

iBio, Inc.
Form 10-Q
November 18, 2016

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
X ACT OF 1934**

For the quarterly period ended September 30, 2016

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 registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)

26-2797813
(I.R.S. Employer Identification No.)

600 Madison Avenue, Suite 1601, New York, NY
(Address of principal executive offices)

10022
(Zip Code)

(302) 355-0650

(Registrant's telephone number, including area code)

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

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

Yes No

Shares of Common Stock outstanding as of November 18, 2016: 89,109,410

iBio, Inc.

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PART I. FINANCIAL INFORMATION**Item 1. Financial Statements (Unaudited)****iBio, Inc. and Subsidiaries****Condensed Consolidated Balance Sheets**

(In Thousands, except share and per share amounts)

	September 30, 2016 (Unaudited)	June 30, 2016 (See Note 2)
Assets		
Current assets:		
Cash	\$ 20,098	\$ 23,014
Accounts receivable - trade	170	484
Accounts receivable - unbilled	62	122
Work in process	-	22
Prepaid expenses and other current assets	132	264
Total Current Assets	20,462	23,906
Fixed assets, net of accumulated depreciation	25,580	25,574
Intangible assets, net of accumulated amortization	2,023	2,092
Security deposit	26	28
Total Assets	\$ 48,091	\$ 51,600
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable (related party of \$239 and \$200 as of September 30, 2016 and June 30, 2016, respectively)	\$ 979	\$ 1,177
Accrued expenses (related party of \$772 and \$623 as of September 30, 2016 and June 30, 2016, respectively)	1,022	920
Capital lease obligation – current portion	173	170
Deferred revenue	-	24
Total Current Liabilities	2,174	2,291
Capital lease obligation - net of current portion	25,220	25,265
Total Liabilities	27,394	27,556
Commitments and Contingencies		

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Equity

iBio, Inc. Stockholders' Equity:

Preferred stock - no par value; 1,000,000 shares authorized; no shares issued and outstanding	-	-
Common stock - \$0.001 par value; 175,000,000 shares authorized; 89,109,410 shares issued and outstanding as of September 30, 2016 and June 30, 2016	89	89
Additional paid-in capital	67,733	67,468
Accumulated other comprehensive loss	(29)) (29)
Accumulated deficit	(60,652)) (57,591)
Total iBio, Inc. Stockholders' Equity	7,141	9,937
Noncontrolling interest	13,556	14,107
Total Equity	20,697	24,044
Total Liabilities and Equity	\$ 48,091	\$ 51,600

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

iBio, Inc. and Subsidiaries**Condensed Consolidated Statements of Operations and Comprehensive Loss**

(Unaudited; In Thousands, except per share amounts)

	Three Months Ended September 30,	
	2016	2015
Revenues	\$ 135	\$ 160
Operating expenses:		
Research and development (related parties of \$239 and \$227), net of \$36 and \$0 in grant income	820	551
General and administrative (related parties of \$175 and \$0)	2,469	1,422
Total operating expenses	3,289	1,973
Operating loss	(3,154)	(1,813)
Other income (expense):		
Interest expense (related party of \$483 and \$0)	(483)	-
Interest income	13	2
Royalty income	12	6
Total other income	(458)	8
Consolidated net loss	(3,612)	(1,805)
Net loss attributable to noncontrolling interest	551	-
Net loss attributable to iBio, Inc.	\$(3,061)	\$(1,805)
Comprehensive loss:		
Net loss	\$(3,612)	\$(1,805)
Other comprehensive loss - foreign currency translation adjustments	-	(9)
Comprehensive loss	\$(3,612)	\$(1,814)
Loss per common share – basic and diluted	\$(0.03)	\$(0.02)
Weighted-average common shares outstanding – basic and diluted	89,109	77,307

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

iBio, Inc. and Subsidiaries**Condensed Consolidated Statement of Stockholders' Equity**

(Unaudited; In Thousands)

	Preferred Stock Shares	Preferred Stock Amount	Common Stock Shares	Common Stock Amount	Paid-In Capital	Additional Other Comprehensive Loss	Accumulated Deficit	Accumulated Noncontrolling Interest	Total
Balance as of July 1, 2016	-	\$ -	89,110	\$ 89	\$ 67,468	\$ (29)	\$ (57,591)	\$ 14,107	\$ 24,044
Share-based compensation	-	-	-	-	265	-	-	-	265
Foreign currency translation adjustment	-	-	-	-	-	-	-	-	-
Net loss	-	-	-	-	-	-	(3,061)	(551)	(3,612)
Balance as of September 30, 2016	-	\$ -	89,110	\$ 89	\$ 67,733	\$ (29)	\$ (60,652)	\$ 13,556	\$ 20,697

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

iBio, Inc. and Subsidiaries**Condensed Consolidated Statements of Cash Flows**

(Unaudited; In Thousands)

	Three Months Ended	
	September 30,	
	2016	2015
Cash flows from operating activities:		
Net loss	\$ (3,612)	\$ (1,805)
Adjustments to reconcile net loss to net cash used in operating activities:		
Share-based compensation	265	329
Amortization of intangible assets	88	91
Depreciation	324	1
Changes in operating assets and liabilities:		
Accounts receivable - trade	315	(34)
Accounts receivable - unbilled	61	(126)
Work in process	22	-
Prepaid expenses and other current assets	131	90
Security deposit	2	-
Accounts payable	53	171
Accrued expenses	102	136
Deferred revenue	(24)	-
Net cash used in operating activities	(2,273)	(1,147)
Cash flows from investing activities:		
Additions to intangible assets	(202)	(18)
Purchases of fixed assets	(400)	-
Net cash used in investing activities	(602)	(18)
Cash flows from financing activities:		
Payment of capital lease obligation	(41)	-
Proceeds from exercise of warrants	-	63
Net cash (used in) provided by financing activities	(41)	63
Effect of exchange rate changes	-	(8)
Net decrease in cash	(2,916)	(1,110)
Cash - beginning of period	23,014	9,494
Cash - end of period	\$ 20,098	\$ 8,384

Schedule of non-cash activities:

Unpaid intangible assets included in accounts payable	\$ 184	\$ -
Unpaid fixed assets included in accounts payable	\$ 71	\$ -
Unpaid intangible assets included in accrued expenses	\$ -	\$ (3)

Supplemental cash flow information:

Cash paid during the period for interest	\$ 484	\$ -
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The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.