

iBio, Inc.
Form 10-Q
November 13, 2018

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended September 30, 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)

Edgar Filing: iBio, Inc. - Form 10-Q

Delaware

(State or other jurisdiction of incorporation or organization)

26-2797813

(I.R.S. Employer Identification No.)

600 Madison Avenue, Suite 1601, New York, NY

(Address of principal executive offices)

10022

(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 No

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

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, 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 Smaller reporting company
Emerging growth company

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

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

Yes No

Shares of Common Stock outstanding as of November 13, 2018: 18,636,792

iBio, Inc.

TABLE OF CONTENTS

<u>PART I. FINANCIAL INFORMATION</u>	<u>3</u>
<u>Item 1. Financial Statements (Unaudited)</u>	<u>3</u>
<u>Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>28</u>
<u>Item 4. Controls and Procedures</u>	<u>33</u>
<u>PART II. OTHER INFORMATION</u>	<u>34</u>
<u>Item 1. Legal Proceedings</u>	<u>34</u>
<u>Item 2. Unregistered Sales of Equity Securities and Use of Proceeds</u>	<u>34</u>
<u>Item 6. Exhibits</u>	<u>35</u>
<u>SIGNATURES</u>	<u>37</u>

PART I - FINANCIAL INFORMATION**Item 1. Financial Statements.****iBio, Inc. and Subsidiaries****Condensed Consolidated Balance Sheets**

(In Thousands, except share and per share amounts)

	September 30, 2018 (Unaudited)	June 30, 2018 (See Note 2)
Assets		
Current assets:		
Cash	\$ 16,010	\$15,934
Accounts receivable - trade	119	75
Prepaid expenses and other current assets	206	276
Total Current Assets	16,335	16,285
Fixed assets, net of accumulated depreciation	24,981	25,152
Intangible assets, net of accumulated amortization	1,554	1,620
Security deposit	26	26
Total Assets	\$ 42,896	\$43,083
Liabilities and Equity		
Current liabilities:		
Accounts payable (related party of \$185 and \$189 as of September 30, 2018 and June 30, 2018, respectively)	\$ 692	\$790
Accrued expenses (related party of \$812 and \$789 as of September 30, 2018 and June 30, 2018, respectively)	1,125	1,048
Capital lease obligation – current portion	201	197
Deferred revenue	3,018	-
Total Current Liabilities	5,036	2,035
Capital lease obligation - net of current portion	24,832	24,884
Total Liabilities	29,868	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 September 30, 2018 and June 30, 2018 - -

Series A Convertible Preferred Stock - \$1,000 stated value; 6,300 shares authorized; 5,493 and 6,210 shares issued and outstanding as of September 30, 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 September 30, 2018 and June 30, 2018 - -

Common stock - \$0.001 par value; 275,000,000 shares authorized; 18,336,792 and 16,040,126 shares issued and outstanding as of September 30, 2018 and June 30, 2018, respectively 18 16

Additional paid-in capital 105,670 104,408

Accumulated other comprehensive loss (31) (30)

Accumulated deficit (92,626) (88,228)

Total iBio, Inc. Stockholders' Equity 13,031 16,166

Noncontrolling interest (3) (2)

Total Equity 13,028 16,164

Total Liabilities and Equity \$ 42,896 \$ 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 September 30,	
	2018	2017
Revenues	\$ 45	\$ 122
Operating expenses:		
Research and development (related parties of \$259 and \$176), net of \$0 and \$44 in grant income	1,124	985
General and administrative (related parties of \$261 and \$206)	2,871	2,498
Total operating expenses	3,995	3,483
Operating loss	(3,950)	(3,361)
Other income (expense):		
Interest expense (related party of \$476 and \$480)	(476)	(480)
Interest income	21	5
Royalty income	6	9
Total other income (expense)	(449)	(466)
Consolidated net loss	(4,399)	(3,827)
Net loss attributable to noncontrolling interest	1	1
Net loss attributable to iBio, Inc.	(4,398)	(3,826)
Preferred stock dividends	(66)	(66)
Net loss available to iBio, Inc.	\$ (4,464)	\$ (3,892)
Comprehensive loss:		
Consolidated net loss	\$ (4,399)	\$ (3,827)
Other comprehensive loss - foreign currency translation adjustments	(1)	-
Comprehensive loss	\$ (4,400)	\$ (3,827)
Loss per common share attributable to iBio, Inc. stockholders – basic and diluted	\$ (0.25)	\$ (0.42)
Weighted-average common shares outstanding – basic and diluted	17,894	9,185

Share and per share data for the three months ended September 30, 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**

Three Months Ended September 30, 2018 and 2017

(Unaudited; In thousands)

	Preferred Stock Shares	Amount	Common Stock Shares	Amount	Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Noncontrolling 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)
Conversion of preferred stock to common stock	(1)	-	797	1	(1)	-	-	-	-
Share-based compensation	-	-	-	-	73	-	-	-	73
Foreign currency translation adjustment	-	-	-	-	-	(1)	-	-	(1)
Net loss	-	-	-	-	-	-	(4,398)	(1)	(4,399)

05541T 10 1

Page
13 of
16
13D

(iv) shared power to dispose of or to direct the disposition of:

Person	Number of Shares
CFLP	96,218,033
CFGM	98,022,388
Mr. Lutnick	104,996,779
KBCR	1,365,334
Mr. Fraser	313,348
Mr. Merkel	8,986
Ms. Edith Lutnick	17,348
Mr. Barnard	8,746
Ms. Allison Lutnick	0

(c) See Item 4 which is incorporated by reference herein.

(d) The beneficiaries of the Trust have the right to receive any dividends from, or the proceeds from any sale of, shares of Class A Common Stock owned of record by the Trust. Mr. Fraser's children have the right to receive any dividends from, or the proceeds from any sale of, shares of Class A Common Stock owned of record by the three trusts established for their benefit. The members of LFA have the right to receive any dividends from or the proceeds from any sale of, shares of Class A Common Stock owned of record by LFA. Each of CFLP and CFGM has the right to receive any dividends from, or the proceeds from any sale of, shares of Class A Common Stock owned of record by it. Mr. Merkel's spouse has the right to receive any dividends from, or the proceeds from any sale of, shares of Class A Common Stock owned of record by her.

(e) Not applicable.

Item 6. CONTRACTS, ARRANGEMENTS, UNDERSTANDINGS OR RELATIONSHIPS WITH RESPECT TO SECURITIES OF THE ISSUER.

See Items 4 and 5, which are incorporated by reference herein.

Item 7. MATERIAL TO BE FILED AS EXHIBITS.

Item 7 is hereby amended and supplemented by adding the following:

Exhibit 20 Joint Filing Agreement, dated as of October 15, 2009, among the Reporting Persons.

[The remainder of this page intentionally left blank.]

CUSIP No. 05541T 10 1

Page 14 of 16

13D

SIGNATURE

After reasonable inquiry and to the best of each of the undersigned's knowledge and belief, each of the undersigned certifies that the information set forth in this statement is true, complete and correct.

Date: October 15, 2009

Cantor Fitzgerald, L.P.

By: /s/ HOWARD W. LUTNICK
Name: Howard W. Lutnick
Title: Chairman, President and Chief Executive

CF Group Management, Inc.

By: /s/ HOWARD W. LUTNICK
Name: Howard W. Lutnick
Title: President

/s/ HOWARD W. LUTNICK
Howard W. Lutnick

[Signature Page to Schedule 13D/A dated October 15, 2009]

CUSIP No. 05541T 10 1

Page 15 of 16

13D

EXHIBIT INDEX

Exhibit 20 Joint Filing Agreement, dated as of October 15, 2009, among the Reporting Persons.

[The remainder of this page intentionally left blank.]

13D

Exhibit 20

JOINT FILING AGREEMENT

JOINT FILING AGREEMENT, dated as of the 15th day of October 2009, among Cantor Fitzgerald, L.P., CF Group Management, Inc. and Howard W. Lutnick (collectively, the Reporting Persons).

WHEREAS, pursuant to Rule 13d-1(k) under the Securities Exchange Act of 1934, as amended (the Exchange Act), the parties hereto desire to satisfy any filing obligation under Section 13(d) of the Exchange Act by a single joint filing;

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the Reporting Persons hereby agree and represent as follows:

1. Amendment No. 5 to Schedule 13D with respect to the Class A Common Stock, par value \$0.01 per share, of BGC Partners, Inc. (to which this Joint Filing Agreement is an exhibit) is filed on behalf of each of the Reporting Persons.
2. Each of the Reporting Persons is responsible for the timely filing of Schedule 13D and any amendments thereto, and for the completeness and accuracy of the information concerning such Person contained therein, provided that each such Person is not responsible for the completeness or accuracy of the information concerning any of the other Reporting Persons, unless such Person knows or has reason to believe that such information is inaccurate.

IN WITNESS WHEREOF, the undersigned have caused this Joint Filing Agreement to be duly executed and delivered as of the date first above written.

Cantor Fitzgerald, L.P.

By: /s/ HOWARD W. LUTNICK
Name: Howard W. Lutnick
Title: Chairman, President and Chief Executive Officer

CF Group Management, Inc.

By: /s/ HOWARD W. LUTNICK
Name: Howard W. Lutnick
Title: President

/s/ HOWARD W. LUTNICK
Howard W. Lutnick