

iBio, Inc.
Form 10-Q
February 14, 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 December 31, 2011

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 x

No o

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 x

No o

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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

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 February 14, 2012</i>
Common Stock, \$0.001 par value	47,767,095 Shares

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iBio, Inc.
FORM 10-Q
For the Three and Six Month Period Ended December 31, 2011

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Part 1 Financial Information
Item 1 Financial Statement**iBio, Inc.**
Condensed Balance Sheets

	As of	
	December 31, 2011	June 30, 2011
	(Unaudited)	
Assets		
Current assets:		
Cash	\$ 623,452	\$ 2,843,300
Accounts receivable	233,832	344,085
Prepaid expenses	797,034	763,583
Other current assets	283,833	349,210
	<hr/>	
Total current assets	1,938,151	4,300,178
Fixed assets, net	6,294	8,412
Intangible assets, net	2,990,455	3,027,239
Other assets	85,336	
	<hr/>	
Total assets	\$ 5,020,236	\$ 7,335,829
	<hr/>	
Liabilities and Stockholders Equity		
Current liabilities:		
Accounts payable	\$ 4,041,446	\$ 2,895,359
Accrued expenses	276,802	56,059
Derivative instrument liability	396,509	4,187,769
	<hr/>	
Total liabilities	4,714,757	7,139,187
	<hr/>	
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, 32,382,095 issued and outstanding as of December 31, 2011 and June 30, 2011, respectively	32,382	32,382
Additional paid-in capital	27,149,557	25,826,203
Accumulated deficit	(26,876,460)	(25,661,943)
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Total stockholders' equity	305,479	196,642
Total liabilities and stockholders' equity	\$ 5,020,236	\$ 7,335,829

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

iBio, Inc.
Condensed Statements of Operations
(Unaudited)

	Three Months Ended December 31,		Six Months Ended December 31,	
	2011	2010	2011	2010
Revenues	\$ 233,832	\$	\$ 554,180	\$
Operating expenses:				
Research and development	1,162,320	619,536	2,618,960	777,079
General and administrative	1,745,156	1,245,780	2,933,890	2,459,044
	<u>2,907,476</u>	<u>1,865,316</u>	<u>5,552,850</u>	<u>3,236,123</u>
Operating loss	<u>(2,673,644)</u>	<u>(1,865,316)</u>	<u>(4,998,670)</u>	<u>(3,236,123)</u>
Other income (expense):				
Interest income	608	3,502	2,206	4,197
Interest expense	(16,800)	(12,926)	(26,376)	(26,051)
Royalty income	5,408	3,506	17,063	10,204
Change in the fair value of derivative instrument	1,086,768	(2,839,227)	3,791,260	(4,280,619)
	<u>1,075,984</u>	<u>(2,845,145)</u>	<u>3,784,153</u>	<u>(4,292,269)</u>
Net Loss	<u>\$ (1,597,660)</u>	<u>\$ (4,710,461)</u>	<u>\$ (1,214,517)</u>	<u>\$ (7,528,392)</u>
Net loss per common share - basic and diluted	<u>\$ (0.05)</u>	<u>\$ (0.15)</u>	<u>\$ (0.04)</u>	<u>\$ (0.25)</u>
Weighted average common shares outstanding - basic and diluted	<u>32,382,095</u>	<u>30,926,018</u>	<u>32,382,095</u>	<u>29,599,336</u>

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

iBio, Inc.
Condensed Statement of Stockholders' Equity
For The Six Months Ended December 31, 2011
(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
Share-based compensation			1,323,354		1,323,354
Net loss				(1,214,517)	(1,214,517)
Balance, December 31, 2011	32,382,095	\$ 32,382	\$ 27,149,557	\$ (26,876,460)	\$ 305,479

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

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

	Six Months Ended December 31,	
	2011	2010
Cash flows used in operating activities:		
Net loss	\$ (1,214,517)	\$ (7,528,392)
Adjustments to reconcile net (loss) to net cash used in operating activities:		
Change in the fair value of derivative instrument liability	(3,791,260)	4,280,619
Depreciation and amortization	160,976	187,587
Share-based compensation expense	1,323,354	1,391,956
Share-based compensation expense included in accrued expenses	70,752	
Changes in operating assets and liabilities:		
Decrease in accounts receivable	110,253	
Increase in prepaid expenses and other current assets	31,927	(669,196)
Increase (decrease) in accounts payable	1,146,086	(37,039)
Increase in accrued expenses	149,991	143,235
Net cash used in operating activities	(2,012,438)	(2,231,230)
Cash flows used in investing activities - additions to intangible assets	(122,074)	(145,580)
Cash flows from financing activities		
Net proceeds from the sale of common stock and warrants, net of expenses		7,235,644
Payment of deferred equity transaction costs	(85,336)	
Net cash (used in) provided by activities	(85,336)	7,235,644
Net (decrease) increase in cash		