30 April 2018

Hemogenyx Pharmaceuticals Plc
("Hemogenyx" or the "Company")

Final Results for the year ended 31 December 2017

Hemogenyx Pharmaceuticals plc (LSE: HEMO), formerly named Silver Falcon plc ("Silver Falcon"), a business formed for the purpose of acquiring another business or asset, reports its Final Results for the year ended 31 December 2017. The business of the Company is now the development of therapies for the treatment of blood diseases.

All financial amounts are stated in GBP British pounds unless otherwise indicated.

Key highlights

- Successful acquisition of Hemogenyx Pharmaceuticals for £8m in shares in October 2017
- Change of name to Hemogenyx Pharmaceuticals Plc
- £2m raised in a Placing and Subscription
- LakePharma, Inc. appointed as service provider for development of, CDX bi-specific antibodies
- University of Oxford collaboration aims to accelerate development of blood cancer treatments
- Overall work is progressing successfully towards the goal of submitting an IND application to the FDA

Post-period end highlights

- First data results show CDX antibodies can attack and eliminate Acute Myelogenous Leukemia *in vitro*
- Patent application filed relating to new type of humanised mouse (with chimeric mouse-human blood system)
- Appointment of Sir Marc Feldmann, pioneer of anti-TNF therapy, as Executive Chairman
- Appointment of cancer research expert Dr Michael Shepard to Scientific Advisory Board
- Collaboration with major US biotechnology firm worth up to US$250,000

Dr. Vladislav Sandler, CEO of Hemogenyx, said:
"2017 was a significant year for Hemogenyx as we successfully listed the business on the London Stock Exchange and raised the financing necessary to further develop novel therapies with the potential to transform the lives of bone marrow transplant patients. We remain on track in the development of both of our products according the timescale we outlined to investors in October. We continue to successfully develop our Hu-PHEC cell therapy product and we are on course to have our CDX antibodies product in readiness for the start of Phase 1 trials as planned."

Hemogenyx Pharmaceuticals Limited www.hemogenyx.com
Dr Vladislav Sandler, Chief Executive Officer & Co-Founder *Via Walbrook PR*
Sir Marc Feldmann, Chairman

Optiva Securities Ltd Tel: +44 (0)20 3137 1902
Christian Dennis

Shard Capital Partners LLP Tel: +44 (0)20 7186 9950
Damon Heath, Erik Woolgar

Peterhouse Corporate Finance Limited Tel: +44 (0)20 7469 0930
Lucy Williams/Duncan Vasey

Walbrook PR Tel: +44 (0)20 7933 8780 or hemogenyx@walbrookpr.com
Paul McManus Mob: +44 (0)7980 541 893

About Hemogenyx Pharmaceuticals Plc

Hemogenyx Pharmaceuticals Plc is a publicly traded company (LSE: HEMO) headquartered in London, with its wholly owned U.S. operating subsidiary, HemoGenyx LLC, located in its state-of-the-art research facility in Brooklyn, New York. HemoGenyx is a preclinical-stage biopharmaceutical company focused on the discovery, development and commercialization of novel therapies and treatments for blood diseases such as leukemia and lymphoma. The company's leading technologies aim to change the way in which bone marrow/hematopoietic stem cell (BM/HSC) transplants are performed and improve their efficacy. HemoGenyx's two distinct and complementary products include an immunotherapy product for patient conditioning-the CDX bi-specific antibody-and a cell therapy product for BM/HSC transplantation-the HuPHEC. Each of these products holds the potential to revolutionize the way BM/HSC transplants are being performed, offering solutions that mitigate the dangers and limitations associated with the current standard of care. For more information, visit www.hemogenyx.com.

Chairman's Statement

I am very pleased to present an update on the Company for the year ended 31 December 2017. I took over as Chairman on April 9, 2018, succeeding Dr Robin Campbell.

Silver Falcon listed on the London Stock Exchange on 9 November 2015. Following the evaluation of a number of acquisition opportunities, it announced on 11 September 2017 an agreement to acquire the entire share capital of Hemogenyx Pharmaceuticals Limited for £8m (the "Acquisition"), to be satisfied by the issue of 228,571,428 Consideration Shares at a price of 3.5p per share. The acquisition constituted a reverse takeover under IFRS2.

Concurrent with the acquisition the Company raised £2m (before expenses) through the issue of 57,142,857 New Ordinary Shares in a Placing and Subscription at a price of 3.5p per share, as well as offering 1 new share for 2 warrants to qualifying shareholders over 62,021,429 New Ordinary Shares at 4.0p per share. Silver Falcon formally changed its name to Hemogenyx Pharmaceuticals Plc.

Hemogenyx Pharmaceuticals Limited is the holding company for Hemogenyx LLC ("Hemogenyx"), a US based biotechnology company developing therapies to transform bone marrow and blood stem cell transplant procedures. These therapies aim to replace the need for the imperfect existing methods of preparation of patients for transplantation, such as chemotherapy and radiation treatments, and at the same time address the problem of finding matching stem cell donors whilst reducing the risk of blood stem cell rejection after transplantation.

Consequently, shareholders now have exposure to an important and growing area of treatment for serious blood diseases, such as leukaemia and myeloma, whose treatment is currently restricted in use by risk of toxicity. The two products being developed by Hemogenyx have the potential to transform, and potentially revolutionise, the bone marrow or blood stem cell transplant procedure used to treat the most severe cases of these diseases.

Hemogenyx is developing two products based on a key finding made by Dr Vladislav Sandler, the Co-Founder and Chief Executive, for the $8-9 billion bone marrow / haematopoietic stem cell transplant market which could replace chemotherapy and radiation as a means of pre-transplant conditioning, as well as addressing the problem of stem cell donor availability and issues around relapse or cell rejection after transplantation. These two products are:

Conditioning product – CDX bi-specific antibodies which redirect a patient's own immune cells to eliminate unwanted blood stem cells preparing a patient for bone marrow transplantation;
Cell therapy product – Cell replacement product using Human Postnatal Hemogenic Endothelial Cells (Hu-PHEC) to generate cancer-free, patient-matched blood stem cells after transplant into the patient.

The products address a large and growing need and will be sold into a market that is already substantial. If successful, Hemogenyx's products will enable a much wider range of patients to be treated than is presently the case as the products should be applicable to the very many patients who are unfit for or, through the lack of suitable cell donors, unable to receive blood stem cell transplants at present.

Hemogenyx has, to date, made impressive progress on the Company's two products efficiently using its limited financial resources. With the £1.6million net of expenses raised during the listing, we expect to take the initial conditioning product to readiness for clinical trials and to make significant progress with our cell therapy product.

Update on Hemogenyx progress
I should take this opportunity to remind shareholders of the progress made since the reverse takeover and relisting. Overall the work is progressing successfully toward our goal of submitting an Investigational New Drug ("IND") application to the US Food and Drug Administration for our CDX antibodies product.

LakePharma, Inc. appointment
In October last year we announced the appointment of LakePharma, Inc. as our service provider for the development and manufacturing of our CDX bi-specific antibodies lead product. LakePharma will work with us

through the product development process, from discovery to biomanufacturing, as we move toward readiness for clinical trials. LakePharma, the largest US-based biologics contract research organisation, is a significant partner bringing the relevant integrated antibody engineering and bioproduction expertise we need to advance our CDX product through the necessary preclinical stages to be ready to enter the clinic within our planned timetable.

University of Oxford Collaboration

In November last year we confirmed a collaboration with the University of Oxford to test new means of accelerating and improving the process by which transplanted blood stem cells grow and make healthy blood cells, and which promises to hasten the development of our Hu-PHEC technology.

Researchers at Hemogenyx will administer certain biologics from Oxford to stem cells in an attempt to accelerate and improve the engraftment of hematopoietic stem and progenitor cells in animal models. Engraftment is the process by which blood stem cells integrate into the bone marrow and make healthy blood. If successful, this approach has the potential to dramatically improve the efficiency and outcome of bone marrow transplants.

We will then be in a position to test whether this approach facilitates the conversion of Hu-PHEC into fully functional, transplantable blood stem cells. Our Hu-PHEC when developed and successfully tested will generate cancer-free, patient-matched blood stem cells and are the basis of our cell therapy product and have the potential, if all goes according to plan to improve the efficacy of the bone marrow transplantation therapy.

In addition, we expanded our material transfer agreement with a major US research university, ensuring the reliable supply of high-quality human tissues for the development of our Hu-PHEC cell therapy product.

Post-period end updates

Following the end of the period under review, we have been able to announce two additional items of significance, describing research progress. The first major item was the receipt of our first set of data results showing that developed by Hemogenyx CDX bi-specific antibodies are capable of attacking and eliminating cultured cells of the blood cancer, Acute Myelogenous Leukemia (AML), tested *in vitro*.

This is a significant development in the process needed to develop CDX antibodies to become a universally available conditioning product for patients undergoing bone marrow transplants as a treatment for serious blood diseases.

At the same time, we confirmed the filing of a provisional patent application relating to our development of a new type of humanised mice with a chimeric mouse-human blood system. This can be used to advance product development, as well as to model several other diseases and drug discovery applications. Using these new humanised mice should allow us to demonstrate that CDX bi-specific antibodies are effective in the treatment of AML, this time *in vivo*.

Of particular significance is that this new type of humanised mice allows us to extend our work to other disease models and the evaluation of specific drug candidates. Furthermore, this is of interest to large biopharmaceutical companies. Thus, in mid-March 2018 we announced a collaboration with a major US biotechnology company (with whom we were already working and from whom we had already received revenue) to use our humanised mice for this very purpose. The deal is revenue generating for the Company and is worth up to approximately $250,000 and we believe this has the potential to generate further income as the collaboration develops.

Financial Results

During the year the Group made a loss of £2,319,734 (2016: £470,839 loss). As at present, we remain within budget for the developments of our products.

Scientific Advisory Board & Board update

I have been Chairman of the Scientific Advisory Board since September 2017 and have been working with the Company to widen its expertise and to bring in advisers that can specifically help given the stage which the Company's product development has reached.

In March 2018, we were very pleased to welcome Dr Michael Shepard to our Scientific Advisory Board. Dr Shepard is a renowned cancer research specialist and his work led to the discovery and development of many successful cancer treatments including Herceptin/trastuzumab, an antibody used to treat breast cancer patients when he was at Genentech. Sales of Herceptin last year exceed $6.5 billion worldwide.

Our Scientific Advisory Board, under my Chairmanship brings together a number of experienced experts with extensive biotech and large pharma drug development experience and their calibre is a reflection of potential opportunity that our therapies present. Further additions are under consideration.

Earlier this month I extended my commitment to the Company and became Executive Chairman, replacing Robin Campbell, who has become a Non-Executive Director.

In November, we announced that Timothy Le Druillenec, Finance Director, stood down as a Director and at the same time as my appointment to the Board, Adrian Beeston stood down as a Non-Executive Director. I again extend my thanks to both Timothy and Adrian for their contribution to the successful completion of the Company's readmission and trading on the main market of the London Stock Exchange.

The Board have continued to demonstrate their confidence in the ongoing success of the business throughout the period under review and post-period end. I have elected to receive most of my remuneration in shares and collectively we remain confident that they should deliver significant shareholder return over the long term.

As a further sign of confidence, we were pleased to note that Cornell University, with whom we have an exclusive licence agreement relating to the patents covering the method of isolation of post-natal hemogenic endothelial cells, invented by Dr Sandler, elected to receive part payment for a sum due in a mixture of new shares and cash, rather than cash as previously expected.

Outlook

Our two main planned products are on track and should if fully developed and brought into use greatly reduce the dangers of patient conditioning procedures and create a new form of blood stem cell transplantation that has the potential to significantly improve the long-term success of bone marrow transplants and to transform the lives of patients diagnosed with serious blood diseases.

My fellow Directors and I believe that the Company is well-advanced on the planned development steps that were announced at Admission and we look forward to the next 12 months with confidence.

Prof Sir Marc Feldmann AC, FRS
MB BS, PhD, FRCP, FRCPath, FAA, F Med Sci
Chairman

Statement of Comprehensive Income

Consolidated Statement of Comprehensive Loss

Continuing Operations	**Note**	**Year Ended 31 December 2017**	Unaudited Year Ended 31 December 2016
Revenue		**-**	-
Administrative Expenses	6	**787,362**	447,151
Depreciation Expense	11	**33,614**	11,870
Operating Loss		**(820,976)**	(459,022)
Other income		**101,138**	
Finance Costs		**(10,741)**	(11,817)
Reverse acquisition expense	4	**(1,631,007)**	-
Loss before Taxation		**(2,361,599)**	(470,839)
Taxation		**-**	-
Loss for the year attributable to equity owners		**(2,361,599)**	(470,839)
Items that will be reclassified subsequently to profit or loss:			
Translation of foreign operations		**(36,652)**	26,526
Other Comprehensive income for the year		**(36,652)**	26,526
Total comprehensive income/(loss) to the year attributable to the equity owners		**(2,398,251)**	(417,787)
Basic and diluted (per share)	10	**(0.01)**	(0.00)

The notes to the financial statements form an integral part of these financial statements.

Statement of Financial Position

Statement of Financial Position	**Group**			
			Unaudited	Unaudited
		Year Ended	Year Ended	Year Ended
		31	31	31
		December	December	December
	Note	**2017**	2016	2015
Assets				
Non-current assets				
Property, plant and equipment	11	191,578	175,797	-
Intangible asset	12	257,525	281,577	234,771
Investment		-	-	-
Total non-current assets		449,103	457,374	234,771
Current assets				
Trade and other receivables	15	69,784	162,059	41,295
Cash and cash equivalents		1,876,655	87,223	47,390
Total current assets		1,946,439	249,282	88,685
Total assets		**2,395,542**	**706,656**	**323,456**
Equity and Liabilities				
Equity attributable to shareholders				
Paid-in Capital				
Called up share capital	16	3,600,514	1,010,849	255,935
Share premium	17	7,341,056	-	-
Other reserves	18	369,147	-	-
Reverse asset acquisition reserve	4	(6,157,894)	-	-
Foreign currency translation reserve		(13,984)	22,668	(3,858)
Retained Earnings		(3,006,982)	(645,383)	(174,544)
Total Equity		2,131,857	388,134	77,533
Liabilities				
Non-current liabilities				
Borrowings	20	-	275,500	229,704
Total non-current liabilities		-	275,500	229,704
Current liabilities				
Trade and other payables	20	263,685	16,688	5,241
Current borrowings	20	-	26,335	10,979
Total Current Liabilities		263,685	43,023	16,220
Total Liabilities		263,685	318,522	245,924
Total equity and liabilities		**2,395,542**	**706,656**	**323,456**

Statement of Financial Position	**Company**		
	Note	**Year Ended 31 December 2017**	Year Ended 31 December 2016
Assets			
Non-current assets			
Loan to subsidiaries	13	**594,435**	-
Investment in subsidiary	14	**8,000,000**	-
Total non-current assets		**8,594,435**	-
Current assets			
Trade and other receivables	16	**66,013**	1,680
Cash and cash equivalents		**1,748,337**	1,045,723
Total current assets		**1,814,350**	1,047,403
Total assets		**10,408,785**	1,047,403
Equity and Liabilities			
Equity attributable to shareholders			
Paid-in Capital			
Called up share capital	17	**3,600,514**	669,000
Share premium	18	**7,341,056**	841,243
Other reserves	19	**369,147**	-
Retained Earnings		**(1,165,532)**	(606,535)
Total Equity		**10,145,185**	903,708
Liabilities			
Current liabilities			
Trade and other payables	20	**263,600**	143,695
Total Current Liabilities		**263,600**	143,695
Total Liabilities		**263,600**	143,695
Total equity and liabilities		**10,408,785**	1,047,403

Hemogenyx Pharmaceuticals Plc has used the exemption grated under s408 of the Companies Act 2006 that allows for the non-disclosure of the Income Statement of the parent company. The after tax loss attributable to Hemogenyx Pharmaceuticals Plc for the year ended 31 December 2017 was £558,997 (2016: £519,898).

Statement of Changes in Equity

Statement of Changes in Equity Group

	Called up Share Capital	Share Premium	Other reserves	Reverse acquisition reserve	Foreign currency translation reserve	Retained losses	Total Equity
As at 1 January 2016	255,935	-	-	-	(3,858)	(174,544)	77,533
Loss in year	-	-	-	-		(470,839)	(470,839)
Other Comprehensive Income	-	-	-	-	26,526	-	26,526
					26,526		
Total comprehensive income for the period	-	-	-	-		(470,839)	(444,313)
Issue of share capital	754,914	-	-				754,914
As at 31 December 2016	1,010,849	-	-	-	22,668	(645,383)	388,134
Loss in year	-	-	-	-	-	(2,361,599)	(2,361,599)
Other Comprehensive Income	-	-	-	-	(36,652)	-	(36,652)
Total comprehensive income for the year	-	-	-	-	(36,652)	(2,361,599)	(2,398,251)
Transfer to reverse acquisition reserve	(1,010,849)	-	-	1,010,849	-	-	-
Recognition of Hemogenyx PLC equity at reverse acquisition	669,000	841,243	-	831,257	-	-	2,341,500
Issue of shares for acquisition of subsidiary	2,285,714	5,714,286		(8,000,000)	-	-	-
Issue of shares to directors for services	30,000	75,000	-	-	-	-	105,000
Issue of shares - share subscription	571,429	1,428,571	-	-	-	-	2,000,000
Share issue costs		(495,316)	-	-	-	-	(495,316)
Issue of shares for debt settlement	44,371	110,927	-	-	-	-	155,298
Issue of options	-	-	35,492	-	-	-	35,492
Issue of warrants	-	(333,655)	333,655	-	-	-	-
As at 31 December 2017	**3,600,514**	**7,341,056**	**369,147**	**(6,157,894)**	**(13,984)**	**(3,006,982)**	**2,131,857**

Statement of Changes in Equity Company

	Called up Share Capital	Share Premium	Other reserves	Retained earnings/(loss)	Total Equity
As at 1 January 2016	649,000	781,243	-	(86,637)	1,343,606
Loss in period	-	-	-	(519,898)	(519,898)
Other Comprehensive Income	-	-	-	-	-
Total comprehensive income for the period	-	-	-	(519,898)	(519,898)
Issue of share capital net of share issue costs	20,000	60,000	-	-	80,000
As at 31 December 2016	669,000	841,243	-	(606,535)	903,708
Loss in year	-	-	-	(517,133)	(517,133)
Other Comprehensive Income	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(558,997)	(558,997)
Issue of shares for acquisition of subsidiary	2,285,714	5,714,286	-	-	8,000,000
Issue of shares to directors for services	30,000	75,000	-	-	105,000
Issue of shares - share subscription	571,429	1,428,571	-	-	2,000,000
Share issue costs	-	(495,316)	-	-	(495,316)
Issue of shares for debt settlement	44,371	110,927	-	-	155,298
Issue of options	-	-	35,492	-	35,492
Issue of warrants	-	(333,655)	333,655	-	-
As at 31 December 2017	**3,600,514**	**7,341,056**	**369,147**	**(1,165,532)**	**10,145,185**

Statement of Cash Flows

Statement of Cash Flows Group	Note	Year Ended 31 December 2017	Unaudited Year Ended 31 December 2016
Cash flows generated from operating activities			
Loss before income tax		**(2,361,599)**	(470,839)
Depreciation	11	**33,614**	11,870
Other Non-cash items interest/professional fees (shares issued)		**105,000**	60,358
Interest income		**(732)**	(217)
Interest expense		**11,473**	12,035
Reverse Acquisition Expense	4	**1,631,020**	-
Share based payments	18	**35,492**	-
Working capital changes applicable to pre-acquisition retained earnings		**(1,145)**	-
Change in trade and other payables		**7,637**	9,507
Change in trade and other receivables		**(86,260)**	(163,209)
net cash outflow used in operating activities		**(452,979)**	(540,495)
Cash flows generated from financing activities			
Proceeds from issuance of equity securities		**2,000,000**	754,914
Share issue costs		**(383,871)**	-
Repayment of loans and borrowings	20	**(154,422)**	-
Other current liabilities acquired at acquisition		**(245,000)**	-
Net cash flow generated from financing activities		**1,216,707**	754,914
Cash flows generated from investing activities			
Interest income		**732**	217
Interest paid		**(1,011)**	-
Cash acquired on acquisition		**1,098,640**	-
Purchase of property, plant & equipment		**(64,257)**	(188,785)
Net cash flow generated from investing activities		**1,034,104**	(188,567)
Net increase in cash and cash equivalent		**1,797,832**	25,852
Effect of exchange rates on cash		**(8,400)**	13,981
Cash and cash equivalents at the beginning of the period		**87,223**	47,390
Cash and cash equivalents at the end of the period		**1,876,655**	87,223

Statement of Cash Flows Company	Note	Year Ended 31 December 2017	Year Ended 31 December 2016
Cash flows generated from operating activities			
Loss before income tax		**(558,997)**	(519,898)
Other Non-cash items interest/professional fees (shares issued)		**105,000**	80,000
Foreign exchange (gain) loss		**19,176**	-
Interest income		**(1,166)**	-
Share based payments	18	**35,492**	-
Change in trade and other payables		**23,459**	132,278
Change in trade and other receivables		**(64,332)**	29,487
net cash outflow used in operating activities		**(441,368)**	(278,133)
Cash flows generated from financing activities			
Proceeds from issuance of equity securities		**2,000,000**	-
Share issue costs		**(383,871)**	-
Net cash flow generated from financing activities		**1,616,129**	-
Cash flows generated from investing activities			
Interest income		**1,166**	-
Loan to subsidiary		**(473,313)**	-
Net cash flow generated from investing activities		**(472,146)**	-
Net increase in cash and cash equivalent		**702,614**	(278,133)
Cash and cash equivalents at the beginning of the period		**1,045,723**	1,323,869
Cash and cash equivalents at the end of the period		**1,748,337**	1,045,736

Notes to the Financial Statements

1. General Information

The Company is preclinical-stage biotechnology company focused on the discovery, development and commercialization of innovative treatments relating to bone marrow/hematopoietic (blood-forming) stem cell (BM/HSC) transplants for blood diseases, including leukaemia, lymphoma and bone marrow failure. The products under development are designed to address a range of problems that occur with current standard of care treatments.

The Company's registered office is located at 5 Fleet Place, London EC4M 7RD, and is listed on the London Stock Exchange.

2. Summary of Significant Accounting Policies

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

Basis of Preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and IFRS Interpretations Committee (IFRS IC) interpretations as adopted for use by the European Union, and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Basis of Consolidation

The consolidated financial statements comprise the financial statements of Hemogenyx Plc and its subsidiaries as at 31 December 2017. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

All intra-group balances, transactions, income and expenses and profits and losses resulting from intra-group transactions that are recognised in assets, are eliminated in full.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. Please refer to note 4 for information on the consolidation of Hemogenyx LLC.

Hemogenyx Pharmaceuticals Plc has used the exemption grated under s408 of the Companies Act 2006 that allows for the non-disclosure of the Income Statement of the parent company. The after tax loss attributable to Hemogenyx Pharmaceuticals Plc for the year ended 31 December 2017 was £558,997 (2016: £519,898).

Research and development expenditure

(i) Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in profit or loss as incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditures are capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to, and has sufficient resources to, complete development and to use or sell the asset. No development costs have been capitalized to date.

(ii) Clinical trial expenses

Clinical trial expenses are a component of the Company's research and development costs. These expenses include fees paid to contract research organizations, clinical sites, and other organizations who conduct development activities on the Company's behalf. The amount of clinical trial expenses recognized in a period related to clinical agreements are based on estimates of the work performed using an accrual basis of accounting. These estimates incorporate factors such as patient enrolment, services provided, contractual terms, and prior experience with similar contracts.

(iv) Government grants

Government grants relate to financial grants from governments, public authorities, and similar local, national or international bodies. These are recognised when there is a reasonable assurance that the Company will comply with the conditions attaching to them, and that the grant will be received. Government grants relating to research and development are off-set against the relevant costs.

Intangibles

Research and development

Research expenditure is written off as incurred. Development expenditure is written off as incurred, except where the Directors are satisfied that a new or significantly improved product or process results and other relevant IAS 38 criteria are met as to the technical, commercial and financial viability of individual projects that would require such costs to be capitalised. In such cases, the identifiable directly attributable expenditure is capitalised and amortised. The Group's view is that capitalised assets have a finite useful life and to that extent they should be amortised over their respective unexpired periods with provision made for impairment when required. Assets capitalised are not amortised until the associated product is available for use or sale. Amortisation is calculated using the straight-line method to allocate the costs of development over the estimated useful economic lives. Estimated useful economic life is assessed by reference to the remaining patent life and may be adjusted after taking into consideration product and market characteristics such as fundamental building blocks and product life cycle specific to the category of expenditure.

Intellectual property (IP)

IP assets (comprising patents, know-how, copyright and licenses) acquired by the Group as a result of a business combination are initially recognised at fair value or as a purchase at cost, and are capitalised.

Internally generated IP costs are written off as incurred except where IAS 38 criteria, as described in research and development above, would require such costs to be capitalised.

The Group's view is that capitalised IP assets have a finite useful life and to that extent they should be amortised over their respective unexpired periods with provision made for impairment when required. Capitalised IP assets are not amortised until the Group is generating an economic return from the underlying asset and as such no amortisation has been incurred to date as the products to which they relate are not ready to be sold on the open market. When the trials are completed and the products attain the necessary accreditation and clearance from the regulators, the Group will assess the estimated useful economic like and the IP will be amortised using the straight line method over their estimated useful economic lives.

Fixed assets

All property, plant and equipment is stated at historical cost less accumulated depreciation or impairment value. Cost includes the original purchase price and expenditure that is directly attributable to the acquisition of the items to bring the asset to its working condition. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful economic life. Assets held under finance leases, if any, are depreciated over their expected useful economic life on the same basis as owned assets, or where shorter, the lease term. Assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable.

The following rates are used:

Computer equipment	33%	Straight line
Laboratory equipment	20% - 50%	Straight line

Impairment of non-financial assets

The Group is required to review, at least annually, whether there are indications (events or changes in circumstances) that non-financial assets have suffered impairment and that the carrying amount may exceed the recoverable amount. If there are indications of impairment then an impairment review is undertaken. An impairment charge is recognised within operating costs for the amount by which the carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and the value-in-use. In the event that an intangible asset will no longer be used, for example, when a patent is abandoned, the balance of unamortised expenditure is written off.

Impairment reviews require the estimation of the recoverable amount based on value-in-use calculations. Non-financial assets relate typically to investments in related parties and in-process development and patents, and require broader assumptions than for developed technology. Key assumptions taken into consideration relate to technological, market and financial risks and include the chance of product launch taking into account the stage of development of the asset, the scale of milestone and royalty payments, overall market opportunities, market size and competitor activity, revenue projections, estimated useful lives of assets (such as patents), contractual relationships and discount rates to determine present values of cash flows.

Investments

Equity investments in entities that are associates or subsidiaries are held at cost, less any provision for impairment. As there is no quoted price in an active market, fair value cannot be reliably measured.

Going Concern

The preparation of financial statements requires an assessment on the validity of the going concern assumption.

The Directors have reviewed projections for a period of at least 12 months from the date of approval of the financial statements. The financial statements have been prepared on the going concern basis. The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current available working capital and working capital facilities for the next 12 months. Therefore the Directors consider the going concern basis appropriate.

Financial Instruments

Financial assets and liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument. The Company currently does not use derivative financial instruments to manage or hedge financial exposures or liabilities.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Company's loans and receivables comprise Trade and Other Receivables and Cash and Cash Equivalents in the Statement of Financial Position.

Trade and Other Receivables and Payables

Trade and other receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value, and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Other liabilities measured at amortised cost are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. The liabilities are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer. If not, they are presented as non-current liabilities.

The liabilities are recognised initially at fair value, and subsequently measured at amortised cost using the effective interest method.

Impairment of Financial assets

The Company and Group assesses at each reporting date whether a financial asset is impaired and will recognise the impairment loss immediately through the consolidated statement of comprehensive loss.

Foreign currencies

Functional and presentation currency
The Company's presentation currency is the British Pound Sterling ("£"). The functional currency for the Company, being the currency of the primary economic environment in which the Company operates, is the British Pound Sterling. The individual financial statements of each of the Company's wholly owned subsidiaries are prepared in the currency of the primary economic environment in which it operates (its functional currency)

The Hemogenyx LLC financial statements have been translated into Pound Sterling in accordance with IAS 21 The Effects of Changes in Foreign Exchange Rates. This standard requires that assets and liabilities be translated using the exchange rate at period end, and income, expenses and cash flow items are translated using the rate that approximates the exchange rates at the dates of the transactions (i.e. the average rate for the period). The foreign exchange differences on translation of Hemogenyx LLC are recognized in other comprehensive income (loss).

Foreign currency transactions
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement

of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit and loss.

Share based payments

The Group has applied the requirements of IFRS 2 Share-based Payment for all grants of equity instruments.

The Group operates an equity-settled share option plan to certain shareholders. The fair value of the service received in exchange for the grant of options and warrants is recognised as an expense. Equity-settled share-based payments are measured at fair value (excluding the effect of non-market based vesting conditions) at the date of grant. The fair value determined at the grant date of equity-settled share-based payment is expensed on a graded vesting basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions.

Fair value is measured by use of the Black-Scholes model. The expected life used in the models has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

On addition the Group issues equity-settled share-based payments to the directors and senior management ("Employee Share Options") and to its corporate finance advisers for assistance in raising private equity ("Non-employee Share Options"). Equity-settled share-based payments are measured at fair value at the date of grant for Employee Share Options and the date of service for Non-employee Share Options. The fair value determined at the grant date or service date, as applicable, of the equity-settled share-based payments is expensed, with a corresponding credit to equity, on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest. At each subsequent reporting date the Group calculates the estimated cumulative charge for each award having regard to any change in the number of options that are expected to vest and the expired portion of the vesting period. The change in this cumulative charge since the last reporting date is expensed with a corresponding credit being made to equity. Once an option vests, no further adjustment is made to the aggregate amount expensed.

The fair value is calculated using the Black Scholes method for both Employee and Non-employee Share Options as management views the Black Scholes method as providing the most reliable measure of valuation. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability exercise restrictions and behavioural considerations. The market price used in the model is the issue price of Company shares at the last placement of shares immediately preceding the calculation date. The fair values calculated are inherently subjective and uncertain due to the assumptions made and the limitation of the calculations used.

Share Capital

Ordinary Shares are classified as equity. Equity instruments issued by the Hemogenyx Group are recorded at the proceeds received, net of direct issue costs.

Cash

Cash consist of cash bank deposit balances.

Taxation

Deferred Tax

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exceptions:

- where the temporary difference arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting nor taxable profit or loss;
- in respect of taxable temporary differences associated with investment in subsidiaries, associates and joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future; and
- deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the statement of financial position date.

The carrying amount of deferred income tax assets is reviewed at each statement of financial position date. Deferred income tax assets and liabilities are offset, only if a legally enforcement right exists to set off current tax assets against current tax liabilities, the deferred income taxes related to the same taxation authority and that authority permits the Company to make a single net payment.

Income tax is charged or credited directly to equity if it relates to items that are credited or charged to equity. Otherwise income tax is recognised in the statement of comprehensive income.

Segmental Reporting

The Group's operations are located throughout in New York, USA with the head office located in the United Kingdom. The main assets of the Group, cash and cash equivalents, are held in United Kingdom and adequate amounts are transferred to the USA operating business on a quarterly basis on approval from the board.

The Group currently has one reportable segment – biotechnology company focused on the discovery, development and commercialization of innovative treatments relating to bone marrow/hematopoietic (blood-forming) stem cell (BM/HSC) transplants for blood disease.

New Accounting Standards and Interpretations in issue but not applied in the Financial Statements

i) New standards, amendments and Interpretations in issue but not yet effective or not (and in some cases have not yet been adopted by the EU):

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the financial statements are listed below. The Group intend to adopt these standards, if applicable, when they become effective. These are summarised below:

- IFRS 15 – 'Revenue from contracts with customers' This standard deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service.

The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2018 and earlier application is permitted subject to EU endorsement. The Group does not expect that the adoption of IFRS 15 will result in a change to the accounting policy as the performance obligation and timing of recognition are consistent with those identified under IAS 18.

- IFRS 16 – 'Leases' This standard replaces the current guidance in IAS 17 – 'Leases' and is a far-reaching change in accounting by lessees in particular. Under IAS 17, lessees were required to make a distinction between a finance lease (on balance sheet) and an operating lease (off balance sheet). IFRS 16 requires lessees to recognise a lease liability reflecting future lease payments and a 'right-of-use asset' for virtually all lease contracts.

- IFRS 16 includes an optional exemption for certain short-term leases and leases of low-value assets; however, this exemption can only be applied by lessees. For lessors, the accounting remains substantially unchanged. IFRS 16 provides updated guidance on the definition of a lease (as well as the guidance on the combination and separation of contracts); under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

  The standard is effective for annual periods beginning on or after 1 January 2019 and earlier application is permitted subject to EU endorsement. The Group is currently assessing the impact of IFRS 16.

- IFRS 9 – 'Financial Instruments' This standard replaces IAS 39. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the current incurred loss impairment model. The standard is effective for annual periods beginning on or after 1 January 2018 and earlier application is permitted subject to EU endorsement.
  The Group does not expect that the adoption of IFRS 9 will result in a material changes to the carrying values and classification of financial assets and liabilities.

3. Significant accounting judgements, estimates and assumptions

The preparation of the financial statements in conformity with International Financial Reporting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

Estimates and judgements are continually evaluated, and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The principal areas in which judgement is applied are as follows:

Warrants to be issued pursuant to IPO

Under terms of the share placement completed pursuant to the IPO there were a maximum of 62,021,429 warrants eligible to be issued eligible participants. As at 31 December 2017 43,627,283 warrants had been issued to eligible IPO participants who had been identified. A total of 18,394,146 warrants potentially are still to be issued however it is not known if or when these warrants will be issued as the identity of the holders is not known. The Group has not brought the value of the unissued warrants to account as at 31 December, 2017 as it cannot be reasonably ascertained if these outstanding warrants will ever be issued. The 18,394,146 warrants have a value of £112,274. Management has determined that a discount of 40% reasonable to allow for the probability of the identity of the warrant holders remaining unknown. After applying this discount a value £67,364 has not been brought to account in the Statement of Financial Position due to uncertainty.

Valuation of stock options

Management uses the Black Scholes model to value the share options. The model requires use of assumptions regarding volatility, risk free interest rate and a calculation of the value of the option at the time of the grant. Please see note 18 for details.

4. Reverse acquisition and LSE listing

On 4 October 2017, the Company acquired the entire issued share capital of Hemogenyx LLC, a private company incorporated in the United States, by way of a share for share exchange.

Although the transaction resulted in Hemogenyx LLC becoming a wholly owned subsidiary of the Company, the transaction constitutes a reverse acquisition in as much as the shareholders of Hemogenyx LLC own a substantial majority of the outstanding ordinary shares of the Company and 2 out of 6 members of the Board of Directors of the Company are Hemogenyx LLC shareholders and management.
In substance, the shareholders of Hemogenyx LLC acquired a controlling interest in the Company and the transaction has therefore been accounted for as a reverse acquisition. As the Company previously discontinued its investment activities and was engaged in acquiring Hemogenyx LLC and raising equity financing to provide the required funding for the operations of the acquisition and re-listing on the main market of the LSE, it did not meet the definition of a business according to the definition in IFRS 3. Accordingly, this reverse acquisition does not constitute a business combination and was accounted for in accordance with IFRS 2 Share-based payment and IFRIC guidance, with the difference between the equity value given up by the Hemogenyx LLC shareholders and the share of the fair value of net assets gained by the Hemogenyx LLC shareholders charged to the statement of comprehensive income as the cost of acquiring a main market LSE quoted listing.

Following the completion of the transaction the Company changed its name to Hemogenyx Pharmaceuticals Plc.

In accordance with reverse acquisition accounting principles, these consolidated financial statements represent a continuation of the consolidated financial statements of Hemogenyx LLC and include:

a. The assets and liabilities of Hemogenyx LLC at their pre-acquisition carrying amounts and the results for both periods; and

b. The assets and liabilities of the Company as at 31 December 2017 and it's results from 5 October 2017 to 31 December 2017,

On 4 October 2017, the Company issued 228,571,428 shares for all 21,923,076 shares of Hemogenyx LLC.

On 4 October 2017, the quoted share price of Hemogenyx plc was £0.035 and therefore this valued the investment in Hemogenyx LLC at £8,000,000.

Because the legal subsidiary, Hemogenyx LLC, was treated as the accounting acquirer and the legal Parent Company, Silver Falcon plc, was treated as the accounting subsidiary, the fair value of the shares deemed to have been issued by Hemogenyx LLC was calculated at £2,341,500 based on an assessment of the purchase consideration for an 100% holding in Hemogenyx Plc.

The fair value of net assets of Silver Falcon plc was as follows:

	£
Cash and cash equivalents	1,098,640
Other assets	60,641
Liabilities	(448,800)
Net assets	710,480

The difference between the deemed cost and the fair value of the net assets acquired of £1,631,007 has been expensed in accordance with IFRS 2, Share based payments, reflecting the economic cost to the Hemogenyx LLC shareholders of acquiring a quoted entity.

The reverse acquisition reserve that arose from the reverse takeover is made up as follows:

	Year Ended 31 December 2017
	£
As at start of year	-
Pre-acquisition losses of Hemogenyx PLC [1]	(799,763)
Hemogenyx LLC issued capital at acquisition[2]	1,010,849
Investment in Hemogenyx LLC[3]	(8,000,000)
Reverse acquisition expense[4]	1,631,020
As at end of year	**(6,157,894)**

The movements on the Reverse acquisition reserve are as follows:

1. These consolidated financial statements present the legal capital structure of the Company. However, under reverse acquisition accounting rules, the Company was not acquired until 4 October 2017 and therefore the entry above is required to eliminate the initial retained losses of the Company.

2. Hemogenyx LLC had issued share capital of equivalent to £1,010,849 as at 4 October 2017. As these financial statements present the capital structure of the parent entity, the issue of equity by Hemogenyx LLC has been recorded in this reserve.

3. The Company issued 228,571,428 shares at £0.35 each, totaling £8,000,000 for the entire issued capital of Hemogenyx LLC. The above entry is required to eliminate the balance sheet impact of this transaction.

4. The reverse acquisition accounting is described in detail in note 4. The entry above represents the difference between the value of the equity issued by the Company, and the deemed consideration given by Hemogenyx LLC to acquire the Company.

5. Segment Information

The Group has one reportable segment, the development of breakthrough therapies for the treatment of blood diseases, and administrative functions in the United Kingdom.

The following tables present expenditure and certain asset information regarding the Group's geographical segments for the year ended 31 December 2017:

	Year Ended 31 December 2017	Year Ended 31 December 2016
	£	£
Revenue		
SEGMENT ASSETS		
United Kingdom		
- Non-current	-	-
- Current	1,814,350	1,047,416
United States		
- Non-current	449,103	457,374
- Current	132,089	249,282
Total		
- Non-current	449,103	457,374
- Current	1,946,439	249,282
CAPITAL EXPENDITURE		
United Kingdom	-	-
United States	64,257	188,785
	64,257	188,785

Capital expenditure consists of the purchase of property, plant and equipment.

All revenue is derived from single customer.

6. Expenses by nature

	Group Year Ended 31 December 2017	Group Year Ended 31 December 2016
	£	£
Laboratory expenses	36,194	22,533
Consumable equipment and supplies	64,287	65,236
Contractors & consultants	164,534	166,177
Travel	19,494	5,871
Staff Costs	246,919	129,400
Insurance	13,820	10,975
Other	22,521	22,000
Legal and professional fees	189,786	24,939
Foreign exchange loss / (gain)	29,807	-
Total Administrative Expenses	787,362	447,151

7. Employees

	Group Year Ended 31 December 2017	Group Year Ended 31 December 2016	Company Year Ended 31 December 2017	Company Year Ended 31 December 2016
	£	£	£	£
Wages and salaries	197,065	129,400	41,325	-
Social security	12,811	-	2,634	-
Share options	35,492	-	35,492	-
Pension contributions	1,551	-	-	-
	246,919	129,400	79,451	-

Average number of people (including executive Directors) employed:

	Group Year Ended 31 December 2017	Group Year Ended 31 December 2016
Research & development (?)	3	2
Administration	2	1
	5	3

8. Auditors' remuneration

	Group Year Ended 31 December 2017	Group Year Ended 31 December 2016
	£	£
Audit services	40,000	11,575
Non audit services	36,000	24,000
	76,000	35,575

9. Income Tax

	Group Year Ended 31 December 2017	Group Year Ended 31 December 2016
	£	£
Current Tax:		
Corporation tax on loss for the year	-	-
Deferred Tax	-	-
Tax on loss on ordinary activities	-	-
Loss on ordinary activities before tax	**(2,361,599)**	**(519,898)**
Analysis of charge in the year:		
Loss on ordinary activities multiplied by weighted average tax rate for the group of 25.54% (2016: 20%)	(596,451)	(103,980)
Disallowed items	391,839	54,145
Timing differences	(7,338)	-
Tax losses carried forward	(211,950)	(49,835)
Current Tax charge	-	-

The Group has accumulated tax losses arising in the UK of approximately £698,207 (Dec 2016: £295,198) that should be available, under current legislation, to be carried forward against future profits. No deferred tax asset has been recognised against these losses. The Group has tax losses carried forward in the US of £396,416 available under current rules until 2037. No deferred tax asset has been recognised against these losses.

10. Earnings per share

The calculation of the Basic and fully diluted earnings per share is calculated by dividing the loss for the year from continuing operations of £2,361,599 (2016: £470,839) for the Group by the weighted average number of ordinary shares in issue during the year of 260,270,699 (2016: 145,166,853).

The weighted average number of shares is adjusted for the impact of the reverse acquisition as follows:

- Prior to the reverse takeover, the number of shares is based on Hemogenyx LLC, adjusted using the share exchange ratio arising on the reverse takeover; and
- From the date of the reverse takeover, the number of share is based on the Company.

Dilutive loss per Ordinary Share equals basic loss per Ordinary Share as, due to the losses incurred in 2017 and 2016, there is no dilutive effect from the subsisting share options.

11. Property, Plant & Equipment

Group	Property, plant & equipment £
Costs	
Balance, December 31, 2015	-
Additions	188,785
Disposals	-
Foreign exchange movement	-
Balance, December 31, 2016	188,785
Additions	64,257
Disposals	-
Foreign exchange movement	(17,344)
Balance, December 31, 2017	**235,698**
Accumulated depreciation and impairment losses	
Balance, December 31 2015	-
Depreciation	11,870
Disposals	
Foreign exchange movement	1,117
Balance, December 31, 2016	12,987
Depreciation	33,614
Disposals	
Foreign exchange movement	(2,482)
Balance, December 31, 2017	**44,120**
Carrying amounts	
Carrying value at December 31, 2015	-
Carrying value December 31, 2016	175,797
Carrying value December 31, 2017	**191,578**

12. Intangible Assets

On 15 January 2015, the Company entered into an Exclusive License Agreement with Cornell University to grant to the Company patent rights to patent PCT/US14/65469 entitled "Post-Natal Hematopoietic Endothelial Cells and Their Isolation and Use" and rights to any product or method deriving therefrom.

The Company paid Cornell University $347,500, consisting of cash payments of $22,500 and a convertible promissory note in the amount of $325,000.

Cost	Intellectual Property £
As at 15 January 2015	-
Additions	228,829
Exchange movements	5,942
31 December 2015	234,771
Exchange movements	46,806
31 December 2016	281,577
Exchange movements	(24,052)
31 December 2017	**257,525**

The carrying value of intangible assets is reviewed for indications of impairment whenever events or changes in circumstances indicate that the carrying value may exceed the recoverable amount. The products to which they relate are not ready to be sold on the open market. When the trials are completed and the products attain the necessary accreditation and clearance from the regulators, the Group will assess the estimated useful economic like and the IP will be amortised using the straight line method over their estimated useful economic lives. The directors are of the view that no impairment is required as the test results to date have been very positive and these products are now being moved on the clinical trial phase. Accordingly, the directors continue to believe that the products will eventually attain the necessary accreditation and clearance from the regulators and so no impairment has been considered necessary.

Amortisation will be charged to operating costs in the Statement of Comprehensive Income when the Group achieves product sales.

13. Loan to subsidiaries

	Company Year Ended 31 December 2017	Company Year Ended 31 December 2016
	£	£
Loan to Hemogenyx LLC	594,435	-
	594,435	-

Hemogenyx Pharmaceuticals PLC has made cumulative loan to Hemogenyx LLC of US$802,121 (£594,435) as at 31 December 2017. The loan is interest free and will be repaid when Hemogenyx LLC's operational cash flow allows. Management has undertaken an impairment assessment of the loan as at 31 December 2017 and has determined that that there was no impairment required. The interest rate and impairment assessment are reviewed on an annual basis.

14. Investments in subsidiary

Name	Address of the registered office	Nature of business	Proportion of ordinary shares held directly by parent (%)
Hemogenyx Pharmaceuticals LLC	9 East Lookerman Street, Suite 3A, Dover, Kent, Delaware, USA, 19901	Biomedical sciences	100

15. Trade and other receivables

	Group Year Ended 31 December 2017	Group Year Ended 31 December 2016	Company Year Ended 31 December 2017	Company Year Ended 31 December 2016
VAT receivable	64,784	-	61,013	-
Other receivables	-	162,059	-	180
Prepayments	5,000	-	5,000	1,500
Total trade and other receivables	69,784	162,059	66,013	1,680

There are no material differences between the fair value of trade and other receivables and their carrying value at the year end.

No receivables were past due or impaired at the year end.

16. Called up share capital

Group	Class A shares Number	Class B shares Number	Ordinary shares Number	£
As at 31 December 2015	12,657,692	-	-	255,935
Issue of shares to retain contractual ownership percentage 19 Feb 2016 2016	496,154	-	-	-
Issue of shares for cash various dates 2016	-	8,769,230	-	754,914
As at 31 December 2016	13,153,846	8,769,230	-	1,010,849
Transfer of LLC paid up capital to Reverse Acquisition Reserve 4 Oct 2017	(13,153,846)	(8,769,230)	-	(1,010,849)
Issued capital of PLC at acquisition 4 Oct 2017	-	-	66,900,000	669,000
Issue of shares for acquisition of subsidiary 4 Oct 2017	-	-	228,571,428	2,285,714
Issue of shares to directors 4 Oct 2017	-	-	3,000,000	30,000
Issue of shares for cash 4 Oct 2017	-	-	57,142,857	571,429
Issue of shares for debt settlement 20 Oct 2017	-	-	4,437,075	44,371
As at 31 December 2017	**-**	**-**	**360,051,360**	**3,600,514**

Called up Share Capital (continued)

The issued capital of the Group for the period 1 January 2015 to 4 October 2017 is that of Hemogenyx LLC. Upon completion of the acquisition the share capital of Hemogenyx LLC was transferred to the Reverse acquisition reserve (see note4) and the share capital of Hemogenyx PLC was brought to account.

Company	Number of shares	£
As at 1 January 2016	64,900,000	649,000
Issue of shares 11 Nov 2016	2,000,000	20,000
As at 31 December 2016	66,900,000	649,000
Issue of shares for acquisition of subsidiary 4 Oct 2017	228,571,428	2,285,714
Issue of shares to directors 4 Oct 2017	3,000,000	30,000
Issue of shares for cash 4 Oct 2017	57,142,857	571,429
Issue of shares for debt settlement 20 Oct 2017	4,437,075	44,371
As at 31 December 2017	**360,051,360**	**3,600,514**

17. Share Premium

Group & Company

	£
As at 31 December 2016	-
Issued capital of PLC at acquisition 4 Oct 2017	841,243
Issue of shares for acquisition of subsidiary 4 Oct 2017	5,714,286
Issue of shares to directors 4 Oct 2017	75,000
Issue of shares for cash 4 Oct 2017	1,428,571
Issue of shares for debt settlement 20 Oct 2017	110,927
Value of warrants issued	(333,655)
Share issue costs	(495,316)
As at 31 December 2017	**7,341,056**

The issued share capital of Hemogenyx LLC did not have a share premium component.

18. Other Reserve

Share options

Group & Company:	Year Ended 31 December 2017 £	Year Ended 31 December 2016 £
As at start of year	-	-
Charge for the year - employees	35,492	-
Fair value of warrants issued in connection with share placement	333,655	
As at end of year	369,147	-

The expense recognised for employee and non-employee services during the year is shown in the following table:

Group and Company:	Year Ended 31 December 2017 £	Year Ended 31 December 2016 £
Expense arising from equity-settled share-based payment transactions	35,492	-
Total expense arising from share-based payment transactions	1,666,512	-

Employee Plan

Under the Employee Plan ("EMP") share options are granted to directors and employees at the complete discretion of the Company. The fair value of the options is determined by the Company at the date of the grant to subscribe for Ordinary Shares on each of the following events/dates:

(i) Admission to the LSE ("Admission");
(ii) On the date falling six (6) months after Admission;
(iii) On the date falling twelve (12) months after Admission; and
(iv) On the date falling twenty four (24) months after Admission

On the provision that the option holder remains a director of the Company.

Options granted to all other option holders vest in equal tranches of 12.5% every three months from 4 January, 2018, until fully vested.

The fair value of the options is determined using the Black Scholes method as stated in Note 2. The contractual life of each option granted is two years. There are no cash settlement alternatives.

Options are settled when the Company receives a notice of exercise and cash proceeds from the option holder equal to the aggregate exercise price of the options being exercised.

Other Reserves (continued)

Non-Employee Plan

Under the Non-Employee Plan ("NEMP") share options are granted to non-employees at the complete discretion of the Company. The exercise price of the options is determined by the Company at the date of the grant. The options vest at the date of the grant.

The fair value of the options is determined using the Black Scholes method as stated in Note 2 and not the value of services provided as this is deemed the most appropriate method of valuation. In all cases non-employee option holders received cash remuneration in consideration for services rendered in accordance with agreed letters of engagement. The contractual life of each option granted ranges from two to five years. There are no cash settlement alternatives. Volatility was determined by calculating the volatility for three similar listed companies and applying the average of the four volatilities calculated.

Options are settled when the Company receives a notice of exercise and cash proceeds from the option holder equal to the aggregate exercise price of the options being exercised.

Group & Company:	**2017 Number**	**2017 WAEP[1] pence**	2016 Number	2016 WAEP pence
Outstanding at the beginning of the year	**-**	**-**	-	-
Granted during the year	**24,566,957**	**3.5**	-	-
Outstanding at end of year	**24,566,957**	**3.5**	-	-
Exercisable at end of year	**1,780,214**	**3.5**	-	-

The weighted average remaining contractual life for the share options outstanding as at 31 December 2017 is 3.89 years (2016: n/a). The weighted average fair value of options granted during the year was 0.01 pence (2016: n/a). The exercise price for options outstanding at the end of the year was 3.5 pence (2016: n/a).

A schedule of options granted is below:

	Number options
Dr. Robin Campbell	3,560,429
Lawrence Pemble	3,560,429
Professor Sir Marc Feldmann	5,340,643
Professor Alexander Tarakhovsky	2,670,321
Professor Koen Van Besien	2,670,321
Dr. Mark Pkkett	2,670,321
Dr. Boris Shor	2,670,321
Dr. Rita Simone	712,086
Carina Sirochinsky	712,086
Total	**24,566,957**

The following table lists the inputs to the model used:

	2017 (EMP)
Expected volatility %	**39.56**
Risk-free interest rate %	**0.472**
Expected life of options (years)	**2**
WAEP[1] - pence	**3.5**
Expected dividend yield	**-**
Model used	**Black Scholes**

[1] *weighted average exercise price*

Warrants

The share placement that completed on 4 October 2017 with the issue of 57,142,857 shares at £0.035 carried 1 for 2 wrrants for qualifying shareholders over 62,021,429 new ordinary shares at £0.04 per share. In order to qualify for these warrants the shareholder must have retained the shares for a period of 60 days after admission.

As at 31 December 2017 43,627,283 warrants had been issued to eligible IPO participants who had been identified. A total of 18,394,146 warrants potentially are still to be issued however it is not known if or when these warrants will be issued` as the identity of the holders is not known. The 18,394,146 warrants have a value of £112,274 and applying a reasonable discount of 40% to allow for the probability of the identity of the warrant holders remaining unknown, an adjusted value £67,364 has not been brought to account in the Statement of Financial Position due to uncertainty. The following table lists the inputs to the models used for the two plans for the years ended 31 December 2017:

	2017 (NEMP)
Expected volatility %	**39.56**
Risk-free interest rate %	**0.472**
Expected life of warrant (years)	**1**
WAEP[1] - pence	**4.0**
Expected dividend yield	**-**
Model used	**Black Scholes**

19. Capital and Reserves

The nature and purpose of equity and reserves are as follows:

Share capital comprises the nominal value of the ordinary issued share capital of the Company.

Share Premium represents consideration less nominal value of issued shares and costs directly attributable to the issue of new shares.

Other reserves represent the value of options in connection with share based payments, and warrants connected with share placements, issued by the Company.

Reverse asset acquisition reserve is the reserve created in accordance with the acquisition of Hemogenyx Pharmaceuticals LLC on 5 October, 2017 in accordance with IFRS 2.

Foreign currency translation reserve is used to recognize the exchange differences arising on translation of the assets and liabilities of foreign branches and subsidiaries with functional currencies other than Pounds Sterling, as well as the revaluation of intercompany loans.

Retained earnings represent the cumulative retained losses of the Company at the reporting date.

20. Non-current and current liabilities

	Group Year Ended 31 December 2017	Group Year Ended 31 December 2016	Company Year Ended 31 December 2017	Company Year Ended 31 December 2016
Trade and other payables	7,332	16,688	7,247	143,695
Accruals and deferred income	256,353	-	256,353	-
Loan note interest	-	26,334	-	-
Loan notes	-	275,500	-	-
Total liabilities	**263,685**	**318,522**	**263,600**	**143,695**
Current liabilities	263,685	43,022	263,600	143,695
Non-current liabilities	-	275,500	-	-

Loan Notes

On 15 January 2015 Hemogenyx LLC issued a USD$325,000 unsecured convertible promissory note to Cornell University in partial payment of the license fee with that University. The promissory note bore interest at 5% per annum with the interest payable annually in arrears. The maturity date is the earlier of (1) after the Company receives a bona fide equity investment of not less than $5 million, (2) 14 January 2020, or (3) a change in control of the Company. The note was convertible into membership units at a price equal to the price obtained in the above-mentioned bona fide equity investment.

Post completion of the acquisition of Hemogenyx Pharmaceuticals LLC the loan note and accrued interest were repaid in full via a cash payment of £154,422 (USD$199,866.68) and the issue of 4,008,504 ordinary shares at 3.5 pence each in Hemogenyx Pharmaceuticals PLC with a value totalling £140,297 (USD$186,175).

The loan note and interest were fully repaid by 31 December 2017.
A schedule of movements in the loan note is set out in the table below:

	£
Balance 1 January 2016	240,683
Interest expense	12,035
Foreign exchange movement	49,117
Balance 31 December 2016	301,835
Interest expense	11,473
Repayment in cash	(154,422)
Repayment in equity issue	(140,298)
	(18,588)
Balance 31 December 2017	-

21. Related party disclosures

With effect from 11 November 2015, M6 Limited ("M6") entered into an agreement to provide web development, online marketing, mobile application development and marketing, content production, advertising, public relations, and lead generation services to the Company for a fee of £80,000. The Company has agreed with M6 to issue 2,000,000 Ordinary Shares at the Placing Price at Admission in settlement of monies owed to M6. As at 11 November 2016, 2,000,000 Ordinary Shares were issued to M6 as payment for their services; there were no transactions with M6 in 2017. Adrian Beeston, a director of the Company, is also a director of M6 and holds c.17 per cent. of the issued ordinary share capital of M6 Limited.

During the year, the Company paid £7,150 (2015: £20,239) to Dukemount Capital Plc in respect of rent. Peter Redmond, a Director of the Company, is also Director of Dukemount Capital Plc. As at the 31 December, 2017 there were no amounts owed to Dukemount in respect of rent (2016: £1,500). Peter Redmond resigned as a director of Dukemont Capital on 26 April 2017.

22. Financial instruments

The Group's financial instruments consist of cash, amounts receivable, investment, and accounts payable and accrued liabilities and deferred payment.

Fair value of financial assets and liabilities
Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The carrying amount for cash, accounts receivable, and accounts payable and accrued liabilities on the statement of financial position approximate their fair value because of the limited term of these instruments. The fair value of deferred payment approximates its fair value. The investment is carried at cost as it is not traded on an active market.

Fair value hierarchy
Financial instruments that are measured subsequent to initial recognition at fair value are grouped in Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities; and
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group did not have any financial instruments in Level 1, 2 and 3.

Financial risk management objectives and policies
The Company has exposure to the following risks from its use of financial instruments

- Credit risk
- Liquidity and funding risk
- Market risk

The following table sets out the categories of financial instruments held by the Company as at the year ended 31 December 2017 and period ended 31 December 2016:

	Group Year Ended 31 December 2017	Group Year Ended 31 December 2016	Company Year Ended 31 December 2017	Company Year Ened 31 December 2016
Assets				
Trade and other receivables, except prepayments	64,784	162,059	61,013	180
Cash and cash equivalents	1,876,655	87,223	1,748,337	1,045,736
	1,941,439	249,282	1,809,350	1,045,916
Liabilities				
Trade and other payables	(263,685)	(16,688)	(263,600)	(143,695)
Loan Notes & interest	-	(301,835)	-	-
	(263,685)	(318523)	(263,600)	(143,695)

Group	1 January 2017	Cash flows	Non-cash changes			31 December 2017
			Share repayment	Foreign exchange movements	Interest charge	
Long-term borrowings						
Short-term borrowings	275,500	(154,422)	(140,297)	7,746	11,473	-
Total	275,500	(154,422)	(140,297)	7,746	11,473	-

a) Credit risk

The Group had receivables of £nil owing from customers (31 December 2016: £1,680).
All bank deposits are held with Financial Institutions with a minimum credit rating of AAA.

b) Liquidity and funding risk

The Group regularly reviews its major funding positions to ensure that it has adequate financial resources in meeting its financial obligations. The Group takes liquidity risk into consideration when deciding its sources of funds. The principle liquidity risk facing the business is the risk of going concern which has been discussed in Note 2 (b).

c) Market risk

Interest rate risk

The Company has floating rate financial assets in the form of deposit accounts with major banking institutions; however, it is not currently subjected to any other interest rate risk.

Based on cash balances as above as at the statement of financial position date, a rise in interest rates of 1% would not have a material impact on the profit and loss of the Company and such is not disclosed.

In relation to sensitivity analysis, there was no material difference to disclosures made on financial assets and liabilities.

Foreign currency risk

The Group operates internationally and has monetary assets and liabilities in currencies other than the functional currency of the operating company involved.

The Group seeks to manage its exposure to this risk by ensuring that where possible, the majority of expenditure and cash of individual subsidiaries within the Group are denominated in the same currency as the functional currency of that subsidiary.

The Group has not entered into any derivative instruments to manage foreign exchange fluctuations.

The following table shows a currency of net monetary assets and liabilities by functional currency of the underlying companies:

	Functional Currency		
Currency of net monetary assets/(liabilities)	Pound Sterling	US Dollars	Total
	£	£	£
Pound Sterling	1,489,737	-	1,489,737
US Dollars	-	132,003	132,003
Total	1,489,737	132,003	1,621,740

Capital risk management

The Group defines capital as the total equity of the Company. The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Fair value of financial assets and liabilities

There are no material differences between the fair value of the Group's financial assets and liabilities and their carrying values in the financial statements.

23. Operating lease commitments

The Group has office leasing commitments.
The total of future minimum lease payments under non-cancellable operating leases for each of the following periods:

	Group & Company	
	2017	2016
	£	£
not later than 1 year	**8,671**	4,286
later than 1 year and not later than 5 years	**-**	-
not later than 5 years	**-**	-
Total Operating lease commitments	**8,671**	4,286

24. Ultimate Controlling Party

The Directors have determined that there is no controlling party as no individual shareholder holds a controlling interest in the Company.

25. Copies of the Annual Report

Copies of the annual report will be soon be available on the Company's website at www.hemogenyx.com and from the Company's registered office, 5 Fleet Place London EC4M 7RD.