iBio, Inc.
Form 10-Q
February 13, 2019

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended December 31, 2018

OR

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

For the transition period from ___ to ___

Commission file number 001-35023

iBio, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**26-2797813**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
600 Madison Avenue, Suite 1601, New York, NY	**10022**
(Address of principal executive offices)	(Zip Code)

(302) 355-0650

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes x No ¨

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes x No ¨

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

Large accelerated filer ¨	Accelerated filer ¨	Non-accelerated filer x	Smaller reporting company x Emerging growth company ¨

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ¨ No x

Shares of Common Stock outstanding as of February 04, 2019: 19,036,792

iBio, Inc.

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements.

iBio, Inc. and Subsidiaries

Condensed Consolidated Balance Sheets

(In Thousands, except share and per share amounts)

	December 31, 2018 **(Unaudited)**	June 30, 2018 (See Note 2)
Assets		
Current assets:		
Cash	**$ 13,361**	$15,934
Accounts receivable - trade	**155**	75
Contract assets	**57**	-
Prepaid expenses and other current assets	**396**	276
Total Current Assets	**13,969**	16,285
Fixed assets, net of accumulated depreciation	**24,812**	25,152
Intangible assets, net of accumulated amortization	**1,498**	1,620
Security deposits	**24**	26
Total Assets	**$ 40,303**	$43,083
Liabilities and Equity		
Current liabilities:		
Accounts payable (related party of $79 and $189 as of December 31, 2018 and June 30, 2018, respectively)	**$ 662**	$790
Accrued expenses (related party of $651 and $789 as of December 31, 2018 and June 30, 2018, respectively)	**1,052**	1,048
Capital lease obligation – current portion	**205**	197
Contract liabilities	**2,526**	-
Total Current Liabilities	**4,445**	2,035
Capital lease obligation - net of current portion	**24,780**	24,884
Total Liabilities	**29,225**	26,919

Commitments and Contingencies		
Equity:		
iBio, Inc. Stockholders' Equity:		
Preferred stock – no par value; 1,000,000 shares authorized;		
iBio CMO Preferred Tracking Stock; 1 share authorized, issued and outstanding as of both December 31, 2018 and June 30, 2018	**-**	-
Series A Convertible Preferred Stock - $1,000 stated value; 6,300 shares authorized; 5,043 and 6,210 shares issued and outstanding as of December 31, 2018 and June 30, 2018, respectively	-	-
Series B Convertible Preferred Stock - $1,000 stated value; 5,785 shares authorized; 5,785 shares issued and outstanding as of both December 31, 2018 and June 30, 2018	**-**	-
Common stock - $0.001 par value; 275,000,000 shares authorized; 18,836,792 and 16,040,126 shares issued and outstanding as of December 31, 2018 and June 30, 2018, respectively	**19**	16
Additional paid-in capital	**108,188**	104,408
Accumulated other comprehensive loss	**(30)**	(30)
Accumulated deficit	**(97,095)**	(88,228)
Total iBio, Inc. Stockholders' Equity	**11,082**	16,166
Noncontrolling interest	**(4)**	(2)
Total Equity	**11,078**	16,164
Total Liabilities and Equity	**$ 40,303**	$43,083

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

iBio, Inc. and Subsidiaries

Condensed Consolidated Statements of Operations and Comprehensive Loss

(Unaudited; in Thousands, except per share amounts)

	Three Months Ended December 31,		Six Months Ended December 31,	
	2018	2017	2018	2017
Revenues	$651	$153	$696	$275
Operating expenses:				
Research and development (related party of $285, $197, $544 and $373), net of grant income of $37, $0, $37 and $44	1,273	993	2,397	1,978
General and administrative (related party of $311, $181, $572 and $387)	3,393	2,587	6,264	5,085
Total operating expenses	4,666	3,580	8,661	7,063
Operating loss	(4,015)	(3,427)	(7,965)	(6,788)
Other income (expense):				
Interest expense (related party of $476, $479, $952 and $959)	(476)	(479)	(952)	(959)
Interest income	23	4	44	9
Royalty income (expense)	(2)	2	4	11
Total other income (expense)	(455)	(473)	(904)	(939)
Consolidated net loss	(4,470)	(3,900)	(8,869)	(7,727)
Net loss attributable to noncontrolling interest	1	1	2	2
Net loss attributable to iBio, Inc.	(4,469)	(3,899)	(8,867)	(7,725)
Preferred stock dividends	(65)	(65)	(131)	(131)
Net loss available to iBio, Inc.	$(4,534)	$(3,964)	$(8,998)	$(7,856)
Comprehensive loss:				
Consolidated net loss	$(4,470)	$(3,900)	$(8,869)	$(7,727)
Other comprehensive income (loss) - foreign currency translation adjustments	1	-	-	-
Comprehensive loss	$(4,469)	$(3,900)	$(8,869)	$(7,727)
Loss per common share attributable to iBio, Inc. stockholders - basic and diluted	$(0.24)	$(0.41)	$(0.49)	$(0.82)
Weighted-average common shares outstanding - basic and diluted	18,688	9,661	18,291	9,613

Share and per share data for the three and six months ended December 31, 2017 have been adjusted to reflect the one-for-ten reverse stock split effective June 8, 2018.

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

iBio, Inc. and Subsidiaries

Condensed Consolidated Statement of Equity

Six Months Ended December, 2018

(Unaudited; In thousands)

	Preferred Stock		Common Stock		Additional Paid-In	Accumulated Other Comprehensive	Accumulated	Noncontrolling	
	Shares	Amount	Shares	Amount	Capital	Loss	Deficit	Interest	Total
Balance as of July 1, 2018	12	$ -	16,040	$ 16	$ 104,408	$ (30)	$ (88,228)	$ (2)	$ 16,164
Sale of common stock	-	-	1,500	1	1,349	-	-	-	1,350
Costs to raise capital	-	-	-	-	(159)	-	-	-	(159)
Additional paid-in capital – capital contribution	-	-	-	-	2,459	-	-	-	2,459
Conversion of preferred stock to common stock	(1)	-	1,297	2	(2)	-	-	-	-
Share-based compensation	-	-	-	-	133	-	-	-	133
Net loss	-	-	-	-	-	-	(8,867)	(2)	(8,869)
Balance as of December 31, 2018	11	$ -	18,837	$ 19	$ 108,188	$ (30)	$ (97,095)	$ (4)	$ 11,078

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

iBio, Inc. and Subsidiaries

Condensed Consolidated Statements of Cash Flows

(Unaudited; In Thousands)

	Six Months Ended December 31,	
	2018	**2017**
Cash flows from operating activities:		
Consolidated net loss	**$ (8,869)**	$ (7,727)
Adjustments to reconcile consolidated net loss to net cash used in operating activities:		
Share-based compensation	**133**	394
Amortization of intangible assets	**151**	169
Depreciation	**724**	679
Write-off of fixed assets	**179**	-
Changes in operating assets and liabilities:		
Accounts receivable – trade	**(79)**	39
Contract assets	**(57)**	-
Work in process	**-**	26
Prepaid expenses and other current assets	**(121)**	(94)
Security deposits	**1**	-
Accounts payable	**(40)**	(163)
Accrued expenses	**4**	206
Contract liabilities	**2,526**	(134)
Net cash used in operating activities	**(5,448)**	(6,605)
Cash flows from investing activities:		
Additions to intangible assets	**(30)**	(35)
Purchases of fixed assets	**(648)**	(277)
Net cash used in investing activities	**(678)**	(312)
Cash flows from financing activities:		
Proceeds from sale of common stock	**1,350**	5,500
Costs to raise capital	**(159)**	(321)
Proceeds from capital contribution	**2,459**	-
Proceeds from additional paid-in capital – preferred stock	**-**	1,050
Payment of capital lease obligation	**(97)**	(90)
Net cash provided by financing activities	**3,553**	6,139
Net decrease in cash	**(2,573)**	(778)

Cash - beginning of period	**15,934**	8,088
Cash - end of period	**$ 13,361**	$ 7,310
Schedule of non-cash activities:		
Unpaid intangible assets included in accounts payable	**$ 1**	$ 22
Intangible assets included in accounts payable in prior period, paid in current period	**$ 3**	$ 11
Fixed assets included in accounts payable in prior period, paid in current period	**$ 85**	$ 87
Unpaid fixed assets included in accounts payable	**$ -**	$ 188
Supplemental cash flow information:		
Cash paid during the period for interest	**$ 953**	$ 960

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

iBio, Inc. and Subsidiaries

Notes to Condensed Consolidated Financial Statements

(Unaudited)

1. Nature of Business

iBio, Inc. and Subsidiaries ("iBio" or the "Company") is a biotechnology company focused on using our proprietary technologies and production facilities to provide product development and manufacturing services to clients, collaborators and third-party customers as well as developing and commercializing our own product candidates.

iBio was established as a public company in August 2008 as the result of a spinoff from Integrated BioPharma, Inc. The Company operates in one business segment under the direction of its Executive Chairman. The Company's wholly-owned and majority-owned subsidiaries are as follows:

iBio CDMO LLC ("iBio CDMO") (originally named iBio CMO LLC) – iBio CDMO is a Delaware limited liability company formed on December 16, 2015 as iBio CMO, LLC to develop and manufacture plant-made pharmaceuticals and provide related services to clients. Effective July 1, 2017, iBio CMO changed its name to iBio CDMO. As of December 31, 2015, the Company owned 100% of iBio CDMO. On January 13, 2016, the Company entered into a contract manufacturing joint venture with an affiliate of Eastern Capital Limited ("Eastern"), a stockholder of the Company (the "Eastern Affiliate"). The Eastern Affiliate contributed $15 million in cash for a 30% interest in iBio CDMO. The Company retained a 70% interest in iBio CDMO and contributed a royalty-bearing license which grants iBio CDMO a non-exclusive license to use the Company's proprietary technologies for research purposes and an exclusive U.S. license for manufacturing purposes. The Company retained the exclusive right to grant product licenses to those who wish to sell or distribute products made using the Company's technologies.

On February 23, 2017, the Company entered into an exchange agreement with the Eastern Affiliate, pursuant to which the Company acquired substantially all of the interest in iBio CDMO held by the Eastern Affiliate in exchange for one share of the Company's iBio CMO Preferred Tracking Stock, par value $0.001 per share. After giving effect to the transaction, the Company owns 99.99% of iBio CDMO. See Note 9 for a further discussion.

iBio CDMO's operations take place in Bryan, Texas in a facility controlled by another affiliate of Eastern (the "Second Eastern Affiliate") as sublandlord. The facility is a 139,000-square foot Class A life sciences building located on land owned by the Texas A&M system, designed and equipped for plant-made manufacture of biopharmaceuticals. The Second Eastern Affiliate granted iBio CDMO a 34-year capital lease for the facility as well as certain equipment (see

Note 8). iBio CDMO commenced commercial operations in January 2016. iBio CDMO expects to operate on the basis of three parallel lines of business: (1) Development and manufacturing of third-party products; (2) Development and production of iBio's proprietary product(s) for treatment of fibrotic diseases and/or other proprietary iBio products; and (3) Commercial technology transfer services including facility design, as needed.

iBIO DO BRASIL BIOFARMACÊUTICA LTDA ("iBio Brazil") – iBio Brazil is a subsidiary organized in Brazil in which the Company has a 99% interest. iBio Brazil was formed to manage and expand the Company's business activities in Brazil. The activities of iBio Brazil are intended to include coordination and expansion of the Company's existing relationship with Fundacao Oswaldo Cruz/Fiocruz ("Fiocruz") beyond the Yellow Fever Vaccine program (see Note 7) and development of additional products with private sector participants for the Brazilian market. iBio Brazil commenced operations during the first quarter of the fiscal year ended June 30, 2015.

iBio Manufacturing LLC ("iBio Manufacturing") – iBio Manufacturing, a wholly-owned subsidiary, is a Delaware limited liability company formed in November 2015. iBio Manufacturing has not commenced any activities to date.

2. Basis of Presentation

Interim Financial Statements

The accompanying unaudited condensed consolidated financial statements have been prepared from the books and records of the Company and include all normal and recurring adjustments which, in the opinion of management, are necessary for a fair presentation in accordance with accounting principles generally accepted in the United States ("U.S. GAAP") for interim financial information and Rule 8-03 of Regulation S-X promulgated by the U.S. Securities and Exchange Commission. Accordingly, these interim financial statements do not include all of the information and footnotes required for complete annual financial statements. Interim results are not necessarily indicative of the results that may be expected for the full year. Interim unaudited condensed consolidated financial statements should be read in conjunction with the audited financial statements and the notes thereto included in the Company's Annual Report on Form 10-K for the year ended June 30, 2018, from which the accompanying condensed consolidated balance sheet dated June 30, 2018 was derived.

Principles of Consolidation

The condensed consolidated financial statements include the accounts of the Company and its wholly-owned and majority-owned subsidiaries. All intercompany balances and transactions have been eliminated as part of the consolidation.

Reverse Stock Split

On May 23, 2018, the Company's Board of Directors approved the implementation of a reverse stock split at a ratio of one-for-ten (1:10) shares of the Company's Common Stock. The reverse stock split was effective as of June 8, 2018. All share and per share amounts of our common stock presented for the three and six months ended December 31, 2017 have been retroactively adjusted to reflect the one-for-ten reverse stock split. See Note 9 for more information.

Going Concern

Since its spin-off from Integrated BioPharma, Inc. in August 2008, the Company has incurred significant losses and negative cash flows from operations. As of December 31, 2018, the Company's accumulated deficit was $97.1 million. For the six months ended December 31, 2018, the Company's net loss was approximately $8.9 million and it had cash used in operating activities of $5.4 million. As of December 31, 2018, cash on hand is approximately $13.4 million which is expected to support the Company's activities until at least November 30, 2019.

The Company has historically financed its activities through the sale of common stock and warrants. Through December 31, 2018, the Company has dedicated most of its financial resources to research and development,

including the development and validation of its own technologies and the development of a proprietary therapeutic product against fibrosis based upon those technologies, advancing its intellectual property, the build-out and recommissioning of its CDMO facility, and general and administrative activities.

The Company is focused on using its proprietary technologies and production facilities to provide product development and manufacturing services to clients, collaborators and third-party customers as well as developing and commercializing our own product candidates. As such, the Company may continue to incur significant expenses and operating losses for at least the next year.

As of December 31, 2018, the Company has not completed development of or commercialized any vaccine or therapeutic product candidates.

The Company anticipates that its expenses and losses will increase substantially if the Company:

- initiates clinical trials of its product candidates;
- continues the research and development of its product candidates;
- seeks to discover additional product candidates; and
- adds operational, financial and management information systems and personnel, including personnel to support its product development and manufacturing efforts.

Becoming and remaining profitable is dependent upon the Company’s ability to attract and retain customers for the development, manufacturing and technology transfer services offered by the Company's subsidiary iBio CDMO. In addition, profitability will also depend on whether the Company is successful at commercialization of its technologies and whether the Company, alone or with its licensees, develops and eventually commercializes products that generate significant revenue.

On June 26, 2018, the Company closed on an underwritten public offering with total gross proceeds of approximately $16.0 million, before deducting underwriting discounts, commissions and other offering expenses payable by the Company. The securities offered by the Company consisted of (i) 4,350,000 shares of Common Stock at $0.90 per share, (ii) 6,300 shares of Series A Convertible Preferred Stock, with a stated value of $1,000 per preferred share, and convertible into an aggregate of 7,000,000 shares of Common Stock at $0.90 per share, (iii) 5,785 shares of Series B Convertible Preferred Stock, with a stated value of $1,000 per preferred share, and convertible into an aggregate of 6,427,778 shares of Common Stock at $0.90 per share. The Company granted the underwriters, Alliance Global Partners, a 45-day option to purchase up to an additional 2,666,666 shares of common stock to cover over-allotments,

if any. On July 12, 2018, the Company received approximately $1,350,000, before deducting underwriting discounts, commissions and other offering expenses payable by the Company, from the proceeds of the sale of 1,500,000 over-allotment shares of Common Stock purchased at $0.90 by the underwriter during the 45-day provision.

In addition, in June 2018, iBio established a strategic commercial relationship with CC-Pharming Ltd. of Beijing, China (“CC-Pharming”) for the joint development of products and manufacturing facilities for the Chinese biopharmaceutical market, utilizing iBio’s technology. The first product focus selected pursuant to the Master Joint Development Agreement executed between iBio and CC-Pharming is a therapeutic antibody. During the quarter ending September 30, 2018, iBio received prepayments of approximately $2.9 million from CC-Pharming which it recorded as a contract liability on its balance sheet. During the quarter ending December 31, 2018, the Company recognized approximately $626,000 of the contract liability amounts related to CC-Pharming as revenue.

In November 2018, the Company received a capital contribution from the Eastern Affiliate of approximately $2,459,000 for working capital purposes.

The history of significant losses, the negative cash flow from operations, the limited cash resources on hand and the dependence by the Company on its ability – about which there can be no certainty – to obtain additional financing to fund its operations after the current cash resources are exhausted raises substantial doubt about the Company's ability to continue as a going concern. These financial statements were prepared under the assumption that the Company will continue as a going concern and do not include any adjustments that might result from the outcome of this uncertainty.

The Company plans to fund its business operations using cash on hand, through proceeds from the sale of additional equity or other securities, and through proceeds realized in connection with the commercialization of its technologies and proprietary products, license and collaboration arrangements and the operation of iBio CDMO.

The Company cannot be certain that such funding will be available on favorable terms or available at all. To the extent that the Company raises additional funds by issuing equity securities, its stockholders may experience significant dilution. If the Company is unable to raise funds when required or on favorable terms, this assumption may no longer be operative, and the Company may have to: a) significantly delay, scale back, or discontinue the product application and/or commercialization of its proprietary technologies; b) seek collaborators for its technology and product candidates on terms that are less favorable than might otherwise be available; c) relinquish or otherwise dispose of rights to technologies, product candidates, or products that it would otherwise seek to develop or commercialize; or d) possibly cease operations.

Foreign Currency

The Company accounts for foreign currency translation pursuant to Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 830, “*Foreign Currency Matters*.” The functional currency of iBio Brazil is the Brazilian Real. Under FASB ASC 830, all assets and liabilities are translated into United States dollars using the current exchange rate at the end of each fiscal period. Revenues and expenses are translated using the average exchange rates prevailing throughout the respective periods. All transaction gains and losses from the measurement of monetary balance sheet items denominated in Reals are reflected in the statement of operations as appropriate. Translation adjustments are included in accumulated other comprehensive loss. For the three and six months ended December 31, 2018 and 2017, any translation adjustments were considered immaterial and did not have a significant impact on the Company's consolidated financial statements.

3. Summary of Significant Accounting Policies

The Company’s significant accounting policies are described in Note 3 of the Notes to Financial Statements in the Annual Report on Form 10-K for the year ended June 30, 2018.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. These estimates include the valuation of intellectual property, legal and contractual contingencies and share-based compensation. Although management bases its estimates on historical experience and various other assumptions that are believed to be reasonable under the circumstances, actual results could differ from these estimates.

Revenue Recognition

Effective July 1, 2018, the Company adopted ASU No. 2014-09, "*Revenue from Contracts with Customers*" ("ASU 2014-09") and other associated standards. Under the new standard, the Company recognizes revenue when a customer obtains control of promised services or goods in an amount that reflects the consideration to which the entity expects to receive in exchange for those goods or services. In addition, the standard requires disclosure of the nature, amount, timing, and uncertainty of revenue and cash flows arising from customer contracts. The Company evaluated the new guidance and its adoption did not have a significant impact on the Company’s financial statements and a cumulative effect adjustment under the modified retrospective method of adoption was not necessary. There is no change to the Company’s accounting policies. Prior to the adoption of ASU 2014-09, the Company recognized revenue when persuasive evidence of an arrangement existed, delivery occurred, the fee was fixed or determinable, and collectability was reasonably assured. Contract liabilities represent billings to a customer to whom the services have not yet been provided.

The Company's contract revenue consists primarily of amounts earned under contracts with third-party customers and reimbursed expenses under such contracts. The Company analyzes its agreements to determine whether the elements can be separated and accounted for individually or as a single unit of accounting. Allocation of revenue to individual elements that qualify for separate accounting is based on the separate selling prices determined for each component, and total contract consideration is then allocated pro rata across the components of the arrangement. If separate selling prices are not available, the Company will use its best estimate of such selling prices, consistent with the overall pricing strategy and after consideration of relevant market factors.

In general, the Company applies the following steps when recognizing revenue from contracts with customers: (i) identify the contract, (ii) identify the performance obligations, (iii) determine the transaction price, (iv) allocate the transaction price to the performance obligations and (v) recognize revenue when a performance obligation is satisfied. The nature of the Company's contracts with customers generally fall within the three key elements of the Company's business plan: CDMO Facility Activities; Product Candidate Pipeline, and Facility Design and Build-out / Technology Transfer services.

Recognition of revenue is driven by satisfaction of the performance obligations using one of two methods: revenue is either recognized over time or at a point in time. Contracts containing multiple performance obligations classify those performance obligations into separate units of accounting either as standalone or combined units of accounting.

For those performance obligations treated as a standalone unit of accounting, revenue is generally recognized based on the method appropriate for each standalone unit.

For those performance obligations treated as a combined unit of accounting, revenue is generally recognized as the performance obligations are satisfied, which generally occurs when control of the goods or services have been transferred to the customer or client or once the client or customer is able to direct the use of those goods and / or services as well as obtaining substantially all of its benefits. As such, revenue for a combined unit of accounting is generally recognized based on the method appropriate for the last delivered item but due to the specific nature of certain project and contract items, management may determine an alternative revenue recognition method as appropriate, such as a contract whereby one deliverable in the arrangement clearly comprises the overwhelming majority of the value of the overall combined unit of accounting. Under this circumstance, management may determine revenue recognition for the combined unit of accounting based on the revenue recognition guidance otherwise applicable to the predominant deliverable.

The Company generates (or may generate in the future) contract revenue under the following types of contracts:

Fixed-Fee

Under a fixed-fee contract, the Company charges a fixed agreed upon amount for a deliverable. Fixed-fee contracts have fixed deliverables upon completion of the project. Typically, the Company recognizes revenue for fixed-fee contracts after projects are completed, delivery is made and title transfers to the customer, and collection is reasonably assured.

Time and Materials

Under a time and materials contract, the Company charges customers an hourly rate plus reimbursement for other project specific costs. The Company recognizes revenue for time and material contracts based on the number of hours devoted to the project multiplied by the customer's billing rate plus other project specific costs incurred.

Grant Income

Grants are recognized as income when all conditions of such grants are fulfilled or there is a reasonable assurance that they will be fulfilled. Grant income is classified as a reduction of research and development expenses. Grant income amounted to approximately $37,000 and $0 for the three months ended December 31, 2018 and 2017, respectively, and approximately $37,000 and $44,000 for the six months ended December 31, 2018 and 2017, respectively.

Contract Assets

A contract asset is an entity's right to payment for goods and services already transferred to a customer if that right to payment is conditional on something other than the passage of time. Generally, an entity will recognize a contract asset when it has fulfilled a contract obligation but must perform other obligations before being entitled to payment.

Contract assets consist primarily of the cost of project contract work performed by third parties whereby the Company expects to recognize any related revenue at a later date, upon satisfaction of the contract obligations. At December 31, 2018, and 2017, contract assets totaled $57,000, related to work performed pursuant to the CC-Pharming Master Joint Development Agreement, and $0.

Work in Process

Work in process consists primarily of the cost of labor and other overhead incurred on contracts that have not been completed. Work in process totaled $0 at both December 31, 2018 and June 30, 2018.

Research and Development

The Company accounts for research and development costs in accordance with the FASB ASC 730-10, "*Research and Development*" ("ASC 730-10"). Under ASC 730-10, all research and development costs must be charged to expense as incurred. Accordingly, internal research and development costs are expensed as incurred. Third-party research and development costs are expensed when the contracted work has been performed or as milestone results have been achieved.

Fixed Assets

Fixed assets are stated at cost net of accumulated depreciation. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets ranging from three to fifteen years.

Assets held under the terms of capital leases are included in fixed assets and are depreciated on a straight-line basis over the terms of the leases or the economic lives of the assets. Obligations for future lease payments under capital leases are shown within liabilities and are analyzed between amounts falling due within and after one year (see Notes 5 and 8).

Intangible Assets

The Company accounts for intangible assets at their historical cost and records amortization utilizing the straight-line method based upon their estimated useful lives. Patents are amortized over a period of ten years and other intellectual property is amortized over a period from 16 to 23 years. The Company reviews the carrying value of its intangible assets for impairment whenever events or changes in business circumstances indicate the carrying amount of such assets may not be fully recoverable. Evaluating for impairment requires judgment, and recoverability is assessed by comparing the projected undiscounted net cash flows of the assets over the remaining useful life to the carrying amount. Impairments, if any, are based on the excess of the carrying amount over the fair value of the assets. There were no impairment charges for the six months ended December 31, 2018 and 2017.

Derivative Instruments

The Company does not use derivative instruments in its ordinary course of business.

In connection with the issuances of debt and/or equity instruments, the Company may issue options or warrants to purchase common stock. In certain circumstances, these options or warrants may be classified as liabilities rather than as equity. In addition, the debt and/or equity instrument may contain embedded derivative instruments, such as conversion options or anti-dilution features, which in certain circumstances may be required to be bifurcated from the associated host instrument and accounted for separately as a derivative liability instrument. The Company accounts for derivative liability instruments under the provisions of FASB ASC 815, “*Derivatives and Hedging*.”

There are no options or warrants of the Company presently outstanding that require accounting as a derivative liability.

Foreign Currency

The Company accounts for foreign currency translation pursuant to FASB ASC 830, "*Foreign Currency Matters*." The functional currency of iBio Brazil is the Brazilian Real. Under FASB ASC 830, all assets and liabilities are translated into United States dollars using the current exchange rate at the end of each fiscal period. Revenues and expenses are translated using the average exchange rates prevailing throughout the respective periods. All transaction gains and losses from the measurement of monetary balance sheet items denominated in Reals are reflected in the statement of operations as appropriate. Translation adjustments are included in accumulated other comprehensive loss. For the three and six months ended December 31, 2018 and 2017, any translation adjustments were considered immaterial and did not have a significant impact on the Company's consolidated financial statements.

Share-based Compensation

The Company recognizes the cost of all share-based payment transactions at fair value. Compensation cost, measured by the fair value of the equity instruments issued, adjusted for estimated forfeitures, is recognized in the financial statements as the respective awards are earned over the performance period. The Company uses historical data to estimate forfeiture rates.

The impact that share-based payment awards will have on the Company's results of operations is a function of the number of shares awarded, the trading price of the Company's stock at the date of grant or modification, and the vesting schedule. Furthermore, the application of the Black-Scholes option pricing model employs weighted-average assumptions for expected volatility of the Company's stock, expected term until exercise of the options, the risk-free interest rate, and dividends, if any, to determine fair value. Expected volatility is based on historical volatility of the Company's common stock; the expected term until exercise represents the weighted-average period of time that options granted are expected to be outstanding giving consideration to vesting schedules and the Company's historical exercise patterns; and the risk-free interest rate is based on the U.S. Treasury yield curve in effect at the time of grant for periods corresponding with the expected life of the option. The Company has not paid any dividends since its inception and does not anticipate paying any dividends for the foreseeable future, so the dividend yield is assumed to be zero.

Recently Issued Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, "*Leases (Topic 842)*" ("ASU 2016-02") and other associated standards which supersedes existing guidance on accounting for leases in "*Leases (Topic 840)*." The standards require lessees to recognize the assets and liabilities that arise from leases on the balance sheet. A lessee should recognize in the balance sheet a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. The new guidance is effective for annual reporting periods beginning after December 15, 2018 (quarter ending September 30, 2019 for the Company) and interim periods within those fiscal years. The amendments should be applied at the beginning of the earliest period presented using a modified retrospective approach with earlier application permitted as of the beginning of an interim or annual reporting period. The Company is currently evaluating the effects of adopting ASU 2016-02 on its consolidated financial statements.

Effective July 1, 2017, the Company adopted ASU 2016-09, "*Improvements to Employee Share-Based Payment Accounting*" ("ASU 2016-09"). ASU 2016-09 affects entities that issue share-based payment awards to their employees. ASU 2016-09 is designed to simplify several aspects of accounting for share-based payment award transactions which include the income tax consequences, classification of awards as either equity or liabilities, classification on the statement of cash flows and forfeiture rate calculations. The Company will continue to estimate forfeitures at each reporting period, rather than electing an accounting policy change to record the impact of such forfeitures as they occur. The adoption of ASU 2016-09 did not have a significant impact on the Company's consolidated financial statements.

Effective July 1, 2018, the Company adopted ASU 2016-15, "*Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments*" ("ASU 2016-15"). ASU 2016-15 made eight targeted changes to how cash receipts and cash payments are presented and classified in the statement of cash flows. The new standard requires adoption on a retrospective basis unless it is impracticable to apply, in which case it would be required to apply the amendments prospectively as of the earliest date practicable. The adoption of ASU 2016-15 did not have a significant impact on the Company's consolidated financial statements.

Effective July 1, 2018, the Company adopted ASU 2016-16, "*Income Taxes (Topic 740): Intra-Entity Transfers of Assets Other Than Inventory"* ("ASU 2016-16") with the objective to improve the accounting for the income tax consequences of intra-entity transfers of assets other than inventory. The new standard requires entities to recognize the income tax consequences of an intra-entity transfer of non-inventory asset when the transfer occurs. The adoption of ASU 2016-16 did not have a significant impact on the Company's consolidated financial statements.

Effective July 1, 2017, the Company adopted ASU 2016-17, "*Consolidation (Topic 810): Interests Held Through Related Parties That Are Under Common Control*" ("ASU 2016-17"). ASU 2016-17 amends the guidance issued with ASU 2015-02 in order to make it less likely that a single decision maker would individually meet the characteristics to be the primary beneficiary of a Variable Interest Entity ("VIE"). When a decision maker or service provider considers indirect interests held through related parties under common control, they perform two steps. The second step was

amended with this guidance to say that the decision maker should consider interests held by these related parties on a proportionate basis when determining the primary beneficiary of the VIE rather than in their entirety as was called for in the previous guidance. The adoption of ASU 2016-17 did not have a significant impact on the Company's consolidated financial statements.

Effective July 1, 2018, the Company adopted ASU 2017-01, "*Business Combinations (Topic 805): Clarifying the Definition of a Business*" ("ASU 2017-01"). ASU 2017-01 clarifies the definition of a business with the objective of adding guidance to assist entities with evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. The definition of a business affects many areas of accounting including acquisitions, disposals, goodwill, and consolidation. The adoption of ASU 2017-01 did not have a significant impact on the Company's consolidated financial statements.

Effective July 1, 2018, the Company adopted ASU 2017-09, "*Compensation - Stock Compensation (Topic 718): Scope of Modification Accounting"* ("ASU 2017-09") which provides guidance about which changes to the terms or conditions of a share-based payment award require an entity to apply modification accounting in Topic 718. The adoption of ASU 2017-09 did not have a significant impact on the Company's consolidated financial statements.

Effective April 1, 2018, the Company adopted ASU No. 2017-11, "*Earnings Per Share (Topic 260), Distinguishing Liabilities from Equity (Topic 480), Derivatives and Hedging (Topic 815)*" ("ASU 2017-11"). The amendments in Part I of ASU 2017-11 change the classification analysis of certain equity-linked financial instruments (or embedded features) with down round features. When determining whether certain financial instruments should be classified as liabilities or equity instruments, a down round feature no longer precludes equity classification when assessing whether the instrument is indexed to an entity's own stock. The amendments also clarify existing disclosure requirements for equity-classified instruments. As a result, a freestanding equity-linked financial instrument (or embedded conversion option) no longer would be accounted for as a derivative liability at fair value as a result of the existence of a down round feature. For freestanding equity classified financial instruments, the amendments require entities that present earnings per share ("EPS") in accordance with ASC 260 to recognize the effect of the down round feature when it is triggered. That effect is treated as a dividend and as a reduction of income available to common shareholders in basic EPS. Convertible instruments with embedded conversion options that have down round features are now subject to the specialized guidance for contingent beneficial conversion features (in ASC 470-20, "*Debt—Debt with Conversion and Other Options*"), including related EPS guidance (in ASC 260). The amendments in Part II of ASU 2017-11 recharacterize the indefinite deferral of certain provisions of ASC 480 that now are presented as pending content in the codification, to a scope exception. Those amendments do not have an accounting effect. As a result of the adoption of ASU 2017-11, the Company classified the proceeds received from the sale of its preferred stock as equity (see Note 9).

In June 2018, the FASB issued ASU No. 2018-07, "*Compensation - Stock Compensation (Topic 718): Improvements to Nonemployee Share-Based Payment Accounting*" ("ASU 2018-07"). ASU No 2018-07 expands the scope of Topic 718 to include share-based payment transactions for acquiring goods and services from nonemployees. The guidance also specifies that Topic 718 applies to all share-based payment transactions in which a grantor acquires goods or services to be used or consumed in a grantor's own operations by issuing share-based payment awards. This guidance is effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years (quarter ending September 30, 2019 for the Company). Early adoption is permitted, but no earlier than an entity's adoption date of Topic 606. The Company will evaluate the effects of adopting ASU 2018-07 if and when it is deemed to be applicable.

Management does not believe that any other recently issued, but not yet effective, accounting standard if currently adopted would have a material effect on the accompanying condensed consolidated financial statements. Most of the newer standards issued represent technical corrections to the accounting literature or application to specific industries which have no effect on the Company's condensed consolidated financial statements.

4. Financial Instruments and Fair Value Measurement

The carrying values of cash, accounts receivable and accounts payable in the Company's condensed consolidated balance sheets approximated their fair values as of December 31, 2018 and June 30, 2018 due to their short-term nature. The carrying value of the capital lease obligation approximated its fair value as of December 31, 2018 and June 30, 2018 as the interest rate used to discount the lease payments approximated market.

5. Fixed Assets

iBio CDMO is leasing its facility in Bryan, Texas as well as certain equipment from the Second Eastern Affiliate under a 34-year sublease. See Note 8 for more details of the terms of the sublease.

The economic substance of the sublease is that the Company is financing the acquisition of the facility and equipment and, accordingly, the facility and equipment are recorded as assets and the lease is recorded as a liability. As the sublease involves real estate and equipment, the Company separated the equipment component and accounted for the facility and equipment as if each was leased separately.

The following table summarizes by category the gross carrying value and accumulated depreciation of fixed assets (in thousands):

	December 31, 2018	June 30, 2018
Facility under capital lease	$ 20,000	$ 20,000
Equipment under capital lease	6,000	6,000
Facility improvements	1,049	982
Construction in process	316	-
Medical equipment	1,219	1,038
Office equipment and software	223	404
	28,807	28,424
Accumulated depreciation – assets under capital lease	(3,638)	(3,027)
Accumulated depreciation – other	(357)	(245)
	(3,995)	(3,272)
Net fixed assets	$ 24,812	$ 25,152

Depreciation expense was approximately $364,000 and $340,000 for the three months ended December 31, 2018 and 2017, respectively, and approximately $724,000 and $679,000 for the six months ended December 31, 2018 and 2017, respectively. Depreciation of the assets under the capital lease amounted to approximately $306,000 for both of the three months ended December 31, 2018 and 2017 and approximately $611,000 for both of the six months ended December 31, 2018 and 2017.

In addition, there were approximately $179,000 of fixed assets written off during the quarter ended December 31, 2018 related to items previously capitalized that have subsequently been removed from service.

6. Intangible Assets

The Company has two categories of intangible assets – intellectual property and patents. Intellectual property consists of all technology, know-how, data, and protocols for producing targeted proteins in plants and related to any products and product formulations for pharmaceutical uses and for other applications. Intellectual property includes, but is not limited to, certain technology for the development and manufacture of novel vaccines and therapeutics for humans and certain veterinary applications acquired in December 2003 from Fraunhofer USA Inc., acting through its Center for Molecular Biotechnology (“Fraunhofer”), pursuant to a Technology Transfer Agreement, as amended (the “TTA”). The Company designates such technology further developed by and acquired from Fraunhofer as iBioLaunch™ technology or as iBioModulator™ technology. The value on the Company’s books attributed to patents owned or controlled by the Company is based only on payments for services and fees related to the protection of the Company’s patent portfolio. The intellectual property also includes certain trademarks.

In January 2014, the Company entered into a license agreement with a U.S. university whereby iBio acquired exclusive worldwide rights to certain issued and pending patents covering specific candidate products for the treatment of fibrosis (the "Licensed Technology"). The license agreement provides for payment by the Company of a license issue fee, annual license maintenance fees, reimbursement of prior patent costs incurred by the university, payment of a milestone payment upon regulatory approval for sale of a first product, and annual royalties on product sales. In addition, the Company has agreed to meet certain diligence milestones related to product development benchmarks. As part of its commitment to the diligence milestones, the Company successfully commenced production of a plant-made peptide comprising the Licensed Technology before March 31, 2014. The next milestone – filing a New Drug Application with the FDA or foreign equivalent covering the Licensed Technology ("IND") – initially became due on December 1, 2015, and on August 11, 2016, the agreement was amended and subsequent six-month extensions have been automatically granted extending the due date until December 31, 2017, at which time, the Company and the university agreed to set a new milestone schedule and are currently undergoing an analysis based on new data and revised forecasted timelines.

The Company accounts for intangible assets at their historical cost and records amortization utilizing the straight-line method based upon their estimated useful lives. Patents are amortized over a period of 10 years and other intellectual property is amortized over a period from 16 to 23 years. The Company reviews the carrying value of its intangible assets for impairment whenever events or changes in business circumstances indicate the carrying amount of such assets may not be fully recoverable. Evaluating for impairment requires judgment, and recoverability is assessed by comparing the projected undiscounted net cash flows of the assets over the remaining useful life to the carrying amount. Impairments, if any, are based on the excess of the carrying amount over the fair value of the assets. There were no impairment charges during Fiscal 2019 and Fiscal 2018.

The following table summarizes by category the gross carrying value and accumulated amortization of intangible assets (in thousands):

	December 31, 2018	June 30, 2018
Intellectual property – gross carrying value	$ 3,100	$3,100
Patents – gross carrying value	2,513	2,484
	5,613	5,584
Intellectual property – accumulated amortization	(2,321)	(2,243)
Patents – accumulated amortization	(1,794)	(1,721)
	(4,115)	(3,964)
Net intangible assets	$ 1,498	$1,620

Amortization expense was approximately $68,000 and $84,000 for the three months ended December 31, 2018 and 2017, respectively and $151,000 and $169,000 for the six months ended December 31, 2018 and 2017, respectively.

7. Significant Vendors

Novici Biotech, LLC

In January 2012, the Company entered into an agreement with Novici Biotech, LLC (“Novici”) in which iBio’s President is a minority stockholder. Novici performs laboratory feasibility analyses of gene expression, protein purification and preparation of research samples. In addition, the Company and Novici collaborate on the development of new technologies and product candidates for exclusive worldwide commercial use by the Company. The accounts payable balance includes amounts due to Novici of approximately $79,000 and $189,000 at December 31, 2018 and June 30, 2018, respectively. Research and development expenses related to Novici were approximately $285,000 and $197,000 for the three months ended December 31, 2018 and 2017, respectively, and $544,000 and $373,000 for the six months ended December 31, 2018 and 2017, respectively.

Fraunhofer

Previously, Fraunhofer had been the Company’s most significant vendor solely on the basis of the three-party Yellow Fever vaccine development program among Fiocruz/Bio-Manguinhos, the Company, and Fraunhofer (described in greater detail below) but expenses have decreased due to changes and a decrease in technology services performed pursuant to the agreement with Fiocruz. The accounts payable balance under this three-party agreement includes amounts due Fraunhofer of approximately $75,000 as of both December 31, 2018 and June 30, 2018. See Note 14 – Commitments and Contingencies.

On January 4, 2011, the Company entered into the Collaboration and License Agreement (the "CLA") which is a three-party agreement involving the Company, Fraunhofer and Fiocruz, a public entity, member of the Indirect Federal Public Administration and linked to the Health Ministry of Brazil, acting through its unit Bio-Manguinhos. The CLA provides for the development of a yellow fever vaccine to be manufactured and distributed within Latin America and Africa by Fiocruz. The CLA was supplemented by a bilateral agreement between iBio and Fraunhofer dated December 27, 2010 in which the Company engaged Fraunhofer as a contractor to provide the research and development services (both, together, the "Agreement"). The services are billed to Fiocruz at Fraunhofer's cost, so the Company's revenue is equivalent to expense and there is no profit.

On June 12, 2014, Fiocruz, Fraunhofer and iBio executed an amendment to the CLA (the "Amended Agreement") which provides for revised research and development, work plans, reporting, objectives, estimated budget, and project billing process. In both Fiscal 2019 and Fiscal 2018, under the Amended Agreement, no revenue was recognized for work performed for Fiocruz pursuant to the Amended Agreement by the Company’s subcontractor, Fraunhofer, and recognized research and development expenses of the same amount due Fraunhofer for that work. iBio and Fiocruz are currently evaluating plans for further collaboration without prospective reliance on older Fraunhofer-derived technology and data.

In September 2013, the Company and Fraunhofer completed the Terms of Settlement for the TTA Seventh Amendment (the "Settlement Agreement"). Under the terms of the Settlement Agreement, various contractual obligations existing at June 30, 2013 were released, terminated or modified. See Note 14 - Commitments and Contingencies for significant modifications.

On March 17, 2015, the Company filed a Verified Complaint in the Court of Chancery of the State of Delaware against Fraunhofer and Vidadi Yusibov, Fraunhofer's Executive Director. On November 3, 2017, the Company filed a Verified Complaint (the “Second Complaint”) in the Court of Chancery of the State of Delaware against Fraunhofer-Gesellschaft, the European unit of Fraunhofer, which was dismissed by the Delaware Chancery Court on December 14, 2018, as untimely filed. The Second Complaint followed iBio’s pending litigation filed in March 2015 against Fraunhofer USA, Inc., the U.S. unit of Fraunhofer, and the dismissal of the Second Complaint has no effect on the action against the U.S. unit of Fraunhofer. See Note 14 - Lawsuits for additional information.

8. Capital Lease Obligation

As discussed above, iBio CDMO is leasing its facility in Bryan, Texas as well as certain equipment from the Second Eastern Affiliate under a 34-year sublease (the “sublease”). iBio CDMO began operations at the facility on December 22, 2015 pursuant to agreements between iBio CDMO and the Second Eastern Affiliate granting iBio CDMO temporary rights to access the facility. These temporary agreements were superseded by the Sublease Agreement, dated January 13, 2016, between iBio CDMO and the Second Eastern Affiliate. The 34-year term of the sublease may be extended by iBio CDMO for a ten-year period, so long as iBio CDMO is not in default under the sublease. Under the sublease, iBio CDMO is required to pay base rent at an annual rate of $2,100,000, paid in equal quarterly installments on the first day of each February, May, August and November. The base rent is subject to increase annually in accordance with increases in the Consumer Price Index (“CPI”). The base rent under the Second Eastern Affiliate’s ground lease for the property is subject to adjustment, based on an appraisal of the property, in 2030 and upon any extension of the ground lease. The base rent under the sublease will be increased by any increase in the base rent under the ground lease as a result of such adjustments. iBio CDMO is also responsible for all costs and expenses in connection with the ownership, management, operation, replacement, maintenance and repair of the property under the sublease.

In addition to the base rent, iBio CDMO is required to pay, for each calendar year during the term, a portion of the total gross sales for products manufactured or processed at the facility, equal to 7% of the first $5,000,000 of gross sales, 6% of gross sales between $5,000,001 and $25,000,000, 5% of gross sales between $25,000,001 and $50,000,000, 4% of gross sales between $50,000,001 and $100,000,000, and 3% of gross sales between $100,000,001 and $500,000,000. However, if for any calendar year period from January 1, 2018 through December 31, 2019, iBio CDMO’s applicable gross sales are less than $5,000,000, or for any calendar year period from and after January 1, 2020, its applicable gross sales are less than $10,000,000, then iBio CDMO is required to pay the amount that would have been payable if it had achieved such minimum gross sales and shall pay no less than the applicable percentage for the minimum gross sales for each subsequent calendar year. Percentage rent amounted to approximately $88,000 and $7,000 for the three months ended December 31, 2018 and 2017, respectively, and $175,000 and $24,000 for the

six months ended December 31, 2018 and 2017, respectively.

Interest expense incurred under the capital lease obligation amounted to approximately $476,000 and $479,000 for the three months ended December 31, 2018 and 2017, respectively, and $952,000 and $959,000 for the six months ended December 31, 2018 and 2017, respectively.

Future minimum payments under the capitalized lease obligation are due as follows:

Fiscal period ending on December 31:	Principal	Interest	Total
2019	$205,025	$1,894,975	$2,100,000
2020	221,073	1,878,927	2,100,000
2021	238,377	1,861,623	2,100,000
2022	257,036	1,842,964	2,100,000
2023	277,155	1,822,845	2,100,000
Thereafter	23,786,052	31,338,948	55,125,000
Total minimum lease payments	24,984,718	$40,640,282	$65,625,000
Less: current portion	(205,025)		
Long-term portion of minimum lease obligations	$24,779,693		

9. Stockholders' Equity

Preferred Stock

The Company's Board of Directors is authorized to issue, at any time, without further stockholder approval, up to 1 million shares of preferred stock. The Board of Directors has the authority to fix and determine the voting rights, rights of redemption and other rights and preferences of preferred stock.

iBio CMO Preferred Tracking Stock

On February 23, 2017, the Company entered into an exchange agreement with the Eastern Affiliate pursuant to which the Company acquired substantially all of the interest in iBio CDMO held by the Eastern Affiliate and issued one share of a newly created iBio CMO Preferred Tracking Stock, par value $0.001 per share (the "Preferred Tracking Stock"), in exchange for 29,990,000 units of limited liability company interests of iBio CDMO held by the Eastern Affiliate at an original issue price of $13 million. After giving effect to the transactions contemplated in the Exchange Agreement, the Company owns 99.99% and the Eastern Affiliate owns 0.01% of iBio CDMO.

On February 23, 2017, the Board of Directors of the Company created the Preferred Tracking Stock out of the Company's 1 million authorized shares of preferred stock. Terms of the Preferred Tracking Stock include the following:

1. The Preferred Tracking Stock accrues dividends at the rate of 2% per annum on the original issue price. Accrued dividends are cumulative and are payable if and when declared by the Board of Directors, upon an exchange of the shares of Preferred Tracking Stock and upon a liquidation, winding up or deemed liquidation (such as a merger) of the Company. As of December 31, 2018, no dividends have been declared. Accrued dividends total approximately $481,000 and $350,000 at December 31, 2018 and June 30, 2018, respectively.

2. The holders of Preferred Tracking Stock, voting separately as a class, are entitled to approve by the affirmative vote of a majority of the shares of Preferred Tracking Stock outstanding any amendment, alteration or repeal of any of the provisions of, or any other change to, the Certificate of Incorporation of the Company or the Certificate of Designation that adversely affects the rights, powers or privileges of the Preferred Tracking Stock, any increase in the number of authorized shares of Preferred Tracking Stock, the issuance or sale of any additional shares of Preferred Tracking Stock or any securities convertible into or exercisable or exchangeable for Preferred Tracking Stock, the creation or issuance of any shares of any additional class or series of capital stock unless the same ranks junior to the Preferred Tracking Stock, or the reclassification or alteration of any existing security of the Company that is junior to or pari passu with the Preferred Tracking Stock, if such reclassification or alteration would render such other security senior to the Preferred Tracking Stock.

3. Except as required by applicable law, the holders of Preferred Tracking Stock have no other voting rights.

4. No dividend may be declared or paid or set aside for payment or other distribution declared or made upon the Company's common stock and no common stock may be redeemed, purchased or otherwise acquired for any consideration by the Company unless all accrued dividends on all outstanding shares of Preferred Tracking Stock are paid in full.

At the election of the Company or holders of a majority outstanding shares of Preferred Tracking Stock, each outstanding share of Preferred Tracking Stock may be exchanged for 29,990,000 units of limited liability company interests of iBio CDMO. Such exchange may be effected only after March 31, 2018, or in connection with a winding up, liquidation or deemed liquidation (such as a merger) of the Company or iBio CDMO. In addition, such exchange will take effect upon a change in control of iBio CDMO.

Series A Convertible Preferred Stock ("Series A Preferred")

On June 20, 2018, the Board of Directors of the Company created the Series A Preferred, par value $0.001 per share, out of the Company's 1 million authorized shares of preferred stock. Terms of the Series A Preferred include the following:

1. Each share of Series A Preferred is convertible into an amount of shares of common stock determined by dividing the stated value of $1,000 by the conversion price of $0.90. The number of shares of common stock to be received is limited by the beneficial ownership limitation as defined in the certificate of designation. Subject to limited exceptions, a holder of Series A Preferred will not have the right to exercise any portion of its Series A Preferred if such holder, together with its affiliates, would beneficially own over 4.99% of the number of shares of our common stock outstanding immediately after giving effect to such exercise; provided, however, that upon 61 days' prior notice to us, such holder may increase the such limitation, provided that in no event will the limitation exceed 9.99%.

2. Holders are entitled to dividends on shares of Series A Preferred equal (on an as-if-converted-to-common stock basis, without regards to conversion limitations) to and in the same form as dividends actually paid on shares of the common stock, when, as and if such dividends are paid on shares of common stock. No other dividends shall be paid or accrued on the shares of Series A Preferred.

3. Holders have no voting rights except as defined in the certificate of designation.

4. If at any time the Company grants, issues or sells any common stock equivalents or rights to purchase stock, warrants, securities or other property pro rata to the holders of any class of common stock, then the holder(s) of Series A Preferred will be entitled to acquire, upon the terms applicable to such purchase rights, the aggregate purchase rights which the holder could have acquired if the holder had held the number of shares of common stock acquirable upon the complete conversion of such holder's Series A Preferred (as defined).

5. Upon any liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, the holders shall be entitled to receive the same amount that a holder of common stock would receive if the Series A Preferred were fully converted (disregarding for such purposes any conversion limitations hereunder) into common stock at the conversion price of $0.90 per share. Such amounts shall be paid pari passu with all holders of common stock and the Series B Convertible Preferred Stock.

6. The Company is required that it will at all times, reserve and keep available out of its authorized and unissued shares of common stock, for the sole purpose of issuance upon the conversion of the Series A Preferred, not less than such aggregate number of shares of the common stock as shall be issuable upon the conversion of the then outstanding shares of the Series A Preferred.

On June 26, 2018, the Company issued 6,300 shares of Series A Preferred as part of a public offering. As the market price of the Company's common stock was $0.90 on the date of the issuance of the Series A Preferred, no beneficial conversion feature was recognized on the conversion option. At December 31, 2018, 1,257 shares of Series A Preferred had been converted into 1,396,666 shares of common stock. See the section below entitled *"Public Offering - Alliance Global Partners"* for further information.

Series B Convertible Preferred Stock ("Series B Preferred")

On June 20, 2018, the Board of Directors of the Company created the Series B Preferred, par value $0.001 per share, out of the Company's 1 million authorized shares of preferred stock. Terms of the Series B Preferred include the following:

1. Each share of Series B Preferred is convertible into an amount of shares of common stock determined by dividing the stated value of $1,000 by the conversion price of $0.90. The number of shares of common stock to be received is limited by the beneficial ownership limitation as defined in the certificate of designation. Subject to limited exceptions, a holder of Series B Preferred will not have the right to exercise any portion of its Series B Preferred if such holder, together with its affiliates, would beneficially own over 48% of the number of shares of our common stock outstanding immediately after giving effect to such exercise.

2. Holders are entitled to dividends on shares of Series B Preferred equal (on an as-if-converted-to-common stock basis, without regards to conversion limitations) to and in the same form as dividends actually paid on shares of the common stock, when, as and if such dividends are paid on shares of common stock. No other dividends shall be paid or accrued on the shares of Series B Preferred.

3. Holders have no voting rights except as defined in the certificate of designation.

4. If at any time the Company grants, issues or sells any common stock equivalents or rights to purchase stock, warrants, securities or other property pro rata to the holders of any class of common stock, then the holder(s) of Series B Preferred will be entitled to acquire, upon the terms applicable to such purchase rights, the aggregate purchase rights which the holder could have acquired if the holder had held the number of shares of common stock acquirable upon the complete conversion of such holder's Series B Preferred (as defined).

5. Upon any liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, the holders shall be entitled to receive the same amount that a holder of common stock would receive if the Series B Preferred were fully converted (disregarding for such purposes any conversion limitations hereunder) into common stock at the conversion price of $0.90 per share. Such amounts shall be paid pari passu with all holders of common stock and the Series A Convertible Preferred Stock.

6. The Company is required that it will at all times, reserve and keep available out of its authorized and unissued shares of common stock, for the sole purpose of issuance upon the conversion of the Series B Preferred, not less than such aggregate number of shares of the common stock as shall be issuable upon the conversion of the then outstanding shares of the Series B Preferred.

On June 26, 2018, the Company issued 5,785 shares of Series B Preferred as part of a public offering. Since the market price of the Company's common stock was $0.90 on the date of the issuance of the Series B Preferred, no beneficial conversion feature was recognized on the conversion option. As of December 31, 2018, no shares of Series B Preferred had been converted into shares of common stock. See the section below entitled *"Public Offering - Alliance Global Partners"* for further information.

Common Stock

On December 19, 2017, the Company's stockholders approved an amendment of the Company's certificate of incorporation increasing the number of authorized shares of its common stock to 275 million. The Company had been authorized to issue up to 175 million shares of common stock. In addition, as of December 31, 2018, the Company had reserved up to 3.5 million shares of common stock for incentive compensation (stock options and restricted stock) and approximately 12 million shares of common stock for the conversion of the Series A Preferred and Series B Preferred. No shares are reserved for the exercise of warrants.

On April 23, 2018, the Company held a special meeting of its stockholders at which the stockholders approved a proposal to effect an amendment to the Company's certificate of incorporation, as amended, to implement a reverse stock split at a ratio to be determined by the Company's Board of Directors in a range not less than one-for-two (1:2) and not greater than one-for-ten (1:10). On May 23, 2018, the Company's Board of Directors approved the implementation of a reverse stock split at a ratio of one-for-ten (1:10) shares of the Company's Common Stock. As a

result of the reverse stock split, every ten (10) shares of the Company's Common Stock either issued and outstanding or held by the Company in its treasury immediately prior to the effective time was, automatically and without any action on the part of the respective holders thereof, combined and converted into one (1) share of the Company's common stock. No fractional shares were issued in connection with the reverse stock split. Stockholders who otherwise were entitled to receive a fractional share in connection with the reverse stock split instead were eligible to receive a cash payment, which was not material in the aggregate, instead of shares. On June 8, 2018, the Company filed a Certificate of Amendment of its Certificate of Incorporation, as amended with the Secretary of State of Delaware effecting a one-for-ten (1:10) reverse stock split of the shares of the Company’s common stock, either issued and outstanding or held by the Company as treasury stock, effective as of 4:10 p.m. (Eastern Time), June 8, 2018. The Company’s common stock began trading on a reverse split adjusted basis on the Exchange when the market opened Monday, June 11, 2018.

Recent issuances of common stock include the following:

Lincoln Park Purchase Agreement

On July 24, 2017, the Company entered into a common stock purchase agreement with Lincoln Park Capital Fund, LLC (“Lincoln Park”), an Illinois limited liability company, pursuant to which Lincoln Park agreed to purchase from the Company up to an aggregate of $16.0 million of the Company’s common stock (subject to certain limitations) from time to time over the 36-month term of the agreement (the “Lincoln Park Purchase Agreement”). Also on July 24, 2017, we entered into a registration rights agreement with Lincoln Park pursuant to which the Company filed with the Securities and Exchange Commission (the “SEC”) the registration statement to register for resale under the Securities Act of 1933, as amended, or the Securities Act, the shares of common stock that have been or may be issued to Lincoln Park under the Purchase Agreement. The registration statement was effective as of August 11, 2017.

On July 24, 2017, 120,000 newly issued shares of the Company's common stock, equal to three percent of the $16 million availability, were issued to Lincoln Park as consideration for Lincoln Park's commitment to purchase shares of the Company's common stock under the agreement, and 250,000 newly issued shares of common stock, valued at $4.00 per share, were sold to Lincoln Park in an initial purchase for an aggregate gross purchase price of $1,000,000.

As contemplated by the Lincoln Park Purchase Agreement, and so long as the closing price of the Company’s common stock exceeds $2.50 per share, then the Company may direct Lincoln Park, at its sole discretion to purchase up to 10,000 shares of its common stock on any business day, provided that one business day has passed since the most recent purchase. The price per share for such purchases will be equal to the lower of: (i) the lowest sale price on the applicable purchase date and (ii) the arithmetic average of the three (3) lowest closing sale prices for the Company’s common stock during the ten (10) consecutive business days ending on the business day immediately preceding such purchase date (in each case, to be appropriately adjusted for any reorganization, recapitalization, non-cash dividend, stock split or other similar transaction that occurs on or after the date of the purchase agreement). The maximum amount of shares subject to any single regular purchase increases as the Company’s share price increases, subject to a maximum of $1.0 million.

In addition to regular purchases, the Company may also direct Lincoln Park to purchase other amounts as accelerated purchases or as additional purchases if the closing sale price of the common stock exceeds certain threshold prices as set forth in the purchase agreement. In all instances, the Company may not sell shares of its common stock to Lincoln Park under the purchase agreement if it would result in Lincoln Park beneficially owning more than 9.99% of its common stock. There are no trading volume requirements or restrictions under the purchase agreement nor any upper limits on the price per share that Lincoln Park must pay for shares of common stock.

The Lincoln Park Purchase Agreement and the registration rights agreement contain customary representations, warranties, agreements and conditions to completing future sale transactions, indemnification rights and obligations of the parties. The Company has the right to terminate the purchase agreement at any time, at no cost or penalty. During any “event of default” under the purchase agreement, all of which are outside of Lincoln Park’s control, Lincoln Park does not have the right to terminate the purchase agreement; however, the Company may not initiate any regular or other purchase of shares by Lincoln Park, until such event of default is cured. In addition, in the event of bankruptcy proceedings by or against the Company, the purchase agreement will automatically terminate.

Actual sales of shares of common stock to Lincoln Park under the purchase agreement will depend on a variety of factors to be determined by the Company from time to time, including, among others, market conditions, the trading price of the common stock and determinations by the Company as to the appropriate sources of funding for the Company and its operations. Lincoln Park has no right to require any sales by the Company, but is obligated to make purchases from the Company as it directs in accordance with the purchase agreement. Lincoln Park has covenanted not to cause or engage in any manner whatsoever, any direct or indirect short selling or hedging of the Company’s shares.

During March 2018, the Company sold an additional 60,000 shares of common stock to Lincoln Park pursuant to the Lincoln Park Purchase Agreement for an aggregate gross purchase price of $121,290. As such, at December 31, 2018, under the terms and subject to the conditions of the Lincoln Park Purchase Agreement, the Company has the right, but not the obligation, to sell to Lincoln Park, and Lincoln Park is obligated to purchase up to, an additional $14,878,710 shares of the Company's common stock. Such future sales of common stock by the Company, if any, will be subject to certain limitations, and may occur from time to time, at the Company's option, over the 36-month term of the agreement.

Public offering – Aegis Capital Corp. ("Aegis")

On November 30, 2017, the Company closed a public offering of 2,250,000 shares of its common stock at a public offering price of $2.00 per share raising gross proceeds of $4,500,000. The shares of common stock were issued pursuant to an underwriting agreement entered into between the Company and Aegis.

The common stock was offered and sold pursuant to the Company's effective shelf registration statement on Form S-3 and an accompanying prospectus (Registration Statement No. 333-200410) filed with the SEC on November 20, 2014, and declared effective by the SEC on December 2, 2014, a preliminary prospectus supplement filed with the SEC on November 28, 2017, and a final prospectus supplement filed with the SEC on November 30, 2017, in connection with the Company's shelf takedown relating to the offering.

The Company paid Aegis a discount of 7% to the public offering price with respect to shares purchased in the offering by investors who did not have a pre-existing relationship with the Company prior to the offering (the "New Investors"), and a discount of 3.5% to the public offering price with respect to shares purchased in the offering by investors who did have a pre-existing relationship with the Company. In addition to the underwriting discounts, the Company issued to the Underwriter 11,000 shares of its common stock, equal to 2% of the aggregate shares of common stock sold in the offering to the New Investors.

The Company incurred underwriting discounts, commissions and other offering expenses of $311,000 related to closing and completion of this public offering.

Public Offering – A.G.P./Alliance Global Partners ("Alliance")

On June 26, 2018, the Company completed a public offering of 4,350,000 shares of its common stock, 6,300 shares of Series A Preferred and 5,785 shares of Series B Preferred. The public offering price per share for each of the foregoing securities was as follows: (i) $0.90 per share of common stock; (ii) $1,000 per Series A Preferred share; and (iii) $1,000 per Series B Preferred share. This public offering raised gross proceeds of $16.0 million. The shares of common stock and preferred stock were issued pursuant to an underwriting agreement entered into between the Company and Alliance. The Company incurred underwriting discounts, commissions and other offering expenses of approximately $854,000 related to closing and completion of this public offering.

Pursuant to the Underwriting Agreement, subject to certain exceptions, (i) the Company agreed not to sell or otherwise dispose of any shares of common stock for a period ending ninety (90) days after the date of the Underwriting Agreement and (ii) the Company's officers, directors and certain key shareholders agreed not to sell or otherwise dispose of any of Common Stock held by each of them for a period ending ninety (90) days after the date of the Underwriting Agreement, in each case, without first obtaining the written consent of the Underwriter.

The Company granted a forty-five (45)-day option to the Underwriter to purchase up to 2,666,666 additional shares (the "Option Shares") of common stock. The over-allotment option may be exercised by the Underwriter as to all (at any time) or any part (from time to time) of the Option Shares.

The Company paid Alliance a discount of (i) 7% to the public offering price with respect to the common stock, Series A Preferred, and Series B Preferred purchased in the offering by investors who did not have a pre-existing relationship with the Company and (ii) 3.5% to the public offering price with respect to the common stock, Series A Preferred, and Series B Preferred purchased in the offering by certain investors who have a pre-existing relationship with the Company.

On July 12, 2018, 1,500,000 shares of common stock were sold to Alliance in connection with Alliance partially exercising its over-allotment option at the public offering price of $0.90 per share. The Company received gross proceeds of $1,350,000 before deducting $159,000 of underwriting discounts, commissions and other offering expenses payable by the Company.

As of December 31, 2018, a total of 1,257 shares of Series A Preferred have been converted into 1,396,666 shares of common stock.

Eastern – Share Purchase Agreements

On January 13, 2016, the Company entered into a share purchase agreement with Eastern pursuant to which Eastern agreed to purchase 350,000 shares of the Company's common stock at a price of $6.22 per share. The Company received proceeds of $2,177,000 and the shares were issued on January 25, 2016. In addition, Eastern agreed to exercise warrants it had previously acquired to purchase 178,400 shares of the Company's common stock at an exercise price of $5.30 per share. The Company received proceeds of approximately $945,000 from the exercise of the warrants and the shares were issued on January 25, 2016.

On January 13, 2016, the Company entered into a separate share purchase agreement with Eastern pursuant to which Eastern agreed to purchase 650,000 shares of the Company's common stock at a price of $6.22 per share, subject to the approval of the Company's stockholders. The Company's stockholders approved the issuance of the 650,000 shares to Eastern at the Company's annual meeting on April 7, 2016. On April 13, 2016, the Company issued the 650,000 shares and received proceeds of $4,043,000. These shares were subject to a three-year standstill agreement (the "Standstill Agreement") which will restrict additional acquisitions of the Company's equity by Eastern and its controlled affiliates to limit its beneficial ownership of the Company's outstanding shares of common stock to a maximum of 38% (the "Eastern Beneficial Ownership Limitation"), absent the approval by a majority of the Company's Board of Directors.

On November 27, 2017, the Company's Board of Directors authorized the Company's Chief Executive Officer to invite Eastern to purchase shares in the November 2017 public offering with Aegis described above, provided that such purchase did not result in Eastern being the beneficial owner of more than 40% of the aggregate number of shares the Company's outstanding common stock rather than the limit of 38% set forth in the Standstill Agreement.

On June 26, 2018, in connection with the public offering with Alliance, the Company entered into an amendment (the "Amendment") to the share purchase agreement for 650,000 shares, dated January 13, 2016 (the "Purchase Agreement"), with Eastern. Pursuant to the Purchase Agreement, Eastern was subject to the Standstill Agreement (amended to 40%) and the Eastern Beneficial Ownership Limitation therein. The Amendment increased the Eastern Beneficial Ownership Limitation to 48% and extended the restrictions under the Standstill Agreement until June 26, 2020. In accordance with the terms of the Standstill Agreement, as amended, the Company's Board of Directors duly authorized the Company's Chief Executive Officer to offer Eastern to purchase shares in the public offering with Alliance, provided that, when taken together with all other equity securities of the Company beneficially owned by Eastern and its controlled affiliates following consummation of the public offering with Alliance, Eastern and its controlled affiliates would not beneficially own more than 48% of the aggregate number of shares of common stock outstanding as of the closing of the public offering with Alliance, including all shares of common stock issuable upon conversion of all outstanding shares of Series A Preferred and Series B Preferred, and provided, further, that Eastern agreed to extend the standstill restrictions for two (2) additional years beginning with the date of Eastern's or its controlled affiliate's purchase of securities in the public offering with Alliance.

On February 23, 2017, the Company entered into an exchange agreement with the Eastern Affiliate pursuant to which the Company acquired substantially all of the interest in iBio CDMO held by the Eastern Affiliate and issued one share of a newly created iBio CMO Preferred Tracking Stock, par value $0.001 per share (the "Preferred Tracking Stock"), in exchange for 29,990,000 units of limited liability company interests of iBio CDMO held by the Eastern Affiliate at an original issue price of $13 million. After giving effect to the transactions contemplated in the Exchange Agreement, the Company owns 99.99% of iBio CDMO and the Eastern Affiliate owns 0.01% of iBio CDMO.

Aspire Capital Fund, LLC ("Aspire "Capital") – 2015 Facility

On May 15, 2015, the Company entered into a common stock purchase agreement (the "2015 Aspire Purchase Agreement") with Aspire Capital, pursuant to which the Company has the option to require Aspire Capital to purchase up to an aggregate of $15.0 million of shares of the Company's common stock upon and subject to the terms of the 2015 Aspire Purchase Agreement. In consideration for entering into the 2015 Aspire Purchase Agreement, Aspire Capital received a commitment fee of 45,000 shares. No shares were sold under the 2015 Facility and the 2015 Aspire Purchase Agreement was terminated on July 21, 2017.

Working Capital Contributions

In December 2017, the Eastern Affiliate contributed $1.05 million to iBio for working capital purposes which has been recorded as additional paid-in capital. Subsequently, the Company contributed $3.5 million into iBio CDMO. The $3.5 million contribution has been eliminated in the consolidated financial statements.

In May 2018 and November 2018, the Eastern Affiliate contributed $1.093 million and $2.459 million, respectively, to iBio for working capital purposes which has been recorded as additional paid-in capital.

10. Earnings (Loss) Per Common Share

Basic earnings (loss) per common share is computed by dividing the net income (loss) allocated to common stockholders by the weighted-average number of shares of common stock outstanding during the period. For purposes of calculating diluted earnings (loss) per common share, the denominator includes both the weighted-average number of shares of common stock outstanding during the period and the number of common stock equivalents if the inclusion of such common stock equivalents is dilutive. Dilutive common stock equivalents potentially include stock options and warrants using the treasury stock method. The following table summarizes the components of the earnings (loss) per common share calculation (in thousands, except per share amounts):

	Three Months ended December 31,		Six Months ended December 31,	
	2018	2017	2018	2017
Basic and diluted numerator:				
Net loss attributable to iBio, Inc.	$(4,469)	$(3,899)	$(8,867)	$(7,725)
Preferred stock dividends	65	65	131	131
Net loss available to iBio, Inc. stockholders	$(4,534)	$(3,964)	$(8,998)	$(7,856)
Basic and diluted denominator:				
Weighted-average common shares outstanding	18,688	9,661	18,291	9,613
Per share amount	$(0.24)	$(0.41)	$(0.49)	$(0.82)

In Fiscal 2019 and Fiscal 2018, the Company incurred net losses which cannot be diluted; therefore, basic and diluted loss per common share is the same. As of December 31, 2018 and 2017, shares issuable which could potentially dilute future earnings were as follows:

	Three and Six Months Ended December,	
	2018	2017
	(in thousands)	
Stock options	1,311	1,360
Series A Preferred	5,603	-
Series B Preferred	6,428	-
Shares excluded from the calculation of diluted loss per share	13,342	1,360

Share and per share data for 2017 have been adjusted to reflect the one-for-ten reverse stock split effective June 8, 2018.

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11. Share-Based Compensation

The following table summarizes the components of share-based compensation expense in the condensed consolidated statements of operations (in thousands):

	Three Months Ended December 31,	
	2018	2017
Research and development	$ 7	$ 10
General and administrative	53	179
Total	$ 60	$ 189

	Six Months Ended December 31,	
	2018	2017
Research and development	$ 16	$ 24
General and administrative	117	370
Total	$ 133	$ 394

Stock Options

On August 12, 2008, the Company adopted the iBioPharma 2008 Omnibus Equity Incentive Plan (the “2008 Plan”) for employees, officers, directors and external service providers. The original 2008 Plan provided that the Company may grant options to purchase stock and/or make awards of restricted stock up to an aggregate amount of 1 million shares. On December 18, 2013, the 2008 Plan was amended to increase the number of shares reserved for awards under the Plan from 1 million to 1.5 million. Stock options granted under the 2008 Plan may be either incentive stock options (as defined by Section 422 of the Internal Revenue Code of 1986, as amended) or non-qualified stock options at the discretion of the Board of Directors. Vesting of service awards occurred ratably on the anniversary of the grant date over the service period, generally three or five years, as determined at the time of grant. Vesting of performance awards occurred when the performance criteria had been satisfied. The Company used historical data to estimate forfeiture rates. The 2008 Plan had a term of ten (10) years and, as a result, the 2008 Plan expired by its terms on August 12, 2018.

On December 18, 2018, the Company's stockholders, upon recommendation of the Board of Directors, approved the iBio, Inc. 2018 Omnibus Equity Incentive Plan (the "2018 Plan"). Effective November 9, 2018, the 2018 Plan had been approved by the Board of Directors, subject to stockholder approval of the 2018 Plan. The total number of shares of common stock reserved under the 2018 Plan is 3.5 million. Stock options granted under the 2018 Plan may be either incentive stock options (as defined by Section 422 of the Internal Revenue Code of 1986, as amended), non-qualified stock options, or restricted stock and determined at the discretion of the Board of Directors.

Vesting of service awards will be determined by the Board of Directors and stated in the award agreements. In general, vesting will occur ratably on the anniversary of the grant date over the service period, generally three or five years, as determined at the time of grant. Vesting of performance awards will occur when the performance criteria has been satisfied. The Company uses historical data to estimate forfeiture rates. The 2018 Plan has a term of ten (10) years and expires by its terms on November 9, 2028.

In addition, on December 18, 2018, the Company's stockholders, upon recommendation of the Board of Directors, also approved an amendment to the Company's 2008 Plan to allow the Company to permit a one-time option exchange program under which the Company would offer eligible employees and non-employee directors the opportunity to exchange certain outstanding options on a four-for-three basis for new stock options exercisable at a lower price under the 2018 Plan (the “Option Exchange”).

On January 22, 2019, the Company filed with the Securities and Exchange Commission a Tender Offer Statement on Schedule TO defining the terms and conditions of the Option Exchange, whereby the Company is offering eligible employees and non-employee directors (“Eligible Option Holders”) the opportunity to exchange for new options covering a lesser number of shares of the Company's common stock (“Replacement Options”), at a ratio of four-for-three (the “Exchange Ratio”), any options issued by iBio prior to January 22, 2019 that are outstanding under its 2008 Plan that have an exercise price greater than the closing price per share of iBio’s common stock on the NYSE American on the grant date of the Replacement Options (“Eligible Exchange Options”), so that for each four shares of common stock subject to an Eligible Exchange Option, the option holder will receive a Replacement Option to purchase three shares under the 2018 Plan. The Company will grant the Replacement Options on the date on which the Company cancels the options accepted for exchange, which will be on the completion date of the tender offer (the “Replacement Option Grant Date”). The Replacement Options issued under the new plan will vest one year after the date of grant.

The Replacement Options:

- will have a per-share exercise price equal to the closing price per share of the Company's common stock on the date of grant. The exercise price for the Replacement Options will be set on the grant date of the Replacement Options;

- will have a five-year term beginning with the date of grant and will vest one year after the date of grant. Generally, the Underwater Options have been scheduled to vest over four years following the recipient's employment start date or the date of grant. As of November 19, 2018, approximately 91% of the shares covered by the Underwater Options already were vested. All other terms and conditions of the new stock options will generally be consistent with the terms and conditions of iBio's standard time-vesting stock option grants;

- will be of the same type of options as the surrendered options. Eligible Option Holders holding nonqualified stock options will receive Replacement Options in the form of nonqualified stock options and Eligible Option Holders holding incentive stock options will receive Replacement Options in the form of incentive stock options; and

- will have the terms and be subject to the conditions as provided for in the 2018 Plan and option award agreement.

The Company has reserved 1,311,332 shares of common stock for the Option Exchange.

No stock options were issued during Fiscal 2019.

The following table summarizes all stock option activity during Fiscal 2019:

	Stock Options	Weighted-average Exercise Price	Weighted-average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (in thousands)
Outstanding as of July 1, 2018	1,364,583	$ 12.01	4.9	$ -
Forfeited/expired	(53,251)	10.51		
Outstanding as of December 31, 2018	1,311,332	$ 12.07	4.4	$ -
Vested and, as of December 31, 2018, expected to vest	1,310,081	$ 12.08	4.4	$ -
Exercisable as of December 31, 2018	1,235,822	$ 12.52	4.1	$ -

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The following table summarizes information about options outstanding and exercisable at December 31, 2018:

	Options Outstanding and Exercisable			
	Number Outstanding	Weighted-Average Remaining Life In Years	Weighted-Average Exercise Price	Number Exercisable
Exercise prices:				
$1.70 - $3.01	71,000	0.5	$ 2.01	68,166
$3.10 - $4.90	249,998	6.7	4.09	184,656
$5.00 - $7.70	206,334	3.4	5.84	203,000
$8.40 - $13.80	257,000	4.2	10.42	257,000
$14.00 - $22.50	423,000	4.7	17.97	419,000
$26.90 - $30.70	104,000	2.0	30.63	104,000
	1,311,332	4.4	$ 12.07	1,235,822

The total fair value of stock options that vested during Fiscal 2019 and Fiscal 2018 was approximately $694,000 and $896,000, respectively. As of December 31, 2018, there was approximately $212,000 of total unrecognized compensation cost related to non-vested stock options that the Company expects to recognize over a weighted-average period of 1.1 years.

The aggregate intrinsic value in the table above represents the total intrinsic value, based on the Company’s closing stock price of $0.75 as of December 31, 2018 and $0.90 as of July 1, 2018, which would have been received by the option holders had all option holders exercised their options as of that date.

12. Related Party Transactions

Novici Biotech, LLC

In January 2012, the Company entered into an agreement with Novici in which iBio’s President is a minority stockholder. See Note 7 for further details.

Agreements with Eastern Capital Limited and its Affiliates

As more fully discussed in Note 9, the Company entered into two share purchase agreements with Eastern.

Concurrently with the execution of the Purchase Agreements, iBio entered into a contract manufacturing joint venture with an affiliate of Eastern to develop and manufacture plant-made pharmaceuticals through iBio CDMO. The Eastern Affiliate contributed $15.0 million in cash to iBio CDMO, for a 30% interest in iBio CDMO. iBio retained a 70% equity interest in iBio CDMO. As the majority equity holder, iBio has the right to appoint a majority of the members of the Board of Managers that manages the iBio CDMO joint venture. Specified material actions by the joint venture require the consent of iBio and the Eastern Affiliate. iBio contributed to the capital of iBio CDMO a royalty bearing license, which grants iBio CDMO a non-exclusive license to use the iBio's proprietary technologies for research purposes and an exclusive U.S. license for manufacturing purposes. iBio retains all other rights in its intellectual property, including the right for itself to commercialize products based on its proprietary technologies or to grant licenses to others to do so.

In connection with the joint venture, the Second Eastern Affiliate, which controls the subject property as sublandlord, granted iBio CDMO a 34-year sublease of a Class A life sciences building in Bryan, Texas, located on land owned by the Texas A&M system, designed and equipped for plant-made manufacture of biopharmaceuticals. Accrued expenses at December 31, 2018 and June 30, 2018 due to the Second Eastern Affiliate amounted to $651,000 and $789,000, respectively. General and administrative expenses related to Second Eastern Affiliate were approximately $304,000 and $158,000 for the three months ended December 31, 2018 and 2017, respectively, and $542,000 and $342,000 for the six months ended December 31, 2018 and 2017, respectively. Interest expense related to the Second Eastern Affiliate was approximately $476,000 and $479,000 for the three months ended December 31, 2018 and 2017, respectively, and $952,000 and $959,000 for the six months ended December 31, 2018 and 2017, respectively. The terms of the Sublease are described in Note 8.

The Standstill Agreement took effect upon the issuance of the shares to Eastern pursuant to a share purchase agreement for the acquisition of 650,000 shares of common stock. The Standstill Agreement has been amended twice so that Eastern and its controlled affiliates are limited to its beneficial ownership of the Company's outstanding shares of common stock to a maximum of 48%, absent approval by a majority of the Company's Board of Directors. Eastern agreed to extend the standstill restrictions for two (2) additional years beginning with the date of Eastern's or its controlled affiliate's purchase of securities in the public offering with Alliance. See Note 9 for further information.

On February 23, 2017, the Company entered into an exchange agreement with the Eastern Affiliate pursuant to which the Company acquired substantially all of the interest in iBio CDMO held by the Eastern Affiliate and issued one share of the iBio CMO Preferred Tracking Stock in exchange for 29,990,000 units of limited liability company interests of iBio CDMO held by the Eastern Affiliate at an original issue price of $13 million. After giving effect to the transactions in the Exchange Agreement, the Company owns 99.99% of iBio CDMO and the Eastern Affiliate owns 0.01% of iBio CDMO.

13. Income Taxes

The Company recorded no income tax expense for the three months ended December 31, 2018 and 2017 because the estimated annual effective tax rate was zero. As of December 31, 2018, the Company continues to provide a valuation allowance against its net deferred tax assets since the Company believes it is more likely than not that its deferred tax assets will not be realized.

In December 2017, the United States Government passed new tax legislation that, among other provisions, lowered the corporate tax rate from 35% to 21%. In addition to applying the new lower corporate tax rate to any taxable income we may have, the legislation affects the way we can use and carryforward net operating losses previously accumulated and results in a revaluation of deferred tax assets and liabilities recorded on our balance sheet. Given that current deferred tax assets are offset by a full valuation allowance, these changes will have no net impact on the balance sheet. However, if we become profitable, we will receive a reduced benefit from such deferred tax assets.

14. Commitments and Contingencies

Agreements

Fraunhofer

In September 2013, the Company and Fraunhofer entered into an agreement, the Terms of Settlement for the TTA Seventh Amendment (the "2013 Settlement Agreement"). Under the terms of the 2013 Settlement Agreement, various payment obligations, including accrued payment obligations existing at June 30, 2013, were released, terminated or

modified. The significant modifications are as follows:

The Company's obligation under the TTA, prior to the 2013 Settlement Agreement, to make three $1 million payments to Fraunhofer in April 2013, November 2013, and April 2014 (the "Guaranteed Annual Payments") was terminated and replaced with an undertaking to engage Fraunhofer for at least $3 million in work requested and directed by iBio before December 31, 2015. As of December 31, 2015, the total engagement of Fraunhofer for such work requested was at least $3.0 million. In addition to the foregoing, the Company sought to engage Fraunhofer for substantial additional other work, but Fraunhofer did not respond to the Company's requests for proposals for such work.

The Company's obligation to remit to Fraunhofer minimum annual royalty payments in the amount of $200,000 was terminated. Instead, the 2013 Settlement Agreement provided that, for a period of up to 15 years, the Company would pay Fraunhofer one percent (1%) of all receipts derived by the Company from sales of products produced utilizing the iBioLaunch™ or iBioModulator™ technology and ten percent (10%) of all receipts derived by the Company from licensing those technologies to third parties. The 2013 Settlement Agreement provided for royalty payments to Fraunhofer only on technology license revenues that iBio actually would receive, and on revenues from actual sales by iBio of products derived from the technology developed by Fraunhofer under the TTA, until the later of November 2023 or until such time as the aggregate royalty payments totaled at least $4 million. All new intellectual property invented by Fraunhofer during the period of the TTA is owned by and was required to be transferred to iBio, and Fraunhofer was required to make technology transfer, which Fraunhofer refused to perform. In the lawsuit against Fraunhofer, iBio is seeking rescission of these royalty provisions of the 2013 Settlement Agreement. In any event, the 2013 Settlement Agreement does not apply to, and the Company has no financial obligations to Fraunhofer with respect to, the Company's use of, or revenues derived from, technologies developed independently of Fraunhofer.

On June 12, 2014, Fiocruz, Fraunhofer and iBio executed an amendment to the CLA (the "Amended Agreement") to create a new research and development plan for the development of a recombinant Yellow Fever vaccine providing revised reporting, objectives, estimated budget, and project billing process. By its execution of the Amended Agreement, iBio again engaged Fraunhofer to act as the Company's subcontractor for performance of research and development services for the new research and development plan covered by the Amended Agreement and to have Fraunhofer bill Fiocruz directly on behalf of the Company at the rates, amounts and times provided in the Amended Agreement with the proceeds of such billings and only the proceeds paid to Fraunhofer for its services so the Company's expense is equal to its revenue and no profit would be recognized for these activities under the Amended Agreement. For the year ended June 30, 2015, $2.1 million in research and development services were performed by Fraunhofer for the Company pursuant to the amended CLA. As of December 31, 2015, the total engagement of Fraunhofer for work requested by iBio was at least $3.0 million. See Note 7 - Significant Vendors for additional information. In addition to the foregoing, the Company sought to engage Fraunhofer for substantial additional other work, but Fraunhofer did not respond to the Company's requests for proposals for such work.

University of Pittsburgh ("UP")

On January 14, 2014 (the "Effective Date"), the Company entered into an exclusive worldwide License Agreement ("LA") with the University of Pittsburgh ("UP") covering all of the U.S. and foreign patents and patent applications and related intellectual property owned by UP pertinent to the use of endostatin peptides for the treatment of fibrosis. The Company paid an initial license fee of $20,000 and is required to pay all of UP's patent prosecution costs that were incurred prior to, totaling $30,627, and subsequent to the Effective Date. On each anniversary date the Company is to pay license fees ranging from $25,000 to $150,000 for the first five years and $150,000 on each subsequent anniversary date until the first commercial sale of the licensed technology. Beginning with commercial sales of the technology or approval by the FDA or foreign equivalent, the Company will be required to pay milestone payments, royalties and a percentage of any non-royalty sublicense income to UP.

Lease – Bryan, Texas

As discussed above, iBio CDMO is leasing its facility in Bryan, Texas from the Second Eastern Affiliate under the Sublease. See Note 8 for more details of the Sublease.

The base rent is subject to increase annually in accordance with increases in the Consumer Price Index ("CPI"). The Company incurred rent expense of $54,000 and $0 for the three months ended December 31, 2018 and 2017, respectively, and $66,000 and $15,000 for the six months ended December 31, 2018 and 2017, respectively, related to the increases in the CPI.

Lawsuits

On March 17, 2015, the Company filed a Verified Complaint in the Court of Chancery of the State of Delaware against Fraunhofer and Vidadi Yusibov ("Yusibov"), Fraunhofer's Executive Director, seeking monetary damages and equitable relief based on Fraunhofer's material and continuing breaches of their contracts with the Company. On September 16, 2015, the Company voluntarily dismissed its action against Yusibov, without prejudice, and thereafter on September 29, 2015, the Company filed a Verified Amended Complaint against Fraunhofer alleging material breaches of its agreements with the Company and seeking monetary damages and equitable relief against Fraunhofer. The Court bifurcated the action to first resolve the threshold question in the case–the scope of iBio's ownership of the technology developed or held by Fraunhofer–before proceeding with the rest of the case and the parties stipulated their agreement to that approach. After considering the parties' written submissions and oral argument, the Court resolved the threshold issue in favor of iBio on July 29, 2016, holding that iBio owns all proprietary rights of any kind to all plant-based technology of Fraunhofer developed or held as of December 31, 2014, including know-how, and was entitled to receive a technology transfer from Fraunhofer. Fraunhofer's motion to dismiss iBio's contract claims was denied by the Court on February 24, 2017. The Court at that time also granted, over Fraunhofer's opposition, iBio's motion to supplement and amend the Complaint to add additional state law claims against Fraunhofer. Fraunhofer filed an answer and counterclaims in March 2017, but in May 2017, Fraunhofer obtained new counsel, and with iBio's agreement (as a matter of procedure), filed an amended answer and amended counterclaims in July 2017. The Company replied to those counterclaims on August 9, 2017. In November 2017, the Company engaged new counsel to further lead its litigation efforts, and on November 3, 2017, the Company filed a separate Verified Complaint in the Court of Chancery of the State of Delaware against Fraunhofer-Gesellschaft, the European unit of Fraunhofer (the "Second Complaint"). The Second Complaint follows iBio's pending litigation filed in March 2015, described above, against Fraunhofer USA, Inc., the U.S. unit of Fraunhofer. On December 14, 2018, the Delaware Chancery Court dismissed the Second Complaint filed against Fraunhofer-Gesellschaft, the European unit of Fraunhofer, as untimely filed. The dismissal of the Second Complaint has no effect on the action against the U.S. unit of Fraunhofer.

The Company and Fraunhofer have continued to proceed with discovery. The Company is unable to predict the further outcome of this action at this time.

15. Employee 401(K) Plan

Commencing January 1, 2018, the Company established the iBio, Inc. 401(K) Plan (the "Plan"). Eligible employees of the Company may participate in the Plan, whereby they may elect to make elective deferral contributions pursuant to a salary deduction agreement and receive matching contributions upon meeting age and length-of-service requirements. The Company will make a 100% matching contribution that is not in excess of 5% of an eligible employee's compensation. In addition, the Company may make qualified non-elective contributions at its discretion. For the three months ended December 31, 2018 and 2017, employer contributions made to the Plan totaled approximately $31,000 and $0, respectively, and $64,000 and $0 for the six months ended December 31, 2018 and 2017, respectively.

16. Segment Reporting

In accordance with FASB ASC 280, "*Segment Reporting*," the Company discloses financial and descriptive information about its reportable segments. The Company operates in two segments, iBio, Inc. and iBio CDMO. These segments are components of the Company about which separate financial information is available and regularly evaluated by the chief operating decision maker in deciding how to allocate resources and in assessing performance. Please note that certain totals may not sum due to rounding.

Three Months Ended December 31, 2018 (in thousands)	**iBio, Inc.**	**iBio CDMO**	**Eliminations**	**Total**
Revenues – external customers	$651	$-	$ -	$651
Revenues – intersegment	400	696	(1,096)	-
Research and development	1,541	535	(803)	1,273
General and administrative	1,202	2,483	(292)	3,393
Operating loss	(1,692)	(2,323)	-	(4,015)
Interest expense	-	(476)	-	(476)
Interest and other income	17	4	-	21
Consolidated net loss	(1,675)	(2,795)	-	(4,470)
Total assets	40,770	12,676	(13,143)	40,303
Fixed assets, net	3	24,809	-	24,812
Intangible assets, net	1,498	-	-	1,498
Depreciation expense	-	364	-	364
Amortization of intangible assets	68	-	-	68

Three Months Ended December 31, 2017 (in thousands)	iBio, Inc.	iBio CDMO	Eliminations	Total
Revenues – external customers	$153	$-	$ -	$153
Revenues – intersegment	330	96	(426)	-
Research and development	676	482	(165)	993
General and administrative	1,221	1,694	(328)	2,587
Operating loss	(1,414)	(2,013)	-	(3,427)
Interest expense	-	(479)	-	(479)
Interest and other income	4	2	-	6
Consolidated net loss	(1,410)	(2,490)	-	(3,900)
Total assets	21,563	26,002	(12,725)	34,840
Fixed assets, net	7	25,282	-	25,289
Intangible assets, net	1,702	-	-	1,702
Depreciation expense	-	341	-	341
Amortization of intangible assets	84	-	-	84

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Six Months Ended December 31, 2018 (in thousands)	iBio, Inc.	iBio CDMO	Eliminations	Total
Revenues – external customers	$696	$-	$ -	$696
Revenues – intersegment	764	753	(1,517)	-
Research and development	2,099	1,122	(824)	2,397
General and administrative	2,239	4,717	(692)	6,264
Operating loss	(2,878)	(5,087)	-	(7,965)
Interest expense	-	(952)	-	(952)
Interest and other income	40	8	-	48
Consolidated net loss	(2,838)	(6,031)	-	(8,869)
Total assets	40,770	12,676	(13,143)	40,303
Fixed assets, net	3	24,809	-	24,812
Intangible assets, net	1,498	-	-	1,498
Depreciation expense	1	723	-	724
Amortization of intangible assets	151	-	-	151

Six Months Ended December 31, 2017 (in thousands)	iBio, Inc.	iBio CDMO	Eliminations	Total
Revenues - external customers	$237	$38	$ -	$275
Revenues – intersegment	631	306	(937)	-
Research and development	1,294	966	(282)	1,978
General and administrative	2,320	3,392	(627)	5,085
Operating loss	(2,746)	(4,042)	-	(6,788)
Interest expense	-	(959)	-	(959)
Interest and other income	16	4	-	20
Consolidated net loss	(2,730)	(4,997)	-	(7,727)
Total assets	21,563	26,002	(12,725)	34,840
Fixed assets, net	7	25,282	-	25,289
Intangible assets, net	1,702	-	-	1,702
Depreciation expense	1	678	-	679
Amortization of intangible assets	169	-	-	169

17. Notice of Delisting or Failure to Satisfy a Continued Listing Rule or Standard

On January 4, 2018, the Company received notification from the NYSE AMERICAN LLC ("NYSE American" or the "Exchange") pursuant to Section 1003(f)(v) of the NYSE American's Company Guide that, due to the Company's current low selling share price, the Company's continued listing on the NYSE American was predicated on our effecting a reverse stock split or otherwise demonstrating sustained improvement in our share price within a reasonable period of time, which the NYSE American has determined to be no later than July 5, 2018.

On April 23, 2018, the Company held a special meeting of its stockholders at which the stockholders approved a proposal to effect an amendment to the Company's certificate of incorporation, as amended, to implement a reverse stock split at a ratio to be determined by the Company's Board of Directors in a range not less than one-for-two (1:2) and not greater than one-for-ten (1:10).

On May 23, 2018, the Company's Board of Directors approved the implementation of a reverse stock split at a ratio of one-for-ten (1:10) shares of the Company's common stock. As a result of the reverse stock split, every ten (10) shares of the Company's common stock either issued and outstanding or held by the Company in its treasury immediately prior to the effective time was, automatically and without any action on the part of the respective holders thereof, combined and converted into one (1) share of the Company's common stock. The reverse split also applied to common stock issuable upon the exercise of the Company's outstanding stock options. The reverse stock split did not affect the par value of the Company's common stock or the shares of common stock the Company is authorized to issue under its Certificate of Incorporation, as amended. No fractional shares were issued in connection with the reverse stock split. Stockholders who otherwise were entitled to receive a fractional share in connection with the reverse stock split instead were eligible to receive a cash payment, which was not material in the aggregate, instead of shares. The effective date of the reverse stock split was June 8, 2018. On July 5, 2018, the Company received a letter from NYSE American informing the Company that it has resolved the deficiency with respect to low selling price, described in Section 1003(f)(v) of the Company guide and was back in compliance. On January 31, 2019, the closing price of the Company's common stock was $0.87.

On June 6, 2018, the Company received notification from the NYSE American that it was not in compliance with the continued listing standards as set forth in Section 1003(a)(iii) of the NYSE American's Company Guide that, which applies if a listed company has stockholders' equity of less than $6,000,000 and has sustained losses from continuing losses and/or net losses in its five most recent fiscal years. NYSE American indicated that a review of the Company showed that it was below compliance with Section 1003(a)(iii) since it reported stockholders' equity of $4.2 million as of March 31, 2018 and net losses in its five most recent fiscal years.

In order to maintain its listing, the Company submitted a plan for compliance addressing how it intended to regain compliance with Section 1003(a)(iii) of the Company Guide by December 6, 2019. On August 16, 2018, the Company received notice from NYSE American that NYSE Regulation had accepted the Company's July 16, 2018

plan and granted a plan period through December 6, 2019, subject to periodic review by the Exchange, including quarterly monitoring, for compliance with the initiatives outlined in the plan. If the Company was not in compliance with the continued listing standards by December 6, 2019, or if the Company did not make progress consistent with the plan during the plan period, NYSE Regulation staff could initiate delisting proceedings as appropriate. On December 20, 2018, the Company was formally notified by the NYSE American that the Company has regained compliance with all of the NYSE American continued listing standards set forth in Part 10 of the NYSE American Company Guide (the "Company Guide"). Specifically, the Company was informed that it has resolved the continued listing deficiency with respect to Section 1003(a)(iii) of the Company Guide referenced in the Exchange's letter dated June 6, 2018.

The NYSE American notifications did not affect the Company's business operations or its reporting obligations under the Securities and Exchange Commission regulations and rules and did not conflict with or cause an event of default under any of the Company's material agreements.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following information should be read together with the financial statements and the notes thereto and other information included elsewhere in this Quarterly Report on Form 10-Q and in our Annual Report on Form 10-K for the year ended June 30, 2018. Unless the context requires otherwise, references in this Quarterly Report on Form 10-Q to "iBio," the "Company," "we," "us," or "our" and similar terms mean iBio, Inc.

Forward-Looking Statements

This Quarterly Report on Form 10-Q contains "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. For this purpose, any statements contained herein regarding our strategy, future operations, financial position, future revenues, projected costs and expenses, prospects, plans and objectives of management, other than statements of historical facts, are forward-looking statements. The words "anticipate", "believe", "estimate", "may", "plan", "will", "would" and similar expressions are intended to identify forward-loo statements, although not all forward-looking statements contain these identifying words. Such statements reflect our current views with respect to future events. Because these forward-looking statements involve known and unknown risks and uncertainties, actual results, performance or achievements could differ materially from those expressed or implied by these forward-looking statements for a number of important reasons, including those discussed in this "Management's Discussion and Analysis of Financial Condition and Results of Operations" and elsewhere in this Quarterly Report on Form 10-Q, as well as in the section titled "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended June 30, 2018. We cannot guarantee any future results, levels of activity, performance or achievements. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this Quarterly Report on Form 10-Q as anticipated, believed, estimated or expected. The forward-looking statements contained in this Quarterly Report on Form 10-Q represent our estimates as of the date of this Quarterly Report on Form 10-Q (unless another date is indicated) and should not be relied upon as representing our expectations as of any other date. While we may elect to update these forward-looking statements, we specifically disclaim any obligation to do so.

Overview

We are a biotechnology company focused on using our proprietary technologies and production facilities to provide product development and manufacturing services to clients, collaborators and third-party customers as well as developing and commercializing our own product candidates. Our assets and capabilities include proprietary and transformative methods for the development, improvement, and production of biologics using hydroponically grown, transiently-transfected green plants for recombinant protein production. We provide contract development and manufacturing services to clients from the early stages of product selection through regulatory approval and commercial product launch – from lab to launch.

Our technologies have been successfully used with a diverse range of biopharmaceutical product candidates including products against fibrotic diseases, vaccines, enzyme replacements, monoclonal antibodies, and recombinant versions of marketed products that are currently derived from human blood plasma. iBio technologies have been used to advance development of certain products that have been commercially infeasible to develop with conventional technologies such as Chinese hamster ovary cell systems and microbial fermentation methods. We have also used our technologies to create and produce experimental, proprietary derivatives of pre-existing products with improved properties.

We believe that our technologies and our development and manufacturing capabilities offer clients and collaborators multiple advantages over the use of legacy methods, including increased efficiency in early-stage product screening, more predictable and shorter time frames during preclinical product development and testing, and significant time and cost savings in making the transitions between clinical trial phases and eventual product launch. In addition, our technologies are applicable to both improving process efficiency and also to improving product quality and performance characteristics. We expect demand for our technologies and services to increase steadily and to provide significant revenue opportunities with clients addressing the expanding global market for biopharmaceutical products because the competitive success of new products often depends on improved efficacy and safety or on reduced development time and cost-effective manufacturing processes. We believe our technologies and capabilities deliver these benefits to our collaborators and clients.

We expect to provide services and participate in collaborative development programs with a diverse group of clients and collaborators to enable us to achieve positive cash flow from operations sufficient for use in developing our own product candidates and enabling us to participate in the success of selected products developed jointly with collaborators. Our current product pipeline is comprised of proprietary candidates for the treatment of a range of fibrotic diseases including systemic scleroderma and idiopathic pulmonary fibrosis. IBIO-CFB03, based on exclusively in-licensed university patents and newer patent applications filed by iBio, is our lead therapeutic candidate being advanced for IND development. On an ongoing basis, we evaluate product candidate opportunities originating in both academic institutions and corporate research programs, to which iBio technologies can add value, as potential opportunities for iBio.

We developed and implemented a new business model as a result of the ongoing litigation against our original research and development contractor. Our new business model comprises three key elements:

1. **CDMO Facility Activities** - the creation of a contract development and manufacturing organization to produce revenue through the provision of services based on our technologies and capabilities;

2. **Product Candidate Pipeline** - the advancement of select product candidates developed by iBio or through partnering with collaborators, and

3. **Facility Design and Build-out / Technology Transfer** - the design and development for others of facilities based on our new technologies and experience along with the provision of commercial technology transfer.

We accomplished the first part of our new business plan through the acquisition of control of the large manufacturing facility that is now controlled and operated by our subsidiary, iBio CDMO, under a capital lease. The facility includes laboratory and pilot-scale operations and large-scale automated hydroponic systems capable of growing over four million plants as "in process inventory" and delivering over 300 kilograms of therapeutic protein active pharmaceutical ingredient per year. The facility capacity for large scale manufacturing can also be doubled by adding additional plant growth equipment in a space already available for that purpose.

We have integrated into our iBio CDMO operations the rights iBio has obtained to certain patented and unpatented technologies developed for it by Novici, in addition to novel manufacturing methods and processes developed by iBio CDMO. These technologies, methods, and processes are applied by iBio CDMO to a variety of tasks performed for clients, collaborators, and for iBio itself, including product and process development, analytical, and manufacturing services. iBio CDMO is promoting commercial collaborations with third parties on the basis of these technology advantages and plans to work with customers to achieve laboratory scale technical milestones that can form the basis of longer-term manufacturing business arrangements.

In addition to the generation of revenue from services through iBio CDMO, a second goal of our new business model is through partnering and out-licensing of our new technologies, to create opportunities for iBio to share in the successful development and commercialization of selected product candidates by our collaborators and licensees as well as advance our own product candidates. We expect to accomplish this objective through both investments we make to acquire or develop our own proprietary product candidates and also by participating with select customers and collaborators in the value created through the development and manufacture of their product candidates. iBio itself is a client of iBio CDMO for further IND advancement of its proprietary products beginning with IBIO-CFB03 for the treatment of a range of fibrotic diseases.

The third element of our new business model is the use of iBio technologies to create and operate manufacturing facilities at substantially lower capital and operating costs. Due to the lower capital and operating cost requirements for biopharmaceutical (both vaccines and therapeutics) production via iBio technologies versus legacy methods, certain corporations and governments that have not already established manufacturing capacity for biologic products are client prospects for both development and for commercial technology transfer services to enable autonomous manufacturing in the market being served. In some cases, we have additional opportunities to increase the value of these uses of our technologies by offering custom facility design services.

Results of Operations - Comparison of Three Months ended December 31, 2018 (“Fiscal 2019”) versus December 31, 2017 (“Fiscal 2018”)

Revenue

Gross revenue for the three months ended December 31, 2018 and 2017 were approximately $651,000 and $153,000 respectively, an increase of approximately $498,000. The increase is primarily attributable to the establishment of a strategic relationship with CC-Pharming Ltd. of Beijing, China ("CC-Pharming") for the joint development of products and manufacturing facilities for the Chinese biopharmaceutical market, utilizing iBio’s technology. The first product focus selected pursuant to the Master Joint Development Agreement executed between iBio and CC-Pharming is a therapeutic antibody. During the quarter ended September 30, 2018, iBio received prepayments of $2.9 million, $626,000 of which was recognized as revenue in the quarter ended December 31, 2018.

Research and development expenses

Research and development expenses for the three months ended December 2018 and 2017 were $1,273,000 and $993,000, respectively, an increase of approximately $280,000, primarily related to an increase in research and development personnel costs at iBio CDMO as well as an increase in third party research and development costs.

General and administrative expenses

General and administrative expenses for the three months ended December 31, 2018 and 2017 were approximately $3,393,000 and $2,587,000, respectively, an increase of $806,000. General and administrative expenses principally include officer and employee salaries and benefits, depreciation and amortization, professional fees, facility repairs and maintenance, rent, utilities, consulting services, and other costs associated with being a publicly traded company. The increase resulted primarily from an increase in maintenance and facility repair costs, percentage rent, consulting costs associated with marketing and business development, and third-party recruiting costs.

Other Income (Expense)

Other income (expense) for the three months ended December 31, 2018 and 2017 were approximately ($455,000) and ($473,000), respectively.

As discussed above, iBio CDMO’s operations take place in a facility in Bryan, Texas under a 34-year sublease with the Second Eastern Affiliate. Such sublease is treated as a capital lease. For the three months ended December 31, 2018, other income (expense) included interest expense of approximately $476,000 incurred under the capital lease offset by interest and royalty income of approximately $21,000. For the three months ended December 31, 2017, other income

(expense) included interest expense of approximately $479,000 incurred under the capital lease offset by interest and royalty income of approximately $6,000.

Net loss attributable to noncontrolling interest

This represents the share of the loss in iBio CDMO for the Eastern Affiliate for the three months ended December 31, 2018 and 2017.

Results of Operations - Comparison of Six Months ended December 31, 2018 (“Fiscal 2019”) versus December 31, 2017 (“Fiscal 2018”)

Revenue

Gross revenue for the six months ended December 31, 2018 and 2017 were approximately $696,000 and $275,000 respectively, an increase of approximately $421,000. The increase is primarily attributable to the establishment of the strategic relationship with CC-Pharming as discussed above. During the quarter ended September 30, 2018, iBio received prepayments of $2.9 million, $626,000 of which was recognized as revenue in the quarter ended December 31, 2018.

Research and development expenses

Research and development expenses for the six months ended December 2018 and 2017 were $2,397,000 and $1,978,000, respectively, an increase of approximately $419,000, primarily related to an increase in research and development personnel costs at iBio CDMO as well as an increase in third party research and development costs.

General and administrative expenses

General and administrative expenses for the six months ended December 31, 2018 and 2017 were approximately $6,264,000 and $5,085,000, respectively, an increase of $1,179,000. General and administrative expenses principally include officer and employee salaries and benefits, depreciation and amortization, professional fees, facility repairs and maintenance, rent, utilities, consulting services, and other costs associated with being a publicly traded company. The increase resulted primarily from an increase in maintenance and facility repair costs, percentage rent, consulting costs associated with marketing and business development, and third-party recruiting costs.

Other Income (Expense)

Other income (expense) for the six months ended December 31, 2018 and 2017 were approximately ($904,000) and ($939,000), respectively.

As discussed above, iBio CDMO's operations take place in a facility in Bryan, Texas under a 34-year sublease with the Second Eastern Affiliate. Such sublease is treated as a capital lease. For the six months ended December 31, 2018, other income (expense) included interest expense of approximately $952,000 incurred under the capital lease offset by interest and royalty income of approximately $48,000. For the six months ended December 31, 2017, other income (expense) included interest expense of approximately $959,000 incurred under the capital lease offset by interest and royalty income of approximately $20,000.

Net loss attributable to noncontrolling interest

This represents the share of the loss in iBio CDMO for the Eastern Affiliate for the six months ended December 31, 2018 and 2017.

Liquidity and Capital Resources

As of December 31, 2018, we had cash of $13.4 million as compared to $15.9 million as of June 30, 2018.

Net Cash Used in Operating Activities

Net cash used in operating activities was approximately $5,448,000 for the six months ended December 31, 2018. The decrease in cash was attributable to funding our net loss for the period offset by an increase in contract liabilities related to the CC-Pharming engagement and other deferred revenue amounts.

Net Cash Used in Investing Activities

Net cash used in investing activities was approximately $678,000 for the six months ended December 31, 2018. Cash used in investing activities was attributable to the additions of intangible assets of $30,000 and fixed assets attributable to iBio CDMO of $648,000.

Net Cash Provided by Financing Activities

Net cash provided by financing activities was $3,553,000 for the six months ended December 31, 2018, which represented (1) the proceeds from the sale of 1,500,000 shares of our common stock to *A.G.P./Alliance Global Partners ("Alliance")* for an aggregate purchase price of $1,350,000 less underwriting costs and discounts of $159,000 (see discussion below); (2) the proceeds from a capital contribution from the Eastern Affiliate of $2,459,000 for working capital purposes; and, (3) offset against the principal payments on our capital lease obligation of $97,000.

Funding Requirements

We have incurred significant losses and negative cash flows from operations since our spin-off from Integrated BioPharma, Inc. in August 2008. As of December 31, 2018, our accumulated deficit was approximately $97.1 million, and we used approximately $5.4 million of cash for operating activities for Fiscal 2019. As of December 31, 2018, cash on hand is approximately $13.4 million which is expected to support the Company's activities through November 30, 2019.

We plan to fund our future business operations using cash on hand, through proceeds realized in connection with the commercialization of our technologies and proprietary products, license and collaboration arrangements and the operation of our subsidiary, iBio CDMO, and through proceeds from the sale of additional equity or other securities. We cannot be certain that such funding will be available on favorable terms or available at all. To the extent that the Company raises additional funds by issuing equity securities, its stockholders may experience significant dilution. If we are unable to raise funds when required or on favorable terms, this assumption may no longer be operative, and we may have to: a) significantly delay, scale back, or discontinue the product application and/or commercialization of our proprietary technologies; b) seek collaborators for our technology and product candidates on terms that are less favorable than might otherwise be available; c) relinquish or otherwise dispose of rights to technologies, product candidates, or products that we would otherwise seek to develop or commercialize; or d) possibly cease operations.

Recent equity raises were as follows:

On June 26, 2018, we closed a public offering raising gross proceeds of $16,000,000 before deducting $854,250 of underwriting discounts, commissions and other offering expenses payable by the Company. The securities offered by the Company consisted of the following:

i) 4,350,000 shares of its common stock at $0.90 per share;

ii) 6,300 shares of Series A Convertible Preferred Stock with a stated value of $1,000 per preferred share, and convertible into an aggregate of 7,000,000 shares of Common Stock at $0.90 per share; and,

iii) 5,785 shares of Series B Convertible Preferred Stock, with a stated value of $1,000 per preferred share, and convertible into an aggregate of 6,427,778 shares of Common Stock at $0.90 per share.

The Company granted the underwriters a 45-day option to purchase up to an additional 2,666,666 shares of common stock to cover over-allotments, if any. On July 12, 2018, 1,500,000 shares of common stock were sold to the Company's underwriter in connection with the underwriter partially exercising its over-allotment option at the public offering price of $0.90 per share. The Company received gross proceeds of $1,350,000 before deducting $159,000 of underwriting discounts, commissions and other offering expenses payable by the Company.

On November 30, 2017, we closed a public offering of 2,250,000 shares of its common stock at a public offering price of $2.00 per share raising gross proceeds of $4,500,000 before deducting $311,000 of underwriting discounts, commissions and other offering expenses payable by the Company. The shares of common stock were issued pursuant to an underwriting agreement entered into between the Company and Aegis.

On July 24, 2017, we entered into the Lincoln Park Purchase Agreement pursuant to which Lincoln Park has agreed to purchase from us up to an aggregate of $16,000,000 of our common stock (subject to certain limitations) from time to time over the 36-month term of the agreement. As a result, on July 24, 2017, 125,000 shares of our common stock were issued to Lincoln Park as consideration for Lincoln Park's commitment to purchase shares of our common stock under the agreement, and 250,000 shares of common stock were sold to Lincoln Park in an initial purchase for an aggregate gross purchase price of $1,000,000.

The extent to which we utilize the purchase agreement with Lincoln Park as a source of funding will depend on a number of factors, including the prevailing market price of our common stock, the volume of trading in our common stock and the extent to which we are able to secure funds from other sources. The number of shares that we may sell to Lincoln Park under the purchase agreement on any given day and during the term of the agreement is limited.

Additionally, we and Lincoln Park may not effect any sales of shares of our common stock under the purchase agreement during the continuance of an event of default under the purchase agreement. Even if we are able to access the full $16.0 million under the purchase agreement, we may still need additional capital to fully implement our business, operating and development plans.

During March 2018, we sold 60,000 shares of common stock to Lincoln Park pursuant to the Lincoln Park Purchase Agreement for an aggregate gross purchase price of $121,290.

Despite any further proceeds we may receive pursuant to the Lincoln Park Purchase Agreement, we may still need additional capital to fully implement our business, operating and development plans for periods beyond December 31, 2019.

Off-Balance Sheet Arrangements

As part of our ongoing business, we do not participate in transactions that generate relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structured finance or special purpose entities (SPEs), which would have been established for the purpose of facilitating off-balance sheet arrangements or other contractually limited purposes. As of December 31, 2018, we were not involved in any SPE transactions.

Critical Accounting Policies and Estimates

A critical accounting policy is one that is both important to the portrayal of a company's financial condition and results of operations and requires management's most difficult, subjective or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain.

Our condensed consolidated financial statements are presented in accordance with U.S. GAAP, and all applicable U.S. GAAP accounting standards effective as of December 31, 2018 have been taken into consideration in preparing the condensed consolidated financial statements. The preparation of condensed consolidated financial statements requires estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, expenses and related disclosures. Some of those estimates are subjective and complex, and, consequently, actual results could differ from those estimates. The following accounting policies and estimates have been highlighted as significant because changes to certain judgments and assumptions inherent in these policies could affect our condensed consolidated financial statements:

- Valuation of intellectual property;
- Revenue recognition;
- Legal and contractual contingencies;
- Research and development expenses; and
- Share-based compensation expenses.

We base our estimates, to the extent possible, on historical experience. Historical information is modified as appropriate based on current business factors and various assumptions that we believe are necessary to form a basis for making judgments about the carrying value of assets and liabilities. We evaluate our estimates on an on-going basis and make changes when necessary. Actual results could differ from our estimates.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Our management, under the direction of our Executive Chairman and our Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act") as of December 31, 2018. Based upon that evaluation, our Executive Chairman and our Chief Financial Officer have concluded that our disclosure controls and procedures were effective as of December 31, 2018.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting, as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act, during the quarter ended December 31, 2018 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings.

Lawsuits

On March 17, 2015, we filed a Verified Complaint in the Court of Chancery of the State of Delaware against Fraunhofer and Vidadi Yusibov ("Yusibov"), Fraunhofer's Executive Director, seeking monetary damages and equitable relief based on Fraunhofer's material and continuing breaches of their contracts with us. On September 16, 2015, we voluntarily dismissed our action against Yusibov, without prejudice, and thereafter on September 29, 2015, we filed a Verified Amended Complaint against Fraunhofer alleging material breaches of its agreements with us and seeking monetary damages and equitable relief against Fraunhofer. The Court bifurcated the action to first resolve the threshold question in the case–the scope of iBio's ownership of the technology developed or held by Fraunhofer–before proceeding with the rest of the case and the parties stipulated their agreement to that approach. After considering the parties' written submissions and oral argument, the Court resolved the threshold issue in favor of iBio on July 29, 2016, holding that iBio owns all proprietary rights of any kind to all plant-based technology of Fraunhofer developed or held as of December 31, 2014, including know-how, and was entitled to receive a technology transfer from Fraunhofer. Fraunhofer's motion to dismiss iBio's contract claims was denied by the Court on February 24, 2017. The Court at that time also granted, over Fraunhofer's opposition, iBio's motion to supplement and amend the Complaint to add additional state law claims against Fraunhofer. Fraunhofer filed an answer and counterclaims in March 2017, but in May 2017, Fraunhofer obtained new counsel, and with iBio's agreement (as a matter of procedure), filed an amended answer and amended counterclaims in July 2017. We replied to those counterclaims on August 9, 2017. In November 2017, we engaged new counsel to further lead our litigation efforts, and on November 3, 2017, we filed a Verified Complaint (the "Second Complaint") in the Court of Chancery of the State of Delaware against Fraunhofer-Gesellschaft, the European unit of Fraunhofer. The Second Complaint followed our pending litigation filed in March 2015, described in Note 14, against Fraunhofer USA, Inc., the U.S. unit of Fraunhofer. On December 14, 2018, the Second Complaint was dismissed by the Delaware Chancery Court as untimely filed, the dismissal of which has no effect on the action against Fraunhofer USA, Inc. The parties have continued to proceed with written discovery and we are unable to predict the further outcome of this action at this time.

Item 6. Exhibits.

Exhibit No.	Description
1.1	Underwriting Agreement, dated November 29, 2017, by and between iBio, Inc. and Aegis Capital Corp.(1)
1.2	Amended and Restated Underwriting Agreement, dated November 30, 2017, between iBio, Inc. and Aegis Capital Corp. (2)
1.3	Underwriting Agreement, dated June 21, 2018, by and between iBio, Inc. and A.G.P./Alliance Global Partners (3)
3.1	Certificate of Incorporation of the Company (5)
3.2	Certificate of Amendment of the Certificate of Incorporation of the Company (4)
3.3	First Amended and Restated Bylaws of the Company (5)
3.4	Certificate of Designation, Preferences and Rights of the iBio CMO Preferred Tracking Stock of

3.5	iBio, Inc. (6) Certificate of Designation of Preferences, Rights and Limitations of Series A Convertible Preferred Stock of iBio, Inc.(7)
3.6	Certificate of Designation of Preferences, Rights and Limitations of Series B Convertible Preferred Stock of iBio, Inc.(7)
4.1	Form of Common Stock Certificate (8)
4.2	Registration Rights Agreement, dated July 24, 2017, between iBio, Inc. and Lincoln Park Capital Fund, LLC (9)
10.1	Technology Transfer Agreement, dated as of January 1, 2004, between the Company and Fraunhofer USA Center for Molecular Biotechnology, Inc. as amended (10)
10.2	Ratification dated September 6, 2013 of Terms of Settlement by and between the Company and Fraunhofer USA Center for Molecular

	Biotechnology, Inc. (11)+
10.3	Share Purchase Agreement, dated January 13, 2016, between iBio, Inc. and Eastern Capital Limited, for the purchase of 3,500,000 (pre-split) shares of common stock (12)
10.4	Share Purchase Agreement, dated January 13, 2016, between iBio, Inc. and Eastern Capital Limited, for the purchase of 6,500,000 (pre-split) shares of common stock (12)
10.5	Amendment, dated June 26, 2018, to Share Purchase Agreement, dated January 13, 2016, between iBio, Inc. and Eastern Capital Limited, for the purchase of 6,500,000 (pre-split) shares of common stock (7)
10.6	Amended and Restated Limited Liability Company Operating Agreement of iBio CDMO LLC, dated January 13, 2016, between the Company, Bryan Capital Investors LLC and iBio

	CDMO LLC (13)
10.7	License Agreement, dated January 13, 2016, between the Company and iBio CDMO LLC (13)
10.8	Sublease Agreement, dated January 13, 2016, between College Station Investors LLC and iBio CDMO LLC (13)
10.9	Exchange Agreement, dated February 23, 2017, between iBio, Inc. and Bryan Capital Investors LLC (14)
10.10	Amendment No. 1, dated February 23, 2017, to the Amended and Restated Limited Liability Company Agreement of iBio CDMO LLC, dated January 13, 2016, between iBio, Inc. and Bryan Capital Investors LLC (14)
10.11	Offer Letter, dated December 30, 2016, between iBio, Inc. and James P. Mullaney(15)
10.12	Purchase Agreement, dated July 24, 2017, between iBio, Inc. and Lincoln Park Capital Fund, LLC (9)

31.1	Certification of Periodic Report by Chief Executive Officer Pursuant to Rule 13a-14 and 15d-14 of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 *
31.2	Certification of Periodic Report by Chief Financial Officer Pursuant to Rule 13a-14 and 15d-14 of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 *
32.1	Certification of Periodic Report by Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 *
32.2	Certification of Periodic Report by Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of

	the Sarbanes-Oxley Act of 2002 *
101.INS	XBRL Instance*
101.SCH	XBRL Taxonomy Extension Schema*
101.CAL	XBRL Taxonomy Extension Calculation*
101.DEF	XBRL Taxonomy Extension Definition*
101.LAB	XBRL Taxonomy Extension Labeled*
101.PRE	XBRL Taxonomy Extension Presentation*

(1) Incorporated herein by reference to the Company's Quarterly Report on Form 8-K filed with the SEC on November 29, 2017 (Commission File No. 001-35023).

(2) Incorporated herein by reference to the Company's Current Report on Form 8-K filed with the SEC on December 1, 2017 (Commission File No. 001-35023).

(3) Incorporated herein by reference to the Company's Current Report on Form 8-K filed with the SEC on June 22, 2018 (Commission File No. 001-35023).

(4) Incorporated herein by reference to the Company's Current Report on Form 8-K filed with the SEC on June 8, 2018 (Commission File No. 001-35023).

(5) Incorporated herein by reference to the Company's Current Report on Form 8-K filed with the SEC on August 14, 2009 (Commission File No. 000-53125).

(6) Incorporated herein by reference to the Company's Current Report on Form 8-K filed with the SEC on February 24, 2017 (Commission File No. 001-35023).

(7) Incorporated herein by reference to the Company's Current Report on Form 8-K filed with the SEC on June 27, 2018 (Commission File No. 001-35023).

(8) Incorporated herein by reference to the Company's Form 10-12G filed with the SEC on July 11, 2008 (Commission File No. 000-53125).

(9) Incorporated herein by reference to the Company's Current Report on Form 8-K filed with the SEC on July 24, 2017 (Commission File No. 001-35023).

(10) Incorporated herein by reference to the Company's Form 10-12G filed with the SEC on June 18, 2008 Commission File No. 000-53125).

(11) Incorporated herein by reference to the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2013, filed with the SEC on September 30, 2013 (Commission File No. 001-35023).

(12) Incorporated herein by reference to the Company's Current Report on Form 8-K filed with the SEC on January 14, 2016 (Commission File No. 000-35023).

(13) Incorporated herein by reference to the Company's Quarterly Report on Form 10-Q filed with the SEC on February 22, 2016 (Commission File No. 001-35023).

(14) Incorporated herein by reference to the Company's Current Report on Form 8-K filed with the SEC on February 24, 2017 (Commission File No. 001-35023).

(15) Incorporated herein by reference to the Company's Current Report on Form 8-K filed with the SEC on March 6, 2017 (Commission File No. 001-35023).

* Filed herewith.

\+ Confidential treatment requested as to certain portions, which portions have been separately filed with the Securities and Exchange Commission.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

iBio, Inc.
(Registrant)

Date: February 13, 2019 /s/ Robert B. Kay
Robert B. Kay
Executive Chairman
(Principal Executive Officer)

Date: February 13, 2019 /s/ James P. Mullaney
James P. Mullaney
Chief Financial Officer
(Principal Financial Officer and
Principal Accounting Officer)