

December 14, 2018



iBio Provides Status Update on its Continuing Litigation Against Fraunhofer

NEW YORK, Dec. 14, 2018 (GLOBE NEWSWIRE) -- iBio, Inc. (NYSE AMERICAN:IBIO), a developer and manufacturer of biotherapeutics, announced today that the Second Complaint it filed in iBio's litigation against the Fraunhofer organization – this time against Fraunhofer Gesellschaft ("FhG"), complaining that FhG had committed fraud against and was responsible for contractual breaches against iBio – was dismissed by the Delaware Chancery Court as untimely filed.

The original Complaint filed against Fraunhofer USA, Inc. ("FUSA") on March 16, 2015, complained of breaches of contracts and misappropriation of iBio trade secrets and other intellectual property causing damages to iBio in excess of \$100 million. The Chancery Court, *sua sponte*, initiated a partial Summary Judgment proceeding and determined that iBio exclusively owns all the technology FUSA developed or otherwise owned anytime before the end of 2014, and was required to transfer all such technology to iBio, but refused to do so. Proceedings under the original Complaint are continuing and are expected to lead to a trial date within the next 12-18 months. The dismissal of the Second Complaint against FhG has no effect on the action against FUSA.

In considering the Second Complaint against FhG, the Court first treated FhG's claim that the Court lacked personal jurisdiction over FhG. The Court rejected FhG's claim and went on to decide that iBio had satisfied the five-element test adopted by the Supreme Court of Delaware in *Instituto Bancario Italiano SpA v. Hunter Engineering Co.* that requires at least a *prima facie* showing that (1) a conspiracy to defraud existed; (2) the defendant was a member of that conspiracy; (3) a substantial act or substantial effect in furtherance of the conspiracy occurred in Delaware; (4) the defendant knew or had reason to know of the act in the forum state or that acts outside the forum state would have an effect in the forum state; and (5) the act in, or effect on, the forum state was a direct and foreseeable result of the conduct in furtherance of the conspiracy. Accordingly, the Court decided it had personal jurisdiction over FhG.

iBio filed the Second Complaint against FhG only after it appeared that FhG, while acting with and controlling FUSA, refused to be responsible for FUSA's liabilities and obligations. However, the Court determined that the Complaint against FhG should have been filed earlier to comply with Delaware precedent, a finding with which iBio disagrees.

Although iBio's damage claims in the continuing FUSA litigation substantially exceed the total net value of FUSA, iBio believes it will be impossible for FhG to avoid ultimate responsibility for any unsatisfied judgment against FUSA without abandoning all activities

in the United States and other parts of the world, and violating its own stated Prinzip Verantwortung (Principle of Responsibility) and Internal Code of Conduct.

About iBio, Inc.

iBio, a leader in developing plant-based biopharmaceuticals, provides a range of product and process development, analytical, and manufacturing services at the large-scale development and manufacturing facility of its subsidiary iBio CDMO, LLC in Bryan, Texas. The facility houses laboratory and pilot-scale operations, as well as large-scale automated hydroponic systems capable of growing over four million plants as "in process inventory" and delivering over 300 kilograms of therapeutic protein pharmaceutical active ingredient per year. For more information please visit www.ibioinc.com.

FORWARD-LOOKING STATEMENTS

STATEMENTS INCLUDED IN THIS NEWS RELEASE RELATED TO IBIO, INC. MAY CONSTITUTE FORWARD-LOOKING STATEMENTS WITHIN THE MEANING OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995. SUCH STATEMENTS INVOLVE A NUMBER OF RISKS AND UNCERTAINTIES SUCH AS COMPETITIVE FACTORS, TECHNOLOGICAL DEVELOPMENT, MARKET DEMAND, AND THE COMPANY'S ABILITY TO OBTAIN NEW CONTRACTS AND ACCURATELY ESTIMATE NET REVENUES DUE TO VARIABILITY IN SIZE, SCOPE, AND DURATION OF PROJECTS. FURTHER INFORMATION ON POTENTIAL RISK FACTORS THAT COULD AFFECT THE COMPANY'S FINANCIAL RESULTS CAN BE FOUND IN THE COMPANY'S REPORTS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION.

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Source: iBio, Inc.



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