

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

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FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

September 27, 2018

Date of Report (Date of earliest event reported)

**Windtree Therapeutics, Inc.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction  
of incorporation)

**000-26422**  
(Commission File Number)

**94-3171943**  
(IRS Employer  
Identification Number)

**2600 Kelly Road, Suite 100**  
**Warrington, Pennsylvania 18976**  
(Address of principal executive offices)

**(215) 488-9300**  
(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 or Rule 12b-2 of the Securities Exchange Act of 1934.

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.

**Item 1.01**            **Entry into a Material Definitive Agreement.**

Effective as of September 27, 2018 (the “**Effective Date**”), Windtree Therapeutics, Inc. (the “**Company**”) entered into a Loan Agreement (“**Loan Agreement**”) with LPH Investments Ltd., a Cayman Islands company organized and existing under the laws of Cayman Islands (“**LPH**”), and an affiliate of Lee’s Pharmaceutical Holdings Limited. Under the Loan Agreement, LPH agreed to lend the Company \$500,000 (the “**Loan**”) to support the Company’s operations while the Company seeks to complete a strategic transaction (as defined in the Loan Agreement, the “**Strategic Transaction**”). The Loan, which was funded in a single installment by wire transfer on September 27, 2018, will accrue interest at a rate of 6% per annum and will mature upon the earlier of (i) the closing date for the Strategic Transaction, provided that the Company is able to raise a minimum of \$30 million in connection with such transaction, or (ii) March 31, 2019. If the Company is unable to complete the Strategic Transaction for any reason, based on the Company’s resources currently available to it, it likely will have insufficient resources to repay the Loan and may be forced to curtail some or all of its activities, and, ultimately, may be compelled to cease operations.

The Company agreed to secure its obligations with respect to the Loan under a previously-executed Security Agreement with LPH (the “**Security Agreement**”) dated March 1, 2018, pursuant to which the Company had granted to LPH a security interest in substantially all of the Company’s assets.

**Item 2.01**            **Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.**

The information set forth in Item 1.01 above is incorporated by reference.

**Item 5.02 (e)**        **Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

On September 30, 2018, each of the Named Executive Officers of the Company, Craig Fraser, President and Chief Executive Officer, John Tattory, Senior Vice President and Chief Financial Officer and Steven G. Simonson, M.D., Senior Vice President and Chief Medical Officer (collectively, the “**NEOs**”), entered into an amendment (the “**Amendment**”) to his Restricted Stock Unit Award Agreement dated as of November 1, 2017 (as previously amended, “**RSU Awards**”). The RSU Awards were issued to each executive in lieu of the 2017 and 2018 Annual Bonuses (as defined in such executive’s employment agreement) for shares having a value equal to the combined total value of each such executive’s 2017 and 2018 target Annual Bonus and awarded in connection with the closing of a Securities Purchase Agreement between the Company and LPH. As issued, each award vested in two equal installments on March 15, 2018 and March 15, 2019. Under previous amendments, the vesting date of the initial installment was deferred until October 1, 2018.

The Amendments change the vesting date of the initial installment of each such equity awards from October 1, 2018 to December 15, 2018.

Copies of the Amendments for each of Mr. Fraser, Mr. Tattory and Dr. Simonson are attached to this Current Report on Form 8-K as Exhibits 10.2, 10.3, and 10.4, respectively, and incorporated herein by reference.

The foregoing descriptions of the Loan Agreement, Security Agreement and RSU Awards do not purport to be complete and are qualified in their entirety by reference to the agreements. Copies of the Loan Agreement and the Amendments are attached hereto as Exhibits to this Current Report on Form 8-K. A copy of the Security Agreement was filed as Exhibit 10.2 to the Company’s Current Report on Form 8-K, which was filed with the SEC on March 5, 2018. The form of the RSU Awards was filed as Exhibit 10.14 to the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2017. The Loan Agreement, the Security Agreement, the Amendments and the RSU Awards are being filed, or were filed, to provide investors and the Company’s stockholders with information regarding the terms thereof and in accordance with applicable rules and regulations of the Securities and Exchange Commission (“**Commission**”). Pursuant to the Loan Agreement, the Security Agreement, the Amendments and the RSU Awards, each of the parties thereto made customary representations, warranties and covenants, which were made by the parties to and solely for the benefit of each other and any expressly intended third party beneficiaries in the context of all of the terms and conditions of the agreements and in the context of the specific relationship between the parties. Accordingly, investors and stockholders should not rely on the representations, warranties and covenants as characterizations of the actual state of facts or continuing intentions of the parties since they were only made as of the dates of the Loan Agreement and Security Agreement. Information concerning the subject matter of such representations, warranties and covenants may change, which subsequent information may or may not be fully reflected in the Company’s reports or other filings with the Commission.

**Item 9.01. Financial Statements and Exhibits**

(d) Exhibits:

- 10.1 Loan Agreement between the Company and LPH Investments Ltd. effective as of September 27, 2018.
- 10.2 Amendment No. 3 to Restricted Stock Unit Award Agreement of Craig Fraser dated as of September 30, 2018.
- 10.3 Amendment No. 3 to Restricted Stock Unit Award Agreement of John Tattory dated as of September 30, 2018.
- 10.4 Amendment No. 3 to Restricted Stock Unit Award Agreement of Steven G. Simonson, M.D. dated as of September 30, 2018.

**Cautionary Note Regarding Forward-looking Statements:**

To the extent that statements in this Current Report on Form 8-K are not strictly historical, including statements as to business strategy, outlook, objectives, future milestones, plans, intentions, goals, future financial conditions, future collaboration agreements, the success of the Company's product development or otherwise as to future events, such statements are forward-looking, and are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. The forward-looking statements contained in this Current Report are subject to certain risks and uncertainties that could cause actual results to differ materially from the statements made. Such risks and others are further described in the Company's filings with the Securities and Exchange Commission including the most recent reports on Forms 10-K, 10-Q and 8-K, and any amendments thereto.

**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 hereunto duly authorized.

**Windtree Therapeutics, Inc.**

By: /s/ Craig Fraser  
Name: Craig Fraser  
Title: President and Chief Executive Officer

Date: October 3, 2018

## Loan Agreement

This Loan Agreement (this "Loan Agreement"), dated as of September 27, 2018, is entered into between Windtree Therapeutics, Inc., a Delaware corporation with its principal offices at 2600 Kelly Rd., Suite 100, Warrington, PA 18976 ("Borrower"), and LPH Investments Ltd., a Cayman Islands company organized and existing under the laws of Cayman Islands with its principal offices at 1/F, Building 20E, Phase 3, Hong Kong Science Park, Shatin, Hong Kong ("Lender").

### RECITALS

WHEREAS, Lender is the owner of a majority in interest of Borrower's issued and outstanding shares of common stock (the "Common Stock");

WHEREAS, Borrower is in immediate need of capital to support its continuing operations; and

WHEREAS, Lender has agreed to advance funds to Borrower on the terms provided in this Loan Agreement to allow Borrower sufficient time to pursue a potential strategic transaction intended to allow Borrower to diversify its product offerings and secure the additional capital that it requires to advance the AEROSURF® development program and support its continuing operations (the "Strategic Transaction");

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

### ARTICLE I

#### DEFINITIONS

"Loan" means the loan made by Lender to Borrower in the amount of Five Hundred Thousand Dollars (\$500,000), which amount is payable in U.S. dollars in cash on or before September 25, 2018.

"Encumbrance" has the meaning set forth in Section 2.5.

"Maturity Date" means the earlier of (i) the closing date (the "Closing Date") of the Strategic Transaction, provided that in connection with the Strategic Transaction, Borrower shall secure additional cash resources in a minimum amount of Thirty Million Dollars (\$30,000,000) and (ii) March 31, 2019.

"Strategic Transaction" has the meaning set forth in the Recitals to this Agreement.

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## ARTICLE II

### TERM LOAN

2.1 Agreement to Make Loan. On the terms and subject to the conditions of this Loan Agreement, Lender agrees to fund the Loan to Borrower Five Hundred Thousand Dollars (\$500,000) on or before September 25, 2018. The proceeds of the Loan shall be paid by wire transfer to an account designated in writing by Borrower.

2.2 Payment Terms. The entire unpaid principal balance of the Loan, together with accrued interest thereon, shall be due and payable on the Maturity Date.

2.3 Interest Rate. The Loan shall bear interest on the outstanding principal amount of the Loan at a rate per annum equal to six percent (6%) ("the Contracted Interest Rate"). If Borrower fails to repay the principal amount of the Loan on the due date, Lender shall charge Borrower interest at a rate equal to the lower of 30% above the Contracted Interest Rate (referred to as the "Defaulted Interest Rate") or the maximum interest rate permitted by law on overdue sums from and including the due date to the actual payment date. If Borrower fails to repay the accrued interest and default interest on the due date, the Defaulted Interest Rate shall be calculated monthly on the interest payment date.

2.4 Prepayment. Borrower may, at its option, prepay the Loan, in whole or in part, prior to the Maturity Date. Each prepayment shall include interest on the amount prepaid to the date of prepayment.

2.5 Negative Pledge. Borrower shall not, without the prior written consent of Lender, which consent shall not be unreasonably withheld or delayed, create, suffer to exist, or permit to subsist, any mortgage, pledge, lien, charge, privilege, priority, encumbrance or other security interest of any kind or nature whatsoever and howsoever arising (referred to as the "Encumbrance") upon all or any part of its present or future undertakings, assets, or revenues, except for the following ("Permitted Encumbrances"):

(a) any such Encumbrance created in the ordinary course of Borrower's development activities and business transactions, including without limitation,

(i) with respect to accounts maintained in the ordinary course and held at financial institutions to secure standard fees for services charged by such institutions, including liens of a collection bank arising in the ordinary course;

(ii) obligations in respect of purchase money financing, capital lease obligations and equipment financing facilities covering existing and newly-acquired equipment, including for the acquisition, installation, qualification and validation of such equipment;

(iii) liens in favor of landlords under real property leases granted by Borrower, and letter of credit deposits related thereto;

(iv) liens related to workers' compensation, unemployment insurance and other social security legislation;

(v) liens arising under leases, licenses or subleases granted to others not interfering in any material respect with the business of Borrower;

(vi) and liens on advances in favor of a vendor providing goods or services; and

(vii) the security interest in favor of Panacea Venture Management Company Ltd. pursuant to that certain Secured Convertible Promissory Note dated July 2, 2018;

(b) any Encumbrance in favor of Lender;

(c) statutory liens created by operation of law and Encumbrances arising in connection with outstanding contractual obligations; and;

(d) liens for taxes, assessments or governmental charges or levies.

2.6 Representations and Warranties. Borrower represents and warrants to Lender that:

(a) No Encumbrance. All of Borrower's assets are free and clear of any Encumbrance as of the date hereof except for Permitted Encumbrances;

(b) Ownership of Properties. Borrower has good record and marketable title in fee simple to, or valid leasehold interests in, all real property necessary or used in the ordinary conduct of its business, except for such defects in title that, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect; and

(c) Litigation. There are no actions, suits, proceedings, claims, disputes or investigations pending or, to the knowledge of Borrower, threatened, at law, in equity, in arbitration or before any governmental authority, by or against Borrower or against any of its properties or revenues that (a) either individually or in the aggregate could reasonably be expected to have a Material Adverse Effect or (b) purport to affect or pertain to this Loan Agreement or any other loan agreement or any of the transactions contemplated hereby.

2.7 Security Interest. Borrower grants to Lender a continuing lien and security interest in substantially all of Borrower's assets to secure its obligations hereunder and all such obligations shall be deemed to be "Secured Obligations" as described in that certain Security Agreement by and between Borrower and Lender dated March 1, 2018 (the "Security Agreement"), and such security interest shall be subject to and governed by the terms of the Security Agreement.

### ARTICLE III

#### DEFAULTS AND REMEDIES

3.1 Events of Default. Any one or more of the following events shall constitute an event of default hereunder (an "Event of Default"):

a) Borrower fails to make any required payment required on the Loan within five (5) days after Borrower's receipt of written notice of default from Lender;

b) Borrower breaches any representation, warranty, covenant or pledge made by Borrower in this Loan Agreement or otherwise in connection with the Loan;

c) if, pursuant to the United States Bankruptcy Code or any other federal or state law relating to insolvency or relief of debtors (a "Bankruptcy Law"), Borrower shall (i) commence a voluntary case or proceeding; (ii) consent to the entry of an order for relief against it in an involuntary case; (iii) consent to the appointment of a trustee, receiver, assignee, liquidator or similar official; (iv) make an assignment for the benefit of its creditors; or (v) admit in writing its inability to pay its debts as they become due; or

d) if a court enters an order or decree under any Bankruptcy Law that (i) is for relief against Borrower in an involuntary case, (ii) appoints a trustee, receiver, assignee, liquidator or similar official for Borrower or substantially all of Borrower's properties, or (iii) orders the liquidation of Borrower.

3.2 **Remedies.** Upon the occurrence of an Event of Default, Lender, at its option, may take one or more of the following remedial steps:

a) Upon notice to Borrower, the entire principal amount of the Loan shall become immediately due and payable, without presentment, demand for payment, protest, notice of nonpayment or protest, notice of dishonor or any other notice or demand, all of which are hereby expressly waived; and

b) Take any action at law or in equity to collect from Borrower the payments then due and thereafter to become due under the Loan or to enforce performance and observance of any obligation or agreement of Borrower under the Loan.

c) Resort to any remedy available to Lender under the Security Agreement.

3.3 **No Remedy Exclusive.** No remedy of Lender is intended to be exclusive of any other available remedy, but each such remedy shall be cumulative and shall be in addition to every other remedy given under this Loan Agreement or by applicable law. No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver thereof.

#### ARTICLE IV

#### MISCELLANEOUS

4.1 **Notice.** Any notice to a party to this Agreement shall be in writing and sent to the respective addresses set forth in the introductory paragraph of this Agreement (or such other address as a party shall designate in writing) by certified mail, return receipt requested, or by nationally recognized overnight courier. All notices shall be effective upon the earlier of (a) three days after being sent or (b) receipt.

4.2 **Successors and Assigns.** This Loan Agreement contains the entire agreement of the parties with respect to its subject matter and may not be amended except by a written instrument signed by the party to be charged with such amendment. This Loan Agreement shall be binding on and inure to the benefit of the successors and assigns of the parties, except that Borrower shall not have the right to assign its rights or obligations hereunder.

4.3 Judicial Proceedings. This Loan Agreement shall be governed by, and construed in accordance with, the laws of the State of New York, without regard to conflict of laws principles. All claims or actions arising from this Loan Agreement shall be litigated in the federal courts for the Southern District of New York or the state courts located in the county of New York. Borrower and Lender hereby irrevocably submit to the jurisdiction of such courts and waive any claim that any action brought in such a court has been brought in an inconvenient forum

4.4 Captions. The section headings of this Loan Agreement are for reference purposes only and shall not affect the interpretation of this Agreement.

4.5 Severability. If any provision of this Loan Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision.

4.6 Waiver of Jury Trial. **BORROWER AND LENDER HEREBY WAIVE ALL RIGHTS TO DEMAND A JURY TRIAL FOR ANY ACTIONS ARISING FROM THIS LOAN AGREEMENT.**

**IN WITNESS WHEREOF**, THE PARTIES HERETO HAVE CAUSED THIS LOAN AGREEMENT TO BE EXECUTED BY THEIR DULY AUTHORIZED OFFICERS AS OF THE DATE FIRST WRITTEN ABOVE.

**WINDTREE THERAPEUTICS, INC.**

By: /s/ Craig Fraser  
Name: Craig Fraser  
Title: President and Chief Executive Officer

**LPH INVESTMENTS LTD.**

By: /s/ Benjamin Li  
Name: Benjamin Li, Ph.D.  
Title: Chief Executive Officer



AMENDMENT NO. 3 TO  
RESTRICTED STOCK UNIT AWARD AGREEMENT

Effective as of September 30, 2018, Craig Fraser (“Participant”) and Windtree Therapeutics, Inc. (the “Company”) hereby agree to amend the Restricted Stock Unit (“RSU”) Award Agreement between them dated as of November 1, 2017 and the related notice of award (as it may have been previously amended, the “RSU Agreement”) to reflect the revisions set forth herein (“Amendment No. 3”). Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to such terms in the RSU Agreement.

Notwithstanding anything to the contrary set forth in the RSU Agreement, or in Participant’s Employment Agreement, as amended, the initial vesting date for the RSU awarded to Participant effective November 1, 2017 is hereby changed from August 1, 2018 to December 15, 2018. The second vesting date for the balance of the RSU award shall remain unchanged.

Except as amended herein, the remaining terms and conditions of the RSU Agreement shall remain in full force and effect. This Amendment No. 3 confirms an agreement between Participant and the Company with respect to the subject matter hereof and is a material part of the consideration stated in the RSU Agreement and mutual promises made in connection therewith. The parties have executed this Amendment No. 3 as of the day and date first set forth above.

Windtree Therapeutics, Inc.

By: /s/ Kathryn Cole  
Name: Kathryn Cole  
Title: SVP, Human Resources

/s/ Craig Fraser  
Name: Craig Fraser

AMENDMENT NO. 3 TO  
RESTRICTED STOCK UNIT AWARD AGREEMENT

Effective as of September 30, 2018, John Tattory (“Participant”) and Windtree Therapeutics, Inc. (the “Company”) hereby agree to amend the Restricted Stock Unit (“RSU”) Award Agreement between them dated as of November 1, 2017 and the related notice of award (as it may have been previously amended, the “RSU Agreement”) to reflect the revisions set forth herein (“Amendment No. 3”). Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to such terms in the RSU Agreement.

Notwithstanding anything to the contrary set forth in the RSU Agreement, or in Participant’s Employment Agreement, as amended, the initial vesting date for the RSU awarded to Participant effective November 1, 2017 is hereby changed from August 1, 2018 to December 15, 2018. The second vesting date for the balance of the RSU award shall remain unchanged.

Except as amended herein, the remaining terms and conditions of the RSU Agreement shall remain in full force and effect. This Amendment No. 3 confirms an agreement between Participant and the Company with respect to the subject matter hereof and is a material part of the consideration stated in the RSU Agreement and mutual promises made in connection therewith. The parties have executed this Amendment No. 3 as of the day and date first set forth above.

Windtree Therapeutics, Inc.

By: /s/ Kathryn Cole  
Name: Kathryn Cole  
Title: SVP, Human Resources

/s/ John Tattory  
Name: John Tattory

AMENDMENT NO. 3 TO  
RESTRICTED STOCK UNIT AWARD AGREEMENT

Effective as of September 30, 2018, Steven G. Simonson, M.D. (“Participant”) and Windtree Therapeutics, Inc. (the “Company”) hereby agree to amend the Restricted Stock Unit (“RSU”) Award Agreement between them dated as of November 1, 2017 and the related notice of award (as it may have been previously amended, the “RSU Agreement”) to reflect the revisions set forth herein (“Amendment No. 3”). Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to such terms in the RSU Agreement.

Notwithstanding anything to the contrary set forth in the RSU Agreement, or in Participant’s Employment Agreement, as amended, the initial vesting date for the RSU awarded to Participant effective November 1, 2017 is hereby changed from August 1, 2018 to December 15, 2018. The second vesting date for the balance of the RSU award shall remain unchanged.

Except as amended herein, the remaining terms and conditions of the RSU Agreement shall remain in full force and effect. This Amendment No. 3 confirms an agreement between Participant and the Company with respect to the subject matter hereof and is a material part of the consideration stated in the RSU Agreement and mutual promises made in connection therewith. The parties have executed this Amendment No. 3 as of the day and date first set forth above.

Windtree Therapeutics, Inc.

By: /s/ Kathryn Cole  
Name: Kathryn Cole  
Title: SVP, Human Resources

/s/ Steven G. Simonson, M.D.  
Name: Steven G. Simonson, M.D.