

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549

FORM 10-Q

(Mark  
One)

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

For the quarterly period ended March 31, 2015  
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 0-9314

**PLASMATECH BIOPHARMACEUTICALS, INC.**

(Exact name of registrant as specified in its charter)

Delaware

0221517

(State  
jurisdiction of  
I.D. No.)  
incorporation or organization)

or

83-  
other  
(I.R.S. Employer)

4848 Lemmon Avenue, Suite 517, Dallas, TX 75219

(Address of principal executive offices)

(214) 905-5100

(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since last report)

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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 and post 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

(Do not check if a smaller reporting company)

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

Yes  No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

The number of shares outstanding of the registrant's common stock as of May 14, 2015 was 24,268,085 shares.

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## PART I – FINANCIAL INFORMATION

*This Quarterly Report on Form 10-Q (including the information incorporated by reference) contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and that involve risks and uncertainties. These statements and other risks described below as well as those discussed elsewhere in this Quarterly Report Form 10-Q, documents incorporated by reference and other documents and reports that we file periodically with the Securities and Exchange Commission (“SEC”) include, without limitation, statements relating to uncertainties associated with research and development activities, clinical trials, our ability to raise capital, the timing of and our ability to achieve regulatory approvals, dependence on others to market our licensed products, collaborations and our ability to attract licensing partners, future cash flow, the timing and receipt of licensing and milestone revenues, the future success of our marketed products and products in development, our sales projections, and the sales projections of our licensing partners, our ability to achieve licensing milestones, without limitation, the size of the prospective markets in which we may offer products, anticipated product launches and our commercialization strategies, anticipated product approvals and timing thereof, product opportunities, clinical trials and U.S. Food and Drug Administration (“FDA”) applications, as well as our drug development strategy, our clinical development organization expectations regarding our rate of technological developments and competition, our plan not to establish an internal marketing organization, our expectations regarding minimizing development risk and developing and introducing technology, the terms of future licensing arrangements, our ability to secure additional financing for our operations, our ability to establish new relationships and maintain current relationships, our ability to successfully integrate companies that we have acquired or that we may acquire in the future, our ability to attract and retain key personnel, our belief that we will not pay any cash dividends in the foreseeable future, our belief that a failure to obtain necessary additional capital in the future will result in our operations being jeopardized, our belief that we will expend substantial funds to conduct research and development programs, preclinical studies and clinical trials of potential products, our belief that the market for a mucositis product is in excess of \$1 billion, our belief that we have a rich pipeline of products and product candidates, our belief that recently licensed technology will enable us to provide new therapeutic applications and expand market opportunities while enhancing margins, our belief that we will continue to evaluate the most cost-effective methods to advance our programs, and our expected cash burn rate. These statements relate to future events or our future financial performance. In some cases, you can identify forward-looking statements by terminology such as “may,” “will,” “should,” “expects,” “plans,” “could,” “anticipates,” “believes,” “estimates,” “predicts,” “potential” or “continue” or the negative of such terms or other comparable terminology. We intend the forward-looking statements to be covered by the safe harbor for forward-looking statements in these sections. The forward-looking information is based on various factors and was derived using numerous assumptions.*

*Forward-looking statements necessarily involve risks and uncertainties, and our actual results could differ materially from those anticipated in the forward-looking statements due to a number of factors. The forward-looking statements contained in this Quarterly Report on Form 10-Q represent our judgment only as of the date of this report. We caution readers not to place undue reliance on such statements. Except as required by law, we undertake no obligation to update publicly any forward-looking statements for any reason, even if new information becomes available or other events occur in the future.*

## **ITEM 1. FINANCIAL STATEMENTS**

The response to this Item is submitted as a separate section of this report.

## **ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

### **OVERVIEW**

PlasmaTech Biopharmaceuticals, Inc. (together with our subsidiaries, “we”, “our”, “PlasmaTech” or the “Company”) is a Delaware corporation. We are an emerging biopharmaceutical company focused on developing a range of pharmaceutical products primarily based upon our nanopolymer chemistry technologies and salt diafiltration process (“SDF”) technology recently licensed from Plasma Technologies LLC (“Licensor”). We currently have one marketed product licensed in the U.S., Europe, China, Australia, New Zealand and Korea. We also have additional products and platform technologies in various stages of development and are seeking partners to continue development and/or to license the technology.

### **Marketed Product**

MuGard® is our marketed product for the management of oral mucositis, a frequent side effect of cancer therapy for which there is no other established treatment. The market for mucositis treatment is estimated to be in excess of \$1.0 billion worldwide. MuGard, a proprietary nanopolymer formulation, has received marketing clearance in the U.S. from the FDA. We launched MuGard in the U.S. in 2010.

On August 5, 2010, we entered into an exclusive license with RHEI Pharmaceuticals, N.V. (“RHEI”) related to the commercialization of MuGard in China and other Southeast Asian countries. Our China partners have received an acceptance letter from the State Food and Drug Administration of the People’s Republic of China, which provides marketing approval in China. MuGard has been manufactured in the U.S. and shipped to China for sale. RHEI has rights to sub-license MuGard sales in some Southeast Asia countries.

On June 6, 2013 we entered into an exclusive license agreement with AMAG Pharmaceuticals, Inc. (“AMAG”), related to the commercialization of MuGard in the U.S. and its territories. Under the terms of the licensing agreement we received an upfront licensing fee of \$3.3 million and a tiered, double-digit royalty on net sales of MuGard in the licensed territory. We receive quarterly royalty payments from AMAG.

On March 11, 2014, we announced we had entered into an exclusive license agreement with Hanmi Pharmaceutical Co. Ltd. (“Hanmi”) related to MuGard commercialization in South Korea. Under the terms of the agreement, we received an upfront licensing fee and will receive double digit royalties on sales of MuGard in the licensed territory.

On July 8, 2014, we announced we received notification from the Hong Kong Patent Office that a patent for MuGard had been granted.

On August 7, 2014, we entered into an exclusive license agreement with Norgine B.V. (“Norgine”), a leading independent European specialty pharmaceutical company, for the

commercialization of MuGard in Europe. Under the terms of the license agreement, we could receive up to \$10 million in milestone payments and an escalating double digit royalty on the net sales of the oral mucositis product, MuGard, in the licensed territories. Norgine will develop, manufacture, and commercialize MuGard in the European Union, Switzerland, Norway, Iceland and Lichtenstein. Norgine anticipates launching MuGard in 2015.

On September 12, 2014, we announced we had received notification from the European Patent Office that an additional European patent for MuGard had been granted. The patent (EP1997478) protects a wide range of liquid formulations for the prevention and treatment of mucosal diseases and disorders.

On October 27, 2014, we entered into an exclusive license agreement with Norgine for the commercialization of MuGard in Australia and New Zealand. The terms of the agreement are congruent to our recent license with Norgine for MuGard in Europe. Norgine intends to develop, manufacture and commercialize MuGard in the new territories.

On March 31, 2015 we announced that Hanmi has received marketing approval in Korea from the country's Ministry of Food and Drug Safety ("MFDS") and the Korea Testing & Research Institute (KTR) for MuGard. Hanmi intends to market MuGard in Korea under the trade name Mucogard.

We are actively seeking partners to license MuGard in other territories.

#### **Product Candidates**

- ProctiGard™ received 510(K) marketing clearance from the FDA on July 22, 2014 for the treatment of symptomatic management of rectal mucositis. ProctiGard is our product for the treatment of radiation proctitis, a frequent side effect of radiation treatment to the pelvic region. Radiation proctitis, or RP, is the inflammation and damage to the lower portion of the colon after exposure to x-rays or ionizing radiation as part of radiation therapy. RP is most common after treatments for cancer, such as cervical, colon and prostate cancer. RP can be acute, occurring within weeks of initiation of therapy, or can occur months or years after treatment. We intend to commercialize ProctiGard in a manner similar to the commercialization of MuGard, which may include confirmatory clinical trials, with the objective of commercialization in collaboration with marketing partners globally.
- We are also developing additional products using our proprietary mucoadhesive hydrogel technology as a mucoprotectant and/or delivery vehicle, as well as our vitamin B-12 mediated delivery technology.

## PlasmaTech Portfolio Summary

<b>Compound</b>	<b>Originator</b>	<b>Technology</b>	<b>Indication</b>	<b>Clinical Stage (1)</b>
MuGard®	PlasmaTech	Mucoadhesive liquid	Mucositis	<ul style="list-style-type: none"> <li>- Launched in U.S.</li> <li>- Licensed to AMAG: U.S. rights</li> <li>- Licensed to Norgine: European Union rights</li> <li>- Licensed to RHEI: China rights and other SE Asian countries</li> <li>- Licensed to Hanmi: South Korea rights</li> <li>- Licensed to Norgine: Australia &amp; New Zealand rights</li> </ul>
Proctigard™	PlasmaTech	Mucoadhesive hydrogel technology	Radiation proctitis	FDA clearance 7/22/14
Alpha 1 Protease Inhibitor (A1PI)	Licensor	Proprietary biological processing	Various	Process validation
Intravenous immune globulin (IVIG)	Licensor	Proprietary biological processing	Various	Process validation

(1) For more information, see “Government Regulation” in our Annual Report on Form 10-K for description for description of clinical stages.

### SDF Licensed Technology

#### *Background*

On September 22, 2014, we entered into an exclusive, worldwide, licensing agreement with Licensor to obtain rights to utilize and to sub-license to other pharmaceuticals firms, its patented methods for the extraction of therapeutic biologics from human plasma.

Under the terms of the licensing agreement, as amended on January 23, 2015, we paid a license fee of \$1 million in cash, will pay \$4,000,000 in cash or 1,096,151 shares of our common stock in 2017, a regulatory approval milestone payment of 513,375 shares of our common shares upon the first FDA regulatory approval of a drug derived from the Licensor’s proprietary SDF process, and a tiered royalty on annual net sales of plasma fractions produced with Licensor’s proprietary SDF process.

Plasma biologics are bio-pharmaceutical proteins extracted, purified, and formulated from human blood plasma by the use of biotechnological processing techniques including precipitation, diafiltration, affinity chromatography, and ion-exchange chromatography. These products are rendered virus-safe by means of chemical treatment, nanofiltration, and pasteurization. FDA exercises rigorous control of plasma collection to assure its safety. Because plasma biologics are biosimilar, they are less likely than recombinant or transgenic proteins to cause toxic or other adverse reactions, or cause adverse immunological responses such as the stimulation of inhibitors in recipients.

Plasma biologics primarily address indications arising from genetic deficiencies which are increasingly being identified by means of newly available rapid and low cost diagnostic genetic tests. Examples of plasma biologics include Alpha 1 Protease Inhibitor (“A1PI”), Intravenous Immune Globulin (“IVIG”), Anti-Hemophilic Factor VIII (“AHF”) and Albumin, to name a few.

Plasma biologics are currently obtained from human plasma by a fractionation process known as the Cohn Cold Ethanol Fractionation Process (“Cohn Process”), which was developed prior to World War II to provide a stable solution of human albumin for the rapid treatment of hemorrhagic shock on the battlefield. This process employs various concentrations of ethanol combined with adjustments of pH, ionic strength, and temperature to bring about the necessary separations by precipitation. This process has been used for over 70 years and is still currently considered an industry standard.

#### *Licensor*

Licensor was founded to develop superior high-yield technology to extract a wide range of therapeutically useful proteins from human blood plasma. Its founder, Eugene J. Zurlo, saw the opportunity to utilize new technology to replace the now 74-year-old Cohn Process in order to fundamentally change the economics of plasma fractionation, improve the quality of existing plasma biologics, and enable the extraction of additional useful plasma proteins.

Due to technology limitations in 1940, E.J. Cohn and his team at Harvard University were compelled to use ethanol combined with changes in pH, ionic strength, and temperature in a lengthy multi-step process to bring about the separation of albumin. In addition to the denaturing effects on plasma proteins by prolonged exposure to ethanol and pH changes from neutrality, commercial production facilities had to be explosion-proof and refrigerated, and were thus highly capital intensive.

Licensor’s SDF Process uses salt as the precipitant at neutral pH, followed by salt removal by diafiltration, followed by the use of state-of-the-art chromatography for final separations and purification. The efficacy of the process has been confirmed in pilot scale batches in two independent laboratories. While several salts were found to work, Sodium Citrate was selected because of its “friendliness” to biologics, having been long used as an FDA approved protectant and preservative of whole blood and blood plasma.

The Licensor Process enables the production of unusually high yields of A1PI and IVIG compared with the Cohn process and comparable yields of Anti-Hemophilic Factor VIII, which separation occurs before either the Cohn or Licensor Process. Because the Licensor Process optimizes the yields of the more valuable A1PI and IVIG, its yields of less valuable albumin are somewhat lower than for Cohn fractionation.

Licensor’s short, two-step salt precipitation process, in contrast to the highly denaturing Cohn process, may also enable the extraction of several additional plasma biologics by means of downstream affinity and/or ion-exchange chromatography, thus potentially further improving revenues and process economics derivable from the same starting plasma. Examples of these additional therapeutic proteins are C-1-Esterase Inhibitor, Protein C, Antithrombin III, Transferrin, and Haptoglobin, all of which are used as treatments for low-incidence genetic deficiencies which could qualify them as Orphan Drugs.

We believe that Licensor’s proprietary fractionation process is expected to significantly enhance yields of key value blood proteins, including A1PI, expanding market opportunities, while greatly enhancing margins. The Company obtained rights to utilize and sub-license to other pharmaceutical firms the recently patented improved methods for the extraction of therapeutic biologics from human plasma. We believe that Licensor’s lead product, A1PI, offers a low-risk, high revenue, short time-to-market respiratory product for treatment of inherited COPD (pulmonary emphysema), among other genetic A1PI deficiencies. Additionally, the ability to extract several additional therapeutically useful and important proteins, due to the process being less destructive than historical fractionation processes, may enable us to seek new therapeutic applications and address high-value-added orphan indications.

### *Plasma Biologic Product Targets*

#### A1PI

A1PI is a protease inhibitor that protects tissues from enzymes produced by inflammatory cells, especially neutrophil elastase. Its normal concentration in human plasma is 1.8 to 3.5 grams per liter. The Licensor Process recovers at least 70% of the target A1PI, about 10 times that currently yielded from the Cohn process.

A1PI Deficiency is a genetic condition resulting in damage to lung, liver, and pancreatic tissues, with pulmonary emphysema being the most common indication. Approximately 1 in 3,000 Caucasians suffer from the genetic deficiency, with over 150,000 people in North America and Europe living with the deficiency. Treatment involves lifelong weekly injections of A1PI of at least 60 mg/Kg of body weight, or about 200 grams per year. Less than 5% of the treatable worldwide population receive A1PI therapy.

A1PI also exerts immunomodulatory as well as anti-viral and anti-bacterial effects independent of protease inhibition. Administration of A1PI in non-deficient individuals may interfere with disease progression in the following conditions: Diabetes (Type 1 and 2), acute myocardial infarction, inflammatory bowel disease, cystic fibrosis, graft vs. host disease, stroke, Alzheimer's disease, vasculitis, organ transplantation, and multiple sclerosis. The number of new potential therapeutic indications for A1PI could create supply problems due to the challenge of producing sufficient quantities using current plasma extraction methods to meet the demand created by the growing number of clinical indications. It is the view within the industry that the supply of A1PI (without new indications) is currently nearing capacity. The increase in demand, coupled with the limitations of plasma supply and the shortcomings of the Cohn Fractionation Process, combine to underscore the need for a high-yield process such as the Licensor Process.

#### IVIG

IVIG is extracted from human plasma and contains a broad spectrum of Immunoglobulin G (IgG) antibodies. On-label indications of IVIG include Primary immune deficiencies of genetic origin (estimated 10 million potential patients worldwide; 60,000 currently treated with IVIG), Chronic lymphocytic leukemia, Idiopathic thrombocytopenia, Pediatric HIV, Allogeneic bone marrow transplantation, Kidney transplantation, and Kawasaki syndrome.

IVIG is currently the main driver for manufacturers utilizing the Cohn Process. Approximately 25 million liters of plasma are processed to produce approximately \$7 Billion of revenue. Licensor Process improves yields by at least 10% and is expected to extend half-life in circulation due to reduced denaturation. It also may eliminate thromboembolic events and other adverse events attributed to Cohn process.

#### AHF

AHF is used to treat Hemophilia A, a genetic disease occurring in 1:6,000 male births. Because dose weight is miniscule, a recombinant form can be produced in cell culture to augment production from human plasma. Plasma-derived AHF is extracted from the cryoprecipitate formed during the thawing of Source Plasma before salt or ethanol precipitation. Its use is

growing in developing markets; however an estimated 300,000 potential patients worldwide, or ~70%, of potential patients remain untreated.

#### *Other Potential Products*

Because Licensor's patented sodium citrate extraction process does not have the destructive effects associated with the Cohn Cold Ethanol Process, it becomes possible to extract additional valuable low-dosage biotherapeutic agents for genetic deficiencies through the use of state-of-the-art affinity chromatography now widely available. The following examples include, but not limited to, other biotherapeutics, potentially available through the use of the SDF process:

- C-1-esterase inhibitor treats hereditary angioedema (HAE). Its genetic incidence: 1:10,000 – 1:50,000.
- Protein C is used to treat venous thromboembolic events. Prevalence of Protein C deficiency is 0.2 – 0.5%.
- Antithrombin III inactivates thrombin and is used to treat thrombotic disorders. Its deficiency occurs in 1:2000 – 1:5000 in a normal population, but can also be acquired as a result of various diseases.

#### **Recent Developments**

On May 11, 2015, we closed a \$10 million private placement of common stock consisting of 1,250,000 shares of our common stock, at a price of \$8.00 per share and warrants to purchase 625,000 shares of common stock. The warrants have an exercise price of \$10.00 per share and are exercisable for 30 months from the closing date. A total net of \$9.2 million was received.

Also in connection with the financing, the placement agent received warrants to purchase 50,000 shares of common stock at \$11.00 per share and which are exercisable for five years from the closing date.

On May 5, 2015, PlasmaTech Biopharmaceuticals, Inc., a Delaware corporation ("PlasmaTech"), Plasmatech Merger Sub Inc. ("Merger Sub"), a wholly owned subsidiary of PlasmaTech and a Delaware corporation, Abeona Therapeutics LLC, an Ohio limited liability company ("Abeona") and Paul A. Hawkins, an individual, solely in his capacity as Member Representative ("Member Representative") entered into an Agreement and Plan of Merger (the "Merger Agreement"). Pursuant to the terms and subject to the conditions set forth in the Merger Agreement, Merger Sub will merge with and into Abeona, with Abeona continuing as the surviving corporation and becoming a wholly owned subsidiary of PlasmaTech (the "Merger"). The Board of Directors of PlasmaTech and Managers of Abeona have unanimously approved the transaction.

In connection with the Merger, the PlasmaTech will issue to Abeona members a total of 3,979,761 common shares upon closing of the transaction, and up to an additional \$9 million in performance milestones, in common stock or cash, at the Company's option.

The completion of the Merger is subject to customary closing conditions.

On April 23, 2015 we closed a \$7 million private placement of common stock consisting of 2,333,334 shares of common stock, at a price of \$3.00 per share.

On April 7, 2015 we announced we had appointed Charlie Strange, M.D. to our Scientific Advisory Board (SAB). Dr. Strange is a highly regarded thought leader in the Alpha-1

community, and has extensive clinical experience in designing and managing Alpha-1 clinical studies. We believe his advice and counsel will help accelerate development and approval of our proprietary SDF Alpha™ biologic drug.

On March 31, 2015 we announced today that Hanmi has received marketing approval in Korea from the country's Ministry of Food and Drug Safety ("MFDS") and the Korea Testing & Research Institute (KTR) for MuGard. Under the terms of the previously announced marketing agreement, Hanmi will import MuGard from the United States and marketing will commence. Hanmi intends to market MuGard in Korea under the trade name Mucogard.

On March 5, 2015 we announced that enrollment has begun in a clinical trial at UCLA's Jonsson Comprehensive Cancer Center that is evaluating MuGard in the prevention and treatment of stomatitis in breast cancer patients using Everolimus (marketed by Novartis Oncology under the tradename Afinitor®). The title of the trial is "Phase II Randomized Trial of MuGard Compared With Best Supportive Care for Prevention and Treatment of Stomatitis in Women With Hormone Receptor Positive Breast Cancer Initiating Treatment With Everolimus-based Endocrine Therapy" and details on the trial design and enrollment can be found on its website, [clinicaltrials.gov](http://clinicaltrials.gov), under the identifier NCT02015559.

## **LIQUIDITY AND CAPITAL RESOURCES**

We have funded our operations primarily through public and private sales of common stock, preferred stock, convertible notes and through licensing agreements. Our principal source of liquidity is cash and cash equivalents. Licensing payments and royalty revenues provided limited funding for operations during the period ended March 31, 2015. As of March 31, 2015, our cash and cash equivalents were \$7,948,000.

As of March 31, 2015, our working capital was \$6,950,000. Our working capital at March 31, 2015 represented a decrease of \$1,707,000 as compared to our working capital deficit as of December 31, 2014 of \$8,657,000. The decrease in the working capital at March 31, 2015 reflects payments of \$1,000,000 to the Licensor, \$400,000 repayment for the Grid Notes (see below) and by three months of net operating costs and changes in current assets and liabilities.

On September 10, 2014, we entered into an Unsecured Grid Note, for up to \$250,000 with SCO Capital Partners ("SCO") ("Grid Note I"). As of December 31, 2014 we had drawn a total of \$250,000. The interest rate was 8% per annum and the maturity date was August 31, 2015 unless a financing of at least \$5,000,000 occurred. The financing occurred December 24, 2014 and the Grid Note I was paid in full on January 5, 2015.

On December 1, 2014, we entered into a second Unsecured Grid Note ("Grid Note II"), for up to \$250,000 with SCO. As of December 31, 2014 we had drawn a total of \$150,000. The interest rate was 8% per annum and the maturity date was November 30, 2015 unless a financing of at least \$5,000,000 occurred. The financing occurred December 24, 2014 and the Grid Note II was paid in full on January 5, 2015.

If we raise additional funds by selling equity securities, the relative equity ownership of our existing investors will be diluted and the new investors could obtain terms more favorable than previous investors.

We have incurred negative cash flows from operations since inception, and have expended, and expect to continue to expend in the future, substantial funds to complete our planned product development efforts. Since inception, our expenses have significantly exceeded revenues, resulting in an accumulated deficit as of March 31, 2015 of \$298,074,000. We expect that our capital resources, April 2015 private placement, royalties from MuGard and expected receipts due under our license agreements will be adequate to fund our current level of operations through the end of 2016. However, our ability to fund operations over this time could change significantly depending upon changes to future operational funding obligations or capital expenditures. As a result, we may be required to seek additional financing sources within the next twelve months. We cannot provide assurance that we will ever be able to generate sufficient product sales or royalty revenue to achieve profitability on a sustained basis or at all.

Since our inception, we have devoted our resources primarily to fund our research and development programs. We have been unprofitable since inception and to date have received limited revenues from the sale of products. We expect to incur losses for the next several years as we continue to invest in product research and development, preclinical studies, clinical trials and regulatory compliance.

#### **FIRST QUARTER 2015 COMPARED TO FIRST QUARTER 2014**

Our licensing revenue for the first quarter of 2015 was \$151,000 as compared to \$146,000 for the same period of 2014, an increase of \$5,000. We recognize licensing revenue over the period of the performance obligation under our licensing agreements.

We recorded royalty revenue for MuGard of \$107,000 for first quarter of 2015 and \$62,000 for the same period of 2014, an increase of 45,000. We licensed MuGard to AMAG on June 6, 2013 and currently receive quarterly royalties from AMAG under our agreement.

Total research and development spending for the first quarter of 2015 was \$453,000, as compared to \$144,000 for the same period of 2014, an increase of \$309,000. The increase in expenses was primarily due to:

- increased development work on our new product A1PI (\$279,000);
- increased salary and related costs (\$99,000) from the rehiring of scientific staff;
- offset by decreased stock based compensation expense (\$59,000); and
- other net decreases in research spending (\$10,000).

Total general and administrative expenses were \$1,689,000 for the first quarter of 2015, as compared to \$1,392,000 for the same period of 2014, an increase of \$297,000. The increase in expenses was due primarily to the following:

- increased salary and related costs (\$343,000) from hiring additional general and administrative staff;
- increased legal fees (\$249,000);
- increased investor relations fees (\$235,000);
- offset by decreased stock based compensation expense (\$562,000); and
- other net increases in general and administrative expenses (\$32,000).

Depreciation and amortization was \$118,000 for the first quarter of 2015 as compared to less than \$1,000 for the same period in 2014, an increase of \$117,000. We are amortizing the license over the life of the patents.

Total operating expenses for the first quarter of 2015 were \$2,260,000 as compared to total operating expenses of \$1,536,000 for the same period of 2014, an increase of \$724,000 for the reasons listed above.

Interest and miscellaneous income was \$3,000 for the first quarter of 2015 as compared to \$8,000 for the same period of 2014, a decrease of \$5,000.

Interest and other expense was \$1,000 for the first quarter of 2015 as compared to \$122,000 in the same period of 2014, a decrease of \$121,000. The interest in 2014 represents interest accrued on unpaid dividends. All dividends and interest on dividends due were paid in December 2014. There are no more dividends accruing.

We recorded a gain for the derivative liability related to preferred stock of \$583,000 for the first quarter of 2014. The preferred stock related to the dividends was converted into common stock in December 2014.

Preferred stock dividends of \$725,000 were accrued for the first quarter of 2014. The preferred stock related to the dividends was converted into common stock in December 2014.

Net loss allocable to common stockholders for the first quarter of 2015 was \$2,000,000, or a \$0.10 basic and diluted loss per common share as compared to a net loss of \$1,584,000, or a \$3.06 basic and diluted loss per common share, for the same period in 2014, an increased loss of \$416,000.

**ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

Not applicable.

**ITEM 4. CONTROLS AND PROCEDURES**

Under the supervision and with the participation of our management and consultants, including the Executive Chairman (our principal executive officer) and Chief Accounting Officer (our principal accounting officer), we have evaluated the effectiveness of the design and operation of our disclosure controls and procedures, as such term is defined in Exchange Act Rules 13a-15(e) and 15d-15(e), as of the end of the period covered by this report.

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act. Our internal control system was designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes, in accordance with generally accepted accounting principles. Because of inherent limitations, a system of internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate due to change in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our management, including our principal executive officer and principal accounting officer, conducted an evaluation of the effectiveness of our internal control over financial reporting using the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control—Integrated Framework.

Based on our evaluation, our management concluded in our Annual Report on Form 10-K for the year ended December 31, 2014 that there is a material weakness in our internal control over financial reporting. A material weakness is a deficiency, or a combination of control deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis.

The material weakness identified in our Annual Report on Form 10-K for the year ended December 31, 2014 relates to the monitoring and review of work performed by our Chief Accounting Officer and our then accounting consultant in the preparation of audit and financial statements, footnotes and financial data provided to the Company's registered public accounting firm in connection with the annual audit. All of our financial reporting is now carried out by our Chief Accounting Officer. This lack of accounting staff results in a lack of segregation of duties.

As of the date of this Quarterly Report on Form 10-Q, we have not remediated such material weakness and, as a result, our Executive Chairman and Chief Accounting Officer, have concluded that a material weakness continues to exist as of the end of the period covered by this Quarterly Report on Form 10-Q and, as such, our disclosure controls and procedures were not effective based on the criteria established in Internal Control—Integrated Framework issued by COSO. The material weakness identified did not result in the restatement of any previously reported financial statements or any related financial disclosure, nor does management believe that it had any effect on the accuracy of the Company's financial statements for the current reporting period.

In order to mitigate this material weakness to the fullest extent possible, all financial reports are reviewed for reasonableness by the Executive Chairman as well as the Chairman of the Audit Committee. All unexpected results are investigated. At any time, if it appears that any control can be implemented to continue to mitigate such weaknesses, it is immediately implemented. As soon as our finances allow, we will hire sufficient accounting staff and implement appropriate procedures for monitoring and review of work performed by our Chief Accounting Officer.

#### Changes In Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during the quarter ended March 31, 2015 that have materially affected, or are reasonable likely to materially affect, our internal control over financial reporting.

## **PART II – OTHER INFORMATION**

### **ITEM 1. LEGAL PROCEEDINGS.**

Alan Schmidt ("Schmidt"), a former shareholder of Genaera Corporation ("Genaera"), and a former unitholder of the Genaera Liquidating Trust (the "Trust"), filed a purported class action in the United States District Court for the Eastern District of Pennsylvania in June 2012. The

lawsuit named thirty defendants, including PlasmaTech, MacroChem Corporation, which was acquired by us in February 2009, Jeffrey Davis, the then-CEO and currently a director of PlasmaTech, and Steven H. Rouhandeh and Mark Alvino, both of whom are our directors (the "PlasmaTech Defendants"). With respect to the PlasmaTech Defendants, the complaint alleged direct and derivative claims asserting that directors of Genaera and the Trustee of the Trust breached their fiduciary duties to Genaera, Genaera's shareholders and the Trust's unitholders in connection with the licensing and disposition of certain assets, aided and abetted by numerous defendants including the PlasmaTech Defendants. Schmidt seeks monetary damages, disgorgement of any distributions received from the Trust, rescission of sales made by the Trust, attorneys' and expert fees, and costs. On December 19, 2012, Schmidt filed an amended complaint (the "Amended Complaint") which asserted substantially the same allegations with respect to the PlasmaTech Defendants. On February 4, 2013, the PlasmaTech Defendants moved to dismiss all claims asserted against them. On August 12, 2013 the court granted the PlasmaTech Defendants' motions to dismiss and entered judgment in favor of the PlasmaTech Defendants on all claims. On August 26, 2013, Schmidt filed a motion for reconsideration. On September 10, 2013 Schmidt filed a Notice of Appeal with the District Court. On September 17, 2013, Schmidt filed his appeal with the U.S. Third Circuit Court of Appeals (the "Third Circuit"). On September 25, 2013, the District Court denied Schmidt's motion for reconsideration. On October 17, 2013, Schmidt amended his appeal to include the District Court's denial of his motion for reconsideration. On March 20, 2014, Schmidt filed his Brief and Joint Appendix. On May 22, 2014, the PlasmaTech Defendants filed their Oppositions to Schmidt's Brief. On May 29, 2014, Schmidt was granted an extension of time until June 23, 2014 to file his Reply Brief and filed his Reply Brief on that date. The Third Circuit held oral argument on September 12, 2014. On October 17, 2014, in a split decision, the Third Circuit reversed the District Court's decision holding, among other things, that the District Court's determination that the Amended Complaint was time-barred on statute of limitations grounds was premature. The Third Circuit did not rule upon any of the other grounds for dismissal advanced in the District Court and on appeal. The Third Circuit remanded the case to the District Court for further proceedings. On January 6, 2015, the District Court ordered the parties to file supplemental briefs on all remaining arguments for dismissal, and further ordered that a hearing on the motions to dismiss would be held on February 3, 2015. On January 23, 2015, the PlasmaTech Defendants filed their Supplemental Brief. At the February 3, 2015 hearing, Schmidt sought and was granted leave to amend his complaint for a second time. Schmidt filed his Second Amended Complaint on February 3, 2015. The Second Amended Complaint asserts substantially the same factual allegations with respect to the PlasmaTech Defendants, but eliminates all causes of action against the PlasmaTech Defendants except for aiding and abetting the Genaera directors' and officers' purported breaches of fiduciary duties, a claim for "punitive damages" and a claim for rescission of a settlement agreement between the Trust and the PlasmaTech Defendants. On March 20, 2015, the PlasmaTech Defendants filed a motion to dismiss the Second Amended Complaint. We intend to continue contesting the claims vigorously.

We are not currently subject to any other material pending legal proceedings.

**ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.**

None.

**ITEM 3. DEFAULTS UPON SENIOR SECURITIES.**

None.

**ITEM 6. EXHIBITS.**

Exhibits:

- 3.1 Amendment to Bylaws (Incorporated by reference to Exhibit 3.1 of our Form 8-K filed January 5, 2015)
- 3.2 Amendment to Bylaws (Incorporated by reference to Exhibit 3.1 of our Form 8-K filed March 5, 2015)
- 31.1 Principal Executive Officer Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
- 31.2 Principal Financial Officer Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
- 32.1\* Principal Executive Officer Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
- 32.2\* Principal Financial Officer Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
- 101\*\* The following materials formatted in XBRL (Extensible Business Reporting Language): (i) Consolidated Balance Sheets at March 31, 2015 and December 31, 2014, (ii) Consolidated Statements of Operations for the months ended March 31, 2015 and March 31, 2014, (iii) Consolidated Statements of Stockholders' Equity for the three months ended March 31, 2015, (iv) Consolidated Statements of Cash Flows for the three months ended March 31, 2015 and March 31, 2014, and (v) Notes to Consolidated Financial Statements, tagged as blocks of text.

\* This exhibit shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that Section, nor shall it be deemed incorporated by reference in any filings under the Securities Act of 1933 or the Securities and Exchange Act of 1934, whether made before or after the date hereof and irrespective of any general incorporation language in any filing.

\*\* This exhibit is deemed to be furnished and not filed.

**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.

PLASMATECH BIOPHARMACEUTICALS, INC.

Date: May 14, 2015 \_\_\_\_\_ By: /s/ Steven H. Rouhandeh  
Steven H. Rouhandeh  
Executive Chairman  
(Principal Executive Officer)

Date: May 14, 2015 \_\_\_\_\_ By: /s/ Stephen B. Thompson  
Stephen B Thompson  
Vice President Finance  
(Principal Accounting Officer)

**PlasmaTech Biopharmaceuticals, Inc. and Subsidiaries**

Condensed Consolidated Balance Sheets

ASSETS	March 31, 2015 (unaudited)	December 31, 2014
Current assets		
Cash and cash equivalents	\$ 7,948,000	\$ 11,520,000
Receivables	144,000	35,000
Prepaid expenses and other current assets	98,000	-
Total current assets	<u>8,190,000</u>	<u>11,555,000</u>
Property and equipment, net	11,000	4,000
Licensed technology, net	4,875,000	4,991,000
Other assets	41,000	32,000
Total assets	<u>\$ 13,117,000</u>	<u>\$ 16,582,000</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$	\$ 1,896,000
Short-term notes payable	638,000	400,000
Current portion of deferred revenue	-	602,000
Total current liabilities	<u>1,240,000</u>	<u>2,898,000</u>
Payable due Licensor	4,000,000	4,000,000
Long-term deferred revenue	4,718,000	4,868,000
Total liabilities	<u>9,958,000</u>	<u>11,766,000</u>
Commitments and contingencies		
Stockholders' equity		
Common stock - \$.01 par value; authorized 200,000,000 shares; issued, 19,998,801 at March 31, 2015 and 19,960,801 at December 31, 2014	200,000	200,000
Additional paid-in capital	301,033,000	300,690,000
Accumulated deficit	(298,074,000)	(296,074,000)
Total stockholder's equity	<u>3,159,000</u>	<u>4,186,000</u>
Total liabilities and stockholders' equity	<u>\$ 13,117,000</u>	<u>\$ 16,582,000</u>

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

**PlasmaTech Biopharmaceuticals, Inc. and Subsidiaries**

Condensed Consolidated Statements of Operations  
(unaudited)

	Three Months ended March 31,	
	<u>2015</u>	<u>2014</u>
Revenues		
License revenues	\$ 151,000	\$ 146,000
Royalties	107,000	62,000
Total revenues	<u>258,000</u>	<u>208,000</u>
Expenses		
Research and development	453,000	144,000
General and administrative	1,689,000	1,392,000
Depreciation and amortization	118,000	-
Total expenses	<u>2,260,000</u>	<u>1,536,000</u>
Loss from operations	(2,002,000)	(1,328,000)
Interest and miscellaneous income	3,000	8,000
Interest and other expense	(1,000)	(122,000)
Gain on change in fair value of derivative – preferred stock	-	583,000
	<u>2,000</u>	<u>469,000</u>
Net loss	(2,000,000)	(859,000)
Less preferred stock dividends	-	725,000
Net loss allocable to common stockholders	<u>\$ (2,000,000)</u>	<u>\$ (1,584,000)</u>
Basic and diluted loss per common share	<u>\$ (0.10)</u>	<u>\$ (3.06)</u>
Weighted average number of common shares outstanding	<u>19,983,751</u>	<u>517,539</u>

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

**PlasmaTech Biopharmaceuticals, Inc. and Subsidiaries**

Condensed Consolidated Statements of Stockholders' Equity  
(unaudited)

	<u>Common Stock</u>		<u>Additional paid-in capital</u>	<u>Accumulated deficit</u>	<u>Total stockholders' equity</u>
	<u>Shares</u>	<u>Amount</u>			
Balance December 31, 2014	19,960,801	\$ 200,000	\$ 300,690,000	\$ (296,074,000)	\$ 4,816,000
Common stock issued to employees	10,000	-	32,000	-	32,000
Common stock issued for services	28,000	-	87,000	-	87,000
Stock option compensation expense	-	-	224,000	-	224,000
Net loss	-	-	-	(2,000,000)	(2,000,000)
Balance March 31, 2015	<u>19,998,801</u>	<u>\$ 200,000</u>	<u>\$ 301,033,000</u>	<u>\$ (298,074,000)</u>	<u>\$ 3,159,000</u>

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

**PlasmaTech Biopharmaceuticals, Inc. and Subsidiaries**

Condensed Consolidated Statements of Cash Flows  
(unaudited)

	Three Months ended March 31,	
	<u>2015</u>	<u>2014</u>
Cash flows from operating activities:		
Net loss	\$ (2,000,000)	\$ (859,000)
Adjustments to reconcile net loss to cash used in operating activities:		
(Gain) on change in fair value of derivative – preferred stock	-	(583,000)
Depreciation and amortization	118,000	-
Stock option compensation expense	224,000	795,000
Stock issued to directors, employees and consultants	32,000	-
Stock issued for services	87,000	75,000
Change in operating assets and liabilities:		
Receivables	(109,000)	15,000
Prepaid expenses and other current assets	(98,000)	(5,000)
Other assets	(9,000)	-
Accounts payable and accrued expenses	(1,258,000)	212,000
Interest payable on dividends	-	122,000
Deferred revenue	(150,000)	103,000
Net cash used in operating activities	<u>(3,163,000)</u>	<u>(125,000)</u>
 Cash flows from financing activities:		
Capital expenditures	<u>(9,000)</u>	-
Net cash used in investing activities	<u>(9,000)</u>	-
 Cash flows from financing activities:		
Payment of short-term debt	<u>(400,000)</u>	-
Net cash used in financing activities	<u>(400,000)</u>	-
 Net decrease in cash and cash equivalents	(3,572,000)	(125,000)
Cash and cash equivalents at beginning of period	<u>11,520,000</u>	<u>424,000</u>
Cash and cash equivalents at end of period	<u>\$ 7,948,000</u>	<u>\$ 299,000</u>
 <i>Supplemental cash flow information:</i>		
Cash paid for interest	\$ -	\$ -
 <i>Supplemental disclosure of noncash transactions:</i>		
Preferred stock dividends in dividends payable	\$ -	\$ 725,000

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

**PlasmaTech Biopharmaceuticals, Inc. and Subsidiaries**

Notes to Condensed Consolidated Financial Statements  
Three Months Ended March 31, 2015 and 2014  
(unaudited)

PlasmaTech Biopharmaceuticals, Inc. (together with our subsidiaries, “we”, “our”, “PlasmaTech” or the “Company”) is a Delaware corporation. We are an emerging biopharmaceutical company focused on developing a range of pharmaceutical products primarily based upon our nanopolymer chemistry technologies, and salt diafiltration process (“SDF”) technology recently licensed from Plasma Technologies LLC (“Licensor”). We currently have one marketed product licensed in the U.S., Europe, China, Australia, New Zealand and Korea. We also have additional products and platform technologies in various stages of development and are seeking partners to continue development and/or to license the technology. Our efforts have been principally devoted to research and development, resulting in significant losses.

**(1) Interim Financial Statements**

The condensed consolidated balance sheet as of March 31, 2015, the condensed consolidated statements of operations for the three months ended March 31, 2015 and 2014, the condensed consolidated statements of stockholders’ equity for the three months ended March 31, 2015, and the condensed consolidated statements of cash flows for the three months ended March 31, 2015 and 2014, were prepared by management without audit. In the opinion of management, all adjustments, consisting only of normal recurring adjustments, except as otherwise disclosed, necessary for the fair presentation of the financial position, results of operations, and changes in financial position for such periods, have been made.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted. It is suggested that these interim financial statements be read in conjunction with the consolidated financial statements and notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2014. The results of operations for the period ended March 31, 2015 are not necessarily indicative of the operating results which may be expected for a full year. The condensed consolidated balance sheet as of December 31, 2014 contains financial information taken from the audited PlasmaTech financial statements as of that date.

Certain reclassifications to the consolidated financial statements for all periods presented have been made to conform to the March 31, 2015 presentation.

**(2) Intangible Assets**

Intangible assets consist of the following (in thousands):

	March 31, 2015		December 31, 2014	
	Gross carrying value	Accumulated amortization	Gross carrying value	Accumulated Amortization
Amortizable intangible assets				
Licensed technology	\$ 5,000	\$ 125	\$ 5,000	\$ 9

Amortization expense related to intangible assets totaled \$116,000 for the three months ended March 31, 2015 and totaled \$0 for the three ended March 31, 2014. The aggregate estimated amortization expense for intangible assets remaining as of March 31, 2015 is as follows (in thousands):

2015	\$ 349	
2016		465
2017		465
2018		465
2019		465
over 5 years		<u>2,666</u>
Total		<u>\$ 4,875</u>

**(3) Stock Based Compensation**

For the three months ended March 31, 2015, we recognized stock-based compensation expense of \$224,000. For the three months ended March 31, 2014 we recognized stock-based compensation expense of \$795,000.

The following table summarizes stock-based compensation for the three months ended March 31, 2015 and 2014:

	Three months ended March 31,	
	2015	2014
Research and development	\$ 18,000	\$ 77,000
General and administrative	206,000	718,000
Stock-based compensation expense included in operating expense	<u>\$ 224,000</u>	<u>\$ 795,000</u>

For the three months ended March 31, 2015 we granted 120,000 stock options and for the three months ended March 31, 2014 we granted 210,000 stock options.

For the three months ended March 31, 2015 and 2014 there was no stock granted to directors and officers.

#### **(4) Litigation**

Alan Schmidt (“Schmidt”), a former shareholder of Genaera Corporation (“Genaera”), and a former unitholder of the Genaera Liquidating Trust (the “Trust”), filed a purported class action in the United States District Court for the Eastern District of Pennsylvania in June 2012. The lawsuit named thirty defendants, including PlasmaTech, MacroChem Corporation, which was acquired by us in February 2009, Jeffrey Davis, the then-CEO and currently a director of PlasmaTech, and Steven H. Rouhandeh and Mark Alvino, both of whom are our directors (the “PlasmaTech Defendants”). With respect to the PlasmaTech Defendants, the complaint alleged direct and derivative claims asserting that directors of Genaera and the Trustee of the Trust breached their fiduciary duties to Genaera, Genaera’s shareholders and the Trust’s unitholders in connection with the licensing and disposition of certain assets, aided and abetted by numerous defendants including the PlasmaTech Defendants. Schmidt seeks monetary damages, disgorgement of any distributions received from the Trust, rescission of sales made by the Trust, attorneys’ and expert fees, and costs. On December 19, 2012, Schmidt filed an amended complaint (the “Amended Complaint”) which asserted substantially the same allegations with respect to the PlasmaTech Defendants. On February 4, 2013, the PlasmaTech Defendants moved to dismiss all claims asserted against them. On August 12, 2013 the court granted the PlasmaTech Defendants’ motions to dismiss and entered judgment in favor of the PlasmaTech Defendants on all claims. On August 26, 2013, Schmidt filed a motion for reconsideration. On September 10, 2013 Schmidt filed a Notice of Appeal with the District Court. On September 17, 2013, Schmidt filed his appeal with the U.S. Third Circuit Court of Appeals (the “Third Circuit”). On September 25, 2013, the District Court denied Schmidt’s motion for reconsideration. On October 17, 2013, Schmidt amended his appeal to include the District Court’s denial of his motion for reconsideration. On March 20, 2014, Schmidt filed his Brief and Joint Appendix. On May 22, 2014, the PlasmaTech Defendants filed their Oppositions to Schmidt’s Brief. On May 29, 2014, Schmidt was granted an extension of time until June 23, 2014 to file his Reply Brief and filed his Reply Brief on that date. The Third Circuit held oral argument on September 12, 2014. On October 17, 2014, in a split decision, the Third Circuit reversed the District Court’s decision holding, among other things, that the District Court’s determination that the Amended Complaint was time-barred on statute of limitations grounds was premature. The Third Circuit did not rule upon any of the other grounds for dismissal advanced in the District Court and on appeal. The Third Circuit remanded the case to the District Court for further proceedings. On January 6, 2015, the District Court ordered the parties to file supplemental briefs on all remaining arguments for dismissal, and further ordered that a hearing on the motions to dismiss would be held on February 3, 2015. On January 23, 2015, the PlasmaTech Defendants filed their Supplemental Brief. At the February 3, 2015 hearing, Schmidt sought and was granted leave to amend his complaint for a second time. Schmidt filed his Second Amended Complaint on February 3, 2015. The Second Amended Complaint asserts substantially the same factual allegations with respect to the PlasmaTech Defendants, but eliminates all causes of action against the PlasmaTech Defendants except for aiding and abetting the Genaera directors’ and officers’ purported breaches of fiduciary duties, a claim for “punitive damages” and a claim for rescission of a settlement agreement between the Trust and the PlasmaTech Defendants. On March 20, 2015, the PlasmaTech Defendants filed a motion to dismiss the Second Amended Complaint. We intend to continue contesting the claims vigorously.

We are not currently subject to any other material pending legal proceedings.

**(5) Subsequent Events**

On April 23, 2015 we closed a \$7 million private placement of common stock consisting of 2,333,333 shares of common stock, at a price of \$3.00 per share.

On May 5, 2015, PlasmaTech Biopharmaceuticals, Inc., a Delaware corporation (“PlasmaTech”), Plasmatech Merger Sub Inc. (“Merger Sub”), a wholly owned subsidiary of PlasmaTech and a Delaware corporation, Abeona Therapeutics LLC, an Ohio limited liability company (“Abeona”) and Paul A. Hawkins, an individual, solely in his capacity as Member Representative (“Member Representative”) entered into an Agreement and Plan of Merger (the “Merger Agreement”). Pursuant to the terms and subject to the conditions set forth in the Merger Agreement, Merger Sub will merge with and into Abeona, with Abeona continuing as the surviving corporation and becoming a wholly owned subsidiary of PlasmaTech (the “Merger”). The Board of Directors of PlasmaTech and Managers of Abeona have unanimously approved the transaction.

In connection with the Merger, the PlasmaTech will issue to Abeona members a total of 3,979,761 common shares upon closing of the transaction, and up to an additional \$9 million in performance milestones, in common stock or cash, at the Company’s option.

The completion of the Merger is subject to customary closing conditions.

On May 11, 2015, we closed a \$10 million private placement of common stock consisting of 1,250,000 shares of our common stock, at a price of \$8.00 per share and warrants to purchase 625,000 shares of common stock. The warrants have an exercise price of \$10.00 per share and are exercisable for 30 months from the closing date. A total net of \$9.2 million was received.

Also in connection with the financing, the placement agent received warrants to purchase 50,000 shares of common stock at \$11.00 per share and which are exercisable for five years from the closing date.

PRINCIPAL EXECUTIVE OFFICER CERTIFICATION PURSUANT TO 18 U.S.C.  
SECTION 1350, AS ADOPTED PURSUANT TO SECTION 302  
OF THE SARBANES-OXLEY ACT OF 2002

I, Steven H. Rouhandeh, certify that:

1. I have reviewed this report on Form 10-Q of PlasmaTech Biopharmaceuticals, Inc.
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: May 14, 2015

/s/ Steven H. Rouhandeh

Steven H. Rouhandeh

Chairman

Principal Executive Officer

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PRINCIPAL FINANCIAL OFFICER CERTIFICATION PURSUANT TO 18 U.S.C.  
SECTION 1350, AS ADOPTED PURSUANT TO SECTION 302  
OF THE SARBANES-OXLEY ACT OF 2002

I, Stephen B. Thompson, certify that:

1. I have reviewed this report on Form 10-Q of PlasmaTech Biopharmaceuticals, Inc.
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: May 14, 2015

/s/ Stephen B. Thompson

Stephen B. Thompson

Vice President Finance

Principal Financial and

Officer

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CERTIFICATION PURSUANT TO 18 U.S.C.  
SECTION 1350 AS ADOPTED PURSUANT TO SECTION 906  
OF THE SARBANES-OXLEY ACT OF 2002

This certification set forth below is hereby made solely for the purposes of satisfying the requirements of Section 906 of the Sarbanes-Oxley Act of 2002 and may not be relied upon or used for any other purposes.

A signed original of this written statement required by Section 906 has been provided to PlasmaTech Biopharmaceuticals, Inc. and will be retained by PlasmaTech Biopharmaceuticals, Inc. and furnished to the SEC or its staff upon its request.

Pursuant to Section 906 of the Public Company Accounting Reform and Investor Act of 2002 (18 U.S.C. 1350, as adopted, the "Sarbanes-Oxley Act"), Steven H. Rouhandeh, Executive Chairman of PlasmaTech Biopharmaceuticals, Inc. (the "Company") hereby certifies that to his knowledge the report on Form 10-Q for the period ended March 31, 2015 of the Company filed with the Securities and Exchange Commission on the date hereof (the "Report") fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company for the period specified.

Signed at the City of Dallas, in the State of Texas, this 14th day of May, 2015.

/s/ Steven H. Rouhandeh  
Steven H. Rouhandeh  
Executive Chairman  
Principal Executive Officer

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CERTIFICATION PURSUANT TO 18 U.S.C.  
SECTION 1350 AS ADOPTED PURSUANT TO SECTION 906  
OF THE SARBANES-OXLEY ACT OF 2002

This certification set forth below is hereby made solely for the purposes of satisfying the requirements of Section 906 of the Sarbanes-Oxley Act of 2002 and may not be relied upon or used for any other purposes.

A signed original of this written statement required by Section 906 has been provided to PlasmaTech Biopharmaceuticals, Inc. and will be retained by PlasmaTech Biopharmaceuticals, Inc. and furnished to the SEC or its staff upon its request.

Pursuant to Section 906 of the Public Company Accounting Reform and Investor Act of 2002 (18 U.S.C. 1350, as adopted, the "Sarbanes-Oxley Act"), Stephen B. Thompson, Vice President Finance of the Company hereby certifies that to his knowledge the report on Form 10-Q for the period ended March 31, 2015 of the Company filed with the Securities and Exchange Commission on the date hereof (the "Report") fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company for the period specified.

Signed at the City of Dallas, in the State of Texas, this 14th day of May, 2015.

/s/ Stephen B. Thompson

Stephen B. Thompson

Vice President Finance

Principal Financial and Accounting Officer

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