31 December 2024, no balance remained outstanding and $0.3 million, respectively, was included in accrued expenses.

25. COMMITMENTS AND CONTINGENCIES

Leases

The Company leases office and laboratory space in the United States under short-term, cancellable arrangements. The Company vacated its UK office in May 2025. As at 31 December 2025, all lease arrangements were short-term or cancellable and no material lease commitments existed. Rent expense incurred for the years ended 31 December 2025 and 31 December 2024 was $60,050 and $186,695, respectively.

Employee benefit plans

The Company operates defined contribution plans for its employees in the United States and the United Kingdom. Contributions are expensed as incurred. For the years ended 31 December 2025 and 31 December 2024, contributions recognised in operating expenses amounted to $0.1 million in each year.

Bayer acquisition agreement

In November 2024, the Company assumed an agreement with Bayer relating to the acquisition of rights to PHP-303. Under the agreement, the Company may be required to pay development and regulatory milestone payments of up to $23.5 million, together with royalties on future product sales.

No milestone payments were triggered and no royalties were incurred for the years ended 31 December 2025 and 31 December 2024.

Legal proceedings

The Company is involved in certain legal matters arising in the ordinary course of business. All known matters were either settled during the year or are not expected to have a material adverse effect on the Company's financial position or results of operations.

Accounts payable settlements

During the year ended 31 December 2025, the Company entered into settlement agreements with certain vendors relating to outstanding payables, resulting in a gain of $3.0 million, which was recognised in profit or loss.

26. POST BALANCE SHEET EVENTS

On 17 March 2026, the Company announced a change in the ratio of its American Depositary Shares ("ADSs") to ordinary shares, par value $0.000000005 per share, from one ADS representing 2,000 ordinary shares to one ADS representing 80,000 ordinary shares (the "ADS Ratio Change"). The ADS Ratio Change became effective on 31 March 2026 and has been applied retrospectively to these financial statements.

On 21 May 2026, the Company announced the pricing of a $5.5 million private placement of ADS's and warrants. Proceeds will be used for working capital and general corporate purposes, including advancement of its lead ADC programme, AKTX-101. The financing is being completed in three tranches.

27. ULTIMATE CONTROLLING PARTY

The directors do not believe that there is an ultimate controlling party of the Group.