

iBio, Inc.
Form 10-Q
May 15, 2012

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington D.C. 20549

FORM 10-Q

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

For the quarterly period ended March 31, 2012

OR

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

For the transition period from _____ to _____

Commission File Number 001-35023

iBio, Inc.

(Exact name of small business registrant in its charter)

Delaware

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

26-2797813

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

**9 Innovation Way, Suite 100,
Newark, DE**

*(Address of principal executive
offices)*

19711

(Zip Code)

(302) 355-0650

(Registrant's telephone number, including Area Code)

Not Applicable

(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 and 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.

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

(Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting
company

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

Yes

No

The number of shares outstanding of each of the issuer's class of common stock, as of the latest practicable date:

<i>Class</i>	<i>Outstanding at May 15, 2012</i>
Common Stock, \$0.001 par value	47,767,095 Shares

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

iBio, Inc.
FORM 10-Q
For the Three and Nine Month Periods Ended March 31, 2012

INDEX

	Page
<u>PART I</u>	
<u>FINANCIAL INFORMATION</u>	
<u>Item 1</u>	
<u>Financial Statements</u>	
<u>Condensed Balance Sheets as of March 31, 2012 (unaudited) and June 30, 2011</u>	1
<u>Condensed Statements of Operations (unaudited) for the three and nine months ended March 31, 2012 and 2011</u>	2
<u>Condensed Statement of Stockholders' Equity (unaudited) for the nine months ended March 31, 2012</u>	3
<u>Condensed Statements of Cash Flows (unaudited) for the nine months ended March 31, 2012 and 2011</u>	4
<u>Notes to Condensed Financial Statements (unaudited)</u>	5-12
<u>Item 2</u>	
<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	12
<u>Item 3</u>	
<u>Quantitative and Qualitative Disclosures About Market Risk</u>	17
<u>Item 4</u>	
<u>Controls and Procedures</u>	17
<u>PART II</u>	
<u>OTHER INFORMATION</u>	
<u>Item 1</u>	
<u>Legal Proceedings</u>	17
<u>Item 1A</u>	
<u>Risk Factors</u>	17
<u>Item 2</u>	
<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	17
<u>Item 3</u>	
<u>Defaults upon Senior Securities</u>	18
<u>Item 4</u>	
<u>Mine Safety Disclosures</u>	18
<u>Item 5</u>	
<u>Other Information</u>	18
<u>Item 6</u>	
<u>Exhibits</u>	18
<u>Signatures</u>	19

iBio, Inc.
Condensed Balance Sheets

	As of	
	March 31, 2012	June 30, 2011
	(Unaudited)	(Note A)
Assets		
Current assets:		
Cash	\$ 6,724,096	\$ 2,843,300
Accounts receivable	371,755	344,085
Prepaid expenses	205,069	763,583
Other current assets	376,879	349,210
Total current assets	7,677,799	4,300,178
Fixed assets, net	6,072	8,412
Intangible assets, net	2,971,893	3,027,239
Total assets	\$ 10,655,764	\$ 7,335,829
Liabilities and Stockholders Equity		
Current liabilities:		
Accounts payable	\$ 2,182,401	\$ 2,895,359
Accrued expenses	303,891	56,059
Derivative instrument liability	1,314,937	4,187,769
Total liabilities	3,801,229	7,139,187
Commitments and contingencies		
Stockholders equity:		
Preferred stock, \$0.001 par value, 1,000,000 shares authorized, no shares outstanding		
Common stock, \$0.001 par value, 100,000,000 shares authorized, 47,767,095 and 32,382,095 issued and outstanding as of March 31, 2012 and June 30, 2011, respectively	47,767	32,382
Additional paid-in capital	36,781,966	25,826,203
Accumulated deficit	(29,975,198)	(25,661,943)
Total stockholders equity	6,854,535	196,642
Total liabilities and stockholders equity	\$ 10,655,764	\$ 7,335,829

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

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

iBio, Inc.
Condensed Statements of Operations
(Unaudited)

	Three Months Ended		Nine Months Ended	
	March 31,		March 31,	
	2012	2011	2012	2011
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Revenues	\$ 371,755	\$ 175,995	\$ 925,935	\$ 175,995
Operating expenses:				
Research and development	1,307,246	1,137,435	3,926,206	1,914,514
General and administrative	1,246,319	1,927,026	4,180,209	4,386,070
	<u>2,553,565</u>	<u>3,064,461</u>	<u>8,106,415</u>	<u>6,300,584</u>
Operating loss	<u>(2,181,810)</u>	<u>(2,888,466)</u>	<u>(7,180,480)</u>	<u>(6,124,589)</u>
Other income (expense):				
Interest income	4,975	4,989	7,181	9,186
Interest expense	(17,920)	(7,692)	(44,296)	(33,743)
Royalty income	14,445	4,156	31,508	14,360
Change in the fair value of derivative instrument liability	(918,428)	(144,313)	2,872,832	(4,424,932)
	<u>(916,928)</u>	<u>(142,860)</u>	<u>2,867,225</u>	<u>(4,435,129)</u>
Net loss	<u>\$ (3,098,738)</u>	<u>\$ (3,031,326)</u>	<u>\$ (4,313,255)</u>	<u>\$ (10,559,718)</u>
Net loss per common share - basic and diluted	<u>\$ (0.07)</u>	<u>\$ (0.09)</u>	<u>\$ (0.12)</u>	<u>\$ (0.35)</u>
Weighted average common shares outstanding - basic and diluted	<u>45,715,762</u>	<u>32,338,587</u>	<u>36,761,767</u>	<u>30,499,090</u>

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

iBio, Inc.
Condensed Statement of Stockholders' Equity
For The Nine Months Ended March 31, 2012
(Unaudited)

	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Total
	Shares	Amount			
Balance, June 30, 2011	32,382,095	\$ 32,382	\$ 25,826,203	\$ (25,661,943)	\$ 196,642
Issuance of stock and warrants, net of expenses	15,385,000	15,385	9,020,463		9,035,848
Share-based compensation			1,935,300		1,935,300
Net loss				(4,313,255)	(4,313,255)
Balance, March 31, 2012	47,767,095	\$ 47,767	\$ 36,781,966	\$ (29,975,198)	\$ 6,854,535

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

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

iBio, Inc.
Condensed Statements of Cash Flows
(Unaudited)

	Nine Months Ended March 31,	
	2012	2011
Cash flows from operating activities:		
Net loss	\$ (4,313,255)	\$ (10,559,718)
Adjustments to reconcile net loss to net cash used in operating activities:		
Change in the fair value of derivative instrument liability	(2,872,832)	4,424,932
Depreciation and amortization	243,263	283,703
Share-based compensation expense	1,935,300	2,746,207
Share-based compensation expense included in accrued expenses	70,752	
Changes in operating assets and liabilities:		
Increase in accounts receivable	(27,670)	(175,995)
Decrease (increase) in prepaid expenses and other current assets	530,845	(101,075)
Decrease in accounts payable	(712,958)	(905,573)
Increase in accrued expenses	177,080	47,886
Net cash used in operating activities	(4,969,475)	(4,239,633)
Cash flows from investing activities:		
Additions to intangible assets	(184,690)	(199,801)
Purchase of fixed assets		