11 September 2017

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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF THE MARKET ABUSE REGULATION (EU) 596/2014

Silver Falcon Plc
(the **"Company"**)

Proposed acquisition of Hemogenyx LLC
Change of Name to Hemogenyx Pharmaceuticals Plc
Placing & Subscription to raise £2m
Readmission to the Official List on 5 October 2017

Silver Falcon Plc (LSE: SILF) announces the 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.

In conjunction with the Acquisition, the Company has raised £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. Optiva Securities Ltd, Shard Capital Partners LLP and Peterhouse Corporate Finance Limited, acted as agents for the Company.

In addition, 3,428,541 New Ordinary Shares will be issued to directors and advisers and up to 24,566,952 New Ordinary Shares will be available under options granted or to be granted to employees, proposed directors and advisory board members.

As the Acquisition is classified as a reverse takeover for the purpose of the Listing Rules, completion of the Acquisition, together with the Placing and Subscription will require the cancellation of the Existing Ordinary Shares on the standard listing segment of the Official List and readmission of the Existing Ordinary Shares and the admission of the New Ordinary Shares to the standard listing segment of the Official List maintained by the FCA and to trading on the main market for listed securities of the London Stock Exchange.

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.

Subject to passing of the Resolutions, it is expected that Admission will become effective, and that dealings in the Ordinary Shares will commence at 8.00 a.m. on 5 October 2017.

The Company will then trade under the new company name of **Hemogenyx Pharmaceuticals Plc** and new ticker symbol "**HEMO**".

The market capitalisation of the Company is expected to be £12.46m on Admission.

HIGHLIGHTS

- Hemogenyx is a preclinical stage biopharmaceutical group developing new treatments for blood diseases such as leukaemia, lymphoma and blood marrow failure
- Hemogenyx therapies are designed to provide new treatments in bone marrow/stem cell transplants, improving the success and safety of such treatments
- Two products under development –
    1. **Conditioning product – This product, CDX bi-specific antibodies, redirects a patient's own immune cells to eliminate unwanted blood stem cells preparing a patient for bone marrow (also known as haematopoietic stem cell) transplantation. The Directors believe that this product could replace traditional methods of conditioning such as chemotherapy and radiation which are damaging to a patient's health.**
    2. **Cell therapy product – This cell replacement product uses human postnatal hemogenic endothelial cells ("HuPHECs") to generate cancer-free, patient-matched blood stem cells after transplant into the patient. Being patient-matched, the risk of rejection of the cells and the problem of blood stem cell matching is greatly reduced. Dr Sandler was the person to discover that these cells continue to exist in adults.**
- Market size (2015) c. $8-9billion in USA and Europe
- Hemogenyx products would substantially increase market size by addressing current stem cell treatment problems of patient suitability, stem cell donor availability and relapse/cell rejection

Geoffrey Dart, current Chairman, commented: "*We listed Silver Falcon 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*."

Dr Vladislav Sandler, CEO & Co-Founder of Hemogenyx, commented: "*We are encouraged by the extensive work done to date and excited by the prospect of taking this forward into human trials and beyond thanks to the fund-raising facilitated by the reverse listing of our company on the London Stock Exchange. We believe the products we are developing should greatly reduce the dangers of patient conditioning procedures and create a new form of blood stem cell transplantation which, if successful, would greatly enhance the long-term success of stem cell replacement therapy. We look forward to keeping shareholders fully abreast of developments as they occur."*

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Below are extracts from the Prospectus which is available on the Company's website: www.silverfalconplc.com

Definitions in this announcement are the same as those included in the Prospectus.

About Hemogenyx (www.hemogenyx.com)

Hemogenyx Pharmaceuticals Ltd (whose name is to be changed to Hemogenyx UK Ltd) is incorporated in England. As from Completion, it will hold a wholly owned US operating subsidiary, Hemogenyx LLC, which is incorporated in the state of Delaware.

Hemogenyx LLC is a pre-clinical stage biopharmaceutical group developing new treatments for blood diseases, such as leukaemia, lymphoma and bone marrow failure. Hemogenyx has two distinct and complementary products:

1. Conditioning product

Proprietary CDX bi-specific antibodies for conditioning patients (immunotherapy class product candidate). The CDX bi-specific antibodies redirect a patient's own immune cells to eliminate unwanted blood stem cells preparing a patient for bone marrow ("**BM**") (also known as haematopoietic stem cell ("**HSC**")) transplantation. The Directors believe that this product could replace traditional methods of conditioning of chemotherapy and radiation which are damaging to a patient's health.

Hemogenyx has achieved proof of principle for the use of CDX antibodies. It has functionally validated CDX bi-specific antibodies *in vitro* and *in vivo* in humanised mouse models. It is anticipated that the CDX bi-specific antibodies will be capable of use as an "off-the-shelf" conditioning product available for application in relation to patients for all BM/HSC transplantations that require conditioning.

2. Cell Therapy product

Human Postnatal Hemogenic Endothelial Cells ("**Hu-PHECs**") generate cancer-free, patient-matched blood stem cells. The Hu-PHECs, being cancer-free cells, are intended to largely eliminate traditional BM/HSC transplants by improving the efficacy of the therapy and, for most patients, potentially eliminating the problem of having to find a matching donor that the majority of patients needing BM/HSC transplants currently face. The Directors believe that Hu-PHEC based cell replacement therapy will expand access to the BM/HSC transplants and, when fully developed, could revolutionise the ability of the body to regenerate a functioning blood system.

Hu-PHEC cell therapy is considered by the Directors to be the only therapy on the market or in trials that could result in a reset of the blood system to a "clean state" therefore diminishing the risk of cancer relapse. Hemogenyx estimates a substantial market expansion opportunity by providing Hu-PHEC therapy to patients unable to find a donor match. Dr Vladislav Sandler, Co-Founder and CEO of Hemogenyx, was the person to discover that these cells continue to exist in adults.

The Conditioning and Cell Therapy products are designed to address a range of problems that occur with current standard of care treatments. Both technologies are complementary with one another and are considered to have the potential to enhance current clinical practice. As such, they also have potential as a substantial driver in the growth and application of BM/HSC transplants, individually and used in conjunction with one another.

De-risking with proof of principle
The Company has established sound proof of principle for both the conditioning and the transplant cell technology through studies conducted in the human hematopoietic system of humanised animals. Such studies demonstrate that the CDX antibody-targeted conditioning regime provides a good environment for subsequent stem cell transplantation. Studies in similar animal models indicate that Hu-PHECs are capable of safe and efficient restoration of the human hematopoietic system.

Fast tracked as FDA Orphan Drug
Hemogenyx LLC has been granted FDA Orphan Drug Designation for the Hu-PHEC product in relation to the treatment of aplastic anaemia, which will enable it to move forward to clinical trials faster. Aplastic anaemia, or bone marrow failure, is a rare disorder in which the bone marrow fails to create enough blood cells. Hemogenyx applied for Orphan Drug Designation in this regard as the results are capable of use in expanding the application of Hu-PHEC treatment for more complex and frequently diagnosed blood diseases, such as lymphomas and leukaemia.

Exclusive license and Patent Protection Pending
Hemogenyx LLC holds an exclusive, worldwide, sub-licensable license from Cornell University for Dr Sandler's invention, the Hu-PHEC, which is now at PCT stage covering various regions including the US, Canada, Japan, EU, Israel, China and Australia. Additionally, Hemogenyx LLC has filed a provisional "composition matter" patent application for the CDX bi-specific antibody product.

Hemogenyx expects to complete a pre-Investigative New Drug ("**IND**") consultation programme with the FDA in relation to the CDX product and will apply to obtain Orphan Drug Designation ("**ODD**") for the CDX product in relation to patient conditioning for pre-BM/HSC transplantation in a number of different blood cancers and disorders.

Milestones

The Company's further proposed milestones over the eighteen months from Admission for its CDX product include completing a preclinical evaluation and the required IND-enabling studies, filing an IND application with the FDA and preparing to move into Phase 1 clinical trials. To assist in the progression of its own product candidates, Hemogenyx is collaborating with, and receiving income from, third parties in deploying its proprietary animal models to assist in the evaluation of the immunogenicity of such third parties' biologics which are under development for clinical usage.

Hemogenyx's objectives over the eighteen months from Admission for the Hu-PHEC product candidate will be to take forward the Hu-PHEC Umbilical product candidate so all actions necessary prior to an IND application have been completed. The IND process is a key part of the process for taking drugs and treatments into clinical trials in the United States. The Company will concentrate on pre-clinical toxicology studies and will continue development of other Hu-PHEC applications, including applying for ODD status for use of Hu-PHEC in a number of other blood diseases in addition to that already achieved for aplastic anaemia.

Further Background

Blood cancers affect over 1.1 million people in the United States each year, and it is estimated that 171,500 new blood cancer diagnoses were made in 2016. After exhausting all conventional treatment options, including chemotherapy, radiation therapy and immunotherapy, a BM/HSC transplant is typically the only remaining choice for blood cancer patients. Hemogenyx seeks to address the following problems that arise with BM/HSC transplants:

- Difficulties in preparing patients for BM/HSC transplants – the broad range of adverse side effects of currently used methods of conditioning patients for BM/HSC treatment has harmful and in many cases

life-threatening effects on patients undergoing such conditioning, preventing many patients from receiving such treatment.
- Acute shortage of BM/HSC donors – at least 60% of eligible patients in the US are unable to find an appropriately matched donor.
- High failure rate of BM/HSC transplants – up to 50% of BM/HSC transplants fail due to the body's rejection of the transplant, complications from the procedure or a relapse of the disease.

BM/HSC transplantations require conditioning (preparation) of patients for the transplantation. Conditioning of a patient for BM/HSC transplant is integral to the procedure and is traditionally achieved by administering chemotherapeutic agents sometimes in conjunction with radiation. These preparative regimens are toxic and non-selective, resulting in severe side effects which can be life-threatening as the entire body is targeted. These side effects include death, radiation damage, fertility issues, damage to bone and bone growth problems.

Notwithstanding the risks, HSC/BM transplantations are used in an increasing range of blood cancers and other non-malignant disorders. However, many patients are still unable to undergo the procedure, with a large minority of patients who do facing significant dangers in both the conditioning before the transplantation and during the BM/HSC transplant procedure itself. Additionally, matching donors are more likely to be found among close relatives or from people with ethnically similar backgrounds to the patient and, as the global population becomes more heterogeneous, the problem of finding matching donors is also likely to increase.

Use of proceeds of the Placing and the Subscription

Following the Placing, the Subscription and Admission, and taking into account the Company's and Hemogenyx's existing funds and contracted revenue from Hemogenyx's clinical collaboration work, the Company will have cash resources of approximately £3.1m.

The Company expects that its existing cash resources combined with the net proceeds of the Placing and the Subscription should be sufficient to complete the IND-enabling preclinical development of its lead product, the CDX bi-specific antibody, and to finance significant further preclinical development of certain of the Company's Hu-PHEC cell therapy product candidates, as described above.

Directors of the Enlarged Group

Vladislav Sandler Ph.D.
Chief Executive Officer

Dr. Vladislav Sandler is the Co-Founder and CEO of Hemogenyx and a research Assistant Professor at the State University of New York (SUNY) Downstate. Dr. Sandler is a widely-published stem cell scientist with decades of experience in scientific research. In particular, Dr. Sandler has extensive experience developing novel methods of direct reprogramming of somatic cells into functional and engraftable hematopoietic stem cells, as well as developing novel sources of pluri- and multi-potent cells.

Dr. Sandler has conducted his research in Israel, Canada and the United States, including at the Children's Hospital at Harvard Medical School, the Salk Institute for Biological Sciences, Harvard University and Albert Einstein College of Medicine. He also led a team of scientists at Advanced Cell Technologies, Inc. and was most recently on the faculty of Weill Cornell Medical College. While at Cornell, Dr. Sandler made the significant discovery that the cells that give rise to blood stem cells during mammalian development continue to exist after birth, and he developed the method of isolation of these cells from humans. As a result of this important work, Dr. Sandler was awarded the inaugural Daedalus Fund Award for Innovation at Cornell. He went on to found Hemogenyx in order to further pursue this significant scientific discovery and his dedication to the translation of science into clinical practice.

Dr. Sandler has published numerous peer-reviewed papers, and has received a number of awards and fellowships for his scientific research. Dr. Sandler received his PhD from the University of British Columbia. He is a member of the International Society for Stem Cell Research.

Dr Robin Campbell
Chairman

Robin Campbell, PhD has more than 30 years' experience working in the pharmaceutical industry with large companies (Shell Research, Beecham International (now GSK)), start-ups (Porton International, PafraBio) and in investment banking primarily in life sciences investment research (including Credit Suisse, Jefferies).

Currently his specialty is searching out investable opportunities in the broader life sciences sector, and helping smaller companies raise growth capital. Robin has helped list a number of companies onto AIM and other international exchanges, advised companies on secondary fundraisings, private equity raises, M&A and has a broad reach into institutional and retail investor networks.

Initial roles in industry with, *inter alia,* Shell Research and Beecham International (now GSK) encompassed R&D, international strategic marketing and market access. He has also worked with start-ups such as Porton International and Pafra Biopreservation in business development roles. As a pharmaceutical and biotech analyst, his experience extends back more than twenty years with a range of firms including Credit Suisse First Boston, Hoare Govett and Jefferies International and more recently he has acted in a consultancy role in relation to a range of life sciences IPOs, AIM introductions and M&A activity.

He has a degree in Microbiology from King's College London and a Ph.D. in Immunobiology from Liverpool University. Dr. Campbell currently advises a number of private and listed businesses in respect to strategic and financial market opportunities.

Lawrence Pemble
Chief Operating Officer

Lawrence Pemble has over the past six years developed experience in establishing, financing and developing new businesses.

He has led financing rounds, M&A activities, worked for public companies and has held executive roles, up to and including CEO, for start-up and private equity backed ventures, both in private and public capacities.

He has worked extensively in the Private Equity industry, where he has held executive positions in life science and technology focused companies, most recently a Director of Blackcomb Technologies Limited, a Canadian private equity firm focused on military electronics and in Bonsai Capital Limited, a life sciences focused Private Equity company where he is currently a Director. Prior to this, he held a number of managerial and development positions in resources companies, in the gold and oil and gas sectors.

Timothy Le Druillenec
Finance Director and Company Secretary

Timothy is a Fellow of the Chartered Institute of Management Accountants and provides consultancy and accounting services to a number of public and private companies in some cases fulfilling the role of director and/or Company Secretary. During 2013 he acted in the same capacity at the AIM listed Leed Resources Plc, Kennedy Ventures Plc and Pires Investments Plc. From 2005 to 2012, he was CEO of Richards Walford & Company Ltd, a fine wine importer. Prior to that from 1995 to 2004, he was the group finance director and company secretary of Pacific Media Plc, a Main Market Company, and during that time occupied the same roles at Bella Media Plc an AIM listed company. He is currently Financial Director of Dukemount Capital plc.

Alexis M. Sandler
Non-Executive Director

Alexis M. Sandler is the co-founder of Hemogenyx, for which she has served as the Chief Operating Officer. An attorney with fifteen years of experience in intellectual property and copyright, Ms. Sandler handles day-to-day legal and operational matters for the Company.

Ms. Sandler began her legal practice in Los Angeles at Hogan & Hartson LLP (now Hogan Lovells), specializing in media and intellectual property law. She then worked for several years at Katten Muchin Rosenman LLP representing studios, production companies, television networks, technology companies and other major media companies in all aspects of entertainment, media and intellectual property law. For three years, Ms. Sandler worked as the Director of Business and Legal Affairs for a division of the Fox Entertainment Group, where she advised the company on important intellectual property, corporate and other legal and business matters. Ms. Sandler went on to become the General Counsel at a Smithsonian affiliate museum in New York City, and is currently the Associate General Counsel at The Museum of Modern Art and the Secretary of the Board of Directors of its affiliate institution, MoMA PS1.

Ms. Sandler received her AB from Harvard University, her JD from the UCLA School of Law and her MA from New York University. She is a member of the State Bar of New York and the State Bar of California.

Peter Redmond
Non-Executive Director

Peter Redmond is a corporate financier with some 30 years' experience in corporate finance and venture capital. He has acted on and assisted a wide range of companies to attain a listing over many years, on the Unlisted Securities Market, the Full List and AIM, whether by IPO or in many cases via reversals, across a wide range of sectors, ranging from technology through financial services to natural resources and biotech, in recent years often as a director and shareholder of the companies concerned. He has been active over many years in corporate rescues and reconstructions on AIM and in reverse transactions into a range of investing companies. He was a founder director of Cleeve Capital plc (now Satellite Solutions plc) and Mithril Capital plc (now BeHeard plc), both of which were admitted to the Standard List of the London Stock Exchange, and took a leading role in the reconstruction and refinancing of AIM-quoted Kennedy Investments and 3Legs Resources plc. He is a director of AIM-quoted Pires Investments plc.

Adrian Beeston
Non-Executive Director

Adrian Beeston specializes in the financing and structuring of small to medium size businesses, and the flotation of these companies on the American Stock Exchange, AIM Exchange and TSX Venture Exchange. Prior to this, Adrian was at Altium Capital, a major pan-European corporate finance house, where he focused primarily on the raising of private equity.

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