

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, 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: 000-54495

ANTRIABIO, INC

(Exact Name of Registrant as Specified in its Charter)

Delaware

(State of other jurisdiction of incorporation or organization)

27-3440894

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

1450 Infinite Drive, Louisville, Colorado

(Address of Principal Executive Offices)

80027

(Zip Code)

(303) 222-2128

(Registrant's Telephone Number, including Area Code)

(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 (as defined in Rule 12b-2 of the Exchange Act)

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

Yes  No

Number of shares of issuer's common stock outstanding as of February 2, 2017: 40,952,450

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## CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

*This Quarterly Report on Form 10-Q contains statements reflecting assumptions, expectations, projections, intentions or beliefs about future events that are intended as “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. All statements included or incorporated by reference in this report, other than statements of historical fact, that address activities, events or developments that we expect, believe or anticipate will or may occur in the future are forward-looking statements. These statements appear in a number of places, including, but not limited to “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” These statements represent our reasonable judgment of the future based on various factors and using numerous assumptions and are subject to known and unknown risks, uncertainties and other factors that could cause our actual results and financial position to differ materially from those contemplated by the statements. You can identify these statements by the fact that they do not relate strictly to historical or current facts, and use words such as “anticipate,” “believe,” “estimate,” “expect,” “forecast,” “may,” “should,” “plan,” “project” and other words of similar meaning. In particular, these include, but are not limited to, statements relating to the following:*

- *projected operating or financial results, including anticipated cash flows used in operations;*
- *expectations regarding capital expenditures, research and development expense and other payments;*
- *our beliefs and assumptions relating to our liquidity position, including our ability to obtain additional financing;*
- *our ability to obtain regulatory approvals for our pharmaceutical drugs and diagnostics; and*
- *our future dependence on third party manufacturers or strategic partners to manufacture any of our pharmaceutical drugs and diagnostics that receive regulatory approval, and our ability to identify strategic partners and enter into license, co-development, collaboration or similar arrangements.*

*Any or all of our forward-looking statements may turn out to be wrong. They can be affected by inaccurate assumptions or by known or unknown risks, uncertainties and other factors including, among others:*

- *the loss of key management personnel or sponsored research partners on whom we depend;*
- *the progress and results of clinical trials for our product candidates;*
- *our ability to navigate the regulatory approval process in the U.S. and other countries, and our success in obtaining required regulatory approvals for our product candidates;*
- *commercial developments for products that compete with our product candidates;*
- *the actual and perceived effectiveness of our product candidates, and how those product candidates compare to competitive products;*
- *the strength of our intellectual property protection, and our success in avoiding infringing the intellectual property rights of others;*
- *adverse developments in our research and development activities;*
- *potential liability if our product candidates cause illness, injury or death, or adverse publicity from any such events;*
- *our ability to operate our business efficiently, manage capital expenditures and costs (including general and administrative expenses) and obtain financing when required;*
- *our expectations with respect to our acquisition activity.*

*In addition, there may be other factors that could cause our actual results to be materially different from the results referenced in the forward-looking statements, some of which are included elsewhere in this Quarterly Report on Form 10-Q, including “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” Many of these factors will be important in determining our actual future results. Consequently, no forward-looking statement can be guaranteed. Our actual future results may vary materially from those expressed or implied in any forward-looking statements. All forward-looking statements contained in this Quarterly Report of Form 10-Q are qualified in their entirety by this cautionary statement. Forward-looking statements speak only as of the date they are made, and we disclaim any obligation to update any forward-looking statements to reflect events or circumstances after the date of this Quarterly Report on Form 10-Q, except as otherwise required by applicable law.*

**PART I - FINANCIAL INFORMATION**

**ITEM 1. FINANCIAL STATEMENTS.**

**AntriaBio, Inc.**  
**Consolidated Balance Sheets**

	December 31, 2016 (Unaudited)	June 30, 2016
<b><u>Assets</u></b>		
<b>Current assets</b>		
Cash	\$ 3,573,148	\$ 4,062,013
Other current assets	213,441	430,094
<b>Total current assets</b>	<b>3,786,589</b>	<b>4,492,107</b>
<b>Non-current assets</b>		
Fixed assets, net	5,728,844	5,984,670
Intangible assets, net	47,968	51,614
Deposit	375,000	375,000
<b>Total non-current assets</b>	<b>6,151,812</b>	<b>6,411,284</b>
<b>Total Assets</b>	<b>\$ 9,938,401</b>	<b>\$ 10,903,391</b>
<b><u>Liabilities and Stockholders' Equity</u></b>		
<b>Current liabilities:</b>		
Accounts payable and accrued expenses	\$ 1,530,763	\$ 1,500,650
Convertible notes payable	10,000	60,000
Deferred lease liability, current portion	125,214	119,688
Lease payable	-	23,128
Interest payable	2,762	15,079
Warrant derivative liability	1,230	11,955
<b>Total current liabilities</b>	<b>1,669,969</b>	<b>1,730,500</b>
<b>Non-current liabilities:</b>		
Deferred lease liability, less current portion	335,588	400,038
<b>Total non-current liabilities</b>	<b>335,588</b>	<b>400,038</b>
<b>Total Liabilities</b>	<b>2,005,557</b>	<b>2,130,538</b>
Commitments and Contingencies (Note 11)		
<b>Stockholders' equity:</b>		
Preferred stock, \$0.001 par value; 20,000,000 shares authorized; none issued and outstanding	-	-
Common stock, \$0.001 par value, 200,000,000 shares authorized; 40,952,450 and 35,110,916 shares issued and outstanding, December 31, 2016 and June 30, 2016	40,954	35,114
Additional paid-in capital	60,640,517	52,782,569
Accumulated deficit	(52,748,627)	(44,044,830)
<b>Total stockholders' equity</b>	<b>7,932,844</b>	<b>8,772,853</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$ 9,938,401</b>	<b>\$ 10,903,391</b>

See accompanying notes to consolidated financial statements

**AntriaBio, Inc.**  
**Consolidated Statements of Operations**

	Three Months Ended December 31,		Six Months Ended December 31,	
	2016	2015	2016	2015
	(Unaudited)		(Unaudited)	
<b>Operating expenses</b>				
<i>Research and development</i>				
Compensation and benefits	\$ 1,909,518	\$ 1,142,198	\$ 3,213,358	\$ 2,007,401
Consultants and outside costs	194,783	340,289	466,258	604,280
Material manufacturing costs	567,430	755,464	1,079,137	1,375,511
Facilities and other costs	403,648	285,926	802,555	504,951
	<u>3,075,379</u>	<u>2,523,877</u>	<u>5,561,308</u>	<u>4,492,143</u>
<i>General and administrative</i>				
Compensation and benefits	1,285,052	1,170,679	2,151,953	2,117,850
Professional fees	139,865	116,112	286,016	238,173
Investor relations	87,428	57,402	155,535	114,320
General and administrative	301,520	198,466	558,115	403,649
	<u>1,813,865</u>	<u>1,542,659</u>	<u>3,151,619</u>	<u>2,873,992</u>
<b>Total operating expenses</b>	<u>4,889,244</u>	<u>4,066,536</u>	<u>8,712,927</u>	<u>7,366,135</u>
<b>Loss from operations</b>	<u>(4,889,244)</u>	<u>(4,066,536)</u>	<u>(8,712,927)</u>	<u>(7,366,135)</u>
<b>Other income (expense)</b>				
Interest income	-	193	-	964
Interest expense	-	(1,379)	(1,595)	(2,992)
Derivative gains	1,313	1,729	10,725	14,316
<b>Total other income (expense)</b>	<u>1,313</u>	<u>543</u>	<u>9,130</u>	<u>12,288</u>
<b>Net loss</b>	<u>\$ (4,887,931)</u>	<u>\$ (4,065,993)</u>	<u>\$ (8,703,797)</u>	<u>\$ (7,353,847)</u>
<b>Net loss per common share - basic and diluted</b>	<u>\$ (0.12)</u>	<u>\$ (0.17)</u>	<u>\$ (0.23)</u>	<u>\$ (0.30)</u>
<b>Weighted average number of common shares outstanding - basic and diluted</b>	<u>40,788,241</u>	<u>24,338,219</u>	<u>38,091,406</u>	<u>24,338,219</u>

See accompanying notes to consolidated financial statements

**AntriaBio, Inc.**  
**Consolidated Statements of Stockholders' Equity**  
**From June 30, 2015 to December 31, 2016 (Unaudited)**

	Common Stock, \$0.001 Par Value		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount			
<b>Balance at June 30, 2015</b>	<b>24,338,219</b>	<b>\$ 24,341</b>	<b>\$ 38,138,754</b>	<b>\$ (29,109,288)</b>	<b>\$ 9,053,807</b>
Stock-based compensation	-	-	3,761,837	-	3,761,837
Fair value of warrants issued	-	-	5,523,706	-	5,523,706
Dividends on Series A Preferred Stock	-	-	(5,974,385)	-	(5,974,385)
Conversion of Series A Preferred Stock into common stock	5,897,677	5,897	5,302,012	-	5,307,909
Exchange on Series A Preferred Stock	-	-	2,929,084	-	2,929,084
Issuance of common stock, net of issuance costs of \$1,053,748	4,875,020	4,876	3,101,561	-	3,106,437
Net loss for the year ended June 30, 2016	-	-	-	(14,935,542)	(14,935,542)
<b>Balance at June 30, 2016</b>	<b>35,110,916</b>	<b>\$ 35,114</b>	<b>\$ 52,782,569</b>	<b>\$ (44,044,830)</b>	<b>\$ 8,772,853</b>
Stock-based compensation (Unaudited)	-	-	2,125,966	-	2,125,966
Fair value of warrants issued (Unaudited)	-	-	1,778,962	-	1,778,962
Issuance of common stock, net of issuance costs of \$1,199,744 (Unaudited)	5,783,184	5,782	3,893,561	-	3,899,343
Conversion of note payable into common stock (Unaudited)	58,350	58	59,459	-	59,517
Net loss for the six months ended December 31, 2016 (Unaudited)	-	-	-	(8,703,797)	(8,703,797)
<b>Balance at December 31, 2016 (Unaudited)</b>	<b>40,952,450</b>	<b>\$ 40,954</b>	<b>\$ 60,640,517</b>	<b>\$ (52,748,627)</b>	<b>\$ 7,932,844</b>

See accompanying notes to consolidated financial statements

**AntriaBio, Inc.**  
**Consolidated Statements of Cash Flows**  
(Unaudited)

	<b>Six Months</b>	
	<b>Ended December 31,</b>	
	<b>2016</b>	<b>2015</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net loss	\$ (8,703,797)	\$ (7,353,847)
Amortization of intangible asset	3,646	3,646
Depreciation expense	546,429	220,537
Stock-based compensation expense	2,125,966	1,965,993
Derivative gains	(10,725)	(14,316)
Warrant expense	-	21,092
Changes in operating assets and liabilities:		
Decrease in other assets	29,153	65,739
Increase in accounts payable and accrued expenses	12,097	295,965
(Decrease) increase in interest payable	(2,800)	1,000
Decrease in deferred lease liability	(58,924)	(4,098)
<b>Net Cash Used In Operating Activities</b>	<b>(6,058,955)</b>	<b>(4,798,289)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of fixed assets	(272,587)	(1,257,542)
Return of security deposit	187,500	187,500
Decrease in restricted cash	-	450,167
<b>Net Cash Used In Investing Activities</b>	<b>(85,087)</b>	<b>(619,875)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Payments on lease payable	(23,128)	(46,453)
Proceeds from issuance of equity financing	6,361,499	2,000,115
Payment of placement agent compensation and issuance costs	(683,194)	(105,715)
<b>Net Cash Provided by Financing Activities</b>	<b>5,655,177</b>	<b>1,847,947</b>
Net decrease in cash	(488,865)	(3,570,217)
Cash - Beginning of Period	4,062,013	5,278,706
Cash - End of Period	<u>\$ 3,573,148</u>	<u>\$ 1,708,489</u>
<b>SUPPLEMENTARY CASH FLOW INFORMATION:</b>		
Cash Paid During the Period for:		
Taxes	\$ -	\$ -
Interest	\$ -	\$ -
Non-Cash Transactions:		
Fixed assets acquired through accounts payable and accrued expenses	\$ 18,016	\$ 511,563
Warrant value recorded as issuance costs	\$ 516,550	\$ 90,852
Conversion of note payable into common stock	\$ 50,000	\$ -
Conversion of interest payable into common stock	\$ 9,517	\$ -

See accompanying notes to consolidated financial statements



**AntriaBio, Inc.**  
**Notes to Consolidated Financial Statements**  
**December 31, 2016**  
**(Unaudited)**

**Note 1 Nature of Operations**

These financial statements represent the consolidated financial statements of AntriaBio, Inc. (“AntriaBio”), and its wholly owned operating subsidiary, AntriaBio Delaware, Inc. (“Antria Delaware”). AntriaBio and Antria Delaware are collectively referred to herein as the “Company”.

**Note 2 Summary of Significant Accounting Policies**

**Basis of Presentation**

The accompanying unaudited interim financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America and the rules and regulations of the United States Securities and Exchange Commission for interim financial information and with the instructions to Form 10-Q and Article 8 of Regulation S-X.

The unaudited interim financial statements should be read in conjunction with the Company’s Annual Report on Form 10-K filed on September 28, 2016, which contains the audited financial statements and notes thereto, together with the Management’s Discussion and Analysis of Financial Condition and Results of Operations, for the year ended June 30, 2016.

Certain information or 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, pursuant to the rules and regulations of the Securities and Exchange Commission for interim financial reporting. Accordingly, they do not include all the information and footnotes necessary for a comprehensive presentation of financial position, results of operations, or cash flows. It is management's opinion, however, that all material adjustments (consisting of normal recurring adjustments) have been made which are necessary for a fair financial statement presentation. The interim results for the period ended December 31, 2016 are not necessarily indicative of results for the full fiscal year.

**Use of Estimates**

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts in the financial statements and the accompanying notes. Such estimates and assumptions impact, among others, the following: estimated useful lives and impairment of depreciable assets, the fair value of share-based payments and warrants, fair value of derivative instruments, estimates of the probability and potential magnitude of contingent liabilities and the valuation allowance for deferred tax assets due to continuing and expected future operating losses. Actual results could differ from those estimates.

**Risks and Uncertainties**

The Company's operations may be subject to significant risk and uncertainties including financial, operational, regulatory and other risks associated with a preclinical stage company, including the potential risk of business failure. See Note 3 regarding going concern matters.

## Fixed Assets

Fixed assets are carried at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives.

## Research and Development Costs

Research and development costs are expensed as incurred and include salaries, benefits and other staff-related costs; consultants and outside costs; material manufacturing costs; and facilities and other costs. These costs relate to research and development costs without an allocation of general and administrative expenses.

## Fair Value of Financial Instruments

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The standard also expands disclosures about instruments measured at fair value and establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

- Level 1: Quoted prices for identical assets and liabilities in active markets;
- Level 2: Quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets; and
- Level 3: Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

The carrying amounts of financial instruments including cash, accounts payable and accrued expenses, and convertible notes payable approximated fair value as of December 31, 2016 and June 30, 2016 due to the relatively short maturity of the respective instruments.

The warrant derivative liability recorded as of December 31, 2016 and June 30, 2016 is recorded at an estimated fair value based on a Black-Scholes pricing model. The warrant derivative liability is a level 3 fair value measurement with the entire change in the balance recorded through earnings. See significant assumptions in Note 9. The following table sets forth a reconciliation of changes in the fair value of financial instruments classified as level 3 in the fair value hierarchy:

Balance as of June 30, 2016	\$	(11,955)
Total unrealized gains (losses):		
Included in earnings		10,725
Balance as of December 31, 2016	\$	<u>(1,230)</u>

## Recent Accounting Pronouncements

In August 2014, the FASB issued ASU 2014-15, *Disclosure of Uncertainties About an Entity's Ability to Continue as a Going Concern* ("ASU 2014-15"), which provides guidance on determining when and how to disclose going-concern uncertainties in the financial statements. The new standard requires management to perform assessments of an entity's ability to continue as a going concern within one year of the date the financial statements are issued. An entity must provide certain disclosures if conditions or events raise substantial doubt about the entity's ability to continue as a going concern. We will be required to perform the going concern assessment under ASU 2014-15 beginning with the year ending June 30, 2017. We do not expect the adoption of the new provisions to have a material impact on our financial condition or results of operations.

In January 2016, the FASB issued ASU 2016-01, *Financial Instruments – Overall: Recognition and Measurement of Financial Assets and Financial Liabilities*, which addresses certain aspects of recognition, measurement, presentation, and disclosure of financial instruments. ASU 2016-01 will be effective for us starting on July 1, 2018, and early adoption is not permitted. We are currently evaluating the impact that the standard will have on our consolidated financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. This update requires organizations to recognize lease assets and lease liabilities on the balance sheet and also disclose key information about leasing arrangements. This ASU is effective for annual reporting periods beginning on or after December 15, 2018, and interim periods within those annual periods. Earlier application is permitted for all entities as of the beginning of an interim or annual period. We will be required to adopt ASU 2016-02 starting on July 1, 2019. We are currently evaluating the impact the adoption of this ASU will have on our consolidated financial statements.

In March 2016, the FASB issued ASU 2016-09, *Compensation – Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting*. The update will affect all entities that issue share-based payment awards to their employees and is effective for annual periods beginning after December 15, 2016 for public entities. The areas for simplification in ASU 2016-09 involve several aspects of the accounting for share-based payment transactions, including the income tax consequences, classification of awards as either equity or liabilities, and classification on the statement of cash flows. We will be required to adopt this ASU starting on July 1, 2017. We are currently evaluating the impact the adoption of this ASU will have on our consolidated financial statements.

### **Note 3 Going Concern**

As reflected in the accompanying financial statements, the Company has a net loss of \$8,703,797 and net cash used in operations of \$6,058,955 for the six months ended December 31, 2016, and working capital of \$2,116,620 and stockholders' equity of \$7,932,844 and an accumulated deficit of \$52,748,627 at December 31, 2016. In addition, the Company is in the preclinical stage and has not yet generated any revenues. These factors raise substantial doubt about the Company's ability to continue as a going concern.

The Company expects that its current cash resources as well as expected lack of operating cash flows will not be sufficient to sustain operations for a period greater than one year. The ability of the Company to continue its operations is dependent on Management's plans, which include continuing to raise capital through equity based financings. There can be no assurances that such capital will be available to us on acceptable terms or at all.

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. These financial statements do not include any adjustments relating to the recovery of the recorded assets or the classification of the liabilities that might be necessary should the Company be unable to continue as a going concern.

#### **Note 4 Fixed Assets**

The following is a summary of fixed assets and accumulated depreciation:

	Useful Life	December 31, 2016	June 30, 2016
Furniture and fixtures	5 - 7 years	\$ 75,034	\$ 62,730
Lab equipment	3 - 15 years	3,832,450	3,589,615
Leasehold Improvements	5 - 7 years	3,247,038	3,211,575
		7,154,522	6,863,920
Less: accumulated depreciation and amortization		(1,425,678)	(879,250)
		<u>\$ 5,728,844</u>	<u>\$ 5,984,670</u>

Depreciation expense was \$278,074 and \$150,225 for the three months ended December 31, 2016 and 2015, respectively and was \$546,429 and \$220,537 for the six months ended December 31, 2016 and 2015, respectively.

#### **Note 5 Related Party Transactions**

During the three and six months ended December 31, 2016, the Company incurred investor relations expenses of \$31,050 and \$67,275 and general and administrative expenses of \$13,829 and \$13,829 for services performed by a related parties of the Company and included in the statement of operations. During the three and six months ended December 31, 2015, there were no related party transactions.

#### **Note 6 Convertible Notes Payable**

From 2010 to 2014, the Company issued several series of convertible promissory notes for which principal and interest were due between six months and two years after issuance. The convertible notes allowed investors to convert their shares into common stock at the time of certain qualifying events with some of the notes also issuing warrants at the time of conversion.

On March 31, 2014, the Company closed on an equity transaction which qualified as a "qualified financing" as such the \$2,703,000 in 2013 Notes and the accrued interest was converted into 2,186,838 shares of our common stock. The Company also converted \$4,275,172 of the 2010, 2011 and 2012 Notes and accrued interest into 3,111,126 shares of our common stock. The remaining balance of any debt discounts on the notes converted was recorded into interest expense at the time of the conversion.

During the six months ended December 31, 2016, one convertible note with a balance of \$50,000 and accrued interest converted into 58,350 shares of common stock. As of December 31, 2016 and June 30, 2016, the convertible notes outstanding balance was \$10,000 and \$60,000, respectively. As of December 31, 2016, all of the outstanding convertible notes have matured and payments were due. The convertible notes which have not been repaid or converted continue to accrue interest at a rate of 8%.

### **Note 7 Series A Convertible Preferred Stock**

On December 7, 2015, the Board of Directors authorized fifteen million shares of Series A Convertible Preferred Stock ("Series A Stock"). The Series A Stock had a conversion feature at the option of the holder that could be converted at any time at a conversion rate of \$1.95, subject to adjustment, into common stock. The shares also had a mandatory conversion feature at the same conversion rate if one of the following events occurs: 1) Upon vote or consent of 2/3 of the then outstanding Series A Stock; 2) Upon the Company's listing to NASDAQ Stockmarket or the NYSE MKT and the Company's common stock trades for 30 days for at least 155% of the Series A Stock conversion price; or 3) the Company closes an underwritten public offering of at least \$15 million in gross proceeds with an offering price of at least 155% of the Series A Stock conversion price. The Series A Stock's conversion price was subject to weighted average anti-dilution protection, as defined, and was subject to adjustments for stock splits, dividends, and similar events. The Series A Stock was mandatorily redeemable ten years after the issuance date or upon a liquidation event, as defined, which included a change in control and therefore recorded before stockholders' equity on the consolidated balance sheet. The Series A Stock was entitled to an annual dividend of 6% based on the original issuance price, compounded quarterly. The dividend was cumulative and was to be paid in shares of Series A Stock. The accrued dividends were payable upon redemption or conversion. The Series A Stock had voting rights equal to common stockholders as if the Series A Stock converted into common stock on the record date of the vote. The Series A Stock also had liquidation preferences over other stockholders.

On December 10, 2015, the Company closed an initial offering of its Series A Stock with an offering price of \$1.95 per share. The Company issued 1,025,699 shares and received net proceeds of \$1,803,548 after the placement agent compensation and issuance costs paid of \$105,715 and a warrant with a fair value of \$90,852 recorded as issuance costs. On March 2, 2016, the Company closed a second offering of its Series A Stock with an offering price of \$1.95 per share. The Company issued 1,716,487 shares and received net proceeds of \$2,956,975 after the placement agent compensation and issuance costs paid of \$231,214 and a warrant with a fair value of \$159,311 recorded as issuance costs. On April 12, 2016, the Company closed a final offering of its Series A Stock with an offering price of \$1.95 per share. The Company issued 512,820 shares and received net proceeds of \$1,000,000 as there were no placement agent compensation or issuance costs. The issuance costs were being accreted over the ten-year life of the Series A Stock of which \$22,846 was accreted during the year ended June 30, 2016.

Through June 24, 2016, the Company declared and issued 71,708 shares of Series A Stock as dividends on the current outstanding shares of Series A Stock.

On June 24, 2016, the Company and the stockholders of the Series A Preferred Stock consented to convert all of the shares of Series A Preferred Stock into common stock. The conversion occurred at a conversion price of \$1.95 per share. The Company then entered into an Exchange Agreement with each former Series A stockholder to exchange the Conversion Shares into shares of common stock and related warrants equal to the Series A Preferred Stock purchase price plus accrued dividends at an exchange rate of \$1.10 per Exchange Share and related Exchange Warrant. The Company converted and cancelled 3,326,714 shares of Series A Preferred Stock and issued 5,897,677 Exchange Shares and Exchange Warrants. As the Series A stockholders received additional securities over what would have been received in the original conversion terms the transaction was considered an induced conversion. The Exchange Shares and Exchange Warrants received are recorded at the fair value on the date they were received. The excess of the fair value of the securities received over the fair value of the securities the stockholders would have received under the original terms on the date of conversion was \$5,811,700 and was recorded as a deemed dividend as additional paid in capital at the time of conversion. The Company then recorded a gain on the exchange of \$2,929,084, which was also recorded into additional paid in capital. As a result of the conversion and exchange of the Series A Preferred Stock, the Series A Preferred Stock is no longer deemed outstanding, and all rights with respect to such stock ceased and terminated.

## **Note 8 Shareholders' Equity**

During 2016, the Company entered into a private placement transaction in which the Company issued 4,875,020 units to accredited investors. Each investor was issued either Class A Units or Class B Units of the Company. Each Class A Unit received one share of common stock and one-half of one common share purchase warrant. If the investor had previously invested in the Company they were eligible for a Class B Unit which received one share of common stock and one common share purchase warrant. Each common share purchase warrant is exercisable at \$1.65 per share and will expire 60 months following the issuance. As of June 30, 2016, the Company received net proceeds of \$4.8 million after the placement agent compensation and issuance costs paid of \$553,428 and \$500,321 of warrant expense recorded as issuance costs.

During the six months ended December 31, 2016, the Company closed additional private placement transactions in which the Company issued 5,783,184 units to accredited investors. Each investor was issued either Class A Units or Class B units of the Company. Each Class A Unit received one share of common stock and one-half of one common share purchase warrant. If the investor had previously invested in the Company they were eligible for a Class B Unit which received one share of common stock and one common share purchase warrant. Each common share purchase warrant is exercisable at \$1.65 per share and will expire 60 months following the issuance. As of December 31, 2016, the Company received net proceeds of \$5.2 million after the placement agent compensation and issuance costs paid of \$683,194 and \$516,550 of warrant expense recorded as issuance costs.

The Company has not declared or paid any dividends or returned any capital to common stockholders as of December 31, 2016.

## **Note 9 Stock-Based Compensation**

*Options* - AntriaBio adopted individual stock option plans in January 2013 for four officers and/or directors of the Company. The stock option plans granted 1,500,000 option shares with an exercise price of \$4.50 per share and had fully vested as of June 30, 2016. In June 2013, AntriaBio adopted individual stock option plans for two consultants of the Company. The stock option plans granted 8,334 shares with an exercise price of \$4.50 per share and had fully vested as of June 30, 2015.

On March 26, 2014, the Company adopted the AntriaBio, Inc. 2014 Stock and Incentive Plan which allows the Company to issue up to 3,750,000 of common stock in the form of stock options, incentive options or common stock. The Company had granted 3,295,000 of these shares to current employees and directors of the Company as of June 30, 2016. The options have an exercise price from \$1.29 to \$3.44 per share. The options vest monthly over four years, with some options subject to a one year cliff before options begin to vest monthly.

On February 23, 2015, the Company adopted the AntriaBio, Inc. 2015 Non Qualified Stock Option Plan which allows the Company to issue up to 6,850,000 of common stock in the form of stock options. The Company had granted 4,397,000 of these shares to current employees and directors of the Company as of June 30, 2016 and granted an additional 90,000 of these shares to current employees as of December 31, 2016. The options have an exercise price of from \$1.00 to \$2.06 per share. The options vest monthly over 4 years with some options subject to a one year cliff before options begin to vest monthly.

On October 31, 2016, the Company adopted the AntriaBio, Inc. 2016 Non Qualified Stock Option Plan which allows the Company to issue up to 35,000,000 of common stock in the form of stock options. The Company had granted 28,210,000 of these shares to current employees and directors of the Company, of which 4,360,000 of the granted shares were never issued as the Board determined to cancel the options as of December 31, 2016. The options have an exercise price of \$1.20 per share. The options vest monthly over 4 years, except for 12,190,000 of the options which do not begin to vest until specific events have occurred and then begin to vest monthly over 4 years.

AntriaBio has computed the fair value of all options granted that have begun vesting using the Black-Scholes option pricing model. The options that require specific events before they begin to vest are not valued until the specific event has occurred. In order to calculate the fair value of the options, certain assumptions are made regarding components of the model, including the estimated fair value of the underlying common stock, risk-free interest rate, volatility, expected dividend yield and expected option life. Changes to the assumptions could cause significant adjustments to valuation. AntriaBio estimated a volatility factor utilizing comparable published volatility of several peer companies. Due to the small number of option holders and all options being to officers and/or directors, AntriaBio has estimated a forfeiture rate of zero as the value of each option holder is calculated individually. AntriaBio estimates the expected term based on the average of the vesting term and the contractual term of the options. The risk-free interest rate is based on the U.S. Treasury yield in effect at the time of the grant for treasury securities of similar maturity.

AntriaBio has computed the fair value of all options granted during the six months ended December 31, 2016 using the following assumptions:

Expected volatility	74% - 79%
Risk free interest rate	1.46% - 2.32%
Expected term (years)	7
Dividend yield	0%

AntriaBio has computed the fair value of all options granted during the year ended June 30, 2016 using the following assumptions:

Expected volatility	97% - 100%
Risk free interest rate	1.69% - 1.91%
Expected term (years)	7
Dividend yield	0%

Stock option activity is as follows:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life
Outstanding, June 30, 2015	8,702,418	\$ 2.78	7.1
Granted	285,000	\$ 1.07	
Forfeited	(40,000)	\$ 1.66	
Outstanding, June 30, 2016	8,947,418	\$ 2.73	6.2
Granted	23,940,000	\$ 1.20	
Outstanding, December 31, 2016	32,887,418	\$ 1.62	8.8
Exercisable at December 31, 2016	5,857,271	\$ 2.92	5.2

Stock-based compensation expense related to the fair value of stock options was included in the statement of operations as research and development – compensation and benefits expense of \$444,801 and \$312,630 and as general and administrative – compensation and benefits expense of \$792,137 and \$673,013 for the three months ended December 31, 2016 and 2015, respectively. Stock-based compensation expense related to the fair value of stock options was included in the statement of operations as research and development – compensation and benefits expense of \$749,770 and \$619,967 and as general and administrative – compensation and benefits expense of \$1,376,196 and \$1,346,026 for the six months ended December 31, 2016 and 2015, respectively. The unrecognized stock-based compensation expense at December 31, 2016 is \$14,133,769. AntriaBio determined the fair value as of the date of grant using the Black-Scholes option pricing method and expenses the fair value ratably over the vesting period.

*Warrants-* AntriaBio issued warrants to agents in conjunction with the closing of various financings and issued warrants in private placements as follows:

	Number of Warrants	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life
Outstanding, June 30, 2015	19,016,391	\$ 2.33	3.0
Warrants issued in stock conversion	5,897,677	\$ 1.65	
Warrants issued in private placements	3,043,669	\$ 1.65	
Warrants issued to placement agents	933,639	\$ 1.61	
Warrants issued for investor relations	103,000	\$ 1.60	
Warrants cancelled	(30,000)	\$ 3.44	
Outstanding, June 30, 2016	28,964,376	\$ 2.11	3.1
Warrants issued in private placements	3,248,184	\$ 1.65	
Warrants issued to placement agents	536,150	\$ 1.65	
Outstanding, December 31, 2016	32,748,710	\$ 2.05	2.9

Year ended June 30, 2016: The Company issued warrants to purchase 5,897,677 shares of common stock at a price of \$1.65 per share, exercisable through March 2021 in connection with the issuance of units in a preferred stock conversion. The Company issued warrants to purchase 3,043,669 shares of common stock at a price of \$1.65 per share, exercisable through June 2021 in connection with the issuance of units in private placements. The Company issued warrants to the placement agent to purchase 184,490 shares of common stock at a price of \$2.34 per share. On June 24, 2016, the Company modified the warrant to purchase 184,490 shares of common stock, by replacing the warrant with warrants to purchase 327,046 shares of common stock at a price of \$1.32 per share, exercisable through December 2023 in connection with the Series A Preferred Stock Offering. The Company issued warrants to the placement agent to purchase 87,500 shares of common stock at a price of \$2.50 per share, exercisable through December 2022 in connection with the Series A Preferred Stock Offering. The Company issued warrants to the placement agents to purchase 519,093 shares of common stock at a price of \$1.65 per share, exercisable through December 2023 in connection with the private placement. The Company issued warrants to purchase 9,000 shares of common stock at a price of \$1.38 per share in connection with investor relations services. The Company issued warrants to purchase 24,000 shares of common stock at a price of \$1.34 per share in connection with investor relations services. The Company issued warrants to purchase 60,000 shares of common stock at a price of \$1.85 per share in connection with investor relations services. The Company issued warrants to purchase 10,000 shares of common stock at a price of \$0.96 per share in connection with investor relations services.

For the Six Months Ended December 31, 2016: The Company issued warrants to purchase 3,248,184 shares of common stock at a price of \$1.65 per share, exercisable through October 2021 in connection with the issuance of units in private placements. The Company issued warrants to the placement agent to purchase 536,150 shares of common stock at a price of \$1.65 per share.

The warrants exercisable for 66,667 shares of common stock are accounted for under liability accounting for the shares that have vested and were recorded at their fair value on the date of issuance of \$50,365 as a liability and as professional fees and investor relation expense. Warrants for 30,000 shares of common stock were cancelled as of December 31, 2015 as the vesting events had not occurred. The fair value as of December 31, 2016 and June 30, 2016 were \$1,230 and \$11,955, respectively which is reflected as a liability with the fair value adjustment recorded as derivative gains or losses on the consolidated statements of operations.



The warrants exercisable for the 5,897,677 shares of common stock were accounted for under equity treatment and fair valued as of the date of issuance. The fair value of the warrants was valued at \$3,497,914 and was recorded into additional paid-in capital. The warrants exercisable for the 3,043,558 shares of common stock were accounted for under equity treatment and were recorded at the allocated fair value as of the date of issuance. The estimated fair value of the warrants was \$1,667,630 and the allocated fair value of \$1,202,336 was recorded into additional paid-in capital.

The warrants exercisable for 184,490 shares of common stock were accounted for under equity treatment and were fair valued as of the date of issuance. The fair value of the warrants was valued at \$184,673 and recorded as additional paid-in-capital and Series A Convertible Preferred Stock as issuance costs. On June 24, 2016, the warrants were modified and in place of the warrants to purchase 184,490 shares were replaced by warrants to purchase 327,046 shares of common stock. The change in the fair value between the old warrants and the new warrants on the date of modification was calculated as \$113,521 and was recorded as additional paid-in-capital and as issuance costs. The warrants exercisable for 87,500 shares of common stock were accounted for under equity treatment and were fair valued as of the date of issuance. The fair value of the warrants was valued as \$65,490 as additional paid-in-capital and Series A Convertible Preferred Stock as issuance costs. The warrants exercisable for 519,093 shares of common stock were accounted for under equity treatment and were fair valued as of the date of issuance. The fair value of the warrants was valued at \$386,800 and recorded as additional paid-in-capital and as issuance costs.

The warrants exercisable for the 9,000 shares of common stock were accounted for under the equity treatment and were fair valued as of the date of issuance. The fair value of the warrants was valued at \$11,407 and recorded as additional paid-in-capital and investor relations. The additional warrants exercisable for the 24,000 shares of common stock were accounted for under the equity treatment and were fair valued as of the date of issuance. The fair value of the warrants was valued at \$20,943 and recorded as additional paid-in-capital and investor relations. The warrants exercisable for the 60,000 shares of common stock were accounted for under the equity treatment and were fair valued as of the date of issuance. The fair value of the warrants was valued at \$34,122 and recorded as additional paid-in-capital and investor relations. The warrants exercisable for the 10,000 shares of common stock were accounted for under the equity treatment and fair valued as of the date of issuance. The fair value of the warrants was valued as \$6,500 and recorded as additional paid-in-capital and investor relations.

The warrants exercisable for the 3,248,184 shares of common stock were accounted for under equity treatment and were recorded at the allocated fair value as of the date of issuance. The estimated fair value of the warrants was \$2,759,015 and the allocated fair value of \$1,262,413 was recorded into additional paid-in capital. The warrants exercisable for 536,150 shares of common stock were accounted for under equity treatment and were fair valued as of the date of issuance. The fair value of the warrants was valued at \$516,550 and recorded as additional paid-in-capital and as issuance costs.

These warrants were valued using the Black-Scholes option pricing model on the date of issuance. In order to calculate the fair value of the warrants, certain assumptions were made regarding components of the model, including the closing price of the underlying common stock, risk-free interest rate, volatility, expected dividend yield, and warrant term. Changes to the assumptions could cause significant adjustments to valuation. AntriaBio estimated a volatility factor utilizing comparable published volatilities of several peer companies. The risk-free interest rate is based on the U.S. Treasury yield in effect at the time of the grant for treasury securities of similar maturity.

The Black-Scholes valuation methodology was used because that model embodies all of the relevant assumptions that address the features underlying these instruments. Significant assumptions for the warrants issued for the six months ended December 31, 2016 were as follows:

Expected volatility	54% - 111%
Risk free interest rate	0.45% - 1.56%
Warrant term (years)	0 - 7
Dividend yield	0%

Significant assumptions for the warrants issued for the year ended June 30, 2016 were as follows:

Expected volatility	87 - 151%
Risk free interest rate	0.45% - 2.03%
Warrant term (years)	1 - 7.5
Dividend yield	0%

On January 31, 2017, the Company closed an offer to amend certain warrants. The amendment would set the exercise price at \$1.65 per share, extend the exercise date to January 30, 2020 and add an acceleration clause to the warrant. All other warrant terms would remain the same. As of January 31, 2017, 189 investors had elected to amend approximately 15.4 million warrants.

#### **Note 10 Income Taxes**

Income tax expense during interim periods is based on applying an estimated annual effective income tax rate to year-to-date income, plus any significant unusual or infrequently occurring items which are recorded in the interim period. The computation of the annual estimated effective tax rate at each interim period requires certain estimates and significant judgment including, but not limited to, the expected operating income for the year, projections of the proportion of income earned and taxed in various jurisdictions, permanent and temporary differences, and the likelihood of recovering deferred tax assets generated in the current year. The accounting estimates used to compute the provision for income taxes may change as new events occur, more experience is obtained, additional information becomes known or as the tax environment changes.

In the six months ended December 31, 2016, the Company did not record any income tax provision due to expected future losses and full valuation allowance on its deferred tax assets.

#### **Note 11 Commitments and Contingencies**

*Lease Commitments* – In May 2014, the Company entered into a lease of approximately 27,000 square feet of office, laboratory and clean room space to be leased for seventy-two months. The lease requires monthly payments of \$28,939 adjusted annually by approximately 3% plus triple net expenses monthly of \$34,381 adjusted annually. The Company also made a security deposit of \$750,000 which is held by the landlord, of which \$375,000 has been returned to the Company and the remaining balance will be returned gradually over the next several years.

As of December 31, 2016, the minimum rental commitment under the lease is as follows:

Year Ending June 30,	
2017	186,047
2018	381,360
2019	392,855
2020	335,747
	<u>\$ 1,296,009</u>

*Legal Matters* - From time to time, the Company may be involved in litigation relating to claims arising out of operations in the normal course of business. As of December 31, 2016, there were no pending or threatened lawsuits that could reasonably be expected to have a material effect on the results of our operations. There are no proceedings in which any of our directors, officers or affiliates, or any registered or beneficial shareholders, is an adverse party or has a material interest adverse to our interest.

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

### **General**

This discussion and analysis should be read in conjunction with the accompanying financial statements and related notes. This discussion and analysis contains forward-looking statements that involve risks, uncertainties and assumptions. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of many factors.

### **Summary**

Since inception, we have raised more than \$44 million, which has enabled us to advance our microsphere platform, including completing preclinical studies for our lead product candidate, AB101, a potential once-weekly injectable basal insulin for patients with type 1 and type 2 diabetes. We continue to believe that AB101's unique human insulin based formulation has the potential to significantly disrupt the annual \$11 billion basal insulin market that is dominated by daily injections of insulin analogs.

Our primary objective is to manufacture clinical material in the first quarter of calendar year 2017 in our Louisville, Colorado facility and to commence a clinical study for AB101 at a contract research organization (CRO) in Southern California in the middle of calendar year 2017. To that end, in January 2017 we certified that our facility meets cGMP (current good manufacturing practices) and we plan to manufacture clinical material in the first quarter of calendar year 2017 in the facility. We plan on executing a contract with the CRO in February 2017 to facilitate the necessary planning and preparation for the clinical study.

### *Capital Requirements*

We require additional capital in order to fund the AB101 clinical study as well as to fund ongoing operations beyond the first quarter of calendar year 2017. We are currently in the process of raising capital in a financing ("Financing") where we are seeking at least \$10,000,000 and would consider raising as much as \$30,000,000. As we have previously disclosed, we have retained Samsung Securities to assist us in the Financing in the Republic of Korea ("Korea") and elsewhere in Asia where institutional investors have expressed interest in the Company.

We have identified a lead investor in Korea and are continuing discussions and diligence efforts with additional parties. The terms of the Financing include the private placement of shares of our common stock priced at or around \$1 per share and we are not expecting to issue any warrants or other contingent equity interests as part of the Financing. We expect to conduct several closings in the Financing with the first to occur prior to the end of February 2017. We expect to have one or more additional closings in March 2017 and we expect to raise capital on the same terms in the United States. While the Company has made progress in the Financing, there can be no assurance that such Financing will close or that it will close on the terms described above. In the event that the Financing does not materialize as planned, the Company will need to find alternative sources of capital.

### *AB101 Update*

In calendar year 2015 we constructed a manufacturing suite in our Louisville, Colorado facility in order to produce clinical material suitable for injection into patients. In calendar year 2016 we tested and refined our processes and equipment (including assessing sterility standards) and in January 2017 we certified that our manufacturing suite meets cGMP requirements. As a result, we plan to manufacture the clinical material for AB101 in the first quarter of calendar year 2017, subsequently file an IND with the FDA and commence the clinical study in the middle of calendar year 2017.

## **Significant Accounting Policies and Estimates**

Our consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of expenses during the reporting period. On an on-going basis, management evaluates its estimates and judgments, including those related to the estimated useful lives and impairment of depreciable assets, the fair value of share-based payments and warrants, fair value of derivative instruments, income tax valuation allowances and contingencies. Management bases its estimates and judgments on historical experience and on various factors that are believed to be reasonable under the circumstance, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. The methods, estimates, and judgments used by us in applying these most critical accounting policies have a significant impact on the results we report in our consolidated financial statements.

## **Results of Operations**

### ***For Three and Six Months Ended December 31, 2016 and 2015***

Results of operations for the three months ended December 31, 2016 (the “2017 quarter”) and the three months ended December 31, 2015 (the “2016 quarter”) reflected losses of approximately \$4,888,000 and \$4,066,000, respectively.

Results of operations for the six months ended December 31, 2016 (the “2017 period”) and the six months ended December 31, 2015 (the “2016 period”) reflected losses of approximately \$8,704,000 and \$7,354,000, respectively.

### ***Revenues***

We are a preclinical stage company and have not generated any revenues since inception.

## **Expenses**

Research and development costs include salaries, benefits and other staff-related costs; consultants and outside costs; material manufacturing costs; and facilities and other costs. Research and development costs were approximately \$3,075,000 in the 2017 quarter compared to \$2,524,000 in the 2016 quarter. Research and development costs were approximately \$5,561,000 in the 2017 period compared to \$4,492,000 in the 2016 period. The main increase is due to the Company continuing to hire staff to manufacture clinical material during the 2017 period.

General and administrative costs were approximately \$1,814,000 in the 2017 quarter compared to \$1,543,000 in the 2016 quarter. General and administrative costs were approximately \$3,152,000 in the 2017 period compared to \$2,874,000 in the 2016 period. The general and administrative costs have remained fairly consistent as most of these costs are fixed and remain fairly consistent from quarter to quarter.

## **Liquidity and Capital Resources**

As of December 31, 2016, we have approximately \$3.6 million in cash on hand and working capital of approximately \$2.7 million. During the year ended June 30, 2016, we closed on a Series A Preferred Stock Offering in which we issued Series A Preferred Stock. On June 24, 2016, with the consent of the Series A Stockholders all of the Series A Preferred Stock was converted to common stock and warrants. During the year ended June 30, 2016, we also closed on an equity transaction in which we issued units consisting of one share of common stock and a warrant to purchase either one-half or one share of common stock. During the six months ended December 31, 2016, we performed additional closes on the equity transaction from June 30, 2016.

The Company received net proceeds of approximately \$16.5 million from the transactions above over the last eighteen months. While we do have cash on hand, we anticipate that we will need an additional \$10 million to cover operating expenses, clinical trials of AB101 and continuing research and development of our product pipeline through the calendar year end 2017. We are currently evaluating raising additional capital to fund our current and future operations. No assurance can be given that additional financing will be available or if available will be on terms acceptable to us.

## **Going Concern**

The continuation of our business is dependent upon obtaining further financing and achieving a break even or profitable level of operations in our business. The issuance of additional equity securities by us could result in a significant dilution in the equity interests of our current or future stockholders. Obtaining commercial loans, assuming those loans would be available, will increase our liabilities and future cash commitments. There are no assurances that we will be able to obtain additional financing through either private placements, and/or bank financing or other loans necessary to support our working capital requirements. To the extent that funds generated from operations and any private placements, public offerings and/or bank financing are insufficient, we will have to raise additional working capital. No assurance can be given that additional financing will be available, or if available, will be on terms acceptable to us. These conditions raise substantial doubt about our ability to continue as a going concern.

## **Recent Accounting Pronouncements**

See Note 2 to the consolidated financial statements included in this Form 10-Q regarding the impact of certain accounting pronouncements on our consolidated financial statements.

## **Off-Balance Sheet Arrangements**

We had no off-balance sheet transactions.

### **ITEM 3. QUALITATIVE AND QUANTITATIVE DISCUSSION ABOUT MARKET RISK.**

Not required for smaller reporting companies.

### **ITEM 4. CONTROLS AND PROCEDURES.**

#### **Evaluation of Disclosure Controls and Procedures**

As of the end of the period covered by this Quarterly Report on Form 10-Q, we carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer (our principal executive officer) and our Chief Accounting Officer (our principal accounting officer), of the effectiveness of our disclosure controls and procedures as defined in Rule 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended (“Exchange Act”). Based on that evaluation and the material weakness described below, our management concluded that we did not maintain effective disclosure controls and procedures as of December 31, 2016 in ensuring that information that we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms and that it is accumulated and communicated to the issuer’s management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate, to allow timely decisions regarding required disclosure. Our management has identified control deficiencies regarding a lack of segregation of duties, a need for a stronger internal control environment, and minimal review of complex accounting issues. Our management believes that these deficiencies, which in the aggregate constitute a material weakness, are due to the small size of our staff, which makes it challenging to maintain adequate disclosure controls.

#### **Changes in internal controls over financial reporting**

During the period covered by this Quarterly Report on Form 10-Q, there were no changes in our internal control over financial reporting (as defined in Rule 13(a)-15(f) or 15(d)-15(f)) that occurred during the period covered by this quarterly report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## **PART II – OTHER INFORMATION**

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

None.

### **ITEM 1A. RISK FACTORS.**

Certain factors exist which may affect the Company’s business and could cause actual results to differ materially from those expressed in any forward-looking statements. The Company has not experienced any material changes from those risk factors as previously disclosed in the Company’s Annual Report on Form 10-K filed with the Securities and Exchange Commission on September 28, 2016 (the “Form 10-K”) or in the Company’s Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on November 14, 2016.

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

None.

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

None.

**ITEM 4. MINE SAFETY DISCLOSURES.**

Not applicable.

**ITEM 5. OTHER INFORMATION.**

None.

**ITEM 6. EXHIBITS.**

<u>Exhibit Number</u>	<u>Description of Exhibits</u>
31.1	Certification of Chief Executive Officer as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*
31.2	Certification of Chief Accounting Officer as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*
32.1	Certification of Chief Executive Officer as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002*
32.2	Certification of Chief Accounting Officer as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002*
101	The following materials from our Quarterly Report on Form 10-Q for the quarter ended December 31, 2016 formatted in XBRL (eXtensible Business Reporting Language): (i) Balance Sheet, (ii) Statement of Operations, (iii) Statements of Cash Flows, (iv) Statements of Stockholders Equity and (v) related notes to these financial statements*

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\*Filed herewith

**SIGNATURES**

In accordance with Section 12 of the Securities Exchange Act of 1934, the Registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**ANTRIABIO, INC.**

Date: February 2, 2017

By: /s/ Nevan Elam  
**Nevan Elam**  
Chief Executive Officer  
(Principal Executive Officer)

Date: February 2, 2017

By: /s/ Morgan Fields  
**Morgan Fields**  
Chief Accounting Officer  
(Principal Accounting Officer)



**EXHIBIT 31.1  
CERTIFICATIONS**

I, Nevan Elam, certify that:

1. I have reviewed this quarterly report on Form 10-Q of AntriaBio, 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. As the Registrant's sole certifying officer, I am 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 (fourth 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. As the Registrant's certifying officer, I have disclosed, based on my 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:
  - 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.

Date: February 2, 2017

By: /s/ Nevan Elam  
Nevan Elam  
Principal Executive Officer

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**EXHIBIT 31.2  
CERTIFICATIONS**

I, Morgan Fields, certify that:

1. I have reviewed this quarterly report on Form 10-Q of AntriaBio, 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. As the Registrant's sole certifying officer, I am 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 (fourth 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. As the Registrant's certifying officer, I have disclosed, based on my 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:
  - 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.

Date: February 2, 2017

By: /s/ Morgan Fields  
Morgan Fields  
Principal Accounting Officer

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**EXHIBIT 32.1**

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

In connection with the quarterly report of AntriaBio, Inc. Inc. (the "Company") on Form 10-Q for the period ended December 31, 2016, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Nevan Elam, Principal Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 2, 2017

By: /s/ Nevan Elam  
Nevan Elam  
Principal Executive Officer

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

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**EXHIBIT 32.2**

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

In connection with the quarterly report of AntriaBio, Inc. Inc. (the "Company") on Form 10-Q for the period ended December 31, 2016, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Morgan Fields, Principal Accounting Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 2, 2017

By: /s/ Morgan Fields  
Morgan Fields  
Principal Accounting Officer

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

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