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

FORM 10-K

(Mark One)

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

For the fiscal year ended December 31, 2025

OR

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

For the transition period from _____ to _____

Commission File Number 001-36288

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

England and Wales **(State or other jurisdiction of incorporation or organization)**	**98-1034922** **(I.R.S. Employer Identification No.)**
401 East Jackson Street, Suite 3300 **Tampa, FL** **(Address of principal executive offices)**	**33602** **(Zip Code)**

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

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
American Depository Shares, each representing 2,000 Ordinary Shares, par value $0.000000005 per share	**AKTX**	**The Nasdaq Capital Market**
Ordinary Shares, $0.000000005 par value per share*		**The Nasdaq Capital Market**

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

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. YES ☐ NO ☒

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. YES ☐ NO ☒

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

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

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

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

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

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

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

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the Registrant, based on the closing price of the Registrant's American Depository Shares, as reported on the Nasdaq Capital Market on June 30, 2025, was $15.0 million.

The number of shares of Registrant's Ordinary Shares outstanding as of March 1, 2026 was 91,567,009,533.

DOCUMENTS INCORPORATED BY REFERENCE

None.

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GENERAL INFORMATION

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

Website addresses referenced in this Form 10-K are provided for convenience only, and the content on the referenced websites does not constitute a part of, and are specifically not incorporated by reference into, this Form 10-K.

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

NOTE REGARDING FORWARD-LOOKING STATEMENTS

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

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

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

SUMMARY OF PRINCIPAL RISK FACTORS

Below is a summary of material factors that make an investment in our American Depositary Shares ("ADSs") speculative or risky. Importantly, this summary does not address all the risks and uncertainties that we face. Additional discussion of the risks and uncertainties summarized in this risk factor summary, as well as other risks and uncertainties that we face, can be found within Part I, Item 1A, "Risk Factors" in this Form 10-K. The below summary is qualified in its entirety by those more complete discussions of such risks and uncertainties. You should consider carefully the risks and uncertainties described under Part I, Item 1A, "Risk Factors" in this Form 10-K as part of your evaluation of an investment in our ADSs.

- We have a history of operating losses and cannot give assurance of future revenues or operating profits.
- We will require substantial additional capital to fund our operations, and if we are unable to obtain such capital, we will be unable to successfully develop and commercialize any product candidates.
- We have identified material weaknesses in our internal control over financial reporting.
- We have not initiated clinical studies for any of the programs in our active pipeline or entered into any strategic partnerships regarding the continued development of our legacy pipeline assets. As a result, it may be years before we commercialize a product candidate, if ever.
- If preclinical studies or clinical trials of our product candidates are prolonged or delayed, we may be unable to obtain required regulatory approvals and therefore be unable to commercialize our product candidates or any of our future product candidates on a timely basis or at all.
- We may encounter substantial delays in the commencement, enrollment or completion of clinical trials or we may fail to demonstrate safety and efficacy to the satisfaction of applicable regulatory authorities, which could prevent us from commercializing any product candidates we determine to develop on a timely basis, if at all.
- Serious adverse events, undesirable side effects or other unexpected properties of our product candidates may be identified during development or after approval, which could lead to the discontinuation of our development programs, refusal by regulatory authorities to approve our product candidates or, if discovered following marketing approval, revocation of marketing authorizations or limitations on the use of our product candidates, any of which would limit the commercial potential of such product candidates.
- Our proprietary ADC Platform (as defined herein) is based on novel technologies that are unproven and may not result in approvable or marketable products, which exposes us to unforeseen risks and makes it difficult for us to predict the time and cost of product development and potential for regulatory approval, and we may not be successful in our efforts to expand our development portfolio of product candidates.
- Interim, initial, or preliminary results from our preclinical testing or clinical trials that we announce or publish from time to time may change as more patient data become available and are subject to additional audit, validation and verification procedures that could result in material changes in the final data.
- We or a future strategic partner may choose to, or may be required to, suspend, repeat, or terminate clinical trials of our assets if they are not conducted in accordance with regulatory requirements, the results are negative or inconclusive or the trials are not well designed.
- Our employees, independent contractors, principal investigators, contract research organizations, consultants, vendors and collaboration partners may engage in misconduct or other improper activities, including non-compliance with regulatory standards.
- Our industry is highly competitive, and our product candidates may become obsolete.
- If we are unable to establish sales, marketing and distribution capabilities on our own or through collaborations with partners, we may not be successful in commercializing any approved drugs.
- Even if any of our current or future product candidates receive marketing approval, such product candidates may fail to achieve market acceptance by physicians, patients, third-party payors or others in the medical community necessary for commercial success, in which case we may not generate significant revenues or become profitable.
- Even if we are able to commercialize any product candidate, the third-party payor coverage and reimbursement status of newly approved products is uncertain. Failure to obtain or maintain adequate coverage and reimbursement for our product candidates could limit our ability to market those products and decrease our ability to generate revenue.
- Our future growth may depend, in part, on our ability to commercialize products in foreign markets, where we would be subject to additional regulatory burdens and other risks and uncertainties.
- EU drug marketing and reimbursement regulations may materially affect our ability to market and receive coverage for our products in the EU Member States.

- Our success depends in part on our ability to protect our intellectual property and proprietary technologies.
- We rely on third parties to conduct, supervise and monitor our preclinical studies and clinical trials, and to manufacture our product candidates, and if those third parties perform in an unsatisfactory manner it may harm our business.
- We are currently operating in a period of economic uncertainty and capital markets disruption, which has been significantly impacted by geopolitical instability. Our business, financial condition and results of operations could be materially adversely affected by any negative impact on the global economy and capital markets resulting from the geopolitical tensions or high inflation.
- Our business is subject to risks associated with conducting business internationally.
- Insiders own a significant amount of our outstanding shares which could delay or prevent a change in corporate control or result in the entrenchment of management and/or the board of directors.
- Future sales and issuances of our ordinary shares or ADSs or rights to purchase ordinary shares or ADSs pursuant to our equity incentive plans could result in additional dilution.
- We have in the past and may in the future fail to meet the requirements for continued listing on Nasdaq, causing our ADSs to be delisted.
- The rights of our shareholders may differ from the rights typically offered to shareholders of a U.S. corporation.

PART I

Item 1. Business.

Overview

We are an oncology company developing next-generation antibody-drug conjugates ("ADCs") built around novel, proprietary payloads utilizing powerful biology to attack cancer. Our lead payload, PH1, targets RNA splicing by modulating the spliceosome, a complex machinery in the cell that converts pre-RNA into spliced RNA for translation into vital proteins for cell survival and growth. PH1's disruption of normal RNA splicing has multiple modes of action on cancer cells: 1) cell killing and cytotoxicity that causes cancer cell death and 2) generates neoantigen proteins that activates both the innate and adaptive immune systems to drive robust and durable cancer killing activity in preclinical models. Additionally, AKTX-101 is active against urothelial cancers with FGFR3- fusions, lung cancers with SMARCA4 deletions and BRAF G466V mutations, and K-Ras G12V driven pancreatic cancers, whereas the PH1 payload has been demonstrated to be active against metastatic prostate cancer cells driven by AR-v7 and AR-hormone dependent prostate cancer showing the power of the PH1 payload against oncogenes derived from spliced isoforms/variants. Utilizing the novel PH1 payload as a platform, the Company has the ability to generate a pipeline of ADC candidates each focused on a different cancer antigen target of interest (i.e. Trop-2, CEACAM5). Akari's lead candidate, AKTX-101, targets the Trop-2 receptor on cancer cells and is engineered with a proprietary linker to deliver its novel PH1 payload directly into the tumor with minimal off-target effects. In preclinical studies, AKTX-101 has shown to have significant activity and prolonged survival relative in animal models relative to an ADC with a traditional payload (topoisomerase1 inhibitor). Additionally, because of the unique generation of neoantigens by PH1, AKTX-101 has the potential to be synergistic with checkpoint inhibitors and has demonstrated prolonged survival as a combination regimen that is greater than the additive efficacy of either the ADC or checkpoint inhibitor alone. The Company is advancing its lead asset AKTX-101 towards clinical trials and has initiated IND enabling studies for AKTX-101 with a goal of starting its First-In-Human Phase 1 trial by late 2026/early 2027. The Company is also advancing AKTX-102, an ADC against a novel antigen target CEACAM5, which is highly relevant in pancreatic, colon, stomach, esophageal, and lung cancers.

Background

Cancers are the second leading cause of mortality in the United States and the leading cause of death for those under 65 years of age. The American Cancer Society estimates that approximately 626,000 people will die of cancer in the United States in 2026.

ADCs are a class of cancer therapies that combine the precision targeting of antibodies with payload toxins or chemotherapy 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 and chemotherapies. For example, there is a range of approved ADCs with antibodies that target the Her2, Trop-2, 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. All of the currently approved and marketed products, and more than 90% of ADCs in late-stage clinical development of which we are aware, utilize payloads from just two standard classes: (1) microtubule inhibitors or (2) DNA-damaging agents such as topoisomerase I inhibitors.

Despite the initial success of ADCs as oncology therapies, each of these payload classes has limitations in terms of delivering significant and enduring efficacy, and manageable toxicity and tolerability for cancer patients:

- Microtubule Inhibitors: resistance by cancer cells after initial response, off-target toxicity to healthy tissues and cells, and limited efficacy against static cancer cells that are not in cell division mode. In the case for an ADC therapy used in 1st line bladder cancer, 50% of patients will relapse in ~12 months after initiation of the ADC therapy, even when used in combination with a checkpoint inhibitor.
- Topoisomerase I Inhibitors: resistance by cancer cells after the initial response; off-target toxicities, that include lung scarring, gastrointestinal and hematological/blood toxicities (including low white blood cells and platelets), and a limited ability to combine with other cancer therapies that have overlapping toxicities. All current ADCs using this payload have either Black Box warnings or significant warnings/precautions for severe side effects by the FDA.

Our ADC approach centers on creating novel payloads that work through different and powerful biological mechanisms as compared to these standard payload classes. We believe that doing so may allow us to discover and develop ADCs that solve for the known limitations outlined of current therapies that utilize existing payload classes. However, our strategy is new and unproven, and we cannot guarantee that we will be successful in our efforts.

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

- more effective cancer-killing properties, or cytotoxicity;
- activating the powerful immune system to harness its proven ability to kill cancer;
- synergize (more than additive) with other key therapies used today such as anti-PD1 and anti-PD-L1 therapies ("checkpoint inhibitors") to activate the immune system to potentially deliver even greater efficacy results than either agent alone;
- greater sustained duration and depth of efficacy response to ADC therapy to regress or eliminate the cancer;
- reduced tumor resistance; and
- improved safety and tolerability relative to the current ADCs available.

Our lead payload, PH1, derives its 1) cytotoxic and 2) immune activating properties from its ability to disrupt the function of spliceosomes, which play a critical role in protein synthesis. In addition to the cytotoxic or cell killing properties of the PH1 payload, we have observed in preclinical studies that PH1 triggers an immune response that leads to additional cancer cell killing via the activation B-cells and T-cells through neoantigen formation on the cancer cell. We believe this dual 1-2 mode of action of tumor killing by PH1 is differentiated from current standard ADC payloads used today and suggests that PH1 presents a unique approach to immuno-oncology ADC therapies moving forward.

Our lead product candidate is AKTX-101, a preclinical Trop-2–targeting ADC that combines PH1 with a proprietary non-cleavable linker and antibody construct. We are developing AKTX-101 as a potential best-in-class Trop-2 ADC based on preclinical differentiation described in this Annual Report on Form 10-K and our public scientific updates. Trop-2 is an antigen target expressed in several solid tumor cancers with significant unmet need, including lung, breast, bladder, gastric, head and neck, pancreatic, and others. Given the wide expression of Trop-2, AKTX-101 as the potential to address a wide range of cancers affecting hundreds of thousands of patients globally.

In addition, we have expanded our PH1-based pipeline with AKTX-102, a CEACAM5-directed ADC program that combines a novel CEACAM5-targeting antibody construct with PH1, reflecting the scope of our research capabilities, and the potential of our PH1 payload to be designed into novel ADC candidates. and ADC design capabilities while we prioritize resources on the lead program.

Our Strategy

We aim to create more effective ADC cancer therapies for patients that aim to arrest and destroy cancer by leveraging our payload biology and chemistry expertise to harness the power of the immune system to create potentially superior ADC therapies for cancer patients. We intend to leverage the core capabilities of our experienced team in cancer biology and chemistry, as well as experienced senior leadership in the oncology field to advance our novel ADC payload and resulting ADC candidates.

Our approach is focused on three key areas:

- *Advance AKTX-101 to a potential initiation of a first-in-human ("FIH") Phase 1 trial to establish its safety and potential clinical activity.* AKTX-101 has demonstrated its robust efficacy and safety in several preclinical models to date. We intend to focus on defining the tumor strategy that drives the fastest and most efficient strategy for development and approval while maximizing the future commercial opportunity as part of this. We will continue developing additional preclinical data to support this strategy, developing a high-quality Good-Manufacturing Practice (GMP) product supply, and complete formal non-clinical and toxicology studies needed to support a future IND or other regulatory submission(s) required for the Phase 1a FIH trial.
- *Leverage our ADC product candidates and novel PH1 payload to partner with biopharmaceutical companies that desire to develop immuno-oncology ADCs with a powerful approach that could achieve superior efficacy outcomes to current ADC therapies.* Our focus is on advancing our novel ADCs and PH1 proprietary payload that enables a broad and flexible partnering strategy that allows us to out-license rights to specific ADCs, such as AKTX-101, or license rights to our novel proprietary payload PH1 to partners that want to develop their own proprietary novel ADC product candidates.

- *Continue to Progress AKTX-102, our discovery-stage ADC that utilizes PH1 against a novel cancer target.* Our AKTX-102 ADC product candidate is a novel antibody construct that is unprecedented and utilizes PH1 as its payload for robust cell killing and immune activation against the cancer. From our initial early data, we believe AKTX-102 has the potential to overcome limitations of current CEACAM5 ADCs still in clinical testing. We plan to advance the development of AKTX-102 towards a lead product candidate, and future preclinical efficacy and safety studies as appropriate.

Our Novel Payload

PH1: Our Lead Payload That Targets RNA Splicing

PH1, or Thailanstatin ThA13, is an analog of a toxin produced by the bacterium *Burkholderia thailandensis* MSMB43, with cytotoxic properties that stem from its ability to inhibit the ability of spliceosomes in eukaryotic cells to properly generate mature messenger mRNA ("mRNA") from pre-messenger RNA ("pre-mRNA") during the step of protein synthesis called splicing.

We believe spliceosomes are attractive targets for ADCs because the inhibition or significant modulation of spliceosome function prevents cells from receiving critical information necessary for their continued survival. During splicing, pre-RNA is converted to mRNA via the removal of "junk" sequences of pre-mRNA called introns, and the stitching together of the meaningful parts of pre-mRNA called exons. After the introns have been removed and the exons stitched together, the resulting mRNA is then translated into proteins. The spliceosome is the machinery responsible for the correct splicing of pre-mRNA and resultant formation of mRNA.

Faulty spliceosome function, results in improper construction of exons, leading to faulty mRNA and resultant aberrant proteins. Accumulation of thousands of aberrant mis-spliced RNA sequences result in numerous misfolded and unnatural proteins within the cell. This causes the cell to die by endoplasmic reticulum stress, unfolded protein response, and other various mechanisms. The accumulation of these mis-spliced RNA cells also produces unnatural proteins called neoepitopes and act as neoantigens, which generate an immune activation response that leads to further elimination of cancer cells by the immune system that express similar neoepitopes. We believe the secondary cytotoxic effect of spliceosome malfunction that results from neoepitope formation makes the use of spliceosome modulators/inhibitors attractive in the development of potential ADC therapies due to their potential to exhibit a 1-2 Mechanism of Actin punch, through which the payload targets and kills cancer cells, and the resultant formation of neoepitopes/neoantigens triggers the body's immune system to also attack the cancer with powerful response.

Preclinical data that we have generated indicates that PH1 possesses the ability to induce neoepitope formation. In an *in vitro* study, we performed an unbiased comparison of our PH1 – a microtubule inhibitor payload, ravtansine ("DM4"), and dimethyl sulfoxide ("DMSO") vehicle control – to treat human gastric cancer cells. After treatment by each test agent. We performed RNA sequencing of all genes and looked for sequences that would give rise to neoepitopes. After identifying the normal and novel RNA species, we highlighted the neoepitope-containing species that respectively increased in response to treatment with DM4 and PH1, as compared to the control treatment (DMSO). We observed that PH1-treated cells contained 765 neoepitope-containing RNA species, representing approximately 9 times the number of neoepitope-containing species created by DM4, which suggests that PH1 may be highly proficient at recruiting immune cells to the tumor and stimulating immune-cell mediated cancer cell death. When we looked for genes that were negatively impacted and reduced in quantity, we found 660 unique RNA species were depleted in PH1-treated cells, which was over three times greater than the number found in DM4-treated cells.

Summary of Preclinical Studies of PH1

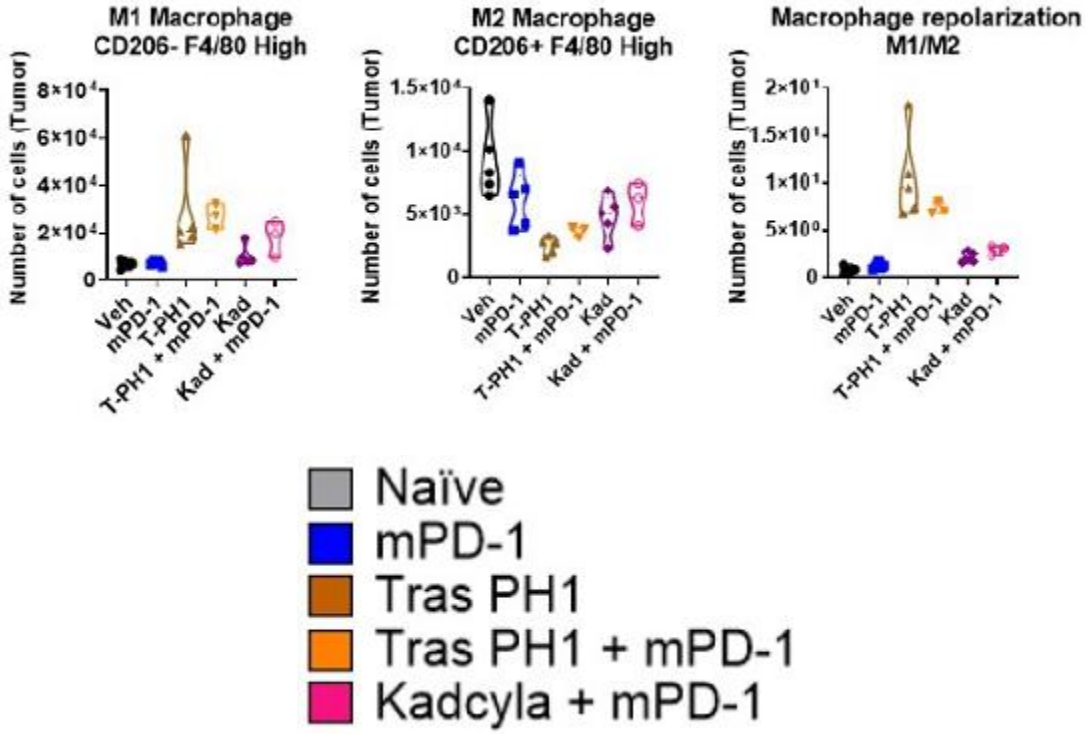
We have further examined the cytotoxic and immunostimulatory effects of PH1 as part of multiple ADC molecules against multiple antigen targets (HER2, Trop-2, CEACAM5, etc.) and across several solid tumor types. To further establish the immuno-oncology effects of PH1, we have explored the efficacy of these ADC-PH1 molecules as both a single agent compared to checkpoint inhibitors and in combination with checkpoint inhibitors to evaluate its synergistic effects and ability to drive profound efficacy benefits. In *in vitro* gastric and breast cancer models, we compared the cytotoxicity of an ADC comprised of PH1 conjugated to a Her2 antibody ("Her2-PH1 ADC") with that of Kadcyla®, a Her2-targeting ADC commercially approved for use in the treatment of Her2-positive breast cancer. In both studies, the Her2-PH1 ADC demonstrated superior cytotoxic activity. We also studied PH1 conjugated to a novel target (undisclosed) in an *in vitro* preclinical model of non-small cell lung cancer (NSCLC) and found that the PH1 ADC showed increased anti-tumor activity in comparison to a vehicle comprised of the naked antibody alone.

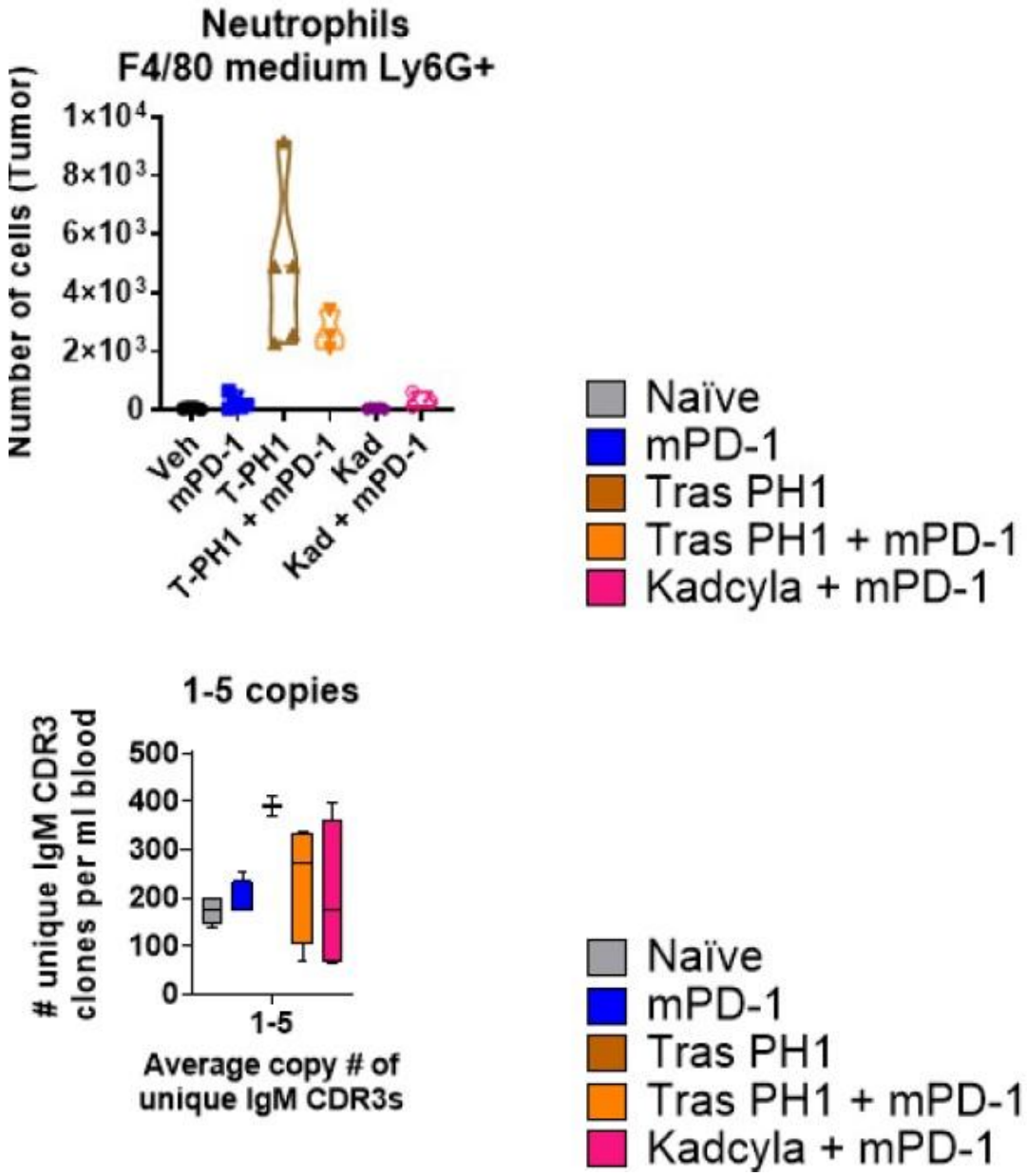
We have also studied PH1's potential synergies with checkpoint inhibitors in a mouse colon cancer model in which we examined tumor regression and overall survival rates in 76 mice that were injected subcutaneously with colon cancer cells expressing Her2. We compared a Trastuzumab-PH1 ADC against Kadcyla®, (Kadcyla® is not approved for colon cancer) both as a single agent treatment and in combination with checkpoint inhibitor therapy ("I/O"). When administered as a combination with I/O therapy, the Her2-PH1 ADC demonstrated significant greater survival rates vs Kadcyla plus I/O therapy. The Trastuzumab-PH1 ADC induced 14 complete tumor regressions ("CRs") whereas 5 tumors rebounded after initial shrinkage (n=19 mice per arm). As a result, 73% of Her2-PH1 + I/O treated mice showed complete regressions and were still on study at 5 months, and median survival was not reached. In the Kadcyla® combination arm with I/O, there were 8 CRs and 11 tumor rebounds, and 42% of Kadcyla® + I /O treated mice were tumor-free at 5 months. The median survival of Kadcyla® + I/O treated mice was 149 days.

A second *in vivo* preclinical mouse study was performed to demonstrate the immunological memory to attack cancer that is created uniquely by the PH1 payload. Using an identical mouse colon cancer model with the cancer cells expressing Her2 as described previously, the mice developed measurable tumors and were then treated with two doses of a Trastuzumab-PH1 ADC, both as monotherapy and in combination with I/O. Of the eight mice treated with the Trastuzumab-PH1 ADC in combination with I/O, seven (87.5%) had achieved CR and survived at 150 days. These seven mice that had complete tumor/cancer remissions were subsequently rechallenged with colon cancer cells expressing Her2, similar to the cells administered at the onset of the study. No tumor growth was observed in any of the seven mice after they were rechallenged with colon cancer cells. These zero occurrences of colon cancer were found despite these mice not receiving any additional treatment with the Trastuzumab-PH1 ADC after being rechallenged, indicating that these mice retained immune memory developed during the initial treatment of Trastuzumab-PH1 against the colon cancer cells expressing Her2. Based on the results of these two in vivo studies, we believe that PH1 has the potential to generate a powerful immunostimulatory effect and may possess synergies with checkpoint inhibitors, which could improve the longer-term control of cancer that could result in enduring remissions.

To further understand PH1's unique ability to drive a powerful immune response observed in these studies, immune cell repertoire analysis of the blood and tissue were performed from the mice treated in the first Her2 colon cancer in vivo experiment described previously.

In this analysis, it was found that the Trastuzumab-PH1 ADC was uniquely able to drive a multi-modal immune response of both the innate and adaptive immune system not seen with the Kadcyla ADC or with an anti-PD1 inhibitor. These changes included a polarization of macrophages to the pro-inflammatory phenotype, an increase in neutrophils, and an increase in diverse B cells that generate a wide range of IgM antibodies:





In addition to the unique immune activation seen with Trastuzumab-PH1 as a single agent, when this ADC-payload was combined with an anti-PD1 inhibitor, a unique expansion of Gamma Delta T Cells was observed and not seen with any other comparator arms including Kadcyla® + I /O or anti-PD1. The expansion of this T cell is profound given this subpopulation of T-cells is known to attack cancer through a rapid response and has high cytotoxic activity, likely explaining some of differentiated complete remission rates seen in the in vivo mouse experiment. This data demonstrates the unique design, action, and results seen with the PH1 payload that is highly differentiated from current payloads used with traditional ADC molecules and enables the opportunity to potentially drive even better clinical outcomes for patients.

PH1 payload designed to evade traditional ADC payload resistance mechanism by cancer cells:

We have also observed that PH1 may be less susceptible to multidrug resistance ("MDR"), which can occur when cancer cells develop resistance to chemotherapeutic agents. One mechanism by which MDR occurs is through the overexpression of what are referred to as MDR transporters, which have the ability to pump standard ADC payloads (topoisomerase 1 and microtubule inhibitors) out of the cell before the payload can kill the cell.

We evaluated PH1 and Monomethyl auristatin E's (MMAE, microtubule inhibitor) ability to kill mouse embryonic stem ("MES") cells with normal and high levels of MDR. We found that MMAE, but not PH1, was recognized by these pumps, and the presence of high levels of these pumps reduced the in vitro cytotoxicity (IC50) of MMAE by ~ 200x. However, for the PH1 payload, the presence of high levels of these pumps had no significant effect on its cytotoxic potency, as PH1 was not recognized by MDRs and thus not pumped out of the cell. To confirm that the MDR resistance mechanism was at play for MMA3, the MDR-specific inhibitor Elacridar when applied to the cell prevented MDR pumps in MDR-high MES cells from pumping MMAE payload out of the cell, allowing accumulation of MMAE, and returning MMAE's cell killing potency back to baseline. This finding confirmed that the loss of MMAE's potency was specific to the increase in the number of MDR pumps and did not occur when we blocked MDR's ability to pump out the payload using Elacridar. We believe this is important because MDR transporters are known to be implicated in the emergence of resistance against many chemotherapies, including some ADC payloads. Furthermore, if MDRs recognized PH1, it would have reduced its potency and restricted its cytotoxicity to only targets that were highly expressed in cancer cells.

AKTX-101: Our Lead ADC Product Candidate

We aim to establish a best-in-class Trop-2-targeting ADC with our lead product candidate AKTX-101. AKTX-101 is designed to treat solid tumors by delivering PH1 into cells expressing Trop-2. Trop-2 is a cell surface antigen which is upregulated in a variety of malignant tumors, including lung, breast, urothelial, gastric, pancreatic, and other solid tumors, but has limited expression in normal human tissues, making it an ideal target in cancer.

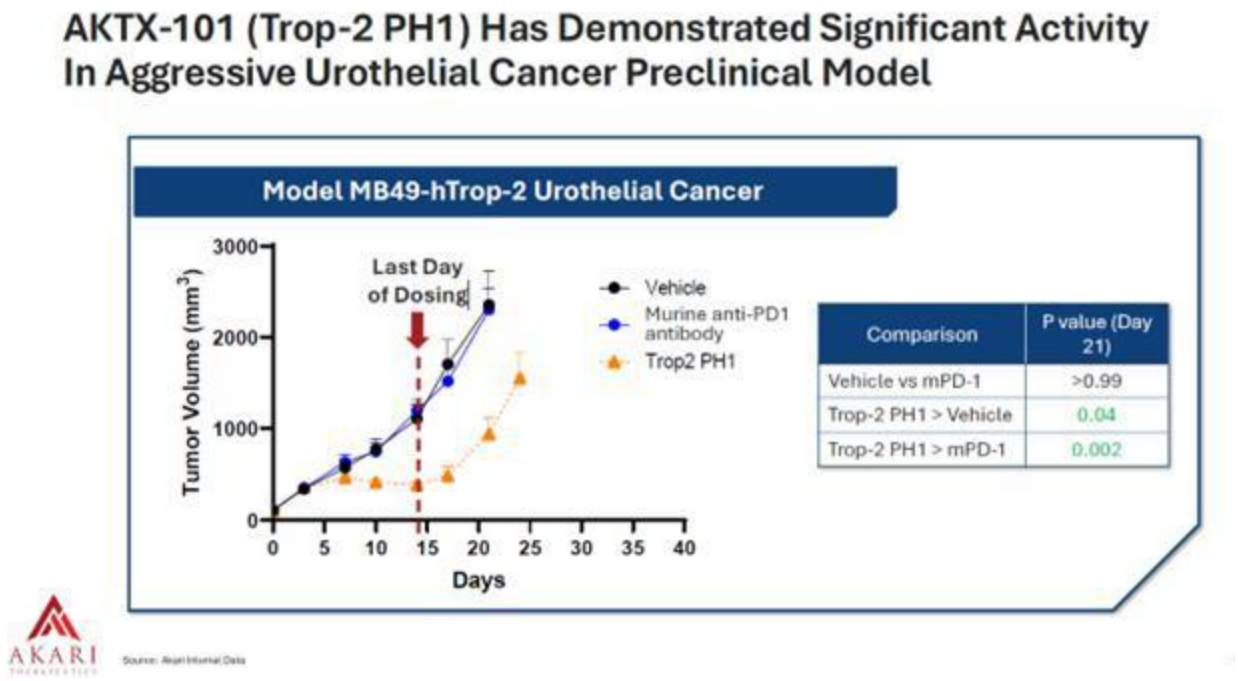
We have studied AKTX-101 in a number of preclinical models, both *in vitro* and *in vivo,* as well as in a non-human primate ("NHP") toxicity study. Based on our preclinical experiments, we believe AKTX-101 may have the potential to offer advantages over existing therapies in terms of increased cytotoxicity, reduced resistance, better tolerance, and most importantly, activating the innate and adaptive immune system to drive enduring efficacy. In *in vitro* preclinical studies, we compared AKTX-101 (drug antibody ratio ("DAR") 4) to a currently approved Trop-2-targeting ADC Trodelvy® (with DAR 8). We found that AKTX-101 showed greater cytotoxicity at lower drug doses in gastric, pancreatic and bladder cancer models. To further corroborate our *in vitro* observations, we evaluated AKTX-101 and the same currently approved ADC in an *in vivo* model against the same Trop-2 gastric carcinoma cell-line derived xenograft grown as tumors in mice. Two doses of each agent were given with the currently approved ADC administered at 10 mg/kg while AKTX-101 (DAR 4) was administered at 3 mg/kg. Both treatments induced tumor regression at 3-6 weeks. Throughout the study at different timepoints (day 21, day 42, and day 150), the AKTX-101 arm delivered significantly superior efficacy compared to Trodelvy® validated PH1's greater cytotoxic ability to kill cancer cells even at significantly lower active drug doses.

First-line checkpoint inhibitor therapy is standard-of-care ("SOC") for platinum-ineligible patients that have recurrent, resistant, or metastatic urothelial cancer. Also, the Trop2 ADC Trodelvy® had accelerated approval for the treatment of metastatic urothelial cancer but was later withdrawn in November 2024. Therefore, we generated a syngenetic mouse urothelial model expressing human Trop2 that failed to respond to checkpoint blockade as a single agent after tumors exceeded a certain size threshold.

In these studies, SOC anti-PD-1 therapy showed no significant TGI relative to control tumors ($p>0.99$). We then evaluated whether AKTX-101 single agent therapy was active in this SOC unresponsive syngeneic mouse model.

AKTX-101 prevented growth of pre-established urothelial tumors up until the last dose on Day 14 in this immune competent model. AKTX-101-treated tumors exhibited significantly delayed tumor growth relative to vehicle-treated controls ($p=0.04$) and relative to SOC ($p=0.002$).

A P-value is a statistical measurement that measures the strength of evidenced against a null hypothesis, ranging from 0 to 1. A P-value measures the probability of obtaining results as extreme or more extreme than observed, assuming the null hypothesis is true. A lower P-value, indicates stronger evidence to reject the null hypothesis.



The use of our proprietary L22 linker in AKTX-101 may contribute to a safety profile that has the potential to be superior to currently approved Trop-2-targeting ADCs. As a non-cleavable linker, L22 causes the PH1 payload to bind irreversibly to the spliceosome machinery, thereby eliminating the potential for PH1 to be released by the cancer cell and thus enter and kill normal, non-cancerous cells. In pre-clinical *in vitro* models, AKTX-101 demonstrated minimal killing of normal human fibroblasts not expressing Trop-2 in comparison to an approved Trop-2-targeting ADC, which, due to its known bystander effect, is toxic to normal human fibroblasts. We believe this preclinical data suggests that a higher therapeutic index may be possible using AKTX-101 over current Trop-2 ADCs available today. We also studied the toxicity and tolerability of AKTX-101 in a NHP model. We evaluated AKTX-101 in this study and performed a repeat-dose study wherein three ADC doses were intravenously administered every three weeks, followed by a three-week recovery period. To gain an understanding of the maximal cumulative effects of AKTX-101, animals were evaluated two days after receiving the last of all three doses being administered. Reversibility was addressed in another set of animals that received all three doses but were allowed a three-week recovery period. Histopathology was performed unilaterally for all tissues in both sets of animals. We found that AKTX-101 was well-tolerated with observed side effects that were transient (skin rash, mild thrombocytopenia and mild elevation of liver enzymes) and resolved within weeks after administration. Based on these results seen across the doses and frequency tested, and when analyzed with the dosing regimens driving efficacy in preclinical models, we believe there is a suitable Therapeutic Index to support moving AKTX-101 into Phase 1 trials.

In addition to these findings, importantly, there was no evidence of neutropenia, leukopenia, interstitial lung disease or mucosal inflammation, which have been associated with other Trop-2-targeting ADCs that use standard payloads comprising of topoisomerase I inhibitors. We believe the absence of observed lung complications, colitis and hypothyroidism in this study may further support AKTX-101's potential suitability and feasibility for use in combination with checkpoint inhibitors, given these side effects are often common with checkpoint inhibitors.

Our Legacy Programs

As highlighted above, the following assets are not part of our active portfolio and we are working on seeking external partners for out-licensing:

- *Nomacopan:* a Phase 3-ready bi-specific complement C5 and leukotriene B4 inhibitor for the treatment of paroxysmal nocturnal hemoglobinuria ("PNH"), a rare, acquired blood disorder characterized by the destruction of red blood cells, and pediatric hematopoietic stem cell transplantation-associated thrombotic microangiopathy ("HSCT-TMA").
- *PAS-Nomacopan:* a preclinical asset focused on long-acting PAS-nomacopan for the potential treatment of geographic atrophy, an advanced form of age-related macular degeneration of the eye.

- *PHP-303*: a Phase-2-ready neutrophil elastase inhibitor for the potential treatment of a genetic disorder known as alpha-1 antitrypsin disorder. We acquired the rights to PHP-303 and licensed associated know-how from Bayer Pharmaceuticals in March 2017.

Competition

The biotechnology and pharmaceutical industries, and the oncology subsector, are characterized by rapid technological evolution, fierce competition and strong defense of intellectual property. While we believe that our technology, the expertise of our team, and our development experience and scientific knowledge provide us with competitive advantages, we face competition from biotechnology and pharmaceutical companies, including companies that are larger and better funded than we are, academic institutions, governmental agencies and public and private research institutions, among others. Moreover, we may also compete with smaller or earlier-stage companies, universities and other research institutions that have developed, are or may be developing or may in the future develop current and future cancer therapeutics. Product candidates that we successfully develop and commercialize may compete with existing therapies and new therapies that may become available in the future.

We also face competition more broadly across the oncology market for cost-effective and reimbursable cancer treatments. The most common methods of treating patients with cancer are surgery, radiation and drug therapy, including chemotherapy, hormone therapy, biologic therapy such as monoclonal and bispecific antibodies, immunotherapy, cell-based therapy and targeted therapy, or a combination of any such methods. There is a variety of available drug therapies marketed for cancer. In many cases, these drugs are administered in combination to enhance efficacy. While our product candidates, if any are approved, may compete with these existing drugs and other therapies, to the extent they are ultimately used in combination with or as an adjunct to these therapies, our product candidates may not be competitive with them. Insurers and reimbursement authorities may also encourage the use of generic products or specific branded products. As a result, obtaining market acceptance of, and gaining significant share of the market for, any product candidates that we successfully introduce to the market may pose challenges. In addition, many companies are developing new oncology therapeutics, and we cannot predict what the standard of care will be as our current and future product candidates progress through development.

AKTX-101 will compete with approved Trop-2-targeting ADCs such as Trodelvy® and Datroway® as well as other programs in clinical trials that also target Trop-2. If we are unable to effectively differentiate AKTX-101 from other products and product candidates or other common methods of treating cancer patients our ability to compete would be negatively impacted.

Sales and Marketing

Because we have been focused on discovery and development of drugs, we currently have limited sales, marketing and distribution capabilities in order to commercialize any other product candidates that may be approved in the future. If our lead product candidate is approved, we intend either to establish a sales and marketing organization with technical expertise and supporting distribution capabilities, or to outsource some or all of these functions to third parties. We may take different approaches to commercialization in different geographies. We will adopt a similar strategy for the other compounds in our pipeline.

Manufacturing

We rely on third party contract manufacturers (CDMOs) for the development, scaleup, and GMP production of materials used in our research and development activities. In December 2025, we initiated GMP manufacturing activities for AKTX-101 and selected WuXi Biologics/XDC as our partner for these key parts of IND enabling work and product supply for future clinical trials. This milestone supports our planning for a Phase 1 first-in-human study timeline described in our public communications and prior disclosures. The partnership with WuXi for these activities enables us to maintain an efficient, high quality, and reliable model to develop and supply our clinical material for future studies.

Intellectual Property

We will be able to protect our technology and products from unauthorized use by third parties only to the extent it is covered by valid and enforceable patents or is effectively maintained as trade secrets. Patents and other proprietary rights are thus an essential element of our business.

Our success will depend in part on our ability to obtain and maintain proprietary protection for our product candidates, technology, and know-how, to operate without infringing on the proprietary rights of others, and to prevent others from infringing our proprietary rights. Our policy is to seek to protect our proprietary position by, among other methods, filing U.S. and foreign patent applications related to our proprietary technology, inventions, and improvements that are important to the development of our business and defending our patent applications and patents if they are subjected to challenge by a third party. We also rely on trade secrets, know-how, continuing technological innovation, and in-licensing opportunities to develop and maintain our proprietary position.

As of January 1, 2026, our payload platform and ADC pipeline consist of two Patent co-operation treaty (PCT) families and three provisional patents filed at the European Patent Office ("EPO") or the United States Patent and Trademark Office ("USPTO").

The PH-1 payload program was developed in-house. This patent family has been granted in the United States, China, Israel, India, Mexico, and Brazil, with actions pending in Europe, Japan, New Zealand, Canada and Australia. The composition of matter claims describing novel Thailanstatin payloads and linkers have IP coverage through September 2038.

The PCT patent application filed in 2024 has claims describing next-generation Thailanstatin diastereomer payloads, novel Trop-2 antibodies and Trop-2 ADCs protecting different aspects of pipeline candidate, AKTX-101, while also covering aspects of use or application of AKTX-101 to different cancer settings. This patent also describes a large-scale chemosynthetic process for payload synthesis amenable to manufacturing. This patent family is pending in 12 jurisdictions, and the anticipated expiry of this patent family is April 2043.

In 2025, we filed 3 additional provisional patent applications at USPTO covering a wide scope of anti-cancer biological mechanisms unique to targeting RNA splicing in cancer cells that are not specific to the composition of matter of the PH1 payload:

1. The first provisional patent includes claims supporting targeting of specific oncogenic drivers using spliceosome modulators to reverse some aspect of cancer progression- angiogenesis, hormone dependency, and oncogene dependency.
2. The second provisional patent includes claims supporting use of spliceosome modulators as immunogenic payloads inducing neoepitopes, anti-neoepitope antibodies, and anti-tumor macrophage polarization when these modulators are applied as a single agent. This patent covers elements of the immunomodulatory mechanism of PH1 ADCs and how they are expected to provide a therapeutic benefit by activating the host immune system against cancer.
3. The third provisional patent includes claims supporting use of spliceosome modulators in synergy with checkpoint inhibitors to improve anti-tumor efficacy or induce immune effectors that neither single agent on its own can generate. One key example as such are gamma-delta T-cells, unique T cells that possess potent anti-tumor activity and can kill cancer cells much faster than conventional T cells.

These 2025 provisional patent filings are anticipated to expire between September and October 2045 and if granted, will provide the Company with broad protection over ADC molecules that use splicing modulation actions to attack cancers.

We are planning to file composition of matter patents as we continue to research and induct new ADCs into our pipeline. We will continue to create novel composition of matter patents to cover new ADCs not limited to new usage of linkers, formulations, and/or standard-of-care combination patents to secure additional protection after the PH-1 and AKTX-101 patent families expire.

If we are unable to obtain, maintain, defend and enforce patent and other intellectual property rights for our technologies and product candidate, or if the scope of the patent and other intellectual property rights obtained is not sufficiently broad, our competitors and other third parties could develop and commercialize technology, biologics and/or biosimilars similar or identical to ours, and erode or negate any competitive advantage that we may have, which could harm our business and ability to achieve profitability.

We can provide no assurance that our patent applications or those of our licensors will result in additional patents being issued or that issued patents will afford sufficient protection against competitors with similar technologies, nor can there be any assurance that the patents issued will not be infringed, designed around, or invalidated by third parties. Even issued patents may later be found unenforceable or may be modified or revoked in proceedings instituted by third parties before various patent offices or in courts. The degree of future protection for our proprietary rights is uncertain. Only limited protection may be available and may not adequately protect our rights or permit us to gain or keep competitive advantage. Composition-of-matter

patents on the biological or chemical active pharmaceutical ingredients are generally considered to offer the strongest protection of intellectual property and provide the broadest scope of patent protection for pharmaceutical products, as such patents provide protection without regard to any method of use or any method of manufacturing. While we have issued composition-of-matter patents in the United States and other countries, we cannot be certain that the claims in our issued composition-of-matter patents will not be found invalid or unenforceable if challenged. We cannot be certain that the claims in any patent applications covering composition-of-matter or formulations of our product candidates that are pending, or that we may file, will be considered patentable by the USPTO, and courts in the United States or by the patent offices and courts in foreign countries, nor can we be certain that the claims in our issued composition-of-matter patents will not be found invalid or unenforceable if challenged. Even if any patent applications that we may file relating to specific formulations of our product candidates issue as patents, formulation patents protect a specific formulation of a product and may not be enforced against competitors making and marketing a product that has the same active pharmaceutical ingredient in a different formulation. Method-of-use patents protect the use of a product for the specified method or for treatment of a particular indication. This type of patent may not be enforced against competitors making and marketing a product that has the same active pharmaceutical ingredient for use in a method not claimed by the patent. Moreover, even if competitors do not actively promote their product for our targeted indications, physicians may prescribe these products "off-label." Although off-label prescriptions may infringe or contribute to the infringement of method-of-use patents, the practice is common and such infringement may be difficult to prevent or prosecute. Also, as is the case for composition-of-matter patents, we cannot be certain that the claims in our issued method-of-use patents will not be found invalid or unenforceable if challenged. We cannot be certain that the claims in any patent applications covering methods of using our product candidates that are pending, or that we may file, will be considered patentable by the USPTO and courts in the United States or by the patent offices and courts in foreign countries, nor can we be certain that the claims in our issued method-of-use patents will not be found invalid or unenforceable if challenged.

Government Regulation

Government Regulation and Product Approval

Government authorities in the U.S., at the federal, state and local level, and in other countries extensively regulate, among other things, the research, development, testing, manufacture, quality control, approval, labeling, packaging, storage, record-keeping, promotion, advertising, distribution, marketing and export and import of products such as those that we are developing. A new drug must be approved by the FDA, generally through the new drug application ("NDA") process and a new biologic must be approved by the FDA through the biologics license application ("BLA") process before it may be legally marketed in the U.S. The animal and other non-clinical data and the results of human clinical trials performed under an Investigational New Drug application ("IND") and under similar foreign applications will become part of the NDA or BLA.

U.S. Drug Development Process

In the U.S., the FDA regulates drugs under the Federal Food, Drug, and Cosmetic Act ("FDCA") and in the case of biologics, also under the Public Health Service Act ("PHSA") and the implementing regulations for both statutes. The process of obtaining marketing authorizations and the subsequent compliance with applicable federal, state, local, and foreign statutes and regulations require the expenditure of substantial time and financial resources. Failure to comply with the applicable U.S. requirements at any time during the product development process, approval process or after approval, may subject an applicant to administrative or judicial sanctions. These sanctions could include the FDA's refusal to approve pending applications, withdrawal of an approval, a clinical hold, warning letters, requesting product recalls, product seizures, total or partial suspension of production or distribution, injunctions, fines, refusals of government contracts, restitution, disgorgement, or civil or criminal penalties. Any agency or judicial enforcement action could have a material adverse effect on us. The process required by the FDA before a drug or biologic may be marketed in the U.S. generally involves the following:

- completion of preclinical laboratory tests, animal studies and formulation studies according to Good Laboratory Practices ("GLP") and relevant provisions of the Animal Welfare Act, where applicable, or other applicable laws and regulations;
- submission to the FDA of an IND which must become effective before human clinical trials may begin;
- performance of adequate and well-controlled human clinical trials according to Good Clinical Practices ("GCP") to establish the safety and efficacy of the proposed drug for its intended use;
- submission to the FDA of an NDA or BLA;
- satisfactory completion of an FDA inspection of the manufacturing facility or facilities at which the drug is produced to assess compliance with current good manufacturing practice ("cGMP") to assure that the facilities, methods and controls are adequate to preserve the drug's identity, strength, quality and purity; and
- FDA review and approval of the NDA or BLA.

Once a product candidate is identified for development, it enters the preclinical testing stage. Preclinical tests include laboratory evaluations of product chemistry, toxicity and formulation, as well as animal studies. An IND sponsor must submit the results of the preclinical tests, together with manufacturing information and analytical data, to the FDA as part of the IND. The sponsor will also include a protocol detailing, among other things, the objectives of the first phase of the clinical trials, the parameters to be used in monitoring safety, and the effectiveness criteria to be evaluated, if the first phase lends itself to an efficacy evaluation. Some preclinical testing may continue even after the IND is submitted. The IND automatically becomes effective 30 days after receipt by the FDA, unless the FDA, within the 30-day time period, places the clinical trial on a clinical hold. In such a case, the IND sponsor and the FDA must resolve any outstanding concerns before the clinical trial can begin. Clinical holds also may be imposed by the FDA at any time before or during studies due to safety concerns or non-compliance.

All clinical trials must be conducted under the supervision of one or more qualified investigators in accordance with GCP. They must be conducted under protocols detailing the objectives of the trial, dosing procedures, subject selection and exclusion criteria and the safety and effectiveness criteria to be evaluated. Each protocol must be submitted to the FDA as part of the IND, and progress reports detailing the results of the clinical trials must be submitted at least annually. In addition, timely safety reports must be submitted to the FDA and the investigators for serious and unexpected adverse events. An institutional review board ("IRB") responsible for the research conducted at each institution participating in the clinical trial must review and approve each protocol before a clinical trial commences at that institution and must also approve the information regarding the trial and the consent form that must be provided to each trial subject or his or her legal representative, monitor the study until completed and otherwise comply with IRB regulations.

Human clinical trials are typically conducted in three sequential phases that may overlap or be combined:

- ***Phase 1:*** The product candidate is initially introduced into healthy human subjects and tested for safety, dosage tolerance, absorption, metabolism, distribution and excretion. In the case of some products for severe or life-threatening diseases, such as cancer, especially when the product may be too inherently toxic to ethically administer to healthy volunteers, the initial human testing may be conducted in patients.
- ***Phase 2***: This phase involves studies in a limited patient population to identify possible adverse effects and safety risks, to preliminarily evaluate the efficacy of the product for specific targeted diseases and to determine dosage tolerance and optimal dosage.
- ***Phase 3***: Clinical trials are undertaken to further evaluate dosage, clinical efficacy and safety in an expanded patient population at geographically dispersed clinical study sites. These studies are intended to establish the overall risk-benefit ratio of the product candidate and provide, if appropriate, an adequate basis for product labeling.

The FDA or the sponsor may suspend a clinical trial at any time on various grounds, including a finding that the research subjects or patients are being exposed to an unacceptable health risk. Similarly, an IRB can suspend or terminate approval of a clinical trial at its institution if the clinical trial is not being conducted in accordance with the IRB's requirements or if the drug has been associated with unexpected serious harm to patients. Phase 1, Phase 2, and Phase 3 testing may not be completed successfully within any specified period, if at all.

During the development of a new drug, sponsors are given opportunities to meet with the FDA at certain points. These points may include prior to submission of an IND, at the end of Phase 2, and before an NDA or BLA is submitted. Meetings at other times may be requested. These meetings can provide an opportunity for the sponsor to share information about the data gathered to date, for the FDA to provide advice, and for the sponsor and FDA to reach agreement on the next phase of development. Sponsors typically use the end of Phase 2 meeting to discuss their Phase 2 clinical results and seek feedback on their plans for the pivotal Phase 3 clinical trial that they believe will support approval of the new drug.

Progress reports detailing the results of the clinical trials must be submitted at least annually to the FDA. Safety reports must be submitted to the FDA and the clinical investigators 15 calendar days after the trial sponsor determines that the adverse event information qualifies for reporting. The sponsor also must notify FDA of any unexpected fatal or life-threatening suspected adverse reaction as soon as possible but in no case later than 7 calendar days after the sponsor's initial receipt of the information. Sponsors of clinical trials of drugs and biologics are required to register and disclose certain clinical trial information on a registry maintained by the National Institutes of Health, at www.clinicaltrials.gov.

Concurrent with clinical trials, sponsors usually complete additional animal studies and must also develop additional information about the chemistry and physical characteristics of the drug and finalize a process for manufacturing the product in commercial quantities in accordance with cGMP requirements. The manufacturing process must be capable of consistently producing quality batches of the product candidate and, among other things, the manufacturer must develop methods for testing the identity, strength, quality and purity of the final drug. Additionally, appropriate packaging must be selected and tested, and stability studies must be conducted to demonstrate that the product candidate does not undergo unacceptable deterioration over its shelf life.

U.S. Review and Approval Processes

The results of product development, preclinical studies and clinical trials, along with descriptions of the manufacturing process, analytical tests conducted on the chemistry of the drug, proposed labeling, and other relevant information are submitted to the FDA as part of an NDA or BLA requesting approval to market the product. The submission of an NDA or BLA is subject to the payment of substantial user fees; a waiver of such fees may be obtained under certain limited circumstances. Within sixty days of receipt, the FDA initially reviews all NDAs and BLAs submitted to ensure that they are sufficiently complete for substantive review before it accepts them for filing. The FDA may request additional information rather than accept a NDA or BLA for filing. In this event, the NDA or BLA must be resubmitted with the additional information. The resubmitted application also is subject to review before the FDA accepts it for filing. Once the submission is accepted for filing, the FDA begins an in-depth substantive review. FDA may refer an NDA or BLA that is novel or that presents difficult questions of safety or efficacy to an advisory committee for review, evaluation and recommendation on questions presented by the FDA, which may include questions related to whether the application should be approved and under what conditions. The FDA is not bound by the recommendation of an advisory committee, but it generally follows such recommendations. Before approving an NDA or BLA, the FDA will typically inspect one or more clinical sites to assure compliance with GCP. Additionally, the FDA will inspect the facility or the facilities at which the product is manufactured to assess compliance with cGMP.

The FDA may also place other conditions on approval, including the requirement for a Risk Evaluation and Mitigation Strategy ("REMS") to assure the safe use of the product. If the FDA concludes a REMS is needed, the sponsor of the NDA or BLA must submit a proposed REMS, and the FDA will not approve the application without an approved REMS. A REMS could include medication guides, physician communication plans or elements to assure safe use, such as restricted distribution methods, patient registries and other risk minimization tools. Any of these limitations on approval or marketing could restrict the commercial promotion, distribution, prescription or dispensing of a product.

The FDA reviews an NDA to determine, among other things, whether a product is safe and effective for its intended use and whether its manufacturing is cGMP-compliant to assure and preserve the product's identity, strength, quality and purity. The FDA reviews a BLA to determine, among other things whether the product is safe, pure and potent and the facility in which it is manufactured, processed, packed or held meets standards designed to assure the product's continued safety, purity and potency.

The FDA may issue an approval letter following its review process if it determines that the NDA or BLA has met all applicable requirements. Alternatively, the FDA may issue a complete response letter ("CRL"), which may require additional clinical or other data or impose other conditions that must be met in order to secure final approval of the NDA or BLA. The applicant may either resubmit the NDA or BLA, addressing all of the deficiencies identified in the letter, withdraw the application, or, in the case of an NDA, request an opportunity for a hearing. The applicant also may request resolution of any dispute concerning the CRL. If the FDA denies approval of a BLA, the applicant may request, and FDA must issue, a notice of opportunity for hearing.

NDAs or BLAs may receive either standard or priority review. Under current FDA review goals, standard review of an NDA for a new molecular entity ("NME") or original BLA will be ten months from the date that the NDA or BLA is filed. A drug representing a significant improvement in treatment, prevention or diagnosis of a serious disease or condition may receive a priority review of six months. Priority review does not change the standards for approval but may expedite the approval process.

If a product receives marketing authorization, the approval may be significantly limited to specific diseases and dosages or the indications for use may otherwise be limited, which could restrict the commercial value of the product. In addition, the FDA may require a sponsor to conduct Phase IV testing, such as clinical trials designed to further assess a drug's safety and/or effectiveness after NDA or BLA approval and may require testing and surveillance programs to monitor the safety of approved products which have been commercialized.

The Pediatric Research Equity Act ("PREA") requires a sponsor to conduct pediatric studies for most drugs and biologics with a new active ingredient, new indication, new dosage form, new dosing regimen or new route of administration. Under PREA, original NDAs and BLAs and certain supplemental applications must contain a pediatric assessment unless the sponsor has received a deferral or waiver. The required assessment must assess the safety and effectiveness of the product for the claimed indications in all relevant pediatric subpopulations and support dosing and administration for each pediatric subpopulation for which the product is safe and effective. The sponsor or FDA may request a deferral of pediatric studies for some or all of the pediatric subpopulations. A deferral may be granted for several reasons, including a finding that the drug or biologic is ready for approval for use in adults before pediatric studies are complete or that additional safety or effectiveness data needs to be collected before pediatric studies can begin.

The Best Pharmaceuticals for Children Act ("BPCA") provides NDA holders a six-month period of exclusivity attached to any patent or regulatory exclusivity listed in the Orange Book, and BLA holders a six-month period of exclusivity attached to any unexpired regulatory exclusivity, if certain conditions are met. Conditions for pediatric exclusivity include a determination by the FDA that information relating to the use of a new drug in the pediatric population may produce health benefits in that population, a written request by the FDA for pediatric studies, completion of the studies in accordance with the written request, and submission of reports from the requested studies to the FDA. The issuance of a written request does not require the sponsor to undertake the described studies.

Patent Term Restoration and Marketing Exclusivity

Depending upon the timing, duration and specifics of FDA approval of our product candidates, some of our U.S. patents may be eligible for limited patent term extension under the Drug Price Competition and Patent Term Restoration Act of 1984, referred to as the Hatch-Waxman Amendments. The Hatch-Waxman Amendments permit a patent restoration term of up to five years as partial compensation for effective patent term lost due to time spent during product development and the FDA regulatory review process. However, patent term restoration cannot extend the remaining term of a patent beyond a total of 14 years from the product's approval date. The patent term restoration period is generally one-half the time between the effective date of an IND and the submission date of an NDA or BLA, plus the time between the submission date of an NDA or BLA and the approval of that application, except that the period is reduced by any time during which the applicant failed to exercise due diligence. Only one patent applicable to an approved drug may be extended, and the extension must be applied for prior to expiration of the patent. The United States Patent and Trademark Office, in consultation with the FDA, reviews and approves the application for any patent term extension or restoration.

Biologics Price Competition and Innovation Act of 2009 (BPCIA)

The BPCIA amended the PHSA to create an abbreviated approval pathway for biosimilar and interchangeable biosimilar products and provide for a twelve-year exclusivity period for the first approved biological product, or reference product, against which a biosimilar or interchangeable biosimilar application is evaluated. A biosimilar product is defined as one that is highly similar to a reference product notwithstanding minor differences in clinically inactive components and for which there are no clinically meaningful differences between the biological product and the reference product in terms of the safety, purity and potency of the product. An interchangeable biosimilar product is a biosimilar product that, subject to state pharmacy laws, may be substituted for the reference product without the intervention of the health care provider who prescribed the reference product.

The biosimilar applicant must demonstrate that the product is biosimilar based on data from: (1) analytical studies showing that the biosimilar product is highly similar to the reference product; (2) animal studies (including toxicity); and (3) as applicable, one or more clinical studies to demonstrate safety, purity and potency in one or more appropriate conditions of use for which the reference product is approved. In addition, the applicant must show that the biosimilar and reference products have the same mechanism of action for the conditions of use on the label, route of administration, dosage and strength, and the production facility must meet standards designed to assure product safety, purity and potency.

An application for a biosimilar product may not be submitted until four years after the date on which the reference product was first approved. The first approved interchangeable biosimilar product will be granted an exclusivity period of up to one year after it is first commercially marketed, but the exclusivity period may be shortened under certain circumstances.

Orphan Drug Designation

Under the Orphan Drug Act, the FDA may grant orphan drug designation to a drug intended to treat a rare disease or condition, which is generally a disease or condition that affects fewer than 200,000 individuals in the U.S., or more than 200,000 individuals in the U.S. and for which there is no reasonable expectation that the cost of developing and making available in the U.S. a drug for this type of disease or condition will be recovered from sales in the U.S. for that drug. Orphan drug designation must be requested before submitting an NDA or BLA. After the FDA grants orphan drug designation, the identity of the therapeutic agent and its potential orphan use are disclosed publicly by the FDA. Orphan drug designation does not itself convey any advantage in or shorten the duration of the regulatory review and approval process. If a product that has orphan drug designation subsequently receives the first FDA approval for the disease for which it has such designation, the product is entitled to orphan product exclusivity, which means that the FDA may not approve any other applications to market the same drug for the same indication, except in very limited circumstances, for seven years. Orphan drug exclusivity, however, also could block the approval of one of our product candidates for seven years if a competitor obtains approval of the same drug, for the same designated orphan indication or if our product candidate is determined to be contained within the competitor's product for the same indication or disease.

Fast Track Designation and Accelerated Approval

The FDA has established programs to facilitate the development, and expedite the review of, drugs that are intended for the treatment of a serious or life-threatening disease or condition for which there is no effective treatment and which demonstrate the potential to address unmet medical needs for the condition. Under the fast track program, the sponsor of a product candidate may request that the FDA designate the product candidate for a specific indication as a fast track drug concurrent with or after the filing of the IND for the product candidate. The FDA determines if the product candidate qualifies for fast track designation within 60 days of receipt of the sponsor's request.

The FDA may designate a drug for fast track status if it is intended to treat a serious or life-threatening illness and nonclinical or clinical data demonstrate the potential to address an unmet medical need. If so designated, the FDA takes steps to expedite the development and review of the product's marketing application, including by meeting with the sponsor more frequently to provide timely advice so that the development program is as efficient as possible. Another benefit of fast track designation is that the FDA may initiate review of sections of an NDA or BLA before the application is complete. This rolling review is available if the applicant provides, and the FDA approves, a schedule for the submission of the remaining information and the applicant pays applicable user fees. The FDA's review goal date does not begin until the last section of the application is submitted, however. Fast track designation may be withdrawn by the FDA if the FDA believes that the designation is no longer supported by data emerging in clinical trials.

The agency may determine that an accelerated approval pathway is appropriate if a product candidate is intended to treat a serious condition and provide meaningful therapeutic benefit to patients over existing treatments based upon a surrogate endpoint that is reasonably likely to predict clinical benefit, or on a clinical endpoint that can be measured earlier than irreversible morbidity or mortality, that is reasonably likely to predict an effect on irreversible morbidity or mortality or other clinical benefit, taking into account the severity, rarity, or prevalence of the condition and the availability or lack of alternative treatments.

In clinical trials, a surrogate endpoint is a measurement of laboratory or clinical signs of a disease or condition that substitutes for a direct measurement of how a patient feels, functions, or survives. Surrogate endpoints can often be measured more easily or more rapidly than other clinical endpoints. As a condition of accelerated approval, the FDA generally requires that the sponsor perform adequate and well-controlled post-marketing clinical trials with due diligence to confirm clinical benefit and, under the Food and Drug Omnibus Reform Act of 2022 ("FDORA"), the FDA is now permitted to require, as appropriate, that such trials be underway prior to approval or within a specific time period after the date accelerated approval is granted. Failure to conduct required post-approval studies or to confirm clinical benefit through post-marketing studies allows the FDA to withdraw the drug from the market on an expedited basis. In addition, for products under accelerated approval, FDA generally requires all promotional materials, including launch materials, to be submitted for prior review.

Post-Approval Requirements

Once approval of an NDA or BLA is granted, the FDA may withdraw the approval if compliance with regulatory standards is not maintained or if problems are identified after the product reaches the market. Newly discovered or developed safety or effectiveness data may require changes to a product's approved labeling, including the addition of new warnings and contraindications, and also may require the implementation of other risk management measures, including a REMS or the conduct of post-marketing studies to assess a newly discovered safety issue. Later discovery of previously unknown problems with a product may result in restrictions on the product or even complete withdrawal of the product from the market. After approval, some types of changes to the approved product, such as adding new indications, manufacturing changes and additional labeling claims, are subject to further FDA review and approval. Drug manufacturers and other entities involved in the manufacture and distribution of approved drugs are required to register their establishments with the FDA and certain state agencies and are subject to periodic unannounced inspections by the FDA and certain state agencies for compliance with cGMP and other laws and regulations. We rely, and expect to continue to rely, on third parties for the production of clinical and commercial quantities of our products. Future inspections by the FDA and other regulatory agencies may identify compliance issues at the facilities of our contract manufacturers that may disrupt production or distribution or require substantial resources to correct.

Any drug products manufactured or distributed by us pursuant to FDA approvals are subject to continuing regulation by the FDA, including, among other things, requirements related to record-keeping, reporting of adverse experiences, submitting periodic reports, updating safety and efficacy information, drug sampling and distribution, and electronic records and signatures. The FDA also closely regulates labeling, advertising, promotion and other types of information that may be disseminated about products that are placed on the market. Drugs may be promoted only for the approved indications and in a manner that is consistent with the approved label.

From time to time, legislation is drafted, introduced and passed in Congress that could significantly change the statutory provisions governing the development, approval, manufacturing and marketing of products regulated by the FDA. It is impossible to predict whether further legislative changes will be enacted, or whether FDA regulations, guidance or interpretations may change or what the impact of such changes, if any, may be.

Regulation and Marketing Authorization in the European Union

Preclinical Studies

Preclinical tests include laboratory evaluations of product chemistry, formulation and stability, as well as studies to evaluate toxicity in animal studies, in order to assess the potential safety and efficacy of the product. The conduct of the preclinical tests and formulation of the compounds for testing must comply with the relevant EU regulations and requirements. The results of the preclinical tests, together with relevant manufacturing information and analytical data, are submitted as part of the CTA and MAA.

Clinical Trial Approval

Clinical trials in the EU are governed by the Clinical Trials Regulation, (EU) No 536/2014, or the CT Regulation. The CT Regulation was adopted in 2014 and replaced the Clinical Trials Directive 2001/20/EC, or the CT Directive and came into effect on January 31, 2022. To ensure that the rules for clinical trials are identical throughout the EU, the EU clinical trials legislation was passed as a "regulation" that is directly applicable in all EU Member States. All clinical trials performed in the EU are required to be conducted in accordance with the CT Regulation.

The CT Regulation aims to harmonize, simplify and streamline the approval of clinical trials in the EU. The main characteristics of the CT Regulation include:

- A streamlined application procedure via a single-entry point, through the centralized EU portal called the Clinical Trials Information System (CTIS).
- A single set of documents to be prepared and submitted for the application as well as simplified reporting procedures that will spare sponsors from submitting broadly identical information separately to various bodies and different EU Member States.
- A harmonized procedure for the assessment of applications for clinical trials, which is divided in two parts. Part I is assessed jointly by all Member States Concerned. Part II is assessed separately by each Member State concerned.
- Strictly defined deadlines for the assessment of clinical trial application.
- The involvement of the ethics committees in the assessment procedure in accordance with the national law of the Member State concerned but within the overall timelines defined by the CT Regulation.

Marketing Authorization

Authorization to market a product in the Member States of the EU proceeds under one of four procedures: a centralized authorization procedure, a mutual recognition procedure, a decentralized procedure or a national procedure.

Centralized Authorization Procedure

The centralized procedure enables applicants to obtain a marketing authorization that is valid in all EU Member States based on a single application. Certain medicinal products (as set out below) must use the centralized authorization procedure to obtain marketing authorization.

The centralized authorization procedure is mandatory for:

- medicinal products developed by means of biotechnological processes such as genetic engineering;
- advanced therapy medicinal products as defined in Article 2 of Regulation (EC) No. 1394/2007 on advanced therapy medicinal products (gene-therapy, somatic cell-therapy or tissue-engineered medicines);
- medicinal products containing a new active substance indicated for any of the following:
    - human immunodeficiency virus;
    - acquired immune deficiency syndrome;
    - cancer;
    - neurodegenerative disorder;
    - diabetes;
    - auto-immune diseases and other immune dysfunctions;
    - viral diseases; and
    - medicinal products that are designated as orphan medicinal products pursuant to Regulation (EC) No 141/2000.

The centralized authorization procedure is optional for other medicinal products if they contain a new active substance for conditions other than those set out above, or if the applicant shows that the medicinal product concerned constitutes a significant therapeutic, scientific or technical innovation or that the granting of authorization is in the interest of public health in the EU.

Administrative Procedure

Under the centralized authorization procedure, the European Medicines Agency's ("EMA") Committee for Medicinal Products for Human Use ("CHMP") serves as the scientific committee that renders opinions about the safety, efficacy and quality of medicinal products for human use on behalf of the EMA. The CHMP has 210 days to adopt an opinion as to whether a marketing authorization should be granted. The process usually takes longer if additional information is requested, which triggers clock-stops in the procedural timelines. When an application is submitted for a marketing authorization in respect of a product that is of major interest from the point of view of public health and in particular from the viewpoint of therapeutic innovation, the applicant may (pursuant to Article 14(9) Regulation (EC) No 726/2004) request an accelerated assessment procedure. If the CHMP accepts such request, the time-limit of 210 days will be reduced to 150 days but it is possible that the CHMP can revert to the standard time limit for the centralized procedure if it considers that it is no longer appropriate to conduct an accelerated assessment. If the opinion is negative, information is given as to the grounds on which this conclusion was reached. After the adoption of the CHMP opinion, a decision on the MAA must be adopted by the European Commission, which is issued within 67 days of the EMA opinion.

Conditional Approval

In specific circumstances, EU legislation (Article 14(7) Regulation (EC) No 726/2004 and Regulation (EC) No 507/2006 on conditional marketing authorizations for medicinal products for human use) enables applicants to obtain a conditional marketing authorization prior to obtaining the comprehensive clinical data required for an application for a full marketing authorization. Such conditional approvals may be granted for product candidates (including medicines designated as orphan medicinal products) if (1) the risk-benefit balance of the product candidate is positive, (2) it is likely that the applicant will be in a position to provide the required comprehensive clinical trial data, (3) the product fulfills unmet medical needs and (4) the benefit to public health of the immediate availability on the market of the medicinal product concerned outweighs the risk inherent in the fact that additional data are still required. A conditional marketing authorization may contain specific obligations to be fulfilled by the marketing authorization holder following grant of the market authorization, including obligations with respect to the completion of ongoing or new studies, and with respect to the collection of pharmacovigilance data. Conditional marketing authorizations are valid for one year, and may be renewed annually, if the risk-benefit balance remains positive, and after an assessment of the need for additional or modified conditions and/or specific obligations. The timelines for the centralized procedure described above also apply with respect to the review by the CHMP of applications for a conditional marketing authorization.

Marketing Authorization under Exceptional Circumstances

Under Article 14(8) Regulation (EC) No 726/2004, products for which the applicant can demonstrate that comprehensive data (in line with the requirements laid down in Annex I of Directive 2001/83/EC, as amended) cannot be provided (due to specific reasons foreseen in the legislation) might be eligible for marketing authorization under exceptional circumstances. This type of authorization is reviewed annually to reassess the risk-benefit balance. The fulfillment of any specific procedures/obligations imposed as part of the marketing authorization under exceptional circumstances is aimed at the provision of information on the safe and effective use of the product and will normally not lead to the completion of a full dossier/approval.

Market Authorizations Granted by Authorities of EU Member States

In general, if the centralized procedure is not mandatory or followed, there are three alternative procedures as prescribed in Directive 2001/83/EC:

- The decentralized procedure allows applicants to file identical applications to several EU Member States and receive simultaneous national approvals based on the recognition by EU Member States of an assessment by a reference Member State.
- The mutual recognition procedure is based on the acceptance by the competent authorities of the EU Member States of the marketing authorization of a medicinal product by the competent authorities of another EU Member State.
- The national procedure is only available for products intended to be authorized in a single EU Member State.

An EU marketing authorization may only be granted to an applicant established in the EU.

Pediatric Studies

Prior to obtaining a marketing authorization in the EU, applicants have to demonstrate compliance with all measures included in an EMA-approved Pediatric Investigation Plan ("PIP") covering all subsets of the pediatric population, unless the EMA has granted a product-specific waiver, a class waiver, or a deferral for one or more of the measures included in the PIP. The respective requirements for all marketing authorization procedures are set forth in Regulation (EC) No 1901/2006, which is referred to as the Pediatric Regulation. This requirement also applies when a company wants to add a new indication, pharmaceutical form or route of administration for a medicine that is already authorized. The Pediatric Committee of the EMA ("PDCO") may grant deferrals for some medicines, allowing a company to delay development of the medicine in children until there is enough information to demonstrate its effectiveness and safety in adults. The PDCO may also grant waivers when development of a medicine in children is not needed or is not appropriate, such as for diseases that only affect the elderly population.

Before an MAA can be filed, or an existing marketing authorization can be amended, the EMA determines that companies actually comply with the agreed studies and measures listed in each relevant PIP.

Periods of Authorization and Renewals

A marketing authorization is valid for five years in principle and the marketing authorization may be renewed after five years on the basis of a re-evaluation of the risk-benefit balance by the EMA (for a centrally authorized product) or the competent authority of the authorizing EU Member State (for a product with a national authorization). To this end, the marketing authorization holder must provide the EMA or the competent authority with a consolidated version of the file in respect of quality, safety and efficacy, including all variations introduced since the marketing authorization was granted, at least nine months before the marketing authorization ceases to be valid. Once renewed, the marketing authorization is valid for an unlimited period, unless the European Commission or the competent authority decides, on justified grounds relating to pharmacovigilance, to proceed with one additional five-year renewal. Any authorization of a medicinal product which is not followed by the actual placing of the product on the EU market (in case of centralized procedure) or on the market of the authorizing EU Member State within three years after authorization ceases to be valid (the so-called sunset clause).

Orphan Designation and Exclusivity

Pursuant to Regulation (EC) No 141/2000 and Regulation (EC) No. 847/2000, the European Commission can grant orphan medicinal product designation where the sponsor can establish that the product is intended for the diagnosis, prevention or treatment of a life-threatening or chronically debilitating condition affecting not more than five in 10,000 people in the EU when the application is made, or for a life threatening, seriously debilitating or serious and chronic condition in the EU and

that without incentives it is unlikely that the product would generate a sufficient return in the EU to justify the necessary investment in its development. In addition, the sponsor must establish that there is no other satisfactory method approved in the EU of diagnosing, preventing or treating the condition, or if such a method exists, the proposed orphan product will be of significant benefit to patients.

Orphan designation is not a marketing authorization. It is a designation that provides a number of benefits, including fee reductions, regulatory assistance, and the possibility to apply for a centralized EU marketing authorization, as well as ten years of market exclusivity following grant of a marketing authorization. During this market exclusivity period, neither the EMA, the European Commission nor the EU Member States can accept an application or grant a marketing authorization for a "similar medicinal product" for the same therapeutic indication as the authorized orphan product. A "similar medicinal product" is defined as a medicinal product containing a similar active substance or substances as those contained in an authorized orphan medicinal product and that is intended for the same therapeutic indication. The market exclusivity period for the authorized therapeutic indication may be reduced to six years if, at the end of the fifth year, it is established that the orphan designation criteria are no longer met, including where it is shown that the product is sufficiently profitable not to justify maintenance of market exclusivity. In addition, a similar medicinal product may, in limited circumstances, be authorized prior to the expiration of the market exclusivity period, including if it is shown to be safer, more effective or otherwise clinically superior to the already approved orphan product. Furthermore, a product can lose orphan designation, and the related benefits, prior to obtaining a marketing authorization if it is demonstrated that the orphan designation criteria are no longer met.

Regulatory Data Protection

EU legislation also provides for a system of regulatory data and market exclusivity. According to Article 14(11) of Regulation (EC) No 726/2004, and Article 10(1) of Directive 2001/83/EC, upon receiving marketing authorization, new active substances approved on the basis of complete and independent data package benefit from eight years of data exclusivity and an additional two years of market exclusivity. Data exclusivity prevents applicants for generic or biosimilar products from referencing the data contained in the dossier of the reference product when applying for a generic or biosimilar marketing authorization in the EU, for a period of eight years from the date on which the reference product was first authorized in the EU. During the additional two-year period of market exclusivity, a generic or biosimilar marketing authorization application can be submitted, and the innovator's data may be referenced, but no generic medicinal product can be marketed until the expiration of the market exclusivity. The overall ten-year period will be extended to a maximum of eleven years if, during the first eight years of those ten years, the marketing authorization holder ("MAH") obtains an authorization for one or more new therapeutic indications which, during the scientific evaluation prior to their authorization, are held to bring a significant clinical benefit in comparison with existing therapies. Even if a compound is considered to be a new active substance and the innovator is able to gain the period of data exclusivity, another company nevertheless could also market another version of the product if such company obtained marketing authorization based on an MAA with a complete and independent data package of pharmaceutical tests, preclinical tests and clinical trials.

Regulatory Requirements after a Marketing Authorization Has Been Obtained

If we obtain authorization for a medicinal product in the EU, we will be required to comply with a range of requirements applicable to the manufacturing, marketing, promotion and sale of medicinal products.

Pharmacovigilance and Other Requirements

We will, for example, have to comply with the EU's stringent pharmacovigilance or safety reporting rules, pursuant to which post-authorization studies and additional monitoring obligations can be imposed. Other requirements relate, for example, to the manufacturing of products and APIs in accordance with good manufacturing practice standards. EU regulators may conduct inspections to verify our compliance with applicable requirements, and we will have to continue to expend time, money and effort to remain compliant. Non-compliance with EU requirements regarding safety monitoring or pharmacovigilance, and with requirements related to the development of products for the pediatric population, can also result in significant financial penalties in the EU. Similarly, failure to comply with the EU's requirements regarding the protection of individual personal data can also lead to significant penalties and sanctions. Individual EU Member States may also impose various sanctions and penalties in case we do not comply with locally applicable requirements.

Manufacturing

The manufacturing of authorized product, for which a separate manufacturer's license is mandatory, must be conducted in strict compliance with the EMA's Good Manufacturing Practices ("GMP") requirements and comparable requirements of other regulatory bodies in the EU, which mandate the methods, facilities and controls used in manufacturing, processing and packing of products to assure their safety and identity. The EMA enforces its current GMP requirements through mandatory registration of facilities and inspections of those facilities. The EMA may have a coordinating role for these inspections while the responsibility for carrying them out rests with the EU Member States competent authority under whose responsibility the manufacturer falls. Failure to comply with these requirements could interrupt supply and result in delays, unanticipated costs and lost revenues, and could subject the applicant to potential legal or regulatory action, including but not limited to warning letters, suspension of manufacturing, seizure of product, injunctive action or possible civil and criminal penalties.

Marketing and Promotion

The marketing and promotion of authorized products, including industry-sponsored continuing medical education and advertising directed toward the prescribers of drugs and/or the general public, are strictly regulated in the EU under Directive 2001/83/EC and EU Member States' national law implementing it. The applicable regulations aim to ensure that information provided by holders of marketing authorizations regarding their products is truthful, balanced and accurately reflects the safety and efficacy claims authorized by the EMA or by the competent authority of the authorizing EU Member State. Failure to comply with these requirements can result in adverse publicity, warning letters, corrective advertising and potential civil and criminal penalties.

Patent Term Extension

In order to compensate the patentee for delays in obtaining a marketing authorization for a patented product, a supplementary protection certificate ("SPC") may be granted extending the exclusivity period for that specific product by up to five years.

A six-month pediatric extension of an SPC may be obtained where the patentee has carried out an agreed pediatric investigation plan, the authorized product information includes information on the results of the studies and the product is authorized in all Member States of the EU. The six-month pediatric extension of SPCs is not available for medicinal products that are designated as orphan medicinal products, as such products benefit from a separate two-year pediatric extension of orphan status and exclusivity. The six-month pediatric extension of SPCs is, however, available for medicinal products which were originally designated as orphan medicinal products but were subsequently (voluntarily) removed from the EU's Register of Orphan Medicinal Products.

All of the aforementioned EU rules are generally applicable in the European Economic Area which includes the EU Member States, Iceland, Liechtenstein and Norway.

Reform of the Regulatory Framework in the European Union

The European Commission introduced legislative proposals in April 2023 that, if implemented, will replace the current regulatory framework in the EU for all medicines (including those for rare diseases and for children). The European Commission has provided the legislative proposals to the European Parliament and the European Council for their review and approval, and in April 2024, the European Parliament proposed amendments to the legislative proposals. Once the European Commission's legislative proposals are approved (with or without amendment), they will be adopted into EU law.

UK Regulation

The UK ceased being a Member State of the EU on January 31, 2020, and the EU and the UK have concluded a trade and cooperation agreement ("TCA"), which was provisionally applicable since January 1, 2021 and has been formally applicable since May 1, 2021. The TCA includes specific provisions concerning pharmaceuticals, which include the mutual recognition of GMP, inspections of manufacturing facilities for medicinal products and GMP documents issued but does not provide for wholesale mutual recognition of UK and EU pharmaceutical regulations. At present, the UK has implemented previous EU legislation on the marketing, promotion and sale of medicinal products through the Human Medicines Regulations 2012. Except in respect of the EU Clinical Trials Regulation, the regulatory regime in the UK therefore aligns in many ways with current EU medicines regulations, however it is possible that these regimes will diverge more significantly in the future now that the UK's regulatory system is independent from the EU and the TCA does not provide for mutual recognition of UK and EU pharmaceutical legislation.

As a result of the Northern Ireland protocol, following Brexit, the EMA remained responsible for approving novel medicines for supply in Northern Ireland under the EU centralized procedure, and a separate authorization was required to supply the same medicine in Great Britain (England, Wales and Scotland). On February 27, 2023, the UK government and the EC announced a political agreement in principle to replace the Northern Ireland Protocol with a new set of arrangements, known as the "Windsor Framework". The Windsor Framework was approved by the EU-UK Joint Committee on March 24, 2023, and the medicines aspects of the Windsor Framework have applied since January 1, 2025. This new framework fundamentally changes the previous system under the Northern Ireland Protocol, including with respect to the regulation of medicinal products in the UK. In particular, the MHRA is now responsible for approving all medicinal products destined for the UK market (i.e., Great Britain and Northern Ireland), and the EMA no longer has any role in approving medicinal products destined for Northern Ireland under the EU centralized procedure. A single UK-wide MA will be granted by the MHRA for all novel medicinal products to be sold in the UK, enabling products to be sold in a single pack and under a single authorization throughout the UK. In addition, the new arrangements require all medicines placed on the UK market to be labeled "UK only," indicating they are not for sale in the EU.

The MHRA has introduced changes to national licensing procedures, including procedures to prioritize access to new medicines that will benefit patients, an accelerated assessment procedure and new routes of evaluation for novel products and biotechnology products. On January 1, 2024, the MHRA put in place a new international recognition framework which means that the MHRA may have regard to decisions on the approval of marketing authorizations made by the EMA and certain other regulators when determining an application for a new UK marketing authorization.

The MHRA offers a 150-day assessment timeline for all high-quality applications for a UK, Great Britain or Northern Ireland marketing authorization. The 150 day timeline does not, however, include a "clock-stop" period which may occur if issues arise or points require clarification following an initial assessment of the application. Such issues should be addressed within a 60-day period, although extensions may be granted in exceptional cases. There is now no pre-MA orphan designation in the UK. Instead, the MHRA reviews applications for orphan designation in parallel to the corresponding MAA. The criteria are essentially the same, but have been tailored for the UK market, i.e., the prevalence of the condition in the UK (rather than the European Union) must not be more than five in 10,000. Should an orphan designation be granted, the period of market exclusivity will be set from the date of first approval of the product in the UK.

Foreign Regulation

In addition to regulations in the United States, the European Union and the UK, we will be subject to a variety of other foreign regulations governing clinical trials and commercial sales and distribution of our products. Whether or not we obtain FDA, EMA or MHRA approval for a product, we must obtain approval by the comparable regulatory authorities of other countries or areas before we may commence clinical trials or market products in those countries or areas. The approval process and requirements governing the conduct of clinical trials, product licensing, pricing and reimbursement vary greatly from place to place, and the time may be longer or shorter than that required for FDA, EMA or MHRA approval.

Pharmaceutical Pricing and Reimbursement

Sales of pharmaceutical products depend in significant part on the extent of coverage and reimbursement from government programs, including Medicare and Medicaid in the U.S., and other third-party payers. Third party payers are sensitive to the cost of drugs and are increasingly seeking to implement cost containment measures to control, restrict access to, or influence the purchase of drugs, biologicals, and other health care products and services. Governments may regulate reimbursement, pricing, and coverage of products in order to control costs or to affect levels of use of certain products. Payers may restrict coverage of some products due to cost concerns, by various means such as using payer formularies under which only selected drugs are covered, variable co-payments that make drugs that are not preferred by the payer more expensive in terms of higher out-of-pocket expenses for patients, and by employing utilization management controls, such as discouraging patients' use of copay coupons and discount cards and imposing requirements for prior authorization before a prescription can be billed or prior clinical failure on another type of treatment before a new product can be prescribed. Payers may especially impose these obstacles to coverage for higher-priced drugs in order to limit the payer's cost for treatment of the disease. Consequently, any future products may be subject to payer-driven restrictions, rendering patients responsible for a higher percentage of the total cost of drugs in the outpatient setting.

In addition, in some foreign countries, the proposed pricing for a drug must be approved before it may be lawfully marketed. Moreover, the requirements governing drug pricing and reimbursement vary widely from country to country. For example, in the EU, the national authorities of the individual EU Member States are free to restrict the range of medicinal products for which their national health insurance systems provide reimbursement and to control the prices and/or reimbursement of

medicinal products for human use. Some individual EU Member States adopt policies according to which a specific price or level of reimbursement is approved for the medicinal product. Other EU Member States adopt a system of reference pricing, basing the price or reimbursement level in their territory either, on the pricing and reimbursement levels in other countries, or on the pricing and reimbursement levels of medicinal products intended for the same therapeutic indication. Some EU Member States may require the completion of additional studies that compare the cost effectiveness of a particular product candidate to currently available therapies (so called health technology assessments) in order to obtain reimbursement or pricing approval. Furthermore, some EU Member States impose direct or indirect controls on the profitability of the company placing the medicinal product on the market. There can be no assurance that any country that has price controls or reimbursement limitations for pharmaceutical products will allow favorable reimbursement and pricing arrangements for any of our product candidates. Historically, products launched in the EU do not follow price structures of the U.S. and generally prices tend to be significantly lower.

U.S. Healthcare Reform and Other U.S. Healthcare Laws

In addition to FDA restrictions on marketing of pharmaceutical products, several other types of state and federal healthcare laws, including those commonly referred to as "fraud and abuse" laws have been applied in recent years to restrict certain marketing practices in the pharmaceutical industry. These laws impact, among other things, sales, marketing and educational programs associated with approved products. In addition, patient privacy regulations by both the U.S. federal and state governments as well as pharmaceutical pricing and transparency requirements also apply to companies that market approved pharmaceutical products.

Sanctions under these federal and state healthcare laws may include civil monetary penalties, exclusion of a manufacturer's products from reimbursement under government programs, monetary damages, criminal fines, disgorgement, additional reporting obligations and oversight if the manufacture becomes subject to a corporate integrity agreement or other agreement to resolve allegations of non-compliance with these laws, and individual imprisonment.

In addition, there is significant interest in the United States in promoting changes in healthcare system with the stated goals of containing healthcare costs, improving quality and/or expanding access, including increasing legislative and enforcement interest in the United States with respect to specialty drug pricing practices, particularly with respect to drugs that have been subject to relatively large price increases over relatively short time periods. There have been several recent U.S. Congressional inquiries and proposed bills designed to, among other things, bring more transparency to drug pricing and reform government program reimbursement methodologies for drugs. Further, Executive Orders relating to the regulation of prescription drug pricing have also been introduced over time. We cannot predict the scope or impact of future legislative, judicial, or executive efforts to reform healthcare in the United States.

Other Regulations

We are also subject to the U.S. Foreign Corrupt Practices Act ("FCPA"), the U.K. Bribery Act ("Bribery Act"), and other anticorruption laws and regulations pertaining to our financial relationships with foreign government officials. The FCPA prohibits U.S. companies and their representatives from paying, offering to pay, promising, or authorizing the payment of anything of value to any foreign government official, government staff member, political party, or political candidate to obtain or retain business or to otherwise seek favorable treatment. In many countries in which we operate, the healthcare professionals with whom we interact may be deemed to be foreign government officials for purposes of the FCPA. The Bribery Act, which applies to any company incorporated or doing business in the UK, prohibits giving, offering, or promising bribes in the public and private sectors, bribing a foreign public official or private person, and failing to have adequate procedures to prevent bribery amongst employees and other agents. Penalties under the Bribery Act include potentially unlimited fines for companies and criminal sanctions for corporate officers under certain circumstances. Liability in relation to breaches of the Bribery Act is strict. This means that it is not necessary to demonstrate elements of a corrupt state of mind.

Recent years have seen a substantial increase in anti-bribery law enforcement activity by U.S. regulators, with more frequent and aggressive investigations and enforcement proceedings by both the DOJ and the SEC, increased enforcement activity by non-U.S. regulators, and increases in criminal and civil proceedings brought against companies and individuals. Increasing regulatory scrutiny of the promotional activities of pharmaceutical companies also has been observed in a number of EU member states. In Germany, a specific anti-corruption provision with regard to healthcare professionals was introduced in the Criminal Code in 2017.

Similar strict restrictions are imposed on the promotion and marketing of products in the EU, where a large portion of our non-U.S. business is conducted, and other territories. Laws in the EU, including in the individual EU Member States, require promotional materials and advertising for products to comply with the product's Summary of Product Characteristics ("SmPC"), which is approved by the competent authorities. Promotion of a medicinal product which does not comply with the SmPC is considered to constitute off-label promotion. The off-label promotion of medicinal products is prohibited in the EU and in other territories. The promotion of medicinal products that are not subject to a marketing authorization is also prohibited in the EU. Laws in the EU, including in the individual EU Member States, also prohibit the direct-to-consumer advertising of prescription-only medicinal products. Violations of the rules governing the promotion of medicinal products in the EU and in other territories could be penalized by administrative measures, fines and imprisonment. Furthermore, illegal advertising can be challenged by competitors, and as a result, can be prohibited by court and the responsible company can be obligated to pay damages to the competitor.

Interactions between pharmaceutical companies and physicians are also governed by strict laws, regulations, industry self-regulation codes of conduct and physicians' codes of professional conduct in the individual EU Member States. The provision of any inducements to physicians to prescribe, recommend, endorse, order, purchase, supply, use or administer a medicinal product is prohibited. A number of EU Member States have introduced additional rules requiring pharmaceutical companies to publicly disclose their interactions with physicians and to obtain approval from employers, professional organizations and/or competent authorities before entering into agreements with physicians. These rules have been supplemented by provisions of related industry codes, including the EFPIA Disclosure Code on Disclosure of Transfers of Value from Pharmaceutical Companies to Healthcare Professionals and Healthcare Organizations and related codes developed at national level in individual EU Member States. Additional countries may consider or implement similar laws and regulations. Violations of these rules could lead to reputational risk, public reprimands, and/or the imposition of fines or imprisonment. Our present and future business has been and will continue to be subject to various other laws and regulations. Laws, regulations and recommendations relating to safe working conditions, laboratory practices, the experimental use of animals, and the purchase, storage, movement, import and export and use and disposal of hazardous or potentially hazardous substances, including radioactive compounds, used in connection with our research work are or may be applicable to our activities. We cannot predict the impact of government regulation, which may result from future legislation or administrative action, on our business.

Employees and Human Capital Resources

As of March 1, 2026, we had 6 employees, 5 of which are full-time, including our Chief Executive Officer, Abizer Gaslightwala, our Executive Director, Head of Oncology, Satyajit Mitra, Ph.D., and 3 other individuals, 1 of whom are engaged in research and development. None of our employees are represented by labor unions or covered by collective bargaining agreements, and we consider our relationship with employees to be good. We also utilize the services of several independent consultants to support our research and development and general and administrative operations.

We are focused on effective identification, recruitment, development, and retention of, and compensation and benefits to, human resource talent, including workforce and management development, diversity and inclusion initiatives, succession planning, and corporate culture and leadership quality, which are vital to our success. The principal purposes of our equity incentive plans are to attract, retain and motivate selected employees, consultants and directors through the granting of stock-based compensation awards and cash-based performance bonus awards.

Corporate Information

We were originally established as a private limited company under the laws of England and Wales on October 7, 2004 under the name Freshname No. 333 Limited. On January 19, 2005, we changed our name to Morria Biopharmaceuticals Limited and on February 3, 2005, we completed a reverse merger with Morria Biopharmaceuticals Inc., or Morria, a Delaware corporation, in which Morria became our wholly-owned subsidiary and we re-registered as a non-traded public limited company under the laws of England and Wales. On March 22, 2011, we incorporated an Israeli subsidiary, Morria Biopharma Ltd. On June 25, 2013, we changed our name to Celsus Therapeutics Plc and on October 13, 2013 Morria was renamed Celsus Therapeutics Inc. On September 18, 2015, we completed an acquisition of all of the capital stock of Volution Immuno Pharmaceuticals SA ("Volution"), a private Swiss company, from RPC Pharma Limited ("RPC"), Volution's sole shareholder, in exchange for our ordinary shares, in accordance with the terms of a Share Exchange Agreement, dated as of July 10, 2015. In connection with the acquisition, our name was changed to Akari Therapeutics, Plc. As such, our affairs are governed by our Articles of Association and the English law.

Puglisi & Associates ("Puglisi") serves as our agent for service of process in the United States. Puglisi's address is 850 Library Avenue, Suite 204, Newark, Delaware 1971.

Our principal U.S. office is located at 401 East Jackson Street, Suite 3300, Tampa, FL 33602, and our telephone number is (929) 274-7510. Celsus Therapeutics, Inc. serves as our agent for service of process in the United States.

Information Available on the Internet

We use our website (www.akaritx.com), LinkedIn (https://www.linkedin.com/company/akaritx/) and Twitter (https://twitter.com/AkariTX) as distribution channels for Company information. The information contained on, or that can be accessed through our website, LinkedIn or Twitter, which may be deemed material, is not part of this Form 10-K and such internet addresses are included in this document solely as inactive textual references. We make available free of charge through our website our Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and exhibits and amendments to these reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act as soon as reasonably practicable after we electronically file or furnish such materials to the SEC. The SEC maintains an internet site at www.sec.gov containing reports, proxies and information statements and other information regarding issuers that file electronically with the SEC.

Item 1A. Risk Factors.

Investing in our securities involves a high degree of risk. You should carefully consider the risks and uncertainties described below in addition to the other information included or incorporated by reference in this Form 10-K before purchasing our ADSs. Our business, financial condition and results of operations could be materially and adversely affected by any of these and currently unknown risks or uncertainties. In that case, the market price of our ADSs could decline, and you may lose all or part of your investment in our securities.

Risks Related to Our Financial Position and Our Capital Requirements

We have a history of operating losses and cannot give assurance of future revenues or operating profits.

We do not expect to generate revenue or profitability that is necessary to finance our operations in the short term. We incurred net losses of $17.3 million and $19.8 million for the years ended December 31, 2025 and 2024, respectively. In addition, our accumulated deficit as of December 31, 2025 and 2024 was $264.5 million and $247.3 million, respectively. Losses have principally resulted from costs incurred for manufacturing, clinical trial and preclinical activities and general and administrative expenses. We have funded our operations primarily through public and private offerings of equity securities.

To date, we have not commercialized any products or generated any revenues from the sale of products, and absent the realization of sufficient revenues from product sales, we may never attain profitability in the future. We expect to incur significant losses for the foreseeable future as we continue to conduct research and development, clinical testing, regulatory compliance activities and, if any of our current or future product candidates receive marketing authorization, sales and marketing activities.

We have not initiated clinical development of any of the product candidates in our active pipeline and expect that it will be many years, if ever, before any of our candidates is ready for commercialization. To become and remain profitable, we must develop and, either directly or through collaborators, commercialize products with market potential. This will require us to be successful in a range of activities, including identifying product candidates, completing preclinical studies and clinical trials of product candidates, obtaining marketing approval for these product candidates, manufacturing, marketing and selling products for which we may obtain marketing approval and satisfying any post-marketing requirements. We may never succeed in these activities and, even if we do, we may never generate revenues that are significant or large enough to achieve profitability. Additionally, we are unable to predict the extent of any future losses or when we will become profitable, if at all. Our failure to become and remain profitable could impair our ability to raise capital, maintain our research and development efforts, expand our business or continue our operations. Accordingly, investors may not receive any return on their investment or may lose their entire investment.

We will require substantial additional capital to fund our operations, and if we are unable to obtain such capital, we will be unable to successfully develop and commercialize any product candidates.

As of December 31, 2025, we had cash of approximately $5.2 million. We will require additional capital in order to develop and commercialize our current product candidates or any future product candidates that we may develop or acquire. There is no assurance that additional funds will be available when we need them on terms that are acceptable to us, or at all. If adequate funds are not available on a timely basis, we may be required to terminate or delay development for one or more of our product candidates, which raises substantial doubt about our ability to continue as a going concern.

We expect our expenses to increase in connection with our ongoing activities, particularly as we identify, continue the research and development of, initiate and carry out preclinical studies and clinical trials of, and seek marketing approval for product candidates. The amount and timing of any expenditure needed will depend on numerous factors, some of which are outside our control, including:

- the costs of developing our current products and any future product candidates that we may develop, in-license or acquire;
- the costs of obtaining, maintaining and enforcing our patents and other intellectual property rights;
- the costs and timing of future clinical trials or the need for additional clinical trials in any indications or product candidates which we are pursuing or may choose to pursue in the future;
- the costs and timing of initiating manufacturing for our product candidates, including commercial manufacturing if any product candidate is approved;
- the terms and timing of establishing and maintaining collaborations, license agreements and other partnerships;
- the costs and timing of enhanced internal controls over financial reporting;
- the effect of competing technological and market developments; and
- the costs associated with being a public company.

We have not sold any products, and we do not expect to sell or derive revenue from any product sales for the foreseeable future. We may seek additional funding through future debt and equity financing, potential collaborations or strategic partnerships with other companies, non-dilutive financings or the divestiture of programs and product candidates that we have ceased developing or may in the future cease developing. Additional funding may not be available to us on acceptable terms or at all. General market conditions may make it difficult for us to seek financing from the capital markets. We may be required to relinquish rights to our technologies or product candidates, or grant licenses on terms that are not favorable to us, in order to raise additional funds through alliance, joint venture or licensing arrangements. In the event that we decide to pursue divestiture of any of our legacy programs or product candidates, we may be unable to identify a potential buyer or to complete such a divestiture on favorable terms or at all. In addition, the terms of any financing may adversely affect the holdings or the rights of our shareholders and the issuance of additional shares by us, or the possibility of such issuance, may cause the market price of our shares to decline.

If we are unable to obtain funding on a timely basis, we will be delayed or unable to complete ongoing research for our programs and we may be required to significantly curtail some or all of our activities. Additionally, any additional fundraising efforts may divert our management from their day-to-day activities, which may adversely affect our ability to develop and commercialize any product candidates we may develop. We cannot be certain that additional funding will be available on acceptable terms or at all. We have no committed source of additional capital and, if we are unable to raise additional capital in sufficient amounts or on terms acceptable to us, we may have to significantly delay, scale back or discontinue the development or commercialization of any product candidates or other research and development initiatives. We could be required to seek collaborators for potential product candidates or complete divestitures of some or all of our legacy programs or product candidates earlier than we would otherwise plan or on terms that are less favorable than might otherwise be available. We could also be required to relinquish or license our rights to product candidates on unfavorable terms in certain markets where we otherwise would seek to pursue development or commercialization ourselves.

Raising additional capital may cause significant dilution to our shareholders or restrict our operations.

Until such time, as ever, as we are able to generate substantial product revenues, we expect to finance our capital needs at least in part through a combination of equity offerings and debt financings. To the extent that we do so, our shareholders may experience significant dilution, and the terms of these securities may contain preferential rights that adversely affect the rights of holders of ADSs representing our ordinary shares. The sale of a substantial number of ADSs, or anticipation of such sales, could cause the trading price of our ADSs to decline or make it more difficult for us to sell equity or equity-linked securities in the future at a time and at a price that we might otherwise desire. Additionally, debt financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures, declaring dividends and other restrictions.

Our ability to use net operating losses to offset future income may be subject to certain limitations.

As of December 31, 2025, we had cumulative UK, U.S. federal, various U.S. state, and South Korea net operating loss carryforwards ("NOL") to offset future taxable income of approximately $153.2 million, $47.2 million, $76.6 million, and $91.6 million, respectively. NOLs in certain jurisdictions do not expire, while NOLs in some jurisdictions are subject to expiration. A lack of future taxable income would adversely affect our ability to utilize these NOLs. In addition, under Section 382 of the Internal Revenue Code of 1986, as amended (the Code), a corporation that undergoes an "ownership change" is subject to limitations on its ability to utilize its NOLs to offset future taxable income. We have already experienced ownership changes as defined under Section 382 of the Code. Depending on the timing of any future utilization of our NOLs, the amount that can be utilized each year may be limited as a result of such previous ownership changes. In addition, future changes in our stock ownership, including changes that may be outside of our control, could result in additional ownership changes under Section 382 of the Code. Our NOLs may also be impaired under similar provisions of state law. We maintain a full valuation allowance related to our NOLs and other deferred tax assets due to the uncertainty of the ultimate realization of the future benefits of those assets.

We have identified material weaknesses in our internal control over financial reporting. If our remediation of the material weaknesses are not effective, or if we experience additional material weaknesses in the future or otherwise fail to maintain an effective system of internal controls in the future, we may not be able to accurately or timely report our financial condition or results of operations, which may adversely affect investor confidence in us and, as a result, the value of our ADSs.

As a public company, we are required to maintain internal control over financial reporting and to report any material weaknesses in such internal control. Section 404 of the Sarbanes-Oxley Act of 2002 ("Sarbanes-Oxley") requires that we evaluate and determine the effectiveness of our internal control over financial reporting. The rules governing the standards that must be met for management to assess our internal control over financial reporting are complex and require significant documentation, testing and possible remediation. In connection with our year-end assessment as part of the preparation of this Form 10-K, we determined that, as of December 31, 2025, we did not maintain effective internal control over financial reporting due to material weaknesses identified relating to the lack of formalized information technology general controls, lack of formally designed and implemented "purchase to pay" controls, and lack of effective controls over business combination accounting, as more fully described in "Disclosure Controls and Procedures" in Item 9A of Part II of this Form 10-K . A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim consolidated financial statements will not be prevented or detected on a timely basis.

While we are in the process of implementing changes to remediate the material weaknesses we have identified, we cannot assure you that these measures will significantly improve or remediate such material weaknesses. We may discover additional weaknesses in our system of internal financial and accounting controls and procedures that could result in a material misstatement of our consolidated financial statements. Our internal control over financial reporting will not prevent or detect all errors or fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud will be detected.

If we are unable to maintain proper and effective internal controls over financial reporting, we may not be able to produce timely and accurate financial statements. If that were to happen, our investors could lose confidence in our reported financial information, the market price of our ADSs could decline, and we could be subject to sanctions or investigations by the SEC or other regulatory authorities.

Risks Related to Discovery, Development and Regulatory Approval of Our Product Candidates

We have not initiated clinical studies for any of the programs in our active pipeline or entered into any strategic partnerships regarding the continued development of our legacy pipeline assets. As a result, it may be years before we commercialize a product candidate, if ever. If we, alone or with a strategic partner, are unable to identify and advance product candidates through preclinical studies and clinical trials, obtain marketing approval and ultimately commercialize them, or experience significant delays in doing so, our business will be materially harmed.

The success of our business depends primarily upon our ability to identify, develop and commercialize product candidates, which are subject to the risks of failure inherent in the novel approaches, targets and mechanisms of action upon which we base our efforts. We are early in our development efforts, have not yet completed preclinical studies of AKTX-101,

our lead product candidate, and our other current active programs are in the drug discovery stage. We recently suspended further development of our legacy pipeline assets nomacopan, PAS-nomacopan, and PHP-303, and we cannot guarantee that we will be able to enter into any strategic partnerships covering the continued development of such assets or that future strategic partnerships with respect to such assets that we may enter into, if any, will result in successful therapeutic products. Furthermore, our reliance on our ADC Platform in the identification and development of product candidates may not yield any viable pharmaceutical products.

Additionally, our ability to achieve and sustain profitability depends on obtaining regulatory approvals for, and successfully commercializing, our product candidates, either alone or with third parties, and we cannot guarantee that we will ever obtain regulatory approval for any of our product candidates. Before obtaining regulatory approval for the commercial distribution of any product candidates, we must conduct extensive preclinical studies followed by clinical trials to demonstrate the safety and efficacy of our product candidates in humans. We cannot be certain of the timely completion or outcome of our research and development activities, preclinical studies or any future clinical trials, and cannot predict if the FDA or other regulatory authorities will accept our proposed clinical programs or if the outcome of our preclinical studies will ultimately support the further development of our future product candidates.

We also may not have the financial resources to continue development of, or the ability to enter into collaborations or other strategic partnerships for, a product candidate if we experience any issues that delay or prevent regulatory approval of, or our ability to commercialize, product candidates, including:

- negative or inconclusive results from our preclinical trials, leading to a decision to conduct additional preclinical studies or abandon a program;
- negative or inconclusive results from clinical trials or the clinical trials of others for product candidates similar to ours, leading to a decision or requirement to conduct additional preclinical studies or clinical trials or abandon a program;
- our clinical safety data in humans not matching the safety evaluation in relevant animal models;
- our strategy of deploying payloads, including our PH-1 payload, as ADCs failing to mitigate known toxicities of those classes of small molecules delivered as systemic chemotherapies;
- our clinical data failing to match preclinical data supporting antibody selectivity, linker stability, pharmacokinetics, anti-tumor efficacy, or any other key attributes;
- product-related side effects experienced by participants in our clinical trials or by individuals using drugs or therapeutic antibodies similar to ours;
- delays in submitting IND applications or comparable foreign applications, or delays or failure in obtaining the necessary approvals from regulators to commence a clinical trial, or a suspension or termination of a clinical trial once commenced;
- conditions imposed by the FDA, or other regulatory authorities regarding the scope or design of our clinical trials;
- delays in clinical trials as a result of the limited number of patients with the diseases that some or all of our current or expected future product candidates target, patient enrollment taking longer than anticipated or patient withdrawal;
- high drop-out rates or high failure rates of research subjects;
- inadequate supply or quality of product candidate components or materials or other supplies necessary for the conduct of preclinical studies or clinical trials;
- greater-than-anticipated clinical trial costs;
- poor effectiveness of our product candidates during clinical trials;
- unfavorable FDA or other regulatory agency inspection and review of a clinical trial or manufacture site;
- failure of our third-party contractors or investigators to comply with regulatory requirements or otherwise meet their contractual obligations in a timely manner, or at all;
- delays and changes in regulatory requirements, policies and guidelines;
- the FDA or other regulatory agencies interpreting our data differently than we do; or
- adverse impacts caused by any future pandemics or geopolitical considerations which could heighten any of the foregoing risks.

Our inability to complete development of, or commercialize, our product candidates, or significant delays in doing so due to one or more of these factors, or other factors, could have a material and adverse effect on our business, financial condition, results of operations and prospects.

Preclinical and clinical drug development is a lengthy and expensive process, with uncertain timelines and outcomes. If preclinical studies or clinical trials of our product candidates are prolonged or delayed, we may be unable to obtain required regulatory approvals and therefore be unable to commercialize our product candidates or any of our future product candidates on a timely basis or at all.

Successful development of pharmaceutical products involves a lengthy and expensive process, is highly uncertain, and is dependent on numerous factors, many of which are beyond our control. Product candidates that appear promising in the early phases of development may fail to reach the market for several reasons, including:

- clinical trial results may show the product candidates to be less effective than expected (for example, a clinical trial could fail to meet its primary or key secondary endpoint(s)) or have an unacceptable safety or tolerability profile;
- failure to receive the necessary regulatory approvals or a delay in receiving such approvals, which, among other things, may be caused by patients who fail the trial screening process, slow enrollment in clinical trials, patients dropping out of trials, patients lost to follow-up, length of time to achieve trial endpoints, additional time requirements for data analysis or application preparation, discussions with the FDA, EMA or other comparable foreign regulatory authorities (including FDA, EMA or other comparable foreign regulatory authorities requesting additional preclinical or clinical data, such as long-term toxicology studies), or encountering unexpected safety or manufacturing issues;
- preclinical study results may show the product candidate to be less effective than desired or to have harmful on-target or off-target side effects; or
- the proprietary rights of others and their competing products and technologies that may prevent our product candidates from being commercialized.

Furthermore, the length of time necessary to complete clinical trials and submit an application for marketing approval for a final decision by a regulatory authority varies significantly from one product candidate to the next and from one country or jurisdiction to the next and may be difficult to predict. Even if we are successful in obtaining marketing approval, commercial success of any approved products will also depend in large part on the availability of coverage and adequate reimbursement from third-party payors, including government payors such as the Medicare and Medicaid programs and managed care organizations in the United States or country-specific governmental organizations in foreign countries, which may be affected by existing and future healthcare reform measures designed to reduce the cost of healthcare. Third-party payors could require us to conduct additional studies, including post-marketing studies related to the cost effectiveness of a product, to qualify for reimbursement, which could be costly and divert our resources. If government and other healthcare payors were not to provide coverage and adequate reimbursement for our products once approved, market acceptance and commercial success would be reduced. Even if we are able to obtain coverage and adequate reimbursement for our products once approved, there may be features or characteristics of our products, such as dose preparation requirements, that prevent our products from achieving market acceptance by the healthcare or patient communities.

In addition, if any of our product candidates receive marketing approval, we will be subject to significant regulatory obligations regarding the submission of safety and other post-marketing information and reports and registration, and will need to continue to comply (or ensure that our third-party providers comply) with current Good Manufacturing Practice ("cGMPs") and Good Clinical Practice ("GCPs") for any clinical trials that we conduct post-approval. In addition, there is always the risk that we, a regulatory authority or a third party might identify previously unknown problems with a product post-approval, such as AEs of unanticipated severity or frequency. Compliance with these requirements is costly, and any failure to comply or other issues with our product candidates' post-approval could adversely affect our business, financial condition and results of operations.

We may encounter substantial delays in the commencement, enrollment or completion of clinical trials or we may fail to demonstrate safety and efficacy to the satisfaction of applicable regulatory authorities, which could prevent us from commercializing any product candidates we determine to develop on a timely basis, if at all.

The risk of failure in developing product candidates is high. It is impossible to predict when or if any product candidate would prove effective or safe in humans or receive regulatory approval. Before obtaining marketing approval from regulatory authorities for the sale of any product candidate, we must complete preclinical development, submit an IND or comparable foreign application to permit initiation of clinical studies, and then conduct extensive clinical trials to demonstrate the safety and efficacy of product candidates in humans. We have not yet commenced or completed a clinical trial of any of the product candidates in our active pipeline.

Before we can commence clinical trials for a product candidate, we must complete extensive preclinical testing and studies that support our INDs and other regulatory filings. We cannot be certain of the timely identification of a product candidate or the completion or outcome of our preclinical testing and studies and cannot predict whether the FDA, EMA or other comparable foreign regulatory authorities will accept our proposed clinical programs or whether the outcome of our preclinical testing and studies will ultimately support the further development of any product candidates. Conducting preclinical testing is a lengthy, time-consuming and expensive process. The length of time may vary substantially according to the type, complexity and novelty of the program, and often can be several years or more per program. As a result, we cannot be sure that we will be able to submit INDs or other comparable foreign regulatory submissions for our preclinical programs on the timelines we expect, if at all, and we cannot be sure that submission of INDs will result in the FDA, EMA, or other comparable foreign regulatory authority allowing clinical trials to begin.

Furthermore, product candidates are subject to continued preclinical safety studies, which may be conducted concurrently with our clinical testing. The outcomes of these safety studies may delay the launch of or enrollment in future clinical trials and could impact our ability to continue to conduct our clinical trials.

Clinical testing is expensive, is difficult to design and implement, can take many years to complete and is uncertain as to outcome. We cannot guarantee that any clinical trials will be conducted as planned or completed on schedule, or at all. A failure of one or more clinical trials can occur at any stage of testing, which may result from a multitude of factors, including, but not limited to, flaws in trial design, dose selection issues, patient enrollment criteria and failure to demonstrate favorable safety or efficacy traits.

Patient enrollment depends on many factors, including the size and nature of the patient population, eligibility criteria for the trial, the proximity of patients to clinical sites, the design of the clinical protocol, the availability of competing clinical trials, the availability of new drugs or biologics approved for the indication the clinical trial is investigating, and clinicians' and patients' perceptions as to the potential advantages of the drug being studied in relation to other available therapies. These factors may make it difficult to enroll enough patients to complete clinical trials in a timely and cost-effective manner.

Patient enrollment is affected by other factors, including:

- design of the clinical trial protocol;
- size and nature of the patient population;
- eligibility criteria for the trial;
- perceived risks and benefits of the product candidate under trial;
- proximity and availability of clinical trial sites for prospective patients;
- availability of competing therapies and clinical trials;
- actual or threatened public health emergencies and outbreaks of disease;
- clinicians' and patients' perceptions as to the potential advantages of the drug being studied in relation to other available therapies, including any new drugs that may be approved for the indications we are investigating;
- efforts to facilitate timely enrollment in clinical trials;
- number of physicians that treat patients with these diseases;
- ability to identify and enroll such patients with a stage of disease appropriate for our ongoing or future clinical trials;
- the costs of finding and diagnosing patients;
- patient referral practices of physicians; and
- our ability to monitor patients adequately during and after treatment.

We could also encounter delays if a clinical trial is suspended or terminated by us, by the IRBs overseeing the conduct of such trials, by a Data Safety Monitoring Board for such trial or by the FDA, EMA, or other comparable foreign regulatory authorities. Such regulatory authorities may impose such a suspension or termination due to a number of factors, including failure to conduct the clinical trial in accordance with regulatory requirements or our clinical protocols, inspection of the clinical trial operations or trial site by the FDA, EMA, or other comparable regulatory foreign authorities resulting in the imposition of a clinical hold, unforeseen safety issues or adverse side effects, failure to demonstrate a benefit from using a drug, changes in governmental regulations or administrative actions or lack of adequate funding to continue the clinical trial. In addition, changes in regulatory requirements and policies may occur, and we may need to amend clinical trial protocols to comply with these changes. Amendments may require us to resubmit our clinical trial protocols to IRBs for re-examination and approval, which may impact the costs, timing or successful completion of a clinical trial.

Further, conducting clinical trials in foreign countries, as we may do for our product candidates, presents additional risks that may delay completion of our clinical trials. These risks include the failure of enrolled patients in foreign countries to adhere to clinical protocols as a result of differences in healthcare services or cultural customs, managing additional administrative burdens associated with foreign regulatory requirements, as well as political, currency exchange and other economic risks relevant to such foreign countries. We may face delays in meeting our anticipated timelines for our ongoing and planned clinical trials, which could adversely affect our business, financial condition, results of operations and growth prospects.

Any inability to successfully complete preclinical and clinical development could result in additional costs to us or impair our ability to generate revenue from future product sales and regulatory and commercialization milestones. In addition, if we make manufacturing or formulation changes to our product candidates, we may need to conduct additional testing to bridge our modified product candidate to earlier versions. Clinical trial delays could also shorten any periods during which we may have the exclusive right to commercialize our product candidates, if approved, or allow our competitors to bring comparable products to market before we do, which could impair our ability to successfully commercialize our product candidates and may harm our business, financial condition, results of operations and prospects.

Serious adverse events, undesirable side effects or other unexpected properties of our product candidates may be identified during development or after approval, which could lead to the discontinuation of our development programs, refusal by regulatory authorities to approve our product candidates or, if discovered following marketing approval, revocation of marketing authorizations or limitations on the use of our product candidates, any of which would limit the commercial potential of such product candidates.

To date, we have not commenced or completed the evaluation of any of our current ADC candidates in human clinical trials. It is impossible to predict when or if any product candidates we may develop will ultimately prove safe in humans. As is the case with pharmaceuticals generally, it is likely that there may be side effects and AEs associated with our product candidates' use. Often, it is not possible to determine whether or not the product candidate being studied caused these conditions. Regulatory authorities may draw different conclusions or require additional testing to confirm these determinations, if they occur. In addition, it is possible that as we test our product candidates in larger, longer and more extensive clinical trials with a broader group of patients, or as use of these product candidates becomes more widespread if they receive marketing approval, illnesses, injuries, discomforts and other AEs that were observed in earlier trials, as well as conditions that did not occur or went undetected in previous trials, will be reported by participants. In some instances, certain side effects are only detectable after investigational product candidates are tested in large-scale, Phase 3 trials or after they are made available to patients on a commercial scale after approval. If additional clinical experience indicates that any of our current or future product candidates has serious or life-threatening side effects or other side effects that outweigh the potential therapeutic benefit, the development of the product candidate may fail or be delayed, or, if the product candidate has received marketing approval, such approval may be limited or revoked, which would harm our business, prospects, operating results and financial condition. If we elect, or are required, to delay, suspend or terminate any clinical trial of our product candidates, the commercial prospects of our product candidates may be harmed and our ability to generate revenue through their sale may be delayed or eliminated. Any of these occurrences may harm our business, financial condition and prospects significantly.

Moreover, if our product candidates are associated with undesirable side effects in clinical trials or have characteristics that are unexpected, we may elect to abandon their development or limit their development to more narrow uses or subpopulations in which the undesirable side effects or other characteristics are less prevalent, less severe or more acceptable from a risk-benefit perspective, which may limit the commercial value for the product candidate if approved. We may also be required to modify our trial plans based on findings after we commence our clinical trials. Many compounds that initially showed promise in early-stage testing have later been found to cause side effects that prevented further development of the compound.

In addition, if any of our product candidates receive marketing approval, the FDA could require us to include a boxed warning in our label or adopt a REMS to ensure that the benefits outweigh its risks, which may include, among other things, a medication guide outlining the risks of the drug for distribution to patients, a communication plan to health care practitioners, or other elements to assure safe use. Furthermore, if we or others identify undesirable side effects caused by our product candidates, several other potentially significant consequences could result, including:

- regulatory authorities may suspend or withdraw approvals of any such product and require removal from the market;
- regulatory authorities may require the addition of labeling statements, specific warnings, a contraindication or field alerts to physicians and pharmacies, specialty pharmacies and other pharmacy related distribution networks (for example, oncology therapies do have inherent risks and labeling considerations that in many instances require additional regulatory labeling requirements);

- regulatory authorities may require a medication guide outlining the risks of such side effects for distribution to patients, or that we implement a risk evaluation and mitigation strategy (REMS) plan to ensure that the benefits of the product outweigh its risks;
- we may be required to change the way a product is administered, including changes in dosing regimens, frequency of dose, or reduction in dosing and may require us to conduct additional clinical trials or change the labeling of a product;
- we may be subject to limitations on how we may promote the product leading to the potential for sales of the product to decrease significantly;
- third-party private or government payors may not offer, or may offer inadequate, reimbursement coverage for our product candidates, or reimbursement payments may be delayed or impossible to recover; and
- we may be subject to litigation or product liability claims; and our reputation may suffer.

Any of these events could prevent us from achieving or maintaining market acceptance of our product candidates or could substantially increase commercialization costs and expenses, which in turn could delay or prevent us from generating significant revenue from the sale of our product candidates.

Our proprietary ADC Platform is based on novel technologies that are unproven and may not result in approvable or marketable products, which exposes us to unforeseen risks and makes it difficult for us to predict the time and cost of product development and potential for regulatory approval, and we may not be successful in our efforts to expand our development portfolio of product candidates.

A key element of 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.

We have only recently commenced preclinical studies of AKTX-101, the lead program developed via our ADC Platform, and the scientific research that forms the basis of our efforts to develop product candidates with our ADC Platform is still ongoing. We are not aware of any FDA approved ADCs that involve the deployment of spliceosome inhibitors as payloads. Further, the scientific evidence to support the feasibility of developing therapeutic treatments based on our ADC Platform is both preliminary and limited. As a result, we are exposed to a number of unforeseen risks, and it is difficult to predict the types of challenges and risks that we may encounter during development of our product candidates. For example, we have not yet generated any clinical data on AKTX-101 or any other product candidate being developed using our ADC Platform, and our current data on AKTX-101 is limited to animal models and preclinical cell lines, the results of which may not translate into humans. Further, relevant animal models and assays may not accurately predict the safety and efficacy of our product candidates in humans, and we may encounter significant challenges creating appropriate models and assays for demonstrating the safety and purity of our product candidates.

Even if we obtain human data to support our product candidates, the FDA or comparable foreign regulatory authorities may lack experience in evaluating the safety and efficacy of product candidates like those developed using our ADC Platform, which could result in a longer than expected regulatory review process, increase our expected development costs, and delay or prevent commercialization of our product candidates. We cannot be certain that our approach will lead to the development of approvable or marketable products, alone or in combination with other therapies.

Although our research and development efforts to date have resulted in a development portfolio of potential programs and product candidates, our deployment of our ADC Platform may not prove reliable or effective in expanding our development portfolio. We may also pursue opportunities to acquire or in-license additional businesses, technologies or products, form strategic alliances or create joint ventures with third parties to complement or augment our existing business. However, we may not be able to identify any product candidates through such acquisition or in-license.

Even if we are successful in continuing to build and expand our development portfolio, the potential product candidates that we identify 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 we do not successfully develop and commercialize product candidates, we will not be able to obtain drug revenues in future periods, which likely would result in significant harm to our financial position.

Interim, initial, or preliminary results from our preclinical testing or clinical trials that we announce or publish from time to time may change as more patient data become available and are subject to additional audit, validation and verification procedures that could result in material changes in the final data.

From time to time, we may publish or present interim, initial, or preliminary data, including interim top-line results or initial or preliminary results from our clinical trials. Any interim, initial or preliminary data and other results from our clinical trials may materially change as more patient data becomes available. Preliminary, initial, interim or top-line results also remain subject to audit, validation and verification procedures that may result in the final data being materially different from the interim, initial or preliminary data we previously published. As a result, interim, initial or preliminary data may not be predictive of final results and should be viewed with caution until the final data is available. We may also arrive at different conclusions, or considerations may qualify such results, once we have received and fully evaluated additional data. Differences between preliminary, initial or interim data and final data could adversely affect our business.

Further, others, including regulatory agencies, may not accept or agree with our assumptions, estimates, calculations, conclusions or analyses or may interpret or weigh the importance of data differently, which could impact the value of the particular program, the approvability or commercialization of the particular product candidate or product and our company in general. In addition, the information we choose to publicly disclose regarding a particular study or clinical trial is based on what is typically extensive information, and you or others may not agree with what we determine is the material or otherwise appropriate information to include in our disclosure, and any information we determine not to disclose may ultimately be deemed significant with respect to future decisions, conclusions, views, activities or otherwise regarding a particular product, product candidate or our business. If the preliminary data that we report differ from actual results, or if others, including regulatory authorities, disagree with the conclusions reached, our ability to obtain approval for, and commercialize, our product candidates may be harmed, which could harm our business, operating results, prospects or financial condition.

We or a future strategic partner may choose to, or may be required to, suspend, repeat, or terminate clinical trials of our assets if they are not conducted in accordance with regulatory requirements, the results are negative or inconclusive or the trials are not well designed.

Clinical trials must be conducted in accordance with GCPs and are subject to oversight by the FDA and institutional review boards at the medical institutions where the clinical trials are conducted. In addition, clinical trials must be conducted with product candidates produced under cGMPs and may require large numbers of test patients. Clinical trials may be suspended by the FDA at any time if the FDA finds deficiencies in the conduct of these trials or it is believed that these trials expose patients to unacceptable health risks.

In addition, we or the FDA might delay or halt our clinical trials of a product candidate for various reasons, including:

- the product candidate may have unforeseen adverse side effects;
- the time required to determine whether the product candidate is effective may be longer than expected;
- fatalities arising during a clinical trial due to medical problems that may not be related to clinical trial treatments;
- the product candidate may not appear to be more effective than standard of care therapies;
- insufficient statistical power due to significant patient dropout or crossover to other therapies;
- insufficient patient enrollment in the clinical trials; or
- we may not be able to produce sufficient quantities of the product candidate to complete the trials.

Furthermore, the process of obtaining and maintaining regulatory approvals for new products is lengthy, expensive, and uncertain. It can vary substantially, based on the type, complexity and novelty of the product involved. Accordingly, our current product candidates or any of our other future product candidates could take a significantly longer time to gain regulatory approval than we expect or may never gain approval, which would have a significant adverse impact on our business and results of operations.

Our employees, independent contractors, principal investigators, contract research organizations, consultants, vendors and collaboration partners may engage in misconduct or other improper activities, including non-compliance with regulatory standards.

We are exposed to the risk of employees, independent contractors, principal investigators, contract research organizations, consultants, commercial partners or vendors engaging in fraud or other misconduct. Misconduct by employees, independent contractors, principal investigators, consultants, commercial partners and vendors could include intentional

failures to comply with applicable laws, including UK or EU regulations, to provide accurate information to the UK, EMA or EU Member States authorities or to comply with manufacturing or quality standards we have or will have established. In particular, sales, marketing and business arrangements in the healthcare industry are subject to extensive laws and regulations intended to prevent fraud, misconduct, kickbacks, self-dealing and other abusive practices such as promotion of products by medical practitioners. Of general application are the European Anti-Fraud Office Regulation 883/2013, and the UK Bribery Act 2010. Under the latter, a commercial organization can be guilty of the offence if the bribery is carried out by an employee, agent, subsidiary, or another third-party, and the location of the third-party is irrelevant to the prosecution. The advertising of medicinal products in the EU is regulated by Title VIII of European Directive 2001/83/EC. The corresponding UK legislation is Part 14 of the Human Medicines Regulations 2012 (S.I. 2012/1916). Such laws and regulations may restrict or prohibit a wide range of pricing, discounting, marketing and promotion, sales commission, customer incentive programs and other business arrangements. Misconduct could also involve the improper use of information obtained in the course of clinical studies, which could result in regulatory sanctions and serious and irreparable harm to our reputation.

This could also apply with respect to data privacy. In the EU, the General Data Protection Regulation (EU) 2016/679 ("GDPR") lays down the legal framework for data protection and privacy. The GDPR applies directly in EU Member States and applies to companies with an establishment in the EEA and to certain other companies not in the EEA that offer or provide goods or services to individuals located in the EEA or monitor the behavior of individuals located in the EEA. Since January 1, 2021, the UK is not part of the EU. In the UK, the GDPR has been converted into UK domestic law, pursuant to the Data Protection, Privacy and Electronic Communications (Amendments etc.) (EU Exit) Regulations 2019 (as amended), which makes some minor technical amendments to ensure the GDPR is operable in the UK ("UK GDPR"). The UK GDPR is also supplemented by the Data Protection Act 2018. UK and EU data protection law is therefore aligned. The GDPR and UK GDPR implement stringent operational requirements for controllers of personal data, including, for example, expanded disclosures about how personal information is to be used, limitations on retention of information, increased requirements pertaining to health data and pseudonymized (i.e., key-coded) data, increased cyber security requirements, mandatory data breach notification requirements and higher standards for controllers to demonstrate that they have obtained a valid legal basis for certain data processing activities. The activities of data processors are being regulated for the first time, and require companies undertaking processing activities to offer certain guarantees in relation to the security of such processing and the handling of personal data. Contracts with data processors will also need to be updated to include certain terms prescribed by the GDPR, and negotiating such updates may not be fully successful in all cases. The GDPR provides that EU Member States may make their own further laws and regulations in relation to the processing of genetic, biometric or health data, which could result in differences between Member States, limit our ability to use and share personal data or could cause our costs to increase, and harm our business and financial condition. We are also subject to evolving and strict rules on the transfer of personal data out of the EU and UK to the United States, under both the GDPR and the UK GDPR. Under the GDPR personal data cannot be transferred to a third country (i.e. outside of the EEA or UK, as applicable) unless certain safeguards are in place. These include, for example, where the transfer is to a country that the EU Commission has deemed "adequate" or where EU standard contractual clauses have been implemented. Further prospective revision of the Directive on privacy and electronic communications (Directive 2002/58/EC) ("ePrivacy Directive") may affect our marketing communications. Failure to comply with EU laws, including failure under the GDPR and UK GDPR, Data Protection Act 2018, ePrivacy Directive and other laws relating to the security of personal data may result in fines up to €20,000,000 (or £17,500,000 under the UK GDPR) or up to 4% of the total worldwide annual turnover of the preceding financial year, if greater, and other administrative penalties including criminal liability, which may be onerous and adversely affect our business, financial condition, results of operations and prospects. Failure to comply with the GDPR and related laws may also give rise to increased risk of private actions from data subjects and consumer not-for-profit organizations, including a new form of class action that is available under the GDPR. Compliance with the GDPR and UK GDPR requires a rigorous and time-intensive process that may increase our cost of doing business or require us to change our business practices, and despite those efforts, there is a risk that we may be subject to the aforementioned fines and penalties, litigation, and reputational harm in connection with any European activities.

The UK is treated as a third country (for the purposes of data transfers). On June 28, 2021 and renewed on December 19, 2025, the EU Commission published two adequacy decisions in respect of transfers under EU GDPR and the Law Enforcement Directive stating that the UK provides adequate protection for personal data transferred from the EU to the UK under EU GDPR. The adequacy decision is expected to last until December 27, 2031 but may end earlier, for example if an EU data subject or EU data protection authority challenges the adequacy decisions. In such a case, the Court of Justice of the European Union would need to determine whether the UK provides essentially equivalent protection.

The UK government has confirmed that the EEA is adequate, and so all transfers of personal data from the UK to the EEA will continue to be unrestricted after July 1, 2021.

The UK has issued a consultation with respect to future changes to data protection law. There is risk that in the event UK and EU data protection law diverges, that the adequacy decisions may come to an end. If this occurs, there will be cost implication due to dual compliance requirements and costs with respect to international data transfers.

It is not always possible to identify and deter misconduct by employees or other parties. The precautions we take to detect and prevent this activity may not protect us from legal or regulatory action resulting from a failure to comply with applicable laws or regulations. Misconduct by our employees, principal investigators, consultants, commercial partners or vendors could result in significant financial penalties, criminal sanctions and thus have a material adverse effect on our business, including through the imposition of significant fines or other sanctions, and our reputation.

Risks Related to Commercialization, Marketing and Competition

Our industry is highly competitive, and our product candidates may become obsolete.

We are engaged in a rapidly evolving field. Competition from other pharmaceutical companies, biotechnology companies and research and academic institutions is intense and likely to increase. Many of those companies and institutions have substantially greater financial, technical and human resources than we do. Those companies and institutions also may have substantially greater experience in developing products, conducting clinical trials, obtaining marketing authorization and in manufacturing and marketing biologic products. Our competitors may succeed in obtaining marketing authorization for their products more rapidly than we do. Competitors have developed or are in the process of developing technologies that are, or in the future may be, the basis for competitive products. Our competitors may succeed in developing products that are more effective than those we are developing, or that would render our product candidates less competitive or even obsolete. In addition, one or more of our competitors may achieve product commercialization, patent protection or regulatory exclusivity that could impede the commercialization of our product candidates, which could materially adversely affect our business.

If we are unable to establish sales, marketing and distribution capabilities on our own or through collaborations with partners, we may not be successful in commercializing any approved drugs.

We currently have no marketing, sales or distribution capabilities. If any of our product candidates is approved, we must establish a sales and marketing organization with technical expertise and supporting distribution capabilities or outsource this function to a third party. Either of these options could be expensive and time-consuming. In addition, we may not be able to hire a commercial team in the United States or other target market that is sufficient in size or has adequate expertise in the medical institutions that we intend to target. Any failure or delay in the development of our or third parties' internal sales, marketing and distribution capabilities could adversely impact the commercialization of any existing or future product candidates, if and when approved by the FDA.

With respect to our existing and future product candidates, we may choose to collaborate with third parties that have direct sales forces and established distribution systems, either to augment or to serve as an alternative to our own sales force and distribution capabilities. If we do so, any future product revenue may be lower than if we directly marketed or sold any products that may be approved in the future. In addition, any revenue we receive will depend in whole or in part upon the efforts of these third parties, which may not be as diligent or successful as if we were to market and sell any products that may be approved in the future ourselves. If we are unable to enter into these arrangements on acceptable terms or at all, we may not be able to successfully commercialize our approved products. If we are not successful in commercializing any products that may be approved in the future, our future product revenue will suffer, and we may incur significant losses.

Even if any of our current or future product candidates receive marketing approval, such product candidates may fail to achieve market acceptance by physicians, patients, third-party payors or others in the medical community necessary for commercial success, in which case we may not generate significant revenues or become profitable.

We have never commercialized a product, and even if any of our current or future product candidates are approved by the appropriate regulatory authorities for marketing and sale, they may not gain market acceptance among physicians, patients, third-party payors or others in the medical community. Market participants with significant influence over acceptance of new treatments, such as clinicians and third-party payors, may not be able to convince the medical community and third-party payors to accept and use, or to provide favorable reimbursement for, any product candidates developed by us or our existing or future collaborators. If our current or future product candidates do not achieve an adequate level of acceptance, we may not generate significant product revenue and may not become profitable. The degree of market acceptance of our current or future product candidates, if approved for commercial sale, will depend on a number of factors, including but not limited to:

- the clinical indications and patient populations for which the product candidate is approved;
- the safety, efficacy and potential advantages compared to alternative treatments and therapies;
- the timing of market introduction of the product as well as competitive products;
- effectiveness of sales and marketing efforts;

- the strength of our relationships with patient communities;
- the cost of treatment in relation to alternative treatments and therapies, including any similar generic treatments;
- our ability to offer such product for sale at competitive prices;
- the convenience and ease of administration compared to alternative treatments and therapies;
- the willingness of the target patient population to try new therapies and of physicians to prescribe these therapies;
- the availability of third-party coverage and adequate reimbursement;
- the willingness of patients to pay out-of-pocket in the absence of coverage and adequate reimbursement by third-party payors and government authorities;
- the strength of marketing and distribution support;
- the inclusion of any REMS program or other restrictions included by the regulators;
- the prevalence and severity of any side effects; and
- any restrictions on the use of the product together with other medications.

Our efforts to educate physicians, patients, third-party payors and others in the medical community on the benefits of our product candidates may require significant resources and may never be successful. Because we expect sales of our product candidates, if approved, to generate substantially all of our revenues for the foreseeable future, the failure of our product candidates, if approved, to find market acceptance would harm our business and could require us to seek additional financing.

Even if we are able to commercialize any product candidate, the third-party payor coverage and reimbursement status of newly approved products is uncertain. Failure to obtain or maintain adequate coverage and reimbursement for our product candidates could limit our ability to market those products and decrease our ability to generate revenue.

The availability and adequacy of coverage and reimbursement by governmental healthcare programs such as Medicare and Medicaid, private health insurers and other third-party payors in the United States are essential for most patients to be able to afford treatments such as our products or product candidates, if approved. Our ability to achieve acceptable levels of coverage and reimbursement for drug treatments by governmental authorities, private health insurers and other organizations will have an effect on our ability to successfully commercialize our products and potentially attract additional collaboration partners to invest in the development of our product candidates. We cannot be sure that adequate coverage and reimbursement in the United States, the EU, Australia or elsewhere will be available for our products or any products that we may develop, and any reimbursement that may become available may be decreased or eliminated in the future.

Third-party payors increasingly are challenging prices charged for pharmaceutical products, medical devices and services, and many third-party payors may refuse to provide coverage and reimbursement for particular drugs when an equivalent generic drug is available. It is possible that a third-party payor may consider our products or product candidates, if approved, and the generic or biosimilar parent drug as substitutable and only offer to reimburse patients for the generic drug. Even if we show improved efficacy or safety or improved convenience of administration with our products or product candidates, if approved, pricing of the existing parent drug may limit the amount we will be able to charge for such product. If reimbursement is not available or is available only at limited levels, we may not be able to successfully commercialize our products or product candidates and may not be able to obtain a satisfactory financial return on products that we may develop.

There is significant uncertainty related to the insurance coverage and reimbursement of newly approved products. In the United States, third-party payors, including private and governmental payors, such as the Medicare and Medicaid programs, play an important role in determining the extent to which new drugs, biologics and medical devices will be covered. The Medicare and Medicaid programs increasingly are used as models for how private payors and other governmental payors develop their coverage and reimbursement policies for drugs, biologics and medical devices. It is difficult to predict at this time what third-party payors will decide with respect to the coverage and reimbursement for our products or product candidates.

Outside the United States, international operations are generally subject to extensive governmental price controls and other market regulations, and we believe the increasing emphasis on cost-containment initiatives in Europe, Canada, and other countries has and will continue to put pressure on the pricing and usage of our products and product candidates, if approved, and on related parent drugs. In many countries, the prices of medical products are subject to varying price control mechanisms as part of national health systems. Many countries, including the EU Member States, established complex and lengthy procedures to obtain price approvals, coverage and reimbursement. These procedures vary from country to country but are commonly initiated after grant of the related marketing authorization. More particularly, in the EU, potential reductions in prices and changes in reimbursement levels could be the result of different factors, including reference pricing systems. It could

also result from the application of external reference pricing mechanisms, which consist of arbitrage between low-priced and high-priced countries. Reductions in the pricing of our medicinal products in one EU Member State could affect the price in other EU Member States and, thus, have a negative impact on our financial results. Other countries allow companies to fix their own prices for medical products but monitor and control company profits. Additional foreign price controls or other changes in pricing regulation could restrict the amount that we are able to charge for our products or product candidates. Accordingly, in markets outside the United States, the reimbursement for our products may be reduced compared with the United States and may be insufficient to generate commercially reasonable revenue and profits. As an example, many EU Member States review periodically their decisions concerning the pricing and reimbursement of medicinal products. The outcome of these reviews cannot be predicted and could have adverse effects on the pricing and reimbursement of our medicinal products in the EU Member States.

Moreover, increasing efforts by governmental and third-party payors in the United States and abroad to cap or reduce healthcare costs may cause such organizations to limit both coverage and the level of reimbursement for new products approved and, as a result, they may not cover or provide adequate payment for our products or product candidates. We expect to experience pricing pressures in connection with the sale of our products and product candidates due to the trend toward managed healthcare, the increasing influence of health maintenance organizations, and additional legislative changes. The downward pressure on healthcare costs in general, particularly prescription drugs, medical devices and surgical procedures and other treatments, has become very intense. As a result, increasingly high barriers are being erected to the entry of new products.

Our future growth may depend, in part, on our ability to commercialize products in foreign markets, where we would be subject to additional regulatory burdens and other risks and uncertainties.

Our future growth may depend, in part, on our ability to develop and commercialize our product candidates in foreign markets. We are not permitted to market or promote any of our product candidates before we receive regulatory approval from applicable regulatory authorities in foreign markets, and we may never receive such regulatory approvals for any of our product candidates. To obtain separate regulatory approval in many other countries we must comply with numerous and varying regulatory requirements regarding safety and efficacy and governing, among other things, clinical trials, manufacturing, commercial sales, pricing and distribution of our product candidates. If we obtain regulatory approval of our product candidates and ultimately commercialize our products in foreign markets, we would be subject to additional risks and uncertainties, including:

- different regulatory requirements for approval of drugs in foreign countries;
- reduced protection for intellectual property rights;
- the existence of additional third-party patent rights of potential relevance to our business;
- unexpected changes in tariffs, trade barriers and regulatory requirements;
- economic weakness, including inflation, or political instability in particular foreign economies and markets;
- compliance with tax, employment, immigration and labor laws for employees living or traveling abroad;
- foreign currency fluctuations, which could result in increased operating expenses and reduced revenues, and other obligations incident to doing business in another country;
- foreign reimbursement, pricing and insurance regimes;
- workforce uncertainty in countries where labor unrest is common;
- production shortages resulting from any events affecting raw material supply or manufacturing capabilities abroad;
- business interruptions resulting from geopolitical actions, including war and terrorism, or natural disasters including earthquakes, typhoons, floods and fires; and
- business interruptions resulting from pandemics or similar public health crises.

EU drug marketing and reimbursement regulations may materially affect our ability to market and receive coverage for our products in the EU Member States.

We intend to seek approval to market our product candidates in both the United States and in selected foreign jurisdictions, including the EU. If we obtain approval in one or more foreign jurisdictions for our product candidates, we will be subject to rules and regulations in those jurisdictions. In some foreign countries, particularly those in the EU, the pricing of products is subject to governmental control and other market regulations which could put pressure on the pricing and usage of our product candidates. In these countries, pricing negotiations with governmental authorities can take considerable time after obtaining marketing approval of a product candidate. In addition, market acceptance and sales of our product candidates will depend significantly on the availability of adequate coverage and reimbursement from third-party payors for our product candidates and may be affected by existing and future healthcare reform measures.

Much like the federal Anti-Kickback Statute prohibition in the United States, the provision of benefits or advantages to physicians to induce or encourage the prescription, recommendation, endorsement, purchase, supply, order or use of medicinal products is also prohibited in the EU. The provision of benefits or advantages to reward improper performance is typically governed by the national anti-bribery laws of EU Member States and the Bribery Act 2010 in the United Kingdom. Infringement of these laws could result in substantial fines and imprisonment. EU Directive 2001/83/EC, which is the EU Directive governing medicinal products for human use, further provides that, where medicinal products are being promoted to persons qualified to prescribe or supply them, no gifts, pecuniary advantages or benefits in kind may be supplied, offered or promised to such persons unless they are inexpensive and relevant to the practice of medicine or pharmacy. This provision has been transposed into the Human Medicines Regulations 2012 and so remains applicable in the United Kingdom despite its departure from the EU.

Payments made to physicians in certain EU Member States must be publicly disclosed. Moreover, agreements with physicians often must be the subject of prior notification and approval by the physician's employer, his or her competent professional organization and/or the regulatory authorities of the individual EU Member States. These requirements are provided in the national laws, industry codes or professional codes of conduct, applicable in the EU Member States. Failure to comply with these requirements could result in reputational risk, public reprimands, administrative penalties, fines or imprisonment.

In addition, in some foreign countries, including some countries in the EU, the proposed pricing for a product must be approved before it may be lawfully marketed. The requirements governing product pricing and reimbursement vary widely from country to country. For example, some EU Member States have the option to restrict the range of medicinal products for which their national health insurance systems provide reimbursement and to control the prices of medicinal products for human use. Reference pricing used by various EU Member States and parallel distribution, or arbitrage between low-priced and high-priced EU Member States, can further reduce prices. An EU Member State may approve a specific price for the medicinal product or it may instead adopt a system of direct or indirect controls on the profitability of the company placing the medicinal product on the market. In some countries, we may be required to conduct a clinical trial or other studies that compare the cost-effectiveness of any of our product candidates to other available therapies in order to obtain or maintain reimbursement or pricing approval. There can be no assurance that any country that has price controls or reimbursement limitations for pharmaceutical products will allow favorable reimbursement and pricing arrangements for any of our product candidates. Historically, products launched in the EU do not follow price structures of the United States and generally prices tend to be significantly lower. Publication of discounts by third-party payors or authorities may lead to further pressure on the prices or reimbursement levels within the country of publication and other countries. If pricing is set at unsatisfactory levels or if reimbursement of our products is unavailable or limited in scope or amount, our revenues from sales and the potential profitability of any of our product candidates in those countries would be negatively affected.

Obtaining and maintaining marketing approval of our product candidates in one jurisdiction does not mean that we will be successful in obtaining marketing approval of our product candidates in other jurisdictions.

Obtaining and maintaining marketing approval of our product candidates in one jurisdiction does not guarantee that we will be able to obtain or maintain marketing approval in any other jurisdiction. For example, even if the FDA grants marketing approval of a product candidate, comparable foreign regulatory authorities in foreign jurisdictions must also approve the manufacturing, marketing and promotion and reimbursement of the product candidate in those countries, and they may not do so. A failure or delay in obtaining marketing approval in one jurisdiction may negatively impact the marketing approval process in others. Approval procedures vary among jurisdictions and can involve requirements and administrative review periods different from, and greater than, those in the United States, including additional preclinical studies or clinical trials, as clinical trials conducted in one jurisdiction may not be accepted by regulatory authorities in other jurisdictions. In many jurisdictions outside the United States, a product candidate must be approved for reimbursement before it can be approved for sale in that jurisdiction. In some cases, the price that we intend to charge for our products is also subject to approval.

Obtaining foreign marketing approvals and establishing and maintaining compliance with foreign regulatory requirements could result in significant delays, difficulties and costs for us and could delay or prevent the introduction of our products in certain countries. If we or any future collaborator fail to comply with the regulatory requirements in international markets or fail to receive applicable marketing approvals, our target market will be reduced and our ability to realize the full market potential of our product candidates will be harmed, which would adversely affect our business, prospects, financial condition, and results of operations.

If the market opportunities for any of our product candidates are smaller than we estimate, even assuming approval of a product candidate, our revenue may be adversely affected, and our business may suffer.

The precise incidence and prevalence for all the conditions we aim to address with our product candidates are unknown. Our projections of both the number of people who have these diseases, as well as the subset of people with these diseases who have the potential to benefit from treatment with our product candidates, are based on our beliefs and estimates. These estimates have been derived from a variety of sources, including scientific literature, surveys of clinics, patient foundations or market research, and may prove to be incorrect. Further, new information may change the estimated incidence or prevalence of these diseases. The total addressable market across all of our product candidates will ultimately depend upon, among other things, the diagnosis criteria included in the final label for each of our product candidates approved for sale for these indications, the availability of alternative treatments and the safety, convenience, cost and efficacy of our product candidates relative to such alternative treatments, acceptance by the medical community and patient access, drug pricing and reimbursement. The number of patients in the United States and other major markets and elsewhere may turn out to be lower than expected, patients may not be otherwise amenable to treatment with our products or new patients may become increasingly difficult to identify or gain access to, all of which would adversely affect our results of operations and our business.

If we or our partners market products in a manner that violates fraud and abuse and other healthcare laws, or if we or they violate government price reporting laws, we or our partners may be subject to administrative civil and/or criminal penalties.

In addition to FDA restrictions on marketing of pharmaceutical products, several other types of state and federal healthcare laws, including those commonly referred to as "fraud and abuse" laws have been applied in recent years to restrict certain marketing practices in the pharmaceutical industry. These laws include, among others, false claims and anti-kickback statutes. At such time, if ever, as we or any of our partners market any of our future approved products, it is possible that some of the business activities of us and/or our partners could be subject to challenge under one or more of these laws.

Federal false claims, false statements and civil monetary penalties laws prohibit any person from knowingly presenting, or causing to be presented, a false claim for payment to the federal government or to get a false claim paid. The federal healthcare program anti-kickback statute prohibits, among other things, knowingly and willfully offering, paying, soliciting or receiving remuneration to induce, or in return for, purchasing, leasing, ordering or arranging for the purchase, lease or order of any healthcare item or service reimbursable under Medicare, Medicaid or other federally financed healthcare programs. This statute has been interpreted to apply to arrangements between pharmaceutical manufacturers on the one hand and prescribers, purchasers and formulary managers on the other. Although there are several statutory exceptions and regulatory safe harbors protecting certain common activities from prosecution, they are drawn narrowly, and practices that involve remuneration intended to induce prescribing, purchasing or recommending may be subject to scrutiny if they do not qualify for an exception or safe harbor.

In addition, we and/or our partners may be subject to data privacy and security regulation, including HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act (HITECH) and their respective implementing regulations, which impose specified requirements relating to the privacy, security and transmission of individually identifiable health information.

Most states also have statutes or regulations similar to these federal laws, which may apply to items such as pharmaceutical products and services reimbursed by private insurers. We and/or our partners may be subject to administrative, civil and criminal sanctions for violations of any of these federal and state laws.

Risks Related to Intellectual Property

Our success depends in part on our ability to protect our intellectual property and proprietary technologies.

Our commercial success depends in part on our ability to obtain and maintain patent protection and trade secret protection in the U.S. and other countries for our product candidates, proprietary technologies, and their uses as well as our ability to operate without infringing upon the proprietary rights of others. We can provide no assurance that our patent applications or those of our licensors will result in additional patents being issued or that issued patents will afford sufficient protection against competitors with similar technologies, nor can there be any assurance that the patents issued will not be infringed, designed around or invalidated by third parties. Even issued patents may later be found unenforceable or may be modified or revoked in proceedings instituted by third parties before various patent offices or in courts. The degree of future protection for our proprietary rights is uncertain. Only limited protection may be available and may not adequately protect our rights or permit us to gain or keep competitive advantage. Although we have issued composition-of-matter patents in the United

States and other countries, we cannot be certain that the claims in our issued patents will not be found invalid or unenforceable if challenged. We cannot be certain that the claims in any patent applications covering our product candidates that are pending, or that we may file, will be considered patentable by the USPTO and courts in the United States or by the patent offices and courts in foreign countries, nor can we be certain that the claims in our issued patents will not be found invalid or unenforceable if challenged. Even if any patent applications that we may file relating to specific formulations of our product candidates issue as patents, formulation patents protect a specific formulation of a product and may not be enforced against competitors making and marketing a product that has the same active pharmaceutical ingredient in a different formulation. Method-of-use patents protect the use of a product for the specified method or for treatment of a particular indication. This type of patent may not be enforced against competitors making and marketing a product that has the same active pharmaceutical ingredient for use in a method not claimed by the patent. Moreover, even if competitors do not actively promote their product for our targeted indications, physicians may prescribe these products "off-label." Although off-label prescriptions may infringe or contribute to the infringement of method-of-use patents, the practice is common and such infringement may be difficult to prevent or prosecute. Also, as is the case for composition-of-matter patents, we cannot be certain that the claims in our issued method-of-use patents will not be found invalid or unenforceable if challenged. We cannot be certain that the claims in any patent applications covering methods of using our product candidates that are pending, or that we may file, will be considered patentable by the USPTO and courts in the United States or by the patent offices and courts in foreign countries, nor can we be certain that the claims in our issued method-of-use patents will not be found invalid or unenforceable if challenged.

Further, the patent prosecution process is subject to numerous risks and uncertainties, expensive and time-consuming, and we or our licensors may not be able to prepare, file and successfully prosecute all necessary or desirable patent applications for a commercially reasonable cost or in a timely manner or in all jurisdictions. It is also possible that we or our licensors may fail to identify patentable aspects of inventions made in the course of development and commercialization activities before it is too late to obtain patent protection for them.

Moreover, depending on the terms of any future in-licenses to which we may become a party, we may not have the right to control the preparation, filing and prosecution of patent applications, or to maintain the patents, covering technology in-licensed from third parties. Therefore, these patents and patent applications may not be prosecuted and enforced in a manner consistent with the best interests of our business.

In addition, we rely on the protection of our trade secrets and proprietary know-how. Although we have taken steps to protect our trade secrets and unpatented know-how, including entering into confidentiality agreements with third parties, and confidential information and inventions agreements with employees, consultants and advisors, we cannot provide any assurances that all such agreements have been duly executed, and third parties may still obtain this information or may come upon this or similar information independently. Enforcing a claim that a third party obtained illegally and is using trade secrets and/or proprietary know-how is expensive, time consuming and unpredictable. The enforceability of confidentiality agreements may vary from jurisdiction to jurisdiction. Additionally, if the steps taken to maintain our trade secrets are deemed inadequate, we may have insufficient recourse against third parties for misappropriating its trade secrets. If any of these events occurs or if we otherwise lose protection for our trade secrets or proprietary know-how, our business may be harmed.

With respect to certain patents, we enjoy only limited geographical protection, and as a consequence we may not be able to protect our intellectual property rights throughout the world.

It would be prohibitively expensive to file and prosecute patent applications and maintain and defend patents covering our product candidates in all countries throughout the world and competitors may use our and our licensors' technologies in jurisdictions where we have not obtained patent protection to develop their competitor's own product candidates and, further, may export otherwise infringing product candidates to territories where we and our licensors have patent protection, but enforcement rights are not as strong as that in the United States or Europe.

As a result, these product candidates may compete with our product candidates, and our and our licensors' patents or other intellectual property rights may not be effective or sufficient to prevent them from competing.

Further, national and regional patent authorities may restrict the scope and coverage of our PCT applications before grant. The examination of each national or regional patent application is an independent proceeding. As a result, patent applications in the same family may issue as patents in some jurisdictions, such as in the United States, but may issue as patents with claims of different or limited scope or may even be refused in other jurisdictions, such as in China and India, which have different requirements for patentability and it is also quite common that depending on the country, the scope of patent protection may vary for the same product or technology.

As maintaining patents in multiple countries over their lifetimes (usually a period of 20 years) is expensive, we may decide to abandon pending or granted national and regional patent applications for financial considerations, or, strategically, when projects are reprioritized, or for any other reason. In hindsight, these decisions may hurt us, our revenue stream from licensing activities, and ultimately profitability.

In addition, the laws of some jurisdictions do not protect intellectual property rights to the same extent as the laws or rules and regulations in the United States, The UK and Europe, and many companies have encountered significant difficulties in protecting and defending such rights in such jurisdictions.

The legal systems of certain countries, particularly certain developing countries, do not favor the enforcement of patents, trade secrets and other intellectual property protection, which could make it difficult for us to stop the infringement of our patents or marketing of competing product candidates in violation of our proprietary rights generally.

Proceedings to enforce our patent rights in other jurisdictions, whether or not successful, could result in substantial costs and divert our efforts and attention from other aspects of our business, could put our patents at risk of being invalidated or interpreted narrowly and our patent applications at risk of not issuing as patents, and could provoke third parties to assert claims against us. Should we seek legal redress, we may not prevail or if we do prevail, the damages or other remedies awarded may not be meaningful. As a result, our efforts to enforce our intellectual property rights around the world may be inadequate to obtain a significant commercial advantage from the intellectual property that we develop or license.

While we intend to protect our intellectual property rights in our expected significant markets, we cannot ensure that we will be able to initiate or maintain similar efforts in all jurisdictions in which we may wish to market our product candidates. Accordingly, our efforts to protect our intellectual property rights in such countries may be inadequate, which may have an adverse effect on our ability to successfully commercialize our product candidates in all of our expected significant foreign markets.

If we or our licensors encounter difficulties in protecting, or are otherwise precluded from effectively protecting, the intellectual property rights important for our business in such jurisdictions, the value of these rights may be diminished, and we may face additional competition from others in those jurisdictions.

Another risk we face is that some countries in Europe and China have compulsory licensing laws under which a patent owner may be compelled to grant licenses to third parties and some countries limit the enforceability of patents against government agencies or government contractors. As a result, in those countries, the patent owner may have limited remedies, which could materially diminish the value of such patents. If we, or any of our licensors, are forced to grant a license to third parties with respect to any patents relevant to our business, our competitive position may be impaired and our business, financial condition and results of operations may be adversely affected.

Our intellectual property rights may not adequately protect our technologies and product candidates and may not necessarily address all potential threats to our competitive advantage.

The degree of protection afforded by our intellectual property rights is uncertain because intellectual property rights have limitations, and may not adequately protect our business, or permit us to maintain our competitive advantage. For example:

- others may be able to make compounds that are the same as or similar to our product candidates but that are not covered by the claims of the patents that we own or have exclusively licensed;
- the patents of third parties may impair our ability to develop or commercialize our product candidates;
- the patents of third parties may be extended beyond the expected patent term and thus may impair our ability to develop or commercialize our product candidates;
- we or our licensors or any future strategic collaborators might not have been the first to conceive or reduce to practice the inventions covered by the issued patents or pending patent applications that we own or have exclusively licensed;
- we or our licensors or any future strategic collaborators might not have been the first to file patent applications covering our inventions, our product candidates, or uses of the product candidates in the indications under our development or to be developed;
- it is possible that the pending patent applications that we own or have exclusively licensed may not lead to issued patents;
- issued patents that we own or have exclusively licensed may not provide us with any competitive advantage, or may be held invalid or unenforceable, as a result of legal challenges by our competitors;

- issued patents that we own or have exclusively licensed may not provide coverage for all aspects of our product candidates in all countries, such as for uses of our product candidates in the indications under our development or to be developed;
- others may independently develop similar or alternative technologies or duplicate any of our technologies without infringing our intellectual property rights;
- our competitors might conduct research and development activities in countries where we do not have patent rights and then use the information learned from such activities to develop competitive product candidates for sale in our major commercial markets;
- others performing manufacturing or testing for us using our product candidates or technologies could use the intellectual property of others without obtaining a proper license; or
- our or our licensors' inventions or technologies may be found to be not patentable; and we may not develop additional technologies that are patentable.

We may become subject to third parties' claims alleging infringement of third-party patents and proprietary rights, or we may be involved in lawsuits to protect or enforce our patents and other proprietary rights, which could be costly and time consuming, delay or prevent the development and commercialization of our product candidates, or put our patents and other proprietary rights at risk.

Others may claim an ownership interest in our intellectual property, which could expose us to litigation and have a significant adverse effect on our prospects.

A third party may claim an ownership interest in one or more of our patents or other intellectual property. A third party could bring legal actions against us and seek monetary damages and/or enjoin clinical testing, manufacturing and marketing of the affected product or products. We cannot guarantee that a third-party will not assert a claim or an interest in any of such patents or intellectual property. If we become involved in any litigation, it could consume a substantial portion of our resources and cause a significant diversion of effort by our technical and management personnel. If any of these actions are successful, in addition to any potential liability for damages, we could be required to obtain a license to continue to manufacture or market the affected product, in which case we may be required to pay substantial royalties or grant cross-licenses to our patents. We cannot, however, assure you that any such license will be available on acceptable terms, if at all. Ultimately, we could be prevented from commercializing a product, or be forced to cease some aspect of our business operations as a result of claims of patent infringement or violation of other IP rights, Further, the outcome of IP litigation is subject to uncertainties that cannot be adequately quantified in advance, including the demeanor and credibility of witnesses and the identity of the adverse party. This is especially true in IP cases that may turn on the testimony of experts as to technical facts upon which experts may reasonably disagree. Ultimately, there is no guarantee that courts or patent offices in the U.S. and abroad will rule in our favor.

We may be subject to claims by third parties asserting that we or our employees have misappropriated third-party intellectual property or claiming ownership of what we regard as our own intellectual property. These claims may be costly to defend and if we do not successfully do so, we may be required to pay monetary damages and lose valuable intellectual property rights or personnel.

Some of our employees, including our senior management, were previously employed at other biopharmaceutical or pharmaceutical companies, including our competitors or potential competitors. Some of these employees executed proprietary rights, non-disclosure and non-competition agreements in connection with such previous employment. Although we try to ensure that our employees do not use the know-how, trade secrets, or other proprietary information of others in their work for us, we may be subject to claims that we or these employees have used or disclosed confidential information or intellectual property, including know-how, trade secrets, or other proprietary information, of any such employee's former employer. Litigation may be necessary to defend against these claims. If we fail in prosecuting or defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or personnel.

A loss of key research personnel or their work product could hamper or undermine our ability to develop and commercialize our product candidates, which would severely harm our business. In addition, if such intellectual property rights were to be awarded to a third party, we could be required to obtain a license from such third party to commercialize our technology or product candidates. Such a license may not be available on commercially reasonable terms or at all, which could hamper or undermine our ability to develop and commercialize our product candidates, which would severely harm our business. Even if we successfully prosecute or defend against such claims, litigation could result in substantial costs and distract management from the development and commercialization of our product candidates.

Our proprietary information may be lost or we may suffer security breaches. In the ordinary course of our business, we collect and store sensitive data, including intellectual property, clinical trial data, proprietary business information, personal data and personally identifiable information of our clinical trial subjects and employees, in our data centers and on our networks. The secure processing, maintenance and transmission of this information is critical to our operations. Despite our security measures, our information technology and infrastructure and those of our Contract Research Organizations ("CROs") or other contractors or consultants may be vulnerable to attacks by hackers or breached due to employee error, malfeasance, or other disruptions. While the maintenance of HIPAA-compliance and deidentification of clinical trial personal data is the responsibility of our CROs, breach of planned and future trials at our CRO sites may result in costly lawsuits, stiff penalties from governmental agencies, and may also result in disbarment from operating within some socio-geographic regions, such as the UK and the EU, where personal data is considered paramount. Furthermore, the loss of clinical trial data from completed, ongoing, or planned trials could result in delays in our regulatory approval efforts and significantly increase our costs to recover or reproduce the data. Although, to our knowledge, we have not experienced any such material security breach to date, any such breach could compromise our networks and the information stored there could be accessed, publicly disclosed, lost, or stolen. Any such access, disclosure, or other loss of information could result in legal claims or proceedings, liability under laws that protect the privacy of personal information, and significant regulatory penalties; disrupt our operations; damage our reputation; and cause a loss of confidence in us and our ability to conduct clinical trials, which could adversely affect our reputation and delay our clinical development of our product candidates. This could increase our cyber security risk, create data accessibility concerns, and make us more susceptible to communication disruptions.

Any of the foregoing could have a material adverse effect on our business, financial condition, results of operations or prospects.

Risks Related to Our Reliance on Third Parties

We rely on third parties to conduct, supervise and monitor our preclinical studies and clinical trials, and if those third parties perform in an unsatisfactory manner it may harm our business.

We do not currently have the ability to independently conduct preclinical studies or clinical trials required to develop our product candidates. We rely upon CROs, clinical trial sites and other third parties to ensure the proper and timely conduct of our preclinical studies, and we expect to have limited influence over their actual performance. We intend to rely upon CROs and others for the execution of future nonclinical studies and to monitor, manage and report data any future clinical trials.

We and our CROs and other third parties are required to comply with good clinical practice and good manufacturing practice (collectively, "GxP") requirements, which are regulations and guidelines enforced by the FDA, the Competent Authorities of the Member States of the European Economic Area, and comparable foreign regulatory authorities for all of our product candidates in clinical development. Regulatory authorities enforce these GxP requirements through periodic inspections of trial sponsors, principal investigators and trial sites. At any point in time, the FDA may revoke or suspend the license of our contract manufacturer for failure to maintain standards resulting in business losses for us. Further, if we fail to exercise adequate oversight over any of our CROs or other third parties, or if we or any of our CROs or other third parties fail to comply with applicable GxP requirements, the clinical data generated in our clinical trials may be deemed unreliable and the FDA, the EMA, or foreign regulatory authorities may require us to perform additional clinical trials before approving our marketing applications. We cannot assure you that upon a regulatory inspection of us or our CROs or other third parties, such regulatory authority will determine that any of our clinical trials complies with GxP requirements. Our failure to comply with these regulations may require us to repeat clinical trials, which would delay the regulatory approval process.

Further, while we may only control certain aspects of these parties' activities, we are responsible for ensuring that each of our studies and trials is conducted in accordance with the applicable protocol and legal, regulatory and scientific standards, and our reliance on these third parties does not relieve us of our regulatory responsibilities. Such standards may change, affecting the ability of contract manufacturers to produce our product candidates on the schedule we require for our clinical trials.

These CROs and other third parties are not our employees, and we are not able to control, other than by contract, the amount of resources, including time, which they devote to our clinical trials. If our CROs or other third parties fail to devote sufficient resources to the development of our product candidates, or if their performance is substandard, it may delay or compromise the prospects for approval and commercialization of our product candidates. In addition, the use of third-party service providers requires us to disclose our proprietary information to these parties, which could increase the risk that this information is misappropriated. If any of our relationships with our CROs or other third parties terminate, we may not be able to enter into arrangements with alternative CROs or other third parties or to do so on commercially reasonable terms. Switching

or adding additional investigators or CROs involves additional cost and potential delays and requires our management's time and focus. In addition, there is a natural transition period when a new independent investigator or CRO commences work. As a result, delays could occur, which could materially impact our ability to meet our desired clinical development timelines.

If our CROs or other third parties do not successfully carry out their contractual duties or obligations or meet expected deadlines, if they need to be replaced or if the quality or accuracy of the clinical data they obtain is compromised due to a failure to adhere to our clinical protocols, regulatory requirements, or for other reasons, our clinical trials may be extended, delayed, or terminated and we may not be able to obtain regulatory approval for or successfully commercialize our product candidates. As a result, our results of operations and the commercial prospects for our product candidates would be harmed, our costs could increase and our ability to generate revenue could be delayed.

We seek to partner with third-party collaborators with respect to aspects of the development and commercialization of our product candidates and we may not succeed in establishing and maintaining collaborative relationships, which may significantly limit our ability to develop and commercialize our product candidates successfully, if at all.

Our business strategy relies in part on partnering with pharmaceutical companies to supplement our internal development efforts, particularly with respect to our legacy product candidates for which we have suspended development. If we are not able to enter into collaboration arrangements, we may be required to undertake and fund further development, clinical trials, manufacturing and commercialization activities solely at our own expense and risk. If we are unable to finance and/or successfully execute those activities, or we delay such activities due to capital availability, our business could be materially and adversely affected, and potential future product launches could be materially delayed, be less successful, or we may be forced to discontinue clinical development of product candidates.

The process of establishing and maintaining collaborative relationships is difficult, time-consuming and involves significant uncertainty, including if a collaboration partner:

- may shift its priorities and resources away from our product candidates due to a change in business strategies, or a merger, acquisition, sale or downsizing;
- may seek to renegotiate or terminate their relationships with us due to unsatisfactory clinical results, manufacturing issues, a change in business strategy, a change of control or other reasons;
- may cease development in therapeutic areas which are the subject of our strategic collaboration;
- may not devote sufficient capital or resources towards our product candidates;
- may change the success criteria for a drug candidate thereby delaying or ceasing development of such candidate;
- experiences significant delays in initiating certain development activities, which will also delay payment of milestones tied to such activities, thereby impacting our ability to fund our own activities;
- develops a product that competes, either directly or indirectly, with our drug candidate;
- may not commit sufficient financial or human resources to the marketing, distribution or sale of our product;
- may encounter regulatory, resource or quality issues and be unable to meet demand requirements;
- may exercise a contractual right to terminate a strategic alliance;
- has a dispute arise concerning the research, development or commercialization of a drug candidate resulting in a delay in milestones, royalty payments or termination of an alliance and possibly resulting in costly litigation or arbitration which may divert management attention and resources; and
- may use our products or technology in such a way as to invite litigation from a third party.

If any collaborator fails to fulfill its responsibilities in a timely manner, or at all, our research, clinical development, manufacturing or commercialization efforts related to that collaboration could be delayed or terminated, or it may be necessary for us to assume responsibility for expenses or activities that would otherwise have been the responsibility of our collaborator. If we are unable to establish and maintain collaborative relationships on acceptable terms or to successfully transition terminated collaborative agreements, we may have to delay or discontinue further development of one or more of our product candidates, undertake development and commercialization activities at our own expense or find sources of additional capital.

If the third parties on which we intend to rely for our clinical trials and results do not perform our clinical trial activities in accordance with good clinical practices and related regulatory requirements, we may be unable to obtain marketing authorization for or commercialize our product candidates.

We intend to use and rely on CROs to conduct and/or oversee future clinical trials of our product candidates. Nonetheless, we will be responsible for confirming that each of our future clinical trials is conducted in accordance with the FDA's, MHRA's or EMA's requirements and general investigational plans and protocols, as may be applicable. Our expected reliance on third parties will not relieve us of these responsibilities and requirements. Third parties may not complete activities on schedule or conduct our clinical trials in accordance with regulatory requirements or the respective trial plans and protocols. In addition, third parties may not be able to repeat their past successes in clinical trials. The third parties' failure to carry out their obligations could delay or prevent the development, approval and commercialization of our product candidates or result in enforcement action against us.

Use of third parties to manufacture our product candidates may increase the risk that we will not have sufficient quantities of our product candidates, products, or necessary quantities at an acceptable cost.

The process of manufacturing pharmaceuticals and biological products is complex, time-consuming, highly regulated and subject to multiple risks. We do not own or operate manufacturing facilities for the production of clinical or commercial quantities of our product candidates, and we lack the resources and the capabilities to do so. As a result, we currently rely on third parties for supply of the active pharmaceutical ingredients for our product candidates. Our strategy is to outsource all manufacturing of our product candidates and products to third parties.

In addition, we have not yet concluded a commercial supply contract with any commercial manufacturer. There is no assurance that we will be able to timely secure needed supply arrangements on satisfactory terms, or at all. Our failure to secure these arrangements as needed could have a material adverse effect on our ability to complete the development of our product candidates or to commercialize them. We may be unable to conclude agreements for commercial supply with third-party manufacturers or may be unable to do so on acceptable terms. There may be difficulties in scaling up to commercial quantities, and the costs of manufacturing could be prohibitive.

Even if we are able to establish and maintain arrangements with third-party manufacturers, reliance on third-party manufacturers entails additional risks, including:

- reliance on third-parties for manufacturing process development, regulatory compliance and quality assurance, which may result in delays or inadequate supply of product;
- limitations on supply availability resulting from capacity and scheduling constraints of third-parties;
- limitation on supply availability due to difficulties in sourcing raw materials;
- the possible breach of manufacturing agreements by third-parties because of factors beyond our control;
- the possible termination or non-renewal of the manufacturing agreements by the third-party, at a time that is costly or inconvenient to us; and
- delays associated with the lack of availability of staff at third-party manufacturers.

If we do not maintain our key manufacturing relationships, we may fail to find replacement manufacturers or develop our own manufacturing capabilities, which could delay or impair our ability to develop and commercialize our product. If we do find replacement manufacturers, we may not be able to enter into agreements with them on terms and conditions favorable to us and there could be a substantial delay before new facilities could be qualified and registered with the FDA and other foreign regulatory authorities.

The FDA, MHRA EMA and other foreign regulatory authorities require manufacturers to register manufacturing facilities. The FDA and corresponding foreign regulators also inspect these facilities to confirm compliance with cGMPs. Contract manufacturers may face manufacturing or quality control problems causing drug substance production and shipment delays or a situation where the contractor may not be able to maintain compliance with the applicable cGMP requirements. While we provide oversight of manufacturing activities, we do not and will not control the execution of our manufacturing activities by, and are or will be essentially dependent on, our CDMOs for compliance with cGMP requirements for the manufacture of our product candidates. For more information, please see "Item 1 – Business – Manufacturing." Any failure to comply with FDA, MHRA, EMA and comparable foreign regulatory requirements could adversely affect our clinical research activities and our ability to develop our product candidates and market our products.

Moreover, the manufacturing of therapeutic biologics products is highly complex. Problems may arise during manufacturing for a variety of reasons, including but not limited to:

- equipment malfunction;
- failure to follow specific protocols and procedures;
- changes in product specification;
- low quality or insufficient supply of raw materials;
- delays in the construction of new facilities as a result of changes in manufacturing production sites and limits to manufacturing capacity due to regulatory requirements;
- staffing shortages;
- advances in manufacturing techniques;
- physical limitations that could inhibit continuous supply; and
- man-made or natural disasters and other environmental factors.

Products with quality issues may have to be discarded, resulting in product shortages or additional expenses. This could lead to, among other things, increased costs, lost revenue, damage to customer relationships, time and expense spent investigating the cause and, depending on the cause, similar losses with respect to other batches or products. If problems are not discovered before the product is released to the market, recall and product liability costs may also be incurred.

Manufacturing methods and formulation are sometimes altered through the development of drug candidates from clinical trials to approval, and further to commercialization, in an effort to optimize manufacturing processes and results. Such changes carry the risk that they will not achieve these intended objectives. Any of these changes could cause the drug candidates to perform differently and affect the results of planned clinical trials or other future clinical trials conducted with the altered materials. This could delay the commercialization of any approved drugs and require bridging studies or the repetition of one or more clinical trials, which may result in increases in clinical trial costs, delays in drug approvals and may jeopardize our ability to commence product sales and generate revenue.

We may also experience shortages of qualified personnel, raw materials or key contractors, and experience unexpected damage to our facilities or the equipment in them. In these cases, we may be required to delay or suspend our manufacturing activities. We may be unable to secure temporary, alternative manufacturers for our drugs with the terms, quality and costs acceptable to us, or at all. Such an event could delay our clinical trials and/or the availability of our products for commercial sale. Moreover, we may spend significant time and costs to remedy these deficiencies before we can continue production at our manufacturing facilities.

In addition, the quality of our products, including drug candidates manufactured by us for research and development purposes and drugs manufactured by us for commercial use, depends significantly on the effectiveness of our quality control and quality assurance, which in turn depends on factors such as the production processes used in our manufacturing facilities, the quality and reliability of equipment used, the quality of our staff and related training programs and our ability to ensure that our employees adhere to our quality control and quality assurance protocol. However, there can be no assurances that our quality control and quality assurance procedures will be effective in consistently preventing and resolving deviations from our quality standards. Any significant failure or deterioration of our quality control and quality assurance protocol could render our products unsuitable for use, jeopardize any cGMP certifications we may have and/or harm our market reputation and relationship with business partners. Any such developments may have a material adverse effect on our business, financial condition and results of operations.

Risks Related to our Business Operations

We only have a limited number of employees to manage and operate our business. Our business could suffer if we are unable to attract and retain key employees.

As of March 1, 2026, we had 6 employees, 5 of which are full-time. Our limited financial resources have led us to focus on the development of our ADC Platform and to manage and operate our business in a highly efficient manner.

Our 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 preclinical and clinical experiments, or the commercialization of our therapeutic candidates or otherwise affect our ability to manage our

company effectively and to carry out our business plan. We do not maintain key-man life insurance. Although we have entered into employment agreements with members of our senior management team, members of our senior management team may resign at any time. High demand exists for senior management and other skilled personnel in the biopharmaceutical industry. There can be no assurance that we will be able to continue to attract and retain such personnel or train new hires to the skill level required for completing our preclinical/ clinical objectives.

Our growth and success also depend on our ability to attract and retain additional highly qualified scientific, clinical, technical, sales, managerial and finance personnel. We experience intense competition for qualified personnel, and the existence of non-competition agreements between prospective employees and their former employers may prevent us from hiring those individuals or subject us to suit from their former employers. In addition, if we elect to independently commercialize any approved drug, we will need to expand our marketing and sales capabilities. While we attempt to provide competitive compensation packages to attract and retain key personnel, many of our competitors are likely to have greater resources and more experience than we have, making it difficult for us to compete successfully for key personnel. If we cannot attract and retain sufficiently qualified technical employees on acceptable terms, we may not be able to develop and commercialize products. Further, any failure to effectively integrate new personnel could prevent us from successfully growing our company.

If we or any third-party manufacturers we engage fail to comply with environmental, health and safety laws and regulations, we could become subject to fines or penalties or incur costs or liabilities that could harm our business.

We and third-party manufacturers we engage are and will be subject to numerous environmental, health and safety laws and regulations, including those governing laboratory procedures and the handling, use, storage, treatment and disposal of hazardous materials and wastes. Our operations involve the use of hazardous and flammable materials, including chemicals and biological materials. Our operations also produce hazardous waste products. We generally contract with third parties for the disposal of these materials and wastes. We cannot eliminate the risk of contamination or injury from these materials. In the event of contamination or injury resulting from our use of hazardous materials, we could be held liable for any resulting damages, and any liability could exceed our resources. Liability under certain environmental laws governing the release and cleanup of hazardous materials is joint and several and could be imposed without regard to fault. We also could incur significant costs associated with civil or criminal fines and penalties or become subject to injunctions limiting or prohibiting our activities for failure to comply with such laws and regulations.

Although we maintain general liability insurance as well as workers' compensation insurance to cover us for costs and expenses we may incur due to injuries to our employees resulting from the use of hazardous materials, this insurance may not provide adequate coverage against potential liabilities. We do not maintain insurance for environmental liability or toxic tort claims that may be asserted against us in connection with our storage or disposal of biological, hazardous or radioactive materials.

In addition, we may incur substantial costs in order to comply with current or future environmental, health and safety laws and regulations. These current or future laws and regulations may impair our research, development or production efforts. Our failure to comply with these laws and regulations also may result in substantial fines, penalties or other sanctions.

Further, with respect to the operations of our current and any future third-party contract manufacturers, it is possible that if they fail to operate in compliance with applicable environmental, health and safety laws and regulations or properly dispose of wastes associated with our products, we could be held liable for any resulting damages, suffer reputational harm or experience a disruption in the manufacture and supply of our product candidates or products. In addition, our supply chain may be adversely impacted if any of our third-party contract manufacturers become subject to injunctions or other sanctions as a result of their non-compliance with environmental, health and safety laws and regulations.

Any pandemic, epidemic, or outbreak of an infectious disease, may materially and adversely affect our business and our financial results and could cause a disruption to the development of our product candidates.

Public health crises, such as pandemics or similar outbreaks, could adversely impact our business. Any future pandemic, epidemic or outbreak of an infectious disease could have similar effects. Furthermore, economic recessions, increased inflation and/or interest rates, and any disruptions to our operations or workforce availability brought on by the effects of a health epidemic may have a negative effect on our operating results. The foregoing could result in an adverse effect on our business, results of operations, financial condition and cash flows.

Potential disruptions to our preclinical and clinical development efforts related to future outbreaks or pandemics may include, but are not limited to, disruptions in our supply chain and our ability to procure the components for each of our product candidates for use in preclinical studies and clinical trials and enrolling patients in clinical trials. We are unable to predict if a future outbreak or pandemic could have similar or different impacts on our preclinical studies, clinical trials, business, financial condition, and results of operations.

We are currently operating in a period of economic uncertainty and capital markets disruption, which has been significantly impacted by geopolitical instability. Our business, financial condition and results of operations could be materially adversely affected by any negative impact on the global economy and capital markets resulting from the geopolitical tensions or high inflation.

U.S. and global markets are experiencing volatility and disruption following the escalation of geopolitical tensions around the world, including with respect to the March 2026 conflict in Iran involving the United States and Israel. Although the length and impact of the ongoing military conflict is highly unpredictable, the conflicts could lead to market disruptions, including significant volatility in commodity prices, credit and capital markets, as well as supply chain interruptions, which has led to high inflation globally. We are continuing to monitor inflation and global capital markets and assess the potential impacts on our business.

Although our business has not been materially impacted by these geopolitical tensions to date, it is impossible to predict the extent to which our operations, or those of our suppliers and manufacturers, will be impacted in the short and long term, or the ways in which the conflict may impact our business. The extent and duration of the conflicts, geopolitical tensions, record inflation, sanctions and resulting market disruptions are impossible to predict, but could be substantial. Any such disruptions may also magnify the impact of other risks described herein.

Disruptions at the FDA, the SEC and other government agencies caused by the change in presidential administration, funding shortages or potential funding shortages could hinder their ability to hire and retain key leadership and other personnel, prevent new products and services from being developed or commercialized in a timely manner, or otherwise prevent those agencies from performing normal business functions, which could negatively impact our business and our timelines.

The ability of the FDA to review and clear or approve new products can be affected by a variety of factors, including government budget and funding levels, ability to hire and retain key personnel and accept the payment of user fees, shifting policy priorities as a result of changes in the presidential administration and its appointees tasked to oversee the agency, and statutory, regulatory, and policy changes. Average review times at the agency have fluctuated in the past as a result of these factors, and government funding of the SEC, and other government agencies on which our operations may rely, is subject to the impacts of political events, which are inherently fluid and unpredictable.

Disruptions at the FDA and other agencies may slow the time necessary for review and approval (including any applications we may file with respect to our current and future product candidates), which could adversely affect our business. For example, over the last several years, the U.S. government has shut down several times and certain regulatory agencies, such as the FDA and the SEC, have had to furlough critical employees and stop critical activities. If a prolonged government shutdown or other disruption occurs, it could significantly impact the ability of the FDA and the SEC to timely review and process our submissions, which could have a material adverse effect on our business.

Our business and operations could suffer in the event of computer system failures or security breaches.

Despite the implementation of security measures, our internal computer systems, and those of our CROs and other third parties on which we rely, are vulnerable to damage from computer viruses, unauthorized access, cyber-attacks, natural disasters, fire, terrorism, war, and telecommunication and electrical failures. Cyber-attacks also may be further enhanced in frequency or effectiveness through threat actors' use of artificial intelligence. If such an event were to occur and interrupt our operations, it could result in a material disruption of our drug development programs. For example, the loss of clinical trial data from planned clinical trials could result in delays in our marketing authorization efforts and significantly increase our costs to recover or reproduce the data. To the extent that any disruption or security breach results in a loss of or damage to our data or applications, loss of trade secrets or inappropriate disclosure of confidential or proprietary information, including protected health information or personal data of employees or former employees, access to our clinical data, or disruption of the manufacturing process, we could incur liability and the further development of our drug candidates could be delayed. We may also be vulnerable to cyber-attacks by hackers or other malfeasance. Especially since the merger, cyber-security needs have grown as the combined company has an office in the San Francisco Bay area, in addition to having employees operate out of

UK, US East and West Coasts. This type of breach of our cybersecurity may compromise our confidential information and/or our financial information and adversely affect our business or result in legal proceedings. If security breaches result in the loss of clinical trial data or other confidential information, we may be the subject of legal proceedings and suffer financial and reputational damage. Further, these cybersecurity breaches may inflict reputational harm upon us that may result in decreased market value and erode public trust.

Our business is subject to risks associated with conducting business internationally.

We source research and development, manufacturing, consulting, and other services from companies based throughout the United States, the UK, the EU, and select Asian countries. Accordingly, our future results could be harmed by a variety of factors, including: economic weakness, including inflation, or political instability in varying economies and markets; differing regulatory requirements for drug approvals in non-European Union (EU) countries; differing jurisdictions could present different issues for securing, maintaining, or obtaining freedom to operate for our intellectual property in such jurisdictions; such jurisdictions; potentially reduced protection for intellectual property rights; difficulties in compliance with non- US laws and regulations; changes in non-U.S. regulations and customs, tariffs, and trade barriers; changes in non-U.S. currency exchange rates of the USD and currency controls; changes in a specific country's or region's political or economic environment, trade protection measures, import or export licensing requirements or other restrictive actions by the USA or non-U.S. governments; differing reimbursement regimes and price controls in certain non-U.S. markets; negative consequences from changes in tax laws; compliance with tax, employment, immigration, and labor laws for employees living or traveling outside of the USA; business interruptions resulting from geo-political actions, including war and terrorism, health epidemics and other widespread outbreaks of contagious disease, or natural disasters, including earthquakes, typhoons, hurricanes, floods and fires.

Risks Related to our Ordinary Shares and ADSs

Our business, operating results and growth rates may be adversely affected by current or future unfavorable economic and market conditions and adverse developments with respect to financial institutions and associated liquidity risk.

Our business depends on the health of the global economies. If the conditions of the global economies remain uncertain or continue to be volatile, or if they deteriorate, including because of the impact of military conflict, such as the war between Russia and Ukraine, terrorism or other geopolitical events, our business, operating results and financial condition may be materially adversely affected. Economic weakness, inflation and increases in interest rates, limited availability of credit, liquidity shortages and constrained capital spending have at times in the past resulted, and may in the future result, in challenging and delayed sales cycles, slower adoption of new technologies and increased price competition, and could negatively affect our ability to forecast future periods, which could result in an inability to satisfy demand for our products and a loss of market share.

In addition, inflation raises our costs for commodities, labor, materials and services and other costs required to grow and operate our business, and failure to secure these on reasonable terms may adversely impact our financial condition. Additionally, inflation, geopolitical developments and global supply chain disruptions, have caused, and may in the future cause, global economic uncertainty and uncertainty about the interest rate environment, which may make it more difficult, costly or dilutive for us to secure additional financing. A failure to adequately respond to these risks could have a material adverse impact on our financial condition, results of operations or cash flows.

If the current equity and credit markets deteriorate, or if adverse developments are experienced by financial institutions, it may cause short-term liquidity risk and make any necessary debt or equity financing more difficult, more costly, more onerous with respect to financial and operating covenants and more dilutive. Failure to secure any necessary financing in a timely manner and on favorable terms could have a material adverse effect on our growth strategy and financial performance and could require us to alter our operating plans. In addition, there is a risk that one or more of our service providers, financial institutions, manufacturers, suppliers and other partners may be adversely affected by the foregoing risks, which could directly affect our ability to attain our operating goals on schedule and on budget.

If we are deemed or become a passive foreign investment company for U.S. federal income tax purposes in 2025 or in any prior or subsequent years, there may be negative tax consequences for U.S. taxpayers that are holders of our ADSs.

We will be treated as a passive foreign investment company, or PFIC, for U.S. federal income tax purposes in any taxable year in which either (i) at least 75% of our gross income is "passive income" or (ii) on average at least 50% of our assets by value produce passive income or are held for the production of passive income. Passive income for this purpose generally includes, among other things, certain dividends, interest, royalties, rents and gains from commodities and securities

transactions and from the sale or exchange of property that gives rise to passive income. Passive income also includes amounts derived by reason of the temporary investment of funds, including those raised in a public offering. In determining whether a non-U.S. corporation is a PFIC, a proportionate share of the income and assets of each corporation in which it owns, directly or indirectly, at least a 25% interest (by value) is taken into account.

We may have been a PFIC for 2025, but we have not performed a detailed analysis to determine PFIC status for 2025. Because the PFIC determination is highly fact sensitive, there can be no assurance that we were not a PFIC for 2025 and there can be no assurance that we will not be a PFIC for 2026 or for any other taxable year. If we were to be characterized as a PFIC for U.S. federal income tax purposes in any taxable year during which a U.S. shareholder owns our ADSs, and such U.S. shareholder does not make an election to treat us as a "qualified electing fund" ("QEF") or make a "mark-to-market" election, then "excess distributions" to such U.S. shareholder, and any gain realized on the sale or other disposition of our ADSs will be subject to special rules. Under these rules: (i) the excess distribution or gain would be allocated ratably over the U.S. shareholder's holding period for ADSs; (ii) the amount allocated to the current taxable year and any period prior to the first day of the first taxable year in which we were a PFIC would be taxed as ordinary income; and (iii) the amount allocated to each of the other taxable years would be subject to tax at the highest rate of tax in effect for the applicable class of taxpayer for that year, and an interest charge for the deemed deferral benefit would be imposed with respect to the resulting tax attributable to each such other taxable year. In addition, if the U.S. Internal Revenue Service ("IRS") determines that we are a PFIC for a year with respect to which we have determined that we were not a PFIC, it may be too late for a U.S. shareholder to make a timely QEF or mark-to-market election. U.S. shareholders who hold our ADSs during a period when we are a PFIC will be generally subject to the foregoing rules, even if we cease to be a PFIC in subsequent years, subject to certain exceptions, including for U.S. shareholders who made a timely QEF or mark-to-market election. A U.S. shareholder can make a QEF election by completing the relevant portions of and filing IRS Form 8621 in accordance with the instructions thereto. A QEF election generally may not be revoked without the consent of the IRS. If an investor provides reasonable notice to us that it has determined to make a QEF election, we intend to provide annual financial information to such investor as may be reasonably required for purposes of filing United States federal income tax returns in connection with such QEF election.

U.S. investors are urged to consult their own tax advisors regarding the possible application of the PFIC rules.

The market price of our ADSs may be volatile and may fluctuate in a way that is disproportionate to our operating performance.

The market price of our ADSs may experience substantial volatility as a result of a number of factors. The market prices for securities of biotechnology companies in general have been highly volatile and may continue to be so in the future. The following factors, in addition to other risk factors described in this section, may have a significant impact on the market price of our ADSs:

- sales or potential sales of substantial amounts of our ordinary shares or ADSs;
- delay or failure in initiating, enrolling, or completing clinical trials or unsatisfactory results of these trials or events reported in any of our current or future clinical trials;
- announcements about us or about our competitors, including clinical trial results, marketing authorizations or new product introductions;
- a serious AE in a clinical trial and/or a long-term safety issue;
- developments concerning our licensors or product manufacturers;
- litigation and other developments relating to our patents or other proprietary rights or those of our competitors;
- conditions in the pharmaceutical or biotechnology industries;
- variations in our anticipated or actual operating results;
- governmental regulation and legislation, actual or anticipated;
- change in securities analysts' estimates of our performance, or our failure to meet analysts' expectations;
- whether, to what extent and under what conditions the FDA, MHRA or EMA will permit us to continue developing our product candidates, if at all, and if development is continued, any reports of safety issues or other AEs observed in any potential future studies of these product candidates;
- adverse publicity;
- our ability to enter into new collaborative arrangements with respect to our product candidates;
- the terms and timing of any future collaborative, licensing or other arrangements that we may establish;

- our ability to raise additional capital to carry through with our clinical development plans and current and future operations and the terms of any related financing arrangements;
- the timing of achievement of, or failure to achieve, our and any potential future collaborators' clinical, regulatory and other milestones, such as the commencement of clinical development, the completion of a clinical trial or the receipt of marketing authorization;
- announcement of FDA, MHRA or European Commission approval or non-approval of our product candidates or delays in or AEs during the FDA, MHRA or EMA review process;
- actions taken by regulatory agencies with respect to our product candidates or products, our clinical trials or our future sales and marketing activities, including regulatory actions requiring or leading to restrictions, limitations and/or warnings in the label of an approved product candidate;
- uncontemplated problems in the supply of the raw materials used to produce our product candidates;
- the commercial success of any product approved by the FDA, MHRA, European Commission or any other foreign counterpart;
- introductions or announcements of technological innovations or new products by us, our potential future collaborators, or our competitors, and the timing of these introductions or announcements;
- market conditions for equity investments in general, or the biotechnology or pharmaceutical industries in particular;
- we may have limited or very low trading volume that may increase the volatility of the market price of our ADSs;
- regulatory developments in the United States and foreign countries;
- changes in the structure or reimbursement policies of health care payment systems;
- any intellectual property infringement lawsuit involving us;
- actual or anticipated fluctuations in our results of operations;
- changes in financial estimates or recommendations by securities analysts;
- hedging activity that may develop regarding our ADSs;
- regional or worldwide recession;
- sales of our ordinary shares or ADSs by our executive officers, directors and significant shareholders;
- managerial costs and expenses;
- changes in accounting principles or practices;
- the loss of any of our key scientific or management personnel; and
- natural disasters and political and economic instability, including wars, terrorism, political unrest, results of certain elections and votes, emergence of a pandemic, or other widespread health emergencies (or concerns over the possibility of such an emergency, including for example, a resurgence of COVID-19), boycotts, adoption or expansion of government trade restrictions, and other business restrictions.

The stock markets in general, and the markets for biotechnology stocks in particular, have experienced significant volatility that has often been unrelated to the operating performance of particular companies. The financial markets continue to face significant uncertainty, resulting in a decline in investor confidence and concerns about the proper functioning of the securities markets, which decline in general investor confidence has resulted in depressed stock prices for many companies notwithstanding the lack of a fundamental change in their underlying business models or prospects. These broad market fluctuations may adversely affect the trading price of our ADSs.

In the past, class action litigation has often been instituted against companies whose securities have experienced periods of volatility in market price. Any such litigation brought against us, could result in substantial costs, which could hurt our financial condition and results of operations and divert management's attention and resources, which could result in delays of our clinical trials or commercialization efforts.

Insiders own a significant amount of our outstanding shares which could delay or prevent a change in corporate control or result in the entrenchment of management and/or the board of directors.

As of March 1, 2026, our directors and executive officers, together with their affiliates and related persons, beneficially own, in the aggregate, approximately 37.3% of our outstanding ordinary shares. Our Chairman, Hoyoung Huh, MD, PhD, our director Dr. Samir Patel, and our director Dr. Ray Prudo, each beneficially own approximately 18.2%, 10.2% and 8.9% of our outstanding ordinary shares, respectively. Accordingly, these shareholders, if acting together, or Dr. Huh, Dr. Patel or Dr.

Prudo, each individually, may have the ability to impact the outcome of matters submitted to our shareholders for approval, including the election and removal of directors and any merger, consolidation, or sale of all or substantially all of our assets. In addition, these persons may have the ability to influence the management and affairs of our Company. Accordingly, this concentration of ownership may harm the market price of our ADSs by:

- delaying, deferring, or preventing a change in control;
- entrenching our management and/or the board of directors;
- impeding a merger, consolidation, takeover, or other business combination involving us; or
- discouraging a potential acquirer from making a tender offer or otherwise attempting to obtain control of us.

Future sales and issuances of our Ordinary Shares or ADSs or rights to purchase ordinary shares or ADSs pursuant to our equity incentive plans could result in additional dilution of the percentage ownership of our shareholders and could cause our share price to fall.

We expect that significant additional capital will be needed in the future to continue our planned operations. To the extent we raise additional capital by issuing equity securities, our shareholders may experience substantial dilution. We may sell ordinary shares (which may be represented by ADSs), convertible securities or other equity securities in one or more transactions at prices and in a manner we determine from time to time. If we sell ordinary shares, convertible securities or other equity securities in more than one transaction, investors may be materially diluted by subsequent sales. Such sales may also result in material dilution to our existing shareholders, and new investors could gain rights superior to our existing shareholders. Additionally, any ordinary shares or ADSs issued pursuant to our equity incentive plan may result in material dilution to our existing shareholders.

Provisions in our Articles of Association and under English law could make an acquisition of our Company more difficult and may prevent attempts by our shareholders to replace or remove our organization management.

Provisions in our Articles of Association may delay or prevent an acquisition or a change in management. These provisions include a staggered board and prohibition on actions by written consent of our shareholders. Although we believe these provisions collectively will provide for an opportunity to receive higher bids by requiring potential acquirors to negotiate with our board of directors, they would apply even if the offer might be considered beneficial by some shareholders. In addition, these provisions may frustrate or prevent any attempts by our shareholders to replace or remove then current management by making it more difficult for shareholders to replace members of the board of directors, which is responsible for appointing the members of management.

We have in the past and may in the future fail to meet the requirements for continued listing on Nasdaq. If we fail to maintain compliance with the minimum listing requirements, our ADSs may be delisted, which could have a material adverse effect on the liquidity of our ADSs.

We have in the past received notices from The Nasdaq Stock Market relating to a failure to comply with the minimum $2,500,000 stockholders' equity requirement for continued listing set forth in Listing Rule 5550(b) (the "Stockholders' Equity Requirement"). Most recently, on November 24, 2025, we received a written notice from the Nasdaq Listing Qualifications, or the Notification Letter, notifying us that we were not in compliance with the minimum bid price requirements set forth in Nasdaq Listing Rule 5550(a)(2) for continued listing on The Nasdaq Capital Market. The Notification Letter provides that we have 180 calendar days, or until May 25, 2026, to regain compliance with Nasdaq Listing Rule 5550(a)(2). To regain compliance, the bid price of the ADSs must have a closing bid price of at least $1.00 per share for a minimum of 10 consecutive business days. In the event we do not regain compliance by May 25, 2026, we may then be eligible for additional 180 days if we meet the continued listing requirement for market value of publicly held shares and all other initial listing standards for The Nasdaq Capital Market, with the exception of the bid price requirement, and will need to provide written notice of its intention to cure the deficiency during the second compliance period. If we do not qualify for the second compliance period or fail to regain compliance during the second compliance period, then Nasdaq will notify the Company of its determination to delist our ADSs, at which point the Company will have an opportunity to appeal the delisting determination to a Hearings Panel. In addition, if the closing bid price of our ADSs is $0.10 or less for ten consecutive business days, then Nasdaq will suspend trading. There can be no assurance that we will continue to meet the minimum bid price requirements, or any other Nasdaq requirements, in the future.

Furthermore, we may also be unable to meet other applicable Nasdaq listing requirements, including maintaining minimum levels of stockholders' equity or market values of our ADSs, in which case our ADSs could be delisted. If our ADSs were to be delisted, the liquidity of our ADSs would be adversely affected, and the market price of our ADSs could decrease.

We do not anticipate paying cash dividends, and accordingly, shareholders must rely on appreciation in our ADSs for any return on their investment.

We anticipate that we will retain future earnings for the development, operation and expansion of our business and do not anticipate declaring or paying any cash dividends for the foreseeable future. Therefore, the success of an investment in our ADSs will depend upon any future appreciation in their value. There is no guarantee that our ADSs will appreciate in value or even maintain the price at which our shareholders have purchased their shares.

We incur significant costs and demands upon management as a result of complying with the laws and regulations affecting public companies, which could harm our operating results.

As a public company, we incur significant legal, accounting and other expenses, including costs associated with public company reporting requirements. We also incur costs associated with current corporate governance requirements, including requirements under Section 404 and other provisions of Sarbanes-Oxley, as well as rules implemented by the SEC and the Nasdaq Stock Market. The regulatory and compliance costs associated with the reporting and governance requirements applicable to U.S. domestic issuers may be significantly higher than the costs we previously incurred as a foreign private issuer. The expenses incurred by public companies for reporting and corporate governance purposes have increased dramatically in recent years.

U.S. investors may not be able to enforce their civil liabilities against our Company or certain of our directors, controlling persons and officers.

It may be difficult for U.S. investors to bring and/or effectively enforce suits against our Company outside of the United States. We are a public limited company incorporated in England and Wales under the Companies Act 2006, as amended (the "Companies Act"). A majority of our directors are not residents of the United States, and all or substantial portions of their assets are located outside of the United States. As a result, it may be difficult for U.S. holders of our ordinary shares or ADSs to effect service of process on these persons within the United States or to make effective recovery in the United States by enforcing any judgments rendered against them. In addition, if a judgment is obtained in the U.S. courts based on civil liability provisions of the U.S. federal securities laws against us or our directors or officers, it may, depending on the jurisdiction, be difficult to enforce the judgment in the non-U.S. courts against us and any of our non-U.S. resident executive officers or directors. Accordingly, U.S. shareholders may be forced to bring legal proceedings against us and our respective directors and officers under English law and in the English courts in order to enforce any claims that they may have against us or our directors and officers. The enforceability of a U.S. judgment in the United Kingdom will depend on the particular facts of the case as well as the laws and treaties in effect at the time. The United States and the United Kingdom do not currently have a treaty providing for reciprocal recognition and enforcement of judgments (other than arbitration awards) in civil and commercial matters. Nevertheless, it may be difficult for U.S. shareholders to bring an original action in the English courts to enforce liabilities based on the U.S. federal securities laws against us and any of our non-U.S. resident executive officers or directors.

The rights of our shareholders may differ from the rights typically offered to shareholders of a U.S. corporation.

We are incorporated under English law. The rights of holders of ordinary shares and, therefore, certain of the rights of holders of ADSs, are governed by English law, including the provisions of the Companies Act, and by our Articles of Association. These rights differ in certain respects from the rights of shareholders in typical U.S. corporations.

Provisions in the UK City Code on Takeovers and Mergers may have anti-takeover effects that could discourage an acquisition of us by others, even if an acquisition would be beneficial to our shareholders.

The UK City Code on Takeovers and Mergers ("Takeover Code"), applies, among other things, to an offer for a public company whose registered office is in the United Kingdom and whose securities are not admitted to trading on a regulated market in the United Kingdom if we are considered by the Panel on Takeovers and Mergers (the "Takeover Panel"), to have its place of central management and control in the United Kingdom. This is known as the "residency test." The test for central management and control under the Takeover Code is different from that used by the UK tax authorities. Under the Takeover Code, the Takeover Panel will determine whether we have our place of central management and control in the United Kingdom by looking at various factors, including the structure of our board of directors, the functions of the directors and where they are resident. As of the date of this report, our place of central management and control is not, and is not expected to be, in the UK (or the Channel Islands or the Isle of Man) for the purposes of the jurisdictional criteria of the Takeover Code. Accordingly, we are not currently subject to the Takeover Code and, as a result, our shareholders are not currently entitled to benefit from certain takeover offer protections provided under the Takeover Code, including the rules regarding mandatory takeover bids (a summary of which is set out below). In the event that this changes, or if the interpretation and application of the Takeover Code by the Takeover Panel, changes (including changes to the way in which the Takeover Panel assesses the application of the Takeover Code to English companies whose shares are listed outside of the UK), the Takeover Code may apply to us in the future.

If at the time of a takeover offer the Takeover Panel determines that we have our place of central management and control in the United Kingdom, we will be subject to a number of rules and restrictions, including but not limited to the following: (1) our ability to enter into deal protection arrangements with a bidder will be extremely limited; (2) we may not, without the approval of our shareholders, be able to perform certain actions that could have the effect of frustrating an offer, such as issuing shares or carrying out acquisitions or disposals; and (3) we will be obliged to provide equality of information to all bona fide competing bidders.

Further, the Takeover Code contains certain rules in respect of mandatory offers. Under Rule 9 of the Takeover Code, if a person: (a) acquires an interest in our shares which, when taken together with shares in which he or persons acting in concert with him are interested, carry 30% or more of our voting rights; or (b) who, together with persons acting in concert with him, is interested in shares that in the aggregate carry not less than 30% of our voting rights and does not hold shares carrying more than 50% of our voting rights, acquires additional interests in shares that increase the percentage of shares carrying voting rights in which that person is interested, the acquirer and, depending on the circumstances, its concert parties, will be required (except with the consent of the Takeover Panel) to make a cash offer for our outstanding shares at a price not less than the highest price paid for any interest in our shares by the acquirer or its concert parties during the previous 12 months.

Holders of ADSs must act through the depositary to exercise their rights as shareholders of our Company.

Holders of our ADSs do not have the same rights of our shareholders and may only exercise the voting rights with respect to the underlying ordinary shares in accordance with the provisions of the deposit agreement for the ADSs. Under our Articles of Association, the minimum notice period required to convene a general meeting is 14 clear days' notice (or, for an annual general meeting, 21 clear days' notice (unless, in the case of an annual general meeting, all members entitled to attend and vote at the meeting, or, in the case of any other general meeting, a majority in number of the members entitled to attend and vote who hold not less than 95% of the voting shares (excluding treasury shares), agree to shorter notice)). When a general meeting is convened, holders of our ADSs may not receive sufficient notice of a shareholders' meeting to permit them to withdraw their ordinary shares to allow them to cast their vote with respect to any specific matter. In addition, the depositary and its agents may not be able to send voting instructions to holders of our ADSs or carry out their voting instructions in a timely manner. We will make all reasonable efforts to cause the depositary to extend voting rights to holders of our ADSs in a timely manner, but we cannot assure them that they will receive the voting materials in time to ensure that they can instruct the depositary to vote their ADSs. Furthermore, the depositary and its agents will not be responsible for any failure to carry out any instructions to vote, for the manner in which any vote is cast or for the effect of any such vote. As a result, holders of our ADSs may not be able to exercise their right to vote and they may lack recourse if their ADSs are not voted as they requested. In addition, in the capacity as an ADS holder, they will not be able to call a shareholders' meeting.

Holders of our ADSs may be subject to limitations on transfers of ADSs.

ADSs are transferable on the books of the depositary. However, the depositary may close its transfer books at any time or from time to time when it deems expedient in connection with the performance of its duties. In addition, the depositary may refuse to deliver, transfer or register transfers of ADSs generally when our books or the books of the depositary are closed, or at any time if we or the depositary deems it advisable to do so because of any requirement of law or of any government or governmental body, or under any provision of the deposit agreement, or for any other reason.

Item 1B. Unresolved Staff Comments.

None.

Item 1C. Cybersecurity.

Cybersecurity Risk Management and Strategy

In recognition of the evolving cybersecurity threat landscape, we acknowledge the increasing sophistication and frequency of cybersecurity incidents. While we cannot completely protect against the possibility of a cybersecurity incident occurring, we take measures designed to mitigate risks from cybersecurity threats, including those implemented by our third-party managed services provider.

As part of our cybersecurity procedures, we leverage a number of security controls, including network and device monitoring and system backup procedures. We work to mitigate risks from cybersecurity threats stemming from third-party vendors by providing them with access only to systems that they need to provide services to us.

We have not identified any cybersecurity incidents or threats that have materially affected us or are reasonably likely to materially affect us, including our business strategy, results of operations, or financial condition. However, like other companies in our industry, we and our third-party vendors have from time to time experienced threats that could affect our information or systems. For more information, please see "Item 1A, Risk Factors."

Cybersecurity Governance

Senior management, including the Chief Executive Officer and Chief Financial Officer, are responsible for implementation of our risk management controls, including controls in connection with risks from cybersecurity threats.

The Audit Committee of our Board of Directors (the "Audit Committee") is primarily responsible for overseeing our compliance and risk management obligations, including the management of risks from cybersecurity threats. Pursuant to its charter, the Audit Committee is responsible for monitoring the effectiveness of our information system and cybersecurity controls.

On a quarterly basis, the Audit Committee discusses with senior management, our processes for assessing, identifying, and managing material risks from cybersecurity threats and the state of our cybersecurity processes. The Audit Committee also receives updates on, and monitors, our prevention, detection, mitigation and remediation of cybersecurity incidents.

Item 2. Properties.

We currently lease office space for both our U.S. headquarters and U.S laboratory space on a short-term basis. The lease for our U.S. headquarters office space, located in Tampa, FL, expires September 2026 and may be renewed on a month-to-month basis thereafter. We also lease laboratory space, located in San Francisco, CA, which expires in September 2026 and is cancellable anytime with 60 days' notice. We are not party to any material lease agreements. We believe that our current facilities are adequate to meet our needs and that suitable additional alternative spaces will be available in the future on commercially reasonable terms, if required.

Item 3. Legal Proceedings.

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

Refer to Note 10 of the Notes to our consolidated financial statements included elsewhere in this Form 10-K (such consolidated financial statements, the "consolidated financial statements") related to commitments and contingencies, which is incorporated herein by reference.

Item 4. Mine Safety Disclosures.

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Market Information

Our ordinary shares, $0.000000005 par value per share, in the form of ADSs, currently trade on the Nasdaq Capital Market under the symbol "AKTX".

ADS Ratio Changes

Currently, each ADS represents 2,000 ordinary shares, par value $0.000000005. The following summarizes historical changes to the ratio of ADSs to ordinary shares:

- Effective January 3, 2014, we changed the ratio of our ADSs to ordinary shares from one ADS representing two ordinary shares to a new ratio of one ADS representing ten ordinary shares.
- Effective September 17, 2015, we changed the ratio of our ADSs to ordinary shares from one ADS representing ten ordinary shares to a new ratio of one ADS representing one hundred ordinary shares.
- Effective August 17, 2023, we changed the ratio of our ADSs to ordinary shares from one ADS representing 100 ordinary shares to a new ratio of one ADS representing 2,000 ordinary shares.

On March 17, 2026, we announced a change of the ratio of our ADSs to ordinary shares to a new ratio of one ADS representing 80,000 ordinary shares (the "2026 ADS Ratio Change"). The 2026 ADS Ratio Change is expected to be effective on or after March 31, 2026.

Holders of Record

As of March 1, 2026, we had approximately 406 shareholders of record registered on our books, excluding shares held through banks and brokers. Of the approximate 406 shareholders, 93 hold our ordinary shares through ADSs.

Dividends

We have never declared or paid cash dividends on our ordinary shares, and we do not expect to pay any cash dividends on our ordinary shares in the foreseeable future. The declaration and payment of dividends in the future, of which there can be no assurance, will be determined by our board of directors in light of conditions then existing, including earnings, financial condition, capital requirements, and other factors.

Recent Sales of Unregistered Securities

The privately placed unregistered securities described below were offered and sold pursuant to an exemption from the registration requirements under Section 4(a)(2) of the Securities Act and Rule 506 of Regulation D promulgated thereunder since, among other things, the transactions did not involve a public offering and the securities were acquired for investment purposes only and not with a view to or for sale in connection with any distribution thereof.

March 2025 Private Placement

On March 2, 2025, we entered into a securities purchase agreement (the "March 2025 Purchase Agreement") for a private placement (the "March 2025 Offering"), pursuant to which we issued an aggregate of (i) 4,987,626 ADSs, (ii) 1,650,000 pre-funded warrants (iii) 8,340,435 Series A Warrants and (iv) 6,637,626 Series B Warrants. The initial closing took place on March 6, 2025, and the final closing took place on April 25, 2025.

The net proceeds from the March 2025 Offering, after deducting placement agent fees and other offering expenses payable by us, were approximately $5.6 million.

August 2025 Note Offering

On August 7, 2025, we entered into Note Purchase Agreements with certain investors, including the Company's directors (the "Note Investors"), in a private placement offering (the "Note Offering"). Pursuant to these agreements, the Note Investors agreed to purchase, and we agreed to issue unsecured promissory notes with a 20% original issuance discount (each a "Note" and together, the "Notes"). In connection with the Note Offering, we agreed to extend the expiration date of Series A Warrants by 48 months from their original date of expiration through Warrant Amendment Agreements.

We issued August 2025 Notes with an aggregate purchase price of $3,011,000 and an aggregate principal amount of $3,763,750, inclusive of the Note Termination (described below). The August 2025 Notes have maturity dates ranging from August 15, 2026, through September 26, 2026, at which time the principal amount is due and payable. The Company also entered into Warrant Amendment Agreements with the recipients of such August 2025 Notes, which extended the expiration date of the Series A Warrants to purchase an aggregate of 6,864,483 ADSs held by such investors from 2026 to 2030.

As part of the first tranche, Dr. Hoyoung Huh, the Company's Chairman, purchased a Note with a principal amount of $1,250,000 for a purchase price of $1,000,000. The purchase price was satisfied through a cash payment of $162,567 and the cancellation of $837,433 in outstanding principal and accrued interest under a senior secured promissory note previously issued to him by our wholly owned subsidiary, Peak Bio Inc., in January 2024 (the "Peak Bio Note"). On August 7, 2025, we entered into a Loan Cancellation and Exchange Agreement, whereby the Peak Bio Note was cancelled and extinguished to partially satisfy the purchase price of the Note purchased by Dr. Huh.

We agreed to pay a 5% advisory fee in cash on the total gross cash proceeds of approximately $1.5 million to the placement agent in connection with the Notes issued and sold on the Closing Dates.

In December 2025, approximately $4 million principal amount of the Notes were exchanged for (i) pre-funded warrants to purchase up to an aggregate of 9,502,703 ADSs and (ii) note exchange warrants to purchase up to an aggregate of 9,502,703 ADSs.

October 2025 Offering

On October 14, 2025, we entered into a securities purchase agreement with certain institutional investors, or the October 2025 Offering, pursuant to which we sold an aggregate of (i) 3,125,000 ADSs, (ii) 3,125,000 Series E Warrants to purchase up to 3,125,000 ADS and (iii) 3,125,000 Series F Warrants to purchase up to 3,125,000 ADS. The initial closing took place on October 16, 2025. In connection with the October 2025 Offering, we agreed to issue to Ladenburg Thalmann & Co. Inc., as the placement agent for the October 2025 Offering, warrants to purchase up to 125,000 ADSs at an exercise price of $1.00 per ADS and a term expiring on October 14, 2030.

The aggregate gross proceeds from the October 2025 Offering were approximately $2.5 million, excluding any proceeds from any future exercises of the Series E Warrants and Series F Warrants.

December 2025 Offering

On December 16, 2025, we entered into a securities purchase agreement with certain institutional investors providing for the issuance and sale, in a registered direct offering (the "Registered Direct Offering"), of 10,043,774 ADSs. The ADSs have been offered and sold together with Series G Warrants to purchase up to an aggregate of 10,043,774 ADSs, which were issued in a concurrent private placement. The combined purchase price per ADS and accompanying Series G Warrant sold in the Registered Direct Offering is $0.3883.

In a concurrent private placement, pursuant to a securities purchase agreement dated as of December 16, 2025, the Company agreed to issue to certain directors and officers of the Company (i) unregistered Pre-Funded Warrants to purchase an aggregate of 2,563,713 ADSs at an exercise price per ADS of $0.00001, and (ii) accompanying Series G Warrants to purchase an aggregate of 2,563,713 ADSs, at a combined purchase price of $0.4041 per Pre-Funded Warrant and Series G Warrant.

The aggregate gross proceeds from the December 2025 Offering were approximately $5 million, excluding any proceeds from any future exercises of the Series G Warrants.

December 2025 Note Exchange

On December 16, 2025, we entered into privately negotiated note cancellation and exchange agreements with the holders of existing unsecured promissory notes with a 20% original issue discount issued in August and September 2025, each expiring twelve months after the date of issuance (the "2026 Notes"), to exchange approximately $4 million principal amount of the 2026 Notes for (i) Pre-Funded Warrants to purchase up to an aggregate of 9,502,703 ADSs, at a price of $0.4041 per Note Exchange Pre-Funded Warrant and (ii) unregistered Note Exchange Warrants to purchase up to an aggregate of 9,502,703 ADSs. The transaction closed on December 17, 2025.

Issuer Purchases of Equity Securities

We did not repurchase any of our equity securities during the fiscal year ended December 31, 2025.

Item 6. [Reserved]

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion and analysis of our financial condition and results of operations should be read together with our audited consolidated financial statements and accompanying notes appearing elsewhere in this Form 10-K. In addition to historical information, this discussion and analysis includes forward-looking statements that are subject to risks and uncertainties, including those discussed in the section titled "Risk Factors," set forth in Part I, Item 1A of this Form 10-K, that could cause actual results to differ materially from historical results or anticipated results.

Overview

We are an oncology company developing next generation ADCs designed around novel payload biology. Our platform is anchored by PH1, a spliceosome modulating payload that in preclinical settings has demonstrated cytotoxic activity and robust activation of the immune system to attack cancer. Our business is focused on advancing our lead program, AKTX-101, through IND enabling activities and clinical readiness while maintaining the ability to expand the PH1 based ADC pipeline, as capital and priorities permit. We also have a second program, including AKTX-102, a CEACAM5 directed ADC, program, that is earlier 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, Trop-2, 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, utilize payloads from just two standard classes: (1) microtubule inhibitors or (2) DNA-damaging agents such as topoisomerase I inhibitors.

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

- more effective cancer-killing properties, or cytotoxicity;
- robust activation of the immune system to drive greater and more enduring efficacy in treating cancer sustained duration of response of tumor regression or elimination;
- ability to be used in combination with checkpoint inhibitors to potentially deliver synergistic efficacy results (more than additive) to drive potential longer-term cancer remissions;
- reduced tumor resistance leading to super outcomes; and
- improved safety and tolerability relative to ADCs that are currently available.

Our lead product candidate is AKTX-101, a preclinical stage Trop-2-targeting ADC that combines PH1 with a Trop-2 targeting antibody. Trop-2 is an antigen that is expressed in a number of highly incident solid tumors, including lung, breast, bladder, head and neck, gastric, pancreatic, colon, prostate, and others. We aim to establish AKTX-101 as a best-in-class Trop-2-targeting ADC for the treatment of a variety of solid tumors.

We acquired the proprietary rights to our ADC discovery and development platform in connection with the Merger. Prior to that time, we were primarily focused on advancing our former product candidates nomacopan and PAS-nomacopan (longer-acting nomacopan that is PASylated). Since the closing of the Merger, we have focused substantially all of our efforts on the development of ADCs and our ADC Platform. We have suspended further internal development of our legacy programs, nomacopan and PAS-nomacopan, and intend to seek strategic partners to advance their development externally. Our activities since inception have consisted of performing research and development activities and raising capital.

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

Recent Developments

During 2025 and through the date of this Annual Report on Form 10-K, we invested key scientific, operational, leadership, and capital resources to support the continued development of our ADC platform and the advancement of our lead program, AKTX-101. The developments summarized below include scientific disclosures and conference presentations related to our PH1 payload and its proposed immuno-oncology mechanism, progress toward IND-enabling activities for AKTX-101 including announced IND-enabling initiatives, intellectual property filings related to PH1's immuno-oncology mechanism and product combination strategies, leadership updates, and multiple financing activities.

AKTX-101 IND-Enabling Plan and Activities

Our near-term operational strategy remains focused on advancing AKTX-101 into IND-enabling activities and clinical readiness while maintaining the ability to expand our PH1-based ADC pipeline as capital and priorities permit. AKTX-101 is a preclinical Trop2–targeting ADC that combines PH1 with a proprietary non-cleavable linker and antibody construct. We are prioritizing the program's path to Phase 1 clinical trials through the coordinated execution of GMP product supply and non-clinical data package workstreams that support IND/Phase 1enabling activities.

We rely on third-party CDMOs for development, scale-up, and GMP production of materials used in our research and development activities. In December 2025, we announced the initiation of GMP manufacturing activities for AKTX-101 and selected WuXi Biologics/XDC as our partner for this GMP product supply and related IND-enabling work. This milestone supports our timeline for our Phase 1 first-in-human study described in our public communications while we maintain an efficient, high-quality, and reliable virtual manufacturing model for clinical-grade supply. In December 2025 we publicly described that based on our anticipated for GMP product supply and IND-enabling activities and planning, we are projected to advance AKTX-101 into clinical trials by the first quarter of 2027.

Scientific Disclosures – 2025 SITC Annual Meeting

On November 10, 2025, we issued a press release announcing our abstract highlighting the novel immune mechanism-of-action data for our novel ADC payload, which was presented at the 2025 Society for Immunotherapy of Cancer Annual Meeting. The presentation outlines our investigation of multiple mechanisms behind preclinical colon tumor regressions induced by a Trastuzumab-PH1 ADC as a single agent or in combination with an anti-PD-1 therapy. The results observed with both the single agent Trastuzumab-PH1 ADC and the combination therapy with an anti-PD-1 agent support the possibility of creating an ADC/checkpoint inhibitor therapy paradigm that goes beyond regimens using ADCs with traditional payloads.

Intellectual Property – Expanding Protection Around PH1, Immune Activation, and Combination Strategies

We believe patents and other proprietary rights are an essential element of our business. Our success depends in part on our ability to obtain and maintain proprietary protection for our product candidates, technology, and know-how, to operate without infringing the proprietary rights of others, and to prevent others from infringing our proprietary rights. Our policy is to seek to protect our proprietary position by, among other methods, filing U.S. and foreign patent applications related to our proprietary technology, inventions, and improvements that are important to the development of our business, and defending our patent applications and patents if they are subjected to challenge by third parties.

As of January 1, 2026, our payload platform and ADC pipeline consisted of two Patent Cooperation Treaty ("PCT") families and three provisional patents filed at the European Patent Office and/or the United States Patent and Trademark Office. The PH1 payload program was developed inhouse, and this patent family has been granted in the United States, China, Israel, India, Mexico, and Brazil, with actions pending in Europe, Japan, New Zealand, Canada and Australia. The composition of matter claims describing novel Thailanstatin payloads and linkers have IP coverage through September 2038.

A PCT patent application filed in 2024 includes claims describing next-generation Thailanstatin diastereomer payloads, novel Trop-2 antibodies and Trop-2 ADCs protecting different aspects of pipeline candidate AKTX-101, while also covering aspects of use or application of AKTX-101 to different cancer settings. This patent also describes a large-scale chemosynthetic process for payload synthesis amenable to manufacturing. This patent family is pending in 12 jurisdictions, and the anticipated expiry of this patent family is April 2043.

In 2025, we filed three additional provisional patent applications at the USPTO intended to broaden our protection around PH1's mechanism and potential clinical positioning. These provisional filings include claims supporting: (i) targeting of specific oncogenic drivers using spliceosome modulators to reverse aspects of cancer progression, including angiogenesis, hormone dependency, and oncogene dependency; (ii) use of spliceosome modulators as immunogenic payloads inducing neoepitopes and related immune effects, covering elements of the immunomodulatory mechanism of PH1 ADCs and the expected therapeutic benefit through host immune activation; and (iii) use of spliceosome modulators in synergy with checkpoint inhibitors to improve anti-tumor efficacy or induce immune effectors neither single agent can achieve on its own.

Separately, in October 2025, we announced the filing of two new U.S. provisional patent applications. As described publicly, one filing includes claims protecting PH1 and its spliceosome modulatory mechanism of action with an expected therapeutic benefit through immune activation, and a second filing includes claims covering combination therapy of PH1 pipeline ADCs with immuno-oncology drugs, including combinations showing synergy with immune checkpoint inhibitors in preclinical models

Leadership Updates

Appointment of New President and Chief Executive Officer. On March 14, 2025, we entered into an Executive Offer of Employment Agreement (as amended by a subsequent Chief Executive Officer Letter Agreement dated March 18, 2025) with Mr. Abizer Gaslightwala pursuant to which Mr. Gaslightwala began serving as our President and Chief Executive Officer in April 2025.

Appointment of Interim Chief Financial Officer. On October 22, 2025, we entered into a consulting agreement with Mr. Kameel Farag and KDF Ventures LLC, as amended on October 31, 2025 (the "Consulting Agreement"), pursuant to which Mr. Farag will serve as our Interim Chief Financial Officer, effective on October 22, 2025. Mr. Farag succeeds our prior Chief Financial Officer, Torsten Hombeck, whose departure was previously reported. The Consulting Agreement provides for monthly cash fees and RSU awards, and provides for a term end date of February 16, 2026, extendable on a month-to-month basis at the Company's discretion.

Financing and Liquidity Initiatives

We completed multiple financing and liquidity initiatives during 2025 and into early 2026. The summaries below provide high level context only; for additional detail see "Financial Condition, Liquidity and Capital Resources" below.

- **December 2025 equity related transactions (registered direct offering, concurrent private placement, and note exchange).** On December 16, 2025, we entered into a series of concurrent equity related transactions that, taken together, totalled approximately $8.7 million in combined gross cash proceeds and liability reduction, comprised of approximately $4.9 million in gross cash proceeds from a registered direct offering and a concurrent private placement and approximately $3.8 million of non-cash reduction of outstanding note principal achieved through privately negotiated exchanges of certain notes into equity and warrants.
- **October 2025 financing.** On October 16, 2025, we closed a registered direct offering with certain institutional investors that generated $2.5 million in aggregate gross proceeds (excluding any proceeds from future exercises of warrants).
- **White Lion equity line of credit ("ELOC").** On August 29, 2025, we entered into an ordinary share purchase agreement and registration rights agreement with White Lion Capital, LLC providing the right (but not the obligation) to require White Lion to purchase, from time to time, up to $25,000,000 of newly issued ordinary shares (which may be exchanged for ADSs), subject to specified limitations and conditions.

- **August 2025 financing.** In August 2025, we entered into note purchase agreements in a private placement offering pursuant to which investors agreed to purchase, and the Company agreed to issue unsecured promissory notes with a 20% original issue discount, and in connection with the issuance the Company also agreed to extend the expiration date of Series A warrants held by certain note investors.

ADS Ratio Change

On March 17, 2026, we announced the 2026 ADS Ratio Change, which will change the ratio of our ADSs to ordinary shares to a new ratio of one ADS representing 80,000 ordinary shares. The 2026 ADS Ratio Change is expected to be effective on or after March 31, 2026.

Results of Operations

Comparison of the Years Ended December 31, 2025 and 2024

Overview

During the year ended December 31, 2025, our loss from operations totalled $17.3 million, a 20% decrease, compared to a loss from operations of $21.6 million for the year ended December 31, 2024. The decrease in our loss from operations from the prior year was primarily attributable to the merger-related expenses and restructuring and other expenses we incurred in connection with the Merger in 2024 as discussed in further detail below. General and administrative expenses and an impairment loss comprise the majority of our total operating expenses for the year ended December 31, 2025, as shown in the table below:

	Year Ended December 31,			
($ in thousands)	**2025**	**2024**	**$ Change**	**%**
Operating expenses:				
Research and development	$ 2,815	$ 6,983	$ (4,168)	-60%
General and administrative	9,280	9,664	(384)	-4%
Impairment loss on other intangible assets	5,180	—	5,180	100%
Merger-related expenses	—	3,273	(3,273)	-100%
Restructuring and other expenses	—	1,723	(1,723)	-100%
Total operating expenses	17,275	21,643	(4,368)	-20%
Loss from operations	$ (17,275)	$ (21,643)	$ (4,368)	-20%

Research and development expenses

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

During the year ended December 31, 2025, total research and development expenses decreased by approximately $4.2 million, or 60%, compared to the year ended December 31, 2024. The following sets forth research and development expenses for the years ended December 31, 2025 and 2024 by category:

	Year Ended December 31,			
($ in thousands)	**2025**	**2024**	**$ Change**	**%**
ADC preclinical development	$ 1,285	$ 47	$ 1,238	100%
HSCT-TMA clinical development (AK901)	79	1,896	(1,817)	-96%
Chemistry, manufacturing and control	216	3,497	(3,281)	-94%
Other external development expenses	160	837	(677)	-81%
Personnel costs	1,626	1,988	(362)	-18%
Tax credits	(551)	(1,282)	731	-57%
Total research and development expenses	$ 2,815	$ 6,983	$ (4,168)	-60%

ADC discovery and pre-clinical development

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

HSCT-TMA clinical development (AK901)

These expenses include external expenses that we have incurred in connection with the development of nomacopan for the treatment of pediatric HSCT-TMA and primarily consist of payments to CROs and other vendors. Less than $0.1 million in expenses incurred during the year ended December 31, 2025, as compared to the year ended December 31, 2024, is primarily due to our decision to suspend the AK901 clinical program and find a collaborative partner for our nomacopan program in 2024.

Chemistry, manufacturing and control

These expenses include external expenses incurred related to the development and manufacturing of nomacopan for use in clinical trials and preclinical development of PAS-nomacopan. In general, such expenses primarily consist of payments to contract manufacturing organizations and other vendors for manufacturing of drug substance (including raw materials), drug product, supplies, and validation, quality assurance and other manufacturing development activities. The $3.3 million decrease in expenses incurred during the year ended December 31, 2025, as compared to the year ended December 31, 2024, is primarily due our decision to suspend the AK901 clinical program and pre-clinical PAS-nomacopan program and instead seek an external partner for further development.

Other external development expenses

These expenses include external expenses, such as payments to contract vendors, that may be related to preclinical development activities, discontinued programs and unallocated expenses. The $0.7 million, or 81%, decrease in expenses incurred during the year ended December 31, 2025, as compared to the year ended December 31, 2024, is primarily related to cessation of costs incurred related to preclinical studies and other development work investigating PAS-nomacopan for the treatment of GA.

Personnel costs

These expenses include compensation and related costs associated with employees, independent consultants and staffing firms. The $0.4 million decrease in expenses incurred during the year ended December 31, 2025, as compared to the year ended December 31, 2024, is primarily due to a reduction in workforce initiated in May 2024 (discussed in further detail below) along with lower costs incurred for consultants.

Tax credits

We record receipts of U.K. tax credits in the year received as a reduction in research and development expenses. Changes in tax credits received are the result of eligible research and development expenses incurred in the previous tax year, which can fluctuate depending on timing of and location in which expenses are incurred.

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

General and administrative expenses

Total general and administrative costs during the year ended December 31, 2025 was $9.3 million, of which $2.5 million was non-cash stock-based compensation, whereas during the year ended December 31, 2024, general and administrative costs was $9.7 million, of which $1.4 million was non-cash stock-based compensation.

The $0.4 million decrease in expenses incurred during the year ended December 31, 2025, as compared to the year ended December 31, 2024, was 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 stock-based compensation of $1.1 million and regulatory and legal fees of approximately $0.5 million.

Impairment loss

During the year ended December 31, 2025, we recognized an impairment loss on the in-process R&D related to PHP 303 which was acquired in connection with the Merger. The impairment loss was triggered due to reprioritization of resources to our ADC platform, no further development plans and inability to find a collaborative partner to date.

Merger-related expenses

Merger-related expenses consist of direct expenses incurred in connection with the completed Merger and are comprised primarily of legal and professional fees. No such expenses were incurred during the year ended December 31, 2025.

Restructuring and other expenses

Restructuring and other expenses consist primarily of severance and related benefit costs related to workforce reductions incurred in connection with the reduction in force ("RIF"), which we implemented in May 2024. Restructuring and other expenses includes $0.3 million of non-cash stock-based compensation expense. No restructuring expenses were incurred during the year ended December 31, 2025.

Interest income

During each of the years ended December 31, 2025 and 2024, interest income was less than $0.1 million. Amounts may fluctuate from period to period due to changes in average cash balances and prevailing interest rates.

Interest expense

Interest expense primarily consists of amortization of debt issuance costs on the August 2025 Notes and interest expense on the May 2024 Notes, the financing of director and officer insurance premiums and the notes assumed in the Merger, which include the April 2023 Convertible Notes, the November 2023 Note, the September 2024 Note, the 2021 Notes and the January 2024 Note. Refer to Note 6 and Note 9 of our consolidated financial statements included in this Form 10-K.

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

Gain on settlement of current liabilities

During the year ended December 31, 2025, we recognized a gain on settlement of current liabilities of approximately $3.0 million, of which $2.9 million relates to settlements with former vendors for outstanding accounts payables and $0.1 million relates to a gain on debt extinguishment related to a promissory note issued by Peak Bio in November 2023 and assumed by the Company in November of 2024 in the principal amount of $0.4 million, bearing interest at 6% per annum with a maturity date of December 31, 2024.

No such gain was recognized during the year ended December 31, 2024.

Loss on debt extinguishment

During the year ended December 31, 2025, we recognized a non-cash loss on extinguishment of debt of $3.2 million, of which $0.4 million was related to the issuance of the August 2025 Note to third party investors, $0.5 million was related to the cancellation and exchange of Dr. Huh's January 2024 Note for his August 2025 Note, $2.2 million was related to the cancellation and exchange of all outstanding August 2025 Notes for Pre-funded Warrants and Note Exchange Warrants, in the December 2025 Note Exchange, and less than $0.1 million was related to the modification of the April 2023 Convertible Notes pursuant to the April 2023 Convertible Notes and Warrants Amendment (as defined and described in Note 7 of our consolidated financial statements included in this Form 10-K).

No such loss was recognized during the year ended December 31, 2024.

Loss on derivative liability

During the year ended December 31, 2025, we recognized a non-cash expense of $0.2 million in relation to the embedded derivative in the White Lion ELOC.

No such loss was recognized during the year ended December 31, 2024.

Change in fair value of warrant liabilities

Change in fair value of warrant liabilities represents non-cash warrant revaluation gains or losses related to the remeasurement of our liability-classified instruments, namely our September 2022 Warrants and the warrants we assumed on November 14, 2024 in connection with our acquisition of Peak Bio (the "Peak Bio Warrants"), which are more fully described in Note 3 of our consolidated financial statements included in this Form 10-K. Due to the nature of and inputs in the model used to assess the fair value of our outstanding September 2022 Warrants and Peak Bio Warrants, it is not unusual to experience significant fluctuations during each remeasurement period. These fluctuations may be due to a variety of factors, including changes in our stock price and changes in estimated stock price volatility over the remaining life of the warrants.

During the years ended December 31, 2025 and 2024, we recorded a change in the fair value of warrant liabilities, representing a non-cash warrant revaluation gain of approximately $0.8 million and $2.1 million, respectively. Change in the fair value of the warrant liabilities and resulting warrant revaluation gain for the years ended December 31, 2025 and 2024 were driven primarily by the decrease in our stock price and decreases in the expected term and expected volatility assumptions during the reporting period.

Foreign currency exchange gain, net

During the year ended December 31, 2025, we recorded a net foreign currency exchange loss of approximately $0.4 million, as compared to a net foreign currency gain of less than $0.1 million during the year ended December 31, 2024. Exchange gains and losses can fluctuate significantly from period to period due to changes in exchange rates, as well as the volume and timing of expenditures and related payments denominated in foreign currencies.

Other expense, net

During each of the years ended December 31, 2025 and 2024, we recorded a net other expense of less than $0.1 million. Such expenses are not material to our results of operations.

Net Loss Applicable to Common Shareholders

As a result of the factors discussed above, our net loss applicable to common shareholders for the years ended December 31, 2025 and 2024 was $17.3 million and $19.8 million, respectively.

Financial Condition, Liquidity and Capital Resources

Sources of Liquidity

Since inception, we have incurred substantial losses, and we have primarily funded our operations with proceeds from the sale of equity securities, including ordinary shares, warrants and pre-funded warrants, and convertible notes. At December 31, 2025, we had $5.2 million in cash and an accumulated deficit of $264.5 million. To date, we have not generated any revenue.

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

- the progress and costs of our preclinical studies, clinical trials and other discovery, research and development activities;
- the costs associated with the integration activities related to the Merger;
- the scope, prioritization and number of our clinical trials and other research and development programs;
- the amount of revenues and contributions we receive under future licensing, development and commercialization arrangements with respect to our product candidates;
- the costs of the development and expansion of our operational infrastructure;
- the costs and timing of obtaining regulatory approval for our product candidates;

- the costs of filing, prosecuting, enforcing and defending patent claims and other intellectual property rights;
- the costs and timing of securing manufacturing arrangements for clinical or commercial production;
- the costs of contracting with third parties to provide sales and marketing capabilities for us;
- the magnitude of our general and administrative expenses; and
- any cost that we may incur under future in- and out-licensing arrangements relating to and current or future product candidates.

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

December 2025 Financing

On December 16, 2025, we entered into a securities purchase agreement with certain institutional investors providing for the issuance and sale, in a Registered Direct Offering, of 10,043,774 ADSs. The ADSs have been offered and sold together with Series G Warrants to purchase up to an aggregate of 10,043,774 ADSs, which were issued in a concurrent private placement. The combined purchase price per ADS and accompanying Series G Warrant sold in the Registered Direct Offering is $0.3883.

In a Private Placement, and together with the Registered Direct Offering, the December 2025 Offerings pursuant to a securities purchase agreement dated as of December 16, 2025, we agreed to issue to certain directors and officers of the Company (i) Pre-Funded Warrants to purchase an aggregate of 2,563,713 ADSs at an exercise price per ADS of $0.00001, and (ii) accompanying Series G Warrants to purchase an aggregate of 2,563,713 ADSs, at a combined purchase price of $0.4041 per Pre-Funded Warrant and Series G Warrant.

The aggregate gross proceeds from the Offerings were approximately $5 million, excluding any proceeds from any future exercises of the Warrants. The Registered Direct Offering closed on December 17, 2025 and January 20, 2026 and the Private Placement closed on December 23, 2025.

The Series G Warrants issued in the December 2025 Offerings have an exercise price of $0.3883 per ADS, subject to customary adjustments as set forth therein, are exercisable as of the effective date of Shareholder Approval, which was obtained on March 2, 2026, and will expire five years thereafter. The Pre-Funded Warrants have an exercise price of $0.00001 per ADS, are exercisable following the Shareholder Approval and will not expire until fully exercised.

The placement agent, Ladenburg Thalmann & Co. Inc., or the Placement Agent, received a cash commission of 8.0% of the gross proceeds from the sale of the securities in the December 2025 Offerings, a management fee equal to 0.5% of the gross proceeds from the sale of the securities in the December 2025 Offerings and a non-accountable expense allowance of up to $75,000. The Placement Agent and its designees also received warrants to purchase up to 504,300 ADSs, representing 4.0% of the aggregate number of ADSs and Pre-Funded Warrants sold in the Offerings, on substantially the same terms as the Series G Warrants, except the Placement Agent Warrants have an exercise price of $0.4853875 per ADS and have a 5-year term from the commencement of sales of the December 2025 Offerings.

October 2025 Financing

On October 16, 2025, the Company closed its 2025 Registered Direct Offering with certain institutional investors providing for the issuance and sale of 3,125,000 ADSs of the Company. The ADSs have been offered and sold together with Series E warrants to purchase up to an aggregate of 3,125,000 ADSs and Series F warrants to purchase up to an aggregate of 3,125,000 ADSs, which are being issued in a concurrent private placement. The combined purchase price per each ADS and

accompanying Warrants sold in the 2025 Registered Direct Offering is $0.80. The aggregate gross proceeds from the 2025 Registered Direct Offering were $2.5 million, excluding any proceeds from any future exercises of Warrants.

The Series E Warrants have an exercise price of $0.98 per share, subject to customary adjustments as set forth therein, are exercisable commencing on the effective date (the "Shareholder Approval Date") of shareholder approval of the issuance of the ADSs issuable upon exercise of the Warrants (the "Shareholder Approval"), and will have a 5-year term from the Shareholder Approval Date. The Series F Warrants have an exercise price of $0.98 per share, subject to customary adjustments as set forth therein, are exercisable on the Shareholder Approval Date, and will have a thirty-month term from the Shareholder Approval Date. If at the time of exercise there is no effective registration statement registering the ADSs underlying the Warrants, the Warrants may be exercised on a cashless basis.

The Company entered into a placement agency agreement (the "Placement Agent Agreement") with Ladenburg Thalmann & Co. Inc. (the "Placement Agent"), pursuant to which the Company paid $262,500 in cash at closing of the 2025 Registered Direct Offering. The Placement Agent also received warrants (the "Placement Agent Warrants") on substantially the same terms as the Series E Warrants in an amount equal to 4.0% of the aggregate number of ADSs sold in the 2025 Registered Direct Offering to purchase up to 125,000 ADSs, at an exercise price of $1.00 per ADS and will have a 5-year term expiring October 14, 2030.

White Lion Ordinary Share Purchase and Registration Rights Agreements

On August 29, 2025, the Company entered into the ELOC Purchase Agreement and White Lion RRA with White Lion Capital. Pursuant to the ELOC Purchase Agreement, the Company had the right, but not the obligation, to require White Lion to purchase, from time to time, up to $25,000,000 in aggregate gross purchase price of newly issued Ordinary Shares, which may be exchanged for ADSs, subject to certain limitations and conditions set forth in the ELOC Purchase Agreement.

The Company does not have a right to commence any sales of Ordinary Shares to White Lion under the ELOC Purchase Agreement until all conditions to the Company's right to commence sales, as set forth in the ELOC Purchase Agreement, have been satisfied, including that a registration statement covering the resale of such shares is declared effective by the SEC and the final form of prospectus is filed with the SEC. Over the period ending on the earlier of (i) the date on which the Purchaser shall have purchased Ordinary Shares pursuant to the ELOC Purchase Agreement for an aggregate purchase price equal to the Commitment Amount or (ii) August 29, 2028 (the "Commitment Period"), subject to the conditions of the ELOC Purchase Agreement, the Company will control the timing and amount of any sales of Ordinary Shares to the Purchaser. Actual sales of Ordinary Shares to the Purchaser under the ELOC Purchase Agreement will depend on a variety of factors to be determined by the Company from time to time, including, among others, market conditions, the trading price of the ADSs, and determinations made by the Company as to appropriate levels and sources of funding.

The purchase price of the Ordinary Shares that the Company elects to sell to the Purchaser pursuant to the ELOC Purchase Agreement will be determined based on the type of Purchase Notice issued, as follows:

- Rapid Purchase Option 1: The lowest traded price of the ADSs on the notice date.
- Rapid Purchase Option 2: 97% of the lowest traded price of the ADSs during the two hours following the Purchaser's confirmed receipt of the notice.
- Rapid Purchase Option 3: The lowest of (i) the opening price of the ADSs on the notice date, (ii) the closing price of the ADSs on the prior business day, or (iii) the volume-weighted average price (VWAP) on the notice date, with a 20% discount if the trading price is below the opening price.
- VWAP Purchase: 97% of the lowest daily VWAP during a two-day valuation period for the first $12,500,000 of closings, and 98% thereafter.

In no event may the Company issue to the Purchaser under the ELOC Purchase Agreement more than 13,039,369,358 Ordinary Shares (the "Exchange Cap"), which equals 19.99% of the Company's outstanding Ordinary Shares as of the Execution Date, unless the Company obtains shareholder approval to issue shares in excess of the Exchange Cap or the average price paid for all Ordinary Shares issued under the agreement is equal to or greater than the Minimum Price (as defined in the ELOC Purchase Agreement). In any event, the ELOC Purchase Agreement provides that the Company may not issue or sell any Ordinary Shares if such issuance or sale would breach any applicable Nasdaq rules.

The ELOC Purchase Agreement prohibits the Company from directing the Purchaser to purchase any Ordinary Shares if those shares, when aggregated with all other Ordinary Shares then beneficially owned by the Purchaser (as calculated pursuant to Section 13(d) of the Securities Exchange Act of 1934, as amended), would result in the Purchaser beneficially owning more than 4.99% of the outstanding Ordinary Shares (the "Beneficial Ownership Limitation"), which may be increased to 9.99% at the Purchaser's discretion upon 61 days' prior written notice.

As consideration for the Purchaser's execution of the ELOC Purchase Agreement, the Company will pay a document preparation fee of $15,000, to be deducted from the proceeds related to the first Purchase Notice, and cash commitment fees of $37,500 when aggregate Purchase Notices exceed $500,000 and $87,500 (or $125,000 if $1,000,000 is reached first) when aggregate Purchase Notices exceed $1,000,000. Additionally, if the Company fails to close at least $625,000 in purchases by the 180th day after the Registration Statement's effective date, the Company will issue ADSs, represented by Ordinary Shares, equivalent to $75,000 divided by the lowest traded ADS price during a 10-day period preceding that date (the "Commitment Shares").

Concurrently with the ELOC Purchase Agreement, the Company and the Purchaser entered into a Registration Rights Agreement, dated August 29, 2025 (the "Registration Rights Agreement"), pursuant to which the Company agreed to file a registration statement on Form S-1 (or any successor form) with the SEC within thirty (30) calendar days following August 29, 2025, to register the resale of the maximum number of Registrable Securities (including the Ordinary Shares, Commitment Shares, and ADSs representing such shares) permitted by applicable SEC rules. The Company shall use its commercially reasonable efforts to have the registration statement declared effective as soon as practicable and to maintain its effectiveness during the Registration Period, which continues until all Registrable Securities are sold, the ELOC Purchase Agreement terminates and no Registrable Securities are held, or the securities cease to be Registrable Securities under specified conditions.

As of December 31, 2025, the Company had no outstanding purchase notices issued to White Lion.

August 2025 Financing

In August 2025, we entered into Note Purchase Agreements with certain investors, including the Company's directors in a private placement offering pursuant to which the investors agreed to purchase, and the Company agreed to issue unsecured promissory notes with a 20% original issuance discount. In connection with the issuance and sale of the August 2025 Notes, the Company agreed to extend the expiration date of Series A Warrants held by certain August 2025 Note investors, previously issued in the March 2025 Private Placement, by 48 months from the original date of expiration.

We issued August 2025 Notes with an aggregate purchase price of $3,011,000 and an aggregate principal amount of $3,763,750, inclusive of the Note Termination (described below). The August 2025 Notes have maturity dates ranging from August 15, 2026, through September 26, 2026, at which time the principal amount is due and payable. The Company also entered into Warrant Amendment Agreements with the recipients of such August 2025 Notes, which extended the expiration date of the Series A Warrants to purchase an aggregate of 6,864,483 ADSs held by such investors from 2026 to 2030.

Included in the issued Notes with an aggregate purchase price of $3,011,000 and an aggregate principal amount of $3,763,750, as outlined above, Dr. Hoyoung Huh, the Company's Chairman, purchased a Note with a principal amount of $1,250,000 for a purchase price of $1,000,000, with the purchase price thereof to be satisfied through the payment of $162,567 in cash and the cancellation of $837,433 of outstanding principal and accrued interest under a senior secured promissory note previously issued to him by the Company's wholly owned subsidiary, Peak Bio Inc., in January 2024.

We paid a placement agent fee of $75,000 to Paulson in connection with the August 2025 Notes Offering.

On December 16, 2025, we entered into privately negotiated note cancellation and exchange agreement, or the Exchange Agreement, with the holders of August 2025 Note, to exchange all the outstanding principal amount of the August 2025 Notes for (i) Pre-Funded Warrants to purchase up to an aggregate of 9,502,703 ADSs, at a price of $0.3883 per Pre-Funded Warrant for investors and a price of $0.4041 per Pre-Funded Warrant for insiders, and (ii) Note Exchange Warrants to purchase up to an aggregate of 9,502,703 ADSs. The Exchange closed on December 17, 2025.

The Pre-Funded Warrants issued in connection with the Exchange have the same terms as the Pre-Funded Warrants issued in the Private Placement. The Note Exchange Warrants are exercisable commencing upon the Shareholder Approval for a term of five years thereafter and have an exercise price of $0.3883 and $0.4041 per ADS for investors and insiders, respectively.

Funding Requirements

As of the date of this report, we expect our existing cash, will be sufficient to fund our operations into April 2026. While we have additional funding activities in progress to fund our operations, we will need to raise additional capital to continue to fund our operations and service our obligations in the future. If we are unable to raise additional capital when needed, we will not be able to continue as a going concern. We do not currently have any products approved for sale and do not generate any revenue from product sales. We are currently seeking and expect to continue to seek additional funding through financings of equity and/or debt securities. We may also engage in strategic research and development collaborations, pre-clinical and clinical funding arrangements, the sale or license of technology assets, and/or other strategic alternatives.

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

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

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

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

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

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

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

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

Cash Flows

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

	Year Ended December 31,	
(In thousands)	**2025**	**2024**
Net cash (used in) provided by:		
Net cash used in operating activities	$ (10,568)	$ (12,552)
Net cash provided by investing activities	—	382
Net cash provided by financing activities	13,171	10,988
Effect of exchange rates on cash	1	(4)
Net increase (decrease) in cash	$ 2,604	$ (1,186)

Operating Activities. The net cash used in operating activities for the periods presented consists primarily of our net loss adjusted for non-cash charges and changes in components of working capital. The decrease in cash used in operating activities during the year ended December 31, 2025, as compared to the year ended December 31, 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.

Investment Activities. The net cash provided by investing activities during the year ended December 31, 2024, is solely related to the Merger. There were no investing activities during the year ended December 31, 2025.

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

- For the year ended December 31, 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; and
- For the year ended December 31, 2024, an aggregate of $11.8 million in net proceeds received from the issuance of debt and equity securities, including (i) $1.7 million in net proceeds from the March 2024 Private Placement, (ii) $1.0 million in net proceeds from the issuance of the May 2024 Convertible Notes, (iii) $7.0 million in net proceeds from the May 2024 Private Placement, and (iv) $2.8 million in net proceeds from the November 2024 Private Placement, partially offset by repayment of $0.75 million towards the May 2024 Convertible Notes and $1.1 million in payments related to our short-term insurance premium financing arrangement.

Material Cash Requirements

Insurance Financing Obligations

In January 2026, we entered into a short-term financing arrangement with a third-party vendor to finance insurance premiums. The aggregate amount financed under this agreement was $0.5 million which is scheduled to be paid in monthly installments through October 2026.

Debt Obligations

We have outstanding convertible notes and notes payable with third parties assumed from the acquisition of Peak Bio Inc. as more fully described in Note 7, to our consolidated financial statements appearing elsewhere in this Form 10-K. As of December 31, 2025, these obligations are expected to result in principal payments of approximately $0.8 million.

Other

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

Critical Accounting Estimates

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

Fair value of warrants classified as liabilities

Warrants classified as liabilities must be recorded at fair value under ASC 820, with changes in fair value recognized in earnings each period. We utilize a Black-Scholes model to value our outstanding September 2022 Warrants and the Peak Bio Warrants, at each reporting period, with changes in fair value recognized in the consolidated statements of operations and comprehensive loss. The estimated fair value of warrant liabilities is determined using Level 3 inputs. Inherent in an options pricing model are assumptions related to expected share-price volatility, expected life, risk-free interest rate and dividend yield. We estimate the expected volatility of our stock price based on historical volatility of our ADSs, considering the expected remaining life of the September 2022 Warrants and the Peak Bio Warrants. The risk-free interest rate is based on the U.S. Treasury zero-coupon yield curve on the valuation date for a maturity similar to the expected remaining life of the September 2022 Warrants and the Peak Bio Warrants. The expected life of the September 2022 Warrants and the Peak Bio Warrants is assumed to be equivalent to their remaining contractual term. The dividend rate is based on our historical rate, which we anticipate to remain at zero. Due to the nature of and inputs in the model used to assess the fair value of the warrants, it is not unusual to experience significant fluctuations during each remeasurement period.

Peak Bio Inc. Acquisition

On March 4, 2024, we entered into the Merger Agreement with Peak Bio and Merger Sub. On November 14, 2024, we completed the business combination contemplated by the Merger Agreement, pursuant to which, Merger Sub merged with and into Peak Bio, with Peak Bio surviving the acquisition as a wholly owned subsidiary of Akari.

In connection with the acquisition, we issued a total of 12,613,942 Akari American Depositary Shares ("Akari ADSs") which reflected the conversion of each issued and outstanding share of Peak Bio common stock, par value $0.0001 ("Peak Bio Common Stock") into the right to receive Akari ADSs representing a number of Akari ordinary shares, par value $0.0001 per share ("Akari Ordinary Shares") equal to the exchange ratio calculated in accordance with the Merger Agreement (the "Exchange Ratio"). Each warrant to purchase capital stock of Peak Bio ("Peak Warrant") and option to acquire shares of Peak Common Stock ("Peak Option") was converted into warrants to purchase a number of Akari Ordinary Shares or Akari ADSs, as determined by Akari ("Adjusted Warrants") and options to purchase a number of Akari Ordinary Shares or Akari ADSs, as determined by Akari ("Adjusted Options"), respectively, to purchase a number of Akari Ordinary Shares or Akari ADSs, based on the Exchange Ratio. The Adjusted Warrants and the Adjusted Options have substantially similar terms and conditions as were applicable to such Peak Warrants and Peak Options immediately prior to the Closing.

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

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

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

We recognized in-process research and development ("IPR&D") in connection with the acquisition. The fair value of the acquired IPR&D was determined based upon the income approach using a multi period excess earnings model which included a forecast of the expected cash flows, as discussed in more detail under "Valuation of Intangible Assets."

Valuation of Intangible Assets

In a business combination, the fair value of acquired IPR&D is capitalized and accounted for as indefinite-lived intangible assets and are not amortized until the underlying project receives regulatory approval, at which point the intangible assets will be accounted for as definite-lived intangible assets. The intangible assets are assessed for impairment annually as outlined below. R&D costs incurred after the acquisition are expensed as incurred.

The estimated fair values of identifiable intangible assets were determined using the multi-period excess earnings method, which is a valuation methodology that provides an estimate of the fair value of an asset based on market participant expectations of the cash flows an asset would generate over its remaining useful life. The projected discounted cash flow models used to estimate the fair value of assets of our IPR&D reflect significant assumptions and are estimates a market participant would make in order to evaluate a drug development asset.

The valuation of our acquired IPR&D has significant measurement uncertainty given the lack of historical data on which to base assumptions. We engaged a third-party valuation firm to assist us with the valuation of the IPR&D. Assumptions are difficult to make accurately and were mainly derived from life science studies, industry data, and peer company information that our management believes represent appropriate comparable data.

Impairment Assessment of Goodwill and Other Intangible Assets

As noted above, we recognized goodwill and other intangible assets comprised of in-process research and development, or IPR&D, in connection with our acquisition of Peak Bio.

We follow the provisions of ASC 350, Intangibles – Goodwill and Other in accounting for goodwill and other indefinite-lived intangible assets. Goodwill and indefinite-lived intangible assets are tested for impairment annually on December 31, or more frequently if certain indicators are present.

Goodwill is tested for impairment at the reporting unit level. We manage our operations as a single operating segment for the purposes of assessing performance, making operating decisions and allocating resources, resulting in a single reportable segment, or reporting unit. If goodwill and another asset from the same reporting unit are tested for impairment simultaneously, the other asset shall be tested for impairment before goodwill.

We have the option to first assess qualitative factors to determine whether the fair value of our IPR&D asset or reporting unit is more likely than not less than its carrying value. In our qualitative assessment, we considered relevant facts and circumstances for our reporting unit, including (i) overall financial performance, including recent fundraising activities (ii) industry and market conditions in which the Company operates, (iii) changes in key inputs and assumptions used to rationalize the carrying value, (iv) changes in management or strategy, (v) macroeconomic conditions, and (vi) changes in the fair market value of the Company's ADSs, market capitalization and relevant comparable control premiums.

If the Company concludes that it is more likely than not that the fair value of the asset or the reporting unit is less than its carrying value, or if the Company elects to bypass the qualitative assessment, a quantitative impairment test is performed. The quantitative test compares the fair value of the asset or reporting unit with its carrying amount. If the carrying amount of the asset or a reporting unit exceeds its fair value, an impairment loss is recognized in an amount equal to the excess. For goodwill, an impairment loss is limited to the total amount of goodwill allocated to that reporting unit.

The quantitative assessment of fair value for impairment purposes requires significant judgement by management. The estimated fair values of identifiable intangible assets were determined using the multi-period excess earnings method, which is a valuation methodology that provides an estimate of the fair value of an asset based on market participant expectations of the cash flows an asset would generate over its remaining useful life. The projected discounted cash flow models used to estimate the fair value of our PHP-303 and ADC IPR&D assets reflect significant assumptions, including the following:

- Probability of clinical trial success and obtaining regulatory approval;
- Forecasted gross revenues including up-front and milestone revenues and royalty revenue from product sales; and
- A discount rate that reflects a market participant's view of the assets and specific risk inherent in the underlying assets.

The valuation of our acquired IPR&D has significant measurement uncertainty given the lack of historical data on which to base assumptions. We engaged a third-party valuation firm to assist us with the valuation of the IPR&D. Assumptions are difficult to make accurately and were mainly derived from life science studies, industry data, and peer company information that our management believes represent appropriate comparable data.

As at September 30, 2025, the Company completed a qualitative assessment and determined that changes in our allocation of resources triggered a quantitative assessment of our PHP 303 IPR&D asset. Based on the results of our quantitative analysis, we recorded an impairment charge of $5.18 million related to this asset due to reprioritization of resources to our ADC platform, no further development plans and inability to find a collaborative partner to date for this program.

As at December 31, 2025, we performed our annual impairment test of our AKTX 101 IPR&D asset and goodwill. Based on the results of our quantitative assessment, we concluded that that the respective fair values of our AKTX 101 IPR&D asset and reporting unit are more than their respective carrying values.

If actual results are not consistent with our estimates and/or other assumptions change, and we continue to experience a decline in market price of our ADSs, it is reasonably possible that the estimates made in the financial statements have been, or will be, materially and adversely impacted in the near term, and if so, we may be subject to changes in valuations and exposed to future impairment charges that could materially and adversely impact our financial position and results of operations.

Recent Accounting Pronouncements

Refer to Note 2, Basis of Presentation and Summary of Significant Accounting Policies, of the Notes to our Consolidated Financial Statements included in Item 15(a) of this Annual Report on Form 10-K for more information about recent accounting pronouncements, the timing of their adoption, and our assessment, to the extent we have made one, of their potential impact on our financial condition and results of operations.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

We are exposed to a variety of risks, including changes in foreign currency exchange risk and interest rates.

Currency Exchange Rate Sensitivity

The results of our operations are subject to currency transactional risk. Operating results and financial position are reported in local currencies and then translated into U.S. dollars at the applicable exchange rate for preparation of our consolidated financial statements. The fluctuation of the U.S. dollar in relation to the British Pound, Euro, Swiss Franc and Korean Won will therefore have an impact upon profitability of our operations and may also affect the value of our assets and the amount of shareholders' equity.

Our functional currency is the U.S. dollar, and our activities are predominantly executed using both the U.S. dollar, Euro and British Pound. We have done a limited number of financings, and we are not subject to significant operational exposures due to fluctuations in these currencies. We have not entered into any agreements, or purchased any instruments, to hedge any possible currency risks at this time.

Interest Rate Sensitivity

We currently have short-term promissory notes and our short-term insurance premium financing arrangement we entered into in January 2026, as more fully described above. This does not require us to consider entering into any agreements or purchasing any instruments to hedge against possible interest rate risks at this time. Our interest-earning investments are short-term. Thus, any reductions in future income or carrying values due to future interest rate declines are believed to be immaterial.

Based on a hypothetical ten percent adverse movement in interest rates, the potential losses in future earnings, fair value of risk sensitive financial instruments, and cash flows are immaterial to our earnings, although the actual effects may differ materially from the hypothetical analysis.

Item 8. Financial Statements and Supplementary Data.

All financial statements required to be filed hereunder are filed under Item 15(a) of this Form 10-K and are incorporated herein by reference.

We are a smaller reporting company, as defined by Rule 12b-2 of the Exchange Act, and therefore we are permitted to provide a scaled Item 8 disclosure.

There have been no retrospective changes to our consolidated statements of operations for any of the quarters within the two years ended December 31, 2025.

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure.

None.

Item 9A. Controls and Procedures.

Disclosure Controls and Procedures

We are responsible for maintaining disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act. Disclosure controls and procedures are controls and other procedures designed to ensure that the information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our principal executive officer and our principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

Based on our management's evaluation (with the participation of our principal executive officer and our principal financial officer) of our disclosure controls and procedures as required by Rule 13a-15 under the Exchange Act and the material weaknesses previously identified and further discussed below, our principal executive officer and our principal financial officer have concluded that our disclosure controls and procedures were not effective at the reasonable level of assurance as of December 31, 2025.

a) Management's Annual Report on Internal Control over Financial Reporting

Our management, with the participation of our principal executive officer and principal financial officer, is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rule 13a-15(f) and 15d-15(f) promulgated under the Exchange Act as a process designed by, or under the supervision of, our principal executive and principal financial officers and effected by our Board of Directors, management, and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

Management assessed the effectiveness of our internal control over financial reporting as of December 31, 2025. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in *Internal Control — Integrated Framework* (2013).

A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis.

Management previously identified and disclosed material weaknesses in our internal control over financial reporting with respect to (i) improper access and a lack of review over user access and user provisioning as it relates to our information technology environment and general controls over information systems that support the financial reporting process and (ii) improper access and a lack of review over user access and user provisioning as it relates to our purchase to pay process.

Lack of Formalized Controls over Information Technology General Controls (QuickBooks)

During the fourth quarter of fiscal year 2025, we began the following remediation efforts:

- Management identified a system administrator who manages change management to enforce appropriate segregation of duties and change management controls over the Company's information technologies used in financial reporting
- Management conducted a user access review and updated permissions to ensure appropriate segregation of duties
- Performed independent review over the completeness and accuracy of information within the system

Lack of Formalized Designed and Implemented Internal Controls (Purchase to Pay)

During the fourth quarter of fiscal year 2025, we began the following remediation efforts:

- Management identified a system administrator who manages change management to enforce appropriate segregation of duties used in our purchase to pay process
- Management conducted a user access review and updated permissions to ensure appropriate segregation of duties between recording purchases, approvals and issuances of payments

Although we have begun the implementation of these remediation efforts, these material weaknesses will not be considered fully remediated until the applicable remedial controls operate for a sufficient period of time and management has concluded, through testing, that these controls are operating effectively. Any actions we have taken or may take to remediate these deficiencies are subject to continued management review supported by testing, as well as oversight by the Audit Committee of our board of directors.

We cannot assure you that the measures we have taken to date, and are continuing to implement, will be sufficient to remediate the material weaknesses we have identified or avoid potential future material weaknesses. If the steps we take do not correct the material weaknesses in a timely manner, we will be unable to conclude that we maintain effective internal control over financial reporting. Accordingly, there could continue to be a reasonable possibility that a material misstatement of our consolidated financial statements would not be prevented or detected on a timely basis. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Remediation of Material Weaknesses

As discussed in our Annual Report on Form 10-K for the year ended December 31, 2024, our management concluded that there were material weaknesses in our internal control over financial reporting related to complex and unusual transactions.

In response to the identified material weakness at December 31, 2024, our management, with oversight from our Audit Committee, made the following changes in its financial reporting processes:

- enhancing the Company's technical accounting resources through the engagement of qualified personnel and external subject matter experts with experience in complex financial instrument accounting
- establishing additional layers of review and approval for transactions involving complex financial instruments; and

- improving internal documentation and control evidence supporting management's accounting conclusions.

Management tested the design and operating effectiveness of these newly implemented controls over a sufficient period. Based on the results of this testing, management concluded that the remediation measures have been effectively implemented and that the previously identified material weakness related to complex and unusual transactions has been remediated as of December 31, 2025.

b) Attestation Report of the Registered Public Accounting Firm

Not Applicable.

c) Changes in Internal Control over Financial Reporting

Other than the remediation efforts to address the material weaknesses described above, there have been no changes in our internal control over financial reporting during the fiscal quarter ended December 31, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information.

Not applicable.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

Information about our Directors

Our Articles of Association provide that our business is to be managed by the board of directors (subject to any directions made by the members of the Company by special resolution). Our 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 our 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).

Set forth below is information about each member of our board of directors, including (a) the year in which each director first became a director, (b) their age as of March 1, 2026, (c) their positions and offices with us, (d) their principal occupations and business experience during at least the past five years and (e) the names of other public companies for which they currently serve, or have served within the past five years, as a director. We have also included information about each director's specific experience, qualifications, attributes, or skills that led our board of directors to conclude that such individual should serve as one of our directors. We also believe that all of our directors have a reputation for integrity, honesty and adherence to high ethical standards. They each have demonstrated business acumen and an ability to exercise sound judgment, as well as a commitment of service to our Company and our board of directors.

The following table identifies our directors and their ages as of March 1, 2026:

			Committee Memberships [1]			
Name	**Age**	**Relationship**	**Audit**	**Comp**	**N&CG**	**Class – Election Year**
Hoyoung Huh, M.D.	56	Chair of the Board			X	Class A Director - 2026
Ray Prudo, M.D.	81	Director			X	Class C Director - 2027
Samir R. Patel, M.D.	56	Director				Class A Director - 2026
Robert Bazemore	58	Director	X	X	C	Class A Director - 2026
James Neal	70	Director	X	C		Class A Director - 2026
Sandip I. Patel	59	Director	C	X		Class A Director - 2026
Abizer Gaslightwala	52	Director				Class A Director - 2026

(1) "C" indicates Chair of applicable committee.

Hoyoung Huh, MD, PhD, has served as Chairman of our board of directors since November 2024, following our merger with Peak Bio, Inc. Dr. Huh is the founder of Peak Bio Inc. (f/k/a pH Pharma) and has held positions of Chief Executive Officer and Board Chairman since founding pH Pharma in 2015. Dr. Huh is a Silicon Valley-based entrepreneur and investor in healthcare and technology-based businesses and has served as Lead Director of Pliant Therapeutics since December 2017. Dr. Huh has been involved in the formation and management of multiple biotechnology and innovation-based companies, including holding board positions. He previously served as the Chairman of the board of directors of Geron Corporation from September 2011 to December 2018 and CytomX Therapeutics, Inc. from February 2012 to December 2018 and served as a member of the board of directors of Rezolute, Inc. (f/k/a AntriaBio, Inc.) from 2013 to January 2019. He holds an A.B. in Biochemistry from Dartmouth College, an M.D. from Cornell University Medical College and a Ph.D. in Cell Biology and Genetics from Cornell University Sloan Kettering Institute.

Raymond Prudo-Chlebosz, M.D., has served as a member of our board of directors since September 2015, and has previously served as our Executive Chairman from September 2015 through December 2022 and Chairman of our board of directors from January 1, 2023 through November 14, 2024. Dr. Prudo has been an active investor and developer of healthcare companies for 25 years. Dr. Prudo was the Founder, Chairman, and Chief Executive Officer of Volution and its predecessor company, Varleigh Immuno Pharmaceuticals, since its inception in 2008. Dr. Prudo is also the co-founder of The Doctors' Laboratory ("TDL"), past CEO and its Chairman since 2002. Since 2015 he has also been a director of Health Services Laboratories ("HSL"). Both TDL and HSL are subsidiaries of Sonic Healthcare Limited (ASX: SHL.AX). Dr. Prudo holds an MBBS from the University of London, and an FRCP(C) from the Royal College of Physicians and Surgeons of Canada.

James Neal, MS, MBA, has served as a member of our board of directors since November 2024, following our merger with Peak Bio, Inc. He comes to our board of directors as an experienced business professional serving as XOMA Corporation's Chief Executive Officer and Chairman of the Board, joining that company in 2009. Mr. Neal has more than 25 years' experience in forming and maximizing business and technology collaborations globally and in bringing novel products and technologies to market. Prior to XOMA, Mr. Neal was Acting Chief Executive Officer of Entelos, Inc., a leading biosimulation company that acquired Iconix Biosciences, a privately held company where Mr. Neal was Chief Executive Officer. At Iconix, Mr. Neal established multi-year collaborations with Bristol-Myers Squibb, Abbott Labs, Eli Lilly and the U.S. Food and Drug Administration. Mr. Neal earned his B.S. in Biology and his M.S. in Genetics and Plant Breeding from the University of Manitoba, Canada, and holds an Executive MBA degree from Washington University in St. Louis, Missouri.

Sandip I. Patel JD, BBA, has served as a member of our board of directors since November 2024, following our merger with Peak Bio, Inc. Mr. Patel has been involved in the formation, development, growth, and successful exits of several companies in the healthcare services and technology sector, insurance, and financial services. He has served on numerous boards including AtlasClear Holdings, Inc. (NYSE: ATCH), Quantum Fintech (NYSE: QFTA), Monterey Bio (NASDAQ: MTRY), Anderen Bank, Avatar Property & Casualty, and Morton Plant Mease Hospital as a trusted advisor and entrepreneur. Additionally, he has served in executive roles with leading organizations, including American Managed Care, Orion Communities, and WellCare. Mr. Patel received his law degree from the Stetson University College of Law, and a B.B.A in Finance from the University of Georgia.

Robert Bazemore has served as a member of our board of directors since September 2024. Mr. Bazemore has spent over 30 years on the development and commercialization of novel medicines. From 2015 to 2021, Mr. Bazemore served as the President, Chief Executive Officer and member of the Board of Directors of Epizyme, Inc., developing and launching TAZVERIK ® for patients with Follicular Lymphoma and Sarcoma while building on the company's pipeline of promising epigenetic candidates in oncology. Prior to that, Mr. Bazemore served as the Chief Operating Officer of Synageva BioPharma Corp., where he established the company's global commercial and medical organization to support the first product launch, helping lead the broader transition to a sustainable commercial enterprise through the company's acquisition by Alexion Pharmaceuticals, Inc. Mr. Bazemore served in increasing levels of responsibility at Johnson & Johnson including Vice President of Centocor Ortho Biotech Sales & Marketing from 2008 to 2010 and President of Janssen Biotech, where he led the successful launches of numerous products and indications, including the US launches of the oncology therapies ZYTIGA ® and IBRUVICA ®. He was also Vice President of Global Surgery at Ethicon. Prior to Johnson & Johnson, Mr. Bazemore worked at Merck & Co. Inc., where he served in a variety of roles in medical affairs, sales and marketing, including supporting the launch of SINGULAIR ® in the U.S. Mr. Bazemore previously served on the board of Neon Therapeutics prior to its acquisition by BioNTech and served as Board Chairman for Pennsylvania BIO. Mr. Bazemore received a B.S. in Biochemistry from the University of Georgia.

Samir R. Patel, M.D., has served as a member of our board of directors since November 2023 and previously served as Interim President and Chief Executive Officer from May 1, 2024 through April 20, 2025. Dr. Patel is founder and, since April 2017, principal of PranaBio Investments, LLC, a firm providing consulting, strategic advisory, and investment services for small cap biotechnology companies. He is also a consultant to GE Global Research, Inc., GE's innovation engine that is creating novel products and solutions across several sectors including biomanufacturing and biotechnology, since May 2019. Dr. Patel has more than 20 years of experience in life sciences including co-founding SPEC Pharma, LLC, a company that develops and manufactures injectables used in rheumatology, obstetric, orthopedic, and veterinary applications. He holds multiple patents, has been an author on several publications and has been an investigator in numerous clinical research studies. Dr. Patel received his medical degree from the Medical College of Ohio (now University of Toledo) in Toledo, Ohio, and completed his internal medicine internship and residency, as well as rheumatology fellowship, at University of New Mexico School of Medicine Affiliated Hospitals.

Abizer Gaslightwala has served as a member of our board of directors since December 2024 and as President and Chief Executive Officer since April 21, 2025. Mr. Gaslightwala is a well-established leader in the biotechnology and pharmaceutical industry. He has a successful track record spanning over 25 years in the development and commercialization of novel medicines across a range of companies and therapeutic areas. Mr. Gaslightwala serves as the Senior Vice President and Franchise Head for Oncology at Jazz Pharmaceuticals, where he manages a portfolio of products spanning both solid and hematological malignancies. Mr. Gaslightwala has led and driven growth in several leadership roles at Amgen, Pfizer, and Johnson & Johnson. His experience spans business unit leadership, brand marketing, sales leadership, commercial pipeline planning, advanced analytics and insights, and business development. Mr. Gaslightwala also helped lead R&D strategic planning within the autoimmune/inflammation portfolio at Johnson & Johnson, as well as lead commercial planning for Remicade® and several novel pipeline molecules focused on rheumatoid arthritis, inflammatory bowel disease, psoriasis, and atopic dermatitis. Additionally, Mr. Gaslightwala advised several life science companies through his time at the Boston Consulting Group. Mr. Gaslightwala holds a BS in Chemical Engineering from Cornell University, and an MBA from the Sloan School of Management, and a MS in Chemical Engineering from the Massachusetts Institute of Technology.

Information about our Executive Officers

Our executive officers, their respective ages (as of March 1, 2026), positions, background and qualifications are described below. Our executive officers serve until they resign, or the board terminates their position.

Name	Age	Position
Abizer Gaslightwala[(1)]	52	President and Chief Executive Officer
Kameel Farag	48	Interim Chief Financial Officer

[(1)] Mr. Gaslightwala is a member of our board of directors. See "Information about our Directors" above for more information about Mr. Gaslightwala.

Kameel Farag, has served as our Interim Chief Financial Officer since October 22, 2025. Mr. Farag has more than 20 years of financial and operational leadership in biopharma, global commercialization experience, and a proven track record scaling companies from preclinical to clinical milestones. He concurrently serves as a director of Biovie Inc. and a member of their audit committee. Prior to joining the Company, he was Chief Financial Officer, Treasurer, and Head of Compliance at Aspen Neuroscience, Inc. from 2021 to 2025 where he oversaw tripling the company's headcount, secured over $150 million in financing, built manufacturing infrastructure and prepared the company for clinical data and a potential future public offering. Prior to that, he served as Senior Vice President, Finance at Ionis Pharmaceuticals from 2018 to 2021. In addition, Mr. Farag spent over 16 years at Amgen Inc. in a variety of finance and operational roles including Chief Financial Officer of Amgen's Intercontinental Region from 2013 to 2018 and as its Head of International FP&A and Interim International Chief Financial Officer from 2009 to 2013. Mr. Farag holds a BA from the University of California, Santa Barbara.

Corporate Governance

Audit Committee

Our board has established a formal standing Audit Committee. The current members of our Audit Committee are Mr. Patel (Chair), Mr. Neal, and Mr. Bazemore. Our board has determined that Mr. Patel is an "audit committee financial expert" within the meaning of SEC rules and regulations. Each member of the audit committee is independent as defined under applicable rules of the Nasdaq, including the independence requirements contemplated by Rule 10A-3 under the Exchange Act.

The Board has adopted a written Audit Committee Charter. The composition and responsibilities of the Audit Committee and the attributes of its members, as reflected in its Charter, are intended to be in accordance with certain listing requirements of Nasdaq and the rules of the SEC for corporate audit committees. The Audit Committee Charter may be found in the "Investor Relations — Corporate Governance" section of our website, which is located at www.akaritx.com.

Compensation Committee

Our compensation committee currently consists of three members, appointed by the board of directors: Mr. Neal (Chair), Mr. Patel, and Mr. Bazemore, all of whom are independent within the meaning of SEC corporate governance rules of independence for purposes of the compensation committee.

The Board has adopted a written Compensation Committee Charter. The composition and responsibilities of the compensation committee and the attributes of its members, as reflected in its Charter, are intended to be in accordance with certain listing requirements of Nasdaq and the rules of the SEC for corporate compensation committees. The Compensation Committee Charter may be found in the "Investor Relations — Corporate Governance" section of our website, which is located at www.akaritx.com.

Nominating and Corporate Governance Committee

Our nominating and corporate governance committee currently consists of three members, appointed by our board of directors: Mr. Bazemore (Chair), Dr. Huh, and Dr. Prudo, all of whom are independent within the meaning of SEC corporate governance rules of independence for purposes of the nominating and corporate governance committee. None of our non-employee directors have any service contracts with us or any of our subsidiaries that provide for benefits upon termination of employment.

The Board has adopted a written Nominating and Corporate Governance Committee Charter. The composition and responsibilities of the nominating and corporate governance committee and the attributes of its members, as reflected in its Charter, are intended to be in accordance with certain listing requirements of Nasdaq and the rules of the SEC for corporate nominating and corporate governance committees. The Nominating and Corporate Governance Committee Charter may be found in the "Investor Relations — Corporate Governance" section of our website, which is located at www.akaritx.com.

Code of Business Conduct and Ethics

We have adopted a written code of business conduct and ethics that applies to our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. We have posted a current copy of the Code of Business Conduct and Ethics in the "Investor Relations — Corporate Governance" section of our website, which is located at www.akaritx.com. We intend to satisfy the disclosure requirements under Item 5.05 of Form 8-K regarding an amendment to, or waiver from, a provision of our code of business conduct and ethics by posting such information on our website at www.akaritx.com.

Insider Trading Policy, Pledging and Hedging of Company Stock

Certain transactions in our securities (such as purchases and sales of publicly traded put and call options, and short sales) could create a heightened compliance risk or the appearance of misalignment between management and shareholders. In addition, securities held in a margin account or pledged as collateral may be sold without consent if the owner fails to meet a margin call or defaults on the loan, thus creating the risk that a sale may occur at a time when an officer or director is aware of material, non-public information or otherwise is not permitted to trade in Company securities. We believe it is improper and inappropriate for Company personnel to engage in short-term or speculative transactions involving the Company's securities and therefore the Company's insider trading policy states that our personnel and any related persons not engage in specific types of activities, including but not limited to, short sales, the placement of any standing or limit orders on the Company's securities, use of the Company's securities to secure a margin or other loan, transactions in straddles, collars or other similar risk reduction or hedging devices, and transactions in publicly-traded options relating to the Company's securities, except, in each case, under limited circumstances and with prior approval of our policy administrator.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires that our directors, executive officers, and greater than 10% stockholders file reports with the SEC relating to their initial beneficial ownership of our securities and any subsequent changes. These reports are commonly referred to as Form 3, Form 4 and Form 5 reports. They must also provide us with copies of the reports.

Based solely on a review of the copies of such forms in our possession, and on written representations from the reporting persons, we believe that all of these reporting persons complied with their filing requirements for the fiscal year ended December 31, 2025, except with respect to except with respect to the following inadvertent late filings: (i) the filing of one Form 4 for Abizer Gaslightwala, our President and Chief Executive Officer, on August 29, 2025 with respect to an equity grant which occurred on August 21, 2025 and (ii) the filing of a Form 4 for James Neal on March 16, 2026, with respect to a transaction which occurred on December 16, 2025.

Item 11. Executive Compensation.

In accordance with Item 402(l) of Regulation S-K, we have elected to avail itself of the scaled disclosure requirements available to smaller reporting companies.

This section discusses the material components of our executive compensation program for our named executive officers ("NEOs") for the fiscal year ended December 31, 2025:

- Abizer Gaslightwala, President and Chief Executive Officer
- Kameel Farag, Interim Chief Financial Officer
- Samir Patel, Former President and Chief Executive Officer
- Torsten Hombeck, Former Chief Financial Officer

Summary Compensation Table

The following table sets forth information concerning the compensation of our NEOs during the years ended December 31, 2025 and 2024:

Name and Principal Position	Year	Salary ($)	Bonus ($)[5]	Stock Awards ($)[6]	Option Awards ($)[7]	All Other Compensation ($)[8]	Total ($)
Abizer Gaslightwala[1]	2025	331,061	–	–	1,332,542	–	1,663,603
President and Chief Executive Officer	2024	–	–	–	–	–	–
Kameel Farag[2]	2025	43,826	25,000	48,609	–	–	117,435
Interim Chief Financial Officer	2024	–	–	–	–	–	–
Samir R. Patel[3]	2025	–	–	–	324,985	–	324,985
Former President and Chief Executive Officer	2024	–	–	127,497	308,270	–	435,767
Torsten Hombeck[4]	2025	234,091	–	–	363,421[9]	24,443	621,955
Former Interim Chief Financial Officer	2024	12,500	–	–	–	–	12,500

(1) Mr. Gaslightwala served as our Chief Financial Officer, effective April 14, 2025.

(2) Mr. Farag served as our Interim Chief Financial Officer, effective October 22, 2025.

(3) Dr. Patel served as our Chief Executive Officer and President from December 16, 2024 through April 20, 2025, having previously served as Interim Chief Executive Officer and President effective May 1, 2024.

(4) Dr. Hombeck served as our Chief Financial Officer from December 16, 2024 through October 10, 2025.

(5) Amounts in respect of annual performance bonuses for the performance period ended December 31, 2025 are not calculable through the latest practicable date, since the compensation committee has not yet determined such bonuses. These bonuses are expected to be determined during the first quarter of 2026.

(6) Represents the aggregate grant date fair value of time-based restricted stock units ("RSUs") issued under our 2023 Equity Incentive Plan (the "2023 Plan"), as computed in accordance with FASB Accounting Standards Codification ("ASC") Topic 718, disregarding estimated forfeitures related to service-based vesting. See Note 8 to our consolidated financial statements included elsewhere in this Form 10-K regarding assumptions we made in determining the fair value of RSUs.

(7) Represents the aggregate grant date fair value of options to purchase ordinary shares issued under our 2023 Plan, as computed in accordance with FASB ASC Topic 718, disregarding estimated forfeitures related to service-based vesting. See Note 8 to our consolidated financial statements included elsewhere in this Form 10-K regarding assumptions we made in determining the fair value of option awards.

(8) For 2025, all other compensation includes the following amounts:

Name	Company 401(k) Plan Match ($)	Separation ($)	Other ($) [a]	Total ($)
Mr. Gaslightwala	—	—	—	—
Mr. Farag	—	—	—	—
Dr. Patel	—	—	—	—
Dr. Hombeck	10,020	—	14,423	24,443

(a) Amounts reported as "Other" in the table above represent earned and unused vacation paid upon termination of their employment with us

(9) These options which were previously held by Dr. Hombeck were forfeited as of the date of Dr. Hombeck's departure.

For 2024, there was no other compensation amounts to be reported.

Narrative Disclosure to Summary Compensation Table

Employment Agreements with Our NEOs

We have entered into employment agreements with each of our NEOs (or non-employee consulting services agreements in the case of Mr. Farag and Dr. Patel). All employee NEOs are at-will employees.

Mr. Abizer Gaslightwala Employment Agreement

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 will serve as the President and Chief Executive Officer of the Company, effective on or around April 21, 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 December 31, 2025, or (b) closing of an antibody drug conjugate focused license transaction, with a minimum upfront payment of $10,000,000, on or before December 31, 2025. If neither of these criteria are met by December 31, 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.

The Employment Agreement also contains restrictive covenants for the Company's benefit, and Mr. Gaslightwala is required to maintain the confidentiality of our confidential information.

Mr. Kameel Farag Consulting Services Agreement

We are party to a consulting agreement with Mr. Kameel Farag and KDF Ventures LLC, as amended on October 31, 2025, or the Farag Consulting Agreement, pursuant to which Mr. Farag will serve as our Interim Chief Financial Officer, effective on October 22, 2025.

The Farag Consulting Agreement provides for a monthly cash fee of $18,000 through the end of 2025 and a monthly cash fee of $27,000 starting January 1, 2026 through to February 15, 2026, pro-rated for any partial months. The Farag Consulting Agreement also provides for the grant of RSUs awards as follows: $4,645 in RSUs on October 22, 2025, which vested on October 31, 2025, $24,000 in RSUs on November 1, 2025 which vests on January 1, 2026 (subject to continued service through vesting) and $19,964 in RSUs on November 1, 2025, which vests on February 15, 2026 (subject to continued service through vesting). Further, in connection with certain capital raises by the Company, KDF Ventures shall be entitled to compensation payable in cash and RSUs based on a percentage of total gross proceeds, subject to maximum limits and depending on when the capital raise is completed. The Farag Consulting Agreement provides for a term end date of February 16, 2026 and is extendable on a month-to-month basis at the Company's discretion.

Dr. Samir Patel Consulting Services Agreement

Prior to Dr. Patel's resignation, we were a party to a consulting services agreement, effective May 1, 2024, with Dr. Patel, who served as our Interim President and Chief Executive Officer, or the Patel Agreement. Pursuant to the Patel Agreement, Dr. Patel was to be paid $50,000 per month which would be in the form of fully vested Ordinary Shares, and valued based on the closing price of the Ordinary shares on the Nasdaq Capital Market on the last day of each month (or partial month) Dr. Patel serves as President and Chief Executive Officer.

On September 16, 2024, we entered into an amendment to the Patel Agreement (the "Amended Patel Agreement") to revise the compensation to be received. Pursuant to the Amended Patel Agreement, in lieu of receiving his stated monthly compensation of $50,000 in the form of fully vested Ordinary Shares, Dr. Patel would be paid in the form of fully vested non-qualified stock options to purchase Ordinary Shares ("NQSOs"), with the number of ADSs underlying each such monthly NQSOs grant to be equal to two times the number determined by dividing (i) $50,000 by (ii) the closing price of our ADSs on the Nasdaq Capital Market on the last day of each month (or partial month) Dr. Patel served as our President and Chief Executive Officer.

The Amended Patel Agreement includes no annual bonus provisions, no eligibility for employee benefits and no severance entitlements. Further, the Amended Patel Agreement can be terminated by us immediately for any reason.

There were no changes to the Amended Patel Agreement following Dr. Patel's appointment as President and Chief Executive Officer on December 16, 2024.

Dr. Torsten Hombeck Employment Agreement

Prior to Dr. Hombeck's departure, we entered into an executive employment agreement, effective December 16, 2024, with Dr. Hombeck (the "Hombeck Agreement"). Pursuant to the Hombeck Agreement, Dr. Hombeck's initial annual base salary is $300,000, which was subject to review and increase on an annual basis and he was eligible to receive an annual cash bonus with a target of 100% of base salary based on the achievement of performance goals established by the board of directors, in consultation with Dr. Hombeck. Further, the Hombeck Agreement provides for participation in employee benefit plans and no severance for termination of services with or without cause.

The Hombeck Agreement also contains restrictive covenants for our benefit and Dr. Hombeck is required to maintain the confidentiality of our confidential information.

Determining Compensation

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 us.

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.

Elements of Compensation

The compensation of our NEOs generally consists of three primary components, consisting of base salary, annual cash incentive awards, and long-term incentive-based compensation in the form of stock-based awards.

Base Salary

In 2025, since his appointment as President and Chief Executive Officer in April 2025, Mr. Gaslightwala received an annual salary of $331,061, and prior to his departure in October 2025, Dr. Hombeck received an annual salary of $234,091. Mr. Farag is a non-employee consultant and received a monthly fee of $18,000 through the end of 2025.

Annual Cash Incentives

Annual cash incentive awards provide an opportunity for additional compensation to employee NEOs if pre-established annual performance goals are attained. The annual cash incentive award targets are based on a target percentage of each employee NEO's salary. The compensation committee generally links cash awards to the achievement of the annual corporate goals; however, the compensation committee may take into consideration unexpected corporate performance outside of the corporate goals and individual performance. The amount of the bonus paid, if any, may vary among the employee NEOs depending on individual performance, individual contribution to the achievement of our annual corporate goals.

Annual cash incentive awards for 2025 for employees, including our NEOs, were based on corporate goals related to financing, pipeline advancement, reputation, and strengthening our capabilities. For 2025, the annual cash incentive award for Mr. Gaslightwala was targeted at 50% of base salary and the annual cash incentive award for Dr. Hombeck was targeted at 100% of his base salary. Mr. Gaslightwala was eligible to receive an incentive bonus of $165,531 for 2025 and Dr. Hombeck was not eligible to receive an incentive bonus because his employment terminated in October 2025. The compensation committee has not determined cash bonuses to the employee NEOs for the year ended December 31, 2025.

Pursuant to the Farag Consulting Agreement, Mr. Farag was eligible for performance bonuses upon successful completion of a capital raise, of which fifty percent is payable in cash and the remaining fifty percent is payable in fully vested restricted stock units. In 2025, Mr. Farag was entitled to total bonuses of $25,000.

Equity-Based Awards

Equity grants are intended as both a reward for contributing to our long-term success and an incentive for future performance. Additionally, the vesting feature of our equity awards is intended to further our goal of executive retention by providing an incentive to our NEOs to remain in our service during the vesting period. The compensation committee typically makes initial stock option awards to our employee NEOs upon commencement of employment and annual equity awards in the form of either stock options, RSUs, or a combination of stock options and RSUs, thereafter.

In 2025, we awarded equity compensation under the 2023 Plan to the NEOs as follows: (i) Abizer Gaslightwala – options to purchase 2,200,000,000 ordinary shares of which 25% shall vest on March 20, 2026 and the remainder shall vest ratably on a monthly basis over the remaining 36 months, (ii) Kameel Farag – restricted stock units for 129,792,000 ordinary shares of which 12,554,000 in restricted units vested on October 31, 2025, 64,000,000 in restricted units vested on January 1, 2026 and 53,238,000 in restricted units vests February 15, 2026, (iii) Samir R. Patel – options to purchase 801,792,000 ordinary shares which are fully vested and (iv) Torsten Hombeck – options to purchase 600,000,000 ordinary shares of which 25% shall vest on March 20, 2026 and the remainder shall vest ratably on a monthly basis over the remaining 36 months. We also awarded Mr. Gaslightwala and Dr. Hombeck performance-based stock options to purchase 1,200,000,000 ordinary shares and 400,000,000 ordinary shares, respectively, which expired on December 31, 2025. All unvested stock options granted to Mr. Hombeck were forfeited in connection with his separation. We also awarded equity compensation to Dr. Patel and Mr. Farag in accordance with the Patel Agreement and Farag Consulting Agreement, respectively.

We determine equity award amounts based on contractual obligations, competitive market factors in our industry, and the judgment of the compensation committee of the board of directors, taking into account information and recommendations provided by our independent compensation consultant. With respect to our NEO's other than our Chief Executive Officer, the compensation committee also considers recommendations provided by our Chief Executive Officer. For the 2025 awards of stock options and RSUs to our NEOs, the primary consideration was the award amounts included in the applicable NEO's employment and/or consulting services agreements.

Other Compensation and Benefits

We have established various employee benefit plans, including medical and 401(k) plans, in which employee NEOs are eligible to participate on the same basis as other employees. It is generally our policy not to extend perquisites to our executives that are not available to our employees generally.

401(k) Plan and Defined Contribution Pension Scheme

We have adopted an employee benefit plan under Section 401(k) of the Code for our U.S.-based employees. The 401(k) plan allows employees to make salary deferral contributions up to the statutorily prescribed annual limit under the Code. We provide matching contributions to the 401(k) plan in an amount equal to 100% of each participant's contribution up to a maximum of 5% of the participant's annual eligible cash compensation, subject to certain other limits.

Additionally, we have adopted a defined contribution pension scheme which allows for U.K.-based employees to make salary deferral contributions, and we contribute 10% of employee compensation to the pension plan, subject to U.K. law.

Clawback Policy

In November 2023, our compensation committee adopted a formal clawback policy, which applies in the event we are required to prepare an accounting restatement due to any material noncompliance with any financial reporting requirement under the U.S. federal securities laws. This policy requires us to (subject to certain limited exceptions set forth in the clawback policy and permitted under the final clawback rules) recover from any of our current or former executive officers who receive incentive-based compensation (including stock options and RSUs) after the effective date of the clawback policy and during the three-year period preceding the date on which we are required to prepare an accounting restatement, the excess of what would have been paid to such executive officer under the accounting restatement.

Outstanding Equity Awards at Fiscal End

The following table sets forth information regarding the outstanding equity held by our NEOs as of December 31, 2025 as presented in Ordinary Shares:

	Option Awards				Stock Awards	
Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)[1]
Abizer Gaslightwala	—	2,200,000,000[2]	0.00075	3/20/2035		
Kameel Farag	—	—			129,792,000	18,755
Samir R. Patel	3,333,333	1,666,666[3]	0.00156	12/29/2033		
	175,080,000	—	0.00149	9/30/2034		
	79,684,000	—	0.00126	10/31/2034		
	162,604,000	—	0.00062	11/30/2034		
	152,672,000	—	0.00066	1/3/2035		
	—	350,000,000[4]	0.00075	3/20/2035		
	225,000,000	225,000,000[5]	0.00075	3/20/2035		
	649,120,000	—	0.00057	7/23/2035		
Torsten Hombeck [6]	—	—			—	—

(1) Market Value is calculated based on a price per ADS of $0.289 (equivalent to $0.0001445 per ordinary share), which was the closing price of our ADSs on December 31, 2025.

(2) Represents the unvested portion of a stock option award with twenty-five percent vesting on March 20, 2026 and the remainder vesting ratably on a monthly basis over thirty-six months. that vests, subject to Mr. Gaslightwala's continued employment with us through the applicable vesting date.

(3) Represents the unvested portion of a stock option award that vests in three equal installments of 1,666,666 on the annual general meeting anticipated to be held June 30, 2026, subject to Dr. Patel's continued service with us as a board member through the applicable vesting date.

(4) Represents the unvested portion of a stock option award with twenty-five percent vesting on March 20, 2026 and the remainder vesting ratably on a monthly basis over thirty-six months, subject to Dr. Patel's continued service with us as a board member through the applicable vesting date.

(5) Represents the unvested portion of a stock option award with twenty-five percent vesting on June 30, 2025, twenty-five percent vesting on December 31, 2025, and the remainder vesting ratably on a monthly basis over twenty-four months thereafter, subject to Dr. Patel's continued employment with us through the applicable vesting date.

(6) All options (vested and unvested) previously held by Dr. Hombeck were either forfeited as of the date of Dr. Hombeck's departure.

Equity Grant Timing

Our compensation committee has generally granted equity awards on an annual basis. During 2025, our compensation committee did not take into account any material non-public information when determining the timing and terms of equity incentive awards, and we did not time the disclosure of material non-public information for the purpose of affecting the value of executive compensation.

Our equity awards are granted under a shareholder-approved plan and stock options are granted at an exercise price at or above the closing market price of the Company's common stock on the date of grant. Equity awards are generally approved on the dates of our regularly scheduled Compensation Committee meetings and are effective as of such dates or specified prospective dates. Outside of the annual grant cycle, we may make equity award grants in connection with a new hire package, retention grant or severance package.

During fiscal year 2025, we did not grant stock options to our named executive during any period beginning four business days before and ending one business day after the filing or furnishing of a Form 10-Q, 10-K or 8-K that discloses material non-public information.

Director Compensation

Directors who are also employees are not compensated separately for serving on our board of directors or any of its committees. Each of our non-employee directors receives cash compensation for his or her services. In addition, to better align the interests of our board of directors with our shareholders, the compensation committee considers and recommends to the board of directors long-term equity compensation in the form of stock options to our non-employee directors. The compensation committee periodically conducts reviews of peer company director compensation practices, including before considering changes to our director compensation program.

Under our director compensation program, each director receives an annual cash retainer for service on the board and for service on each committee of which the director is a member. The chairperson of each committee receives a higher retainer for such service. These fees are typically paid quarterly in arrears. The fees paid to non-employee directors for service on the board and for service on each committee of the board on which the director was a member during 2025 were as follows:

	Member Annual Fee	Chairperson Annual Fee
Board of Directors	$ 40,000	$ 80,000
Audit Committee	$ 7,875	$ 15,000
Compensation Committee	$ 5,750	$ 12,000
Nominating and Corporate Governance Committee	$ 5,750	$ 10,000

A non-employee director may elect to receive annual cash payments in the form of fully vested ordinary shares. During 2025, all directors elected to defer payments of their annual cash retainer and no director elected to receive his or her annual cash retainer in shares.

During 2025, each non-employee director received a one-time grant of an option to purchase 450,000,000 shares which were approved in connection with the annual general meeting of the shareholders. The options were subject to vesting with twenty-five percent vested on June 30, 2025, twenty-five percent vested on December 31, 2025, and the remainder vesting ratably on a monthly basis over twenty-four months thereafter. All non-employee directors also received a grant of an option to purchase 350,000,000 shares whereby twenty-five percent vests on March 20, 2026, and the remainder vesting ratably on a monthly basis over thirty-six months thereafter.

These awards are subject to the non-employee director's continued service on the board of directors through such date, have a term of 10 years from date of grant, and accelerate upon a change of control.

The following table below sets forth information for the fiscal year ended December 31, 2025 regarding the compensation of our non-employee directors.

	Fees Earned ($)[1]	Option Awards ($)[2]	Total ($)
Hoyoung Huh, M.D.	85,570	463,635	549,205
Ray Prudo, M.D.	45,570	463,635	509,205
Samir R. Patel, M.D.	27,434	463,635	491,069
Robert Bazemore	63,625	463,635	527,260
James Neal	59,875	463,635	523,510
Sandip I. Patel	60,750	463,635	524,385
Abizer Gaslightwala	12,333	-	12,333

(1) Represents cash fees earned and unpaid for service as a non-employee director for 2025.

(2) Represents the aggregate grant date fair value of option awards made to each listed director in 2025, as computed in accordance with FASB ASC Topic 718, disregarding estimated forfeitures related to service-based vesting. See Note 8 to our consolidated financial statements included elsewhere in this Form 10-K regarding assumptions we made in determining the fair value of option awards. As of December 31, 2025, our non-employee directors held options to purchase our ordinary shares as follows: Dr Huh: 1,504,400,000 shares; Dr. Prudo: 820,000,000 shares; Dr. Patel: 2,024,160,000 shares; Mr. Bazemore: 805,000,000 shares; Mr. Neal: 1,093,500,000 shares; Mr. Patel: 1,034,800,000 shares; and Mr. Gaslightwala: 2,200,000,000 shares. Mr. Gaslightwala options to purchase 2,200,000,000 shares were granted pursuant to his employment contract on appointment as President and CEO. Dr. Patel's options to purchase 1,219,160,000 shares were awarded pursuant to his prior role as Interim CEO. Messrs. Huh, Neal and Patel options to purchase an aggregate of 1,232,700,000 shares were assumed from the acquisition of Peak Bio Inc., which closed on November 14, 2024.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

Security Ownership of Certain Beneficial Owners and Management

The following table sets forth, as of March 1, 2026 (except as otherwise indicated below), information we know about the beneficial ownership of our ordinary shares by:

- each person or entity, including any "group" as that term is used in Section 13(d)(3) of the Exchange Act, who is known by us to own beneficially more than 5% of the issued and outstanding shares of our ordinary shares;
- each of our current directors and director nominees;
- each of our NEOs, as set forth in the Summary Executive Compensation Table set forth in Item 11 of this Form 10-K;
- all of our current directors and executive officers as a group.

We have determined beneficial ownership in accordance with the rules of the SEC, and the information in the table below is not necessarily indicative of beneficial ownership for any other purpose. The SEC has defined "beneficial" ownership of a security to mean the possession, directly or indirectly, of voting power and/or investment power. In computing the percentage ownership of each person, ordinary shares subject to options, warrants, or rights held by that person that are currently exercisable, or exercisable within 60 days after March 1, 2026, are deemed to be outstanding and beneficially owned by that person. These shares, however, are not deemed outstanding for the purpose of computing the percentage ownership of any other person.

To our knowledge and except as indicated in the notes to this table and pursuant to applicable community property laws, each stockholder named in the table has sole voting and investment power with respect to the shares set forth opposite such shareholders' name. The percentage of ownership is based on 91,567,009,533 ordinary shares issued and outstanding on March 1, 2026. All fractional share amounts have been rounded to the nearest whole number. To our knowledge, except as noted below, no person or entity is the beneficial owner of more than 5% of the voting power of our ordinary shares.

Name and Address of Beneficial Owner[1]	Number of Ordinary Shares Beneficially Owned[2]	Percentage of Ordinary Shares Beneficially Owned (%)
5% Shareholders:		
Hoyoung Huh and Affiliates	18,199,697,667[3]	18.2%
PranaBio Investments LLC	9,725,215,000[4]	10.2%
Ray Prudo and Affiliates	8,391,326,467[5]	8.9%
Named Executive Officers and Directors:		
Abizer Gaslightwala	6,077,005,333[6]	6.4%
Kameel Farag	228,772,000[7]	*
Hoyoung Huh	18,199,697,667[3]	18.2%
Samir Patel	9,725,215,000[4]	10.2%
Raymond Prudo-Chlebosz	8,391,326,467[5]	8.9%
Robert Bazemore	1,248,795,667[8]	1.4%
James Neal	751,625,667[9]	*
Sandip I. Patel	3,492,661,667[10]	3.8%
Torsten Hombeck**	400,000[11]	*
All current directors and executive officers as a group (9 individuals)	48,115,499,468[12]	41.5%

* Denotes less than 1% beneficial owner.

** Denotes former named executive officer.

[1] Except as otherwise noted, the address for each person listed above is c/o Akari Therapeutics, Plc, 401 E Jackson Street, Suite 3300, Tampa, FL 33602.

[2] Our shareholders, named executive officers and directors may hold ordinary shares, ADSs or a combination of both. This column shows each holder's beneficial 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." Each ADS represents 2,000 ordinary shares.

[3] Consists of (i) 9,391,708,000 shares held of record by Dr. Huh, (ii) 1,061,691,667 shares underlying options exercisable within 60 days of March 1, 2026 granted to Dr. Huh, (iii) 103,482,000 shares underlying warrants exercisable within 60 days of March 1, 2026 (iv) 7,423,902,000 shares underlying prefunded warrants exercisable within 60 days of March 1, 2026, and (v) 218,914,000 shares held of record by Hannol Ventures LLC ("Hannol"). Excludes up to 10,995,330,000 shares underlying warrants exercisable within 60 days of March 1, 2026 issued to Dr. Huh which are subject to a 9.99% beneficial ownership limitation and with respect to which Dr. Huh disclaims beneficial ownership to the extent that any exercise of such warrants would exceed such percentage. 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] Consists of (i) 285,336,000 shares held of record by Dr. Patel, (ii) 6,062,010,000 shares held of record by PranaBio Investments LLC ("PranaBio"), (iii) 1,579,785,000 options exercisable within 60 days of March 1, 2026 granted to Dr. Patel and (iv) 1,798,084,000 shares underlying prefunded warrants exercisable within 60 days of March 1, 2026 to PranaBio. Excludes up to (ii) 5,450,454,000 shares underlying warrants exercisable within 60 days of March 1, 2026 issued to Dr. Patel which are subject to a 9.99% beneficial ownership limitation and with respect to which Dr. Patel disclaims beneficial ownership to the extent that any exercise of such warrants would exceed such percentage. Dr. Patel is the manager of PranaBio and may be deemed the beneficial owner of the shares held of record by PranaBio. The principal office address of PranaBio is 1701 Chicon Street, Austin, TX 78745.

[5] Consists of (i) 5,163,920,600 shares held of record by Dr. Prudo, (ii) 377,291,667 shares underlying options exercisable within 60 days of March 1, 2026 granted to Dr. Prudo, (iii) 2,010,638,000 shares underlying prefunded warrants exercisable within 60 days of March 1, 2026 (iii) 800,766,600 shares held of record by RPC Pharma Limited ("RPC") and (iv) 38,709,600 ordinary shares held of record by Praxis Trustees Limited as trustee of The Sonic Healthcare Holding Company ("Praxis"). Excludes up to 5,721,437,500 shares underlying warrants exercisable within 60 days of March 1, 2026 issued to Dr. Prudo which are subject to a 9.99% beneficial ownership limitation and with respect to which Dr. Prudo disclaims beneficial ownership to the extent that any exercise of such warrants would exceed such percentage. Dr. Prudo controls the voting and investment decisions with respect to the shares held of record by RPC and Praxis and thereby may be deemed the beneficial owner of such shares. The principal office address of RPC is c/o Landmark Fiduciare (Suisse) SA, 6 Place des Eaux-Vives, P.O. Box 3461, Geneva, V8 1211, Switzerland. The principal office address of Praxis is P.O. Box 296, Regency Court, Glategny Esplanade, St. Peter Port, Guernsey, GY1 4NA.

[6] Consists of (i) 614,856,000 shares held of record by Mr. Gaslightwala (ii) 595,833,333 shares underlying options exercisable within 60 days of March 1, 2026, (iii) 2,165,302,000 shares underlying prefunded warrants exercisable within 60 days of March 1, 2026, and (iv) 2,701,014,000 shares underlying warrants exercisable within 60 days of March 1, 2026.

[7] Consists of (i) 129,792,000 shares issuable to Mr. Farag, (ii) 49,490,000 shares underlying prefunded warrants exercisable within 60 days of March 1, 2026, and (iii) 49,490,000 shares underlying warrants exercisable within 60 days of March 1, 2026.

[8] Consists of (i) 89,284,000 shares held of record by Mr. Bazemore and (ii) 362,291,667 shares underlying options exercisable within 60 days of March 1, 2026, (iii) 309,326,000 shares underlying prefunded warrants exercisable within 60 days of March 1, 2026, and (iv) 487,894,000 shares underlying warrants exercisable within 60 days of March 1, 2026.

[9] Consists of (i) 41,144,000 shares held of record by Mr. Neal, (ii) 650,791,667 shares underlying options exercisable within 60 days of March 1, 2026 (iii) 11,132,000 shares underlying prefunded warrants exercisable within 60 days of March 1, 2026, and (iv) 48,558,000 shares underlying warrants exercisable within 60 days of March 1, 2026.

[10] Includes (i) 992,998,000 shares held of record by Mr. Patel, (ii) 592,091,667 shares underlying options exercisable within 60 days of March 1, 2026, (iii) 804,252,000 shares underlying prefunded warrants exercisable within 60 days of March 1, 2026, (iv) 982,820,000 shares underlying warrants exercisable within 60 days of March 1, 2026, (v) 12,500,000 shares held of record by TT Insurance Investment LLC ("TTI"), (vi) 27,802,000 ordinary shares held of record by Innovative Lifesci Investments LLC ("Innovative Lifesci"), (vii) 39,760,000 ordinary shares held of record by Quest Bio LLC ("Quest") and (viii) 40,438,000 ordinary shares held of record by Davis Island Ventures LLC ("Davis Island"). Mr. Patel, as the managing member of TTI, Innovative Lifesci, Quest Bio and Davis Island, exercises voting and dispositive power with respect to the ordinary shares held by such entities and therefore may be deemed to

beneficially own the shares held of record by such entities. The principal office address of each of TTI, Innovative Lifesci and Quest is 4631 W El Prado Blvd., Tampa, FL 33629.

(11) Represent shares held of record by Mr. Hombeck.

(12) Includes (i) 23,820,546,800 ordinary shares, (ii) 5,219,776,668 ordinary shares underlying outstanding stock options that are exercisable within 60 days of March 1, 2026, (ii) 129,792,000 ordinary shares issuable upon settlement of restricted stock award grants, (iii) prefunded warrants exercisable to purchase 14,572,126,000 ordinary shares, and (iv) warrants exercisable to purchase 4,373,258,000, which are held by our directors and NEOs as a group.

Equity Compensation Plan Information

We have 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. The following table sets forth certain information relating to these equity compensation plans as of December 31, 2025:

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights(2)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans
Equity compensation plans approved by shareholders(1)			
2014 Equity Incentive Plan	78,800,000	$ 0.01	—
2023 Equity Incentive Plan	10,658,952,000	0.00	9,084,764,210
Peak Bio Inc. Long Term Incentive Plan	3,003,024,000	0.00	
Total	13,740,776,000	$ 0.01	9,084,764,210
Equity compensation plans not approved by shareholders	N/A	N/A	N/A

(1) Consists of our 2014 Plan and 2023 Plan and the awards granted under the incentive plan of Peak Bio Inc. assumed at closing of the acquisition. As of December 31, 2025, new awards are only available for issuance under our 2023 Plan.

(2) The calculation of the weighted-average exercise price does not consider the effect of 129,792,000 RSUs included in the number of securities reported in column (a).

Item 13. Certain Relationships and Related Transactions, and Director Independence.

Transactions with Related Persons

Since January 1, 2025, we have not entered into or engaged in any related party transactions, as defined by the SEC, with our directors, officers, and shareholders who beneficially owned more than 5% of our outstanding ordinary shares ("5% holders"), as well as affiliates or immediate family members of those directors, officers, and 5% holders, except with respect to the transactions described below.

December 2025 Offering

On December 16, 2025, we entered into a securities purchase agreement with certain institutional investors providing for the issuance and sale, in a Registered Direct Offering, of 10,043,774 ADSs. The ADSs have been offered and sold together with Series G Warrants to purchase up to an aggregate of 10,043,774 ADSs, which were issued in a concurrent private placement. The Series G Warrants are exercisable commencing on the Shareholder Approval Date, which was obtained on March 2, 2026, of the issuance of the ADSs issuable upon exercise of the Series G Warrants and the Pre-Funded Warrants and will have a 5-year term from the Shareholder Approval Date. The combined purchase price per ADS and accompanying Series G Warrant sold in the Registered Direct Offering is $0.3883.

In a concurrent private placement, pursuant to a securities purchase agreement dated as of December 16, 2025, the Company agreed to issue to directors and officers of the Company (i) unregistered Pre-Funded Warrants to purchase an aggregate of 2,563,713 ADSs at an exercise price per ADS of $0.00001, and (ii) accompanying Series G Warrants to purchase an aggregate of 2,563,713 ADSs, at a combined purchase price of $0.4041 per Pre-Funded Warrant and Series G Warrant. The Private Placement closed on December 23, 2025.

December 2025 Note Exchange

On December 16, 2025, we entered into privately negotiated note cancellation and exchange agreement (the "Exchange Agreements") with each holder of the August 2025 Notes (defined below) to exchange the total outstanding principal amount of $1,888,750 for (i) Pre-Funded Warrants to purchase up to an aggregate of 4,673,963 ADSs ("Note Exchange Pre-Funded Warrants") and (ii) unregistered note exchange warrants to purchase up to an aggregate of 4,673,963 ADSs ("Note Exchange Warrants"). The Pre-Funded Warrants have an exercise price of $0.00001 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 $0.4041 per ADS. The Exchange closed on December 17, 2025.

Interim Chief Financial Officer Agreement

On October 22, 2025, we entered into a consulting agreement with Mr. Kameel Farag and KDF Ventures LLC, as amended on October 31, 2025, pursuant to which Mr. Farag will serve as our Interim Chief Financial Officer, effective on October 22, 2025. See "Executive Compensation" in this Annual Report for more information.

August 2025 Notes, Related Party

In August 2025, we issued unsecured promissory notes with a 20% original issuance discount (each a "August 2025 Note" and together, the "August 2025 Notes") to certain investors, including our directors. In connection with the issuance and sale of the August 2025 Notes, we agreed to extend the expiration date of Series A warrants held by August 2025 Note investors, previously issued in the March 2025 Private Placement (the "Series A Warrants"), by 48 months from the original date of expiration (the "Warrant Amendment Agreements").

We closed the August 2025 Note Offering with investors and our directors in three tranches and issued August 2025 Notes with an aggregate purchase price of $3,011,000 and an aggregate principal amount of $3,763,750, of which we issued our directors August 2025 Notes with an aggregate purchase price of $1,511,000 and an aggregate principal amount of $1,888,750 (inclusive of a note exchange with the our Chairman, Dr. Hoyoung Huh, as outlined above). The August 2025 Notes issued to related parties have maturity dates ranging from August 15, 2026 through August 18, 2026, depending on the date of issuance, at which time the principal amount is due and payable. The terms of the August 2025 Notes provided for accelerated payment of the outstanding principal amount in the event of a default as defined in the August 2025 Note (the Accelerated Payment Feature").

We also entered into Warrant Amendment Agreements with the recipients of such August 2025 Notes, which extended the expiration date of certain Series A Warrants held by related parties to purchase 1,928,569 ADSs to March 6, 2030 and 44,642 ADSs to April 25, 2030.

President and Chief Executive Officer Agreement

On March 14, 2025, we entered into the Gaslightwala Employment Agreement with Mr. Abizer Gaslightwala, pursuant to which Mr. Gaslightwala serves, from and after April 21, 2025, as our President and Chief Executive Officer. Mr. Gaslightwala receives a base salary, is eligible for an annual cash bonus target, and is entitled to receive share-based payment compensation based on time service and the achievement of specific performance criteria. See "Executive Compensation" in this Annual Report for more information.

March 2025 Private Placement

On March 2, 2025, we entered into a securities purchase agreement with certain investors and all directors, or the March 2025 Purchase Agreement, pursuant to which we agreed to sell and issue in a private placement, or March 2025 Offering, an aggregate of 6,637,626 ADSs, or prefunded warrants in lieu of all or a portion thereof, or the March 2025 Pre-Funded Warrants, each representing 2,000 of the Company's ordinary shares, and, in each case, Series A Warrants and Series B Warrants (the Series A Warrants and Series B Warrants, together, the March 2025 Warrants, and together with the ADSs or March 2025 Pre-Funded Warrants, the Units). The Series A Warrants have a one-year term, and the Series B Warrants have a five-year term from the date of issuance.

The Units were structured as follows: (i) for investors committing less than $1.0 million in the March 2025 Offering, or Tier 1 Investors: one ADS or March 2025 Pre-Funded Warrant, a Series A Warrant to purchase one ADS, and a Series B Warrant to purchase one ADS; (ii) for investors committing at least $1.0 million but less than $3.0 million in the March 2025 Offering, or Tier 2 Investors: one ADS or March 2025 Pre-Funded Warrant, a Series A Warrant to purchase 1.25 ADSs, and a Series B Warrant to purchase one ADS; and (iii) for investors committing $3.0 million or more in the March 2025 Offering, or Tier 3 Investors: one ADS or March 2025 Pre-Funded Warrant, a Series A Warrant to purchase 1.5 ADSs, and a Series B Warrant to purchase one ADS.

The purchase price per Unit for investors purchasing ADSs was $0.87 plus (a) $0.25 for Tier 1 Investors, (b) $0.28125 for Tier 2 Investors, or (c) $0.3125 for Tier 3 Investors, or the ADS Unit Purchase Price. The purchase price per Unit for investors purchasing March 2025 Pre-Funded Warrant and accompanying Series A and Series B Warrants was $0.67 (representing the ADS Unit Purchase Price minus the $0.20 exercise price for such March 2025 Pre-Funded Warrant) plus (a) $0.25 for Tier 1 Investors, (b) $0.28125 for Tier 2 Investors, or (c) $0.3125 for Tier 3 Investors, or the Pre-Funded Unit Purchase Price.

As part of the March 2025 Offering, the Company's Chairman, Dr. Hoyoung Huh, purchased $1.0 million of Units, with the purchase price thereof satisfied through cancelling and extinguishing $1.0 million of notes previously issued to him by the Company, or the March 2025 Note Termination.

The net proceeds from the March 2025 Offering, after deducting placement agent fees and other offering expenses payable by us, were approximately $5.6 million, net of the $1.0 million from the March 2025 Note Termination.

The placement agent, Paulson Investment Company, LLC, received a cash commission of approximately $0.4 million and was issued ADSs representing three percent (3%) of the total number of ADSs issued in the March 2025 Offering, including ADSs issuable upon exercise of the Pre-Funded Warrants, but excluding the ADSs issued in connection with the March 2025 Note Termination. The estimated fair value of these ADSs was approximately $0.2 million.

Dr. Huh Notes

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

We assumed two notes in the amount of a total of $0.9 million, which were entered into in May and August 2021 (the "2021 Notes") and had a one-year maturity date from date of issuance. The 2021 Notes carried an interest rate of 1.0% per annum. We also assumed a note in the amount of $0.75 million, which was entered into in January 2024 (the "January 2024 Note") and had an original maturity date of January 23, 2025 which was extended to December 31, 2025 on April 1, 2025. The January 2024 Note carried an interest rate of 15% per annum.

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

In August 2025, in connection with the August 2025 Notes Offering, Dr. Huh agreed to purchase an August 2025 Note with a principal amount of $1,250,000 for a purchase price of $1,000,000, with the purchase price thereof to be satisfied through his agreement to cancel and extinguish $837,433 of outstanding principal and accrued interest under January 2024 Note plus cash of $162,567.

As of December 31, 2025, the balance due to Dr. Huh related to the assumed 2021 Notes and January 2024 Note was $0.

Interim CEO Agreement

On December 12, 2024, our board of directors approved the appointment of Dr. Patel to Chief Executive Officer and principal executive officer, effective December 16, 2024. There were no changes to Dr. Patel's revised compensation as provided for under the September 16, 2024 Interim CEO Amendment Agreement, described below, following Dr. Patel's appointment as President and Chief Executive Officer on December 16, 2024.

On May 31, 2024, we and Dr. Patel entered into an Interim Chief Executive Officer Agreement, effective as of May 1, 2024 (the "Interim CEO Agreement"). Pursuant to the Interim CEO Agreement, Dr. Patel served as our Interim President and Chief Executive Officer as an independent contractor on an at-will basis. The Interim CEO Agreement could be terminated by us

immediately for any reason. As the sole compensation for services provided under the Interim CEO Agreement, Dr. Patel was paid $50,000 per month in the form of fully vested ordinary shares. On September 16, 2024, we entered into an amendment to the Interim CEO Agreement (the "Amendment"), effective July 1, 2024, to revise Dr. Patel's compensation in connection with the services as Interim President and Chief Executive Officer. Pursuant to the Amendment, in lieu of receiving the stated monthly compensation of $50,000 in the form of fully vested ordinary shares, Dr. Patel is paid in the form of fully vested NQSOs, with the number of ADSs underlying each such monthly NQSOs grant 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) Dr. Patel serves as our Interim President and Chief Executive Officer.

During the year ended December 31, 2025, we recognized approximately $0.3 million in non-cash stock-based compensation costs pursuant to the Interim CEO Agreement, as amended, pertaining to NQSOs granted to Dr. Patel to purchase 400,896 ADSs, the equivalent of 801,792,000 ordinary shares at a weighted average exercise price of $1.17 per ADS, the equivalent of $0.000585 per ordinary share.

May 2024 Convertible Notes

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

The Doctors Laboratory

We leased office space for our former U.K. headquarters in London from The Doctors Laboratory ("TDL"), an entity with a common director through May 2025, and had incurred expenses of less than $0.1 million plus VAT during each of the years ended December 31, 2025 and 2024. We also received certain administrative services provided by TDL through October 2025 and incurred expenses of less than $0.1 million during each of the years ended December 31, 2025 and 2024. As of December 31, 2025 and 2024, we had a balance due to TDL of $0 and less than $0.1 million, respectively.

Other

In November 2024, we assumed an amount due to an entity in which our Chairman, Dr. Huh, is a director. As of December 31, 2025 and 2024, the amounts due totalled less than $0.1 million and are included in accounts payable in our consolidated balance sheets.

Policies and Procedures for Related Person Transactions

Our board is committed to upholding the highest legal and ethical conduct in fulfilling its responsibilities and recognizes that related party transactions can present a heightened risk of potential or actual conflicts of interest. Accordingly, as a general matter, it is our preference to avoid related party transactions.

In accordance with our Audit Committee Charter, members of the Audit Committee, all of whom are independent directors, review and approve all related party transactions for which approval is required under applicable laws or regulations, including SEC and the Nasdaq Listing Rules. Current SEC rules define a related party transaction for smaller reporting companies to include any transaction, arrangement, or relationship in which we are a participant and the amount involved is the lesser of $120,000 or 1% of total assets, and in which any of the following persons has or will have a direct or indirect interest:

- our executive officers, directors, or director nominees;
- any person who is known to be the beneficial owner of more than 5% of our ordinary shares;

- any person who is an immediate family member, as defined under Item 404 of Regulation S-K, of any of our executive officers, directors, or director nominees or beneficial owners of more than 5% of our ordinary shares; or
- any firm, corporation, or other entity in which any of the foregoing persons is employed or is a partner or principal or in a similar position or in which such person, together with any other of the foregoing persons, has a 5% or greater beneficial ownership interest.

Under our code of business conduct and ethics, our directors, officers, and employees are expected to avoid any relationship, influence or activity that would cause or even appear to cause a conflict of interest. Under our code of business conduct and ethics, a director is required to promptly disclose to our board any potential or actual conflict of interest involving him or her. In accordance with our code of business conduct and ethics, the board will determine an appropriate resolution on a case-by-case basis. All directors must recuse themselves from any discussion or decision affecting their personal, business, or professional interests. In addition, the Audit Committee is responsible for reviewing with our primary counsel the results of their review of the monitoring of compliance with our code of business conduct and ethics.

Director Independence

Our securities are listed on the Nasdaq Capital Market, and we use the standards of "independence" prescribed by rules set forth by Nasdaq. Under Nasdaq rules, a majority of a listed company's board of directors must be comprised of independent directors. In addition, Nasdaq rules require that, subject to specified exceptions, each member of a listed company's audit committee and compensation committee be independent and satisfy additional independence criteria set forth in Rules 10A-3 and 10C-1, respectively, under the Exchange Act. Under the applicable Nasdaq rules, a director will only qualify as an "independent director" if, in the opinion of our board, that person does not have a relationship which would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. Our board determined that each of Dr. Huh, Dr. Prudo, Mr. Bazemore, Mr. Neal, and Mr. Patel are independent as defined under applicable rules of the Nasdaq, and, in the case of all members of the audit and compensation committees, the independence requirements contemplated by Rule 10A-3 and Rule 10C-1 under the Exchange Act. As Mr. Gaslightwala is our President and Chief Executive Officer and Dr. Patel was our former President and Chief Executive Officer, they are not independent.

Item 14. Principal Accounting Fees and Services.

Independent Registered Public Accounting Firm Fees

Our independent public accounting firm is BDO USA, P.C., New York, New York, PCAOB Auditor ID: 243.

The following table sets forth all fees paid or accrued by us for professional services rendered by BDO USA, P.C. during the years ended December 31, 2025 and 2024:

Fee Category	2025	2024
Audit Fees	$ 514,310	$ 527,845
Audit-Related Fees	—	—
Tax Fees	—	—
Other Fees	—	—
Total Fees	$ 514,310	$ 527,845

Audit Fees

Audit fees represent the aggregate fees for professional services rendered by our independent registered public accounting firm for: (i) the audit of our annual consolidated financial statements, (ii) review of our interim financial statements filed on Form 10-Q that are customary under the standards of the Public Company Accounting Oversight Board (United States), and (iii) issuance of consents in connection with the filing of registration statements and related post-effective amendments.

Audit Related Fees

This category consists of fees billed for related services by the principal accountant that are reasonably related to the performance of the audit or review of our financial statements and are not reported under the Audit Fees category.

Tax Fees

Tax fees consist of all services, except those services specifically related to the audit of the financial statements, performed by the independent registered public accounting firm's tax personnel, including tax compliance and reporting. No tax services were provided by BDO during the year ended December 31, 2025 and 2024.

All Other Fees

This category consists of fees for all other services that are not reported above.

Audit Committee Pre-Approval Policies and Procedures

Our audit committee has adopted policies and procedures relating to the approval of all audit and non-audit services that are to be performed by our independent registered public accounting firm. This policy generally provides that we will not engage our independent registered public accounting firm to render audit or non-audit services unless the service is specifically approved in advance by the audit committee, or the engagement is entered into pursuant to the pre-approval procedures described below.

From time to time, the audit committee may pre-approve specified types of services that are expected to be provided to us by our independent registered public accounting firm during the next 12 months. Any such pre-approval is detailed as to the particular service or type of services to be provided and is also generally subject to a maximum dollar amount. All of the services described above under the headings "Audit Fees" and "Tax Fees" were pre-approved by our audit committee.

PART IV

Item 15. Exhibits, Financial Statement Schedules.

(a) (1) Financial Statements.

	Page number in this Report
Report of Independent Registered Public Accounting Firm (BDO USA, P.C.; New York, New York; PCAOB ID# 243)	F-2
Consolidated Balance Sheets at December 31, 2025 and 2024	F-5
Consolidated Statements of Operations and Comprehensive Loss for the years ended December 31, 2025 and 2024	F-6
Consolidated Statements of Shareholders' Equity (Deficit) for the years ended December 31, 2025 and 2024	F-7
Consolidated Statements of Cash Flows for the years ended December 31, 2025 and 2024	F-8
Notes to Consolidated Financial Statements	F-10

(2) We are not filing any financial statement schedules as part of this Annual Report on Form 10-K because they are not applicable or the required information is included in the financial statements or notes thereto.

(3) The list of Exhibits filed as part of this Annual Report on Form 10-K is set forth on the Exhibit Index below.

(b) The list of Exhibits filed as part of this Annual Report on Form 10-K is set forth on the Exhibit Index below.

(c) None.

Item 16. Form 10-K Summary

Not applicable.

Exhibit Index

Exhibit Number	Description
2.1	Agreement and Plan of Merger, dated as of March 4, 2024, by and among Akari Therapeutics, Plc, Peak Bio, Inc. and Pegasus Merger Sub, Inc. (incorporated by reference to Exhibit 2.1 to Registrant's Current Report on Form 8-K, as filed with the SEC on March 5, 2024).
3.1*	Articles of Association of Akari Therapeutics, Plc.
4.1	Form of Deposit Agreement among the Registrant, Deutsche Bank Trust Company Americas, as Depositary, and all Owners and Holders from time to time of American Depositary Shares issued thereunder (incorporated by reference to the exhibit 99-a previously filed with the Registrant's Registration Statement on Form F-6 (No. 333-185197) filed on November 30, 2012).
4.2	Amendment to Deposit Agreement among the Registrant, Deutsche Bank Trust Company Americas, as Depositary, and all Owners and Holders from time to time of American Depositary Shares issued thereunder (incorporated by reference to the registrant's Post-Effective Amendment No. 1 to Registration Statement on Form F-6 (No. 333-185197) filed on December 24, 2013).
4.3	Form of American Depositary Receipt; the Form is Exhibit A of Amendment No. 1 to the Deposit Agreement (incorporated by reference to the exhibit previously filed with the Registrant's Registration Statement on Form F-6 (No. 333-185197) filed on November 30, 2012).
4.4	Form of Amendment No. 2 to Deposit Agreement (incorporated by reference to the exhibit previously filed with the Registrant's Post-Effective Amendment on Registration Statement Form F-6 (File No. 333-185197) filed on September 9, 2015).
4.5	Form of Amendment No. 3 to Deposit Agreement (incorporated by reference to the exhibit previously filed with the Registrant's Post-Effective Amendment on Registration Statement Form F-6 (File No. 333-185197) filed on August 17, 2023).
4.6	Form of American Depositary Receipt; the Form is Exhibit A of Amendment No. 2 to the Deposit Agreement (incorporated by reference to the exhibit previously filed with the Registrant's Post-Effective Amendment on Registration Statement Form F-6 filed on September 9, 2015).
4.7*	Description of the Akari Therapeutics Plc Securities Registered Under Section 12 of the Securities Exchange Act of 1934.
4.8	Form of Series D Warrant issued by Akari Therapeutics, Plc in connection with the November Private Placement (incorporated by reference to Exhibit 4.1 previously filed with the Registrant's Current Report on Form 8-K as filed with the SEC on November 14, 2024).
4.9	Form of Pre-Funded Warrant issued by Akari Therapeutics, Plc in connection with the March Private Placement (incorporated by reference to Exhibit 4.1 previously filed with the Registrant's Current Report on Form 8-K as filed with the SEC on March 3, 2025).
4.10	Form of Series A Warrant issued by Akari Therapeutics, Plc in connection with the March Private Placement (incorporated by reference to Exhibit 4.2 previously filed with the Registrant's Current Report on Form 8-K as filed with the SEC on March 3, 2025).
4.11	Form of Series B Warrant issued by Akari Therapeutics, Plc in connection with the March Private Placement (incorporated by reference to Exhibit 4.3 previously filed with the Registrant's Current Report on Form 8-K as filed with the SEC on March 3, 2025).
10.1	Relationship Agreement, dated as of July 10, 2015, by and between Celsus Therapeutics Plc and RPC Pharma Limited. (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K, as filed with the SEC on July 13, 2015).
10.2	Form of Working Capital Agreement, by and between Volution Immuno Pharmaceuticals SA and the Shareholders named therein. (incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K, as filed with the SEC on July 13, 2015).
10.3†	Amended and Restated 2014 Equity Incentive Plan (incorporated by reference to Annex E to the Registrants Definitive Proxy Statement on Schedule 14A, as filed with the SEC on August 3, 2015).
10.4†	2023 Equity Incentive Plan (incorporated by reference to Exhibit 4.8 to the Registrant's Form S-8, as filed with the SEC on October 12, 2023).
10.5†	Form of ISO/NQ Stock Option Agreement Granted Under the 2023 Equity Incentive Plan (incorporated by reference to Exhibit 10.6 to the Registrant's 2023 Form 10-K, as filed with the SEC on March 29, 2024).
10.6†	Form of Restricted Stock Unit Agreement Granted Under the 2023 Equity Incentive Plan (incorporated by reference to Exhibit 10.7 to the Registrant's 2023 Form 10-K, as filed with the SEC on March 29, 2024).
10.7	Amended and Restated Non-Employee Director Compensation Policy (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K, as filed with the SEC on June 30, 2016).

Exhibit Number	Description
10.8	Form of Warrant issued by Akari Therapeutics, Plc in connection with the July 2021 Private Placement (incorporated by reference to Exhibit 10.2 to the Registrant's Report on Form 6-K, as filed with the SEC on July 20, 2021).
10.9	Form of Warrant issued by Akari Therapeutics, Plc in connection with the December 2021 Registered Direct Offering (incorporated by reference to Exhibit 10.2 to the Registrant's Report on Form 6-K, as filed with the SEC on January 4, 2022).
10.10	Form of Warrant issued by Akari Therapeutics, Plc in connection with the March 2022 Registered Direct Offering (incorporated by reference to Exhibit 10.2 to the Registrant's Report on Form 6-K, as filed with the SEC on March 10, 2022).
10.11	Form of Series B Warrant issued by Akari Therapeutics, Plc in connection with the September 2022 Registered Direct Offering and Concurrent Private Placement (incorporated by reference to Exhibit 10.3 to Registrant's Report on Form 6-K, as filed with the SEC on September 14, 2022).
10.12	Form of Pre-Funded Warrant issued under the Securities Purchase Agreement dated as of September 20, 2023 between Akari Therapeutics, Plc and the investors listed therein (incorporated by reference to Exhibit 10.2 to Registrant's Current Report on Form 6-K, as filed with the SEC on September 21, 2023.
10.13	Form of Placement Agent Warrant issued under the Securities Purchase Agreement dated as of September 20, 2023 between Akari Therapeutics, Plc and the investors listed therein (incorporated by reference to Exhibit 10.3 to Registrant's Current Report on Form 6-K, as filed with the SEC on September 21, 2023.
10.14	Form of Voting and Support Agreement, dated as of March 4, 2024, by and among Akari, and certain stockholders of Peak Bio (incorporated by reference to Exhibit 10.1 to Registrant's Current Report on Form 8-K, as filed with the SEC on March 5, 2024).
10.15	Form of Voting and Support Agreement, dated as of March 4, 2024, by and among Peak Bio and certain shareholders of Akari (incorporated by reference to Exhibit 10.2 to Registrant's Current Report on Form 8-K, as filed with the SEC on March 5, 2024).
10.16	Form of Series C Warrant issued under the Securities Purchase Agreement dated as of June 4, 2024 between Akari Therapeutics, Plc and the investors listed therein (incorporated by reference to Exhibit 4.1 to Registrant's Current Report on Form 8-K, as filed with the SEC on June 4, 2024).
10.17	Form of Placement Agent Warrant issued under the Securities Purchase Agreement dated as of June 4, 2024 between Akari Therapeutics, Plc and the investors listed therein (incorporated by reference to Exhibit 4.2 to Registrant's Current Report on Form 8-K, as filed with the SEC on June 4, 2024).
10.18	Form of Convertible Promissory Note, dated May 10, 2024, by and between Akari Therapeutics, Plc and the purchasers party thereto (incorporated by reference to Exhibit 10.3 to Registrant's Quarterly Report on Form 10-Q, as filed with the SEC on August 19, 2024).
10.19	Form of Warrant Certificate of the Company (incorporated by reference to Exhibit 4.1 to of the Company's Current Report on Form 8-K filed with the SEC on November 7, 2022).
10.20	Form of Amended and Restated Warrant Agreement, dated as of October 31, 2022, by and between Ignyte Acquisition Corp. and Continental Stock Transfer & Trust Company, as warrant agent (incorporated by reference to Exhibit 10.4 of the Company's Current Report on Form 8-K filed with the SEC on November 2, 2022).
10.21	Form of Convertible Note and Warrant Subscription Agreement, dated April 28, 2023, by and between Peak Bio, Inc. and the Investors party thereto (incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed with the SEC on May 1, 2023).
10.22	Form of Convertible Note, dated April 28, 2023 (incorporated by reference to Exhibit 10.2 of the Company's Current Report on Form 8-K filed with the SEC on May 1, 2023).
10.23	Form of Warrant, dated April 28, 2023 (incorporated by reference to Exhibit 10.3 of the Company's Current Report on Form 8-K filed with the SEC on May 1, 2023).
10.24	Warrant, dated April 28, 2023, issued to Paulson Investment Company, LLC (incorporated by reference to Exhibit 10.5 of the Company's Current Report on Form 8-K filed with the SEC on May 1, 2023).
10.25	Form of Senior Secured Promissory Note, dated January 23, 2024, by and between Peak Bio, Inc. and the Hoyoung Huh (incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed with the SEC on January 29, 2024).
10.26	Form of Securities Purchase Agreement dated as of March 2, 2025 between Akari Therapeutics, Plc and the purchasers party thereto (incorporated by reference to Exhibit 10.1 previously filed with the Registrant's Current Report on Form 8-K as filed with the SEC on March 3, 2025).

Exhibit Number	Description
10.27	Ordinary Share Purchase Agreement, dated as of August 29, 2025 between Akari Therapeutics, PLC and White Lion Capital, LLC (incorporated by reference to Exhibit 10.1 to of the Company's Current Report on Form 8-K filed with the SEC on August 29, 2025)
10.28	Registration Rights Agreement, dated as of August 29, 2025 between Akari Therapeutics, PLC and White Lion Capital, LLC (incorporated by reference to Exhibit 10.2 to of the Company's Current Report on Form 8-K filed with the SEC on August 29, 2025)
10.29†	Amendment No. 2 to the Akari Therapeutics, PLC 2023 Equity Incentive Plan (incorporated by reference to Exhibit 10.1 to of the Company's Current Report on Form 8-K filed with the SEC on July 1, 2025)
10.30	Loan Cancellation and Exchange Agreement, dated August 7, 2025, by and among Hoyoung Huh, Akari Therapeutics, Plc and Peak Bio Inc. (incorporated by reference to Exhibit 10.1 to of the Company's Current Report on Form 8-K filed with the SEC on August 21, 2025)
10.31	Letter Agreement, dated September 19, 2025, by and among Akari Therapeutics Plc and the Holders party thereto (incorporated by reference to Exhibit 10.1 to of the Company's Current Report on Form 8-K filed with the SEC on September 25, 2025)
10.32	Form of Securities Purchase Agreement (incorporated by reference to Exhibit 10.1 to of the Company's Current Report on Form 8-K filed with the SEC on October 16, 2025)
10.33	Form of Placement Agent Agreement (incorporated by reference to Exhibit 10.2 to of the Company's Current Report on Form 8-K filed with the SEC on October 16, 2025)
10.34	Form of Series E Warrant (incorporated by reference to Exhibit 10.3 to of the Company's Current Report on Form 8-K filed with the SEC on October 16, 2025)
10.35	Form of Series F Warrant (incorporated by reference to Exhibit 10.4 to of the Company's Current Report on Form 8-K filed with the SEC on October 16, 2025)
10.36	Form of Placement Agent Warrant (incorporated by reference to Exhibit 10.5 to of the Company's Current Report on Form 8-K filed with the SEC on October 16, 2025)
10.37†	Consulting Agreement, dated as of October 20, 2025, by and between the Company, Kameel Farag and KDF Ventures LLC (incorporated by reference to Exhibit 10.1 to of the Company's Current Report on Form 8-K filed with the SEC on October 23, 2025)
10.38	Form of RDO Purchase Agreement (incorporated by reference to Exhibit 10.1 to of the Company's Current Report on Form 8-K filed with the SEC on December 17, 2025)
10.39	Form of PIPE Purchase Agreement (incorporated by reference to Exhibit 10.2 to of the Company's Current Report on Form 8-K filed with the SEC on December 17, 2025)
10.40	Form of Placement Agent Agreement (incorporated by reference to Exhibit 10.3 to of the Company's Current Report on Form 8-K filed with the SEC on December 17, 2025)
10.41	Form of Series G Warrant (incorporated by reference to Exhibit 10.4 to of the Company's Current Report on Form 8-K filed with the SEC on December 17, 2025)
10.42	Form of Pre-Funded Warrant (incorporated by reference to Exhibit 10.5 to of the Company's Current Report on Form 8-K filed with the SEC on December 17, 2025)
10.43	Form of Placement Agent Warrant (incorporated by reference to Exhibit 10.6 to of the Company's Current Report on Form 8-K filed with the SEC on December 17, 2025)
10.44	Form of Exchange Agreement (incorporated by reference to Exhibit 10.7 to of the Company's Current Report on Form 8-K filed with the SEC on December 17, 2025)
10.45	Form of Note Exchange Warrant (incorporated by reference to Exhibit 10.8 to of the Company's Current Report on Form 8-K filed with the SEC on December 17, 2025)
10.46†	Chief Executive Officer Agreement, dated as of March 14, 2025, by and between the Company and Abizer Gaslightwala (incorporated by reference to Exhibit 10.1 to of the Company's Current Report on Form 8-K filed with the SEC on March 20, 2025)
10.47†	Chief Executive Officer Letter Agreement dated as of March 18, 2025, by and between the Company and Abizer Gaslightwala (incorporated by reference to Exhibit 10.2 to of the Company's Current Report on Form 8-K filed with the SEC on March 20, 2025)
19.1	Insider Trading Policy (incorporated by reference to Exhibit 19.1 of the Company's Annual Report on Form 10-K filed with the SEC on April 15, 2025).
21.1*	List of Subsidiaries.
23.1*	Consent of Independent Registered Public Accounting Firm.
31.1*	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

Exhibit Number	Description
31.2*	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2*	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
97	Clawback Policy (incorporated by reference to Exhibit 97.1 of the Company's Annual Report on Form 10-K filed with the SEC on April 15, 2025).
101.INS	Inline XBRL Instance Document–the instance document does not appear in the Interactive Data File as its XBRL tags are embedded within the Inline XBRL document.
101.SCH	line XBRL Taxonomy Extension Schema With Embedded Linkbase Documents.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

* Filed herewith.

† Indicates management contract or compensatory arrangement.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized**.**

Akari Therapeutics, Plc

Date: March 30, 2026

By: */s/ Abizer Gaslightwala*
Abizer Gaslightwala
President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this Report has been signed below by the following persons on behalf of the Registrant in the capacities and on the dates indicated.

Name	Title	Date
/s/ Abizer Gaslightwala **Abizer Gaslightwala**	President and Chief Executive Officer *(principal executive officer)*	March 30, 2026
/s/ Kameel Farag **Kameel Farag**	Interim Chief Financial Officer *(principal financial officer and principal accounting officer)*	March 30, 2026
/s/ Hoyoung Huh, M.D., Ph.D. **Hoyoung Huh, M.D., Ph.D.**	Chairman	March 30, 2026
/s/ Ray Prudo, M.D. **Ray Prudo, M.D.**	Director	March 30, 2026
/s/ James Neal **James Neal**	Director	March 30, 2026
/s/ Sandip I. Patel **Sandip I. Patel**	Director	March 30, 2026
/s/ Robert Bazemore **Robert Bazemore**	Director	March 30, 2026
/s/ Samir R. Patel, M.D. **Samir R. Patel, M.D.**	Director	March 30, 2026

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Report of Independent Registered Public Accounting Firm

Shareholders and Board of Directors
Akari Therapeutics, Plc
Tampa, Florida

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Akari Therapeutics, Plc (the "Company") as of December 31, 2025 and 2024, the related consolidated statements of operations and comprehensive loss, changes in shareholders' equity (deficit), and cash flows for each of the years then ended, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2025 and 2024, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Going Concern Uncertainty

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the consolidated financial statements, the Company has suffered recurring losses from operations, defaults on debt obligations and has a net capital deficiency that raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of the critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Impairment Assessment of Intangible Asset Related to In-process Research and Development (IPR&D)

As disclosed in Notes 2 and 4 to the consolidated financial statements, the Company's AKTX-101 IPR&D intangible asset balance was approximately $34.0 million as of December 31, 2025. The Company's IPR&D is tested for impairment at least annually, or more frequently if impairment indicators are present. As of December 31, 2025, the Company estimated the fair

value of the AKTX-101 IPR&D during an annual impairment assessment, which resulted in no impairment. The estimated fair value of the AKTX-101 IPR&D was valued using the multi-period excess earnings method. Significant assumptions used in determining the fair value of the AKTX-101 IPR&D include forecasted gross product sales, discount rate and probability of clinical trial success and obtaining regulatory approval.

We identified the annual impairment assessment of the AKTX-101 IPR&D intangible asset as a critical audit matter. The principal considerations for our determination are the significant judgments and subjectivity required in assessing the fair value of the AKTX-101 IPR&D intangible asset and certain significant assumptions used related to: (i) the forecasted gross product sales, (ii) discount rate, and (iii) probability of clinical trial success and obtaining regulatory approval. Auditing these assumptions and judgments involved especially challenging and subjective auditor judgment due to the nature and extent of audit effort required to address these matters, including the involvement of professionals with specialized skills or knowledge.

The primary procedures we performed to address this critical audit matter included:

- Evaluating the reasonableness of forecasted gross product sales by comparing them against relevant life science studies, market and industry data, and historical sales of comparable products.
- Utilizing professionals with specialized skills and knowledge in valuation to assist in: (i) evaluating the reasonableness of the discount rate used in the valuation model; (ii) developing independent estimates of the discount rate and comparing those to the discount rate selected by management; and (iii) assessing the reasonableness of the probability of clinical trial success and obtaining regulatory approval used in the valuation model.

Impairment Assessment of Goodwill

As disclosed in Note 2 to the consolidated financial statements, the Company's goodwill balance was approximately $8.4 million as of December 31, 2025. The Company's goodwill is tested for impairment at least annually, or more frequently if events or changes in circumstances indicate that the fair value of its reporting unit may be less than its carrying value. As of December 31, 2025, the Company estimated the fair value of the reporting unit during an annual impairment assessment, which resulted in no impairment. The estimated fair value of the reporting unit was determined using the adjusted net assets method. Significant assumptions used when determining the fair value of the reporting unit include forecasted gross product sales, discount rate, control premium, and probability of clinical trial success and obtaining regulatory approval.

We identified the annual impairment assessment of goodwill as a critical audit matter. The principal considerations for our determination are the significant judgments and subjectivity required in assessing the fair value of the reporting unit and certain significant assumptions used related to: (i) the forecasted gross product sales, (ii) discount rate, (iii) control premium, and (iv) probability of clinical trial success and obtaining regulatory approval. Auditing these assumptions and judgments involved especially challenging and subjective auditor judgment due to the nature and extent of audit effort required to address these matters, including the involvement of professionals with specialized skills or knowledge.

The primary procedures we performed to address this critical audit matter included:

- Evaluating the reasonableness of forecasted gross product sales by comparing them against relevant life science studies, market and industry data, and historical sales of comparable products.
- Utilizing professionals with specialized skills and knowledge in valuation to assist in: (i) evaluating the reasonableness of the discount rate used in the valuation model; (ii) evaluating the reasonableness of the control premium; (iii) developing independent estimates of the discount rate and comparing those to the discount rate selected by management; and (iv) assessing the reasonableness of the probability of clinical trial success and obtaining regulatory approval used in the valuation model.

Classification of Warrants

As described in Notes 6, 7, and 9 to the consolidated financial statements, in March 2025 and in April 2025, the Company sold to certain investors its American Depository Shares ("ADSs") and pre-funded warrants ("March and April Pre-Funded Warrants") in private placement offerings. In connection with these offerings, the Company also issued warrants to certain investors (the "Series A Warrants" and the "Series B Warrants"). In October 2025, the Company sold to certain investors its ADSs in a registered direct offering. In connection with this offering, the Company also issued warrants to the investors (the "Series E Warrants" and the "Series F Warrants"). In December 2025, the Company sold to certain investors its ADSs and issued warrants to the investors (the "Series G Warrants") in a registered direct offering. The Company also issued Series G Warrants and pre-funded warrants (the "December Pre-Funded Warrants") to certain investors in a concurrent private

placement. Furthermore, in connection with the direct offering and private placement, the Company entered into note cancellation and exchange agreements with each holder of the August 2025 Notes to exchange the total outstanding principal amounts of the August 2025 Notes for prefunded warrants (the "Note Exchange Pre-Funded Warrants") and unregistered note exchange warrants (the "Note Exchange Warrants"). The Company determined that these financial instruments met all of the criteria for equity classification and recorded them as a component of additional paid-in capital upon the closing of the transactions.

We identified the evaluation of the financial statement accounting classification for the March and April Pre-Funded Warrants, the Series A Warrants, the Series B Warrants, the Series E Warrants, the Series F Warrants, the Series G Warrants, the December Pre-Funded Warrants, the Note Exchange Pre-Funded Warrants, and the Note Exchange Warrants as a critical audit matter. Our principal considerations included the judgments required to evaluate accounting complexities related to certain provisions of the warrant agreements, including settlement provisions and derivative elements. Auditing these elements involved especially complex auditor judgment, including the extent of expertise needed.

The primary procedures we performed to address this critical audit matter included:

- Evaluating the appropriateness of management's accounting conclusions through the review of: (i) the relevant terms of the relevant warrant agreements, (ii) the completeness and accuracy of the Company's technical accounting analysis, and (iii) the appropriateness of application of the relevant accounting literature.
- Utilizing personnel with expertise in relevant technical accounting to assist in: (i) evaluating relevant terms of the relevant warrant agreements in relation to the appropriate accounting literature, and (ii) assessing the appropriateness of conclusions reached by the Company related to the March and April Pre-Funded Warrants, the Series A Warrants, the Series B Warrants, the Series E Warrants, the Series F Warrants, the December Pre-Funded Warrants, and the Note Exchange Pre-Funded Warrants.

August 2025 Notes Issuance and Warrant Amendment

As described in Notes 6 and 9 to the consolidated financial statements, in August 2025, the Company issued unsecured promissory notes with a 20% original issue discount (the "August 2025 Notes" or "Notes") to certain investors, including the Company's directors, with an aggregate purchase price of approximately $3.0 million and an aggregate principal amount of approximately $3.8 million. In connection with the issuance and sale of the Notes, the Company agreed to extend the expiration date of Series A warrants held by the Notes investors, previously issued in the March 2025 Private Placement (the "Series A Warrants"), by 48 months from the original date of expiration. For the Notes issued to third party investors, the change in fair value of Series A Warrants upon amendment of approximately $1.9 million was recognized as debt issuance costs to the extent of the aggregate Notes purchase price of $1.5 million, and the remainder of approximately $0.4 million as a loss on debt issuance, which is recorded in loss on debt extinguishment in the consolidated statements of operations and comprehensive loss for the year ended December 31, 2025.

We identified the accounting evaluation of the August 2025 Notes issued to third party investors and Series A Warrant amendment as a critical audit matter. The principal considerations for our determination were the complexities involved in: (i) the evaluation of the contract terms and conditions in accordance with the appropriate accounting literature, (ii) the evaluation of the appropriate accounting treatment of the change in fair value of Series A Warrants upon amendment. Auditing these elements involved especially complex auditor judgment, including the extent of expertise needed.

The primary procedures we performed to address this critical audit matter included:

- Utilizing personnel with expertise in relevant technical accounting to assist in: (i) evaluating relevant contract terms and conditions of the August 2025 Notes in relation to the relevant accounting literature, and (ii) evaluating the appropriate accounting treatment of the change in fair value of Series A Warrants upon amendment.

/S/ BDO USA, P.C.

We have served as the Company's auditor since 2016.

New York, New York

March 30, 2026

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

	December 31,	
	2025	**2024**
ASSETS		
Current assets:		
Cash	$ 5,203	$ 2,599
Restricted cash	60	60
Prepaid expenses	185	92
Other current assets	14	201
Total current assets	5,462	2,952
Goodwill	8,430	8,430
Other intangible assets	34,000	39,180
Total assets	$ 47,892	$ 50,562
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 8,770	$ 12,407
Accrued expenses	2,342	3,137
Convertible notes, net	673	700
Convertible notes, related party	—	250
Notes payable, net	81	659
Notes payable, related party	—	1,651
Warrant liabilities	61	1,012
Other current liabilities	424	94
Total current liabilities	12,351	19,910
Derivative liability	230	—
Other non-current liabilities	31	383
Deferred tax liability	6,952	8,040
Total liabilities	19,564	28,333
Commitments and contingencies (Note 11)		
Shareholders' equity:		
Share capital of $0.000000005 par value Authorized: 761,963,201,733 and 245,035,791,523 ordinary shares at December 31, 2025 and December 31, 2024, respectively; issued and outstanding: 90,536,879,533 and 53,186,919,523 ordinary shares at December 31, 2025 and December 31, 2024, respectively	—	5,319
Additional paid-in capital	234,318	212,706
Capital redemption reserve	59,342	52,194
Accumulated other comprehensive loss	(782)	(738)
Accumulated deficit	(264,550)	(247,252)
Total shareholders' equity	28,328	22,229
Total liabilities and shareholders' equity	$ 47,892	$ 50,562

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

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

	Year Ended December 31,	
	2025	**2024**
Operating expenses:		
Research and development	$ 2,815	$ 6,983
General and administrative	9,280	9,664
Impairment loss on other intangible assets	5,180	—
Merger-related expenses	—	3,273
Restructuring and other expenses	—	1,723
Total operating expenses	17,275	21,643
Loss from operations	(17,275)	(21,643)
Other income (expense):		
Interest income	1	8
Interest expense	(949)	(244)
Gain on settlement of current liabilities	2,984	—
Loss on debt extinguishment	(3,164)	—
Change in fair value of warrant liabilities	775	2,085
Loss on derivative liability	(230)	—
Foreign currency exchange gains (losses), net	(443)	6
Other expense, net	—	(3)
Total other income, net	(1,026)	1,852
Net loss before income taxes	(18,301)	(19,791)
Income tax benefit	1,003	—
Net loss	$ (17,298)	$ (19,791)
Net loss per share — basic and diluted	$ (0.00)	$ (0.00)
Weighted-average number of ordinary shares used in computing net loss per share — basic and diluted	67,328,128,638	23,888,010,485
Comprehensive loss:		
Net loss	$ (17,298)	$ (19,791)
Other comprehensive income, net of tax:		
Foreign currency translation adjustment	(44)	302
Total other comprehensive income, net of tax	(44)	302
Total comprehensive loss	$ (17,342)	$ (19,489)

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

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

	Share Capital $ $0.000000005 par value		Additional Paid-in	Capital Redemption	Accumulated Other Comprehensive	Accumulated	Total Shareholders'
	Shares	Amount	Capital	Reserve	Income	Deficit	Equity (Deficit)
Balance, December 31, 2023	**13,234,315,298**	**$ 1,324**	**$ 174,754**	**$ 52,194**	**$ (1,040)**	**$ (227,461)**	**$ (229)**
Issuance of share capital related to financing, net of issuance costs	14,127,540,000	1,413	10,054	—	—	—	11,467
Issuance of share capital related to acquisition of Peak Bio, Inc., net of issuance costs	25,227,884,000	2,523	25,606	—	—	—	28,129
Issuance of shares for services	334,396,000	33	238	—	—	—	271
Vesting of restricted shares	383,275,400	38	(10)	—	—	—	28
Shares withheld for payroll taxes	(120,491,175)	(12)	(181)	—	—	—	(193)
Stock-based compensation	—	—	2,245	—	—	—	2,245
Foreign currency translation	—	—	—	—	302	—	302
Net loss	—	—	—	—	—	(19,791)	(19,791)
Balance, December 31, 2024	**53,186,919,523**	**$ 5,319**	**$ 212,706**	**$ 52,194**	**$ (738)**	**$ (247,252)**	**$ 22,229**
Issuance of share capital related to financing, net of issuance costs	35,627,358,000	1,657	10,068	—	—	—	11,725
Issuance of share capital on conversion of convertible notes, related party	387,880,000	39	270	—	—	—	309
Issuance of shares for services	1,002,900,000	100	522	—	—	—	622
Vesting of restricted shares	331,822,000	33	—	—	—	—	33
Issuance of warrants related to financing	—	—	1,036	—	—	—	1,036
Issuance of warrants related to note extinguishment	—	—	3,991	—	—	—	3,991
Modification of warrants in connection with issuance of notes payable	—	—	2,643	—	—	—	2,643
Reclassification and modification of warrants in connection with amendment of convertible notes	—	—	192	—	—	—	192
Issuance of share capital upon conversion of deferred shares	10	—	—	—	—	—	—
Subdivision of Ordinary Shares	—	(7,148)	—	7,148	—	—	—
Stock-based compensation	—	—	2,890	—	—	—	2,890
Foreign currency translation	—	—	—	—	(44)	—	(44)
Net loss	—	—	—	—	—	(17,298)	(17,298)
Balance, December 31, 2025	**90,536,879,533**	**$ —**	**$ 234,318**	**$ 59,342**	**$ (782)**	**$ (264,550)**	**$ 28,328**

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

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

	Year Ended December 31,	
	2025	**2024**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (17,298)	$ (19,791)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	—	14
Stock-based compensation	2,890	2,245
Issuance of shares for services	27	271
Accretion of debt issuance costs	589	—
Gain on settlement of current liabilities	(2,984)	—
Loss on debt extinguishment	3,164	—
Change in fair value of warrant liabilities	(775)	(2,085)
Impairment loss on other intangible assets	5,180	—
Loss on derivative liability	230	—
Deferred income tax benefit	(1,088)	—
Unrealized foreign currency exchange losses (gains)	(99)	255
Change in assets and liabilities, net of acquisition of Peak Bio:		
Prepaid expenses and other current assets	594	1,316
Accounts payable and accrued expenses	(998)	5,223
Net cash used in operating activities	(10,568)	(12,552)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Cash acquired in Peak Bio Acquisition	—	382
Net cash provided by investing activities	—	382
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of shares, net of issuance costs	10,725	11,815
Proceeds from issuance of warrants	1,036	—
Proceeds from issuance of notes payable	2,099	—
Proceeds from issuance of convertible notes	—	1,000
Repayment of notes payable and convertible notes	(553)	(750)
Proceeds from issuance of restricted shares	—	26
Proceeds from employee vesting of restricted shares	33	2
Proceeds from pre-funded warrants	330	—
Payments on seller-financed purchases	(499)	(1,105)
Net cash provided by financing activities	13,171	10,988
Effect of exchange rates on cash	1	(4)
Net change in cash	2,604	(1,186)
Cash and restricted cash at beginning of period	2,659	3,845
Cash and restricted cash at end of period	$ 5,263	$ 2,659
Components of cash and restricted cash		
Cash	$ 5,203	$ 2,599
Restricted cash	60	60
Total cash and restricted cash	$ 5,263	$ 2,659

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

	Year Ended December 31,	
	2025	2024
SUPPLEMENTAL DISCLOSURES OF NON-CASH ACTIVITIES:		
Financing costs in accounts payable and accrued expenses	$ —	$ 348
Seller-financed purchases	$ 499	$ 1,105
Issuance of share capital for settlement of convertible notes, related party	$ 309	$ —
Issuance of share capital for settlement of related party debt	$ 1,000	$ —
Issuance of share capital for payments in kind	$ 595	$ —
Modification of warrants in connection with issuance of notes payable	$ 2,643	$ —
Modification of warrants in connection with amendment of convertible notes	$ 192	$ —
Issuance of warrants in connection with note exchange and cancellation	$ 3,991	$ —
Payroll taxes on stock-based compensation in accrued expenses	$ —	$ 193
Issuance of ordinary shares for Peak Bio Acquisition	$ —	$ 28,129
Warrants assumed in connection with Peak Bio Acquisition	$ —	$ 1,844
SUPPLEMENTAL CASH FLOW DISCLOSURES:		
Cash paid for interest	$ 101	$ 143
Cash paid for income taxes	$ —	$ —

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

Note 1. Description of Business

Business Overview

Akari Therapeutics, Plc, (the "Company" or "Akari") is incorporated in the United Kingdom. The Company is developing next-generation antibody-drug conjugates, or ADCs, through its proprietary technology platform that enables Akari to generate a range of ADC candidates and optimize them to target a range of cancers. Since the Company's acquisition of Peak Bio in November 2024, Akari has focused substantially all of its efforts on the ADC platform and pipeline of novel anti-cancer payloads with mechanisms of action that differ from existing therapies and the application of those payloads against clinically validated targets. Through its platform, the Company aims to establish a pipeline of ADC candidates that target and kill cancer cells and stimulate the immune system, or bifunctional ADCs, all while overcoming the limitations inherent in existing therapies. The Company's activities since inception have consisted of performing research and development activities and raising capital.

The Company is subject to a number of risks similar to those of preclinical and clinical stage companies, including dependence on key individuals, uncertainty of product development and generation of revenues, dependence on outside sources of capital, risks associated with clinical trials of products, dependence on third-party collaborators for research and development operations, need for marketing authorization of products, risks associated with protection of intellectual property, and competition with larger, better-capitalized companies.

To fully execute its business plan, the Company will need, among other things, to complete its research and development efforts, preclinical and regulatory activities, and clinical trials. These activities may take several years and will require significant operating and capital expenditures in the foreseeable future. There can be no assurance that these activities will be successful. If the Company is not successful in these activities it could delay, limit, reduce or terminate its preclinical studies or other discovery and research activities.

Agreement and Plan of Merger with Peak Bio Inc.

On March 4, 2024, the Company entered into an Agreement and Plan of Merger (the "Merger Agreement") with Peak Bio, Inc. ("Peak Bio") and Pegasus Merger Sub, Inc., a Delaware corporation and a wholly-owned subsidiary of Akari ("Merger Sub"), pursuant to which, upon the terms and subject to the conditions thereof, Merger Sub will be merged with and into Peak Bio (the "acquisition"), with Peak Bio surviving the Acquisition as a wholly-owned subsidiary of Akari.

On November 14, 2024, the Company completed the acquisition under the Merger Agreement ("Closing"), pursuant to which, Merger Sub merged with and into Peak Bio, with Peak Bio surviving the acquisition as a wholly owned subsidiary of Akari.

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

At the Closing, each warrant to purchase capital stock of Peak Bio ("Peak Warrant") that was outstanding immediately prior to the Closing was converted into warrants to purchase a number of Akari Ordinary Shares or Akari ADSs, as determined by Akari (each, an "Adjusted Warrant"), on substantially similar terms and conditions as were applicable to such Peak Warrant immediately prior to the Closing. The number of Akari Ordinary Shares (or the number of Akari Ordinary Shares underlying Akari ADSs, as applicable) subject to each Adjusted Warrant is equal to the number of shares of Peak Bio Common Stock issuable upon exercise of such Peak Warrant immediately prior to the Closing multiplied by the Exchange Ratio, with any fractional Akari Ordinary Shares or Akari ADSs rounded down to the nearest whole Akari Ordinary Share or Akari ADS, as applicable, and the exercise price with respect to each Akari Ordinary Share (or each Akari Ordinary Share underlying Akari ADSs, as applicable) underlying such Adjusted Warrant equal to the exercise price of such Peak Warrant immediately prior to the Closing divided by the Exchange Ratio.

Further, at the Closing, each option to acquire shares of Peak Bio Common Stock ("Peak Option") that was outstanding and unexercised immediately prior to the Closing, whether or not vested, was assumed and converted into an option to purchase a number of Akari ordinary shares or Akari ADSs, as determined by Akari (each, an "Adjusted Option"). The number of Akari Ordinary Shares (or the number of Akari Ordinary Shares underlying Akari ADSs, as applicable) subject to the Adjusted Option is equal to the product of (i) the total number of shares of Peak Common Stock subject to such Peak Option immediately prior to the Closing multiplied by (ii) the Exchange Ratio, with any fractional Akari Ordinary Shares or Akari ADSs rounded down to the nearest whole Akari Ordinary Share or Akari ADS, as applicable, and the exercise price per share of each Adjusted Option equal to the exercise price of such Peak Option immediately prior to the Closing divided by the Exchange Ratio.

Liquidity and Financial Condition

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

The Company has incurred substantial losses and negative cash flows since inception and had an accumulated deficit of $264.5 million as of December 31, 2025. The Company's cash balance of $5.2 million as of December 31, 2025 is not sufficient to fund its operations for the one-year period after the date these consolidated financial statements are issued. These factors raise substantial doubt about the Company's ability to continue as a going concern. The accompanying consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. The consolidated financial statements do not include any adjustments related to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might result from the outcome of this uncertainty.

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

Nasdaq Continued Listing Rules

On November 24, 2025, the Company received a letter ("Letter") from the Listing Qualifications Staff (the "Staff") of The Nasdaq Capital Market ("Nasdaq") indicating that the Company was not in compliance with Nasdaq Listing Rule 5550(a)(2) because the bid price for the Company's American Depositary Shares ("ADS") had closed below $1.00 per share (the "Minimum Bid Requirement") for the previous thirty consecutive business days. In accordance with Nasdaq Listing Rule 5810(c)(3)(A), the Company had 180 calendar days from the date of such notice, or until May 25, 2026, to regain compliance with the Minimum Bid Requirement. To regain compliance, the bid price for the Company's ADS must have closed at $1.00 per share or more for a minimum of ten consecutive business days. In the event the Company does not regain compliance by May 25, 2026, the Company may then be eligible for additional 180 days if it meets the continued listing requirement for market value of publicly held shares and all other initial listing standards for Nasdaq, with the exception of the bid price requirement, and will need to provide written notice of its intention to cure the deficiency during the second compliance period. If the Company does not qualify for the second compliance period or fails to regain compliance during the second compliance period, then Nasdaq will notify the Company of its determination to delist the Company's ADSs, at which point the Company will have an opportunity to appeal the delisting determination to a Hearings Panel.

The Company intends to monitor the closing bid price of its ADSs and may, if appropriate, consider implementing available options, including, but not limited to, implementing a ratio change of its ADSs, to regain compliance with the minimum bid price requirement under the Nasdaq Listing Rules.

If the Company continues to not be in compliance or it fails to meet any of the other Nasdaq continuing listing requirements, its ADSs may be subject to delisting, and the Company may become subject to delisting proceedings.

Par Value Change

Effective December 15, 2025, shareholders approved to sub-divide each of the ordinary shares with a par value of $0.0001 into one ordinary share with a par value $0.000000005 and 19,999 deferred shares with a par value $0.000000005 (the "Deferred Shares"), with such shares having the rights and being subject to the restrictions as set out in the new Articles of Association. As a result, the number of outstanding ordinary shares of the Company remained unchanged and there were 1,429,517,750,998,477 Deferred Shares created. The deferred shares were repurchased and cancelled, and the Company issued 10 ordinary shares in connection with a buyback agreement. The rights attached to the ordinary shares, with a par value of $ 0.000000005 (including voting and dividend rights and rights on a return of capital) are identical in all respects to the previously outstanding ordinary shares with a par value of $0.0001. The Deferred Shares have limited rights and are effectively valueless. There is no direct effect on the value of an ADS.

Note 2. Summary of Significant Accounting Policies

Basis of presentation – The accompanying consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP") and assumes that the Company will continue to operate as a going concern.

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

Foreign currency – The functional currency of the Company is U.S. dollars, as that is the currency of the primary economic environment in which the Company operates as well as the currency in which it has been financed.
The reporting currency of the Company is U.S. dollars. The Company translates its non-U.S. operations' assets and liabilities denominated in foreign currencies into U.S. dollars at current rates of exchange as of the balance sheet date and income and expense items at the average exchange rate for the reporting period. Translation adjustments resulting from exchange rate fluctuations are recorded as foreign currency translation adjustments, a component of accumulated other comprehensive loss. Gains or losses from foreign currency transactions are included in foreign currency exchange gains/(losses), net.

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

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. See Note 13, Segment Information, for additional details.

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

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

- *Level 1* – quoted prices in active markets for identical assets and liabilities.

- *Level 2* – inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- *Level 3* – unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

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

The carrying values of the Company's cash, prepaid expenses and other current assets, accounts payable and accrued expenses, notes payable (related and non-related), convertible notes payable (related and non-related), other current and non-current liabilities approximate their fair values due to the short-term nature of these assets and liabilities. The Company's liability-classified warrants are recorded at their estimated fair value. See Note 6.

Business combinations – The Company includes the results of operations of the acquired business in the consolidated financial statements prospectively from the acquisition date. The Company allocates the purchase consideration to the assets acquired and liabilities assumed in the acquired entity based on their fair values at the acquisition date. The excess of the fair value of purchase consideration over the fair value of these assets acquired and liabilities assumed in the acquired entity is recorded as goodwill. Management's estimates of fair value are based upon assumptions believed to be reasonable, but which are inherently uncertain and unpredictable and, as a result, actual results may differ from estimates. During the measurement period, which is one year from the acquisition date, we may record adjustments to the assets acquired and liabilities assumed, with the corresponding offset to goodwill. Upon the conclusion of the measurement period, any subsequent adjustments are recorded to earnings.

Transaction expenses are recognized separately from the business combination and are expensed as incurred. These charges primarily include direct third-party professional fees for advisory and consulting services and other incremental costs related to the acquisition.

Cash – The Company considers all highly-liquid investments with original maturities of 90 days or less at the time of acquisition to be cash equivalents. The Company had no cash equivalents as of December 31, 2025 or 2024.

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

Other current assets – Other current assets as of December 31, 2025 and 2024 were principally comprised of Value Added Tax ("VAT") receivables.

Restricted cash – Restricted cash of $60,000 as of December 31, 2025 and 2024 is a restricted bank account established to secure the Company's credit cards.

Other intangible assets – The Company recognized other intangible assets comprised of in-process research and development ("IPR&D") in connection with its acquisition of Peak Bio (Note 3), which closed on November 14, 2024.

The fair value of acquired IPR&D was capitalized and accounted for as an indefinite-lived intangible asset and is not subject to amortization. The Company assesses IPR&D assets for impairment at least annually, on December 31, or if events or changes in circumstances indicate that it is more likely than not that the assets are impaired. Once the associated R&D efforts are completed, the carrying value of the acquired IPR&D is reclassified as a finite-lived asset and amortized over its useful life. Incremental R&D costs incurred subsequent to the acquisition are expensed as incurred.

The Company may first perform a qualitative assessment to determine whether it is more likely than not that the fair value of the IPR&D asset is less than its carrying amount. For IPR&D, the qualitative assessment focuses on key inputs, assumptions and rationale utilized in the establishment of the fair value. If the Company concludes that it is more likely than not that the fair value of the IPR&D asset is less than its carrying value, or if the Company elects to bypass the qualitative assessment, a quantitative impairment test is performed.

The quantitative test compares the fair value of the IPR&D asset with its carrying amount. When the carrying value of the IPR&D asset exceeds its fair value, an impairment charge is recorded in current earnings for the excess of the asset's carrying value over its fair value. The estimated fair value of the IPR&D asset is determined using the multi-period excess earnings method. The estimation of the fair value of the IPR&D asset requires significant management judgment with respect to forecasted gross revenues (including upfront and milestone revenue and royalty revenue based on forecasted product sales), revenue and expense growth rates, probability of clinical trial success and obtaining regulatory approval, and the selection and use of an appropriate discount rate. The estimates of the fair value of each intangible asset are based on the best information available as of the date of the assessment. The use of different assumptions would increase or decrease estimated discounted future operating cash flows and could increase or decrease an impairment charge.

During the quarter ended September 30, 2025, the Company performed a qualitative assessment and determined that a change in the Company's allocation of resources triggered a quantitative analysis for the Company's PHP 303 IPR&D asset. As a result of the quantitative impairment test, the Company determined that its PHP 303 IPR&D asset was impaired. As a result, an impairment loss of $5.2 million was recorded in the consolidated statement of operations.

As of December 31, 2025, the Company prepared a quantitative assessment of its AKTX 101 IPR&D asset and determined there was no impairment of this asset.

Goodwill – The Company recognized goodwill, which represents the excess of the purchase price paid over the fair value of the identifiable net assets acquired and liabilities assumed in connection with its acquisition of Peak Bio (Note 3), which closed on November 14, 2024. As of December 31, 2025 and 2024, the goodwill amount was $8.4 million.

Goodwill is not amortized but is evaluated for impairment in accordance with ASC 350, *Intangibles—Goodwill and Other* ("ASC 350").

The Company tests goodwill for impairment at least annually, on December 31, or more frequently if events or changes in circumstances indicate that the carrying value of a reporting unit may be less than its carrying value. Goodwill is tested for impairment at the reporting unit level. If goodwill and another asset from the same reporting unit are tested for impairment simultaneously, the other asset shall be tested for impairment before goodwill.

The Company may first perform a qualitative assessment to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. In performing the qualitative assessment, the Company considers relevant events and circumstances, including (i) overall financial performance, including recent fundraising activities (ii) industry and market conditions in which the Company operates, (iii) changes in management or strategy, (iv) macroeconomic conditions, and (v) changes in the fair market value of the Company's ADSs and market capitalization. If the Company concludes that it is more likely than not that the fair value of a reporting unit is less than its carrying value, or if the Company elects to bypass the qualitative assessment, a quantitative impairment test is performed. The quantitative test compares the fair value of the reporting unit with its carrying amount, including goodwill. If the carrying amount of a reporting unit exceeds its fair value, an impairment loss is recognized in an amount equal to the excess, limited to the total amount of goodwill allocated to that reporting unit. The estimated fair value of the reporting unit is determined using the adjusted net assets method. The estimation of the fair value of a reporting unit requires significant management judgment with respect to control premium, forecasted gross revenues (including upfront and milestone revenues and royalty revenues from product sales), probability of clinical trial success and obtaining regulatory approval, revenue and expense growth rates, and the selection and use of an appropriate discount rate. The estimates of the fair value of reporting units are based on the best information available as of the date of the assessment. The use of different assumptions would increase or decrease estimated discounted future operating cash flows and could increase or decrease an impairment charge. Company management uses its judgment in assessing whether assets may have become impaired between annual impairment tests.

The Company determined that it has one reporting unit for the purposes of assessing performance, making operating decisions and allocating resources, resulting in a single reportable segment, or reporting unit. As of December 31, 2025, the Company prepared a quantitative assessment and determined there was no impairment of goodwill.

Accrued expenses – As part of the process of preparing the consolidated financial statements, the Company estimates accrued expenses. This process involves identifying services that third parties have performed on the Company's behalf and estimating the level of service performed and the associated cost incurred on these services as of each balance sheet date in the Company's consolidated financial statements. Examples of estimated accrued expenses include contract service fees in conjunction with pre-clinical development, professional service fees and contingent liabilities. In connection with these service fees, the Company's estimates are most affected by its understanding of the status and timing of services provided relative to the actual

services incurred by the service providers. If the Company does not identify certain costs that have been incurred, or it under or over-estimates the level of services or costs of such services, the Company's reported expenses for a reporting period could be understated or overstated. The date on which certain services commence, the level of services performed on or before a given date, and the cost of services are often subject to the Company's estimation and judgment. The Company makes these judgments based upon the facts and circumstances known to it in accordance with U.S. GAAP. See Note 5.

Convertible notes and notes payable – The Company accounts for convertible promissory notes in accordance with ASC Topic 470-20, *Debt with Conversion and Other Options* ("ASC 470-20") and has not elected the fair value option as provided for within ASC Topics 815 and 825. Accordingly, the Company evaluated the embedded conversion and other features within convertible notes and notes payable to determine whether any of the embedded features should be bifurcated from the host instrument and accounted for as a derivative at fair value. Based on management's evaluation, the Company determined that none of the embedded features were required to be bifurcated and accounted for separately.

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

In connection with the sale of the ADSs in the September 2022 Registered Direct Offering, the Company issued to the investors registered Series A warrants ("Series A Warrants") to purchase an aggregate of 755,000 ADSs at $17.00 per ADS and registered Series B warrants ("Series B Warrants") to purchase an aggregate of 755,000 ADSs at $17.00 per ADS (collectively, the "September 2022 Warrants").The Company determined that the September 2022 Warrants are not indexed to the Company's own stock in the manner contemplated by ASC 815-40-15, *Determining Whether an Instrument (or Embedded Feature) Is Indexed to an Entity's Own Stock*. Accordingly, the Company classifies the September 2022 Warrants as a derivative liability in its consolidated balance sheets. In September 2024, all outstanding Series A Warrants expired unexercised.

In connection with the acquisition of Peak Bio, the Company assumed warrants issued to investors to purchase an aggregate of 1,577,566 ADSs at $39.18 per ADS ("November 2022 Peak Bio Warrants") and an aggregate of 1,187,013 ADSs at $2.04 per ADS ("April 2023 Peak Bio Warrants"). The Company determined that the November 2022 Peak Bio Investor Warrants and the April 2023 Peak Bio Investor Warrants are not indexed to the Company's own stock in the manner contemplated by ASC 815-40-15, *Determining Whether an Instrument (or Embedded Feature) Is Indexed to an Entity's Own Stock*. Accordingly, the Company classifies the assumed warrants as derivative liabilities in its consolidated balance sheets.

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

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

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

Merger-related expenses – Merger-related expenses include direct expenses incurred in connection with the acquisition of Peak Bio and are comprised primarily of legal and professional fees and other incremental costs directly associated to the acquisition.

Restructuring and other expenses – In May 2024, the Company implemented a reduction-in-force of approximately 67% of its total workforce as a result of the recently announced program prioritization under which the Company's nomacopan HSCT-TMA program was suspended. The reduction-in-force was part of an operational restructuring plan (the "May 2024 Plan") which included the elimination of certain senior management positions and was completed in the third quarter of 2024. The purpose of the restructuring plan, including the reduction-in-force, was to reduce HSCT-TMA related operating costs, while supporting the execution of the Company's long-term strategic plan. As of December 31, 2025, the Company does not expect to incur additional restructuring-related expenses related to the May 2024 Plan.

The following table presents the restructuring reserve and accrual activity for the years ended December 31, 2025 and 2024:

(In thousands)	Severance and Employee Benefit Costs	Other Restructuring Charges	Total
Balance at December 31, 2023	$ —	$ —	$ —
Restructuring charges	1,645	78	1,723
Cash payments	(910)	(78)	(988)
Non-cash stock-based compensation	(285)	—	(285)
Balance at December 31, 2024	$ 450	$ —	$ 450
Restructuring charges adjustment	(50)	—	(50)
Cash payments	(400)	—	(400)
Balance at December 31, 2025	$ —	$ —	$ —

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

The fair value of each restricted ordinary share award is determined on the date of grant based on the fair value of the Company's ordinary shares on that same date. The fair value of each share option grant is determined on the date of grant using the Black-Scholes option pricing model, which requires inputs based on certain assumptions, including the expected stock price volatility, the expected term of the award, the risk-free interest rate, and expected dividends (See Note 8). The Company estimates its expected stock price volatility based on the historical volatility of its ADSs, considering the expected term of the options. The expected term of the Company's options has been determined utilizing the "simplified" method for awards that qualify as "plain-vanilla" options. The risk-free interest rate is determined by reference to the U.S. Treasury yield curve in effect at the time of grant of the award for time periods approximately equal to the expected term of the award. The expected dividend yield is based on the fact that the Company has never paid cash dividends on ordinary shares and does not expect to pay any cash dividends in the foreseeable future.

Leases – The Company accounts for its leases in accordance with ASC 842, *Leases*. In accordance with ASC 842, the Company records a right-of-use ("ROU") asset and corresponding lease liability on the balance sheet for all leases with terms longer than 12 months. Leases with an initial term of twelve months or less are not recorded on the consolidated balance sheet and are recognized on a straight-line basis over the lease term. As of December 31, 2025 and 2024, the Company did not have any leases with a term longer than twelve months. Accordingly, no ROU assets and corresponding lease liabilities are included in the Company's consolidated balance sheets as of December 31, 2025 or 2024.

Income taxes – The Company accounts for income taxes in accordance with the accounting rules that require an asset and liability approach to accounting for income taxes based upon the future expected values of the related assets and liabilities. Deferred income tax assets and liabilities are determined based on the differences between the financial reporting and tax bases of assets and liabilities and for tax loss and credit carry forwards and are measured using the expected tax rates estimated to be in effect when such basis differences reverse. A valuation allowance against deferred tax assets is recorded if, based on the weight of available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized.

The Company follows the provisions of ASC 740 "*Accounting for Uncertainty in Income Taxes*" ("ASC 740"), which prescribes recognition thresholds that must be met before a tax position is recognized in the financial statements and provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. Under ASC 740, an entity may only recognize or continue to recognize tax positions that meet a "more-likely-than-not" threshold. Interest and penalties related to uncertain tax positions are recognized as general and administrative expense. At December 31, 2025 and 2024, the Company had no uncertain tax positions.

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

Net loss per share – Basic net income (loss) per ordinary share is computed by dividing net income (loss) available to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period, which includes ordinary shares underlying pre-funded warrants, as such warrant is exercisable, in whole or in part, for nominal cash consideration with no expiration date. Diluted net income (loss) per ordinary share is computed by dividing the diluted net income (loss) available to ordinary shareholders by the weighted average number of ordinary shares, including potential dilutive ordinary shares assuming the dilutive effect as determined using the treasury stock method.

For periods in which the Company has reported net losses, diluted net loss per ordinary share is the same as basic net loss per ordinary share, since dilutive ordinary shares are not assumed to have been issued if their effect is anti-dilutive. The Company reported a net loss for each of the years ended December 31, 2025 and 2024.

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

	As of December 31,	
	2025	**2024**
Stock options	13,610,984,000	3,963,964,688
Restricted stock units	129,792,000	—
Warrants	106,628,156,000	20,518,595,300
Convertible notes	1,832,118,000	406,236,000
Total	122,201,050,000	24,888,795,988

Loss contingencies, legal matters – Akari is involved from time to time in various claims, proceedings, and litigation, including those described in Note 11. The Company establishes reserves for specific legal proceedings when we determine that the likelihood of an unfavorable outcome is probable and the amount of loss can be reasonably estimated.

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

Recently Issued (Not Yet Adopted) Accounting Standards

In February 2024, the FASB issued ASU 2024-03, *Income Statement Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40)*. The objective of ASU 2024-03 is to require entities to provide enhanced disclosures of income statement expenses through disaggregation of specific expense captions. ASU 2024-03 is effective for public companies starting in annual periods beginning after December 15, 2026 and in interim periods beginning after December 15, 2027. The Company is currently evaluating ASU 2024-03 and the impact of the disclosures to its consolidated financial statements.

Recently Adopted Accounting Standards

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*. The objective of ASU 2023-09 is to enhance disclosures related to income taxes, including specific thresholds for inclusion within the tabular disclosure of income tax rate reconciliation and specified information about income taxes paid, net of refunds received, disaggregated by federal, state, and foreign jurisdictions. ASU 2023-09 is effective for public companies starting in annual periods beginning after December 15, 2024. The amendments have been applied on a prospective basis. Refer to Note 12, Income Taxes, for additional details.

Note 3. Peak Bio Acquisition

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

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

Consideration Paid

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

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

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

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

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

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

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

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

Total Assets Acquired and Liabilities Assumed

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

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

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

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

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

In-Process Research and Development		
AKTX 101	$	34,000
PHP 303		5,180
Acquired intangible assets	**$**	**39,180**

The Company assumed convertible notes and notes payable with third parties, and notes payable with a related party, which are described in Note 6 and Note 9, respectively.

Merger-related expenses, which were comprised primarily of regulatory, financial advisory and legal fees, totaled $3.3 million for the year ended December 31, 2024 and were included in the consolidated statements of operations and comprehensive loss. The Company issued Paulson Investment Company LLC ("Paulson") an advisory fee in connection with the acquisition equal to 243,000,000 ordinary shares or 121,500 ADS equivalents for a value of $270,945, based on the closing price of the Company's ADS on the Closing Date multiplied by the number of ADS issued.

Peak Bio's operating results were consolidated with the Company's beginning on November 14, 2024. Therefore, the consolidated results of operations for the year ended December 31, 2024 may not be comparable to the same period in 2023. Peak Bio's results of operations included in the Company's consolidated results of operations from the acquisition date to December 31, 2024 are presented in the table below (in thousands):

Operating expenses:		
Research and development	$	7,230
General and administrative		104,756
Total operating expenses		111,986
Loss from operations		(111,986)
Other expense, net		(28,007)
Net loss	$	(139,993)

Pro Forma Financial Information (Unaudited)

The following table summarizes certain of the Company's supplemental pro forma financial information for the year ended December 31, 2024, as if the acquisition of Peak Bio had occurred as of January 1, 2024. The unaudited pro forma financial information for the year ended December 31, 2024 reflect (i) the reversal of a gain recognized on Peak Bio's office lease termination and corresponding impairment of its right to use asset, (ii) the reversal of fair value adjustments recognized on Peak Bio's warrant liabilities and derivative liability, and (iii) the reversal of interest and accretion expense on Peak Bio's debt that was settled on the acquisition date. For the year ended December 31, 2024, transaction costs incurred by the Company and Peak Bio were $3.2 million. The unaudited pro forma financial information is for comparative purposes only and is not necessarily indicative of what would have occurred had the acquisition been made at that date or of results which may occur in the future (in thousands).

	Year Ended December 31, 2024	
	As Reported	Pro Forma
Net loss	$ (19,791)	$ (23,791)

Note 4. Intangible Assets

The Company's IPR&D and goodwill are tested for impairment at least annually, or more frequently if impairment indicators are present.

During the quarter ended September 30, 2025, the Company performed a qualitative assessment and determined that a change in the Company's allocation of resources triggered a quantitative analysis for the Company's PHP 303 IPR&D asset. As a result of the quantitative impairment test, the Company determined that its PHP 303 IPR&D asset was impaired. As a result, we recorded an impairment charge of $5.18 million related to the Company's PHP 303 asset due to reprioritization of resources to our ADC platform, no further development plans and inability to find a collaborative partner to date for this program.

As of December 31, 2025, the Company prepared a quantitative assessment of its AKTX 101 IPR&D asset and determined there was no impairment of this asset.

The following table presents information about the Company's IPR&D assets:

	December 31, 2025		
(In thousands)	Gross Carrying Amount	Cumulative Impairment Charge	Net Book Value
AKTX-101	$ 34,000	$ —	$ 34,000
PHP-303	5,180	5,180	—
Total other intangible assets	$ 39,180	$ 5,180	$ 34,000

	December 31, 2024		
(In thousands)	Gross Carrying Amount	Cumulative Impairment Charge	Net Book Value
AKTX-101	$ 34,000	$ —	$ 34,000
PHP-303	5,180	—	5,180
Total other intangible assets	$ 39,180	$ —	$ 39,180

There were no changes in the carrying value of goodwill during the years ended December 31, 2025 and 2024.

Note 5. Accrued Expenses

Accrued expenses consisted of the following:

(In thousands)	December 31, 2025	December 31, 2024
Employee compensation and benefits	$ 780	$ 473
External research and development expenses	299	178
Professional and consulting fees	814	1,305
Restructuring	—	450
Other	449	731
Total accrued expenses	$ 2,342	$ 3,137

Note 6. Convertible Notes and Notes Payable

September 2024 Note Payable

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

As of December 31, 2025 and December 31, 2024, the outstanding balance on the September 2024 Note was less than $0.1 million and $0.3 million, respectively.

November 2023 Note Payable

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

As of December 31, 2024, the principal balance of $0.4 million plus accrued interest of less than $0.1 million, presented within accrued expenses in the Company's consolidated balance sheets, was due for payment. On February 28, 2025, the Company signed a Settlement Agreement and Release in the amount of $325,000 for full satisfaction of the outstanding principal and accrued interest owed on the November 2023 Notes. The payment of $325,000 was made on March 6, 2025 and the Company recognized a gain on debt extinguishment of less than $0.1 million, which is reflected in the gain on settlement of current liabilities in the statements of operations for the year ended December 31, 2025.

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

April 2023 Convertible Notes

In November 2024, the Company assumed convertible promissory notes issued by Peak Bio in April 2023 in the principal amount of a total of $0.7 million (the "April 2023 Convertible Notes"). The April 2023 Convertible Notes permitted the holder to convert the outstanding principal and accrued interest at any time at a price of $2.04 per ADS (representing $0.00102 per underlying Ordinary Share of the Company), after giving effect to the Exchange Ratio. Due to the short-term nature of the April 2023 Convertible Notes, the Company concluded that its carrying value approximated its fair value as of the Closing on November 14, 2024. The April 2023 Convertible Notes were due on October 31, 2024 and bore interest at a default rate of 10% per annum.

The Company evaluated the embedded conversion and other features within the April 2023 Convertible Notes to determine whether any of the embedded features should be bifurcated from the host instrument and accounted for as a derivative at fair value. Based on management's evaluation, the Company determined that the April 2023 Convertible Notes were not issued at a substantial premium and none of the embedded features were required to be bifurcated and accounted for separately.

On September 19, 2025, the Company entered into a letter agreement (the "April 2023 Convertible Notes and Warrants Amendment") with the holders of the April 2023 Convertible Notes to (i) extend the maturity date of the April 2023 Convertible Notes to August 31, 2026, (ii) amend the conversion price of the April 2023 Convertible Notes to $0.81 per ADS (representing $0.000405 per underlying Ordinary Share) and permit the holders of the April 2023 Convertible Notes to voluntarily convert, in whole or in part, the outstanding principal and accrued but unpaid interest on the April 2023 Convertible Notes into ADSs at any time, (iii) extend the expiration date of warrants held by the April 2023 Convertible Note holders ("April 2023 Peak Bio Convertible Noteholder Warrants") from April 28, 2028 to August 31, 2030, and (iv) amend the exercise price of the April 2023 Peak Bio Warrants to $0.81 per ADS (representing $0.000405 per underlying Ordinary Share). In connection with the April 2023 Convertible Notes and Warrants Amendment, the Company paid the holders an aggregate of $81,700, representing all interest accrued on the April 2023 Convertible Notes through September 30, 2025.

The Company accounted for April 2023 Convertible Notes and Warrants Amendment as a debt extinguishment in accordance with ASC 470. As the present value of the future cash flows was substantially different than the net carrying value of the original debt, a loss on debt extinguishment of less than $0.1 million was recognized. The discount of less than $0.1 million is being amortized as interest expense over the term of the convertible notes using the effective interest method.

In November 2024, in connection with the acquisition of Peak Bio, the April 2023 Peak Bio Convertible Noteholder Warrants were accounted for as a liability, as the April 2023 Peak Bio Convertible Noteholder Warrants were not considered indexed to the Company's own stock in the manner contemplated by ASC 815-40-15, *Determining Whether an Instrument (or Embedded Feature) Is Indexed to an Entity's Own Stock*. Following the April 2023 Convertible Notes and Warrants Amendment on September 19, 2025, the Company determined that the amended April 2023 Peak Bio Convertible Noteholder Warrants for the issuance of 342,420 ADSs (equivalent to 684,840,000 Ordinary Shares) met the requirements to be considered indexed to the Company's own stock and therefore were reclassified to equity. The fair value of the warrant liability, immediately prior to the modification, was $109,700 at the reclassification date. The Company determined the fair value of the April 2023 Peak Bio Convertible Noteholder Warrants after the modification, using a Black Scholes Option Pricing Model was $191,800 based on a stock price of $0.81, expected volatility of 86%, a risk-free rate of 3.68% and an expected term of 5 years. The change in fair value of $82,100 was recognized as additional paid in capital.

The Company recognized interest expense of less than $0.1 million during the year ended December 31, 2024 and interest expense, including amortization of the discount of less than $0.1 million, during the year ended December 31, 2025. As of December 31, 2025 and 2024, accrued interest on the April 2023 Notes of less than $0.1 million is presented within "Accrued expenses" in the Company's consolidated balance sheets.

Refer to Note 9 for convertible notes, related party.

August 2025 Notes

In August 2025, the Company issued unsecured promissory notes with a 20% original issuance discount (each a "August 2025 Note" and together, the "August 2025 Notes") to certain investors, including the Company's directors. In connection with the issuance and sale of the August 2025 Notes, the Company agreed to extend the expiration date of Series A warrants held by August 2025 Note investors, previously issued in the March 2025 Private Placement (as defined in Note 7) (the "Series A Warrants"), by 48 months from the original date of expiration (the "Warrant Amendment Agreements").

The Company closed the August 2025 Note Offering with investors and Company directors in three tranches and issued August 2025 Notes with an aggregate purchase price of $3,011,000 and an aggregate principal amount of $3,763,750, of which the Company issued August 2025 Notes with an aggregate purchase price of $1,500,000 and an aggregate principal amount of $1,875,000 to third party investors. The August 2025 Notes have maturity dates ranging from August 15, 2026 through September 26, 2026, depending on the date of issuance, at which time the principal amount is due and payable. The terms of the August 2025 Notes provided for accelerated payment of the outstanding principal amount in the event of a default as defined in the August 2025 Note (the Accelerated Payment Feature"). The Company determined that the Accelerated Repayment Feature is subject to bifurcation under the guidance in ASC 815 as redemption features at a discount. The fair value of the derivative liability related to the Accelerated Repayment Feature was immaterial as the probability that the Company will trigger an event of default was deemed minimal.

The Company also entered into Warrant Amendment Agreements with the recipients of such August 2025 Notes, which extended the expiration date of the Series A Warrants to purchase 4,891,272 ADSs held by third party investors to April 25, 2030.

At the close of the August 2025 Note Offering, the Company incurred a total of approximately $0.1 million in placement agent fees with Paulson Investment Company, LLC, which were accounted for as debt issuance costs.

The amended Series A Warrants were accounted for in accordance with ASC 815 with the change in fair value, as a result of the amendment, being recognized first as a loss on debt extinguishment to the extent of the purchase price and the remainder as a debt issuance cost. The aggregate fair value of the Series A Warrants at issuance date using a Black Scholes Option Pricing Model was $2.1 million based on a stock price of $1.11, expected volatility of 93%, a risk-free rate of 3.82% and an expected term of 0.6 years. The aggregate fair value of the Series A Warrants at the amendment date using a Black Scholes Option Pricing Model was $3.9 million based on a stock price of $1.11, expected volatility of 88%, a risk-free rate of 3.70% and an expected term of 4.6 years, resulting in a change in fair value of $1.9 million from the issuance date. The Company recognized a loss on debt issuance, which is recorded in loss on debt extinguishment on the consolidated statements of operations and comprehensive loss for the year ended December 31, 2025, of $0.4 million and the remaining $1.5 million was accounted for as a debt issuance cost.

At the issuance date, debt issuance costs were capitalized and were being amortized as interest expense over the term of the notes using the effective interest method. The Company recorded amortization of debt issuance costs of $0.5 million in interest expense from date of issuance through the date of note cancellation, December 17, 2025.

On December 17, 2025, the Company entered into note cancellation and exchange agreements (each, an "Exchange Agreement") with each holder of the August 2025 Notes to exchange the total outstanding principal amount of $1,875,000 for (i) Pre-Funded Warrants to purchase up to an aggregate of 4,828,740 ADSs ("Note Exchange Pre-Funded Warrants") and (ii) unregistered note exchange warrants to purchase up to an aggregate of 4,828,740 ADSs ("Note Exchange Warrants"). The Pre-Funded Warrants have an exercise price of $0.00001 per ADS, will be immediately exercisable following the Shareholder Approval (defined below), 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 $0.3883 per ADS.

The Company accounted for the note cancellation and Exchange Agreements as a debt extinguishment in accordance with ASC 470. 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.

As the present value of the future cash flows was substantially different than the net carrying value of the original debt, a loss of approximately $1.6 million was recognized as a loss on debt extinguishment in the consolidated statements of operations.

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 additional paid-in capital.

Refer to Note 9 for notes payable, related party.

Note 7. Shareholders' Equity

Ordinary Shares

On December 15, 2025, the Company's shareholders approved an increase to the number of authorized Ordinary Shares, par value $0.000000005 (the "Ordinary Shares"). The Company can issue up to 600,000,000,000 Ordinary Shares plus 161,963,201,733 Ordinary Shares previously granted under previous allotments. All previously unallocated authorized shares were revoked. Accordingly, as of December 31, 2025, the Company was authorized to issue up to 761,963,201,733 Ordinary Shares. As of December 31, 2024, the Company was authorized to issue up to 245,035,791,523 ordinary shares.

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

White Lion Ordinary Share Purchase and Registration Rights Agreements

On August 29, 2025, the Company entered into an Ordinary Share Purchase Agreement (the "ELOC Purchase Agreement") and a Registration Rights Agreement (the "White Lion RRA") with White Lion Capital, LLC, a Delaware limited liability company ("White Lion"). Pursuant to the ELOC Purchase Agreement, the Company had the right, but not the obligation, to require White Lion to purchase, from time to time, up to $25,000,000 in aggregate gross purchase price of newly issued Ordinary Shares, which may be exchanged for ADSs, subject to certain limitations and conditions set forth in the ELOC Purchase Agreement.

The Company does not have a right to commence any sales of Ordinary Shares to White Lion under the ELOC Purchase Agreement until all conditions to the Company's right to commence sales, as set forth in the ELOC Purchase Agreement, have been satisfied, including that a registration statement covering the resale of such shares is declared effective by the SEC and the final form of prospectus is filed with the SEC. Over the period ending on the earlier of (i) the date on which the Purchaser shall have purchased Ordinary Shares pursuant to the ELOC Purchase Agreement for an aggregate purchase price equal to the Commitment Amount or (ii) August 29, 2028 (the "Commitment Period"), subject to the conditions of the ELOC Purchase Agreement, the Company will control the timing and amount of any sales of Ordinary Shares to the Purchaser. Actual sales of Ordinary Shares to the Purchaser under the ELOC Purchase Agreement will depend on a variety of factors to be determined by the Company from time to time, including, among others, market conditions, the trading price of the ADSs, and determinations made by the Company as to appropriate levels and sources of funding.

The purchase price of the Ordinary Shares that the Company elects to sell to the Purchaser pursuant to the ELOC Purchase Agreement will be determined based on the type of Purchase Notice issued, as follows:

- Rapid Purchase Option 1: The lowest traded price of the ADSs on the notice date.
- Rapid Purchase Option 2: 97% of the lowest traded price of the ADSs during the two hours following the Purchaser's confirmed receipt of the notice.
- Rapid Purchase Option 3: The lowest of (i) the opening price of the ADSs on the notice date, (ii) the closing price of the ADSs on the prior business day, or (iii) the volume-weighted average price (VWAP) on the notice date, with a 20% discount if the trading price is below the opening price.
- VWAP Purchase: 97% of the lowest daily VWAP during a two-day valuation period for the first $12,500,000 of closings, and 98% thereafter.

In no event may the Company issue to the Purchaser under the ELOC Purchase Agreement more than 13,039,369,358 Ordinary Shares (the "Exchange Cap"), which equals 19.99% of the Company's outstanding Ordinary Shares as of the Execution Date, unless the Company obtains shareholder approval to issue shares in excess of the Exchange Cap or the average price paid for all Ordinary Shares issued under the agreement is equal to or greater than the Minimum Price (as defined in the ELOC Purchase Agreement). In any event, the ELOC Purchase Agreement provides that the Company may not issue or sell any Ordinary Shares if such issuance or sale would breach any applicable Nasdaq rules.

The ELOC Purchase Agreement prohibits the Company from directing the Purchaser to purchase any Ordinary Shares if those shares, when aggregated with all other Ordinary Shares then beneficially owned by the Purchaser (as calculated pursuant to Section 13(d) of the Securities Exchange Act of 1934, as amended), would result in the Purchaser beneficially owning more than 4.99% of the outstanding Ordinary Shares (the "Beneficial Ownership Limitation"), which may be increased to 9.99% at the Purchaser's discretion upon 61 days' prior written notice.

As consideration for the Purchaser's execution of the ELOC Purchase Agreement, the Company will pay a document preparation fee of $15,000, to be deducted from the proceeds related to the first Purchase Notice, and cash commitment fees of $37,500 when aggregate Purchase Notices exceed $500,000 and $87,500 (or $125,000 if $1,000,000 is reached first) when aggregate Purchase Notices exceed $1,000,000. Additionally, if the Company fails to close at least $625,000 in purchases by the 180th day after the Registration Statement's effective date, the Company will issue ADSs, represented by Ordinary Shares, equivalent to $75,000 divided by the lowest traded ADS price during a 10-day period preceding that date (the "Commitment Shares").

Concurrently with the ELOC Purchase Agreement, the Company and the Purchaser entered into a Registration Rights Agreement, dated August 29, 2025 (the "Registration Rights Agreement"), pursuant to which the Company agreed to file a registration statement on Form S-1 (or any successor form) with the SEC within thirty (30) calendar days following August 29, 2025, to register the resale of the maximum number of Registrable Securities (including the Ordinary Shares, Commitment Shares, and ADSs representing such shares) permitted by applicable SEC rules.

The ELOC Purchase Agreement was accounted for as a standby equity purchase agreement under ASC 815 as it includes an embedded put option and an embedded forward option. The put option is recognized on inception, and the forward option is recognized upon issuance of notice for the sale of the Company's Common Stock. The fair value of the derivative liability related to the embedded put option ("White Lion Derivative Liability) was $100,000 at the inception of the agreement. The fair value of the White Lion Derivative Liability was determined using a Monte Carlo simulation based on the projected stock price of $0.76, expected volatility of 97%, risk-free rate of 3.52% and discounted at 71.3% for the probability of the Company timely filing all SEC documents and meeting the NASDAQ listing requirements.

At December 31, 2025, the White Lion Derivative Liability was remeasured and had a fair value of $230,000, which was based on the projected stock price of $0.29, expected volatility of 102.5%, risk-free rate of 3.46% and discounted at 71.3% for the probability of the Company timely filing all SEC documents and meeting the NASDAQ listing requirements.

As of December 31, 2025, the Company had no outstanding purchase notices issued to White Lion.

December 2025 Registered Direct Offering

In December 2025, the Company closed a registered direct offering (the "December 2025 Registered Direct Offering") with institutional and non-institutional investors providing for the issuance and sale of 19,057,418,000 ordinary shares (9,528,709 ADSs) of the Company and series G warrants ("Series G Warrants") to purchase up to 19,057,418,000 ordinary shares

(9,528,709 ADSs). The combined purchase price per each ADS and accompanying Series G was $0.3883 resulting in aggregate gross proceeds of $3.7 million. The Series G Warrants are exercisable at a price of $0.3883 per ADS. The Series G Warrants are exercisable commencing on the effective date (the "Shareholder Approval Date") of shareholder approval of the issuance of the ADSs issuable upon exercise of the Series G Warrants and the Pre-Funded Warrants (the "Shareholder Approval") and will have a 5-year term from the Shareholder Approval Date. The Shareholder Approval Date was March 2, 2026. Concurrent with the closing of the December 2025 Registered Direct Offering, the Company entered into a side letter with one non-institutional investor pursuant to which the Company agreed to issue 1,030,130,000 ordinary shares (515,065 ADSs) and Series G Warrants to purchase 1,030,130,000 ordinary shares (515,065 ADSs), not included in the total closing amount above, upon receipt of subscription amount of approximately $0.2 million, which such subscription amount was received on January 15, 2026. The closing of this subsequent issuance occurred on January 30, 2026.

At close of the December 2025 Registered Direct Offering, the Company paid Ladenburg Thalmann & Co. Inc., as placement agent for the December 2025 Registered Direct Offering, $479,560 and issued warrants to purchase 1,008,600,000 ordinary shares (504,300 ADSs) at an exercise price of $0.4854 per ADS and a term expiring on December 16, 2030 (the "December 2025 Placement Agent Warrants"). The estimated fair value of the December 2025 Placement Agent Warrants on the issuance date was approximately $0.1 million.

Net proceeds from the December 2025 Registered Direct Offering were approximately $3.1 million after deducting placement agent fees and other expenses.

The Company determined that the Series G Warrants and the December 2025 Placement Agent Warrants met all of the criteria for equity classification. Accordingly, upon closing of the December 2025 Registered Direct Offering, each of the Series G Warrants and the December 2025 Placement Agent Warrants were recorded as a component of additional paid-in capital.

December 2025 Private Placement

In December 2025, the Company entered into a definitive purchase agreement with directors of the Company, pursuant to which the Company sold and issued in a private placement Pre-Funded Warrants to purchase up to 5,127,426,000 ordinary shares (2,563,713 ADSs), and Series G Warrants to purchase up to 5,127,426,000 ordinary shares (2,563,713 ADSs), at a per unit price of $0.4041 for aggregate gross proceeds of approximately $1.0 million (the "December 2025 Private Placement").

The Pre-Funded Warrants have an exercise price of $0.00001 per ADS, will be immediately exercisable following the Shareholder Approval, and will not expire until fully exercised. The Series G 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 $0.4041 per ADS.

The Company determined that the Pre-Funded Warrants and the Series G Warrants met all of the criteria for equity classification. Accordingly, upon closing of the December 2025 Private Placement, each of the Pre-Funded Warrants and the Series G Warrants were recorded as a component of additional paid-in capital.

October 2025 Registered Direct Offering

In October 2025, the Company closed a registered direct offering (the "October 2025 Registered Direct Offering") with institutional investors providing for the issuance and sale of 6,250,000,000 (3,125,000 ADSs) of the Company, series E Warrants ("Series E Warrants") to purchase up to 6,250,000,000 (3,125,000 ADSs), and series F warrants ("Series F Warrants") to purchase up to 6,250,000,000 (3,125,000 ADSs). The combined purchase price per each ADS and accompanying Series E Warrant and Series F Warrant was $0.80 resulting in aggregate gross proceeds of $2.5 million. The Series E Warrants and Series F Warrants are exercisable at a price of $0.98 per ADS and expire December 15, 2030 and June 15, 2028, respectively.

At close of the October 2025 Registered Direct Offering, the Company paid Ladenburg Thalmann & Co. Inc., as placement agent for the October 2025 Registered Direct Offering, $262,500 and issued warrants to purchase 125,000 ADSs at an exercise price of $1.00 per ADS and a term expiring on October 14, 2030 (the "October 2025 Placement Agent Warrants"). The estimated fair value of the October 2025 Placement Agent Warrants on the issuance date was approximately $0.1 million.

Net proceeds from the October 2025 Registered Direct Offering were approximately $2.0 million after deducting placement agent fees and other expenses.

The Company determined that the Series E Warrants, the Series F Warrants and the October 2025 Placement Agent Warrants met all of the criteria for equity classification. Accordingly, upon closing of the October 2025 Registered Direct Offering, each of the Series E Warrants, the Series F Warrants and the October 2025 Placement Agent Warrants were recorded as a component of additional paid-in capital.

March 2025 Private Placement

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

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

In April 2025, the Company closed its final round of financing under the March 2025 Private Placement and issued 2,704,595 ADSs, Pre-Funded Warrants to purchase up to 1,650,000 ADS at an exercise price of $0.20 per ADS, Series A Warrants to purchase up to 6,057,404 ADS, at an exercise price of $0.87 per ADS, and Series B Warrants to purchase up to 4,354,595 ADS, at an exercise price of $0.87 per ADS. The Company received approximately $0.3 million in advance for the potential exercise of the Pre-funded Warrants which is reflected in other current liabilities.

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

The Company determined that the Series A Warrants, the Series B Warrants, and the Prefunded Warrants met all the criteria for equity classification. Accordingly, upon closing of the March 2025 Private Placement, each of the Series A Warrants, the Series B Warrants, and the Prefunded Warrants were recorded as a component of additional paid-in capital.

Merger with Peak Bio, Inc.

On November 14, 2024, the Company completed its previously announced strategic combination with Peak Bio (Note 3). In connection with the acquisition, the Company issued 25,227,884,000 ordinary shares and assumed (i) November 2022 Peak Warrants to purchase an aggregate of 1,577,566 ADSs at $39.18 per ADS, and (ii) April 2023 Peak Warrants to purchase an aggregate of 1,187,013 ADSs at $2.04 per ADS.

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 (1,713,402 ADSs), and Series D Warrants (the "Series D Warrants") to purchase up to 1,713,402 ADSs, at a per unit price of $2.26 for aggregate gross proceeds of $3.2 million (the "November 2024 Private Placement"). The Series D Warrants have 3-year terms ranging from December 2, 2027 to June 2, 2028 and have cashless exercise provisions in limited circumstances.

At close of the November 2024 Private Placement, 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 (204,000 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 additional paid-in capital.

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

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 332,380 ADSs at an exercise price of $1.885 per ADS and a term expiring on May 31, 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 additional paid-in capital.

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 (1,320,614 ADSs) at $1.48 per ADS, for aggregate gross proceeds of approximately $2.0 million (the "March 2024 Private Placement"). Net proceeds from the March 2024 Private Placement were approximately $1.7 million after deducting placement agent fees and other expenses.

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 132,061 ADSs at an exercise price of $1.85 per ADS (representing 125% of the purchase price per ADS sold in the March 2024 Private Placement) and a term expiring on March 27, 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 additional paid-in capital.

Warrants

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

The following table summarizes the Company's outstanding warrants as of December 31, 2025 and 2024:

	Number of Warrant ADSs		Weighted-Average Exercise Price	Expiration Date
	December 31, 2025	December 31, 2024		
Equity-classified Warrants				
December 2025 Investor Prefunded Warrants	12,066,416	—	$ —	None
April 2025 Investor Prefunded Warrants	1,650,000	—	$ 0.20	None
October 2023 Investor Prefunded Warrants	48,387	48,387	$ 0.20	None
December 2025 Series G Investor Warrants	12,092,422	—	$ 0.39	3/2/2031
December 2025 Note Exchange Warrants	9,502,703	—	$ 0.40	3/2/2031
December 2025 Placement Agent Warrants	504,300	—	$ 0.49	12/16/2030
April 2023 Peak Bio Warrants	342,420	—	$ 0.81	8/30/2030
March 2025 Series A Investor Warrants	354,462	—	$ 0.87	3/6/2026
March 2025 Series A Investor Warrants	1,928,569	—	$ 0.87	3/6/2030
March 2025 Series B Investor Warrants	2,283,031	—	$ 0.87	3/6/2030
April 2025 Series A Investor Warrants	1,121,490	—	$ 0.87	4/25/2026
April 2025 Series A Investor Warrants	4,935,914	—	$ 0.87	4/25/2030
April 2025 Series B Investor Warrants	4,354,595	—	$ 0.87	4/25/2030
October 2025 Series E Investor Warrants	3,125,000	—	$ 0.98	12/15/2030
October 2025 Series F Investor Warrants	3,125,000	—	$ 0.98	6/15/2028
October 2025 Placement Agent Warrants	125,000	—	$ 1.00	10/14/2030
May 2024 Investor Warrants	4,029,754	4,029,754	$ 1.77	May-Jun 2027
March 2024 Placement Agent Warrants	132,061	132,061	$ 1.85	3/27/2029
May 2024 Placement Agent Warrants	322,380	322,380	$ 1.89	5/31/2029
November 2024 Investor Warrants	1,713,402	1,713,402	$ 2.26	Dec 2027-Jun 2028
October 2023 Placement Agent Warrants	42,550	42,550	$ 4.13	10/6/2028
March 2022 Investor Warrants	186,007	186,007	$ 28.00	3/10/2027
March 2022 Placement Agent Warrants	14,874	14,874	$ 30.00	3/10/2027
December 2021 Investor Warrants	107,768	107,768	$ 33.00	1/4/2027
December 2021 Placement Agent Warrants	8,615	8,615	$ 35.00	12/29/2026
2020 Investor Warrants	—	139,882	$ 44.00	Feb-Mar 2025
July 2021 Placement Agent Warrants	19,909	19,909	$ 46.40	7/7/2026
2020 Placement Agent Warrants	—	22,481	$ 51.00	Feb-Mar 2025
	64,137,029	6,788,070		
Liability-classified Warrants				
April 2023 Peak Bio Warrants	844,593	1,187,013	$ 2.04	4/28/2028
September 2022 Series B Investor Warrants	519,703	754,997	$ 17.00	9/14/2029
November 2022 Peak Bio Warrants	1,577,556	1,577,556	$ 39.18	11/1/2027
	2,941,852	3,519,566		
Total outstanding	67,078,881	10,307,636		

The following table summarizes the Company's warrants ADS activity, with each ADS representing 2,000 Ordinary Shares, for the year ended December 31, 2025:

	Number of Warrant ADSs	Weighted-Average Exercise Price
Outstanding at December 31, 2024	10,307,636	$ 10.37
Issued	57,168,902	1.72
Forfeited	(235,294)	17.00
Expired	(162,363)	44.97
Outstanding at December 31, 2025	67,078,881	$ 1.84

Note 8. Stock-Based Compensation

2023 Equity Incentive Plan

On June 30, 2023, the Company's shareholders approved the 2023 Equity Incentive Plan (the "2023 Plan"), which provides for the grant of stock options, both incentive stock options and nonqualified stock options, stock, with and without vesting restrictions, restricted stock units ("RSUs") and stock appreciation rights, to be granted to employees, directors and consultants.

On June 30, 2025, the Company's shareholders approved an increase in the number of ordinary shares available for the grant of awards under the 2023 Plan by 11,026,000,000 to an aggregate of 19,174,713,522 Ordinary Shares, inclusive of awards granted under the previously approved 2014 Equity Incentive Plan ("2014 Plan") that may be forfeited, cancelled, or expire unexercised.

As of December 31, 2025, 9,084,764,210 ordinary shares were available for future issuance under the 2023 Plan.

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

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 November 14, 2024, the Company assumed the Peak Bio Long Term Incentive Plan. Upon closing of the acquisition, no further awards are available to be issued under the Peak Bio Long Term Incentive Plan. Any awards, forfeited, expired or cancelled shall not increase the number of ordinary shares available for the grant of awards under the 2023 Plan. As of December 31, 2025, the Company had stock options to purchase up to 3,003,024,000 ordinary shares under the Peak Bio Long Term Incentive Plan.

Stock Options

The following is a summary of the Company's stock option ADS activity, with each ADS representing 2,000 Ordinary Shares, for the year ended December 31, 2025:

	Number of Stock Option ADSs	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Life (in years)	Aggregate Intrinsic Value (in thousands)
Outstanding at December 31, 2024	1,981,982	$ 8.21	7.5	$ —
Granted	6,140,896	1.45		
Exercised	—	—		
Forfeited	(587,130)	5.21		
Expired	(730,256)	4.72		
Outstanding at December 31, 2025 [(1)]	6,805,492	$ 2.74	8.8	$ —
Exercisable at December 31, 2025	2,995,929	$ 4.34	8.2	$ —

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

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

The weighted-average grant-date fair value per ADS of options granted during each of the years ended December 31, 2025 and 2024 was $1.11 and $1.53, respectively.

Option Valuation

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

	2025	2024
Expected volatility	94.1%	83.0%
Risk-free interest rate	4.0%	3.9%
Expected dividend yield	—	—
Expected term (in years)	5.7	5.0

Performance-Based Stock Options

As of December 31, 2025, the Company had performance-based stock options ("PSOs") for the purchase of an aggregate of 375,000 ADSs of the Company outstanding, which were granted to consultants. Vesting of PSOs granted to consultants is based upon attainment of certain research and licensing agreements. All PSOs are subject to continuous service by the executives. The probability of vesting is reviewed each reporting period and management has concluded that the PSOs have not vested until the performance conditions have been satisfied. Therefore, the PSOs remain unvested and outstanding as of December 31, 2025. The Company has not recognized stock-based compensation expense associated with these performance awards during the year ended December 31, 2025. As of December 31, 2025, total unrecognized compensation cost related to these performance-based stock options awards was $0.3 million, which will be recognized if the awards are deemed to be probable of vesting.

Restricted Stock Units

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 recognized 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.

The following table summarizes the Company's restricted stock ADS activity for the year ended December 31, 2025:

	Time-based Awards	
	Number of ADSs	Weighted-Average Grant Date Fair Value
Nonvested shares at December 31, 2024	—	$ —
Granted	104,896	0.97
Forfeited	—	—
Vested	(46,277)	1.26
Nonvested shares at December 31, 2025	58,619	$ 0.75

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

As of December 31, 2025, 6,277 ADSs (12,554,000 ordinary shares) underlying vested time-based RSUs were pending issuance. As of December 31, 2024, there were no ADSs underlying vested time-based RSUs.

Stock-Based Compensation Expense

The Company classifies stock-based compensation expense in the statement of operations in the same manner in which the award recipients' payroll costs are classified or in which the award recipients' service payments are classified. Total stock-based compensation expense attributable to stock-based payments made to employees, consultants and directors included in operating expenses in the Company's consolidated statements of operations and comprehensive loss for the years ended December 31, 2025 and 2024, was as follows:

	Year Ended December 31,	
($ in thousands)	**2025**	**2024**
Research and development	$ 444	$ 577
General and administrative	2,446	1,383
Restructuring and other costs	—	285
Total stock-based compensation expense	$ 2,890	$ 2,245

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

Note 9. Related Party Transactions

Notes Payable, Related Party

Dr. Huh Notes

Pursuant to the acquisition of Peak Bio, which closed on November 14, 2024, the Company assumed certain notes payable due to Dr. Huh, the Company's Chairman of the Board. The Company assumed two notes in the amount of a total of $0.9 million, which were entered into in May and August 2021 (the "2021 Notes") and had a one-year maturity date from date of issuance. The 2021 Notes carried an interest rate of 1.0% per annum. The Company also assumed a note in the amount of $0.75 million, which was entered into in January 2024 (the "January 2024 Note") and had an original maturity date of January 23, 2025 which was extended to December 31, 2025 on April 1, 2025. The January 2024 Note carried an interest rate of 15% per annum.

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

In September 2025, in connection with the August 2025 Notes Offering (see below), Dr. Huh agreed to purchase an August 2025 Note with a principal amount of $1,250,000 for a purchase price of $1,000,000, with the purchase price thereof to be satisfied through his agreement to cancel and extinguish $837,433 of outstanding principal and accrued interest under January 2024 Note plus cash of $162,567. The Company accounted for the cancellation and extinguishment in exchange for the issuance of the August 2025 Note as a debt extinguishment in accordance with ASC 470. As the present value of the future cash flows was substantially different than the net carrying value of the original debt, a loss of approximately $0.5 million was recognized.

The Company recognized interest expense of less than $0.1 million during the year ended December 31, 2025.

As of December 31, 2025 and December 31, 2024, the outstanding principal and accrued interest on the 2021 Notes and the January 2024 Note was $0 and $1.651 million, respectively. As of each of December 31, 2025 and 2024, accrued interest of $0 and $0.1 million, respectively, is presented within accrued expenses in the consolidated balance sheets.

August 2025 Notes, Related Party

In August 2025, the Company issued notes to the Company's directors with the same terms as the August 2025 Notes (as described in Note 7) with an aggregate purchase price of $1,511,000 and an aggregate principal amount of $1,888,750, inclusive of a note exchange with the Company's Chairman, Dr. Hoyoung Huh, as outlined above. The Notes have maturity dates ranging from August 15, 2026 through August 18, 2026, at which time the principal amount is due and payable.

The Company also entered into Warrant Amendment Agreements with the recipients of such August 2025 Notes, which extended the expiration date of certain Series A Warrants held by such investors to purchase 1,928,569 ADSs to March 6, 2030 and 44,642 ADSs to April 25, 2030.

The amended Series A Warrant were accounted for in accordance with ASC 815 with the change in fair value, as a result of the amendment, being recognized as a debt issuance cost. The aggregate fair value of the warrants at issuance date using a Black Scholes Option Pricing Model was $0.6 million based on a weighted average stock price of $0.98, weighted average expected volatility of 83%, a weighted average risk-free rate of 4.12% and an expected term of 0.6 years. The aggregate fair value of the warrants at the amendment date using a Black Scholes Option Pricing Model was $1.4 million based on a weighted average stock price of $0.98, weighted average expected volatility of 88%, a weighted average risk-free rate of 3.85% and an expected term of 4.6 years, resulting in a change in fair value of $0.8 million from the issuance date.

At the issuance date, the change in fair value of the amended Series A Warrants was capitalized and is being amortized as interest expense over the term of the notes using the effective interest method. The Company recorded amortization of debt issuance costs of $0.1 million in interest expense from date of issuance through the date of note cancellation, December 17, 2025.

On December 17, 2025, the Company entered into Exchange Agreements with each holder of the August 2025 Notes to exchange the total outstanding principal amount of $1,888,750 for (i) Pre-Funded Warrants to purchase up to an aggregate of 4,673,963 ADSs ("Note Exchange Pre-Funded Warrants") and (ii) unregistered note exchange warrants to purchase up to an aggregate of 4,673,963 ADSs ("Note Exchange Warrants"). The Pre-Funded Warrants have an exercise price of $0.00001 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 $0.4041 per ADS.

The Company accounted for the note cancellation and Exchange Agreements as a debt extinguishment in accordance with ASC 470. 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.

As the present value of the future cash flows was substantially different than the net carrying value of the original debt, a loss of approximately $0.6 million was recognized in loss on debt extinguishment in the consolidated statement of operations.

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 additional paid-in capital.

Convertible Notes, Related Party

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

During the years ended December 31, 2025 and 2024, the Company recognized interest expense of $0 and less than $0.1 million, respectively. As of December 31, 2025 and 2024, the outstanding principal and accrued interest, presented within accrued expenses, on the May 2024 Notes was $0 and $0.3 million, respectively.

Interim CEO Agreement

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

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

During the year ended December 31, 2025, the Company recognized $0.3 million in non-cash stock-based compensation pursuant to the CEO Amendment Agreement, pertaining to NQSOs granted to Dr. Patel to purchase 400,896 ADSs at a weighted average exercise price of $1.17 per ADS.

During the year ended December 31, 2024, the Company recognized approximately $0.3 million in non-cash stock-based compensation costs pursuant to the Interim CEO Agreement, as amended, pertaining to (i) NQSOs granted to Dr. Patel to purchase 206,684 ADSs at an exercise price of $1.47 per ADS with a grant date fair value of approximately $0.3 million, and (ii) 45,698 fully vested ADSs granted to Dr. Patel.

The Doctors Laboratory

The Company leases office space for its U.K. headquarters in London from The Doctors Laboratory ("TDL"), an entity with a common director, and had incurred expenses of approximately $0.1 million plus VAT during each of the years ended December 31, 2025 and 2024, respectively. The Company also received certain administrative services provided by TDL and incurred expenses of approximately $0.1 million during each of the years ended December 31, 2025 and 2024. The Company recorded payable balances owed to TDL of $0 and less than $0.1 million as of December 31, 2025 and 2024, respectively.

Other

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

Note 10. Fair Value Measurements

Assets and Liabilities Measured at Fair Value on a Recurring Basis

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

	December 31, 2025			
(In thousands)	**Total**	**Level 1**	**Level 2**	**Level 3**
Liabilities				
Warrant liability - November 2022 Peak Bio Warrants	$ —	$ —	$ —	$ —
Warrant liability - April 2023 Peak Bio Warrants	51	—	—	51
Warrant liability – September 2022 Series B Warrants	10	—	—	10
Derivative liability – ELOC	230	—	—	230
Total liabilities	$ 291	$ —	$ —	$ 291

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

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 7). There were no transfers between Level 1, Level 2, and Level 3 during the years ended December 31, 2025 and 2024.

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

The following table summarizes the activity in the warrant liabilities measured at fair value on a recurring basis using unobservable inputs (Level 3) during the years ended December 31, 2025 and 2024:

	Warrant Liability				
(In thousands)	**September 2022 Series A Warrants**	**September 2022 Series B Warrants**	**November 2022 Peak Bio Warrants**	**April 2023 Peak Bio Warrants**	**Derivative Liability**
Balance, December 31, 2023	$ 15	$ 1,238	$ —	$ —	$ —
Assumption of Warrants			213	1,631	—
Change in fair value of liability	(15)	(1,057)	(118)	(895)	—
Balance, December 31, 2024	$ —	$ 181	$ 95	$ 736	$ —
Initial recognition of liability	—	—	—	—	100
Reclassification to equity	—	—	—	(110)	—
Extinguishment of liability	—	(66)	—	—	—
Change in fair value of liability	—	(105)	(95)	(575)	130
Balance, December 31, 2025	$ —	$ 10	$ —	$ 51	$ 230

Liability-Classified Warrants

The fair value of the warrant liabilities is based on significant inputs not observable in the market, which represents a Level 3 measurement within the fair value hierarchy. The fair value of the 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.

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

	December 31, 2025			December 31, 2024		
	September 2022 Series B Warrants	**November 2022 Peak Bio Warrants**	**April 2023 Peak Bio Warrants**	**September 2022 Series B Warrants**	**November 2022 Peak Bio Warrants**	**April 2023 Peak Bio Warrants**
Stock (ADS) price	$ 0.29	$ 0.29	$ 0.29	$ 1.22	$ 1.22	$ 1.22
Exercise price	$ 17.00	$ 39.18	$ 2.04	$ 17.00	$ 39.18	$ 2.04
Expected term (in years)	3.7	1.8	2.3	4.7	2.8	3.3
Expected volatility	100.0%	115.0%	105.0%	85.0%	95.0%	90.0%
Risk-free interest rate	3.7%	3.5%	3.5%	4.4%	4.3%	4.3%
Expected dividend yield	—	—	—	—	—	—

Derivative Liability

The derivative liability related to the ELOC Purchase Agreement (described in Note 7) is valued using the Monte Carlo simulation model and as such is considered to be a Level 3 fair value measurement, as the fair value was determined based on significant inputs not observable in the market. The significant unobservable inputs used to determine the fair value were the projected volume weighed average share price at each trading date, and the use of the maximum draw down potential. The fair value of the ELOC Purchase Agreement derivative liability at inception of the agreement was $100,000. The fair value of the ELOC Purchase Agreement on December 31, 2025 was $230,000 based on the projected stock price of $0.29, expected volatility of 102.5%, risk-free rate of 3.46% and discounted at 71.3% for the probability of the Company timely filing all SEC documents and meeting the NASDAQ listing requirements.

Note 11. Commitments and Contingencies

Leases

The Company currently leases office space for both our U.S. headquarters on a short-term basis. The lease for our U.K. headquarters, located in London, was vacated in May 2025. The Company leased its U.S. headquarters virtual office, located in Boston, Massachusetts, on a month-to-month basis through September 30, 2025. In October 2025, the Company moved its U.S. headquarters virtual office to Tampa, Florida. The Company also leases laboratory space, located in San Francisco, California, on a month-to-month basis and is cancellable anytime with 60 days' notice. The Company is not party to any material lease agreements.

For each of the years ended December 31, 2025 and 2024, the Company incurred rent expense of less than $0.1 million and $0.2 million, respectively.

Employee Benefit Plans

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

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

For each of the years ended December 31, 2025 and 2024, the Company charged less than $0.1 million to operating expenses, which related to the Company's contributions to employee benefit plans.

Bayer Acquisition Agreement

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

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

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

The Company incurred zero expenses under this agreement as no milestones have been achieved since inception, and no products were sold from inception through December 31, 2025.

Legal Proceedings

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

In December 2024, the Company received demand letters from two individuals formerly serving the Company as consultants outlining claims relating to wrongful termination. The wrongful termination claims included claims for unpaid consulting fees, consulting fees owed due to improper termination notice, unpaid bonuses, severance, and the accelerated vesting of outstanding restricted stock unit awards as of the termination date. On March 3, 2025 and on May 30, 2025, the Company signed separate Settlement Agreements and Mutual Releases with each of such former consultants. The agreements require the Company to make a payment totalling $0.4 million in equal monthly installments with the last installment being payable November 2025. In addition, the agreements allowed for the terms of the previously awarded restricted stock units to continue to govern, including the continued vesting of the restricted stock units. Accordingly, during the year ended December 31, 2025, the Company issued 125,911 ADSs (representing 251,822,000 Ordinary Shares) on vesting of these restricted stock awards. As of December 31, 2025, there was no balance due under these Settlement Agreements.

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

Accounts Payable Settlements

During the year ended December 31, 2025, the Company entered into settlement agreements with vendors for the settlement of outstanding payables. This resulted in a $3.0 million gain on settlement of current liabilities, which is reflected in the consolidated statements of operations.

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

Note 12. Income Taxes

The components of net loss before income tax are as follows:

	Year Ended December 31,	
(In thousands)	**2025**	**2024**
Domestic (UK)	$ (19,678)	$ (19,424)
Foreign	1,377	(367)
Net loss before income tax	$ (18,301)	$ (19,791)

The components of income tax expense are as follows:

	Year Ended December 31,	
	2025	**2024**
Current income taxes		
Domestic (UK)	$ —	$ —
U.S.	84	—
Foreign	1	—
Deferred income taxes		
Domestic (UK)	(1,088)	—
U.S.	—	—
Foreign	—	—
Income tax expense	$ (1,003)	$ —

The following table presents a reconciliation of the Company's statutory federal rate and our effective tax rate, after the adoption of ASU 2023-09 on a prospective basis, for the year ended December 31, 2025:

	Year Ended December 31, 2025	
	Amount (in thousands)	**Percentage**
UK federal statutory tax rate	$ (4,575)	25.0%
Change in valuation allowance	3,121	-17.1%
Non-taxable or non-deductible items		
Stock-based compensation	722	-3.9%
Other permanent differences	(192)	1.0%
Foreign tax effects:		
United States		
Foreign rate differential	(833)	4.6%
Non-taxable or non-deductible items:		
Stock-based compensation	58	-0.3%
Other permanent differences	1	0.0%
Change in valuation allowance	1,078	-5.9%
Other	(562)	3.1%
Other foreign jurisdictions	1	0.0%
Other UK adjustments	178	-1.0%
Effective Tax Rate	$ (1,003)	5.5%

The following table presents a reconciliation of the Company's statutory federal rate and our effective tax rate, prior to the adoption of ASU 2023-09, for the year ended December 31, 2024:

(In thousands)	Year Ended December 31, 2024
Net loss before income tax	$ (19,791)
Statutory income tax rate	25.00%
Expected income tax benefit	(4,948)
Impact on income tax expense/(benefit)	
Change in valuation allowance	7,434
Permanent differences	1
U.S. state income taxes, net of U.S. federal benefit of state	949
Tax rate difference in foreign jurisdictions	(1,295)
Change in stock-based compensation	685
Sec. 382 limitation	1,035
Return to provision true-up	(4,158)
Non-deductible transaction costs	818
Revaluation of warrant liabilities	(521)
Income tax expense	$ —

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:

	December 31,	
(In thousands)	2025	2024
Deferred tax assets:		
Net operating loss carryforwards	$ 61,191	$ 56,704
Accrued expenses	171	700
Capitalized research and development	—	1,023
Stock-based compensation	1,062	809
Intangibles	692	863
Research and development tax credits	339	331
Other	7	6
Total gross deferred tax assets	63,462	60,436
Valuation allowance	(63,356)	(60,340)
Deferred tax assets, net of valuation allowance	106	96
Deferred tax liabilities:		
In-process research and development	(6,952)	(8,040)
Other	(106)	(96)
Total deferred tax liabilities	(7,058)	(8,136)
Net deferred tax liabilities	$ (6,952)	$ (8,040)

As of December 31, 2025, the Company had cumulative U.K., U.S. federal, various U.S. state, and South Korea net operating loss carryforwards ("NOLs") of approximately $153.2 million, $47.2 million, $76.6 million, and $91.6 million, respectively, available to reduce U.K., U.S. federal, U.S. state, and South Korea taxable income, respectively. The U.K. NOLs do not expire. Of the $47.2 million of U.S. federal NOLs, $46.3 million have an unlimited carryforward and the remaining NOLs are subject to expiration through 2038. Of the $76.6 million of U.S. state NOLs, $1.1 million have an unlimited carryforward and the remaining NOLs are subject to expiration through 2045. The South Korea NOLs are subject to expiration through 2039.

In connection with the Company's acquired IPR&D assets, the Company recognized a deferred tax liability of $8.0 million because the Company does not have sufficient indefinite-lived deferred tax assets to fully offset the indefinite-lived deferred tax liability. During the year ended December 31, 2025, the Company recorded an income tax benefit of $1.1 million in connection with the impairment loss on one of the Company's IPR&D assets as described in Note 4.

A valuation allowance is provided for deferred tax assets where the recoverability of the assets is uncertain. The determination to provide a valuation allowance is dependent upon the assessment of whether it is more likely than not that sufficient future taxable income will be generated to utilize the deferred tax assets. Based on the weight of the available evidence, which includes our historical operating losses and forecast of future losses, we provided a valuation allowance against the U.S. federal, state, and foreign deferred tax assets resulting from the tax losses and credits carried forward.

During the years ended December 31, 2025 and 2024, the Company's valuation allowance increased by $3.0 million and $18.1 million, respectively.

Utilization of the net operating loss and credit carryforwards may be subject to a substantial annual limitation due to an ownership change limitation as provided by Section 382 of the Internal Revenue Code of 1986, as amended, and similar state provisions. The annual limitation may result in the expiration of net operating losses and credits before utilization. In the event that we have a change of ownership, utilization of the net operating loss and tax credit carryforwards may be restricted.

As of December 31, 2025 and 2024, there were no known domestic or foreign uncertain tax positions, and the Company has not identified any tax positions for which it is reasonably possible that a significant change will occur during the next 12 months. The Company's position is to record penalties and interest on any uncertain tax position, if any, to general and administrative expense in the consolidated statements of operations.

Research and development credits

The Company conducts extensive research and development activities and may benefit from the U.K. research and development tax relief regime, whereby the Company can receive an enhanced U.K. tax deduction on its research and development activities. Qualifying expenditures comprise of chemistry and manufacturing consumables, employment costs for research staff, clinical trials management, and other subcontracted research expenditures. When the Company is loss-making for a period, it can elect to surrender taxable losses for a refundable tax credit. The losses available to surrender are equal to the lower of the sum of the research and development qualifying expenditure and enhanced tax deduction and the Company's taxable losses for the period with the tax credit for December 31, 2025 available at a rate of 14.5%. The credit therefore gives a cash flow advantage to the Company at a lower rate than would be available if the enhanced losses were carried forward and relieved against future taxable profits.

The Company accounts for research and development tax credits at the time its realization becomes probable (Note 2). Due to the uncertainty of the approval of these tax credit claims and the potential that an election for a tax credit in the form of cash is not made, the Company did not record a receivable for the 2025 tax year as of December 31, 2025.

Note 13. 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 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 ADCs for the treatment of cancer. The Company has not generated any revenue since its inception and does not expect to generate any revenue from the sale of products in the near future. The Company primarily incurs expenses in connection with the research and development of its product candidates as well as general and administrative costs consisting of salaries and related costs for personnel in executive, finance and administrative functions, as well as consulting, restructuring and merger-related expenses.

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

	Year Ended December 31,	
(In thousands)	**2025**	**2024**
ADC preclinical development	$ (1,285)	$ (47)
HSCT-TMA (AK901) program expense	(79)	(1,896)
Chemistry, manufacturing and control	(216)	(3,497)
Other external development expense	(160)	(837)
Internal and other research and development expense	(1,182)	(1,411)
Tax credits	551	1,282
General and administrative expense	(6,834)	(8,281)
Impairment loss on other intangible assets	(5,180)	—
Merger-related expense	—	(3,273)
Restructuring and other expense	—	(1,438)
Stock-based compensation expense	(2,890)	(2,245)
Gain on settlement of current liabilities	2,984	—
Loss on debt extinguishment	(3,164)	—
Other segment items [(1)]	(846)	1,852
Income tax benefit	1,003	—
Net loss	$ (17,298)	$ (19,791)

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

Assets regularly provided to the CODM are consistent with those reported on the consolidated balance sheets with particular emphasis on the Company's available liquidity, including its cash and restricted cash.

Note 14. Subsequent Events

On March 17, 2026, the Company announced a change of the ratio of its ADSs to ordinary shares, par value $0.000000005 per share, from one ADS representing 2,000 ordinary shares to a new ratio of one ADS representing 80,000 ordinary shares (the "ADS Ratio Change"). The ADS Ratio Change is expected to be effective on or after March 31, 2026.

Exhibit 3.1

AKARI THERAPEUTICS, PLC

COMPANY NO. 05252842

ARTICLES OF ASSOCIATION
The Companies Act 2006

Public Company Limited by Shares

(Adopted by Special Resolution of the Company
passed on 15 December 2025)

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1. **PRELIMINARY**

1.1 In these articles of association, the following words and expressions have the following meanings if not inconsistent with the subject or context:

"**Auditors**" means the auditors of the company from time to time;

"**Board**" means the board of directors present at a duly convened and quorate meeting or Directors at a duly authorised committee of Directors as the context requires;

"**Business Day**" means a day between Monday and Friday (excluding public holidays), inclusive, on which clearing banks are open in the City of London and New York;

"**CA 2006**" means Companies Act 2006 as amended or re-enacted from time to time;

"**Default Shares**" has the meaning as ascribed to it regulation 10.1;

"**Deferred Shares**" means the deferred shares of USD 0.000000005 each in the capital of the company having the rights and being subject to the limitations and restrictions set out in regulation 11;

"**Director**" means a director from time to time of the company;

"**Disenfranchisement Notice**" means a notice served by the company on the holder of Default Shares in accordance with regulation 10.1;

"**Dividend**" means a dividend or bonus;

"**elected ordinary shares**" has the meaning as ascribed to it in regulation 33.12.6;

"**electronic facility**" means a website, conference-call system or other device, system, procedure, method or facility providing an electronic means of attendance at and/or participation in a general meeting;

"**excepted transfer**" has the meaning as ascribed to it in regulation 10.7.3;

"**executed**" means any mode of execution including signed, sealed or authenticated in some other way;

"**holder**" means in relation to shares in the company, a member whose name is entered in the register of members as the holder of those shares;

"**Listing**" means the shares becoming listed or traded on a Regulated Market;

"**Listing Rules**" means the rules of any Regulated Market or other exchange to which shares of the company are admitted to trading with the company's consent and any relevant listing authority, as applicable;

"**member**" means any holder for the time being of shares in the capital of the company of whatever class;

"**month**" means calendar month;

"**Nasdaq**" means any tier of the Nasdaq Stock Market operated by Nasdaq, Inc;

"**Office**" means the registered office for the time being and from time to time of the company;

"**Operator**" means Euroclear UK & Ireland Limited or such other person as may for the time being be approved by HM Treasury as Operator under the Uncertificated Securities Regulations;

"**Ordinary Shares**" means the ordinary shares of $0.000000005 each of the capital of the company;

"**paid up**" has the meaning includes credited as paid up;

"**principal place**" means the place specified as such in the notice of any general meeting of the company or, if only one place is given in the notice, that place;

"**Regulated Market**" means a regulated market as defined in the Financial Services and Markets Act 2000, the AIM market of the London Stock Exchange, the New York Stock Exchange, the NYSE Amex, Nasdaq or any similar securities exchange;

"**Relevant Director**" has the meaning ascribed to it in regulation 28.1;

"**relevant value**" has the meaning ascribed to it in regulation 33.12.2;

"**Restricted Shares**" has the meaning ascribed to it in regulation 46.1;

"**seal**" means the common seal of the company;

"**Secretary**" means the secretary of the company and, subject to the provisions of the Statutes, includes an assistant or deputy secretary and any person appointed by the Directors to perform any of the duties of the secretary;

"**Section 793 Notice**" means a notice served by the company under section 793, CA 2006;

"**Statutes**" means CA 2006, and all other statutes and secondary legislation for the time being in force relating to companies to the extent that they apply to the company; and

"**Uncertificated**" means the Uncertificated Securities Regulations 2001 (SI Securities Regulations 2001/3755).

1.2 Where the context so requires, words denoting the singular include the plural and vice versa, words denoting the masculine gender include the feminine, and persons include corporations, partnerships, other incorporated bodies and all other legal entities, with the necessary adaptation.

1.3 Words and expressions defined in CA 2006 have the same meanings in these articles, unless the context otherwise requires.

1.4 Where these articles refer to a relevant system in relation to any share, the reference is to the system in which that share is a participating security at the relevant time.

1.5 Any reference to a provision of any statute, statutory instrument, note, order or regulation is construed as a reference to such provision as amended, modified, consolidated or re-enacted from time to time. References to applicable law shall include references to Listing Rules and the securities laws of the United States and subdivisions thereof as far as they apply to the company under their provisions or these articles.

1.6 References in these articles to a share being in uncertificated form are references to that share being an uncertificated unit of a security.

1.7 The headings are inserted for convenience and do not affect the construction of these articles.

1.8 Subject to the Statutes and other applicable laws and Listing Rules, unless the context requires otherwise:

1.8.1 a "**place**" (for the holding of a meeting, the conduct of a poll, or any other purpose) may be a physical place or an electronic facility;

1.8.2 any reference to a "**meeting**" refers to a meeting convened and held in any manner permitted by these articles, including a general meeting of the company at which some or all persons participate in more than one physical places; and

1.8.3 the words **participate**, **attend** and **present**, their cognates and similar words shall be construed in accordance with the above provisions and regulation 14.4.

2. LIABILITY OF MEMBERS

The liability of members of the company is limited to the amount, if any, unpaid on the shares held by them.

3. SHARE CAPITAL AND VARIATION OF RIGHTS

3.1 The company's share capital as at the date of adoption of these articles is divided into Ordinary Shares and Deferred Shares. Subject to the provisions of the Statutes and to the authority of the company in general meeting, the Board has unconditional authority to allot, grant options over, issue warrants to subscribe, offer or otherwise deal with or dispose of any shares of the company to such persons, at such times and generally on such terms and conditions as they may determine, including issuing shares with such preferred rights or deferred rights as resolved by the company in general meeting.

3.2 Subject to the provisions of the Statutes and to the authority of the company in general meeting, the company has power to purchase its own shares, including any redeemable shares.

3.3 When any shares are to be issued, the Board may vary the amount of calls to be paid and the time of payment of such calls as between the allottees of such shares.

3.4 If by the conditions of allotment of any share the whole or part of its issue price is payable by instalments, every such instalment will, when due, be paid to the company by the person who for the time being is the registered holder of the share.

3.5 The company may issue shares which are to be redeemed or are liable to be redeemed at the option of the company or the shareholders.

3.6 In addition to all other powers of paying commissions, the company may exercise the powers conferred by the Statutes of paying commissions to persons subscribing or procuring subscriptions for shares of the company, or agreeing so to do, whether absolutely or conditionally. Subject to the provisions of the Statutes and to any Listing Rules, any such commissions may be satisfied by the payment of cash or, by the allotment of fully or partly paid shares of the company or by any such combination. The company may also, on any issue of shares, pay such brokerage as may be lawful.

3.7 Except as required by law, no person will be recognised by the company as holding any share upon any trust, and except only as otherwise provided by these articles or as required by law or under an order of a court of competent jurisdiction, the company will not be bound by or recognise any equitable, contingent, future or partial interest in any share, or any interest in any fraction or part of a share, or any other right in respect of any share, except an absolute right to the entirety of it in the registered holder.

3.8 Subject to the Statutes and to regulation 3.1, if at any time the capital of the company is divided into different classes of shares, all or any of the rights or privileges attached to any class may be varied or abrogated either in such manner, if any, as may be provided by such rights, or in the absence of any such provision, with the consent in writing of the holders of at least three fourths of the nominal value of the issued shares of that class (excluding any shares of that class held as treasury shares), or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class, but not otherwise.

3.9 All the provisions of these articles relating to general meetings of the company, or to the proceedings at them, and the provisions of sections 284, 307 and 310, CA 2006 apply to every such separate meeting referred to in regulation 3.8, with any necessary modifications, except that the necessary quorum at any such meeting other than an adjourned meeting will be one or more persons present holding or representing by proxy at least one third in nominal value of the issued shares of the class in question (excluding any shares of that class held as treasury shares). The quorum at an adjourned meeting will be one person holding shares of the class in question or his proxy. Any holder of shares of the class in question present in person or by proxy may demand a poll.

3.10 The creation or issue of shares ranking equally with or subsequent to the shares of any class will not, unless otherwise expressly provided by these articles or the rights attached to such shares as a class, be deemed to be a variation of the rights of such shares.

4. CERTIFICATES AND SHARES

4.1 Every person, other than a person in respect of whom the company is not required by law to complete and have ready for delivery a certificate by virtue of section 778, CA 2006 whose name is entered as a member in the Register is entitled, without payment, to one certificate for all the shares of each class for the time being held by him or, upon payment of such reasonable out-of-pocket expenses as the Board may from time to time determine for every certificate after the first, to several certificates, each for one or more of his shares.

4.2 Every certificate will:

4.2.1 be issued within two months after allotment or the lodgement with the company of the transfer of the shares, not being a transfer which the company is for any reason entitled to refuse to register and does not register, unless the conditions of issue of such shares otherwise provide or except as exempted by virtue of section 778, CA 2006;

4.2.2 be issued under the official seal kept by the company by virtue of section 50, CA 2006 or otherwise in accordance with the Statutes and as the Board may, by resolution decide, either generally or in relation to any specific case or cases; and

4.2.3 specify the number and class and distinguishing numbers, if any, of the shares to which it relates, and the amount paid up on them.

4.3 The company is not bound to register more than four persons as the joint holders of any share or shares, except in the case of executors or trustees of a deceased member. In the case of a share held jointly by several persons, the company is not bound to issue more than one certificate for it. Delivery of a certificate for a share to one of several joint holders will be sufficient delivery to all.

4.4 Where a member transfers part of his holding of shares, he will be entitled to a certificate for the balance of his holding without charge.

4.5 Share certificates and certificates for debentures and, subject to the provisions of any instrument constituting or securing them, certificates issued under the official seal kept by the company by virtue of section 50, CA 2006, need not be signed or countersigned, or the signatures may be affixed to them by such mechanical means as may be determined by the Board.

4.6 If a share certificate is lost, destroyed, defaced or worn out, it will be renewed and, in case of loss or destruction, on such terms, if any, as to evidence an indemnity as the Board thinks fit, and, in case of defacement or wearing out, on delivery to the company of the old certificate.

4.7 The company will not make any charge for any certificate issued under regulation 4.6 but will be entitled to charge for any exceptional out-of-pocket expenses it incurred relating to the issue of any new certificate.

5. UNCERTIFICATED SHARES

5.1 Under and subject to the Uncertificated Securities Regulations, the Board may permit title to shares of any class to be evidenced otherwise than by certificate and title to shares of such a class to be transferred by means of a relevant system and may make arrangements for a class of shares (if all shares of that class are in all respects identical) to become a participating class. Title to shares of a particular class may only be evidenced otherwise than by a certificate where that class of shares is at the relevant time a participating class. The Board may also, subject to compliance with the Uncertificated Securities Regulations, determine at any time that title to any class of shares may from a date specified by the Board no longer be evidenced otherwise than by a certificate or that title to such a class shall cease to be transferred by means of any particular relevant system.

5.2 In relation to a class of shares which is a participating class and for so long as it remains a participating class, no provision of these articles shall apply or have effect to the extent that it is inconsistent in any respect with:

5.2.1 the holding of shares of that class in uncertificated form;

5.2.2 the transfer of title to shares of that class by means of a relevant system; or

5.2.3 any provision of the Uncertificated Securities Regulations; and, without prejudice to the generality of this article, no provision of these articles shall apply or have effect to the extent that it is in any respect inconsistent with the maintenance, keeping or entering up by the Operator so long as that is permitted or required by the Uncertificated Securities Regulations, of an Operator register of securities in respect of that class of shares in uncertificated form.

5.3 Shares of a class which is at the relevant time a participating class may be changed from uncertificated to certificated form, and from certificated to uncertificated form, in accordance with and subject as provided in the Uncertificated Securities Regulations.

5.4 If, under these articles or the Statutes, the company is entitled to sell, transfer or otherwise dispose of, forfeit, re-allot, accept the surrender of or otherwise enforce a lien over an uncertificated share, then, subject to these articles and the Statute, such entitlement shall include the right of the Board to:

5.4.1 require the holder of the uncertificated share by notice in writing to change that share from uncertificated to certificated form within such period as may be specified in the notice and keep it as a certificated share for as long as the Board requires;

5.4.2 appoint any person to take such other steps, by instruction given by means of a relevant system or otherwise, in the name of the holder of such share as may be required to effect the transfer of such share and such steps shall be as -effective as if they had been taken by the registered holder of that share; and

5.4.3 take such other action that the Board considers appropriate to achieve the sale, transfer, disposal, forfeiture, re-allotment or surrender of that share or otherwise to enforce a lien in respect of that share.

5.5 Unless the Board determines otherwise, shares which a member holds in uncertificated form shall be treated as separate holdings from any shares which that member holds in certificated form but a class of shares shall not be treated as two classes simply because some shares of that class are held in certificated form and others in uncertificated form.

5.6 Unless the Board determines otherwise or the Uncertificated Securities Regulations require otherwise, any shares issued or created out of or in respect of any uncertificated shares shall be uncertificated shares and any shares issued or created out of or in respect of any certificated shares shall be certificated shares.

5.7 The company shall be entitled to assume that the entries on any record of securities maintained by it in accordance with the Uncertificated Securities Regulations and regularly reconciled with the relevant Operator register of securities are a complete and accurate reproduction of the particulars entered in the Operator register of securities and shall accordingly not be liable in respect of any act or thing done or omitted to be done by or on behalf of the company in reliance on such assumption. Any provision of these articles which requires or envisages that action will be taken in reliance on information contained in the register of members shall be construed to permit that action to be taken in reliance on information contained in any relevant record of securities (as so maintained and reconciled).

6. CALLS ON SHARES

6.1 The Board may, subject to the provisions of these articles and to any conditions of allotment, from time to time make calls upon the members in respect of any money unpaid on their shares, whether on account of the nominal value of the shares or by way of premium. Each member will, subject to being given at least 14 days' notice specifying the time or times and place of payment, pay to the company at the time or times and place so specified the amount called on his shares.

6.2 A call may be payable by instalments and may be postponed or wholly revoked or in part revoked, as the Board may determine.

6.3 A call will be deemed to have been made at the time when the resolution of the Board authorising the call was passed.

6.4 The joint holders of a share are jointly and severally liable to pay all calls in respect of it and any one of such persons may give effective receipts for any return of capital payable in respect of such shares.

6.5 If by the terms of any admission document, prospectus, listing particulars or any other document relating to an issue of shares in the company or by the conditions of allotment, any amount is payable in respect of any shares by instalments, every such instalment will be payable as if it were a call duly made by the Board of which due notice had been given.

6.6 If a sum called in respect of a share is not paid before or on the day appointed for its payment, the person from whom the sum is due must pay interest on the sum at such rate as may be fixed by the terms of allotment of the share or, if no rate is fixed, at the appropriate rate, as defined by section 592, CA 2006, from the day appointed for its payment to the time of actual payment. The Board is at liberty to waive payment of such interest wholly or in part.

6.7 Any sum which by or pursuant to the terms of issue of a share becomes payable upon allotment or at any fixed date, whether on account of the amount of the share or by way of premium, will for all the purposes of these articles be deemed to be a call duly made and payable on the date on which, by or pursuant to the terms of issue, it becomes payable. In case of non payment, all the relevant provisions of these articles as to payment of interest, forfeiture or otherwise apply as if such sum had become payable by virtue of a call duly made and notified.

6.8 The Board may make arrangements on the issue of shares for a difference between the holders in the amount of calls to be paid and in the times of payment.

6.9 The Board may receive from any member willing to advance it all or any part of the money unpaid upon the shares held by him, beyond the sums actually called up on them, as a payment in advance of calls, and such payment in advance of calls will extinguish, so far as they extend, the liability upon the shares in respect of which it is advanced. The company may pay interest upon the money so received, or so much of it as from time to time exceeds the amount of the calls then made upon the shares in respect of which it has been received, at such rate as the member paying such sum and the Board agree. Any such payment in advance will not entitle the holder of the shares in question to participate in any dividend in respect of the amount advanced.

7. TRANSFER OF SHARES

7.1 Any member may transfer any of his certificated shares by instrument of transfer in any usual form or in such other form as the Board approves. The instrument must be executed by or on behalf of the transferor and (except in the case of a share which is fully paid up) by or on behalf of the transferee but need not be under seal. The transferor is deemed to remain the holder of the share until the name of the transferee is entered in the Register in respect of it. Transfers of shares in uncertificated form will be effected by means of the relevant system in accordance with the Statutes, these articles and any resolution of the Board taken in compliance with the relevant Listing Rules applicable to the company's shares.

7.2 Subject to regulation 4, the Board may refuse to register a transfer or a certified share unless the instrument of transfer:

7.2.1 is in respect of only one class of shares;

7.2.2 is in favour of not more than four joint transferees;

7.2.3 is duly stamped (if required);

7.2.4 is in compliance with all applicable rules and regulations; and

7.2.5 is lodged at the Office or such other place as the Board may decide accompanied by the certificate for the shares to which it relates (except in the case of a transfer by a recognised person to whom no certificate was issued) and such other evidence (if any) as the Board may reasonably require to prove the title of the transferor and the due execution by him of the transfer or, if the transfer is executed by some other person on his behalf, the authority of that person to do so.

7.3 The Board may in its absolute discretion and without giving any reasons, refuse to register any transfer of a certificated share which is not fully paid, but this discretion may not be exercised in such a way as to prevent dealings in the shares from taking place on an open and proper basis.

7.4 The Board may, in circumstances permitted by the Listing Rules, disapprove the transfer of a certificated share if the exercise of such power does not disturb the market in the shares.

7.5 The Board may refuse to register the transfer of an uncertificated share in any circumstances permitted by law if the exercise of such power does not disturb the market in the shares. Where the Listing Rules do not authorise the Board to refuse to register a transfer, than the Board shall have no such authority.

7.6 If the Board refuses to register a transfer of any share it must send to the transferee a notice of such refusal within whichever of the following periods is the shorter:

7.6.1 the time required by the Listing Rules; and

7.6.2 two months after the date on which the transfer was lodged with the company.

7.7 No fee will be charged for the registration of a transfer or other document relating to or affecting the title to any share or for making any entry in the Register affecting the title to any share.

7.8 Subject to regulation 41, all instruments of transfer which are registered may be retained by the company but any instrument of transfer which the Board refuses to register will (except in the case of suspected fraud) be returned to the person depositing it when notice of the refusal is given.

8. FORFEITURE OF SHARES

8.1 If a member fails to pay any call or instalment of a call before or on the date appointed for its payment the Board may, at any time after that date, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued on it and all expenses incurred by the company by reason of such non payment.

8.2 The notice will name a further date, not earlier than 14 days from the date of its service, on or before which, and the place where, the payment required by the notice is to be made, and will state that, in the event of non payment on or before the date, and at the place appointed, the shares on which the call was made will be liable to be forfeited.

8.3 If the requirements of any such notice are not complied with, any share in respect of which it has been given may at any time before payment of all calls, interest and expenses due in respect of it has been made, be forfeited by a resolution of the Board. Such forfeiture will include all dividends which have been declared on the forfeited shares and not actually paid before the forfeiture.

8.4 When any share has been forfeited, notice of the forfeiture will be served upon the person who was before forfeiture the holder of it, but no forfeiture will be in any manner invalidated by any omission to give such notice. Subject to the provisions of the Statutes, any share so forfeited will become the property of the company, no voting rights may be exercised in respect of it and the Board may within three years of such forfeiture sell, re-allot, or otherwise dispose of it in such manner as they think fit, either to the person who was before the forfeiture its holder, or to any other person, and either with or without any past or accruing dividends, and in the case of re-allotment, with or without any money paid on it by the former holder being credited as paid up on it. Any share not so disposed of within a period of three years from the date of its forfeiture will be cancelled in accordance with the provisions of the Statutes.

8.5 The Board may at any time, before any share so forfeited has been cancelled or sold, re-allotted or otherwise disposed of, annul the forfeiture upon such conditions as they think fit.

8.6 A person whose shares have been forfeited ceases to be a member in respect of the forfeited shares and must, if the shares are certificated shares, surrender to the company the certificate for them. That person remains liable to pay to the company all money which at the date of forfeiture was payable by him to the company in respect of the shares and interest on them in accordance with regulation 6.6, and the Board may enforce payment without any allowance for the value of the shares at the time of forfeiture.

8.7 A statutory declaration by a Director or the Secretary that a share has been duly forfeited on a date stated in the declaration, is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share. Such declaration and the receipt by the company of the consideration, if any, given for the share on its sale, re-allotment or disposal, together with the certificate, if any, for the share delivered to a purchaser or allottee of it, subject to the execution of a transfer if so required, constitutes a good title to the share. Where a forfeited share held in uncertificated form is to be transferred to any person, the Board may exercise any of the company's powers to effect the transfer of the share to that person. The company may receive any consideration for the share on its disposal. The person to whom the share is sold, re-allotted or disposed of will be registered as its holder and will not be bound to see to the application of any consideration, nor will his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or disposal of the share.

8.8 The Board may accept the surrender of any share liable to be forfeited under these articles and in any such case any reference in these articles to forfeiture includes surrender.

9. TRANSMISSION OF SHARES

9.1 If a member dies, the survivors or survivor (where the deceased was a joint holder) and the executors or administrators of the deceased (where he was a sole or only surviving holder) are the only persons recognised by the company as having any title to his interest in the shares. Nothing in this regulation will release the estate of a deceased joint holder from any liability in respect of any share jointly held by him.

9.2 Except as provided in these regulations, any person becoming entitled to a share in consequence of the death or bankruptcy of a member may, upon producing such evidence as to his title as may be required by the Board and subject to any provisions contained within the Listing Rules, elect either to be registered himself as the holder of the share or to have some person nominated by him registered as its holder.

9.3 If the person becoming entitled by transmission to a certificated share elects to be registered himself, he must deliver or send to the company a notice in writing signed by him stating that he so elects. If he elects to have another person registered, and the share is a certificated share, he must signify his election by signing a transfer of the share in favour of that person. If the person elects to be registered or have another person registered, and the share is an uncertificated share, he must take any action as the Board may require including, without limitations, the execution of any document and the giving of any instruction by means of a relevant system to enable himself or that other person to be registered as the holder of the share. All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares apply to any such notice or transfer as if the death or bankruptcy of the member had not occurred and the notice or transfer were a transfer signed by such member.

9.4 A person becoming entitled to a share in consequence of the death or bankruptcy of a member will, upon supply to the company of such evidence as the Board may reasonably require as to his title to the share, be entitled to receive and may give a discharge for all benefits arising or accruing on or in respect of the share, but he will not be entitled in respect of that share to receive notices of or to attend or vote at meetings of the company, or, except as previously stated, to any of the rights or privileges of a member until he has become a member in respect of the share. The Board may at any time give notice requiring any such person who is the holder of a fully paid up share to elect either to be registered himself or to transfer the share and, if within 60 days the notice is not complied with, such person will be deemed to have elected to be registered as a member in respect of the share and may be registered accordingly.

10. DISCLOSURE OF INTERESTS IN SHARES

10.1 Where the company serves a Section 793 Notice on a member, or another person whom the company knows or has reasonable cause to believe to be interested in shares held by that member, and the member or other person fails in relation to any such shares including any shares issued to such member after the date of the Section 793 Notice in respect of those shares ("**Default Shares**") to give the company the information required within 14 days following the date of service of the Section 793 Notice, the Board may serve a Disenfranchisement Notice on the holder of such Default Shares.

10.2 Upon service of a Disenfranchisement Notice on a holder the sanctions set out in regulations 10.3 and 10.4 apply, unless the Board otherwise determines.

10.3 The Member is not entitled in respect of the Default Shares to be present or to vote (either in person or by proxy) at a general meeting or at a separate meeting of the holders of a class of shares or on a poll or to exercise other rights conferred by membership in relation to the meeting or poll.

10.4 Where the Default Shares represent at least 0.25 per cent. in nominal value of the issued shares of their class (calculated exclusive of any shares held as treasury shares):

10.4.1 a dividend (or any part of a dividend) or other amount payable in respect of the Default Shares will be withheld by the company and no interest will be payable on it, and the member is not entitled to elect, under regulation 33.12, to receive shares instead of a dividend; and

10.4.2 no transfer of any of the Default Shares will be registered unless:

(a) the transfer is an excepted transfer; or

(b) the member is not himself in default in supplying the information required and proves to the satisfaction of the Board that no person in default in supplying the information required is interested in any of the relevant shares;

10.4.3 the registration of the Transfer is regulated by any regulations binding on the company in respect of uncertificated shares.

10.5 The sanctions under regulations 10.1 to 10.4 cease to apply seven days after the earlier of receipt by the company of:

10.5.1 notice of registration of an excepted transfer, in relation to the Default Shares; and

10.5.2 all information required by the Section 793 Notice, in a form satisfactory to the Board, in relation to any Default Shares.

10.6 Where the company issued a Section 793 Notice to another person on the basis of information obtained from a member in respect of a share held by the member, it must at the same time send a copy of the Section 793 Notice to the member, but the accidental omission to do so, or the non receipt by the member of the copy, does not invalidate or otherwise affect the application of regulations 10.1 to 10.4.

10.7 For the purpose of regulations 10.1 to 10.6:

10.7.1 "**interested**" has the meaning given to it in sections 820 to 825, CA 2006;

10.7.2 reference to a person having failed or defaulted to give the company the information required by a Section 793 Notice, includes:

(a) reference to his having failed or refused to give all or any part of it; and

(b) reference to his having given information which he knows to be false in a material particular or having recklessly given information which is false in a material particular;

10.7.3 "**excepted transfer**" means, in relation to shares held by a member:

(a) a transfer pursuant to acceptance of a takeover bid for the company as defined in regulation 2 of the Takeovers Directive (no. 2004/25/EC);

(b) a transfer in consequence of a sale made through a recognised investment exchange (as defined in the Financial Services and Markets Act 2000) or another stock exchange outside the United Kingdom on which shares in the capital of the company are normally traded; or

(c) a transfer which is shown to the satisfaction of the Board to be made in consequence of a bona fide sale of the whole of the beneficial interest in the shares to a person who is unconnected with the member and with any other person appearing to be interested in the shares.

10.8 Regulations 10.1 to 10.7 are in addition to and without prejudice to the Statutes.

11. DEFERRED SHARES

11.1 All Deferred Shares will have the rights and be subject to the limitations and restrictions set out in this regulation 11 as well as such further rights, limitations and restrictions (not being inconsistent with those set out in this regulation) as may be determined by the Board before their allotment. The Deferred Shares will rank pari passu with each other as one class of shares.

11.2 On a return of capital on a winding up, there shall be paid to the holders of the Deferred Shares an amount equal to the amount credited as paid up on them, which will be paid only after the holders of all Ordinary Shares then in issue have received in cash or specie USD 10,000,000 for every USD 1.00 credited as paid up on the Ordinary Shares.

11.3 The holders of the Deferred Shares will not be entitled to receive any other return of capital or any dividend or distribution declared, made or paid and will have no further right of participation in the assets of the company.

11.4 Except as required by applicable law, the holders of the Deferred Shares will not be entitled to receive notice of, nor attend or speak or vote at, any general meeting of the company. The company will have the irrevocable authority to appoint a single holder or any other person on behalf of all holders of Deferred Shares to exercise any vote to which holders of Deferred Shares may be entitled in any circumstances or for any other matter connected to the Deferred Shares.

11.5 No Deferred Share will be transferable at any time other than pursuant to regulation 11.7 or with the prior written consent of the Board. The Board will have the right to refuse to register any transfer undertaken without its prior written consent. A holder will not be entitled to receive a share certificate in respect of any Deferred Shares, except as required by applicable law.

11.6 The rights attached to the Deferred Shares will not be deemed to be varied or abrogated by: the creation, allotment or issue of any new shares ranking in priority to, pari passu with or subsequent to them; any amendment or variation of the rights of any other class of shares of the company; the company reducing its share capital; or the surrender, purchase or cancellation of any share, whether or not a Deferred Share.

11.7 The company has the irrevocable authority to authorize and instruct any person appointed for the purpose as agent for all the holders of Deferred Shares to execute on behalf of those holders a transfer of the Deferred Shares and/or an agreement to transfer and/or sell them to the company or any other person and such other documents as the Board may consider necessary or desirable in connection with such a transfer and/or purchase, in each case without obtaining the sanction of any of those holders, and for no consideration or such consideration as the Board may determine (which may be an aggregate payment of USD 0.01 in respect of the aggregate number of Deferred Shares being transferred or purchased by all holders). The company has the irrevocable authority to cancel any Deferred Share in accordance with the Statutes without making any payment to the holder.

12. INCREASE OF CAPITAL

12.1 The company may from time to time by ordinary resolution increase its capital by such sum, to be divided into shares of such amounts and carrying such rights, as the resolution may prescribe.

12.2 All new shares are subject to the provisions of these articles with reference to payment of calls, transfer, transmission and otherwise. Unless otherwise provided by these articles, by the resolution creating the new shares or by the conditions of issue, the new shares will upon issue be Ordinary Shares.

13. ALTERATION OF CAPITAL

13.1 The company may by ordinary resolution:

13.1.1 consolidate and divide all or any of its share capital into shares of larger nominal value than its existing shares;

13.1.2 subdivide its shares, or any of them, into shares of smaller nominal value subject nevertheless to the Statutes, and reclassify them, and so that the resolution by which any share is subdivided may determine that, as between the holders of the shares resulting from such subdivision, one or more of the shares may have any such preferred or other special rights over or may have such deferred rights or be subject to any such restrictions as compared with the others as the' company has power to attach to new shares; and

13.1.3 cancel any shares which, at the date of the passing of the resolution, have not been taken, or agreed to be taken, by any person, and diminish the amount of its share capital by the amount of the shares so cancelled.

13.2 The company may from time to time by special resolution reduce its share capital, any redenomination reserve, capital redemption reserve or share premium 'account, and (if permitted by the Statutes) any other non distributable reserves in any manner authorised by the Statutes and diminish the amount of its share capital by the amount of the shares so cancelled.

13.3 If any shares are consolidated or consolidated and then divided, the Board has power to deal with any fractions of shares which result. If the Board decides to sell any shares representing fractions, it can do so for the best price reasonably obtainable and distribute the net proceeds of sale among members in proportion to their fractional entitlements or, subject to the applicable law, retain those proceeds for the benefit of the company. The Board can arrange for any shares representing fractions to be entered in the register of members as certificated shares if they consider that this makes it easier to sell them. The Board may sell those shares to anyone, including the company if the Statutes allow, and may authorise any person to transfer or deliver the shares to the buyer or in accordance with the buyer's instructions. The buyer shall not be bound to see to the application of the purchase money, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the sale.

14. GENERAL MEETINGS

14.1 Subject to the provisions of the Statutes, the annual general meeting will be held at such time and place or places as the Board may determine, any of which may be electronic facilities, and the Board may determine that the meeting will be hold solely by means of one or more such electronic facilities, with no physical place.

14.2 The Board may call a general meeting whenever they think fit, and must do so when required under Chapter 3, CA 2006 or under the Listing Rules and in accordance thereof. General meetings must also be convened on such requisition, or in default may be convened by such requisitionists or by court order, as provided by section 305, CA 2006 or under the Listing Rules, and in accordance thereof.

14.3 In the case of any general meeting the Board or the chairman of the meeting may (in the notice of the meeting or subsequently, notwithstanding the specification in the notice of the general meeting) make arrangements for simultaneous attendance and participation at other places by members and proxies entitled to attend the general meeting, whether for convenience or because any such persons are excluded from the principal place due to lack of space. Such arrangements for simultaneous attendance at the meeting may include arrangements regarding the level of attendance at the other places but they must operate so that any members and proxies excluded from attendance at the principal place are able to attend at one of the other places. So as to facilitate the organisation and administration of any general meeting to which such arrangements apply, the Board may arrange for the issue of tickets, on a basis intended to afford to all members and proxies entitled to attend the meeting an equal opportunity of being admitted to the principal place, or impose some other random means of selection or otherwise as it, in its absolute discretion, considers appropriate. The Board may from time to time vary any such arrangements or make new arrangements in their place and the entitlement of any member or proxy to attend a general meeting at the principal place will be subject to such arrangements as are, for the time being, in force whether stated in the notice of the meeting to apply to that meeting or notified to the members concerned subsequent to the despatch of the notice of the meeting.

14.4 Any general meeting will be duly constituted and its proceedings valid for so long as the chairman is satisfied that facilities are available, at each of the places at which persons are permitted by the Board in accordance with these articles to be present, to enable each member attending the meeting (by whatever means) to:

14.4.1 participate in the business of the meeting;

14.4.2 hear all the people who speak at the meeting;

14.4.3 be heard by all other people attending and participating in the meeting; and

14.4.4 exercise any right to vote on any resolution at the meeting so that his vote can be taken into account in deciding whether or not that resolution is passed.

A person who participates at any of those places shall be deemed for all purposes of the Statutes and these articles to be present or in attendance at, counted in the quorum for, and entitled to participate in the business of, the general meeting to the same extent as he would have been had he been physically present in the same location as the chairman of the meeting.

14.5 All persons seeking to attend or participate in a general meeting by way of an electronic facility shall be responsible for maintaining adequate facilities to enable them to do so. Subject only to the right for the chairman to adjourn a meeting in accordance with regulation 16.6, any inability of any number of persons to attend or participate in a general meeting shall not invalidate the proceedings of that meeting.

14.6 For the purpose of these articles, any general meeting will be treated as being held and taking place at the principal place unless the notice of meeting says otherwise or the chairman of the meeting decides otherwise.

15. NOTICE OF GENERAL MEETINGS

15.1 Subject to the provisions of section 307, CA 2006, an annual general meeting must be called by at least 21 days' notice, and all other general meetings must be called by at least 14 days' notice. The notice is exclusive of the day on which it is served, or deemed to be served, and of the day for which it is given.

15.2 Every notice must specify the principal place, any other place at which members or proxies are to be permitted to be present, the day and the time of meeting, the general nature of the business to be conducted and such other information as is required by law, and in the case of an annual general meeting, must specify the meeting as such. For any of those places that is an electronic facility, the notice shall specify the means of attendance and participation and any known access, identification and security requirements in accordance with regulation 16.1.

15.3 Notices must be given in the manner stated in these articles to all the members holding legal title to shares held by the members, other than those who under the provisions of these articles or under the rights attached to the shares held by them are not entitled to receive the notice, to each of the Directors and to the auditors.

15.4 Notwithstanding that it is called by shorter notice than that specified in regulation 15.1, a meeting of the company is deemed to have been duly called if it is so agreed:

15.4.1 in the case of a meeting called as an annual general meeting, by all the members entitled to attend and vote at it; or

15.4.2 in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together holding not less than 95 per cent. in nominal value of the shares giving that right (excluding any shares held as treasury shares).

15.5 If the Board, in its absolute discretion, considers that it is impractical or unreasonable for any reason to hold a general meeting on the date or at the time or place (or places) specified in the notice calling the general meeting, it may postpone the general meeting to another date, time and/or place (or places).

15.6 The accidental omission to give notice of a meeting or resolution or to send any notification when required by the Statutes or these articles relating to the publication of a notice of meeting on a website or (in cases where proxies are sent out with the notice) the accidental omission to send a proxy to, or the non receipt of any such notice, resolution, notification or proxy by, any person entitled to receive it will not invalidate the proceedings at that meeting.

15.7 In every notice calling a meeting of the company or any class of the members of the company, there will appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint one or more proxies to exercise all the member's rights and to attend, speak and vote instead of him, and that a proxy need not also be a member.

15.8 Where special notice of a resolution is required by any provision contained in CA 2006, the resolution is not effective unless notice of the intention to move it has been given to the company not fewer than 28 days, or such shorter period as CA 2006 permits, before the meeting at which it is moved, and the company must give to its members notice of any such resolution as required by and in accordance with the provisions of CA 2006.

15.9 It is the duty of the company, subject to the provisions of CA 2006, on the requisition in writing of such number of members as is specified in CA 2006 and, unless the company otherwise resolves, at the expense of the requisitionists:

15.9.1 to give to members entitled to receive notice of the next annual general meeting notice of any resolution which may properly be moved and is intended to be moved at that meeting; and

15.9.2 to circulate to members entitled to have notice of any general meeting sent to them, a statement of not more than 1,000 words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting.

16. PROCEEDINGS AT GENERAL MEETINGS

16.1 The Board or the chairman of the meeting may direct that members or proxies wishing to attend any general meeting must comply with such requirements as they or he consider appropriate in the circumstances for the purpose of ensuring the security and orderly operation of the meeting, including (a) in the case of physical attendance at the meeting, identification and searches and (b) in the case of attendance by means of an electronic facility, measures to identify those taking part and ensure the integrity and stability of the electronic facility (including any voting facility). The Board or the chairman may, in their or his absolute discretion, refuse entry to, or eject from, a general meeting any person who fails to comply with these requirements.

16.2 No business may be transacted at any general meeting unless a quorum is present. Except as otherwise provided in these articles, two persons entitled to vote at the meeting each being a member or a proxy for a member or a representative of a corporation which is a member, duly appointed as such in accordance with the Statutes, holding in the aggregate at least one-third (33 1/3 per cent.) of the company's outstanding share capital, shall constitute a quorum. If at any time the company only has one member, such member in person, by proxy or if a corporation by its representative, shall constitute a quorum.

16.3 If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened on the requisition of, or by, members, will be dissolved. In any other case, it will stand adjourned to the same day in the next week at the same time and place (or places), or to such other day and at such other time and place (or places) as the Board may determine.

16.4 If, at such adjourned meeting, a quorum is not present within 15 minutes from the time appointed for holding the meeting, the member or members present in person or by proxy and entitled to vote will have power to decide upon all matters which could properly have been disposed of at the meeting as originally convened. When a meeting is adjourned for 30 days or more, the company must give at least seven clear days' notice, specifying the place (or places), the day and the time of the adjourned meeting and that the member or members present will form a quorum, but, subject to the Statutes, it will not be necessary for the notice to give any details of the business to be transacted at the adjourned meeting. Except as stated, it will not be necessary to give any notice of an adjournment.

16.5 The chairman, if any, of the Board, or in his absence some other Director nominated by the chairman in writing, will preside as chairman at every general meeting of the company, but if at any meeting neither the chairman nor such other Director is present within 15 minutes after the time appointed for holding the meeting, or if neither of them is willing to act as chairman, the Directors present may choose some Director present to be chairman, or if no Director is present, or if all the Directors present decline to take the chair, the members present may choose some member present to be chairman.

16.6 The chairman may, with the consent of any meeting at which a quorum is present, and must if so directed by the meeting, adjourn the meeting from time to time and from place to place, but no business may be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting as originally convened. If it appears to the chairman that the facilities or security at any place at which persons are permitted by the Board in accordance with these articles to be present at the meeting are inadequate for the purposes referred to in regulation 14.4, or that an adjournment is otherwise necessary so that the business of the meeting may be properly conducted, the chairman may, without the consent of the meeting, interrupt or adjourn the general meeting.

16.7 At any general meeting, a resolution put to the vote of the meeting is decided on a show of hands, unless before or upon the declaration of the result of the show of hands a poll is demanded:

16.7.1 by the chairman; or

16.7.2 by not fewer than five members present in person or by proxy and entitled to vote at the meeting; or

16.7.3 by a member or members representing not less than one tenth of the total voting rights of all the members having the right to vote at the meeting; or

16.7.4 by a member or members holding shares of the company conferring a right to vote at the meeting, being shares on which an aggregate sum has been paid up equal to not less than one tenth of the total sum paid up on all the shares conferring that right.

16.8 Unless a poll is so demanded, a declaration by the chairman that a resolution has been carried, or carried unanimously or by a particular majority, or lost, or not carried by a particular majority, and an entry to that effect in the book containing the minutes of the proceedings of general meetings of the company is conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

16.9 The instrument appointing a proxy to vote at a meeting is deemed also to confer authority to demand or join in demanding a poll and to vote on a poll on the election of a chairman and on a motion to adjourn a meeting. For the purposes of regulation 16.7, a demand by a person as proxy for a member is the same as a demand by the member.

16.10 If any votes are counted which ought not to have been counted or might have been rejected, or if any votes are not counted which ought to have been counted, the error will not vitiate the result of the voting unless it is pointed out at the same meeting, or at any adjournment of it, and it is in the opinion of the chairman of the meeting of sufficient magnitude to vitiate the result of the voting.

16.11 In the case of a resolution duly proposed as a special resolution no amendment, other than an amendment to correct a patent error, may be considered or voted upon. In the case of a resolution duly proposed as an ordinary resolution, no amendment, other than an amendment to correct a patent error, may be considered or voted upon unless, either at least 48 hours prior to the time appointed for holding the meeting or adjourned meeting at which such ordinary resolution is to be proposed notice in writing of the terms of the amendment and intention to move it is lodged at the Office, or the chairman, in his absolute discretion, decides that it may be considered or voted upon. If an amendment is proposed to any resolution under consideration but is ruled out of order by the chairman of the meeting the proceedings on the substantive resolution will not be invalidated by any error in such ruling.

16.12 Subject to the provisions of regulation 16.13, if a poll is duly demanded, it will be taken in such manner as the chairman may direct, including the use of ballot or voting papers or tickets, and the result of a poll will be deemed to be the resolution of the meeting at which the poll was demanded. The chairman may, in the event of a poll, appoint scrutineers, who need not be members, and may fix some place (or places) and time for the purpose of declaring the result of the poll.

16.13 A poll demanded on the election of a chairman or on a question of adjournment must be taken immediately. A poll demanded on any other question must be taken immediately or at such time and place (or places) as the chairman directs, not being more than 30 days from the date of the meeting or the adjourned meeting at which the poll was demanded. No notice need be given of a poll not taken immediately if the time and place (or places) at which it is to be taken are announced at the meeting at which it is demanded. In any other case, at least seven days' notice must be given specifying the time and place (or places) at which the poll is to be taken.

16.14 In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded is entitled to a further or casting vote.

16.15 The demand for a poll will not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

16.16 A demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the chairman, and a demand so withdrawn will not be taken to have invalidated the result of a show of hands declared before the demand was made. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn with the consent of the chairman, the meeting will continue as if the demand had not been made.

17. VOTES OF MEMBERS

17.1 Subject to any special rights or restrictions as to voting attached to any share by or in accordance with these articles, every member entitled to vote, whether personally present at a meeting or represented by one or more duly appointed proxies or one or more duly authorised corporate representatives, has one vote on both a show of hands and on a vote by poll for each share of which he is the holder. Voting shall be on a count of votes. The Board may determine the right to vote at a meeting by reference to the register of members as at a time determined by the Board that is not more than 48 hours (or such longer period as may be allowed by the Statutes) before the time for the holding of the meeting.

17.2 In the case of joint holders of a share, the person whose name appears first in the Register is entitled, to the exclusion of the other joint holders, to vote, whether in person or by proxy, in respect of the share.

17.3 A member who is a patient within the meaning of the Mental Health Act 1983 may vote, whether on a show of hands or on a poll, by his receiver, curator bonis, or other person appointed by such court (who may on a poll vote by proxy) provided that such evidence as the Board may require of the authority of the person claiming to vote has been deposited at the Office not fewer than 48 hours before the time for holding the meeting or adjourned meeting at which such person claims to vote.

17.4 No member is entitled to be present or to be counted in the quorum or vote, either in person or by proxy, at any general meeting or at any separate meeting of the holders of a class of shares or on a poll or to exercise other rights conferred by membership in relation to the meeting or poll, unless all calls or other monies due and payable in respect of the member's share or shares have been paid. This restriction ceases on payment of the amount outstanding and all costs, charges and expenses incurred by the company by reason of non payment.

17.5 The company shall not be obliged to ascertain whether a proxy or representative of a corporation has voted in accordance with a member's instructions and the failure of a proxy or representative so to do shall not vitiate the decision of the meeting on any resolution. No objection may be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or cast, and every vote not disallowed at such meeting will be valid for all purposes. Any such objection made in due time will be referred to the chairman of the meeting, whose decision is final, binding and conclusive.

17.6 On a poll, votes may be given either in person or by proxy and a member entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way.

17.7 Any person, whether a member or not, may be appointed to act as a proxy. A member may appoint more than one proxy to attend the same meeting so long as each proxy is appointed to exercise the rights attached to a different share or shares held by that member. Deposit of an instrument of proxy does not preclude a member from attending and voting in person at the meeting or any adjournment of it.

17.8 The appointment of a proxy must be in any usual form, or such other form as may be approved by the Board, and must be signed by the appointor or by his agent duly authorised in writing or if the appointor is a corporation, must be either under its common seal or signed by an officer or agent so authorised. If the appointment is in electronic form, it must be executed on behalf of the appointor. The Board may, but will not be bound to, require evidence of authority of such officer or agent. An instrument of proxy need not be witnessed.

17.9 The appointment of a proxy and (if required by the Board) any power of attorney or other authority under which it is executed, or a certified copy of such authority, must be delivered to the Office, or such other place (or places) specified for that purpose in the notice calling the meeting, or in any such proxy (or, where the appointment of the proxy was contained in an electronic communication, at the electronic address of the company), not fewer than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote (or such other time as may be specified for that purpose in the notice calling the meeting or in any such proxy in accordance with the Statutes). In default, the proxy will not be valid, but the Board may decide in any particular case to treat a proxy appointment as valid notwithstanding the default. The appointment of a proxy to vote at any meeting and deposited as set out in this regulation will authorise the proxy so appointed to vote on any poll taken or demanded at such meeting or at any adjournment of such meeting.

17.10 In relation to any shares which are held in uncertificated form, the Board may from time to time permit appointments of a proxy to be made by means of an electronic communication in the form of an uncertificated proxy instruction (that is, a properly authenticated dematerialised instruction, or other instruction or notification, which is sent by means of the relevant system concerned and received by such participant in that system acting on behalf of the company as the Board may prescribe, in such form and subject to such terms and conditions as may from time to time be prescribed by the Board and subject always to the facilities and requirements of the relevant system concerned). The Board may in a similar manner permit supplements to, or amendments or revocations of, any such uncertificated proxy instruction to be made by like means. The Board may in addition, subject to the Uncertificated Securities Regulations, prescribe the method of determining the time at which any such properly authenticated dematerialised instruction or other instruction or notification is to be treated as received by the company or such participant. The Board may treat any such uncertificated proxy instruction which purports to be or is expressed to be sent on behalf of a holder of a share as sufficient evidence of the authority of the person sending that instruction to send it on behalf of that holder.

17.11 No appointment of a proxy will be valid after the expiry of 12 months from the date of its execution, or its receipt by the participant in the relevant system concerned acting on behalf of the company, except at an adjourned meeting or on a poll demanded at a meeting or an adjourned meeting in cases where the meeting was originally held within 12 months from such date.

17.12 A vote given in accordance with the terms of a proxy or by the duly authorised representative of a corporate member or a poll demanded by proxy or by the duly authorised representative of a corporate member will be valid, notwithstanding, in the case of a proxy, the previous death or insanity of the principal, or the revocation of the instrument of proxy or of the authority under which the instrument of proxy was executed, provided that no notice in writing (including by electronic communication) of such death, insanity or revocation has been received by the company at the Office at least two hours before the commencement of the meeting or adjourned meeting at which the proxy is used.

17.13 For the purposes of regulations 17.9 to 17.12 electronic address includes in the case of any uncertificated proxy instructions an identification number of a participant in the relevant system concerned.

17.14 The Board may at the expense of the company send, by post or otherwise, to the members proxies, with or without provision for their return prepaid, for use at any general meeting or at any separate meeting of the holders of any class of shares of the company either in blank or nominating in the alternative any one or more of the Directors or any other persons. If, for the purpose of any meeting, invitations to appoint as proxy a person, or one of a number of persons, specified in the invitations are issued at the company's expense, they will be issued to all, and not to some only, of the members entitled to be sent a notice of the meeting and to vote at it by proxy.

17.15 In calculating any periods mentioned in this regulation 17 no account will be taken of any part of a day that is not a working day (within the meaning of section 1173, CA 2006).

18. CORPORATIONS ACTING BY REPRESENTATIVES

Any corporation which is a member of the company may by resolution of its directors or other governing body authorise any person or persons as it thinks fit to act as its representative or representatives at any meeting of the company or of any class of members of the company. The person or persons so authorised will be entitled to exercise the same powers on behalf of the corporation which he or they represent as the corporation could exercise if it were an individual member of the company and the corporation will, for the purposes of these articles, be deemed to be present in person at any such meeting if any person so authorised is present at it.

19. DIRECTORS

19.1 Unless otherwise determined by the company in general meeting, the number of Directors is not subject to a maximum but must not be fewer than three.

19.2 The Directors from time to time will be categorised into three classes, as follows:

19.2.1 Class A Directors, appointed as Director of the company for a one-year term (subject to reappointment in accordance with these articles);

19.2.2 Class B Directors, appointed as Director of the company for a two-year term (subject to reappointment in accordance with these articles); and

19.2.3 Class C Directors, appointed as Director of the company for a three-year term (subject to reappointment in accordance with these articles).

19.3 Upon appointment a Director will be categorised into a specific class of Directors. A Director of any class can at the end of his term be re-appointed as a director in accordance with regulation 24, and at the time of such reappointment will be categorised into the appropriate class (which can be a different class from the one in which such director was previously categorised).

19.4 A Director is not required to hold any share qualification but is nevertheless entitled to attend and speak at any general meeting or at any separate meeting of the holders of any class of shares of the company.

19.5 The chairman of the Board shall be elected by the shareholders in general meeting.

19.6 Without derogating from the rights of the other Directors, the chairman shall schedule the Board meetings and set their agenda.

19.7 Unless determined otherwise by the Board or by law, the chairman shall appoint the chairpersons and members of committees of the Board.

19.8 Subject to the other provisions in these articles each Director shall be elected for a term of not more than three years. At the end of such term, each such Director may stand for re-election.

20. ALTERNATE DIRECTORS

20.1 Any Director, other than an alternate Director, may at any time appoint any other Director, or any person approved by resolution of the Board, to be an alternate Director of the company, and may at any time remove any alternate Director so appointed by him from office and, subject to such approval by the Board, appoint another person in his place. An alternate Director so appointed is not required to hold any share qualification.

20.2 Subject to his giving to the company an address at which notices may be served upon him, an alternate Director is entitled to receive notices of all meetings of the Board and to attend and vote as a Director at any such meeting at which the Director appointing him is not personally present, and generally to perform all the functions of his appointor as a Director in the absence of such appointor.

20.3 An alternate Director will cease to be an alternate Director on the happening of any event which, if he were a Director, would cause him to vacate such office or if his appointor ceases for any reason to be a Director. If, however, any Director retires whether by rotation or otherwise but is reappointed by the meeting at which such retirement took effect, any appointment made by him pursuant to regulation 20.1 which was in force immediately prior to his retirement will continue to operate after his re-appointment as if he had not so retired.

20.4 All appointments and removals of alternate Directors must be effected by notice in writing signed by the Director making or revoking such appointment sent to or left at the Office.

20.5 Except as otherwise provided in these articles, an alternate Director is deemed for all purposes to be an officer of the company and is alone responsible to the company for his own acts and defaults, and he is not deemed to be the agent of or for the Director appointing him. An alternate Director is not entitled to receive any remuneration from the company for his services as such but his remuneration is payable out of the remuneration payable to the Director appointing him, and will consist of such part, if any, of the latter's remuneration as is agreed between them.

21. POWERS AND DUTIES OF DIRECTORS

21.1 The business of the company is managed by the Board who may exercise all such powers of the company as are not by the Statutes or by these articles required to be exercised by the company in general meeting, subject nevertheless to the provisions of these articles and of the Statutes, and to such directions, whether or not inconsistent with these articles, as may be prescribed by the company by special resolution. No such direction and no alteration of these articles will invalidate any prior act of the Board which would have been valid if such direction or alteration had not been given or made. The general powers given by this regulation are not limited or restricted by any special authority or power given to the Board by any other regulation.

21.2 The Board may from time to time provide for the management and transaction of the affairs of the company in any specified locality, including abroad, in such manner as they think fit, and the provisions contained in regulations 21.3 to 21.5 are without prejudice to the general powers conferred by this regulation.

21.3 The Board may establish, hire or contract any councils, committees, local boards or agencies for managing any of the affairs of the company, either in the United Kingdom or elsewhere, and (subject to regulation 19.7) may appoint any persons to be members of such local boards, or managers or agents, and may fix their remuneration, and may delegate to any council, committee, local board, manager or agent any of the powers, duties, authorities and discretions vested in the Board, with power to sub-delegate, and may authorise the members of any local board, or any of them, to fill any vacancies in it, and to act notwithstanding vacancies. Any such appointment or delegation may be made upon such terms and subject to such conditions as the Board think fit, and (subject to regulation 19.7) the Board may remove any person so appointed, and may annul or vary any such delegation, but no person dealing in good faith and without notice of any such annulment or variation will be affected by it.

21.4 The Board may from time to time, and at any time, appoint, whether by power of attorney or otherwise, any corporation, firm or person, or any fluctuating body of persons, whether nominated directly or indirectly by the Board, to be the agent of the company for such purposes and with such powers, authorities and discretions, not exceeding those vested in or exercisable by the Board under these articles, and for such period and subject to such conditions as they may think fit. Any such appointment may contain such provisions for the protection and convenience of persons dealing with any such agent as the Board may think fit, and may also authorise any such agent to sub-delegate all or any of the powers, authorities and discretions vested in him.

21.5 The Board may exercise the powers conferred upon the company by section 129, CA 2006 with regard to the keeping of an overseas branch register and the Board may, subject to the provisions of the Statutes, make and vary such regulations as they may think fit respecting the keeping of any such register.

21.6 The Board may establish and maintain, or procure the establishment and maintenance of, any pension, annuity or superannuation funds, whether contributory or otherwise, for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances and emoluments to, any persons who are or were at any time Directors of or in the employment or service of the company, or of any company which is a subsidiary of the company or is allied to or associated with the company or any such subsidiary or of any of the predecessors in business of the company or any such other company, or who may be or have been Directors or officers of the company, or of any such other company, and to the wives, widows, families and dependants of any such persons.

21.7 Subject to particulars with respect to the proposed payment being disclosed to the members of the company and to the proposal being approved by the company by ordinary resolution, if the Statutes so require, any Director who holds or has held any executive position or agreement for services is entitled to participate in and retain for his own benefit any such donation, gratuity, pension, allowance or emolument.

21.8 The Board may also establish, subsidise and subscribe to any institutions, associations, societies, clubs or funds calculated to be for the benefit of, or to advance the interests and well-being of, the company or of any person or any other company mentioned in regulation 21.6, and make payments for or towards the insurance of any such person and subscribe or guarantee money for charitable or benevolent objects, or for any exhibition or for any political, public, general or useful object, and do any of such matters, either alone or in conjunction with any company mentioned in regulation 21.6.

21.9 The Board may exercise the voting power conferred by the shares in any other company held or owned by the company or exercisable by members of the Board as directors of such other company in such manner in all respects as they think fit, including its exercise in favour of any resolution appointing themselves or any of them directors or other officers or employees of such company or voting or providing for the payment of remuneration to such officers or employees.

21.10 All cheques, promissory notes, drafts, bills of exchange and other negotiable or transferable instruments and all receipts for money paid to the company, must be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the Board may from time to time determine by resolution.

22. **BORROWING POWERS**

22.1 The Board may exercise all the powers of the company to borrow money and to mortgage or charge its undertaking, property and uncalled capital, or any part of it, and subject to the provisions of the Statutes, to issue debentures and other securities whether outright or as collateral security for any debt, liability or obligation of the company or of any third party.

22.2 The Board may secure or provide for the payment of any money to be borrowed or raised by a mortgage of or charge upon all or any part of the undertaking or property of the company, both present and future, and upon any capital remaining unpaid upon the shares of the company whether called up or not, or by any other security. The Board may confer upon any mortgagees or persons in whom any debenture or security is vested such rights and powers as they think necessary or expedient. They may vest any property of the company in trustees for the purpose of securing any money so borrowed or raised and confer upon the trustees, or any receiver to be appointed by them, or by any debenture holder, such rights and powers as the Board may think necessary or expedient in relation to the undertaking or property of the company or its management or realisation, or the making, receiving, or enforcing of calls upon the members in respect of unpaid capital, and otherwise. The Board may make and issue debentures to trustees for the purpose of further security and the company may remunerate any such trustees.

22.3 The Board may give security for the payment of any money payable by the company in same manner as for the payment of money borrowed or raised.

22.4 The Board must keep a register of charges in accordance with the Statutes and the fee to be paid by any person, other than a creditor or member of the company for each inspection of the register of charges to be kept under CA 2006 is five pence.

23. **PROCEEDINGS OF COMMITTEES**

23.1 Any committee formed pursuant to regulation 21.3 must, in the exercise of the powers, duties, discretions and authorities so delegated, conform to any regulations that may be imposed on it by the Board.

23.2 The meetings and proceedings of any such committee consisting of two or more members are governed by the provisions of these articles regulating the meetings and proceedings of the Board so far as they are applicable and are not superseded by any regulations made by the Board under regulation 23.1. No resolution of a committee is effective unless a majority of its members voting are Directors.

24. **APPOINTMENT AND RETIREMENT OF DIRECTORS**

24.1 Subject to regulation 24.3, each Director shall retire at the next general meeting after the term of his office ends in accordance with regulation 19.2. A Director retiring at a general meeting, if he is not re-appointed, retains office until the meeting appoints someone in his place or, if it does not do so, until the end of that meeting.

24.2 Subject to the provisions of the Statutes and of these articles, the Directors to retire in every year include, so far as necessary to obtain the required number, any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire are those who have been longest in office since their last appointment or re-appointment but, as between persons who became or were last re-appointed Directors on the same day, those to retire are determined by the Board at the recommendation of the chairman of the Board. A retiring Director is eligible for re-appointment, subject as set out in these articles.

24.3 In any two year period, a majority of the Directors must stand for re-election or replacement. In the event that this majority has not been met and the number of Directors eligible for retirement by rotation under the provisions of these articles are not met, any further Directors so to retire are those who have been longest in office since their last appointment or re-appointment but, as between persons who became or were last re-appointed Directors on the same day, those to retire are determined by the Board at the recommendation of the chairman of the Board. A retiring Director is eligible for re-appointment, subject as set out in these articles.

24.4 The company at the meeting at which a Director retires in the manner set out in regulation 24.1 may fill the vacated office and, in default, the retiring Director, if willing to act, is deemed to have been re-appointed, unless at such meeting it is expressly resolved not to fill the vacancy, or a resolution for the re-appointment of such Director is put to the meeting and lost.

24.5 No person other than a Director retiring at the meeting, unless recommended by the Directors for appointment, is eligible for appointment to the office of a Director at any general meeting unless, not fewer than seven more than 42 clear days before the day appointed for the meeting, there is given to the company notice in writing by some member duly qualified to be present and vote at the meeting for which such notice is given of his intention to propose such person for appointment stating the required particulars and, also, notice in writing signed by the person to be proposed of his willingness to be appointed.

24.6 At a general meeting, a motion for the appointment of two or more persons as Directors by a single resolution will be void, unless a resolution that it is so made has been first agreed to by the meeting without any vote being given against it and, for the purpose of this regulation, a motion for approving a person's appointment or for nominating a person for appointment is treated as a motion for his appointment.

24.7 The company may from time to time by ordinary resolution increase or reduce the number of Directors and may also determine in what rotation such increased or reduced number is to go out of office. Without prejudice to the provisions of regulation 24.8, the company may by ordinary resolution appoint any person to be a Director, either to fill a casual vacancy or as an additional Director.

24.8 The Board and the company in general meeting each have power at any time, and from time to time, to appoint any person to be a Director, either to fill a casual vacancy or as an additional Director, but so that the total number of Directors does not at any time exceed the maximum number, if any, fixed by or in accordance with these articles. Subject to the provisions of the Statutes and of these articles, any Director so appointed by the Directors holds office only until the conclusion of the next following annual general meeting and is eligible for reappointment at that meeting. Any Director who retires under this regulation is not taken into account in determining the Directors who are to retire by rotation at such meeting.

24.9 Any contract of employment entered into by a Director with the company may not include a term that it is to continue or may be continued, otherwise than at the instance of the company, for a period exceeding two years during which the employment either cannot be terminated by the company by notice or can be so terminated only in specified circumstances, unless such term is first approved by ordinary resolution of the company.

24.10 There is no restriction as to the age of Directors except as required by the Statutes.

24.11 Only such persons who are nominated in accordance with the procedures set forth in this regulation shall be eligible to serve as directors.

25. DISQUALIFICATION AND REMOVAL OF DIRECTORS

25.1 The office of a Director must be vacated in any of the following events:

25.1.1 if, not being a Director who has agreed to serve as a Director for a fixed term, he resigns his office by notice in writing signed by him and authorised in such manner as the other Directors may require, sent to or left at the Office;

25.1.2 if he becomes bankrupt or makes any arrangement or composition with his creditors generally or applies to the court for an interim order under section 253, Insolvency Act 1986 in connection with a voluntary arrangement under that Act;

25.1.3 an order is made by any court having jurisdiction on the ground, however formulated, of mental disorder for his detention or for the appointment of a guardian or receiver or other person, by whatever name called, to exercise powers with respect to his property or affairs;

25.1.4 if he is absent from meetings of the Directors for six successive months without leave, and his alternate Director, if any, has not during such period attended in his place, and the Directors resolve that his office be vacated;

25.1.5 if he ceases to be a Director by virtue of any provision of the Statutes or pursuant to these articles; or

25.1.6 if he becomes prohibited by law from being a Director (after taking into account any grace period provisions or exceptions that may apply).

25.2 The company may in accordance with, and subject to the provisions of, the Statutes, by ordinary resolution of which special notice has been given, remove a Director before the expiry of his period of office and may appoint another person in his place. Such removal is without prejudice to any claim such Director may have for breach of any contract of service between him and the company. The person so appointed is subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last appointed or reappointed a Director.

26. EXECUTIVE AND OTHER DIRECTORS

26.1 Subject to the provisions of the Statutes, the Board may from time to time and at any time appoint one or more of their body to hold any executive office in relation to the management of the business of the company on such terms, for such period and with or without such title(s) as they may decide. The Board may, from time to time, subject to the provisions of any service contract between the appointee(s) and the company, remove or dismiss him or them from such office and appoint another or others in his or their place or places.

26.2 A Director who holds any such executive office is, while he continues to hold that office, subject to retirement by rotation in accordance with the provisions of regulation 24, and he is taken into account in determining the retirement by rotation of Directors. He is also, subject to the provisions of regulation 25.1 and of any service contract between him and the company, subject to the same provisions as to removal and as to vacation of office as the other Directors of the company. If he ceases to hold the office of Director for any cause, his appointment as the holder of an executive office will also terminate, unless otherwise determined by the Board.

26.3 Subject to the Statutes, any Director may be paid by the company such remuneration for holding office as may be determined by the Board, which may consist of salary, commission, profit participation, share options, pension or insurance benefit or any combination of them, or otherwise.

26.4 The Board may entrust to and confer upon any Director appointed to any such executive office any of the powers exercisable by them, other than the power to make calls, upon such terms and conditions and with such restrictions as the Board think fit, and either collaterally with or to the exclusion of their own powers, and may from time to time revoke, withdraw, alter or vary all or any of such powers.

26.5 Subject to the provisions of the Statutes, the Board may from time to time, and at any time, pursuant to this regulation appoint any person to any post with such descriptive title including that of Director, whether as executive, group, divisional, departmental, deputy, assistant, local, advisory director or otherwise, as they may determine. They may define, limit, vary and restrict the powers, authorities and discretions of any person so appointed and may fix and determine his remuneration and duties, and subject to any contract between him and the company, may remove from such post any person so appointed. A person so appointed is not a Director for any of the purposes of these articles or of the Statutes, and accordingly is not a member of the Board or of any committee of the Board, nor is he entitled to be present at any meeting of the Board or of any such committee, except at the request of the Board or of such committee. If present at such request, he is not entitled to vote at such meeting.

27. DIRECTORS' INTERESTS

27.1 A Director, including an alternate Director, may hold any other office or place of profit under the company, other than the office of auditor, in conjunction with his office of Director and may act in a professional capacity to the company, on such terms as to tenure of office, remuneration and otherwise as the Board may determine.

27.2 Subject to the Statutes and to the provisions of these articles, no Director or intending Director, including an alternate Director, is disqualified by his office from contracting with the company either with regard to his tenure of any other office or place of profit, or as seller, purchaser or otherwise. No such contract, or any contract or arrangement entered into by or on behalf of the company in which any Director is in any way, whether directly or indirectly, interested, is liable to be avoided, nor is any Director so contracting or being so interested obliged to account to the company for any profit realised by any such contract or arrangement by reason of the Director holding that office or of his fiduciary relationship with the company.

27.3 Any Director, including an alternate Director, may continue to be or become a director or other officer or member of or otherwise interested in any other company promoted by the company or in which the company may be interested, as a member or otherwise, or which is a holding company of the company or a subsidiary of any such holding company. No such Director is accountable for any remuneration or other benefits received by him as a director or other officer or member of, or from his interest in, any such other company. The Board may exercise the voting power conferred by the shares in any other company held or owned by the company, or exercisable by the directors of such other company, in such manner in all respects as they think fit, subject to the restrictions contained in regulation 27.14.

27.4 If a Director is in any way, directly or indirectly, interested in a proposed transaction or arrangement with the company, he must declare the nature and extent of his interest to the other Directors before the transaction or arrangement is entered into. This may (but need not) be done in any of the ways set out in regulation 27.5.

27.5 If a Director is in any way, directly or indirectly, interested in a transaction or arrangement that has been entered into by the company (before or after he became a Director), he must declare the nature and extent of his interest to the other Directors (to the extent that he has not already declared it under regulation 27.4) as soon as is reasonably practicable. The declaration must be made at a meeting of the Board, by notice in writing under regulation 27.7 or by general notice under regulation 27.8.

27.6 For the purposes of regulation 27.4 and regulation 27.5, subject to the Statutes:

27.6.1 an alternate Director must declare any interest in a transaction or arrangement to which his appointment relates, but need not declare any other interest; and

27.6.2 an interest of his appointor of which an alternate Director is aware (or ought reasonably to be aware) is treated as the interest of the alternate Director in addition to any interest which the alternate Director otherwise has, but need not be declared if the appointor has already declared it (or would not be required to declare it) in accordance with the relevant regulation.

27.7 A Director may make a declaration of interest under regulation 27.4 or regulation 27.5 by sending notice in writing to the other directors in hard copy (by hand or post) or, if the recipient has agreed to receive it in electronic form, in an agreed electronic form by agreed electronic means. The making of a declaration under this regulation 27.7 is deemed to form part of the proceedings at the next meeting of the Board after the notice is given and must be recorded in the minutes of that meeting in accordance with regulation 31.

27.8 A Director may satisfy his duty to make a declaration of interest under regulation 27.4 or regulation 27.5 by giving general notice to the other Directors to the effect that the Director has an interest (as member, officer, employee or otherwise) in a specified body corporate or firm, or is connected (for the purposes of the Statutes) with a specified person (other than a body corporate or firm), and is to be regarded as interested in any transaction or arrangement that may, after the date of the notice, be made with that body corporate, firm or person. The notice must state the nature and extent of the relevant interest or connection. The notice is not effective unless it is given at a meeting of the Board or the Director takes reasonable steps to secure that it is brought up and read at the next such meeting after it is given.

27.9 If a declaration of interest under regulation 27.4 or regulation 27.5 proves to be, or becomes, inaccurate or incomplete, the Director must make a further declaration.

27.10 A Director need not declare an interest under regulation 27.4 or regulation 27.5:

27.10.1 unless the Director is aware (or ought reasonably to be aware) of the interest and of the transaction or arrangement in question;

27.10.2 if it cannot reasonably be regarded as likely to give rise to a conflict of interest;

27.10.3 if, or to the extent that, the other Directors are already aware of it (and for this purpose the other Directors are treated as aware of anything of which they ought reasonably to be aware); or

27.10.4 if, or to the extent that, it concerns terms of his service contract that have been or are to be considered by a meeting of the Board or by a committee of the Board appointed for the purpose.

27.11 A Director may continue or become a director or other officer, employee or member of any company promoted by the company or in which it may be interested as a seller, shareholder, or otherwise, and no such Director is accountable for any remuneration or other benefits derived as director or other officer, employee or member of such company.

27.12 Except as provided in regulation 27.14 or regulation 28 or elsewhere in these articles, a Director may not vote at a meeting of the Board or of a committee of the Board on any resolution concerning a matter in which he has, directly or indirectly, a material interest (other than an interest in shares or debentures or other securities of or in (or through) the company) which conflicts or may conflict with the interests of the company. For this purpose, a Director shall be deemed to have such a material interest in any contract, arrangement, transaction or other proposal concerning any other company in which he (either alone or together with any person connected with him, as provided in section 252, CA 2006) holds an interest representing one per cent. or more of any class of the equity share capital (calculated exclusive of any shares of that class held as treasury shares) of such company or of the voting rights available to members of the relevant company.

27.13 A Director is not counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.

27.14 Notwithstanding the provisions of regulations 27.12, 27.13 and 28, a Director is entitled to vote and be counted in the quorum in respect of any resolution concerning any of the following matters:

27.14.1 the giving of any security, guarantee or indemnity to him in respect of money lent or obligations incurred by him or by any other person at the request of or for the benefit of the company or any of its subsidiaries;

27.14.2 the giving of any security, guarantee or indemnity to a third party in respect of a debt or obligation of the company or any of its subsidiaries for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;

27.14.3 any proposal concerning an offer of shares or debentures or other securities of or by the company or any of its subsidiaries for subscription or purchase in which offer he is or is to be interested as a participant as the holder of such shares, debentures or other securities or in its underwriting or sub-underwriting;

27.14.4 any contract, arrangement, transaction or other proposal concerning any other company in which he (together with any person connected with him, as provided in section 252, CA 2006) is interested (directly or indirectly) whether as an officer, shareholder, creditor or otherwise, unless he (together with any person so connected with him) holds an interest representing one per cent. or more of any class of the equity share capital (calculated exclusive of any shares of that class held as treasury shares) of such company or of the voting rights available to members of the relevant company;

27.14.5 any contract, arrangement, transaction or other proposal concerning the adoption, modification or operation of a superannuation fund or retirement, death or disability benefits scheme under which he may benefit and which has been approved by or is subject to and conditional upon approval by HM Revenue & Customs;

27.14.6 any contract, arrangement, transaction or proposal concerning the adoption, modification or operation of any scheme for enabling employees including full time executive Directors of the company and/or any subsidiary to acquire shares of the company or any arrangement for the benefit of employees of the company or any of its subsidiaries, which does not award him any privilege or benefit not awarded to the employees to whom such scheme relates; or

27.14.7 any contract, arrangement, transaction or proposal concerning insurance which the company proposes to maintain or purchase for the benefit of Directors or for the benefit of persons including Directors.

27.15 A Director may not vote or be counted in the quorum on any resolution concerning his own appointment as the holder of any office or place of profit with the company or any company in which the company is interested, including fixing or varying the terms of his appointment or its termination.

27.16 Where proposals are under consideration concerning the appointment, including fixing or varying the terms of appointment, of two or more Directors to offices or employments with the company or any company in which the company is interested, such proposals may be divided and considered in relation to each Director separately. In such cases, each of the Directors concerned, if not debarred from voting under regulation 27.14.6, is entitled to vote and be counted in the quorum in respect of each resolution except that concerning his own appointment.

27.17 If any question arises at any meeting as to the materiality of a Director's interest or as to the entitlement of any Director to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question must be referred to the chairman of the meeting and his ruling in relation to any other Director will be final and conclusive, except in a case where the nature or extent of the interests of the Director concerned have not been fairly disclosed. If the question concerns the chairman, it must be referred to such other Director present at the meeting, other than the chairman, as the Directors present appoint.

27.18 Subject to the Statutes, the company may by ordinary resolution suspend or relax the provisions of regulations 27.4 to 27.17 to any extent or ratify any transaction not duly authorised by reason of a contravention of these articles.

28. CONFLICTS OF INTEREST REQUIRING BOARD AUTHORISATION

28.1 The Board may, if the quorum and voting requirements set out in this regulation 28 are satisfied, authorise any matter that would otherwise involve a Director ("**Relevant Director**") breaching his duty under chapters 2 and 3 of part 10, CA 2006 to avoid conflicts of interest.

28.2 Any Director (including the Relevant Director) may propose that the Relevant Director be authorised in relation to any matter which is the subject of such a conflict. The proposal and any authority given by the Board will be determined in the same way as any other matter proposed to and resolved by the Board under these articles, except that the Relevant Director and any other Director with a similar interest:

28.2.1 will not count towards the quorum at the meeting at which the conflict is considered;

28.2.2 may, if the Board so decides, be excluded from any Board meeting while the conflict is under consideration; and

28.2.3 may not vote on any resolution authorising the conflict, but except that, if he or they in fact vote, the resolution will be valid if it would have been passed even if the vote or votes had not been counted.

28.3 Where the Board gives authority in relation to such a conflict:

28.3.1 the Board may (whether at the time of giving the authority or at any time or times subsequently) impose such terms upon the Relevant Director and any other Director with a similar interest as it deems appropriate, including, without limitation, the exclusion of the Relevant Director and any other Director with a similar interest from the receipt of information, or participation in discussion (whether at meetings of the Board or otherwise) or voting relating to the conflict;

28.3.2 the Relevant Director and any other Director with a similar interest will be obliged to comply with any terms imposed by the Board from time to time in relation to the conflict;

28.3.3 the authority may also provide that where the Relevant Director, and any other Director with a similar interest, obtains information that is confidential to a third party, the Relevant Director or such other Director, as the case may be, will not be obliged to disclose that information to the company, or to use the information in relation to the company's affairs, where to do so would amount to a breach of that confidence;

28.3.4 the terms of the authority must be recorded in writing; and

28.3.5 the authority may be withdrawn by the Board at any time.

29. **PROCEEDINGS OF DIRECTORS**

29.1 The Board may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. Questions arising at any meeting are determined by a majority of votes. In case of an equality of votes, the chairman shall have a casting vote. A Director who is also an alternate Director is entitled, in the absence of the Director whom he is representing, to a separate vote on behalf of such Director in addition to his own vote. A Director may, and the Secretary on the requisition of a Director must, at any time call a meeting of the Board.

29.2 Notice of meetings of the Board is deemed to be duly given to a Director if it is given to him personally or by word of mouth or sent in writing or other means to him at his last known address or any other address (including an electronic address) given by him from time to time to the company for this purpose. A Director may request the Board that notices of Board meetings will be sent in writing to him at an electronic address given by him to the company.

29.3 The quorum necessary for the transaction of the business of the Board may be fixed by the Board, and unless so fixed at any other number, is a majority of the Board of Directors, to include (except in respect of any matter on which he is not eligible to vote) the Chairman of the Board. If a Board meeting is attended by a Director who is acting as an alternate for one or more other Directors, the Director or Directors for whom he is the alternate will be counted in the quorum despite their absence, and if on this basis there is a quorum the meeting may be held despite the fact that only one Director is physically present. A meeting of Directors for the time being at which a quorum is present is competent to exercise all powers and discretions for the time being exercisable by the Board.

29.4 All or any of the Directors, including alternates, or members of any committee of the Board may participate in a meeting of the Board or that committee by means of a conference telephone or any communication equipment which allows all persons participating in the meeting to hear each other. A person so participating is deemed to be present in person at the meeting and may vote or be counted in a quorum. Accordingly, a meeting of the Board or a committee of the Board may be held where each of those present or deemed to be present is in communication with the others only by telephone or other communication equipment. A meeting where those present or deemed to be present are in different locations is deemed to take place where the largest group of those participating is assembled, or, if there is no such group, where the chairman of the meeting then is.

29.5 The continuing Directors may act notwithstanding any vacancy in their body. If the number of the Directors is less than the prescribed minimum, the remaining Director or Directors must immediately appoint an additional Director or additional Directors to make up such minimum or convene a general meeting of the company for the purpose of making such appointment. If there is no Director or Directors able or willing to act, any two members may summon a general meeting for the purpose of appointing Directors. Any additional Director so appointed holds office, subject to the provisions of the Statutes and these articles, only until the end of the annual general meeting of the company next following such appointment, unless he is re-elected during such meeting. He is eligible for re-election at such meeting and does not retire by rotation at such meeting nor is taken into account in determining the rotation or retirement of Directors at such meeting.

29.6 The Board may from time to time elect from their number, and remove, one or more deputy chairmen or vice chairmen and determine the period for which any such person is to hold office. The chairman of the Board or, if he is not eligible and willing to act, a deputy chairman or vice chairman (to be chosen, if in each case there are more than one, by agreement amongst them or, failing agreement, by lot) or in the absence of any of them, some other Director nominated by a majority of the other Directors in writing, presides at all meetings of the Board. If no such chairman, deputy chairman or vice chairman is elected, or if at any meeting the chairman or the deputy chairman or the vice chairman or such other Director is not present within five minutes after the time appointed for holding it, or if none of them is willing to act as chairman, the Directors present may choose one of their number to be chairman of the meeting. If at any time there is no chairman of the Board or he is prevented by incapacity from doing anything (including forming part of a quorum) reserved to the chairman by these articles, that thing may be done by a deputy chairman or vice chairman or, if there is none of these who is not incapacitated, any other Director.

29.7 A resolution in writing, agreed to by all the Directors for the time being entitled to vote on the relevant matter at a meeting of the Board or of a committee of the Board (if that number is sufficient to constitute a quorum), is as effective as a resolution passed at a Board meeting or of a committee of the Board, duly convened and held. For this purpose a Director signifies his consent to a proposed resolution in writing when the company receives from him or his alternate a document or an electronic communication at such address (including an electronic address) as may be specified by the company indicating his agreement to the resolution, authenticated in the manner required by section 1146, CA 2006.

29.8 A meeting of the Directors for the time being at which a quorum is present is competent to exercise all powers and discretions for the time being exercisable by the Board.

29.9 All acts done bona fide by any meeting of Directors, or of a committee of the Board, or by any person acting as Director, are as valid as if every such person had been duly appointed, was qualified, had continued to be a Director and had been entitled to vote, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any such director or person acting as a Director, or that they or any of them were disqualified, or had vacated office, or were not entitled to vote.

30. SECRETARY

30.1 Subject to the Statutes, the Secretary of the company is appointed by the Board on such terms and for such periods as they may think fit, and the Board may so appoint one or more assistant or deputy Secretary. Any Secretary or assistant or deputy Secretary so appointed may at any time be removed from office by the Board, without prejudice to any claim for damages for breach of any contract of service between him and the company.

30.2 Anything by CA 2006 required or authorised to be done by the Secretary may, if the office is vacant or there is for any other reason no Secretary capable of acting, be done by any assistant or deputy Secretary or, if there is no assistant or deputy Secretary capable of acting, by any officer of the company authorised generally or specifically in that behalf by the Board. Any provision of the Statutes or of these articles requiring or authorising a thing to be done by a Director and Secretary is not satisfied by its being done by the same person acting both as Director and as, or in the place of, the Secretary.

31. MINUTES

31.1 The Board must ensure that minutes are made of:

31.1.1 all appointments of officers and committees made by the Board;

31.1.2 all declarations of Directors' interests pursuant to regulation 27.7;

31.1.3 the names of the Directors present at each meeting of Board and of any committee of the Board and all business transacted at such meetings; and

31.1.4 all orders, resolutions and proceedings at all meetings of the company, of the holders of any class of shares in the company and of the Board and of committees of the Board.

31.2 Any such minute, if purporting to be signed by the chairman of the meeting at which the proceedings were held, or by the chairman of the next succeeding meeting, is prima facie evidence of the matters stated in such minutes without any further proof

32. SEAL AND AUTHENTICATION OF DOCUMENTS

32.1 The Board may provide a common seal for the company and have power from time to time to destroy it and to substitute a new seal for it.

32.2 A document expressed to be executed by the company signed as provided by section 44(2), CA 2006 has effect as if executed under seal.

32.3 The Board may exercise the powers conferred on the company by section 50, CA 2006 with regard to having an official seal solely for sealing documents creating or evidencing securities of the company. Any such documents to which such official seal is affixed need not be signed by any person.

32.4 The Board must provide for the safe custody of the seal and the seal may never be used except by the authority of a resolution of the Board or of a committee of the Board authorised for that purpose by the Board. The Board may from time to time make such regulations as it thinks fit, subject to the provisions of these articles in relation to share and debenture certificates, determining the persons and the number of such persons who may sign every instrument to which the seal is affixed and, until otherwise so determined, every such instrument must be signed by one Director and must be countersigned by a second Director or by the Secretary.

32.5 The company may have official seals under the provisions of section 49, CA 2006 for use abroad. Wherever reference is made in these articles to the seal, the reference, when and so far as may be applicable, is deemed to include any such official seal.

32.6 Any Director or the Secretary or any person appointed by the Board for the purpose has power to authenticate any documents affecting the constitution of the company and any resolutions passed by the company or the Board or any committee of the Board, and any books, records, documents and accounts relating to the business of the company, and to certify copies of them or extracts from them as true copies or extracts. A document purporting to be a copy of a resolution, or a copy of or an extract from the minutes of a meeting of the company or of the Board or any committee of the Board, which is certified as stated, is conclusive evidence in favour of all persons dealing with the company upon the faith of any such copy that such resolution has been duly passed or, as the case may be, that such copy or extract is a true and accurate record of proceedings at a duly constituted meeting.

33. DIVIDENDS

33.1 The profits of the company available for distribution and resolved to be distributed are applied in the payment of dividends to the members in accordance with their respective rights and priorities. The company in general meeting may declare dividends accordingly.

33.2 No dividend or interim dividend is payable otherwise than in accordance with the provisions of the Statutes and no dividend may exceed the amount recommended by the Board.

33.3 Subject to the rights of persons, if any, entitled to shares with preferential or other special rights as to dividends, all dividends must be declared and paid according to the amounts paid up on the shares in respect of which the dividend is paid. No amount paid up on a share in advance of the date on which a call is payable may be treated as paid up for this purposes. All dividends will be apportioned and paid pro rata according to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid, except that if any share is issued on terms providing that it carries any particular rights as to dividend, such share will rank for dividend accordingly.

33.4 Subject to the provisions of the Statutes and of these articles, the Board may, if they think fit, from time to time pay to the members such interim dividends as appear to the Board to be justified by the distributable profits of the company. If at any time the share capital of the company is divided into different classes, the Board may pay such interim dividends in respect of those shares in the capital of the company which confer on their holders deferred or non preferred rights, as well as in respect of those shares which confer on their holders preferential rights with regard to dividend. No dividend, whether interim, final or otherwise, may be paid on shares carrying deferred or non preferred rights if, at the time of payment, any preferential dividend is in arrear. The Board may also pay half yearly, or at other suitable intervals to be settled by them, any dividend which may be payable at a fixed rate if they are of the opinion that the distributable profits justify the payment and if and to the extent that such payment is permitted by the Statutes. So long as the Board act in good faith, they will not incur any responsibility to the holders of shares conferring a preference for any damage that they may suffer by reason of the payment of an interim dividend on any shares having deferred or non preferred rights.

33.5 Subject to the provisions of the Statutes or as otherwise required by law, where any asset, business or property is bought by the company as from a past date, whether such date is before or after the incorporation of the company, the profits or losses attributable to it as from such date may at the discretion of the Board in whole or in part be carried to revenue account and treated for all purposes as profits or losses of the company. Except as stated, if any shares or securities are purchased cum dividend or interest, such dividend or interest may at the discretion of the Board be treated as revenue and it will not be obligatory to capitalise it or any part of it.

33.6 The Board may deduct from any dividend or other money payable to any member on or in respect of a share all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company. The company may cease to send any cheque or warrant through the post for any dividend payable on any shares in the company which is normally paid in that manner on those shares if, in respect of at least two consecutive dividends payable on those shares, the cheques or warrants have been returned undelivered or remain uncashed or, if following one such occasion, reasonable enquiries have failed to establish any new address of the registered holder. Subject to the provisions of these articles, the company must recommence sending cheques or warrants in respect of dividends payable on those shares if the holder or person entitled by transmission claims the arrears of dividend and does not instruct the company to pay future dividends in some other way.

33.7 The Board may retain the dividends payable upon shares in respect of which any person is, under the provisions as to the transmission of shares contained in these articles, entitled to become a member, or which any person is under those provisions entitled to transfer, until such person becomes a member in respect of such shares or transfers them.

33.8 All dividends, interest or other sums payable and unclaimed for one year, after having been declared, may be invested or otherwise made use of by the Board for the benefit of the company until claimed and the company is not constituted a trustee in respect of them. No dividend will bear interest as against the company.

33.9 Any dividend which has remained unclaimed for a period of 12 years from the date on which it becomes due for payment will, if the Board so resolve, be forfeited and cease to remain owing by the company and will from then on belong to the company absolutely.

33.10 Any dividend or other money payable on or in respect of a share may be paid by cheque or warrant sent through the post to the registered address of the member or person entitled to it and, in the case of joint holders, to any one of such joint holders or, to such person and such address as the holder or joint holders may in writing direct. Every such cheque or warrant will be made payable to the order of the person to whom it is sent or to such other person as the holder or joint holders may in writing direct and payment of the cheque or warrant is a good discharge to the company. Every such cheque or warrant will be sent at the risk of the person entitled to the money.

33.11 If several persons are registered as joint holders of any share any one of them may give effectual receipts for any dividend or other money payable on or in respect of the share.

33.12 The Board may, if authorised by an ordinary resolution of the company, offer any holders of Ordinary Shares the right to elect to receive Ordinary Shares, credited as fully paid, instead of cash in respect of the whole, or some part, to be determined by the Board, of any dividend specified by the ordinary resolution. The following provisions will apply:

33.12.1 an ordinary resolution may specify a particular dividend or may specify all or any dividends declared within a specified period but such period may not end later than the beginning of the annual general meeting next following the date of the meeting at which the ordinary resolution is passed;

33.12.2 the entitlement of each holder of Ordinary Shares to new Ordinary Shares is such that the relevant value of the entitlement is as nearly as possible equal to, but not greater than, the cash amount, disregarding any tax credit of the dividend that such holder elects to forgo. For this purpose, **relevant value** is calculated by reference to the average of the middle market quotations for the company's Ordinary Shares on the relevant stock exchange, on the day on which the Ordinary Shares are first quoted "ex" the relevant dividend and the four subsequent dealing days or in such other manner as may be determined by or in accordance with the ordinary resolution. A certificate or report by the auditors as to the amount of the relevant value in respect of any dividend is conclusive evidence of that amount;

33.12.3 on or as soon as practicable after announcing that they are to declare or recommend any dividend, the Board, if they intend to offer an election in respect of that dividend, must also announce that intention, and, after determining the basis of allotment, if the Board decide to proceed with the offer, must notify the holders of Ordinary Shares in writing of the right of election and specify the procedure to be followed and the place (or places) at which, and the latest time by which, elections must be lodged in order to be effective;

33.12.4 the Board may not proceed with any election unless it has authority to allot sufficient shares and the company has sufficient reserves or funds that may be capitalised to give effect to the election after the basis of allotment is determined;

33.12.5 the Board may exclude from any offer any holders of Ordinary Shares where the Board believes that the making of the offer to them would or might involve the contravention of the laws of any territory or that for any other reason the offer should not be made to them;

33.12.6 the dividends, or that part of the dividend in respect of which a right of election has been offered, will not be payable on Ordinary Shares other which an election has been made ("**elected ordinary shares**") and, instead, additional Ordinary Shares will be allotted to the holders of the elected ordinary shares on the basis of the allotment calculated as stated. For such purpose, the Board will capitalise, out of any amount for the time being standing to the credit of any reserve or fund, including the profit and loss account, whether or not it is available for distribution as the Board may determine, a sum equal to the aggregate nominal amount of the additional Ordinary Shares to be allotted on that basis and apply it in paying up in full the appropriate number of Ordinary Shares for allotment and distribution to the holders of the elected ordinary shares on that basis; and

33.12.7 the additional Ordinary Shares when allotted will rank equally in all respects with the fully paid shares then in issue except that they will not be entitled to participate in the relevant dividend.

33.13 A general meeting declaring a dividend may, upon the recommendation of the Board, direct payment of such dividend wholly or in part by the distribution of specific assets, and in particular of paid up shares or debentures of the company or any other company, and the Board must give effect to such resolution. Where any difficulty arises in regard to the distribution, they may settle it as they think expedient and, in particular but without limitation, may issue fractional certificates and may fix the value for distribution of such specific assets or any part of them, and may determine that cash payments will be made to any members upon the basis of the value so fixed, in order to adjust the rights of members. They may vest any specific assets in trustees upon trust for the persons entitled to the dividend as may seem expedient to the Board, and generally may make such arrangements for the allotment, acceptance and sale of such specific assets or fractional certificates, or any part of them, and otherwise as they think fit.

34. RESERVES

34.1 Subject to the provisions of the Statutes, the Board may before recommending any dividend, whether preferential or otherwise, carry to reserve out of the profits of the company, including any premiums received upon the issue of debentures or other securities of the company, such sums as they think proper as a reserve or reserves.

34.2 All sums standing to reserve may be applied from time to time at the discretion of the Board for meeting depreciation or contingencies or for special dividends or bonuses or for equalising dividends or for repairing, improving or maintaining any of the property of the company or for such other purposes as the Board may decide are conducive to the objects of the company or any of them. Pending their application such sums may either be employed in the business of the company or be invested in such investments as the Board think fit.

34.3 The Board may divide the reserve into such special funds as they think fit, and may consolidate into one fund any special funds or any parts of any special funds into which the reserve has been divided, as they think fit. Any sum which the Board may carry to reserve out of the unrealised profits of the company will not be mixed with any reserve to which profits available for distribution have been carried. The Board may also without placing them to reserve carry forward any profits which they may think it not prudent to divide.

35. CAPITALISATION OF PROFITS

35.1 Subject as set out in regulations 35.2 and 35.3 the Board may with the authority of an ordinary resolution of the company:

35.1.1 resolve to capitalise any undivided profits (including profits standing to the credit of any reserve) of the company, whether or not they are available for distribution, or any sum standing to the credit of the company's share premium account, redenomination reserve or capital redemption reserve;

35.1.2 appropriate the profits or sum resolved to be capitalised to the members in proportion to the nominal amount of Ordinary Shares, whether or not fully paid, held by them respectively, and apply such profits or sum on their behalf, either in or towards paying up the amounts, if any, for the time being unpaid on any shares held by such members respectively, or in paying up in full shares or debentures of the company of a nominal amount equal to such profits or sum, and allot and distribute such shares or debentures credited as fully paid up, to and amongst such members, or as they may direct, in due proportion, or partly in one way and partly in the other;

35.1.3 resolve that any shares allotted under this regulation to any member in respect of a holding by him of any partly paid Ordinary Shares will, so long as such Ordinary Shares remain partly paid, rank for dividends only to the extent that such partly paid Ordinary Shares rank for dividend;

35.1.4 make such provisions by the issue of fractional certificates or by payment in cash or otherwise as the Board think fit for the case of shares or debentures becoming distributable under this regulation in fractions;

35.1.5 authorise any person to enter on behalf of all the members concerned into an agreement with the company providing for the allotment to them respectively, credited as fully paid up, of any shares or debentures to which they may be entitled upon such capitalisation and any agreement made under such authority being effective and binding on all such members; and

35.1.6 generally do all acts and things required to give effect to such resolution.

35.2 The share premium account, redenomination reserve and capital redemption reserve and any such profits which are not available for distribution may, for the purposes of regulation 35.1, only be applied in the paying up of unissued shares to be allotted to members credited as fully paid.

35.3 In the case where any sum is applied in paying amounts for the time being unpaid on any shares of the company or in paying up in full debentures of the company, the amount of the net assets of the company at that time must be not less than the aggregate of the called up share capital of the company and its undistributable reserves and must not be reduced below that aggregate by the payment of those amounts as shown in the latest audited accounts of the company, or such other accounts as may be relevant.

36. ACCOUNTS

36.1 The Board must ensure that proper accounting records are kept in accordance with the Statutes.

36.2 The accounting records must be kept at the office, or, subject to the provisions of the Statutes, at such other place as the Board think fit, and must always be open to inspection by the officers of the company. No member, other than a Director, has any right of inspecting any account or book or document of the company, except as conferred by the Statutes or authorised by the Board or by the company in general meetings.

36.3 The Board must from time to time, in accordance with the provisions of the Statutes, ensure that there are prepared and laid before the company in general meeting such profit and loss accounts balance sheets, group accounts, if any, and reports as are specified in the Statutes.

36.4 Subject to the Statutes, a copy of every Directors' report and Auditors' report accompanied by the company's annual accounts and every other document required by law to be attached to them or a summary financial statement derived from the company's annual accounts, prepared in accordance with the Statutes, must, not less than 21 clear days before the date of the meeting at which copies of those documents are to be laid, be sent to every member (whether or not entitled to receive notices of general meetings) and to every holder of debentures of the company (whether nor not entitled to receive notices of general meetings) and to the Auditors and to every other person who is entitled to receive notices of general meetings from the company. This regulation 36.4 does not require such documents to be sent to any member or holder of debentures of whose address the company is not aware nor to more than one of the joint holders of any shares or debentures.

36.5 The accidental omission to send any document required to be sent to any person under regulation 36.4 or the non receipt of any document by any person entitled to receive it does not invalidate any such document or the proceedings at the general meeting.

36.6 The required number of such documents must, at the same time, be filed or published as required by the Listing Rules.

37. RECORD DATES

Notwithstanding any other provision of these articles, the company or the Board may fix any date as the record date for any dividend, distribution, allotment or issue and such record date may be on or at any time before any date on which such dividend, distribution, allotment or issue is paid or made and on or at any time before or after any date on which such dividend, distribution, allotment or issue is declared.

38. AUDIT

38.1 Auditors must be appointed and their duties, powers, rights and remuneration regulated in accordance with the provisions of CA 2006.

38.2 Once at least in every year the accounts of the company must be examined and the correctness of the balance sheet, profit and loss account and group accounts, if any, ascertained by the Auditors.

39. NOTICES

39.1 A notice or other document or information to be sent to or by any person under these articles (other than a notice calling a meeting of the Board or of a committee of the Board) must be in writing or sent using electronic communication to an electronic address notified for that purpose to the person sending the notice or other document or information.

39.2 A notice or other document or information may be delivered or sent to a member or another person by the company personally or by letter. Any letter must be sent by first class post and addressed to such member or other person at the postal address in the Register (or at another address notified for the purpose) or left at that address in any envelope addressed to that member or other person. Electronic communications may be used for sending a notice or other document or information to a member or other person where that member or other person has agreed, or is deemed to have agreed, to the use of electronic communication and has specified an electronic address for this purpose. A notice or other document or information may be sent to a member or other person by the company by placing it on a website and sending the member or other person concerned notification of the availability of the notice, document or information on the website, where the member or other person has agreed, or is deemed, as provided by the Statutes, to have agreed to having such notices, documents or information sent to him in that manner.

39.3 Without prejudice to regulation 39.2, the company may send or supply a notice or any other document or information that is required or authorised to be sent or supplied to a member or any other person by the company by any provision of the Statutes, or pursuant to these articles or to any other rule or regulation to which the company may be subject, in electronic form or by making it available on a website, and the provisions of schedule 5 CA 2006 will apply whether or not any such notice, document or information is required or authorised by the Statutes to be sent or supplied.

39.4 Any notice or other document or information to be sent to a member or other person may be sent by reference to the Register or the company's other records as they stand at any time within the period of 15 days before the notice or other document or information is sent and no change in the Register or the company's other records after that time will invalidate the sending of the notice or other document or information.

39.5 In the case of joint holders of a share, a notice or other document or information will be sent to whichever of them is named first in the Register and a notice or other document or information sent in this way is sufficiently sent to all the joint holders.

39.6 If, on three consecutive occasions, a notice or other document or information sent to a member or other person is returned undelivered, such member or other person will not thereafter be entitled to receive notices or other documents or information from the company until he has communicated with the company and supplied in writing to it a new address for the service of notices or other documents or information or has informed the company, in such manner as may be specified by the company, of an electronic address for the service of notices or other documents or information by electronic communication. For these purposes, a notice or other document or information sent by post will be treated as returned undelivered if it is sent back to the company or its agents and a notice or other document or information sent by electronic communication will be treated as returned undelivered if the company or its agents receive notification that it was not delivered to the address to which it was sent.

39.7 Any notice or other document or information sent addressed to a member or another person at his registered address (or another address or an electronic address notified for the purpose) is deemed to be served, if personally delivered, at the time of delivery or, if sent by first class post, 48 hours after the letter is posted or, in the case of a notice or other document or information contained in an electronic communication, on the same day it is sent. A notice or other document or information left at such an address is deemed to be received on the day it is left. In proving service it is sufficient to establish that the letter was properly addressed and, if sent by post, prepaid or stamped and posted. Proof that a notice or other document or information contained in an electronic communication was sent in accordance with guidance issued by the Institute of Chartered Secretaries and Administrators will be conclusive evidence that the notice or other document or information was received.

39.8 Any member present, either personally or by proxy, at any general meeting of the company or of the holders of any class of shares in the company will for all purposes be deemed to have received due notice of such meeting and, where requisite, of the purposes for which such meeting was called.

39.9 A person who becomes entitled by transmission, transfer or otherwise to a share is bound by a notice in respect of that share (other than a notice served by the company under a Section 793 Notice ("Notice by company requiring information about interests in its shares")) which, before his name is entered in the Register, has been properly sent to a person from whom he derives his title.

39.10 Where a person is entitled by transmission to a share, the company may send a notice or other document or information to that person as if he were the holder of a share by addressing it to him or to the representative of the deceased or trustee of the bankrupt member at an address or electronic address supplied for that purpose by the person claiming or be entitled by transmission. Until an address has been supplied, a notice or other document or information may be sent in any manner in which it might have been sent if the death or bankruptcy or other event had not occurred. The giving of notice in accordance with this regulation 39.10 is sufficient notice to all other persons interested in the share.

39.11 If, by reason of the suspension or curtailment of postal or electronic communication services in the country where the head office of the company is located, the company is unable effectively to convene a general meeting by notice sent through the post or by electronic communication, or to send any other document or information by post or by electronic communication.

39.12 The Board may at any time and in its sole discretion choose (a) to serve, send or supply notices, documents or other information in hard copy form alone to some or all members and (b) except as required by law, not to serve, send or supply a notice, document or other information to a particular member or other person otherwise entitled to receive it where the Board believes this necessary or appropriate to deal with legal, regulatory or practical problems in, or under the laws of, any territory.

39.13 Any requirement to put a document on display or make it available for inspection by any persons may be satisfied by making it available to the persons entitled to inspect it for the required period on a website or by other electronic means.

40. UNTRACED SHAREHOLDERS

40.1 The company is entitled to sell at the best price reasonably obtainable any share of a member or any share to which a person is entitled by transmission if:

40.1.1 during a period of 12 years the company has paid at least three dividends, whether interim or final in respect of the share in question and all cheques and warrants in respect of any such dividend sent in the manner authorised by these articles by the company have been returned undelivered or remained uncashed and no communication has been received by the company from the member or the person entitled by transmission;

40.1.2 the company has, after the expiry of the period of 12 years, used such efforts as it considers reasonable to trace the relevant person and sent notice of its intention to sell the shares to the last known address of that person at which service of notices may be effected under these articles;

40.1.3 the company has not, during the further period of three months after the date of the advertisement and prior to the exercise of the power of sale, received any communication from the member or person entitled by transmission; and

40.1.4 the company has first complied with any applicable requirements (including in respect of giving notice or other information) of the Listing Rules.

40.2 To give effect to any such sale, the Board may, in relation to certificates shares, appoint any person to execute as transferor an instrument of transfer of such share and such instrument of transfer will be as effective as if it had been executed by the registered holder of or person entitled by the transmission to such share. In relation to uncertificated shares the Board may, in accordance with the Statutes, issue a written notification to the Operator of the relevant system requiring conversion of the shares into certificated form and exercise any of the company's powers to effect the transfer of the shares to, or in accordance with the directions of, the purchaser and the exercise of such powers will be as effective as if exercised by the registered holder of, or person entitled by shares the transferee is not bound to see to the application of the purchase money and the title of the transferee is not affected by any irregularity or invalidity in the proceedings relating to the sale.

40.3 The company must account to the member or other person entitled to such share for the net proceeds of such sale by crediting all money in respect of those proceeds to a separate account, which are a permanent debt of the company, and the company will be deemed to be a debtor and not a trustee in respect of it for such member or other person. Money carried to such separate account may either be employed in the business of the company or invested in such investments, other than shares of the company or its holding company if any, as the Board may from time to time think fit.

41. DESTRUCTION OF DOCUMENTS

41.1 The company may destroy:

41.1.1 any share certificate which has been cancelled at any time after the expiry of one year from the date of such cancellation;

41.1.2 any dividend mandate or any variation or cancellation of it or any notification of change of name or address (including an electronic address) at any time after the expiry of two years from the date such mandate, variation, cancellation or notification was recorded by the company; or

41.1.3 any other document on the basis of which any entry in the Register is made at any time after the expiry of six years from the date an entry in the Register was first made in respect of it.

41.2 It will be conclusively presumed in favour of the company that every share certificate so destroyed was a valid certificate duly and properly cancelled, that every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and that every other document destroyed under regulation 41.1 was a valid and effective document, in accordance with its recorded particulars in the books or records of the company.

41.3 The provisions of regulation 41.2 apply only to the destruction of a document in good faith and without express notice to the company that the preservation of such document was relevant to a claim.

41.4 Nothing contained in regulation 41.1 is construed as imposing upon the company any liability in respect of the destruction of any such document earlier than as set out in regulation 41.1 or in any case where the conditions of regulation 41.3 are not fulfilled.

41.5 References in this regulation 41 to the destruction of any document include references to its disposal in any manner.

42. WINDING-UP

42.1 If the company is wound up, whether the liquidation is voluntary, under supervision or by the court, the liquidator may, with the authority of a special resolution, divide among the members (excluding any holding shares or treasury shares) in specie the whole or part of the assets of the company, whether or not the assets consist of property of one kind or of different kinds. For those purposes the liquidator may set such value as he deems fair upon any one or more class or classes of property and may determine how such division will be effected as between the members or different classes of members. If any such division is carried out otherwise than in accordance with the existing rights of the members, every member will have the same right of dissent and other ancillary rights as if such resolution were a special resolution passed in accordance with section 110, Insolvency Act 1986. The liquidator may, with the same authority, vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator, with the same authority, thinks fit and the liquidation of the company may be closed and the company dissolved. No member will be compelled to accept any shares in respect of which there is a liability.

42.2 The Board must exercise the power conferred upon them by section 247, CA 2006 only with the prior sanction of a special resolution. If at any time the capital of the company is divided into different classes of shares, the exercise of such power is deemed to be a variation of the rights attached to each class of shares and, accordingly, requires the prior consent in writing of the holders of three fourths in nominal value of the issued shares of each class (excluding treasury shares) or the prior sanction of a special resolution passed at a separate meeting of the holders of the shares of each class (excluding any shares of a class held as treasury shares) convened and held in accordance with the provisions of regulation 3.9.

43. **INDEMNITY**

Subject to the provisions of the Statutes, every Director or other officer (except the Auditors) of the company will be indemnified out of the assets of the company, against all costs, charges, expenses, losses and liabilities which he may sustain or incur in connection with the execution of his duties and powers or otherwise in relation to them. Without prejudice to the generality of the previous sentence, any such person will be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in relation to anything done or omitted or alleged to have been done or omitted by him as an officer of the company and in which judgment is given in his favour (or the proceedings are otherwise disposed of without any finding or admission of any breach of duty by him) or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the company. Subject to the Statutes, the company may purchase and maintain for the company and for any Director, Secretary or other officer of the company insurance against any liability which by virtue of any rule of law would otherwise attach to him in respect of any negligence, default, breach of duty or breach of trust of which he may be liable for or guilty in relation to the company.

44. **INDEMNITY AGAINST CLAIMS IN RESPECT OF SHARES**

44.1 The provisions of regulation 44.2 will apply whenever any law for the time being of any country, state or place imposes or purports to impose any immediate or future or possible liability on the company to make any payment, or empowers any government or taxing authority or government official to require the company to make any payment, in respect of any shares held either jointly or solely by a member or in respect of any dividends or other money due or payable or accruing due or which may become due or payable to such members by the company or in respect of any such shares or for or on account or in respect of any member in consequence of:

44.1.1 the death or bankruptcy of such member;

44.1.2 the non payment of any income tax or other tax by such member; or

44.1.3 the non payment of any inheritance tax or any estate, probate, succession, death, stamp or other duty by the executors or administrators or other legal personal representatives of such member or by or out of his estate.

44.2 In the circumstances described in regulation 44.1 the company:

44.2.1 will be fully indemnified by such member or his executors or administrators or his other legal personal representatives from all liability arising by virtue of such law; and

44.2.2 may recover as a debt due from such member or his executors or administrators or his other legal personal representatives wherever constituted or residing, any money paid by the company under or in consequence of any such law, together with interest on it at the rate of 15 per cent. per annum from the date of payment to the date of repayment.

44.3 Nothing contained in regulations 44.1 and 44.2 prejudices or affects any right or remedy which any law may confer or purport to confer on the company and, as between the company and every such member as is referred to in regulation 44.1, his executors, administrators or other legal personal representatives, and estate wherever constituted or situated, any right or remedy which such law confers or purports to confer on the company will be enforceable by the company.

45. **DERIVATIVE ACTIONS**

The rights provided under CA 2006 as are provided to shareholders in respect of derivative suits, shall apply to the company and to the rights of the members of the company to bring suits or claims against the company.

46. **LOCK UP**

46.1 Upon the Listing of the company's shares, the Board may decide that up to 100 per cent. of each members' free shares (i.e. unrestricted shares under the applicable rules and regulations) shall be restricted to sale or transfer according to the following provisions, such shares as restricted by the Board being **Restricted Shares**:

46.1.1 during the first six months commencing on the date of the Listing, no transfer of Restricted Shares is permitted;

46.1.2 as of the seventh and eighth month following the date of the Listing, such a holder may transfer shares that constitute up to 12.5 per cent. of his Restricted Shares per month; and

46.1.3 as of the ninth month following the date of the Listing, the remaining Restricted Shares are no longer considered restricted.

46.2 In case of fractional shares the number of Restricted Shares shall be rounded up to the nearest integer.

Exhibit 4.7

DESCRIPTION OF SECURITIES REGISTERED PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

The following description is a summary of the material terms of Akari Therapeutics, Plc's (the "Company") ordinary shares with a par value $0.0001 per share and American Depositary Shares (the "ADSs"), each representing 2,000 ordinary shares. This description also summarizes relevant provisions of English law. The following summary does not purport to be complete and is subject to, and is qualified in its entirety by reference to, the applicable provisions of English law and the Company's Amended and Restated Articles of Association (as amended from time to time) (the "Articles"), a copy of which is incorporated by reference as Exhibit 3.1 to the Annual Report on Form 10-K, of which this Exhibit 4.7 is a part. Refer to the Articles and the applicable provisions of English law for additional information.

DESCRIPTION OF SHARE CAPITAL

General

Our securities include (a) our ordinary shares, par value $0.0001 per share, and (b) our ADSs, each representing 2,000 ordinary shares. Our ordinary shares are registered under the Exchange Act not for trading, but only in connection with the listing of the ADSs on The Nasdaq Stock Market ("Nasdaq").

Our ADSs are listed on Nasdaq under the trading symbol "AKTX."

The following is a description of certain of the rights of (i) the holders of ordinary shares and (ii) ADS holders. Ordinary shares underlying the outstanding ADSs are held by Deutsche Bank Trust Company Americas, as depositary.

Issued Share Capital

Certain resolutions were passed by the Company's shareholders at a general meeting on November 7, 2024 including in respect of a general authorization of our directors for the purposes of section 551 of the Companies Act 2006 to allot shares in the Company and to grant rights to subscribe for or to convert any security into shares in the Company up to an aggregate nominal amount of $5,546,667 until November 6, 2029 (unless otherwise renewed, varied or revoked by the Company in general meeting) without seeking shareholder approval, subject to certain limitations.

This is in addition to all subsisting authorities to allot shares in the Company including pursuant to the resolutions passed by the Company's shareholders at the Company's annual general meeting on June 30, 2023 in respect of: (i) a general authorization of our directors for the purposes of section 551 of the Companies Act 2006 to allot shares in the Company and to grant rights to subscribe for or to convert any security into shares in the Company up to an aggregate nominal amount of $3,500,000 until June 30, 2028 (unless otherwise renewed, varied or revoked by the Company in general meeting); and (ii) empowering our directors pursuant to section 570 of the Companies Act 2006 to allot equity securities for cash pursuant to the section 551 authority referred to above as if the statutory preemption rights under section 561(1) of the Companies Act and any pre-emption rights in the Articles did not apply to such allotments for the same period.

As of December 31, 2024, the Company's issued share capital was 53,186,919,523 with a nominal value of $0.0001 per share.

Ordinary Shares

In accordance with the Articles, the following summarizes the rights of holders of, and attaching to, the Company's ordinary shares:

- each holder of the Company's ordinary shares is entitled to one vote per ordinary share on all matters to be voted on by shareholders generally;
- the holders of the Company's ordinary shares shall be entitled to receive notice of, attend, speak and vote at the Company's general meetings; and
- holders of the Company's ordinary shares are entitled to receive such dividends as are recommended by the directors and declared by the shareholders, to be justified by the distributable profits of the Company.

Articles of Association

A summary of certain key provisions of the Articles is set out below. The summary below is not a complete copy of the terms of the Articles. For further information, please refer to the full version of the Articles filed as Exhibit 3.1 to the Annual Report on Form 10-K.

The Articles contain no specific restrictions on the Company's purpose and therefore, by virtue of section 31(1) of the Companies Act 2006, the Company's purpose is unrestricted.

The Articles contain, among other things, provisions to the following effect:

Share Capital

The Company's share capital currently consists of ordinary shares. The Board may, in accordance with section 551 of the Companies Act 2006, allot, grant options over, issue warrants to subscribe, offer or otherwise deal with or dispose of any shares of the Company to such persons, at such times and generally on such terms and conditions as they may determine, including issuing shares with such preferred or deferred rights as resolved by the Company in general meeting.

Voting

Holders of ordinary shares have one vote for each ordinary share held on all matters submitted to a vote of shareholders. These voting rights may be affected by the grant of any special voting rights to the holders of a class of shares with preferential rights that may be authorized in the future.

Modification of Rights

Subject to the Statutes and the Articles, whenever the Company's share capital is divided into different classes of shares, all or any of the special rights or privileges attached to any class may be varied or abrogated with the consent in writing of the holders of at least three-fourths in nominal value of that class (excluding any shares of that class held as treasury shares) or with the sanction of a special resolution passed at a separate meeting of the holders of that class, but not otherwise. The quorum at any such meeting is two or more persons holding, or representing by proxy, at least one-third in nominal value of the issued shares in question.

Dividends

The Company in general meeting may declare dividends in respect of the profits of the Company available for distribution. The Board may, subject to the provisions of the Companies Act 2006 and the Articles, from time to time, pay to the members such interim dividends as appear to the Board to be justified by the distributable profits of the Company.

Any dividend which has remained unclaimed for a period of twelve (12) years from the date on which such dividend becomes due for payment will, if the Board so resolve, be forfeited and cease to remain owing by the Company and will from then on belong to the Company absolutely. No dividend will bear interest as against the Company.

Liquidation

If the Company is wound up, whether the liquidation is voluntary, under supervision or by the court, the liquidator may, with the authority of a special resolution, divide among the members (excluding any holding shares or treasury shares) in specie the whole or part of the assets of the Company, whether or not the assets consist of property of one kind or of different kinds. For those purposes the liquidator may set such value as he deems fair upon any one or more class or classes of property and may determine how such division will be effected as between the members or different classes of members. If any such division is carried out otherwise than in accordance with the existing rights of the members, every member will have the same right of dissent and other ancillary rights as if such resolution were a special resolution passed in accordance with section 110, Insolvency Act 1986. The liquidator may, with the same authority, vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator, with the same authority, thinks fit and the liquidation of the Company may be closed and the Company dissolved. No member will be compelled to accept any shares in respect of which there is a liability.

Transfer of Ordinary Shares in Certificated Form

Each shareholder may transfer all or any of his or her shares which are in certificated form by means of an instrument of transfer in any usual form or in any other form which the Board may approve. The instrument must be executed by or on behalf of the transferor and (except in the case of a share which is fully paid up) by or on behalf of the transferee but need not be under seal.

Subject to applicable law, the Board may, refuse to register a transfer or a certified share unless the instrument of transfer:

- is in respect of only one class of shares;
- is in favor of not more than four joint transferees;
- is duly stamped (if required);
- is in compliance with all applicable rules and regulations; and
- is lodged at the registered office of the Company or such other place as the Board may decide accompanied by the certificate for the shares to which it relates (except in the case of a transfer by a recognized person to whom no certificate was issued) and such other evidence (if any) as the Board may reasonably require to prove the title of the transferor and the due execution by him or her of the transfer or, if the transfer is executed by some other person on their behalf, the authority of that person to do so.

The Board may in its absolute discretion and without giving any reasons, refuse to register any transfer of a certificated share which is not fully paid, but this discretion may not be exercised in such a way as to prevent dealings in the shares from taking place on an open and proper basis.

Preemptive Rights

There are no rights of preemption under the Articles in respect of transfers of issued ordinary shares. In certain circumstances, our shareholders have preemptive rights with respect to new issuances of equity securities. As set out in the section "Issued Share Capital", the shareholders have approved by resolution in general meeting or annual general meeting the disapplication of preemptive rights in connection with new issuances of equity securities up to certain authorised amounts.

Alteration of Share Capital

The Company may, in accordance with the Companies Act 2006, by ordinary resolution:

- consolidate and divide all or any of its share capital into shares of larger nominal value than its existing shares;
- subdivide its shares, or any of them, into shares of smaller nominal value subject nevertheless to the Companies Act 2006 and all other statutes and secondary legislation for the time being in force relating to companies to the extent that they apply to the Company (the "Statutes") and reclassify them, and so that the resolution by which any share is subdivided may determine that, as between the holders of the shares resulting from such subdivision, one or more of the shares may have any such preferred or other special rights over or may have such deferred rights or be subject to any such restrictions as compared with the others as the Company has power to attach to new shares; and
- cancel any shares which, at the date of the passing of the resolution, have not been taken, or agreed to be taken, by any person, and diminish the amount of its share capital by the amount of the shares so cancelled.

The Company may from time to time by special resolution reduce its share capital, any redenomination reserve, capital redemption reserve or share premium account, and (if permitted by the Statutes) any other non distributable reserves in any manner authorized by the Statutes and diminish the amount of its share capital by the amount of the shares so cancelled.

Board of Directors

Appointment of Directors

Our directors are categorized into three classes: Class A directors, appointed as director of the Company for a one-year term, Class B directors, appointed as director of the Company for a two-year term, and Class C directors, appointed as director of the Company for a three-year term (in each case subject to reappointment in accordance with the Articles). Unless otherwise determined by the Company in general meeting, the number of directors is not subject to a maximum but must not be fewer than three directors. The chairman of the board shall be elected by the shareholders in general meeting.

The Company may from time to time by ordinary resolution increase or reduce the number of directors and may also determine in what rotation such increased or reduced number is to go out of office. The Company may, by ordinary resolution, appoint any person to be a director, either to fill a casual vacancy or as an additional director.

The Board and the Company in general meeting each have power at any time, and from time to time, to appoint any person to be a director, either to fill a casual vacancy or as an additional director, but so that the total number of directors does not at any time exceed the maximum number, if any, fixed by or in accordance with the Articles at any time. Subject to the provisions of the Statutes and of the Articles, any director so appointed by the directors holds office only until the conclusion of the next following annual general meeting and is eligible for reappointment at that meeting. Any director who retires under this regulation is not taken into account in determining the directors who are to retire by rotation at such meeting.

Each director shall retire at the next general meeting after the term of their office ends. A director retiring at a general meeting, if he or she is not re-appointed, retains office until the meeting appoints someone in their place or, if it does not do so, until the end of that meeting. Subject to the provisions of the Statutes, the directors to retire in every year include, so far as necessary to obtain the required number, any director who wishes to retire and not to offer himself or herself for re-election. Any further directors so to retire are those who have been longest in office since their last appointment or reappointment but, as between persons who became or were last re-appointed directors on the same day, those to retire are determined by the Board at the recommendation of the chairman of the Board. A retiring director is eligible for re-appointment, subject as set out in the Articles.

In any two year period, a majority of the directors must stand for re-election or replacement. In the event that this majority has not been met and the number of directors eligible for retirement by rotation under the provisions of the Articles are not met, any further directors so to retire are those who have been longest in office since their last appointment or re-appointment but, as between persons who became or were last re-appointed directors on the same day, those to retire are determined by the Board at the recommendation of the chairman of the Board. A retiring director is eligible for re-appointment, subject as set out in the Articles.

Proceedings of Directors

Subject to the provisions of the Articles, the Board may regulate their proceedings as they deem appropriate. A director may, and the secretary at the request of a director shall, at any time call a meeting of the directors.

The quorum necessary for the transaction of the business of the board of directors may be fixed by the directors and, unless so fixed at any other number, is a majority of the board of directors, to include (except in respect of any matter on which he is not eligible to vote) the chairman of the board. A meeting of directors for the time being at which a quorum is present is competent to exercise all powers and discretions for the time being exercisable by the board. Questions arising at any meeting are determined by a majority of votes. In case of an equality of votes, the chairman shall have a casting vote.

General Meetings

The Company must convene and hold annual general meetings once a year in accordance with the Companies Act 2006. Under the Companies Act 2006, an annual general meeting must be called by notice of at least 21 clear days and a general meeting must be called by notice of at least 14 clear days. The notice is exclusive of the day on which it is served, or deemed to be served, and of the day for which it is given.

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, but the absence of a quorum shall not preclude the choice or appointment of a chairperson of the meeting, which shall not be treated as part of the business of the meeting. Save as otherwise provided by the Articles, two persons entitled to vote at the meeting each being a member or a proxy for a member or a representative of a corporation which is a member, duly appointed as such in accordance with the Statutes, holding in the aggregate at least one-third (33 1/3 percent.) of the Company's outstanding share capital, shall constitute a quorum. If at any time the Company only has one member, such member in person, by proxy or if a corporation by its representative, shall constitute a quorum.

Borrowing Powers

Subject to the Articles and the Companies Act 2006, the Board may:

- exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital, or any part of it, and subject to the provisions of the Statutes, to issue debentures and other securities whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party;

- secure or provide for the payment of any money to be borrowed or raised by a mortgage of or charge upon all or any part of the undertaking or property of the Company, both present and future, and upon any capital remaining unpaid upon the shares of the Company whether called up or not, or by any other security;

- confer upon any mortgagees or persons in whom any debenture or security is vested such rights and powers as they think necessary or expedient;

- vest any property of the Company in trustees for the purpose of securing any money so borrowed or raised and confer upon the trustees, or any receiver to be appointed by them, or by any debenture holder, such rights and powers as the Board may think necessary or expedient in relation to the undertaking or property of the Company or its management or realization, or the making, receiving, or enforcing of calls upon the members in respect of unpaid capital, and otherwise;

- make and issue debentures to trustees for the purpose of further security and the Company may remunerate any such trustees;

- give security for the payment of any money payable by the Company in same manner as for the payment of money borrowed or raised.

Capitalization of Profits

The directors may, with the authority of an ordinary resolution of the Company:

- resolve to capitalize any undivided profits (including profits standing to the credit of any reserve) of the Company, whether or not they are available for distribution, or any sum standing to the credit of the Company's share premium account, redenomination reserve or capital redemption reserve;

- appropriate the profits or sum resolved to be capitalized to the members in proportion to the nominal amount of ordinary shares, whether or not fully paid, held by them respectively, and apply such profits or sum on their behalf, either in or towards paying up the amounts, if any, for the time being unpaid on any shares held by such members respectively, or in paying up in full shares or debentures of the Company of a nominal amount equal to such profits or sum, and allot and distribute such shares or debentures credited as fully paid up, to and amongst such members, or as they may direct, in due proportion, or partly in one way and partly in the other;

- resolve that any shares allotted under this regulation to any member in respect of a holding by him or her of any partly paid ordinary shares will, so long as such ordinary shares remain partly paid, rank for dividends only to the extent that such partly paid ordinary shares rank for dividend;

- make such provisions by the issue of fractional certificates or by payment in cash or otherwise as the Board of directors thinks fit for the case of shares or debentures becoming distributable under this regulation in fractions; and

- authorize any person to enter on behalf of all the members concerned into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any shares or debentures to which they may be entitled upon such capitalization and any agreement made under such authority being effective and binding on all such members.

Uncertificated Shares

Under and subject to the Uncertificated Securities Regulations 2001 (SI 2001/3755) (the "Uncertificated Securities Regulations"), the Board may permit title to shares of any class to be evidenced otherwise than by certificate and title to shares of such a class to be transferred by means of a relevant system and may make arrangements for a class of shares (if all shares of that class are in all respects identical) to become a participating class. Title to shares of a particular class may only be evidenced otherwise than by a certificate where that class of shares is at the relevant time a participating class. The Board may also, subject to compliance with the Uncertificated Securities Regulations, determine at any time that title to any class of shares may from a date specified by the Board no longer be evidenced otherwise than by a certificate or that title to such a class shall cease to be transferred by means of any particular relevant system.

In relation to a class of shares which is a participating class and for so long as it remains a participating class, no provision of the Articles shall apply or have effect to the extent that it is inconsistent in any respect with:

- the holding of shares of that class in uncertificated form;
- the transfer of title to shares of that class by means of a relevant system; or
- any provision of the Uncertificated Securities Regulations; and, without prejudice to the generality of this article, no provision of the Articles shall apply or have effect to the extent that it is in any respect inconsistent with the maintenance, keeping or entering up by the operator so long as that is permitted or required by the Uncertificated Securities Regulations, of an operator register of securities in respect of that class of shares in uncertificated form.

Shares of a class which is at the relevant time a participating class may be changed from uncertificated to certificated form, and from certificated to uncertificated form, in accordance with and subject as provided in the Uncertificated Securities Regulations.

If, under the Articles or the Statutes, the Company is entitled to sell, transfer or otherwise dispose of, forfeit, re-allot, accept the surrender of or otherwise enforce a lien over an uncertificated share, then, subject to the Articles and the Statute, such entitlement shall include the right of the Board to: (i) require the holder of the uncertificated share by notice in writing to change that share from uncertificated to certificated form within such period as may be specified in the notice and keep it as a certificated share for as long as the Board requires; (ii) appoint any person to take such other steps, by instruction given by means of a relevant system or otherwise, in the name of the holder of such share as may be required to effect the transfer of such share and such steps shall be as effective as if they had been taken by the registered holder of that share; and (iii) take such other action that the Board considers appropriate to achieve the sale, transfer, disposal, forfeiture, re-allotment or surrender of that share or otherwise to enforce a lien in respect of that share.

Unless the Board determines otherwise, shares which a member holds in uncertificated form shall be treated as separate holdings from any shares which that member holds in certificated form but a class of shares shall not be treated as two classes simply because some shares of that class are held in certificated form and others in uncertificated form.

DESCRIPTION OF AMERICAN DEPOSITARY SHARES

Stock Exchange Listing

The Company's ADSs have been listed on the Nasdaq Stock Market under the symbol "AKTX" since September 21, 2015.

American Depositary Shares

Deutsche Bank Trust Company Americas, as depositary, registers and delivers the ADSs. Each ADS represents ownership of 2,000 ordinary shares deposited with Deutsche Bank AG, London Branch with principal office at Winchester House, 1 Great Winchester Street, London EC2N 2DB, U.K., as custodian for the depositary. Each ADS also represents ownership of any other securities, cash or other property, which may be held by the depositary. The depositary's corporate trust office at which the ADSs will be administered is located at 1 Columbus Circle, New York, NY 10019, USA. The principal executive office of the depositary is located at 1 Columbus Circle, New York, NY 10019, USA.

The Direct Registration System ("DRS") is a system administered by The Depository Trust Company ("DTC") pursuant to which the depositary may register the ownership of uncertificated ADSs, which ownership shall be evidenced by periodic statements issued by the depositary to the ADS holders entitled thereto.

The Company does not treat ADS holders as shareholders and accordingly, ADS holders, do not have shareholder rights. English law governs shareholder rights. The depositary or its custodian is the holder of the ordinary shares underlying the ADSs. A holder of ADSs only has ADS holder rights. A deposit agreement among the Company, the depositary and the ADS holder, and the beneficial owners of ADSs sets out ADS holder rights as well as the rights and obligations of the depositary. The laws of the State of New York govern the deposit agreement and the ADSs.

Each holder of ADSs may hold their ADSs either (1) directly (a) by having an American Depositary Receipt ("ADR") which is a certificate evidencing a specific number of ADSs, registered in the name of the holder, or (b) by holding ADSs in the DRS, or (2) indirectly through each holder's broker or other financial institution. If one holds ADSs directly, then they are an ADS holder. The description set forth herein assumes that each holder holds their ADSs directly. If a holder holds the ADSs indirectly, they must rely on the procedures of their broker or other financial institution to assert the rights of ADS holders described in this section. Each holder of ADSs should consult with their broker or financial institution to find out what those procedures are.

The following is a summary of the material provisions of the deposit agreement.

Dividends and Other Distributions

The depositary has agreed to pay to ADS holders the cash dividends or other distributions it or the custodian receives on ordinary shares or other deposited securities, after deducting its fees and expenses. The holder of ADSs receives these distributions in proportion to the number of ordinary shares their ADSs represent as of the record date (which will be as close as practicable to the record date for our ordinary shares) set by the depositary with respect to the ADSs.

- ***Cash.*** The depositary converts any cash dividend or other cash distribution we pay on the ordinary shares or any net proceeds from the sale of any ordinary shares, rights, securities or other entitlements into U.S. dollars if it can do so on a reasonable basis, and can transfer the U.S. dollars to the United States. If that is not possible or lawful or if any government approval is needed and cannot be obtained, the deposit agreement allows the depositary to distribute the foreign currency only to those ADS holders to whom it is possible to do so. The depositary holds the foreign currency it cannot convert for the account of the ADS holders who have not been paid. The depositary does not invest the foreign currency and is not liable for any interest.

- ***Shares.*** The depositary may distribute additional ADSs representing any ordinary shares we distribute as a dividend or free distribution to the extent reasonably practicable and permissible under law. The depositary only distributes whole ADSs. It will try to sell ordinary shares which would require it to deliver a fractional ADS and distribute the net proceeds in the same way as it does with cash. If the depositary does not distribute additional ADSs, the outstanding ADSs will also represent the new ordinary shares. The depositary may sell a portion of the distributed ordinary shares sufficient to pay its fees and expenses in connection with that distribution.

- ***Other Distributions.*** Subject to receipt of timely notice from us with the request to make any such distribution available to ADS holders, and provided the depositary has determined such distribution is lawful and reasonably practicable and feasible and in accordance with the terms of the deposit agreement, the depositary will send to ADS holders anything else we distribute on deposited securities by any means it thinks is legal, fair and practical. If it cannot make the distribution in that way, the depositary has a choice: it may decide to sell what we distributed and distribute the net proceeds in the same way as it does with cash; or, it may decide to hold what we distributed, in which case ADSs will also represent the newly distributed property. However, the depositary is not required to distribute any securities (other than ADSs) to ADS holders unless it receives satisfactory evidence from us that it is legal to make that distribution. The depositary may sell a portion of the distributed securities or property sufficient to pay its fees and expenses in connection with that distribution.

- ***Rights to Purchase Additional Shares***. If we offer holders of our ordinary shares any rights to subscribe for additional shares or any other rights, the depositary may after consultation with us and having received timely notice as described in the deposit agreement of such distribution by us, make these rights available to ADS holders. We must first instruct the depositary to make such rights available to ADS holders and furnish the depositary with satisfactory evidence that it is legal to do so. If the depositary decides it is not legal and practical to make the rights available but that it is practical to sell the rights, the depositary will use reasonable efforts to sell the rights and distribute the net proceeds in the same way as it does with cash. The depositary allows rights that are not distributed or sold to lapse. In that case, ADS holders receive no value for them. If the depositary makes rights available to ADS holders, it will exercise the rights and purchase the shares on ADS holders' behalf. The depositary will then deposit the shares and deliver ADSs to ADS holders. The depositary only exercises rights if ADS holders pay it the exercise price and any other charges the rights require that ADS holders to pay. U.S. securities laws may restrict transfers and cancellation of the ADSs represented by shares purchased upon exercise of rights. For example, ADS holders may not be able to trade these ADSs freely in the United States. In this case, the depositary may deliver restricted depositary shares that have the same terms as the ADSs described in this section except for changes needed to put the necessary restrictions in place.

- ***Elective Distributions in Cash or Shares***. If we offer holders of our ordinary shares the option to receive dividends in either cash or shares, the depositary, after consultation with us and having received timely notice as described in the deposit agreement of such elective distribution by us, has discretion to determine to what extent such elective distribution will be made available to ADS holders. We must first instruct the depositary to make such elective distribution available to ADS holders and furnish it with satisfactory evidence that it is legal to do so. The depositary could decide it is not legal or reasonably practical to make such elective distribution available to ADS holders, or it could decide that it is only legal or reasonably practical to make such elective distribution available to some but not all holders of the ADSs. In such case, the depositary shall, on the basis of the same determination as is made in respect of the ordinary shares for which no election is made, distribute either cash in the same way as it does in a cash distribution, or additional ADSs representing ordinary shares in the same way as it does in a share distribution. The depositary is not obligated to make available to ADS holders a method to receive the elective dividend in shares rather than in ADSs. There can be no assurance that ADS holders will be given the opportunity to receive elective distributions on the same terms and conditions as the holders of ordinary shares.

The depositary is not responsible if it decides that it is unlawful or impractical to make a distribution available to any ADS holders. We have no obligation to register ADSs, shares, rights or other securities under the Securities Act. We also have no obligation to take any other action to permit the distribution of ADSs, shares, rights or anything else to ADS holders. This means that ADS holders may not receive the distributions we make on our ordinary shares or any value for them if it is illegal or impractical for us to make them available to ADS holders.

Deposit, Withdrawal and Cancellation

The depositary will deliver ADSs if an ADS holder or its broker deposit ordinary shares or evidence of rights to receive ordinary shares with the custodian. Upon payment of its fees and expenses and of any taxes or charges, such as stamp taxes or stock transfer taxes or fees, the depositary will register the appropriate number of ADSs in the names the ADS holder requests and will deliver the ADSs to or upon the order of the person or persons entitled thereto.

ADS holders may turn in ADSs at the depositary's corporate trust office or by providing appropriate instructions to such holder's broker. Upon payment of its fees and expenses and of any taxes or charges, such as stamp taxes or stock transfer taxes or fees, the depositary will deliver the ordinary shares and any other deposited securities underlying the ADSs to the holder or someone else designated by the ADS holder at the office of the custodian. Or, at an ADS holder's request, risk and expense, the depositary will deliver the deposited securities at its corporate trust office, if feasible.

The depositary may refuse to accept for surrender ADSs only in the case of (i) temporary delays caused by closing our transfer books or those of the depositary or the deposit of our ordinary shares in connection with voting at a shareholders' meeting or the payment of dividends, (ii) the payment of fees, taxes and similar charges and (iii) compliance with any laws or governmental regulations relating to depositary receipts or to the withdrawal of deposited securities. Subject thereto, in the case of surrender of a number of ADSs representing other than a whole number of our ordinary shares, the depositary will cause ownership of the appropriate whole number of our ordinary shares to be delivered in accordance with the terms of the deposit agreement and will, at the discretion of the depositary, either (i) issue and deliver to the person surrendering such ADSs a new ADS

representing any remaining fractional ordinary share or (ii) sell or cause to be sold the fractional ordinary shares represented by the ADSs surrendered and remit the proceeds of such sale (net of applicable fees and charges of, and expenses incurred by, the depositary and taxes and/or governmental charges) to the person surrendering the ADS.

Further, an ADR may be surrendered to the depositary for the purpose of exchanging the ADR for uncertificated ADSs. The depositary will cancel that ADR and will send the holder a statement confirming that they are the owner of uncertificated ADSs. Alternatively, upon receipt by the depositary of a proper instruction from a holder of uncertificated ADSs requesting the exchange of uncertificated ADSs for certificated ADSs, the depositary will execute and deliver to the holder, an ADR evidencing those ADSs.

Voting Rights

ADS holders may instruct the depositary how to vote the number of deposited shares their ADSs represent. Otherwise, an ADS holder can exercise their right to vote directly if the holder withdraws the ordinary shares their ADSs represent. However, an ADS holder may not know about the meeting enough in advance to withdraw the ordinary shares.

If the Company asks an ADS holder for their instructions and upon timely notice from the Company, as described in the deposit agreement, the depositary will notify the holder of the upcoming vote and arrange to deliver the Company's voting materials to such ADS holder. The materials will (1) describe the matters to be voted on and (2) explain how the ADS holder may instruct the depositary to vote the ordinary shares or other deposited securities underlying the holder's ADSs as they direct. The Company cannot assure holders of ADSs that they will receive the voting materials in time to ensure that they can instruct the depositary to vote the ordinary shares underlying their ADSs. In addition, the depositary and its agents are not responsible for failing to carry out voting instructions or for the manner of carrying out voting instructions. *This means that an ADS holder may not be able to exercise their right to vote and they may have no recourse if the ordinary shares underlying such ADSs are not voted as requested.*

In order to give ADS holders a reasonable opportunity to instruct the depositary as to the exercise of voting rights relating to deposited securities, if the Company requests the depositary to act, they are required to give the depositary 30 days' advance notice of any such meeting and details concerning the matters to be voted upon sufficiently in advance of the meeting date, and the depositary will mail the ADS holders a notice.

Fees and Expenses

ADS holders will be required to pay the following fees to the depositary under the terms of the deposit agreement::

Issuance of ADSs, including issuances resulting from a distribution of shares or rights or other property	Up to $0.05 per ADS issued
Cancellation of ADSs, including in the case of termination of the Up to $0.05 per ADS cancelled deposit agreement	Up to $0.05 per ADS cancelled
Distribution of cash dividends or other cash distributions	Up to $0.02 per ADS held
Distribution of ADSs pursuant to share dividends, free share distributions or exercise of rights	Up to $0.05 per ADS held
Operation and maintenance costs in administering the ADSs	An annual fee of $0.02 per ADS held
Inspections of the relevant share register maintained by the local registrar and/or performing due diligence on the central securities depository for England and Wales	An annual fee of $0.01 per ADS held (such fee to be assessed against holders of record as at the date or dates set by the depositary as it sees fit and collected at the sole discretion of the depositary by billing such holders for such fee or by deducting such fee from one or more cash dividends or other cash distributions)

Payment of Taxes

Each ADS holder is responsible for any taxes or other governmental charges payable on their ADSs or on the deposited securities represented by any of their ADSs. The depositary may refuse to register any transfer of such holder's ADSs or allow the holder to withdraw the deposited securities represented by their ADSs until such taxes or other charges are paid. It may apply payments owed to the ADS holder or sell deposited securities represented by the holder's ADSs to pay any taxes owed and such holder will remain liable for any deficiency. If the depositary sells deposited securities, it will, if appropriate, reduce the number of ADSs to reflect the sale and pay to the ADS holder any net proceeds, or send to such holder any property, remaining after it has paid the taxes. Each ADS holder agrees to indemnify the Company, the depositary, the custodian and each of our and their respective agents, directors, employees and affiliates for, and hold each of them harmless from, any claims with respect to taxes (including applicable interest and penalties thereon) arising from any tax benefit obtained for the ADS holder.

Amendment and Termination

The Company may agree with the depositary to amend the deposit agreement and the ADRs without the ADS holder's consent for any reason. If an amendment adds or increases fees or charges, except for taxes and other governmental charges or expenses of the depositary for registration fees, facsimile costs, delivery charges or similar items, or prejudices a substantial right of ADS holders, it will not become effective for outstanding ADSs until thirty (30) days after the depositary notifies ADS holders of the amendment. *At the time an amendment becomes effective, an ADS holder is considered, by virtue of continuing to hold ADSs, to have agreed to the amendment and to be bound by the ADRs and the deposit agreement as amended*.

The depositary will terminate the deposit agreement if we ask it to do so, in which case the depositary will give notice to the ADS holders at least 90 days prior to termination. The depositary may also terminate the deposit agreement if the depositary has told us that it would like to resign and we have not appointed a new depositary within 90 days. In such case, the depositary must notify ADS holders at least 30 days before termination. After termination, the depositary and its agents will do the following under the deposit agreement but nothing else: collect distributions on the deposited securities, sell rights and other property and deliver ordinary shares and other deposited securities upon cancellation of ADSs after payment of any fees, charges, taxes or other governmental charges. Six months or more after termination, the depositary may sell any remaining deposited securities by public or private sale. After that, the depositary will hold the money it received on the sale, as well as any other cash it is holding under the deposit agreement, for the pro rata benefit of the ADS holders that have not surrendered their ADSs. It will not invest the money and has no liability for interest. The depositary's only obligations will be to account for the money and other cash. After termination, our only obligations will be to indemnify the depositary and to pay fees and expenses of the depositary that we agreed to pay.

Limitations on Obligations and Liability

Limits on the Company's Obligations and the Obligations of the Depositary; Limits on Liability to Holders of ADSs

The deposit agreement expressly limits the Company's obligations and the obligations of the depositary. It also limits the Company's liability and the liability of the depositary. The Company and the depositary:

- are only obligated to take the actions specifically set forth in the deposit agreement without gross negligence or willful misconduct;
- are not liable if either of us is prevented or delayed by law or circumstances beyond our control from performing our obligations under the deposit agreement, including, without limitation, requirements of any present or future law, regulation, governmental or regulatory authority or share exchange of any applicable jurisdiction, any present or future provisions of our memorandum and articles of association, on account of possible civil or criminal penalties or restraint, any provisions of or governing the deposited securities or any act of God, war or other circumstances beyond our control as set forth in the deposit agreement;
- are not liable if either of us exercises, or fails to exercise, discretion permitted under the deposit agreement;
- have no obligation to become involved in a lawsuit or other proceeding related to the ADSs or the deposit agreement on an ADS holder's behalf or on behalf of any other party;

- may rely upon any documents we believe in good faith to be genuine and to have been signed or presented by the proper party;

- disclaim any liability for any action/inaction in reliance on the advice or information of legal counsel, accountants, any person presenting ordinary shares for deposit, holders and beneficial owners (or authorized representatives) of ADSs, or any person believed in good faith to be competent to give such advice or information;

- disclaim any liability for inability of any holder to benefit from any distribution, offering, right or other benefit made available to holders of deposited securities but not made available to holders of ADSs; and

- disclaim any liability for any indirect, special, punitive or consequential damages.

The depositary and any of its agents also disclaim any liability for any failure to carry out any instructions to vote, the manner in which any vote is cast or the effect of any vote or failure to determine that any distribution or action may be lawful or reasonably practicable or for allowing any rights to lapse in accordance with the provisions of the deposit agreement, the failure or timeliness of any notice from us, the content of any information submitted to it by us for distribution to the ADS holders or for any inaccuracy of any translation thereof, any investment risk associated with the acquisition of an interest in the deposited securities, the validity or worth of the deposited securities, the credit-worthiness of any third party, or for any tax consequences that may result from ownership of ADSs, ordinary shares or deposited securities.

In the deposit agreement, the Company and the depositary agree to indemnify each other under certain circumstances.

Requirements for Depositary Actions

Before the depositary will issue, deliver or register a transfer of an ADS, make a distribution on an ADS, or permit withdrawal of ordinary shares, the depositary may require:

- payment of stock transfer or other taxes or other governmental charges and transfer or registration fees charged by third parties for the transfer of any ordinary shares or other deposited securities and payment of the applicable fees, expenses and charges of the depositary;

- satisfactory proof of the identity and genuineness of any signature or other information it deems necessary; and

- compliance with regulations it may establish, from time to time, consistent with the deposit agreement, including presentation of transfer documents.

The depositary may refuse to issue and deliver ADSs or register transfers of ADSs generally when the register of the depositary or our transfer books are closed or at any time if the depositary or we think it is necessary or advisable to do so.

An ADS Holder's Right to Receive the Shares Underlying such ADSs

ADS holders have the right to cancel their ADSs and withdraw the underlying shares at any time *except*:

- when temporary delays arise because: (1) the depositary has closed its transfer books or we have closed our transfer books; (2) the transfer of ordinary shares is blocked to permit voting at a shareholders' meeting; or (3) we are paying a dividend on our ordinary shares;

- when an ADS holder owes money to pay fees, taxes and similar charges; or

- when it is necessary to prohibit withdrawals in order to comply with any laws or governmental regulations that apply to ADSs or to the withdrawal of ordinary shares or other deposited securities.

This right of withdrawal may not be limited by any other provision of the deposit agreement.

Direct Registration System

In the deposit agreement, all parties to the deposit agreement acknowledge that the DRS and Profile Modification System ("Profile") will apply to uncertificated ADSs upon acceptance thereof to DRS by DTC. DRS is the system administered by DTC pursuant to which the depositary may register the ownership of uncertificated ADSs, which ownership shall be evidenced by periodic statements issued by the depositary to the ADS holders entitled thereto. Profile is a required feature of DRS which allows a DTC participant, claiming to act on behalf of an ADS holder, to direct the depositary to register a transfer of those ADSs to DTC or its nominee and to deliver those ADSs to the DTC account of that DTC participant without receipt by the depositary of prior authorization from the ADS holder to register such transfer.

In connection with and in accordance with the arrangements and procedures relating to DRS/Profile, the parties to the deposit agreement understand that the depositary will not verify, determine or otherwise ascertain that the DTC participant which is claiming to be acting on behalf of an ADS holder in requesting registration of transfer and delivery described in the paragraph above has the actual authority to act on behalf of the ADS holder (notwithstanding any requirements under the Uniform Commercial Code). In the deposit agreement, the parties agree that the depositary's reliance on, and compliance with, instructions received by the depositary through the DRS/Profile system and in accordance with the deposit agreement, shall not constitute negligence or bad faith on the part of the depositary.

Pre-release of ADSs

The deposit agreement permits the depositary to deliver ADSs before deposit of the underlying ordinary shares. This is called a pre-release of the ADSs. The depositary may also deliver ordinary shares upon cancellation of pre-released ADSs (even if the ADSs are cancelled before the pre-release transaction has been closed out). A pre-release is closed out as soon as the underlying ordinary shares are delivered to the depositary. The depositary may receive ADSs instead of ordinary shares to close out a pre-release. The depositary may pre-release ADSs only under the following conditions: (1) before or at the time of the pre-release, the person to whom the pre-release is being made represents to the depositary in writing that it or its customer (a) owns the ordinary shares or ADSs to be deposited, (b) assigns all beneficial rights, title and interest in such ordinary shares or ADSs to the depositary for the benefit of the owners, (c) will not take any action with respect to such ordinary shares or ADSs that is inconsistent with the transfer of beneficial ownership, (d) indicates the depositary as owner of such ordinary shares or ADSs in its records, and (e) unconditionally guarantees to deliver such ordinary shares or ADSs to the depositary or the custodian, as the case may be; (2) the pre-release is fully collateralized with cash or other collateral that the depositary considers appropriate; and (3) the depositary must be able to close out the pre-release on not more than five business days' notice. Each pre-release is subject to further indemnities and credit regulations as the depositary considers appropriate. In addition, the depositary will normally limit the number of ADSs that may be outstanding at any time as a result of pre-release to 30% of the aggregate number of ADSs then outstanding, although the depositary, in its sole discretion, may disregard the limit from time to time, if it thinks it is appropriate to do so, including (1) due to a decrease in the aggregate number of ADSs outstanding that causes existing pre-release transactions to temporarily exceed the limit stated above or (2) where otherwise required by market conditions. The depositary may also set limits with respect to the number of ADSs and shares involved in pre-release transactions with any one person on a case-by-case basis as it deems appropriate.

Exhibit 21.1

Subsidiaries of Akari Therapeutics, Plc

The following table sets forth the name and jurisdiction of incorporation of our subsidiaries:

Name of Subsidiary	Jurisdiction of Incorporation
Celsus Therapeutics Inc.	Delaware
Morria Biopharma Ltd.	Israel
Volution Immuno Pharmaceuticals SA	Switzerland
Akari Malta Limited	Malta
Peak Bio Inc.	Delaware
Peak Bio Co., Ltd.	Republic of Korea
Ignyte Korea Co., Ltd.	Republic of Korea
Peak Bio CA, Inc.	California

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We hereby consent to the incorporation by reference in the Registration Statements on Form F-3 (Nos. 333-258918 and 333-275119), Form S-1 (Nos. 333-291596 and 333-289962), Form S-3 (Nos. 333-289056, 333-287102, and 333-281995) and Form S-8 (Nos. 333-289057, 333-198109, 333-207444, 333-230998, 333-272301 and 333-274954) of Akari Therapeutics, Plc (the Company) of our report dated March 30, 2026, relating to the consolidated financial statements which appears in this Annual Report on Form 10-K. Our report contains an explanatory paragraph regarding the Company's ability to continue as a going concern.

/s/ BDO USA, P.C.
New York, New York

March 30, 2026

Exhibit 31.1

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

I, Abizer Gaslightwala, certify that:

1. I have reviewed this annual report on Form 10-K of Akari Therapeutics, Plc;

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

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

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

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

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

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

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

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

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

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

Date: March 30, 2026

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

Exhibit 31.2

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

I, Kameel Farag, certify that:

1. I have reviewed this annual report on Form 10-K of Akari Therapeutics, Plc;

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

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

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

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

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

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

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

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

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

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

Date: March 30, 2026

/s/ Kameel Farag
Kameel Farag
Interim Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

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

In connection with the Annual Report of Akari Therapeutics, Plc (the "Company") on Form 10-K for the year ended December 31, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned officer of the Company certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to such officer's knowledge:

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

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

Date: March 30, 2026

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

Exhibit 32.2

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

In connection with the Annual Report of Akari Therapeutics, Plc (the "Company") on Form 10-K for the year ended December 31, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned officer of the Company certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to such officer's knowledge:

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

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

Date: March 30, 2026

/s/ Kameel Farag
Kameel Farag
Interim Chief Financial Officer
(Principal Financial Officer)