

Silver Falcon Plc
("SILF" or "the Company")

Half-year Report
Interim Results for the period ended 30 June 2017

Silver Falcon Plc, (LSE: SILF), which has agreed to acquire the biotechnology company Hemogenyx Pharmaceuticals Limited ("Hemogenyx"), announces unaudited interim results for the six-month period ended 30 June 2017.

Post-period end highlights

- Agreement to acquire Hemogenyx Pharmaceuticals for £8m in shares and raise £2m in a Placing and Subscription
- Hemogenyx is developing two products for the \$8-9billion bone marrow / haematopoietic stem cell transplant market which could replace chemotherapy and radiation as a means of pre-transplant conditioning, as well address the problem of stem cell donor availability and issues around relapse or cell rejection after transplantation:
 1. **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*
 2. **Cell therapy product** - *Cell replacement product using human postnatal hemogenic endothelial cells to generate cancer-free, patient-matched blood stem cells after transplant into the patient*
- The acquisition is classified as a reverse takeover for the purpose of the Listing Rules and a General Meeting will be held on 4 October 2017
- From 5 October the Company will trade under the new name of **Hemogenyx Pharmaceuticals Plc** and new ticker symbol "**HEMO**" with an expected market capitalisation of £12.46m on Admission.

Interim Results - financials

- Loss of £179,871 (H1 2016: £174,936) attributed to professional fees surrounding proposed acquisition
- Cash balance at the date of this report is £0.915m

Geoffrey Dart, current Chairman, commented: *"We listed Silver Falcon in November 2015 with the aim of finding a value-enhancing reverse transaction. After a lengthy and extensive search, we believe we have found an exciting transaction, acquiring a company with the potential to transform blood stem cell transplant treatments, and bring relief to sufferers of several severe diseases. It has the potential, we believe, for substantial gains for new and existing shareholders."*

Silver Falcon Plc
Peter Redmond, Director

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Chairman's Statement

I hereby present the Interim Report for the six months ended 30 June 2017. During the period the Company made a loss of £179,871 (six months to 30 June 2016: loss of £174,936) which is mainly attributable to professional fees incurred on the proposed acquisition of Hemogenyx LLC as announced on 11 September 2017 and general administration expenses. As at the date of this report the Company has approximately £0.915m of cash balances.

Following its listing on the London Stock Exchange on 9 November 2015, the Company has evaluated and worked to complete a number of acquisition opportunities and felt it was better to wait for the right opportunity rather than complete a deal which did not fully pass muster.

We strongly believe that we have found such an opportunity and in the circumstances I am particularly pleased that post period end we have been able to announce, on 11 September 2017, that we had entered into an agreement to acquire 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.

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 transplantation. These therapies will replace the need for existing methods of preparation of patients for a transplantation such as chemotherapy and radiation treatments, and will address the problem of finding a matching stem cell donor and reduce the risk of blood stem cell rejection after transplantation.

At the same time we announced the intention to raise £2m through the issue of 57,142,857 New Ordinary Shares in a Placing and Subscription at a price of 3.5p per share, plus 1 for 2 warrants to qualifying shareholders over 62,021,429 New Ordinary Shares at 4.0p per share.

The Directors believe this to be an exciting transaction which will give shareholders exposure to an important and growing area of treatment for what are now often killer diseases, such as leukaemia. The processes being developed by Hemogenyx, if they fulfil their promise, have we believe the potential to transform, if not revolutionise the treatment of these diseases.

Hemogenyx's founder, Dr Vladislav Sandler, has to date made impressive progress on his two products on limited financial resources, based as it is on a key discovery that Dr Sandler made regarding the survival of a class of cells into adulthood - where they were previously thought not to survive birth - and their potential ability to provide a much safer and more reliable form of treatment. With the additional resources that will be at his disposal, he will we believe be able to take the initial conditioning product to a position to start clinical trials and to make significant progress with the therapy product. Shareholders should be aware that at that stage grant and joint venture funding can be available to take products through clinical trials.

The products will when developed satisfy a large and growing need and 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 treatment at present.

Completion of the Acquisition, Placing and Subscription is conditional upon the Resolutions being passed at the General Meeting of the Company, to be held at the offices of Charles Russell Speechlys

LLP, 5 Fleet Place, London EC4M 7RD at 10.00 a.m. on 4 October 2017. The Directors unanimously recommend the transaction and trust that shareholders will vote to approve it, as the Directors are committed to do in respect to their own beneficial holdings, representing approximately 17.5 per cent. of the existing share capital.

With all resolutions passed the Company will then trade under the new company name of **Hemogenyx Pharmaceuticals Plc** and new ticker symbol "**HEMO**" and the market capitalisation of the Company is expected to be £12.46m on Admission.

I would like to reiterate the Board's belief that we have presented shareholders with an exciting transaction, acquiring a company with the potential to transform blood stem cell transplant treatments, and bring relief to growing numbers of sufferers of several severe diseases. The acquisition, we believe, has the potential to generate substantial gains for new and existing shareholders.

I would thank all those who have assisted in relation to this acquisition and I remain confident of a successful future for the Company.

Geoffrey Dart
Executive Chairman

22 September 2017

Responsibility Statement

We confirm that to the best of our knowledge:

- the Interim Report has been prepared in accordance with International Accounting Standards 34, Interim Financial Reporting, as adopted by the EU; and
- gives a true and fair view of the assets, liabilities, financial position and loss of the Company; and
- the Interim Report includes a fair review of the information required by DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the set of interim financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year.
- The Interim Report includes a fair review of the information required by DTR 4.2.8R of the Disclosure and Transparency Rules, being the information required on related party transactions.

The interim Report was approved by the Board of Directors and the above responsibility statement was signed on its behalf by:

Geoffrey Dart
Executive Chairman

22 September 2017

Interim Statement of Comprehensive Income

	6 months to 30 June 2017 Unaudited £	6 months to 30 June 2016 Unaudited £	Year ended 31 December 2016 Audited £
Revenue	-	-	-
Administration expenses	(179,871)	(174,936)	(519,898)
Operating Profit/(Loss)	(179,871)	(174,936)	(519,898)
Profit/(Loss) before tax	(179,871)	(174,936)	(519,898)
Tax	-	-	-
Profit/(Loss) for the period	(179,871)	(174,936)	(519,898)
Profit/(Loss) for the period attributable to:			
Owners of the Company	(179,871)	(174,936)	(519,898)
Profit/(Loss) for the period	(179,871)	(174,936)	(519,898)
Total comprehensive income attributable to:			
Owners of the Company	-	-	-
Total comprehensive Profit/(Loss) for the period	(179,871)	(174,936)	(519,898)
Earnings per share	Note 3.		
Basic and diluted earnings per share attributable to equity holders of the Company (£ per share)	(0.0027)	(0.0027)	(0.008)

Statement of Financial Position

	30 June 2017 Unaudited £	30 June 2016 Unaudited £	31 December 2016 Audited £
ASSETS			
Current assets			
Other receivables	12,662	49,169	1,680
Cash and cash equivalents	929,275	1,214,901	1,045,723
Total assets	941,937	1,264,070	1,047,403
EQUITY			
Capital and reserves attributable to owners of the Company			
Ordinary shares	669,000	649,000	669,000
Share Premium	841,243	781,243	841,243
Retained Earnings	(786,406)	(261,573)	(606,535)
	723,837	1,168,670	903,708
LIABILITIES			
Current liabilities			
Trade and other payables	218,100	95,400	143,695
Total liabilities	218,100	95,400	143,695
Total Equity and Liabilities	941,937	1,264,070	1,047,403

Statement of Changes In Equity

	Attributable to owners of the Company			
	Share Capital	Share Premium	Retained earnings	Total
	£ Unaudited	£ Unaudited	£ Unaudited	£ Unaudited
Balance as at 1 January 2016	649,000	781,243	(86,637)	1343,606
Profit/(Loss) for period	-	-	(519,898)	(519,898)
Total other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	(519,898)	(519,898)
Transaction with owners				
Issue of share capital net of issue costs	20,000	60,000	-	80,000
Balance as at 31 December 2016	669,000	841,243	(606,535)	903,708
Balance as at 1 January 2017	669,000	841,243	(606,535)	903,708
Profit/(Loss) for year	-	-	(179,871)	(179,871)
Total other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	(179,871)	(179,871)
Balance as at 30 June 2017	669,000	841,243	(786,406)	723,837

Statement of Cash Flows

	6 months to 30 June 2017 Unaudited £	6 months to 30 June 2016 Unaudited £	Year ended 31 December 2016 Audited £
Cash flow from operating activities			
Profit/(Loss) for the period	(179,871)	(174,936)	(519,898)
Adjustments for:			
Share-based payment	-	-	80,000
Changes in working capital:			
(Increase)/decrease in trade and other receivables	(10,982)	(18,002)	29,487
Increase in trade and other payables	74,405	83,970	132,265
Net cash flow from operating activities	(116,448)	(108,968)	(278,146)
Net increase/decrease in cash and cash equivalents	(116,448)	(108,968)	(278,146)
Cash and cash equivalents at beginning of the period	1,045,723	1,323,869	1,323,869
Cash and cash equivalents at end of the period	929,275	1,214,901	1,045,723

Non-cash transactions

On 11th November 2016 2,000,000 new Ordinary Shares of £0.01 nominal value were issued at a premium of £0.03 per share to M6 Limited as settlement for a fee of £80,000 for online marketing services.

Notes to the Unaudited Financial Statements

1. Basis of preparation

The Interim Report, which includes the interim financial statements have been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting'. The Interim Report should be read in conjunction with the annual financial statements for the year ended 31 December 2016, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

Cyclicality

The interim results for the six months ended 30 June 2017 are not necessarily indicative of the results to be expected for the full year ending 31 December 2017. Due to the nature of the entity, the operations are not affected by seasonal variations at this stage.

2. Financial Information

The Interim Report for the period 1 January 2017 to 30 June 2017 is unaudited. This report has not been reviewed by the company's auditors in accordance with the International Standard on Review Engagements 2410 issued by the Auditing Practices Board. In the opinion of the Directors the interim financial statements, included in the Interim Report, for the period presents fairly the financial position, and results from operations and cash flows for the period in conformity with the generally accepted accounting principles consistently applied. The interim financial statements incorporate unaudited comparative figures for the interim period 1 January 2016 to 30 June 2016 and extracts from the audited financial statements for the year ended 31 December 2016.

The Interim Report, which includes the interim financial statements, set out above does not constitute statutory accounts within the meaning of the Companies Act 2006. It has been prepared on a going concern basis in accordance with the recognition and measurement criteria of International Financial Reporting Standards (IFRS) as adopted by the European Union. Except as described below, the accounting policies applied in preparing the interim financial statements are consistent with those that have been adopted in the Company's 2016 audited financial statements. Statutory financial statements for the year ended 31 December 2016 were approved by the Board of Directors on 24 April 2017 and delivered to the Registrar of Companies. The report of the auditors on those financial statements was unqualified.

Risks and uncertainties

The key risks that could affect the Company's short and medium term performance and the factors that mitigate those risks have not substantially changed from those set out in the Company's 2016 audited financial statements, a copy of which is available on the Company's website: <http://www.silverfalconplc.com>

The Company's key risk is the maintenance of its reserves of cash and cash equivalents whilst it targets an acquisition following its listing on the London Stock Exchange.

Accounting Policies

Critical accounting estimates and judgements

The preparation of the interim financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the end of the reporting period. Due to the nature of the Company, the Directors do not believe there to be any material critical accounting estimates and judgements that were used in preparing these financial statements.

Changes in accounting policy and disclosures.

New and amended standards adopted by the Company:

There are no IFRSs or IFRIC interpretations that are effective for the first time for the financial year commencing 1 January 2017 that would be expected to have a material impact on the Company.

Going Concern

The directors have made appropriate enquiries, consider that adequate resources exist for the company to continue in operational existence for the foreseeable future and that, therefore, it is appropriate to adopt the going concern basis in preparing the Interim Report for the period ended 30 June 2017.

3. Earnings per share

The calculation of the Basic and fully diluted earnings per share is calculated by dividing the loss for the six month period to 30 June 2017 from continuing operations of £179,871 (six months to 30 June 2016: £174,936 and 2016 year end: £519,898) for the Company by the weighted average number of ordinary shares in issue during those periods of 66,900,000, 64,900,000 and 65,173,973 respectively.

There are no potential dilutive shares in issue.

4. Share Capital

	30 June 2017	30 June 2016	31 December 2016
	Unaudited	Unaudited	Audited
	£	£	£
Allotted and issued			
66,900,000 ordinary shares of £0.01 each	669,000	649,000	669,000

On 11 November 2016 2,000,000 new Ordinary Shares of £0.01 nominal value were issued at a premium of £0.03 per share to M6 Limited as settlement for a fee of £80,000 for online marketing services.

The ordinary shares have attached to them full voting, dividend and capital distribution rights (including on a winding up). The ordinary shares do not confer any rights of redemption.

5. Related Party Transactions

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. 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 period, the Company paid £7,150, (six months to 30 June 2016: £9,832 and year end 2016: £20,239) to Dukemount Capital Plc in respect of rent. Geoffrey Dart, a Director of the Company, is also a Director of Dukemount Capital Plc. As at the end of the three periods £Nil was owed to Dukemount Capital Plc in respect of rent.

6. Ultimate Controlling Party

The Directors consider there to be no ultimate controlling party at 30 June 2017.

7. Approval of the Interim Report

The Interim Report, which includes the interim financial statements, were approved by the Board of Directors on 22 September 2017.