

PROSPECTUS



14,958,633 Shares of Common Stock

This prospectus relates to the resale, from time to time by certain selling stockholders (the “**selling stockholders**”), of up to an aggregate 14,958,633 shares of our common stock consisting of:

- (1) 2,186,847 shares of common stock issued to the selling stockholders pursuant to the conversion of our 8% convertible promissory notes issued in connection with the Bridge Financing (as defined herein);
- (2) 225,259 shares of common stock issuable upon the exercise of outstanding warrants (the “**Bridge Warrants**”) issued to the selling stockholders in connection with the Bridge Financing;
- (3) 5,725,325 shares of common stock issued to the selling stockholders in connection with the Unit Financing (as defined herein);
- (4) 5,725,325 shares of common stock issuable upon the exercise of outstanding warrants (the “**Unit Warrants**”) issued to the selling stockholders in connection with the Unit Financing;
- (5) 562,346 shares of common stock issuable upon the exercise of outstanding warrants (the “**Bridge Incentive Warrants**”) issued to certain selling stockholders that invested in both the Bridge Financing and the Unit Financing;
- (6) 67,575 shares of common stock issuable upon the exercise of outstanding compensation warrants issued to certain selling stockholders as compensation for services rendered to us in connection with the Bridge Financing; and
- (7) 223,286 shares of common stock issuable upon the exercise of outstanding compensation warrants issued to certain selling stockholders as compensation for services rendered to us in connection with the Unit Financing.
- (8) 242,670 shares of common stock issued to the selling stockholder pursuant to the conversion of a convertible promissory note and exercise of Note warrant in connection with the Note Conversion (as defined herein).

We will not receive any of the proceeds from the resale of these shares of our common stock by the selling stockholders. However, upon exercise we will receive the cash exercise price of the Bridge Warrants, the Units Warrants or the Bridge Incentive Warrants. If compensation warrants are exercised on a cashless basis we will not receive any cash from these exercises.

The selling stockholders may sell or otherwise dispose of the shares covered by this prospectus or interests therein on any stock exchange, market or trading facility on which the shares are traded or in private transactions. These dispositions may be at fixed prices, at prevailing market prices at the time of sale, at prices related to the prevailing market price, at varying prices determined at the time of sale, or at negotiated prices. Additional information about the selling stockholders, and the times and manner in which they may offer and sell shares of our common stock under this prospectus, is provided in the sections entitled “*Selling Stockholders*” and “*Plan of Distribution*” of this prospectus.

Our common stock is presently quoted on the OTCQB under the symbol “ANTB”. On October 8, 2015, the closing bid price of our common stock was \$1.35 per share.

We issued an aggregate 14,958,633 of the shares covered by this prospectus in the Unit Financing and upon the conversion of the convertible promissory notes issued in the Bridge Financing and Note Conversion. Additional information about the Unit Financing, the Bridge Financing and the Note Conversion is provided in the section entitled “*Description of Private Placements*” of this prospectus.

**You should consider carefully the risks that we have described in the section entitled “Risk Factors” beginning on Page 10 of this prospectus before deciding whether to invest in our common stock.**

**Neither the U.S. Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

**The date of this prospectus is October 27, 2015**

## TABLE OF CONTENTS

	Page
<a href="#">ABOUT THE PROSPECTUS</a>	1
<a href="#">SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS</a>	1
<a href="#">PROSPECTUS SUMMARY</a>	2
<a href="#">THE OFFERING</a>	6
<a href="#">DESCRIPTION OF PRIVATE PLACEMENTS</a>	8
<a href="#">RISK FACTORS</a>	10
<a href="#">MARKET, INDUSTRY AND OTHER DATA</a>	24
<a href="#">USE OF PROCEEDS</a>	24
<a href="#">MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES</a>	25
<a href="#">SELECTED CONSOLIDATED FINANCIAL DATA</a>	26
<a href="#">MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS</a>	27
<a href="#">DESCRIPTION OF BUSINESS</a>	32
<a href="#">CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE</a>	37
<a href="#">DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE</a>	38
<a href="#">EXECUTIVE COMPENSATION</a>	40
<a href="#">CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE</a>	46
<a href="#">SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS</a>	48
<a href="#">DESCRIPTION OF CAPITAL STOCK</a>	49
<a href="#">SELLING STOCKHOLDERS</a>	51
<a href="#">PLAN OF DISTRIBUTION</a>	58
<a href="#">LEGAL MATTERS</a>	60
<a href="#">EXPERTS</a>	60
<a href="#">ADDITIONAL INFORMATION</a>	60

*You may only rely on the information contained in this prospectus or that we have referred you to. We have not authorized anyone to provide you with different information. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities other than the common stock offered by this prospectus. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any common stock in any circumstances in which such offer or solicitation is unlawful. Neither the delivery of this prospectus nor any sale made in connection with this prospectus shall, under any circumstances, create any implication that there has been no change in our affairs since the date of this prospectus or that this prospectus is correct as of any time after its date.*

## ABOUT THE PROSPECTUS

In this prospectus, references to “the Company,” “AntriaBio,” “we,” “us,” “Antria Delaware,” and “our” and similar terms refer to AntriaBio, Inc. References to our “common stock” refer to the common stock, par value \$0.001 per share, of AntriaBio, Inc.

You should read this prospectus together with additional information described under the headings “Where You Can Find More Information.” If there is any inconsistency between the information in this prospectus and the documents incorporated by reference herein, you should rely on the information in this prospectus.

You should rely only on the information contained in or incorporated by reference in this prospectus. We have not authorized any other person to provide information different from that contained in this prospectus and the documents incorporated by reference herein. If anyone provides you with different or inconsistent information, you should not rely on it. You should assume that the information appearing in this prospectus is accurate as of the dates on the cover page, regardless of time of delivery of the prospectus or any sale of securities. Our business, financial condition, results of operation and prospects may have changed since those dates.

### SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Information set forth in this prospectus and the information it incorporates by reference may contain various “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act. All information relative to future markets for our products and trends in and anticipated levels of revenue, gross margins and expenses, as well as other statements containing words such as “believe,” “project,” “may,” “will,” “anticipate,” “target,” “plan,” “estimate,” “expect” and “intend” and other similar expressions constitute forward-looking statements. These forward-looking statements are subject to business, economic and other risks and uncertainties, both known and unknown, and actual results may differ materially from those contained in the forward-looking statements. Examples of risks and uncertainties that could cause actual results to differ materially from historical performance and any forward-looking statements include, but are not limited to, the risks described under the heading “Risk Factors” beginning on page 10 of this prospectus, in our most recent Annual Report on Form 10-K, as well as any subsequent filings with the United States Securities and Exchange Commission. Given these risks, uncertainties and other factors, you should not place undue reliance on these forward-looking statements. Also, these forward-looking statements represent our estimates and assumptions only as of the date such forward-looking statements are made. You should read carefully this prospectus and any related free writing prospectuses that we have authorized for use in connection with this offering, together with the information incorporated herein or therein by reference as described under the heading “Where You Can Find More Information,” completely and with the understanding that our actual future results may be materially different from what we expect. We hereby qualify all of our forward-looking statements by these cautionary statements. Except as required by law, we assume no obligation to update these forward-looking statements publicly or to update the reasons actual results could differ materially from those anticipated in these forward-looking statements, even if new information becomes available in the future.

## PROSPECTUS SUMMARY

*This summary is not complete and does not contain all of the information you should consider before investing in the securities offered by this prospectus. You should read this summary together with the entire prospectus, including our financial statements, the notes to those financial statements, and the other documents identified under the headings "Where You Can Find More Information" in this prospectus before making an investment decision. See the Risk Factors section of this prospectus on page 10 for a discussion of the risks involved in investing in our securities. Unless otherwise noted, all share and per share data in this prospectus, as well as all exercise price or conversion price data with respect to our convertible securities gives effect to a 6 for 1 reverse stock split of our common stock effected on May 1, 2014.*

### ANTRIABIO, INC.

We are a biopharmaceutical company that develops novel, sustained release injectable therapies. We apply our proprietary formulation and manufacturing capabilities to known, well-characterized molecules to create differentiated, patent-protected therapies that have the potential to significantly improve existing standards of care.

#### **Our Lead Product Candidate: AB101**

Our lead product candidate ("**AB101**"), a microsphere formulation of PEGylated human recombinant insulin, is being developed as an extended acting basal insulin intended for once-weekly subcutaneous injection, for use alone and in combination with bolus prandial insulin or oral glucose lowering therapies, to improve glycemic control in patients with type 1 and type 2 Diabetes Mellitus. We believe that AB101 has the potential to provide a near peak-less, slow and uniform release of basal insulin. The current standard of care in the \$11 billion basal insulin market is daily or twice a day injections.

#### ***AB101 Formulation and Preclinical Results***

To formulate AB101 we use PEGylation chemistry to attach a low molecular weight (5000 Daltons) polyethylene glycol ("**PEG**") to the phenylalanine amino acid residue on the N-terminus of insulin's B peptide chain to create PEGylated insulin ("**peginsulin**"). By attaching a PEG in this fashion, human insulin becomes amphiphilic and can be uniformly co-dissolved in a solvent with a biodegradable polymer ("**PLGA**"). Following the dissolution of peginsulin and PLGA, the solvent is removed through an emulsification process and when dried, uniform microspheres are formed in a solid state solution. Prior to administration, the microspheres are reconstituted in an aqueous solution and when injected, the microspheres dissolve through hydrolysis, releasing insulin at a slow, steady and predictable rate over the course of a week.

#### ***AB101 Preclinical Results***

In 2014, the Company (through independent contract research organizations) conducted a series of in vitro and in vivo animal pharmacology studies to assess the pharmacokinetics and the pharmacodynamics of AB101, to prepare for filing of an investigational new drug application ("**IND**") to conduct human clinical studies. The data shows that human recombinant insulin PEGylated (peginsulin) with a relatively low molecular weight PEG (5000 Daltons) retains similar receptor binding affinity and receptor-mediated biological activity compared to native insulin. Further, the data in two animal species also demonstrates that subcutaneous administration of AB101 (peginsulin microspheres) leads to dose-dependent slow onset and sustained increases in insulin levels and associated glucose reduction, without acute hypoglycemia caused by an "insulin burst." The pharmacokinetics and the pharmacodynamics profiles in animals support the target product profile of AB101 as a once-weekly basal insulin therapy for type 1 and type 2 Diabetes Mellitus.

An abstract presenting our findings was submitted and accepted by the American Diabetes Association and we presented our data in an oral session at the association's annual meeting in Boston in June 2015.

#### ***Additional AB101 Preclinical and Clinical Plans***

In 2015, as a precursor to our US clinical studies and in order to fulfill requirements of the US Food and Drug Administration ("FDA") in support of an IND filing, we are conducting pre-clinical studies, including acute and sub-acute toxicity studies in at least two species, safety pharmacology, and mutagenicity/genotoxicity studies.

The intended clinical development plan for AB101 is consistent with the FDA's *Guidance for Industry, Diabetes Mellitus: Developing Drugs and Therapeutic Biologics for Treatment and Prevention*, and will be generally modeled after recent development programs for long-acting basal insulin products. Variations will be introduced to account for the specific characteristics of AB101, as applicable. The overall goal of the program will be to demonstrate efficacy and safety of once-weekly AB101 compared to currently available basal insulins.

The single ascending dose study in type 1 and type 2 Diabetes Mellitus will be followed by repeat dose pharmacokinetics and the pharmacodynamics studies. Euglycemic clamping will be utilized to evaluate the time-action profile for glucose lowering following repeated once-weekly doses of AB101, and to determine steady-state.

In addition, the Company plans to conduct a Phase 2 program to assess and confirm the intended dosing profile, specifically of the once weekly dosing frequency, and for dose-ranging. The Phase 3 registration program will comprise multiple studies to compare efficacy and safety to currently available basal insulins, in various combinations with bolus insulin and/or oral glucose lowering agents. It will be of adequate size to meet recommended guidance for assessing chronic safety when used for Diabetes Mellitus.

#### **New Product Candidate: AB301**

On September 16, 2015, we announced the addition of a new product candidate to our product development pipeline. As a potential treatment for patients with type 2 diabetes, AB301 is a once-weekly injectable combination of a PEGylated human glucagon-like peptide-1 ("GLP-1") agonist and AB101, our basal insulin lead product candidate. We believe that there is a potential advantage of combining a GLP-1 agonist with basal insulin to complement glycemic control while attenuating weight gain and hypoglycemic risk. As a once weekly injectable therapy, AB301 would be differentiated from combination therapies that are currently in clinical development and require daily injections. In vitro and in vivo studies completed to date indicate that AB301 has the potential to be a well-tolerated, effective therapy for type 2 diabetes and we are engaged in ongoing preclinical studies of AB301.

#### **Our Corporate Strategy**

At the start of calendar year 2015, we set out to complete the following five key objectives and the following is an update on our progress.

##### ***Complete toxicology studies for AB101***

We needed to conduct toxicology studies in two animal species to enable the filing of an IND for AB101 with the FDA and we have successfully completed six week repeat dose toxicology studies in both dogs and rats. Further analysis and reports are underway and will be completed by the end of calendar year 2015.

### ***File AB101 IND with FDA***

In order to enable a clinical study for AB101, our plan at the start of the year was to file an IND with the FDA prior to the end of Q4 2015. As part of the process of filing the IND, we initiated a dialog with the FDA through a pre-IND meeting request submission to obtain the agencies' perspective with respect to our preclinical efforts and planned initial clinical studies for AB101. We have received detailed and constructive feedback from the FDA regarding our study plans for AB101 and we believe that we will be able to incorporate the agencies' opinions into our clinical efforts.

Although we received several comments from the FDA, there is one issue that we believe will adversely impact our timeline for the commencement of our first clinical study. Specifically, based upon our review of similar filings by other corporations, we initially anticipated that the FDA would require one month of stability data for our peginsulin drug substance in the filing of the IND. However, the FDA has informed us that it would like at least six months of stability data for peginsulin and this extended timeline will delay our IND filing and commencement of our clinical study until 2016 as detailed below. While we are still reviewing our planned IND submission with the FDA, to date we have not received any responses that we believe would preclude us from studying AB101 in patients.

### ***Construction of cGMP Suite***

In order to conduct our first clinical study for AB101, we require sterile materials and therefore one of our objectives at the start of the year was to construct a cGMP manufacturing suite in our Louisville, Colorado facility. We anticipated spending approximately \$2.5 million on the project, with a targeted completion date of August 2015. As of September 25, 2015, the project is 90% complete and we believe that the project will be finalized by October 9, 2015. While the project will be completed substantially within budget, we did experience certain delays that pushed out completion timelines including the following: delays in the delivery of certain construction materials from manufacturers; extended lead times for the acquisition of certain equipment, including casework for our laboratories; and delays on the validation of certain newly purchased equipment and final certification of the cGMP suite.

At the start of the year, we planned for the manufacture of cGMP AB101 material in September or October 2015 in anticipation of our first clinical study. Given the delays in finalizing the suite, we do not expect to have cGMP AB101 clinical material available until Q1 of calendar year 2016.

### ***Commence clinical studies for AB101***

At the start of the year we planned to commence our first human clinical study in the latter half of calendar year 2015. Taking into account the aforementioned FDA request for six months of stability data on AB101's drug substance as well as the delay in the completion of our cGMP facility, we now believe that we will file the IND for AB101 at the end of the 2nd quarter of calendar year 2016 and subsequently commence the clinical study following the FDA's acceptance of the IND application.

### ***Announce an additional pipeline candidate using our proprietary platform***

At the start of the year, we set out to announce an additional pipeline candidate by end of calendar year 2015. On September 16, 2015, we announced the addition of a new product candidate to our product development pipeline. As a potential treatment for patients with type 2 diabetes, AB301 is a once-weekly injectable combination of a PEGylated human glucagon-like peptide-1 (GLP-1) agonist and AB101, our basal insulin lead product candidate. We believe there is a potential advantage of combining a GLP-1 agonist with basal insulin to complement glycemic control while attenuating weight gain and hypoglycemic risk. We believe AB301 is a unique candidate relative to similar combination therapies that are currently in clinical development that will be dosed daily if successfully commercialized. In vitro and in vivo studies completed to date indicate that AB301 has the potential to be a well-tolerated, effective therapy for type 2 diabetes. We are currently engaged in ongoing preclinical studies of AB301.

While we will be unable to commence our clinical studies for AB101 in calendar year 2015, we believe we have made and continue to make significant progress towards advancing the program. We remain encouraged by the potential for AB101, particularly following our interactions with the FDA and the completion of toxicology studies in two species to support its IND. Having expanded our capabilities through the construction of a cGMP manufacturing suite and announcing an additional pipeline candidate, we remain committed to advancing AB101 into the clinic in 2016. To that end, as of June 30, 2015, we had \$5.7 million in cash to fund our operations. While we still have capital to fund our current activities, we do not have sufficient capital to continue our operations in calendar year 2016, including funding the first clinical study for AB101. We anticipate requiring approximately \$15 million to fund all of our corporate objectives through calendar year 2016, including making cGMP batches of AB101 material, finalizing and filing our IND with the FDA and paying for the first clinical study, which we plan to conduct at a CRO in southern California. The additional funding will also allow us to continue our preclinical efforts for AB301, including preparations to file an IND for the candidate. As a result, one of our primary goals is to raise additional capital as soon as practicable on favorable terms.

#### **Risks that We Face**

Our Business is subject to numerous risks and uncertainties, including those highlighted in the section entitled “Risk Factors” beginning on page 10. These risks include, among others, the following:

- We are a preclinical stage company and we do not have, and may never have, any products that generate significant revenues.
- We will need substantial additional capital to fund our operations and if we fail to obtain additional capital, we may be unable to complete the development and commercialization of our product candidates or continue our research and development programs.
- We rely on a single product candidate, and if the market does not develop for that candidate it could adversely impact our operating results.
- Adverse events in our clinical trials may force us to stop development of our product candidate or prevent regulatory approval of our product candidates.
- As our product candidates advance through clinical trials, they may not have favorable results or receive regulatory approval.

#### **Corporate Information**

Our principal executive offices are located at 1450 Infinite Drive, Louisville, CO 80027, and our telephone number is (303) 222-2128. Our internet address is <http://www.antriabio.com>. The information on our website is not incorporated by reference into this prospectus, and you should not consider it part of this prospectus.



## THE OFFERING

Common stock offered by selling stockholders

14,958,633 shares of common stock consisting of:

- (1) 2,186,847 shares of common stock issued to the selling stockholders pursuant to the conversion of our 8% convertible promissory notes issued in connection with the Bridge Financing;
- (2) 225,259 shares of common stock issuable upon the exercise of the Bridge Warrants issued to the selling stockholders in connection with the Bridge Financing;
- (3) 5,725,325 shares of common stock issued to the selling stockholders in connection with the Unit Financing;
- (4) 5,725,325 shares of common stock issuable upon the exercise of the Unit Warrants issued to the selling stockholders in connection with the Unit Financing;
- (5) 562,346 shares of common stock issuable upon the exercise of the Bridge Incentive Warrants issued to certain selling stockholders that invested in both the Bridge Financing and the Unit Financing;
- (6) 67,575 shares of common stock issuable upon the exercise of compensation warrants issued to certain selling stockholders as compensation for services rendered to us in connection with the Bridge Financing; and
- (7) 223,286 shares of common stock issuable upon the exercise of compensation warrants issued to certain selling stockholders as compensation for services rendered to us in connection with the Unit Financing.
- (8) 242,670 shares of common stock issued to the selling stockholder pursuant to the conversion of a convertible promissory note and exercise of warrant in connection with the Note Conversion.

Common stock offered by us

None.

Common stock outstanding after this offering (assuming full exercise of the Bridge Warrants, the Unit Warrants, the Bridge Incentive Warrants and the Compensation Warrants (as defined below)) 31,142,010

Use of Proceeds

We will not receive any of the proceeds from the resale or other disposition of the shares of our common stock covered by this prospectus by the selling stockholders. However, we will receive the cash exercise price upon the exercise of the common stock purchase warrants other than the compensation warrants, the underlying shares of which are offered by this prospectus.

OTCQB symbol for our Common Stock

“ANTB”

Risk Factors

Investing in our common stock involves a high degree of risk. See the “Risk Factors” section of this prospectus on page 10 for a discussion of factors you should consider carefully before deciding to invest in our securities.

## DESCRIPTION OF PRIVATE PLACEMENTS

During the first fiscal quarter of 2014, our management and board of directors (the “**Board**”) entered into discussions with respect to potential equity and debt financing opportunities to raise up to \$10,000,000 to address the Company’s working capital needs. As a result of these discussions, on December 13, 2013, we entered into a placement agent agreement (the “**Placement Agent Agreement**”) with Paulson Investment Company, Inc. (“**Paulson**” or the “**Placement Agent**”), a registered FINRA broker-dealer, whereby Paulson agreed to act as our exclusive placement agent for a period of eighteen (18) months from the date of the Placement Agent Agreement.

### **Bridge Financing**

On January 15, 2014, we closed a private placement financing transaction (the “**Bridge Financing**”) with approximately twenty (20) accredited investors. Pursuant to a subscription agreement and other Bridge Financing transaction documents, we issued 8% unsecured convertible promissory notes with an aggregate principal amount of \$2,703,000 (each a “**Note**” and collectively, the “**Notes**”) with attached Bridge Warrants to purchase shares of our common stock equal to one-half of the principal amount of each Note. We received gross cash proceeds of \$2,703,000, excluding Placement Agent compensation, transaction costs, fees and expenses in the Bridge Financing.

#### *Notes*

The Notes bore interest at a rate of 8% per annum and were payable in a single cash payment on the date that was six (6) months from the date of issuance. Pursuant to the terms of the Notes, in the event we issued equity securities in a transaction or series of related transactions (the “**Qualified Financing**”) resulting in aggregate gross proceeds to us of at least \$3,000,000, the Notes and any accrued but unpaid interest thereon would automatically convert into equity securities issued pursuant to the Qualified Financing at a conversion price equal to \$1.26 per share of our common stock (the “**Conversion Price**”). The close of the Unit Financing qualified as a Qualified Financing under the terms of the Notes and as a result, the principal and interest due on the Notes were converted into 2,186,847 shares of our common stock. This prospectus covers the shares of our common stock issued upon the conversion of the Notes.

#### *Bridge Warrants*

The Bridge Warrants permit the holders thereof to purchase shares of our common stock at an exercise price of \$1.89 per share of common stock for a period of three (3) years from the date of issuance. The exercise price and the number of shares of our common stock issuable upon the exercise of the Bridge Warrants is subject to adjustment upon certain events, such as stock splits, combinations, dividends, distributions, reclassifications, mergers or other corporate change and dilutive issuances. This prospectus covers the shares of our common stock issuable upon the exercise of the Bridge Warrants.

### **Unit Financing**

On April 17, 2014, we closed a private placement transaction (the “**Unit Financing**”) with approximately 109 accredited investors for 5,725,325 Units at a price per unit of \$1.56 per Unit. In connection with the close of the Unit Financing, we entered into subscription agreements pursuant to which we issued units of the Company (each a “**Unit**” and collectively, the “**Units**”) to the investors. Each Unit consists of one share of our common stock and one transferable Unit Warrant. Each whole Unit Warrant entitles the holder to purchase one share of our common stock at a price of \$2.34 per share of common stock at any time until 5:00 p.m. (Pacific Time) on the date that is thirty-six (36) months following the close of the Unit Financing. We received gross cash proceeds of approximately \$8.9 million, excluding Placement Agent compensation, transaction costs, fees and expenses in the Unit Financing. This prospectus covers the shares of our common stock issuable upon the exercise of the Unit Warrants.

### *Bridge Incentive Warrants*

In addition to the offer and sale of the aforementioned securities in the Unit Financing, we also issued to investors that invested in both the Unit Financing and the Bridge Financing, an additional one-half of one Bridge Incentive Warrant for their participation in the Unit Financing for up to 150% of each dollar such investor invested in the Bridge Financing. The Company issued Bridge Incentive Warrants to purchase 562,346 shares of common stock. Each whole Bridge Incentive Warrant entitles the holder to purchase one share of our common stock at a price of \$2.34 per share of common stock at any time until 5:00 p.m. (Pacific Time) on the date that is thirty-six (36) months following the close of the Unit Financing. This prospectus covers, (i) shares of common stock issued as part of the Unit and (ii) the shares of our common stock issuable upon the exercise of the Bridge Incentive Warrants.

### **Note Conversion**

On June 16, 2014, we entered into a Note Conversion (the “**Note Conversion**”) with an accredited investor in which their 8% unsecured promissory note was converted into shares of common stock and warrants were issued. The investor on the same day purchased the shares of common stock under the terms of the warrant using the net issue exercise method as set forth therein. The total number of shares issued to the investor under the conversion of the conversion of the promissory note and the warrant exercise was 242,670 shares of common stock.

### **Placement Agent Compensation**

As compensation for its efforts in the Bridge Financing and the Unit Financing, we paid Paulson placement agent fees of approximately \$1.6 million and we issued them a compensation warrant in connection with the Bridge Financing to purchase up to 67,575 shares of our common stock for a period of seven (7) years from the date of issuance with an exercise price of \$1.56 per share of common stock. We also issued Paulson a compensation warrant in connection with the Unit Financing to purchase up to 223,286 shares of our common stock for a period of seven (7) years from the date of issuance with an exercise price of \$1.56 per share of common stock. The compensation warrants issued to Paulson in connection with the Bridge Financing and the Unit Financing contain cashless exercise rights, and shall be adjusted both as to the number of shares of common stock and price into which and at which they are exercisable, based on any splits, conversions, or reorganizations that affect the Company’s common stock. The compensation warrants issued to Paulson in connection with the Bridge and the Unit Financings are collectively referred to herein as the “**Compensation Warrants.**” This prospectus covers the shares of our common stock issuable upon the exercise of the Compensation Warrants.

### **Registration Rights**

Pursuant to our contractual obligations under the Placement Agent Agreement, the Bridge Financing and the Unit Financing, we are required to file a registration statement (the “**Registration Statement**”) under the United States Securities Act of 1933, as amended (the “**Securities Act**”) within thirty (30) days following the close of the Unit Financing. The Registration Statement covers: (i) shares of common stock issued pursuant to the conversion of the Notes; (ii) shares of common stock issuable upon the exercise of the Bridge Warrants; (iii) shares of common stock issued in connection with the Unit Financing; (iv) shares of common stock issuable upon the exercise of the Unit Warrants; (v) shares of common stock issuable upon the exercise of the Bridge Incentive Warrants; and (vi) shares of common stock issuable upon the exercise of the Compensation Warrants issued to Paulson as compensation in connection with the Bridge Financing and the Unit Financing. We have agreed to take all necessary actions and make all necessary filings to keep the Registration Statement effective for a period that extends from the first date on which the United States Securities and Exchange Commission (the “**SEC**”) issues an order of effectiveness in relation to the Registration Statement until such date as our legal counsel issues a legal opinion asserting that the shares of our common stock registered for resale under this prospectus are available for resale under Rule 144 of the Securities Act.

## RISK FACTORS

*An investment in us involves a high degree of risk. You should consider carefully the following information about these risks before deciding to purchase any of our securities. If any of the events or developments described below actually occur, our business, results of operations and financial condition would likely suffer. In these circumstances, you may lose all or part of your investment. In addition, it is also possible that other risks and uncertainties that affect our business may arise or become material in the future.*

### **Risks Related to Our Business**

***We will need substantial additional capital to fund our operations. If we fail to obtain additional capital, we may be unable to complete the development and commercialization of our product candidates or continue our research and development programs.***

Our operations will consume substantial amounts of cash. We expect to spend substantial amounts on research and development, including preclinical and clinical studies for our product candidates, manufacturing materials and expanding our research and development program. As of June 30, 2015, we have \$5.7 million in cash on hand. It is anticipated that we will need at least an additional \$15-20 million in capital through December 2016 to cover operating expenses, clinical testing and development of pipeline products. We expect that our cash used by operations will continue to increase for the next several years. If we are unable to raise additional capital when required or on acceptable terms, we may have to significantly delay, scale back or discontinue one or more of our drug development or research and development programs. We also may be required to: seek collaborators for our product candidates at an earlier stage than otherwise would be desirable and on terms that are less favorable than might otherwise be available; and relinquish, license or otherwise dispose of rights to technologies, product candidates or products that we would otherwise seek to develop or commercialize ourselves on terms that are less favorable than might otherwise be available.

***Our corporate objectives are dependent upon one another and to the extent there is a delay or complication in any one objective, our ability to timely complete our other goals could be adversely impacted.***

Our corporate objectives are dependent upon one another and to the extent that there is a delay or complication in any one objective, our ability to complete our other goals in a timely fashion could be adversely impacted. For example, prior to conducting our first human study, we must first file an IND for AB101 with the FDA and produce AB101 material under current good manufacturing practices (“cGMP”) conditions. We have experienced delays in finalizing the completion of our cGMP manufacturing suite which has an adverse impact our ability to submit our IND and begin clinical studies.

***Results of preclinical testing or earlier clinical studies are not necessarily predictive of future results, therefore none of the product candidates we advance into clinical studies may have favorable results in later clinical studies or receive regulatory approval.***

Success in preclinical testing and early clinical studies does not ensure that later clinical studies will generate adequate data to demonstrate the efficacy and safety of an investigational drug or biologic. We are also unable to assure that initial clinical studies will be successful. A number of companies in the pharmaceutical and biotechnology industries, including those with greater resources and experience, have suffered significant setbacks in Phase 3 clinical studies, even after seeing promising results in earlier clinical studies. We do not know whether any clinical studies we may conduct will demonstrate adequate efficacy and safety to result in regulatory approval to market any of our product candidates. If later stage clinical studies do not produce favorable results, our ability to achieve regulatory approval for any of our product candidates may be adversely impacted. Even if we believe that our product candidates have performed satisfactorily in preclinical testing and clinical studies, we may still fail to obtain FDA approval for our product candidates.

***We may experience delays in our clinical trials that could adversely affect our financial position and our commercial prospects.***

Many factors could affect the timing of clinical trials, including lack of cGMP drug product, slow patient recruitment, the proximity of patients to clinical sites, the eligibility criteria for the trial, competing clinical trials and new drugs approved for the conditions we are investigating. Other companies may be conducting clinical trials or may announce plans for future trials that will be seeking patients with the same indications as those we are studying. Our clinical trials could also be impacted by FDA interactions, discussions or potential holds by the FDA. As a result of all of these factors, our trials may take longer to enroll patients than we anticipate. Delays in patient enrollment in the trials may increase our costs and slow down our product development and approval process. Our product development costs will also increase if we need to perform more or larger clinical trials than planned. Any delays in completing our clinical trials will delay our ability to generate revenue from product sales, and we may have insufficient capital resources to support our operations.

***Due to our reliance on contract research organizations or other third parties to conduct clinical trials, we may not have complete control over the timing, conduct and expense of our clinical trials.***

We plan to rely primarily on third parties to conduct our clinical trials. As a result, we will have less control over the conduct of the clinical trials, the timing and completion of the trials, the required reporting of adverse events and the management of data developed through the trial than would be the case if our own staff conducted all clinical trials. Communicating with outside parties can also be challenging, potentially leading to mistakes and difficulties in coordinating activities. Outside parties may have staffing difficulties, may undergo changes in priorities or may become financially distressed, adversely affecting their willingness or ability to conduct our trials. We may experience unexpected increased costs that are beyond our control. Problems with the timeliness or quality of the work of a contract research organization may lead us to seek to terminate the relationship and use an alternative service provider. However, making this change may be costly and may delay our trials, and contractual restrictions may make such a change difficult or impossible. Additionally, it may be impossible to find a replacement organization that can conduct our trials in an acceptable manner and at an acceptable cost.

***Adverse events in our clinical trials may force us to stop development of our product candidates or prevent regulatory approval of our product candidates.***

Our product candidates may produce serious adverse events. These adverse events could interrupt, delay or halt clinical trials of our product candidates and could result in the FDA, or other regulatory authorities requesting additional preclinical data or denying approval of our product candidates for any or all targeted indications. An institutional review board, independent data safety monitoring board, the FDA, other regulatory authorities or the Company itself may suspend or terminate clinical trials at any time. We cannot assure you that any of our product candidates will prove safe for human use.

***If our product candidates do not meet safety or efficacy endpoints in clinical evaluations, they will not receive regulatory approval and we will be unable to market them.***

The regulatory review approval process typically is expensive, takes many years and the timing of any approval cannot be accurately predicted. If we fail to obtain regulatory approval for our current or future product candidates, we will be unable to market and sell such products and therefore may never be profitable.

As part of the regulatory approval process, we must conduct preclinical studies and clinical trials for each product candidate to demonstrate safety and efficacy. The number of preclinical studies and clinical trials that will be required varies depending on the product candidate, the indication being evaluated, the trial results and regulations applicable to any particular product candidate.

The results of preclinical studies and initial clinical trials of our product candidates do not necessarily predict the results of later-stage clinical trials. We are also unable to assure the initial clinical studies will be successful. Product candidates in later stages of clinical trials may fail to show the desired safety and efficacy despite having progressed through initial clinical trials. We cannot assure you that the data collected from the preclinical studies and clinical trials of our product candidates will be sufficient to support FDA or other regulatory approval. In addition, the continuation of a particular study after review by an independent data safety monitoring board does not necessarily indicate that our product candidate will achieve the clinical endpoint.

The FDA and other regulatory agencies can delay, limit or deny approval for many reasons, including:

- a product candidate may not be safe or effective;
- the manufacturing processes or facilities we have selected may not meet the applicable requirements; and
- changes in regulatory agency approval policies or adoption of new regulations may require additional clinical trials or work on our end.

Any delay in, or failure to receive or maintain, approval for any of our products could prevent us from ever generating meaningful revenues or achieving profitability.

Our product candidates are prone to the risks of failure inherent in drug development. Before obtaining regulatory approvals for the commercial sale of any product candidate for a target indication, we must demonstrate with substantial evidence gathered in preclinical and well-controlled clinical studies, and, with respect to approval in the US, to the satisfaction of the FDA and, with respect to approval in other countries, similar regulatory authorities in those countries, that the product candidate is safe and effective for use for that target indication and that the manufacturing facilities, processes and controls are adequate.

Despite our efforts, our product candidates may not:

- offer therapeutic or other improvement over existing, comparable therapeutics;
- be proven safe and effective in clinical studies;
- meet applicable regulatory standards;
- be capable of being produced in sufficient quantities at acceptable costs;
- be successfully commercialized; or
- obtain favorable reimbursement.

We are not permitted to market AB101 or any of our other product candidates in the US until we receive approval of a new drug application, or approval of a biologics license application, from the FDA, or in any foreign countries until we receive the requisite approval from such countries. We have not submitted a new drug application or biologics license application or received marketing approval for any of our product candidates.

Preclinical testing and clinical studies are long, expensive and uncertain processes. We may spend several years completing our testing for any particular product candidate, and failure can occur at any stage. Negative or inconclusive results or adverse medical events during a clinical study could also cause us or the FDA to terminate a clinical study or require that we repeat it or conduct additional clinical studies. Additionally, data obtained from a clinical study is susceptible to varying interpretations and the FDA or other regulatory authorities may interpret the results of our clinical studies less favorably than we do. The FDA and equivalent foreign regulatory agencies have substantial discretion in the approval process and may decide that our data is insufficient to support a marketing application and require additional preclinical, clinical or other studies.

***Any failure by our third-party suppliers on which we rely or intend to rely to provide materials necessary to develop and manufacture our drug products may delay or impair our ability to commercialize our product candidates.***

We rely upon a small number of third-party suppliers for the manufacture of certain raw materials that are necessary to formulate our drug products, including AB101, for preclinical and clinical testing purposes. We intend to continue to rely on them in the future. We also expect to rely upon third parties to produce materials required for the commercial production of our product candidates if we succeed in obtaining necessary regulatory approvals. If we are unable to arrange for third-party sources, or do so on commercially unreasonable terms, we may not be able to complete development of or market our product candidates.

There are a small number of suppliers for raw materials that we use to manufacture our drugs. Such suppliers may not sell these raw materials at the times we need them or on commercially reasonable terms. We do not have any control over the process or timing of the acquisition of these raw materials by our manufacturers. Moreover, we currently do not have any agreements for the commercial production of these raw materials. Although we generally do not begin a clinical study unless we believe we have a sufficient supply of a product candidate to complete the clinical study, any significant delay in the supply of raw material components needed to produce a product candidate for a clinical study due to the need to replace a third-party manufacturer could considerably delay completion of our clinical studies, product testing and potential regulatory approval of our product candidates. If we or our manufacturers are unable to purchase these raw materials after regulatory approval has been obtained for our product candidates, the commercial launch of our product candidates would be delayed or there would be a shortage in supply of such product candidates, which would impair our ability to generate revenues from the sale of our product candidates.

If we successfully commercialize any of our drugs, we may be required to establish commercial manufacturing capabilities of larger scale. In addition, as our drug development pipeline increases and matures, we will have a greater need for clinical study and commercial manufacturing capacity. We have no experience manufacturing pharmaceutical products on a commercial scale and we may need to rely on third-party manufacturers with capacity for increased production scale to meet our projected needs for commercial manufacturing, the satisfaction of which on a timely basis may not be met.

***Our competitors may develop and market drugs that are less expensive, more effective or safer than our product candidates.***

The pharmaceutical market is highly competitive. If approved by regulatory agencies and subsequently commercialized, our product candidates that contain currently approved active ingredients will likely face competition from existing products on the market. In particular, if we successfully commercialize AB101, our product candidate would compete directly against Sanofi's Toujeo and Lantus, and Novo Nordisk's Levemir and Tresiba, which is pending FDA approval. Additionally, other pharmaceutical and biotechnology companies may develop improved formulations of the same drugs that compete with drug products we are developing. It is possible that our competitors will develop and market products that are less expensive, more effective or safer than our future products or that will render our products obsolete. We expect that competition from pharmaceutical and biotechnology companies, universities and public and private research institutions will increase. Many of these competitors have substantially greater financial, technical, research and other resources than we do. We may not have the financial resources, technical and research expertise or marketing, distribution or support capabilities to successfully compete with these competitors.



***After the completion of our clinical studies, we cannot predict whether or when we will obtain regulatory approval to commercialize our product candidates and we cannot, therefore, predict the timing of any future revenue from these product candidates.***

Even if we achieve positive clinical results and file for regulatory approval, we cannot commercialize any of our product candidates until the appropriate regulatory authorities have reviewed and approved the applications for such product candidates. We cannot assure you that the regulatory agencies will complete their review processes in a timely manner or that we will obtain regulatory approval for any product candidate we develop. Satisfaction of regulatory requirements typically takes many years, is dependent upon the type, complexity and novelty of the product and requires the expenditure of substantial resources. In addition, we may experience delays or rejections based upon additional government regulation from future legislation or administrative action or changes in FDA policy during the period of product development, clinical studies and FDA regulatory review.

***Even if our product candidates receive regulatory approval, they may still face future development and regulatory difficulties.***

Even if US regulatory approval is obtained for a particular drug candidate, the FDA may still impose significant restrictions on marketing, indicated uses and/or require potentially costly post-approval studies or post-market surveillance. For example, the label ultimately approved, if any, may include restrictions on use. Further, the FDA may require that long-term safety data may need to be obtained as a post-market requirement. Our product candidates will also be subject to ongoing FDA requirements governing the labeling, packaging, storage, distribution, safety surveillance, advertising, promotion, recordkeeping and reporting of safety and other post-market information. In addition, manufacturers of drug products and their facilities are subject to continual review and periodic inspections by the FDA and other regulatory authorities for compliance with current good manufacturing practices and regulations. If we or a regulatory agency discovers previously unknown problems with a product, such as adverse events of unanticipated severity or frequency, or problems with the facility where the product is manufactured, a regulatory agency may impose restrictions on that product, the manufacturing facility or us, including requiring recall or withdrawal of the product from the market or suspension of manufacturing. If we, our:

- issue warning letters or untitled letters;
- seek an injunction or impose civil or criminal penalties or monetary fines;
- suspend or withdraw regulatory approval;
- suspend any ongoing clinical studies;
- refuse to approve pending applications or supplements to applications filed by us;
- suspend or impose restrictions on operations, including costly new manufacturing requirements; or
- seize or detain products, refuse to permit the import or export of products, or require us to initiate a product recall.

The occurrence of any event or penalty described above may inhibit our ability to commercialize our products and generate revenue.

***If any of our product candidates for which we receive regulatory approval does not achieve broad market acceptance, the revenue that we generate from its sales, if any, will be limited.***

The commercial success of our product candidates for which we obtain marketing approval from the FDA or other regulatory authorities will depend upon the acceptance of these products by the medical community, including physicians, patients and payors. The degree of market acceptance of any of our approved products will depend on a number of factors, including:

- demonstration of clinical safety and efficacy compared to other products;
- the prevalence and severity of any adverse effects;
- limitations or warnings contained in a product's FDA-approved labeling;
- availability of alternative treatments;
- pricing and cost-effectiveness;
- the effectiveness of our or any future collaborators' sales and marketing strategies;
- our ability to obtain and maintain sufficient third-party coverage or reimbursement from government health care programs, including Medicare and Medicaid; and
- the willingness of patients to pay out-of-pocket in the absence of third-party coverage.

If our product candidates are approved, but do not achieve an adequate level of acceptance by physicians, health care payors and patients, we may not generate sufficient revenue from these products, and we may not become or remain profitable. In addition, our efforts to educate the medical community and third-party payors on the benefits of our product candidates may require significant resources and may never be successful.

***Recently enacted and future legislation or regulatory reform of the health care system in the US and foreign jurisdictions may affect our ability to sell our products profitably***

Our ability to commercialize our future products successfully, alone or with collaborators, will depend in part on the extent to which reimbursement for the products will be available from government and health administration authorities, private health insurers and other third-party payors. The continuing efforts of the US and foreign governments, insurance companies, managed care organizations and other payors of health care services to contain or reduce health care costs may adversely affect our ability to set fair prices for our products, generate revenues and achieve and maintain profitability.

Specifically, in both the US and some foreign jurisdictions, there have been a number of legislative and regulatory proposals to change the health care system in ways that could impact our ability to sell our products profitably. In March 2010, President Obama signed into law the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act, or collectively, the Health Care Reform Law, a sweeping law intended to broaden access to health insurance, reduce or constrain the growth of healthcare spending, enhance remedies against fraud and abuse, add new transparency requirements for healthcare and health insurance industries, impose new taxes and fees on the health industry and impose additional health policy reforms.

We will not know the full effects of the Health Care Reform Law until applicable federal and state agencies issue regulations or guidance under the new law. Although it is too early to determine the effect of the Health Care Reform Law, the new law appears likely to continue the pressure on pharmaceutical pricing, especially under the Medicare program, and also may increase our regulatory burdens and operating costs. We expect further federal and state proposals and health care reforms to continue to be proposed by legislators, which could limit the prices that can be charged for the products we develop and may limit our commercial opportunity.

Also in the US, the Medicare Prescription Drug, Improvement, and Modernization Act of 2003, also called the Medicare Modernization Act, or MMA, changed the way Medicare covers and pays for pharmaceutical products. The legislation expanded Medicare coverage for drug purchases by the elderly and introduced a new reimbursement methodology based on average sales prices for drugs. In addition, this legislation authorized Medicare Part D prescription drug plans to use formularies where they can limit the number of drugs that will be covered in any therapeutic class. As a result of this legislation and the expansion of federal coverage of drug products, we expect that there will be additional pressure to contain and reduce costs. These cost reduction initiatives and other provisions of this legislation could decrease the coverage and price that we receive for any approved products and could seriously harm our business. While the MMA applies only to drug benefits for Medicare beneficiaries, private payors often follow Medicare coverage policy and payment limitations in setting their own reimbursement rates, and any reduction in reimbursement that results from the MMA may result in a similar reduction in payments from private payors.

The continuing efforts of government and other third-party payors to contain or reduce the costs of health care through various means may limit our commercial opportunity. It will be time-consuming and expensive for us to go through the process of seeking reimbursement from Medicare and private payors. Our products may not be considered cost-effective, and government and third-party private health insurance coverage and reimbursement may not be available to patients for any of our future products or sufficient to allow us to sell our products on a competitive and profitable basis. Our results of operations could be adversely affected by the MMA, the Health Care Reform Law, and additional prescription drug coverage legislation, by the possible effect of this legislation on amounts that private insurers will pay and by other health care reforms that may be enacted or adopted in the future. In addition, increasing emphasis on managed care in the US will continue to put pressure on the pricing of pharmaceutical products. Cost control initiatives could decrease the price that we or any potential collaborators could receive for any of our future products and could adversely affect our profitability.

In some foreign countries, including major markets in the European Union and Japan, the pricing of prescription pharmaceuticals is subject to governmental control. In these countries, pricing negotiations with governmental authorities can take up to 12 months or longer after the receipt of regulatory marketing approval for a drug product. To obtain reimbursement or pricing approval in some countries, we may be required to conduct a clinical study that compares the cost effectiveness of our product candidates to other available therapies. Such pharmacoeconomic studies can be costly and the results uncertain. Our business could be harmed if reimbursement of our products is unavailable, limited in scope or amount or if pricing is set at unsatisfactory levels.

***We face potential product liability exposure, and, if successful claims are brought against us, we may incur substantial liability.***

The use of our product candidates in clinical studies and the sale of any products for which we obtain marketing approval expose us to the risk of product liability claims. Product liability claims might be brought against us by consumers, health care providers, pharmaceutical companies or others selling or otherwise coming into contact with our products. If we cannot successfully defend ourselves against product liability claims, we could incur substantial liabilities. In addition, regardless of merit or eventual outcome, product liability claims may result in:

- impairment of our business reputation;
- withdrawal of clinical study participants;

- costs of related litigation;
- distraction of management's attention from our primary business;
- substantial monetary awards to patients or other claimants;
- the inability to commercialize our product candidates; and
- decreased demand for our product candidates, if approved for commercial sale.

We currently do not have any product liability insurance coverage as we have not yet begun clinical trials for AB101, our lead product candidate. We plan to obtain product liability insurance prior to beginning our clinical trials. This product liability insurance coverage for our clinical studies may not be sufficient to reimburse us for all expenses or losses we may suffer. Moreover, insurance coverage is becoming increasingly expensive, and, in the future, we may not be able to maintain insurance coverage at a reasonable cost or in sufficient amounts to protect us against losses due to liability. If and when we obtain marketing approval for any of our product candidates, we intend to expand our insurance coverage to include the sale of commercial products; however, we may be unable to obtain this product liability insurance on commercially reasonable terms. On occasion, large judgments have been awarded in class action lawsuits based on drugs that had unanticipated adverse effects. A successful product liability claim or series of claims brought against us could cause our stock price to decline and, if judgments exceed our insurance coverage, could decrease our cash and adversely affect our business.

***If we use hazardous and biological materials in a manner that causes injury or violates applicable law, we may be liable for damages.***

Our research and development activities involve the controlled use of potentially hazardous substances, including toxic chemical and biological materials. We could be held liable for any contamination, injury or other damages resulting from these hazardous substances. In addition, our operations produce hazardous waste products. While third parties are responsible for disposal of our hazardous waste, we could be liable under environmental laws for any required cleanup of sites at which our waste is disposed. Federal, state, foreign and local laws and regulations govern the use, manufacture, storage, handling and disposal of these hazardous materials. If we fail to comply with these laws and regulations at any time, or if they change, we may be subject to criminal sanctions and substantial civil liabilities, which may harm our business. Even if we continue to comply with all applicable laws and regulations regarding hazardous materials, we cannot eliminate the risk of accidental contamination or discharge and our resultant liability for any injuries or other damages caused by these accidents.

***If we are unable to establish sales and marketing capabilities or enter into agreements with third parties to market and sell our product candidates, we may be unable to generate any revenue.***

We currently do not have dedicated staff for the sale, marketing and distribution of drug products. The cost of establishing and maintaining such a staff may exceed the cost-effectiveness of doing so. In order to market any products that may be approved by the FDA, we must build our sales, marketing, managerial and other non-technical capabilities or make arrangements with third parties to perform these services. If we are unable to establish adequate sales, marketing and distribution capabilities, whether independently or with third parties, we may not be able to generate product revenue and may not become profitable. We will be competing with many companies that currently have extensive and well-funded marketing and sales operations. Without an internal team or the support of a third party to perform marketing and sales functions, we may be unable to compete successfully against these more established companies.

***Guidelines and recommendations published by various organizations may adversely affect the use of any products for which we may receive regulatory approval.***

Government agencies issue regulations and guidelines directly applicable to us and to our product candidates. In addition, professional societies, practice management groups, private health or science foundations and organizations involved in various diseases from time to time publish guidelines or recommendations to the medical and patient communities. These various sorts of recommendations may relate to such matters as product usage and use of related or competing therapies. For example, organizations like the American Diabetes Association have made recommendations about therapies in the diabetes therapeutics market. Changes to these recommendations or other guidelines advocating alternative therapies could result in decreased use of any products for which we may receive regulatory approval, which may adversely affect our results of operations.

***Our independent registered public accounting firms reports, contained herein, includes an explanatory paragraph that express substantial doubt about our ability to continue as a going concern.***

Our financial statements have been prepared on the basis that we will continue as a going concern. For the period from March 24, 2010 to June 30, 2015, we have an accumulated deficit of \$29,109,288. As of June 30, 2015, our total stockholder's equity was \$9,053,807 and we had working capital of \$4,410,606. We expect to continue to incur losses for the foreseeable future as we develop and commercialize AB101, and we must raise additional capital from external sources in order to sustain our operations. Primarily as a result of our history of losses and limited cash balances, our independent registered public accounting firm has included in their audit report an explanatory paragraph expressing substantial doubt about our ability to continue as a going concern. Our ability to continue as a going concern is contingent upon, among other factors, our ability to obtain financing to continue to fund our operations. We cannot provide any assurance that we will be able to raise additional capital. If we are unable to secure additional capital, we may be required to curtail our research and development initiatives and take additional measures to reduce costs in order to conserve our cash in amounts sufficient to sustain operations and meet our obligations. These measures could cause significant delays in the development of AB101 and other product candidates.

***We are at an early stage of development as a company and we do not have, and may never have, any products that generate significant revenues.***

We are at an early stage of development as a proprietary product specialty pharmaceutical company and we do not have any commercial products. Our existing product candidates will require extensive additional clinical evaluation, regulatory review, significant marketing efforts and substantial investment before they could generate any revenues. Our efforts may not lead to commercially successful products, for a number of reasons, including:

- our product candidates may not prove to be safe and effective in clinical trials;
- we may not be able to obtain regulatory approvals for our product candidates or approved uses may be narrower than we seek;
- we may not have adequate financial or other resources to complete the development and commercialization of our product candidates; or
- any products that are approved may not be accepted or reimbursed in the marketplace.

We do not expect to be able to market any of our product candidates for a number of years. If we are unable to develop, receive approval for, or successfully commercialize any of our product candidates, we will be unable to generate significant revenues. If our development programs are delayed, we may have to raise additional capital or reduce or cease our operations.

Initially, we expect to derive all of our revenues, if any, from AB101. As we cannot currently enter the market with AB101, it is uncertain whether AB101 will achieve and sustain high levels of demand and market acceptance. Our success will depend to a substantial extent on our ability to successfully commercialize and market our products. Failure of consumers to accept AB101 would significantly adversely affect our revenues and profitability.

***We have never generated any revenues and may never become profitable.***

Since inception, we have not generated any revenues and have incurred an accumulated deficit of \$29,109,288 through June 30, 2015. We expect to continue to incur substantial operating losses for the next several years as we move AB101 and other product candidates into clinical trials and continue our research and development efforts. To become profitable, we must successfully develop, manufacture and market our product candidates, either alone or in conjunction with possible collaborators. We may never have any revenues or become profitable.

***Our limited operating history makes it difficult to evaluate our business and prospects.***

Our operations to date have been limited to organizing and staffing our company, acquiring product and technology rights and conducting preclinical trials. We have not demonstrated an ability to conduct clinical trials, obtain regulatory approval for or commercialize a product candidate. Consequently, any predictions about our future performance may not be as accurate as they could be if we had a history of successfully testing, developing and commercializing pharmaceutical products.

***If we are unable to successfully remediate material weaknesses in our internal control over financial reporting, the accuracy and timing of our financial reporting may be adversely affected, which adversely affect investor confidence in us and, as a result, the value of our common stock.***

In connection with the audit of the fiscal 2015 consolidated financial statements of AntriBio, Inc., our auditors noted material weaknesses in our controls, principally as a result of not having segregated duties as our Chief Accounting Officer can initiate and complete transactions and not having measures that would prevent the Chief Accounting Officer from overriding the internal control system. A material weakness is a deficiency or combination of deficiencies in internal control over financial reporting that results in more than reasonable possibility that a material misstatement of annual or interim financial statements will not be prevented or detected on a timely basis. We have also begun evaluating and implementing additional procedures to improve the segregation of duties. We cannot assure you, however, that these or other measures will fully remediate the deficiencies or material weakness described above. We also cannot assure you that we have identified all of our existing significant deficiencies and material weaknesses, or that we will not in the future have additional significant deficiencies or material weaknesses.

#### **Risks Related to Our Intellectual Property**

***Our current patent positions and license portfolio may not include all patent rights needed for the full development and commercialization of our product candidates. We cannot be sure that patent rights we may need in the future will be available for license to us on commercially reasonable terms, or at all.***

We typically develop our product candidates using compounds that we have in-licensed, including the original composition of matter patents and patents that claim the activities and methods for such compounds' production and use to the extent known at that time. For example, as part of the assets acquired from PR Pharmaceuticals, Inc., the Company obtained a license agreement that was originally executed with Brookwood Pharmaceuticals. The license agreement allows the Company to use certain controlled delivery technology for AB101 depending upon the Company's formulation. Based upon the AB101 formulation that has been selected, the Company believes that the license is applicable and that under the terms of the license agreement, the Company would owe a single digit royalty to the license holder if such formulation is commercialized. The Company is still evaluating the need for a similar license for AB301. Such determination is dependent upon the Company's final selection of a clinical candidate from the various formulations of AB301 that are currently in preclinical development. To the extent that the Company concludes that the technology is applicable to the formulation of the AB301 clinical candidate, the Company may need to obtain a license and no assurance can be given that a license will be granted, or that one will be granted on commercially reasonable terms.

As we learn more about the mechanisms of action and new methods of manufacture and use of these product candidates, we may file additional patent applications for these new inventions or we may need to ask our licensors to file them. Although we may file additional patent applications, those patents may never be issued. We may also need to license additional patent rights or other rights on compounds, treatment methods or manufacturing processes because we learn that we need such rights during the continuing development of our product candidates.

Although our patents may prevent others from making, using or selling similar products, they do not ensure that we will not infringe the patent rights of third parties. We may not be aware of all patents or patent applications that may impact our ability to make, use or sell any of our product candidates or proposed product candidates. For example, because we sometimes identify the mechanism of action or molecular target of a given product candidate after identifying its composition of matter and therapeutic use, we may not be aware until the mechanism or target is further elucidated that a third party has an issued or pending patent claiming biological activities or targets that may cover our product candidate. US patent applications filed after November 29, 2000 are confidential in the US Patent and Trademark Office for the first 18 months after such applications' earliest priority date, and patent offices in other countries often publish patent applications for the first time six months or more after filing. Furthermore, we may not be aware of published or granted conflicting patent rights. Any conflicts resulting from patent applications and patents of others could significantly reduce the coverage of our patents and limit our ability to obtain meaningful patent protection. If others obtain patents with conflicting claims, we may need to obtain licenses to these patents or to develop or obtain alternative technology.

We may not be able to obtain any licenses or other rights to patents, technology or know-how from third parties necessary to conduct our business as described in this report and such licenses, if available at all, may not be available on commercially reasonable terms. Any failure to obtain such licenses could delay or prevent us from developing or commercializing our drug candidates or proposed product candidates, which would harm our business. Litigation or patent interference proceedings may be necessarily brought against third parties, as discussed below, to enforce any of our patents or other proprietary rights or to determine the scope and validity or enforceability of the proprietary rights of such third parties.

***If our or our licensors' patent positions do not adequately protect our product candidates or any future products, others could compete with us more directly, which would harm our business.***

Our commercial success will depend in part on our and our licensors' ability to obtain additional patents and protect our existing patent positions, particularly those patents for which we have secured exclusive rights, as well as our ability to maintain adequate protection of other intellectual property for our technologies, product candidates and any future products in the US and other countries. If we or our licensors do not adequately protect our intellectual property, competitors may be able to use our technologies and erode or negate any competitive advantage we may have, which could materially harm our business, negatively affect our position in the marketplace, limit our ability to commercialize our product candidates and delay or render impossible our achievement of profitability. The laws of some foreign countries do not protect our proprietary rights to the same extent as the laws of the US, and we may encounter significant problems in protecting our proprietary rights in these countries.

The patent positions of biotechnology and pharmaceutical companies, including our own patent position, involve complex legal and factual questions, and, therefore, validity and enforceability cannot be predicted with certainty. Patents may be challenged, deemed unenforceable, invalidated or circumvented. We and our licensors will be able to protect our proprietary rights from unauthorized use by third parties only to the extent that our proprietary technologies, product candidates and any future products are covered by valid and enforceable patents or are effectively maintained as trade secrets.

The degree of future protection for our proprietary rights is uncertain, and we cannot ensure that:

- we or our licensors were the first to make the inventions covered by each of our pending patent applications;
- we or our licensors were the first to file patent applications for these inventions;
- others will not independently develop similar or alternative technologies or duplicate any of our technologies;
- any of our or our licensors' pending patent applications will result in issued patents;
- any of our or our licensors' patents will be valid or enforceable;
- any patents issued to us or our licensors and collaborators will provide a basis for commercially viable products, will provide us with any competitive advantages or will not be challenged by third parties;
- we will develop additional proprietary technologies or product candidates that are patentable; or
- the patents of others will not have an adverse effect on our business.

***We may be unable to adequately prevent disclosure of trade secrets and other proprietary information.***

We rely on trade secrets to protect our proprietary know-how and technological advances, especially where we do not believe patent protection is appropriate or obtainable. However, trade secrets are difficult to protect. We rely in part on confidentiality agreements with our employees, consultants, outside scientific collaborators, sponsored researchers and other advisors to protect our trade secrets and other proprietary information. These agreements may not effectively prevent disclosure of confidential information and may not provide an adequate remedy in the event of unauthorized disclosure of confidential information. In addition, others may independently discover our trade secrets and proprietary information. Costly and time consuming litigation could be necessary to enforce and determine the scope of our proprietary rights. Failure to obtain or maintain trade secret protection could enable competitors to use our proprietary information to develop products that compete with our products or cause additional, material adverse effects upon our competitive business position.

***Litigation regarding patents, patent applications and other proprietary rights may be expensive and time consuming. If we are involved in such litigation, it could cause delays in bringing product candidates to market and harm our ability to operate.***

Our commercial success will depend in part on our ability to manufacture, use, sell and offer to sell our product candidates and proposed product candidates without infringing patents or other proprietary rights of third parties. Although we are not currently aware of any litigation or other proceedings or third-party claims of intellectual property infringement related to our product candidates, the pharmaceutical industry is characterized by extensive litigation regarding patents and other intellectual property rights. Other parties may obtain patents in the future and allege that the use of our technologies infringes these patent claims or that we are employing their proprietary technology without authorization. Likewise, third parties may challenge or infringe upon our or our licensors' existing or future patents. Proceedings involving our patents or patent applications or those of others could result in adverse decisions regarding the patentability of our inventions relating to our product candidates or the enforceability, validity or scope of protection offered by our patents relating to our product candidates.



Even if we are successful in these proceedings, we may incur substantial costs and divert management's time and attention in pursuing these proceedings. If we are unable to avoid infringing the patent rights of others, we may be required to seek a license, defend an infringement action or challenge the validity of the patents in court. Patent litigation is costly and time-consuming. We may not have sufficient resources to bring these actions to a successful conclusion. In addition, if we do not obtain a license, develop or obtain non-infringing technology, fail to defend an infringement action successfully or have our patents declared invalid, we may incur substantial monetary damages; encounter significant delays in bringing our product candidates to market; or be precluded from participating in the manufacture, use or sale of our product candidates or methods of treatment requiring licenses.

***If our patent and other intellectual property protection is inadequate, our sales and profits could suffer or competitors could force our products completely out of the market.***

Patents which prevent the manufacture or sale of our products may be issued to others. We may have to license those patents and pay significant fees or royalties to the owners of the patents in order to keep marketing our products. This would cause profits on sales to suffer.

We have been granted patents or licensed patents in the US, but patent applications that have been, or may in the future be, filed by us may not result in the issuance of additional patents. The scope of any patent issued may not be sufficient to protect our technology. The laws of foreign jurisdictions in which we intend to sell our products may not protect our rights to the same extent as the laws of the US.

In addition to patent protection, we also rely on trade secrets, proprietary know-how and technology advances. We enter into confidentiality agreements with our employees and others, but these agreements may not be effective in protecting our proprietary information. Others may independently develop substantially equivalent proprietary information or obtain access to our know-how. Litigation, which is expensive, may be necessary to enforce or defend our patents or proprietary rights and may not end favorably for us. We may also choose to initiate litigation against other parties who we come to believe are infringing these patents. If such litigation is unsuccessful or if the patents are invalidated or canceled, we may have to write off the related intangible assets and such an event could significantly reduce our earnings. Any of our licenses, patents or other intellectual property may be challenged, invalidated, canceled, infringed or circumvented and may not provide any competitive advantage to us.

#### **Risks Related to Our Common Stock**

***Investors may experience dilution if we issue additional shares of common stock.***

In general, stockholders do not have preemptive rights to any common stock issued by us in the future. Therefore, stockholders may experience dilution of their equity investment if we issue additional shares of common stock in the future. This includes shares issuable under equity incentive plans, or if we issue securities that are convertible into shares of our common stock. Given that we will require additional capital, we intend to raise funds in the future by issuing common stock which will cause dilution to our stockholders. The Company also has significant outstanding warrants to purchase common stock as well as a stock option pool available to employees, which if exercised, would cause dilution to our stockholders.

***There is a limited trading market for our common stock, which could make it difficult for you to liquidate an investment in our common stock, in a timely manner.***

Our common stock is currently traded on the OTCQB. Because there is a limited public market for our common stock, investors may not be able to liquidate their investment whenever desired. We cannot assure that an active trading market for our common stock will ever develop and the lack of an active public trading market means that investors may be exposed to increased risk. In addition, if we failed to meet the criteria set forth in SEC regulations, various requirements would be imposed by law on broker-dealers who sell our securities to persons other than established customers and accredited investors. Consequently, such regulations may deter broker-dealers from recommending or selling our common stock, which may further affect its liquidity.

***If securities analysts do not publish research or reports about our business or if they downgrade us or our sector, the price of our common stock could decline.***

The trading market for our common stock will depend in part on research and reports that industry or financial analysts publish about us or our business. We do not control these analysts. Furthermore, if one or more of the analysts who cover us downgrades us or the industry in which we operate or the stock of any of our competitors, the price of our common stock will likely decline. If one or more of these analysts ceases coverage altogether, we could lose visibility, which could also lead to a decline in the price of the common stock.

***We cannot assure you that our common stock will become listed on a securities exchange and the failure to do so may adversely affect your ability to dispose of our common stock in a timely fashion.***

We plan to seek listing of our common stock on the NYSE MKT or a NASDAQ exchange as soon as reasonably practicable. In 2011, the NYSE MKT and the NASDAQ amended their listings to restrict the ability of companies that have completed reverse mergers to list their securities on such exchanges. In order to become eligible to list their securities on such exchange, reverse merger companies must have had their securities traded on an over-the-counter (OTC) market for at least one year, maintained a certain minimum closing price for no less than 30 of the most recent 60 days prior to the filing of an initial listing application and prior to listing, and timely filed with the SEC all required reports since consummation of the reverse merger, including one annual report containing audited financial statements for a full fiscal year commencing after the date of the filing of the Form 8-K containing the Company's Form 10 information. To date the Company has not met all of the filing requirements above and may not be able to satisfy the initial listing standards of the NYSE MKT or NASDAQ exchanges in the foreseeable future or at all. Even if we are able to list our common stock on such exchange, we may not be able to maintain a listing of the common stock on such stock exchange.

***The market price and trading volume of our common stock may be volatile, which may adversely affect its market price.***

The market price of our common stock could be subject to significant fluctuations due to factors such as:

- actual or anticipated fluctuations in our financial condition or results of operations;
- limited trading activity;
- success or failure of our operating strategies and our perceived prospects; realization of any of the risks described in this section; failure to be covered by securities analysts or failure to meet the expectations of securities analysts;
- decline in the stock prices of peer companies; and
- discount in the trading multiple of our common stock relative to that of common stock of certain of our peer companies due to perceived risks associated with our smaller size.

As a result, shares of our common stock may trade at prices significantly below the price an investor paid to acquire them. Furthermore, declines in the price of our common stock may adversely affect the Company's ability to conduct future offerings or to recruit and retain key employees.

***Our common stock may be considered a "penny stock".***

Trades of our common stock are subject to Rule 15c-9 promulgated by the SEC under the Exchange Act, which imposes certain requirements on broker/dealers who sell securities subject to the rule to persons other than established customers and accredited investors. For transactions covered by the rule, broker/dealers must make a special suitability determination for purchasers of the securities and receive the purchaser's written agreement to the transaction prior to sale. The SEC also has other rules that regulate broker/dealer practices in connection with transactions in "penny stocks." Penny stocks generally are equity securities with a price of less than \$5.00 (other than securities listed on a national securities exchange, provided that current price and volume information with respect to transactions in that security is provided by the exchange or system). The penny stock rules require a broker/dealer, prior to a transaction in a penny stock not otherwise exempt from the rules, to deliver a standardized risk disclosure document prepared by the SEC that provides information about penny stocks and the nature and level of risks in the penny stock market. The broker/dealer also must provide the customer with current bid and offer quotations for the penny stock, the compensation of the broker/dealer and its salesperson in the transaction, and monthly account statements showing the market value of each penny stock held in the customer's account. The bid and offer quotations, and the broker/dealer and salesperson compensation information, must be given to the customer orally or in writing prior to effecting the transaction and must be given to the customer in writing before or with the customer's confirmation. These disclosure requirements have the effect of reducing the level of trading activity in the secondary market for our common stock. As a result of the foregoing, investors may find it difficult to sell their shares.

***We have no current plan to pay dividends on our common stock and investors may lose the entire amount of their investment.***

We have no current plans to pay dividends on our common stock. Therefore, investors will not receive any funds absent a sale of their shares. We cannot assure investors of a positive return on their investment.

#### **MARKET, INDUSTRY AND OTHER DATA**

Unless otherwise indicated, information contained in this prospectus concerning our industry and the markets in which we operate, including our general expectations and market position, market opportunity and market size, is based on information from various sources, on assumptions that we have made that are based on those data and other similar sources and on our knowledge of the markets for our services. These data involve a number of assumptions and limitations. In addition, projections, assumptions and estimates of our future performance and the future performance of the industry in which we operate is necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described in section entitled "*Risk Factors*" of this prospectus and elsewhere in this prospectus. These and other factors could cause results to differ materially from those expressed in the estimates made by the independent parties and by us.

#### **USE OF PROCEEDS**

We are registering these shares pursuant to the registration rights granted to the selling stockholders in the Bridge Financing, the Unit Financing and the Note Conversion. We will not receive any proceeds from the sale or other disposition by the selling stockholders of the shares of our common stock covered by this prospectus. However, we will receive the cash exercise price of the Bridge Warrants, the Unit Warrants, and the Bridge Incentive Warrants and will use the proceeds for normal operations.

## MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES.

### Market Information

Our common stock is currently quoted on the OTCQB tier of the OTC Markets Group under the trading symbol "ANTB." The OTCQB is an inter-dealer quotation and trading system and only market makers can apply to quote securities on the OTCQB. Trading in our common stock on the OTCQB has been limited and sporadic and the quotations set forth below are not necessarily indicative of actual market conditions. Further, these prices reflect inter-dealer prices without retail mark-up, mark-down, or commission, and may not necessarily represent actual transactions.

The market data table takes into account our 6 for 1 Reverse Split effective May 1, 2014. The Company acknowledges that some media sites that report market and trading information reflect our trading information on a pre-Reverse Split basis and have not updated the share price data prior to the effectiveness of the Reverse Split to account for the Reverse Split.

The following table sets forth the high and low last reported sale price information for our common stock for the fiscal quarters:

	Common Stock	
	High	Low
First quarter 2014	\$ 5.70	\$ 1.85
Second quarter 2014	\$ 4.56	\$ 1.20
Third quarter 2014	\$ 4.08	\$ 2.40
Fourth quarter 2014	\$ 4.00	\$ 1.01
First quarter 2015	\$ 2.14	\$ 1.35
Second quarter 2015	\$ 1.50	\$ 0.90
Third quarter 2015	\$ 2.25	\$ 1.21
Fourth quarter 2015	\$ 2.00	\$ 1.20

### Holdings

As of October 8, 2015 there were of record approximately 291 holders of common stock.

### Dividends

We have never paid cash dividends and intend to employ all available funds in the development of our business. We have no plans to pay cash dividends in the near future. If we issue in the future any preferred stock or obtain financing from a bank, the terms of those financings may contain restrictions on our ability to pay dividends for so long as the preferred stock or bank financing is outstanding.

### Equity Compensation Plan Information

Upon our acquisition of AntriaBio Delaware, Inc., we assumed the option agreements ("Assumed Options"). The Assumed Options are governed by the terms of their respective option agreements. The Assumed Options generally are nontransferable and expire no later than five years from the date of grant. Between 50-66.7% of the shares of common stock issuable and/or exercised under the option agreements vest immediately on the grant date with the remainder to vest ratably monthly until the vesting date. The Assumed Options have an exercise price of \$4.50 per share. The Assumed Options were duly approved by the Antria Acquisition Corp. stockholders prior to the closing of the Reverse Merger and were granted to Steve Howe, Hoyoung Huh, Sankaram Mantripragada and Nevan Elam.

In June 2013, the Company approved the grant of options to purchase 8,334 shares of common stock to contractors of the Company. The options are governed by the terms of their respective option agreements and expire no later than five years from the date of the grant. The first 25% of the shares of common stock issuable and/or exercised under the option agreement vested immediately on the grant date with the remainder vesting in 25% intervals through October 2015. The options have an exercise price of \$4.50.

On March 26, 2014, the Board and the holders of a majority of the Company's issued and outstanding stock, adopted the Company's 2014 Stock and Incentive Plan. With the effectiveness of the plan by shareholder approval, the board issued to executives, directors and other employees options to purchase 2,835,000 shares of common stock and have issued additional options to purchase 460,000 shares of common stock through June 30, 2015. The options are governed by the 2014 Stock and Incentive Plan and expire no later than seven years from the date of the grant. The options vest on a monthly basis over 48 months with some options subject to a one year cliff and have an exercise price based on the fair value of the common stock on the date of grant.

On February 23, 2015, the Board adopted the Company's 2015 Non Qualified Stock Option Plan which allows the Company to issue up to 6,850,000 shares of common stock in the form of stock options. The 2015 Non Qualified Stock Option Plan will be administered by a committee of the Board, or the entire Board if a committee has not been formed. The Board or Committee has the authority to issue options to any eligible persons, which includes employees, officers, nonemployee directors, consultants, independent contractors, or advisors providing services to the Company. The Board or Committee also determines the terms and conditions of any options issued. The Board has issued options to purchase 4,112,000 shares of common stock during the year ended June 30, 2015. The options are governed by the 2015 Non Qualified Stock Option Plan and expire no later than ten years from the date of the grant. The options vest on a monthly basis over 48 months with some options subject to a one year cliff and have an exercise price based on the fair value of the common stock on the date of grant.

The following table displays equity compensation plan information as of June 30, 2015:

	Number of Securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants, and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	3,295,000	2.94	455,000
Equity compensation plans not approved by security holders	5,620,334	\$ 2.71	2,738,000
Total	<u>8,915,334</u>	<u>\$ 2.80</u>	<u>3,193,000</u>

#### SELECTED CONSOLIDATED FINANCIAL DATA

Not required for smaller reporting companies.

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

*The following Management's Discussion and Analysis of Financial Condition and Results of Operations of contain forward-looking statements which involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including those set forth under "Risk Factors" and elsewhere in this Prospectus. We assume no obligation to update forward-looking statements or the risk factors. You should read the following discussion in conjunction with Antria's financial statements and related notes.*

### **Executive Summary**

AntriaBio, is a biopharmaceutical company that develops novel, sustained release injectable therapies. We apply our proprietary formulation and manufacturing capabilities to known, well-characterized molecules to create differentiated, patent-protected products that have the potential to significantly improve existing standards of care. Our lead product candidate, AB101 is a microsphere formulation of human recombinant insulin and a biodegradable polymer that is injected subcutaneously once per week for patients with type 1 and type 2 diabetes mellitus. We believe that AB101 has the potential to provide a near peak-less, slow and uniform release of basal insulin. The current standard of care in the \$11 billion basal insulin market is daily or twice a day injections.

In calendar year 2014 and in the first half of calendar year 2015, we successfully raised a total of \$22.8 million to fund our operations and we have accomplished a series of corporate objectives including:

- Established a 27,000 square-foot research laboratory and manufacturing facility
- Created a Scientific Advisory Board of esteemed endocrinologists
- Hired staff to complete the formation of scientific, clinical and corporate teams
- Produced preclinical material for our lead product candidate, AB101
- Conducted in vitro and in vivo pharmacology studies
- Presented data from these studies in an oral session at the American Diabetes Association 75th Scientific Sessions in Boston
- Nearly completed construction of our cGMP manufacturing suite
- Initiated discussions with the FDA regarding our lead product candidate
- Announced the addition of a new product candidate, AB301

At the start of calendar year 2015, we set out to complete the following five key objectives and the following is an update on our progress.

### ***Complete toxicology studies for AB101***

We needed to conduct toxicology studies in two animal species to enable the filing of an IND for AB101 with the FDA and we have successfully completed six week repeat dose toxicology studies in both dogs and rats. Further analysis and reports are underway and will be completed by the end of calendar year 2015.

### ***File AB101 IND with FDA***

In order to enable a clinical study for AB101, our plan at the start of the year was to file an IND with the FDA prior to the end of Q4 2015. As part of the process of filing the IND, we initiated a dialog with the FDA through a pre-IND meeting request submission to obtain the agencies' perspective with respect to our preclinical efforts and planned initial clinical studies for AB101. We have received detailed and constructive feedback from the FDA regarding our study plans for AB101 and we believe that we will be able to incorporate the agencies' opinions into our clinical efforts.

Although we received several comments from the FDA, there is one issue that will adversely impact our timeline for the commencement of our first clinical study. Specifically, based upon our review of similar filings by other corporations, we initially anticipated that the FDA would require one month of stability data for our peginsulin drug substance in the filing of the IND. However, the FDA has informed us that it would like at least six months of stability data for peginsulin and this extended timeline will delay our IND filing and commencement of our clinical study until 2016 as detailed below. While we are still reviewing our planned IND submission with the FDA, to date we have not received any responses that we believe would preclude us from studying AB101 in patients.

#### ***Construction of cGMP Suite***

In order to conduct our first clinical study for AB101, we require sterile materials and therefore one of our objectives at the start of the year was to construct a cGMP manufacturing suite in our Louisville, Colorado facility. We anticipated spending approximately \$2.5 million on the project, with a targeted completion date of August 2015. As of September 25, 2015, the project is 90% complete and we believe that the project will be finalized by October 9, 2015. While the project will be completed substantially within budget, we did experience certain delays that pushed out completion timelines including the following: delays in the delivery of certain construction materials from manufacturers; extended lead times for the acquisition of certain equipment, including casework for our laboratories; and delays on the validation of certain newly purchased equipment and final certification of the cGMP suite.

At the start of the year, we planned for the manufacture of cGMP AB101 material in September or October 2015 in anticipation of our first clinical study. Given the delays in finalizing the suite, we do not expect to have cGMP AB101 clinical material available until Q1 of calendar year 2016.

#### ***Commence clinical studies for AB101***

At the start of the year we planned to commence our first human clinical study in the latter half of calendar year 2015. Taking into account the aforementioned FDA request for six months of stability data on AB101's drug substance as well as the delay in the completion of our cGMP facility, we now believe that we will file the IND for AB101 at the end of the 2nd quarter of calendar year 2016 and subsequently commence the clinical study following the FDA's acceptance of the IND application.

#### ***Announce an additional pipeline candidate using our proprietary platform***

At the start of the year, we set out to announce an additional pipeline candidate by end of calendar year 2015. On September 16, 2015, we announced the addition of a new product candidate to our product development pipeline. As a potential treatment for patients with type 2 diabetes, AB301 is a once-weekly injectable combination of a PEGylated human glucagon-like peptide-1 (GLP-1) agonist and AB101, our basal insulin lead product candidate. We believe there is a potential advantage of combining a GLP-1 agonist with basal insulin to complement glycemic control while attenuating weight gain and hypoglycemic risk. We believe AB301 is a unique candidate relative to similar combination therapies that are currently in clinical development that will be dosed daily if successfully commercialized. In vitro and in vivo studies completed to date indicate that AB301 has the potential to be a well-tolerated, effective therapy for type 2 diabetes. We are currently engaged in ongoing preclinical studies of AB301.

While we will be unable to commence our clinical studies for AB101 in calendar year 2015, we believe we have made and continue to make significant progress towards advancing the program. We remain encouraged by the potential for AB101, particularly following our interactions with the FDA and the completion of toxicology studies in two species to support its IND. Having expanded our capabilities through the construction of a cGMP manufacturing suite and announcing an additional pipeline candidate, we remain committed to advancing AB101 into the clinic in 2016. To that end, as of June 30, 2015, we had \$5.7 million in cash to fund our operations. While we still have capital to fund our current activities, we do not have sufficient capital to continue our operations in calendar year 2016, including funding the first clinical study for AB101. We anticipate requiring approximately \$15 million to fund all of our corporate objectives through calendar year 2016, including making cGMP batches of AB101 material, finalizing and filing our IND with the FDA and paying for the first clinical study, which we plan to conduct at a CRO in southern California. The additional funding will also allow us to continue our preclinical efforts for AB301, including preparations to file an IND for the candidate. As a result, one of our primary goals is to raise additional capital as soon as practicable on favorable terms.

### **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 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.

### ***Patents***

Costs of establishing patents consisting of legal fees paid to third parties and related costs are currently expensed as incurred. We will continue this practice unless we can demonstrate that such costs add economic value to our business, in which case we will capitalize such costs as part of intangible assets. The primary consideration in making this determination is whether or not we can demonstrate that such costs have, in fact, increased the economic value of our intellectual property. The \$68,000 value of the patents acquired in connection with the asset acquisition from PRP is being amortized over the remaining patent lives of approximately eleven years.

### ***Research and Development***

Research and development costs are expensed as incurred. These costs consist primarily of expenses for personnel engaged in the design and development of product candidates, the scientific research necessary to produce commercially viable applications of our proprietary drugs, early stage clinical testing of product candidates, and development equipment and supplies, facilities costs and other related overhead.

### ***Stock-Based Compensation***

We account for stock-based payments by recognizing compensation expense based upon the estimated fair value of the awards on the date of grant. We determine the estimated grant date fair value of options using the Black-Scholes option pricing model and recognize compensation costs ratably over the vesting period using the straight-line method. Common stock issued in exchange for services is recorded at fair value of the common stock at the date which we became obligated to issue the shares. The value of the shares is expensed over the requisite service period.



## ***Derivatives***

We account for warrants that are liability classified by recording the fair value of the warrant derivative liability. The fair value of the warrants is calculated using either the Black-Scholes pricing model or the Lattice model. We recorded the derivative expense at the inception of each instrument reflecting the difference between the fair value and the cash received. Changes in the fair value in subsequent periods were recorded to derivative income or expense for the period.

## ***Income Taxes***

We use the liability method of accounting for income taxes. Under this method, we recognize deferred assets and liabilities based on the differences between the tax basis of assets and liabilities and their reported amounts in the financial statements that will result in taxable or deductible amounts in future years. We establish a valuation allowance for all deferred tax assets for which there is uncertainty regarding realization.

## **Results of Operations**

The Company recorded net losses of \$11,362,364 and \$9,730,454 for the years ended June 30, 2015 and 2014, respectively.

*Revenues* - We are a preclinical stage company and have not yet generated any revenues.

*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 for the years ended June 30, 2015 and 2014 were \$4,701,209 and \$34,317, respectively. The increase is due to the Company starting significant research and development activities during 2015 as the lab facility and significant staff were not established until 2015.

General and administrative costs as of June 30, 2015 and 2014 were \$5,996,673 and \$5,141,716, respectively. The increase is mainly due to an increase in payroll expenses and stock based compensation expenses in 2015 compared to 2014 as the Company has hired additional staff during the current year.

Interest expense for the years ended June 30, 2015 and 2014, was \$6,729 and \$4,230,112, respectively, which is interest on debt issued and the debt discount related to the beneficial conversion features recorded on the convertible debt. The main decrease in interest expense is related to the beneficial conversion feature of \$2,922,938 that was recorded and amortized into interest expense during the year ended June 30, 2014 when the convertible debt was converted into common stock.

## **Factors impacting our Results Operations**

We have not generated any revenues since our inception in March 2010. Since inception, we have engaged in organizational activities, conducted private placements which raised additional capital, built out the manufacturing suite, produced material for our lead product candidate under good laboratory practices (GLP), conducted studies using the GLP material, and conducted research and development on our pipeline product candidates.

Due to the time required to conduct clinical trials and obtain regulatory approval for any of our product candidates, we anticipate it will be some time before we generate substantial revenues, if ever. We expect to generate operating losses for the foreseeable future, therefore we are continuing to evaluate raising additional capital in the near future to maintain the current operating plan. We cannot assure you that we will secure such financing or that it will be adequate to execute our business strategy. Even if we obtain this financing, it may be costly and may require us to agree to covenants or other provisions that will favor new investors over our existing stockholders.

### **Net Cash Used in Operating Activities**

During the year ended June 30, 2015, our operating activities used approximately \$7.1 million in cash. The use of cash was \$3.9 million lower than the net loss due to non-cash charges for stock-based compensation, derivative expenses, amortization and depreciation as well as other non-cash activities. Net cash provided by operating activities also included a \$222,382 decrease in inventory and a \$436,688 increase in accounts payable and accrued expense and cash used in operating activities of a \$264,716 decrease in accounts payable and accrued expenses – related party.

During the year ended June 30, 2014, our operating activities used approximately \$3.2 million in cash. The use of cash was \$6.1 million lower than the net loss due to non-cash charges for stock-based compensation, derivative expenses, amortization and depreciation as well as other non-cash activities. Net cash used in operating activities also included a \$134,946 decrease in accounts payable and accrued expenses – related party and cash provided by a \$271,965 increase in accounts payable and accrued expenses and a \$353,091 increase in interest payable.

### **Net Cash Used in Investing Activities**

Net cash used in investing activities during the year ended June 30, 2015 was \$3,613,124. During the year, the Company purchased \$3,107,957 of fixed assets for the facility, paid \$55,000 for the acquisition of the contingent liabilities from the Estate of PR Pharmaceuticals, Inc. and had an increase in restricted cash of \$450,167 which is being restricted for the construction of the lab and manufacturing facilities.

Net cash used in investing activities during the year ended June 30, 2014 was \$830,185. During the year the Company purchased \$69,974 of fixed assets for the facility, paid \$750,000 as a deposit on the lease of the facility and saw a decrease of \$10,211 in the interest receivable – related party.

### **Net Cash from Financing Activities**

Net cash provided by financing activities during the year ended June 30, 2015 was \$10,036,190. During the year, the Company received proceeds from equity financings of \$11,175,656 and paid out issuance costs of \$1,071,568. The Company also made payments of \$67,898 on the lease payable.

Net cash provided by financing activities during the year ended June 30, 2014 was \$9,931,549. During the year, the Company issued convertible notes payable of \$2,703,000, repaid convertible notes payable of \$67,500 and paid financing fees of \$270,300. The Company also received proceeds from equity financings of \$8,931,434 and paid out \$1,365,085 in issuance costs.

### **Liquidity and Capital Resources**

As of June 30, 2015, we have approximately \$5.7 million in cash on hand and restricted cash and working capital of approximately \$4.4 million. During the year ended June 30, 2015, we closed on an equity transaction in which we issued 6,040,921 units, with each unit consisting of one share of common stock and a warrant to purchase one share of common stock. The Company received net proceeds of approximately \$10.1 million from the equity transaction. While we do have cash on hand, we anticipate that we will need an additional \$15 - \$20 million to cover operating expenses, clinical trials of AB101 and continuing research and development of our product pipeline through the calendar year end 2016. We are currently evaluating raising additional capital to fund our current and future operations.

## 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 private placements and/or bank financing or other means 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.

## Off-Balance Sheet Arrangements

We had no off-balance sheet transactions.

## Contractual Obligations

The following table summarizes our contractual obligations at June 30, 2015.

	<b>Total</b>	<b>Less than 1 year</b>	<b>1-3 years</b>	<b>3-5 years</b>	<b>Over 5 years</b>
Operating lease obligations	\$ 1,839,682	\$ 359,468	\$ 1,144,467	\$ 335,747	\$ -
Capital lease obligations	121,123	96,890	24,233	-	-
Total	<u>\$ 1,960,805</u>	<u>\$ 456,358</u>	<u>\$ 1,168,700</u>	<u>\$ 335,747</u>	<u>\$ -</u>

## Recently Issued 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.

In January 2015, the FASB issued ASU 2015-01, *Income Statement – Extraordinary and Unusual Items (Subtopic 225-20)*, which eliminates the concept of extraordinary items. The new guidance is effective for fiscal years and interim periods within those years beginning after December 15, 2015. The new guidance is to be applied prospectively but may also be applied retrospectively to all prior periods presented in the financial statements. Early adoption is permitted provided that the guidance is applied from the beginning of the fiscal year of adoption. We expect to adopt the provisions of this new guidance on July 1, 2016. We do not expect the adoption of the new provisions to have a material impact on our financial condition or results of operations.

## DESCRIPTION OF BUSINESS

### ANTRIABIO, INC.

#### Our Company

We are a biopharmaceutical company that develops novel, sustained release injectable therapies. We apply our proprietary formulation and manufacturing capabilities to known, well-characterized molecules to create differentiated, patent-protected therapies that have the potential to significantly improve existing standards of care.

## Summary of Diabetes

Diabetes is a chronic, life-threatening disease that is characterized by elevated levels of blood sugar, or glucose. Glucose is vital to the body as a source of energy for cells that constitute muscles and other tissues. Insulin is a hormone that is secreted by the pancreas and it regulates blood glucose levels by moving glucose into cells for utilization. The pancreas produces what is known as basal insulin, a slow, steady release of insulin between meals and overnight. In response to food that is consumed, the pancreas also produces bolus (meal-time) insulin. Diabetes is a condition that results from either inability of the pancreas to produce insulin or the inability of the body to effectively use the insulin that is produced. Further, a condition known as pre-diabetes is characterized by blood glucose levels that are higher than normal, but not high enough to be classified as diabetes. Possible long-term complications of diabetes include heart disease, stroke, kidney failure, blindness and amputation.

According to the International Diabetes Federation (IDF), approximately 380 million people in the world are currently living with diabetes and that number is expected to increase to nearly 600 million by 2035. In 2013, diabetes resulted in more than \$500 billion in health expenditures globally, or 11% of the total healthcare related spending on adults. In the United States, the Centers for Disease Control (CDC) estimates that 29 million people – or roughly one out of every 11 people – are currently living with diabetes. The CDC also estimates that in the US over 85 million people – more than one out of three adults – have pre-diabetes.

The most prevalent forms of diabetes are referred to as type 1 and type 2 diabetes. In type 1 diabetes, which accounts for approximately five to ten percent of all diagnosed cases of diabetes, the precise cause is still unknown, although it is hypothesized that the onset of the disease is triggered by a combination of genetic and environmental factors such as viruses. In most cases of type 1 diabetes, the body's immune system mistakenly destroys the beta cells in the pancreas that produce insulin. Type 1 diabetes can only be treated with insulin replacement therapy, delivered via multiple injections or through an insulin pump both for basal and bolus needs.

Type 2 diabetes, which accounts for approximately 90% of all diagnosed cases, occurs when the body becomes resistant to insulin or does not make enough insulin to properly regulate blood glucose levels. Common risk factors for type 2 diabetes include: obesity, high cholesterol, high blood pressure, advanced age, physical inactivity, gestational diabetes, race/ethnicity and a family history of diabetes. Management of type 2 diabetes requires a multifaceted approach, beginning with a healthy dietary and exercise regimen. While some individuals with type 2 diabetes are able to successfully manage their blood glucose levels through diet and exercise alone, many require oral and injectable medications to: decrease glucose production and glucose levels, stimulate insulin production, increase sensitivity to the effects of insulin, and prevent the kidneys from reabsorbing glucose. Examples include metformin, sulfonylureas, meglitinides, thiazolidinediones, DPP-4 inhibitors, GLP-1 receptor agonists and SGLT-2 inhibitors. When these medications in concert with lifestyle adjustments are insufficient to regulate blood glucose levels, insulin replacement therapy is required for individuals with type 2 diabetes.

### **Our Lead Product Candidate: AB101**

AB101, a microsphere formulation of PEGylated human recombinant insulin, is being developed as an extended acting basal insulin intended for once-weekly subcutaneous injection, for use alone and in combination with bolus prandial insulin or oral glucose lowering therapies, to improve glycemic control in patients with type 1 and type 2 Diabetes Mellitus. We believe that AB101 has the potential to provide a near peak-less, slow and uniform release of basal insulin. The current standard of care in the \$11 billion basal insulin market is daily or twice a day injections.

### ***AB101 Formulation and Preclinical Results***

To formulate AB101 we use PEGylation chemistry to attach a low molecular weight (5000 Daltons) polyethylene glycol (“PEG”) to the phenylalanine amino acid residue on the N-terminus of insulin’s B peptide chain to create PEGylated insulin (“**peginsulin**”). By attaching a PEG in this fashion, human insulin becomes amphiphilic and can be uniformly co-dissolved in a solvent with a biodegradable polymer (“**PLGA**”). Following the dissolution of peginsulin and PLGA, the solvent is removed through an emulsification process and when dried, uniform microspheres are formed in a solid state solution. Prior to administration, the microspheres are reconstituted in an aqueous solution and when injected, the microspheres dissolve through hydrolysis, releasing insulin at a slow, steady and predictable rate over the course of a week.

### ***AB101 Preclinical Results***

In 2014, the Company (through independent contract research organizations) conducted a series of in vitro and in vivo animal pharmacology studies to assess the pharmacokinetics and the pharmacodynamics of AB101, to prepare for filing of an investigational new drug application (“**IND**”) to conduct human clinical studies. The data shows that human recombinant insulin PEGylated (peginsulin) with a relatively low molecular weight PEG (5000 Daltons) retains similar receptor binding affinity and receptor-mediated biological activity compared to native insulin. Further, the data in two animal species also demonstrates that subcutaneous administration of AB101 (peginsulin microspheres) leads to dose-dependent slow onset and sustained increases in insulin levels and associated glucose reduction, without acute hypoglycemia caused by an “insulin burst.” The pharmacokinetics and the pharmacodynamics profiles in animals support the target product profile of AB101 as a once-weekly basal insulin therapy for type 1 and type 2 Diabetes Mellitus.

An abstract presenting our findings was submitted and accepted by the American Diabetes Association and we presented our data in an oral session at the association’s annual meeting in Boston in June 2015.

### ***Additional AB101 Preclinical and Clinical Plans***

In 2015, as a precursor to our US clinical studies and in order to fulfill requirements of the US Food and Drug Administration (“**FDA**”) in support of an IND filing, we are conducting pre-clinical studies, including acute and sub-acute toxicity studies in at least two species, safety pharmacology, and mutagenicity/genotoxicity studies.

The intended clinical development plan for AB101 is consistent with the FDA’s *Guidance for Industry, Diabetes Mellitus: Developing Drugs and Therapeutic Biologics for Treatment and Prevention*, and will be generally modeled after recent development programs for long-acting basal insulin products. Variations will be introduced to account for the specific characteristics of AB101, as applicable. The overall goal of the program will be to demonstrate efficacy and safety of once-weekly AB101 compared to currently available basal insulins.

The single ascending dose study in type 1 and type 2 Diabetes Mellitus will be followed by repeat dose pharmacokinetics and the pharmacodynamics studies. Euglycemic clamping will be utilized to evaluate the time-action profile for glucose lowering following repeated once-weekly doses of AB101, and to determine steady-state.

In addition, the Company plans to conduct a Phase 2 program to assess and confirm the intended dosing profile, specifically of the once weekly dosing frequency, and for dose-ranging. The Phase 3 registration program will comprise multiple studies to compare efficacy and safety to currently available basal insulins, in various combinations with bolus insulin and/or oral glucose lowering agents. It will be of adequate size to meet recommended guidance for assessing chronic safety when used for Diabetes Mellitus.

### ***AB101's Market Potential***

If approved, we believe AB101 will result in greater patient compliance and set a new standard in basal insulin therapy. The basal insulin market, which makes up approximately 50% of the total insulin market, is \$11 billion. In 2014, Sanofi-Aventis sold approximately \$8.4 billion of Lantus, a daily injectable basal insulin therapy while Novo Nordisk sold approximately \$2.6 billion of Levemir, a twice daily injectable basal insulin. Currently, there is no commercially available insulin in the US with a duration of action beyond 24 hours. Our once-weekly AB101 would provide seven days of basal insulin coverage with the potential to significantly improve the treatment paradigm. Furthermore, there is an opportunity for AB101 to enter new markets outside of North America where basal insulin has limited penetration. Basal insulin represents 36% of all insulin use in Europe, 29% of all insulin use in Japan and Korea, 13% of all insulin use in China, and 26% of all insulin use in the rest of world. Further, as a result of AB101's weekly injection profile, it has the potential to be used in patients with type 2 diabetes who are using oral agents but who require improved glycemic control through the addition of insulin. According to the CDC, 58% of all individuals with diabetes use oral medications only, and 16% use no medication at all. As a basal insulin replacement therapy, AB101 supplements the effects of endogenous and exogenous insulin and complements the effects of orally administered hypoglycemic agents. It is generally believed that the reluctance to initiate insulin therapy is a result of resistance to take multiple injections for both regular and current long-acting insulin as well as the multiple finger sticks needed to monitor blood glucose levels.

### **New Product Candidate: AB301**

On September 16, 2015, we announced the addition of a new product candidate to our product development pipeline. As a potential treatment for patients with type 2 diabetes, AB301 is a once-weekly injectable combination of a PEGylated human glucagon-like peptide-1 ("GLP-1") agonist and AB101, our basal insulin lead product candidate. We believe that there is a potential advantage of combining a GLP-1 agonist with basal insulin to complement glycemic control while attenuating weight gain and hypoglycemic risk. As a once weekly injectable therapy, AB301 would be differentiated from combination therapies that are currently in clinical development and require daily injections. In vitro and in vivo studies completed to date indicate that AB301 has the potential to be a well-tolerated, effective therapy for type 2 diabetes and we are engaged in ongoing preclinical studies of AB301.

### **Competition**

We face competition from pharmaceutical and biotechnology companies, academic institutions, governmental agencies, and private research organizations in recruiting and retaining highly qualified scientific personnel and consultants and in the development and acquisition of technologies.

If successfully commercialized, AB101 would compete directly against Sanofi's Lantus and Toujeo, Novo Nordisk's Levemir and any other branded or biosimilar basal insulin therapies that obtain regulatory approval in advance of AB101.

Sanofi's LixiLan and Novo Nordisk's Xultophy are daily injectable GLP-1 agonist and basal insulin combination therapies that are currently in Phase 3 development. Xultophy was approved for commercial use in the European Union in September 2014. If we successfully develop and commercialize AB301, it would compete directly against LixiLan, Xultophy and any other GLP-1 agonist and basal insulin combination therapies that obtain regulatory approval. Sanofi and Novo Nordisk are large pharmaceutical companies with substantially greater financial, marketing and development resources than AntriaBio. Further, the pharmaceutical and biotechnology industries are very competitive and are characterized by rapid and continuous technological innovation.

We believe that there are a number of additional therapies in preclinical and clinical development to treat diabetes that may result in effective, commercially successful treatments, including drugs that may be in development by Sanofi, Novo Nordisk Eli Lilly and other organizations. Each of these therapies and others may compete with AB101 and AB301.

## Intellectual Property

As an innovator in the development of extended release drug therapies, we are executing a patent strategy to protect technologies and inventions that are essential to our business. As part of this strategy, we will continue to build on our existing patent portfolio by filing patent applications for additional product candidates, and novel technologies, through ongoing research and development. Our patent strategy also involves relying upon trade secrets and know-how – particularly in formulation and manufacturing – in order to develop and maintain our competitive position.

Our existing patent involves a single-step method for rapidly and efficiently preparing conjugates of insulin and its analogs with hydrophilic polymers, specifically PEG. This method includes reacting a protein and a hydrophilic polymer in the presence of at least one organic solvent and at least one metal chelator, under near-neutral conditions. More specifically, this invention is directed to the site-specific modification of the proteins with PEG. It also provides a pharmaceutical formulation for the uniform mixture of the protein-PEG conjugate in a biodegradable polymer. This patent, which expires in April 2024, is issued in Australia, India, Japan and Europe, is allowed in the US, and is pending in Canada, Brazil, China and Hong Kong.

As it relates to this invention, our lead product candidate, AB101, is comprised of a PEG molecule linked to human recombinant insulin specifically at the phenylalanine amino acid at position B1. A biodegradable microsphere that is a homogenous solid solution of PLGA and the insulin-PEG conjugate is formulated. We plan to apply this method of preparing protein-polymer conjugates, and formulating them with biodegradable polymers to future product candidates as well.

As part of our strategy to enhance our patent portfolio, in July 2014, we filed a nonprovisional patent application covering novel methods and systems used to create biodegradable microparticles with superior syringeability, injectability, flowability, and uniformity. The methods claimed in the patent are directed towards the microsphere manufacturing technology platform that is broadly applicable to current and future products under development.

Additionally, we filed a provisional patent application in December 2014 around novel compositions and systems used to create formulations for sustained release products that are used by themselves or in combination with other molecules. Further, we filed a provisional patent application in June 2015 around methods to improve amine pegylation.

We plan on filing additional patent applications over time that are directed towards both technology enhancements and product candidates.

## Government Regulation

Regulation by governmental authorities in the US and other countries is a significant factor in the development, manufacture and marketing of pharmaceutical products. All of our potential products will require regulatory approval by governmental agencies prior to commercialization. In particular, pharmaceutical therapies are subject to rigorous preclinical testing and clinical trials and other pre-market approval requirements by the FDA and regulatory authorities in foreign countries. Various federal, state and foreign statutes and regulations also govern or influence the manufacturing, safety, labeling, storage, record keeping and marketing of such products.

We are also subject to various federal, state, and local laws, regulations and recommendations relating to safe working conditions; laboratory and manufacturing practices; the experimental use of animals; and the use and disposal of hazardous or potentially hazardous substances, including radioactive compounds and infectious disease agents, used in connection with our research, development and manufacturing.

## **Our Corporate History**

In March 2010, an entity was incorporated in Delaware (herein known as “**Antria Acquisition Corp.**”) with the express purpose of acquiring the assets of PR Pharmaceuticals, Inc., a corporation that prior to declaring bankruptcy in 2008, developed proprietary technology to be used with active pharmaceutical ingredients to create sustained release injectable formulations, including what is now known as AB101.

On July 26, 2010, the Company was incorporated in Nevada under the name “Fits My Style Inc.” and had no revenue and or operations other than capital formation and the development of a business plan related to the creation of a retail related mobile application.

On January 31, 2013, the following transactions occurred: (i) Antria Acquisition Corp. purchased the assets of PR Pharmaceuticals Inc.; (ii) Antria Acquisition Corp. became a wholly-owned operating subsidiary of the Company in a reverse merger (“Reverse Merger”); and (iii) the Company ceased operations of “Fits My Style” and instead became a sustained release biopharmaceutical corporation known as “AntriaBio, Inc.”

## **Research and Development**

We incurred approximately \$4,701,209 in research and development expenses for the year ended June 30, 2015. We did not incur any significant research and development expenses for the year ended June 30, 2014 as most of our expenses were related to the commencement of operations.

## **Legal**

We are not aware of any legal proceedings relating to securities or other proceedings that could have an adverse impact on the Company in which any director, officer, or any owner of record or beneficial owner of more than five percent of any class of voting securities of the Company, or any associate of any such director, officer, affiliate of the Company, or security holder is a party adverse to the Company or any of its subsidiaries or has a material interest adverse to the Company or any of its subsidiaries.

## **Employees**

As of June 30, 2015, we had nineteen full-time employees as well as five contract employees, all of whom have experience with pharmaceutical, biotechnology or medical product companies. None of our employees or contractors is covered by collective bargaining agreements.

## **Properties**

Our corporate headquarters are located at 1450 Infinite Drive, Louisville, Colorado. On May 5, 2014, we entered into a lease agreement with SF Infinite Drive, LLC for a lease of 27,000 square feet of office, lab and clean room space in Louisville, Colorado.

## **CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE**

None.



## DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE.

The following table sets forth certain information with respect to our current directors, executive officers and key employees. The term for each director expires at our next annual meeting or until his or her successor is appointed. The ages of the directors, executive officer and key employees are shown as of October 8, 2015.

Name	Position	Age
Nevan C. Elam	Chief Executive Officer and Chairman of the Board	47 (1)
Sankaram Mantripragada, Ph.D.	Chief Scientific Officer	56 (2)
Hoyoung Huh, Ph.D.	Director and Chairman of the Scientific Advisory Board and Business Development	46 (3)
Barry Sherman, M.D.	Director	74 (4)
David F. Welch, Ph.D.	Director	54 (5)
Morgan Fields	Chief Accounting Officer	35 (6)

- (1) Effective January 31, 2013, Nevan C. Elam was appointed as Chief Executive Officer and as a member of the Board for AntriaBio. Effective December 31, 2013, Nevan Elam was appointed as Chairman of the Board.
- (2) Effective January 31, 2013, Sankaram Mantripragada was appointed as Chief Scientific Officer for AntriaBio.
- (3) Effective January 31, 2013, Hoyoung Huh was appointed as a member of the Board of AntriaBio. Effective January 1, 2015, Dr. Huh was appointed as Chairman of the Scientific Advisory Board and Business Development.
- (4) Effective July 18, 2014, Barry Sherman was appointed as a member of the Board of AntriaBio.
- (5) Effective July 24, 2015, David Welch was appointed as a member of the Board of AntriaBio.
- (6) Effective July 18, 2014, Morgan Fields was appointed as Chief Accounting Officer for AntriaBio.

Set forth below is biographical information with respect to each of the aforementioned individuals.

**Nevan C. Elam.** Mr. Elam serves as our Chief Executive Officer and as the Chairman of our Board. Mr. Elam was as a Managing Director of Konus Advisory Group, Inc. from January 2012 to September 2014. Prior to his service with Antria and Konus Advisory Group, Inc., Mr. Elam served as Chief Executive Officer and President of AeroSurgical Ltd., a medical device company operating out of Ireland. Prior to his service with AeroSurgical Ltd., Mr. Elam was Head of the Pulmonary Business Unit and Senior Vice President of Nektar Therapeutics from April, 2007 through December 2008 and served as Nektar's Senior Vice President of Corporate Operations and General Counsel from January 2005 through April 2007. From March 2004 through December 2004, Mr. Elam served as an Advisor to E2open, Inc. From February 2002 through March 2004, Mr. Elam served as Chief Financial Officer of E2open and from October 2000 to February 2002, he served as Vice President of Business and Corporate Development of E2open. Prior to E2open, Mr. Elam was a Partner in the corporate practice of the law firm of Wilson Sonsini Goodrich & Rosati, where he served for eight years. He serves as Director of Savara, Inc., AeroSurgical Ltd. and Aerogen Ltd. Mr. Elam received his Juris Doctorate from Harvard Law School and a Bachelors of Arts from Howard University. We believe that Mr. Elam's experience advising pharmaceutical companies of their unique legal and regulatory obligations qualifies him to serve on the Board.

**Sankaram Mantripragada, Ph.D.** Dr. Mantripragada serves as our Chief Scientific Officer. Prior to his service with our Company, Dr. Mantripragada served as the Chief Scientific Officer of Antria Acquisition Corp. Prior to his service with Antria Acquisition Corp., Dr. Mantripragada served as VP of Research and Development of PR Pharmaceuticals from June 2005 until October 2009. From October 2004 until June 2005, Dr. Mantripragada was an advisor to companies specializing in diabetes, cell-based therapies and cardiovascular diseases. Dr. Mantripragada served as Director, Research and Development of Guidant Corporation, now part of Abbott Vascular, from September 2003 until October 2004. Prior to that, he served as Director, Research and Development and Vice President, Scientific Development of SkyePharma from September 1992 until September 2003. Prior to that, he was an Assistant Professor of Biochemistry at the University of Virginia, School of Medicine from January 1989 until September 1994. Dr. Mantripragada obtained his Ph.D. in Molecular Biophysics from the Indian Institute of Science and completed a postdoctoral research program at the Max Planck Institute for Biophysical Chemistry in Germany.

**Hoyoung Huh, M.D., Ph.D.** Dr. Huh serves as a member of our Board and Chairman of our Scientific Advisory Board and Business Development. Dr. Huh was a Managing Director of Konus Advisory Group, Inc. from January 2012 to September 2014 with Mr. Elam. Prior to founding Konus Advisory Group, Inc., Dr. Huh was Chief Executive Officer of BiPar Sciences, Inc. from February 2008 until December 2010. In addition, Dr. Huh has been involved in the formation, management and board positions of multiple biotechnology and innovation-based companies. Dr. Huh currently serves as the Chairman of the Board of Geron Corporation and CytomX Therapeutics as well as on the board of directors for Addex Therapeutics, ReSurge International and SF Jazz. Dr. Huh holds an M.D. from Cornell University Medical College, a Ph.D. in Genetics/Cell Biology from the Cornell University/Sloan-Kettering Institute, and a Bachelor's degree in biochemistry from Dartmouth College. We believe that Dr. Huh's medical experience and his experience working with pharmaceutical companies qualifies him to serve on the Board.

**Barry Sherman, M.D.** Dr. Sherman serves as a member of our Board. Dr. Sherman was most recently President and CEO of StemPar Sciences, a newly formed company in the emerging field of cancer metabolism. He has more than 30 years of experience in academic and pharmaceutical biomedical research. Dr. Sherman was Genentech's first Senior Vice President and Chief Medical Officer, served as President and CEO of Anergen Inc., and was a founder of Pain Therapeutics and BiPar Sciences. Prior to joining Genentech in 1985, Dr. Sherman was Professor of Medicine and Endocrinology at the University of Iowa- College of Medicine, where he served as Associate Chairman of the Department of Internal Medicine and Director of the National Institutes of Health- Sponsored Clinical Research Center. Dr. Sherman is a graduate of the University of Michigan where he received both his A.B. and M.D. degrees with honors. We believe that Dr. Sherman's medical experience and his experience working with pharmaceutical companies qualifies him to serve on the Board.

**David F. Welch, Ph.D.** Dr. Welch serves as a member of our Board. Dr. Welch is the co-founder of Infinera Corporation and has served as the President since June 2013 and as a member of the Board since October 2010. Dr. Welch has served in various executive roles within Infinera Corporation since May of 2001. Prior to joining Infinera, Dr. Welch served in various executive roles, including as Chief Technology Officer of the Transmission Products Group of JDS Uniphase Corporation, an optical component company, and Chief Technology Officer and Vice President of Corporate Development of SDL Inc., an optical component company. Dr. Welch holds over 130 patents, and has been awarded the Optical Society of America's ("OSA") Adolph Lomb Medal, Joseph Fraunhofer Award, the John Tyndall Award and the IET JJ Thompson Medal for Achievement in Electronics, in recognition of his technical contributions to the optical industry. He is a Fellow of OSA and the Institute of Electrical and Electronics Engineers. We believe that Dr. Welch's leadership experience and his experience with public companies qualifies him to serve on the Board.

**Morgan Fields.** Ms. Fields serves as our Chief Accounting Officer. Ms. Fields, has served as the Controller of Antria Acquisition Corp. since October 2012. Prior to joining AntriaBio, Ms. Fields was an Assurance Director with McGladrey LLP and had been with McGladrey LLP since 2003. Ms. Fields received her Bachelor's degree in accounting as well as her Masters in Accounting from the University of Northern Iowa.

#### **Family Relationships**

There are no family relationships between any of our directors or executive officers.

## Legal Proceedings

During the past ten years, we are not aware of any legal proceedings to which any of our executive officers or any associate of any of our executive officers, directors or person nominated to become a director was involved in which is required to be disclosed pursuant to Item 401(f) of Regulation S-K.

## Code of Ethics

We have adopted a code of business conduct and ethics that is applicable to all of our employees, officers and directors. The code is available on our web site, [www.antriabio.com](http://www.antriabio.com), under the "Investor Relations" tab. We intend to disclose future amendments to, or waivers from, certain provisions of our code of ethics, if any, on the above website within four business days following the date of such amendment or waiver.

## Committees of the Board of Directors

We have no standing audit, compensation, corporate governance or nominating committee as our entire Board performs the function of each of these committees. We do not have a financial expert on our Board, however we will consider adding a financial expert as we continue to grow and increase our Board.

The Company has established a Scientific Advisory Board (SAB). Dr. Huh will serve as the Chairman of the SAB. The other members of the board are Fredrick B. Kraemer, M.D., Philip Home, M.A., D.Phil., D.M., F.R.C.P., Jerrold Olefsky, M.D., Andrew R. Hoffman, M.D., and C. Ronald Kahn, M.D.

## Non-Employee Director Compensation

In consideration for their service on the Board, Antria compensates its non-employee directors with an annual fee as well as in the form of options for each year for their continued service. Antria also reimburses its directors for reasonable out of pocket expenses incurred in attending Antria's board meetings and in carrying out their board duties. During the fiscal year ended June 30, 2015, Dr. Sherman was paid \$12,500 in director fees and was granted an option to purchase up to 75,000 shares of common stock under the 2014 Stock and Incentive Plan and 187,000 shares of common stock under the 2015 Non Qualified Stock Option Plan. During the fiscal year ended June 30, 2014, Mr. Howe was granted an option to purchase up to 125,000 shares of common stock under the 2014 Stock and Incentive Plan and Dr. Huh was granted an option to purchase up to 350,000 shares of common stock under the 2014 Stock and Incentive Plan.

On July 1, 2012, AntriaBio entered into a consulting agreement with Dr. Huh whereby Dr. Huh agreed to provide AntriaBio services including, but not limited to, serving on the Board as lead independent director, assisting AntriaBio in efforts to obtain funding and assisting in business development activities. On March 26, 2014, Dr. Huh and the Company entered into a termination agreement, whereby Dr. Huh and the Company agreed to terminate the consulting agreement in accordance with the termination agreement. Fees related to this consulting agreement were \$54,000 for the period from July 1, 2013 through June 30, 2014 for the services performed, including serving as a director on the board.

## EXECUTIVE COMPENSATION

### Summary Compensation Table

The following table shows the particulars of compensation paid to our current and former executive officers during the years ended June 30, 2015 and 2014.

Name and Principal Position (a)	Year (b)	Salary (\$) (c)	Bonus (\$) (d)	Stock Award (\$) (e)	Option Award (\$) (f)	Non-Equity Incentive Plan Compensation (\$) (g)	Change in Pension Value and	All Other Compensation (\$) (i)	Total (\$) (j)
							Nonqualified Deferred Compensation Earnings (\$) (h)		
<b><u>Current Named Executive Officers</u></b>									
Nevan Elam (1) <i>Chief Executive Officer</i>	2015	420,000	195,000	-	1,426,287	-	-	7,965	2,049,252
	2014	310,252	50,983	-	557,763	-	-	-	918,998
Sankaram Mantripragada (2) <i>Chief Scientific Officer</i>	2015	322,500	218,000	-	505,740	-	-	23,255	1,069,495
	2014	295,000	70,175	-	177,293	-	-	-	542,468
Hoyoung Huh (3) <i>Chairman of Scientific Advisory Board and Business Development</i>	2015	108,000	95,000	-	218,051	-	-	7,638	428,689
	2014	-	-	-	-	-	-	-	-
Morgan Fields (4) <i>Chief Accounting Officer</i>	2015	135,000	25,312	-	120,586	-	-	11,272	292,170
	2014	-	-	-	-	-	-	-	-
<b><u>Former Named Executive Officers</u></b>									
Steve Howe (5) <i>Executive Chairman</i>	2015	-	-	-	-	-	-	-	-
	2014	125,000	65,625	-	197,676	-	-	3,283	391,584
Nickolay Kukekov (6) <i>Chief Executive Officer to January 31, 2013</i>	2014	-	-	-	-	-	-	-	-
	2015	-	-	-	-	-	-	-	-

- (1) Mr. Elam was appointed the Chief Executive Officer of Antria Acquisition Corp. on June 1, 2012 and was appointed the Chief Executive Officer of AntriaBio on January 31, 2013. Mr. Elam received a base salary of \$230,000 beginning in June 2012 which increased to \$390,000 on March 26, 2014 and increased to \$450,000 effective January 1, 2015. The Board approved a bonus to Mr. Elam on February 23, 2015 of \$195,000 which Mr. Elam elected to defer and have paid at a later date. The other compensation also includes employee benefits that the Company paid.
- (2) Dr. Mantripragada was appointed the Chief Scientific Officer of Antria Acquisition Corp. on April 1, 2012 and was appointed the Chief Scientific Officer of AntriaBio on January 31, 2013. Dr. Mantripragada is to receive a base salary of \$275,000 beginning in April 2012 which increased to \$295,000 on January 1, 2013 and increased to \$350,000 effective January 1, 2015. The Board approved a bonus to Dr. Mantripragada on February 23, 2015 of \$218,000 which Dr. Mantripragada elected to defer and have paid at a later date. The other compensation also includes employee benefits that the Company paid.
- (3) Dr. Huh was appointed as an executive officer on January 1, 2015. Dr. Huh is to receive a base salary of \$216,000 beginning on January 1, 2015 and received a one-time bonus of \$95,000 of which Dr. Huh elected to defer \$47,500 until a later date. The other compensation also includes employee benefits that the Company paid for the employee. Prior to January 1, 2015, all compensation was as a director. See "Director Compensation" table.
- (4) Ms. Fields was appointed as the Chief Accounting Officer on July 18, 2014 with a base salary of \$130,000 which was increased to \$145,000 effective January 1, 2015. The other compensation also includes employee benefits that the Company paid for the employee. All previous compensation was as non-executive compensation.
- (5) Mr. Howe was appointed the Executive Chairman of Antria Acquisition Corp. on April 1, 2012 and was appointed the Executive Chairman of AntriaBio on January 31, 2013 and resigned as Executive Chairman on December 18, 2013 and resigned as director on July 18, 2014. Mr. Howe received a base salary of \$250,000 beginning in April 2012, which ended upon his resignation as Executive Chairman. Also included is the cost of a corporate country club membership of which Mr. Howe had exclusive use during the time.
- (6) Dr. Kukekov was appointed to these positions on September 4, 2012 and resigned on January 31, 2013. Dr. Kukekov did not receive any compensation for his service as our Chief Executive Officer and Director.

## Employment Agreements

### Nevan Elam

On June 18, 2012, we entered into an agreement with Nevan Elam to serve as Chief Executive Officer of Antria Acquisition Corp. Under the terms of this agreement, Mr. Elam will be entitled to receive an annual base of two hundred thirty thousand dollars (\$230,000) until the executive commits full time to the business at which time his salary will increase to three hundred fifty thousand dollars (\$350,000). At any time following the date of Mr. Elam's employment agreement, the Board may request in writing that Mr. Elam commit one hundred percent (100%) of his time and energy to the business of the Company and Mr. Elam shall have 60 days to comply with the Board's request or shall tender his resignation as an officer of the Company. Mr. Elam is entitled to an annual bonus equal to forty percent (40%) of his base salary based on criteria set by the Board. Mr. Elam is also eligible for a one-time bonus when the Company raises an aggregate of five million dollars in financing. Mr. Elam is also eligible to receive grants of options to purchase shares of common stock as consideration for services rendered. Mr. Elam will be eligible to participate in all benefit programs available to our executives and employees, including any employee incentive option plan, and medical and dental benefit plans. We will also provide life and disability insurance. Also under the terms of the agreement, Mr. Elam will be entitled to reimbursement for reasonable travel and business expenses and receives a monthly automobile allowance. Additionally, at age 65, Mr. Elam is entitled to a pension benefit equal to one-month's salary for each year of employment. The agreement requires Mr. Elam to undertake certain confidentiality, non-competition and non-solicitation obligations. In the event that we terminate Mr. Elam's employment without cause, the Company will pay the base salary severance on a monthly basis to Mr. Elam for a period of six months.

On March 26, 2014, we entered into an amended and restated employment agreement with Mr. Elam, amending his employment agreement. The amended employment agreement provides, among other things, for: (i) an increase in Mr. Elam's base salary from \$230,000 to \$390,000; (ii) a termination of the bonus due to Mr. Elam under the Employment Agreement upon the Company raising at least \$5,000,000 in an equity financing; (iii) a termination of the car allowance granted to Mr. Elam under the Employment Agreement; and (iv) the termination of the pension benefit at the age of 65 equal to one-month salary for each year of employment.

On February 23, 2015, we entered into a second amended and restated employment agreement with our Chief Executive Officer, Nevan Elam, amending the Employment Agreement between the Company and Mr. Elam dated March 26, 2014. The CEO Second Amended and Restated Employment Agreement provides, among other things, for: (i) an increase in Mr. Elam's base salary from \$390,000 to \$450,000 based on current market data; and (ii) an increase in Mr. Elam's target bonus from 50% to 60% of his annual salary.

### Sankaram Mantripragada

On April 1, 2012, we entered into an agreement with Sankaram Mantripragada to serve as Chief Scientific Officer of the Company. Dr. Mantripragada will report to the Chief Executive Officer and under the terms of the employment agreement, Dr. Mantripragada is entitled to receive an annual base salary of two hundred seventy five thousand (\$275,000) which increased to two hundred ninety five thousand (\$295,000) on January 1, 2013 that is subject to annual adjustment recommended by the Chief Executive Officer and approved by the Compensation Committee, if any, or the Board. Dr. Mantripragada is eligible for one-time bonuses when certain clinical testing has begun. Dr. Mantripragada also is entitled to receive an annual cash bonus of up to forty percent (40%) of his base salary, determined based on specified criteria agreed upon in advance. Dr. Mantripragada is eligible to receive grants of options to purchase shares of our common stock as consideration for services rendered, at the Board's discretion. Dr. Mantripragada is eligible to participate in all benefit programs available to our executives and employees, including medical and dental benefit plans. Also under the terms of the agreement, Dr. Mantripragada is entitled to reimbursement for reasonable travel and business expenses and receives a monthly automobile allowance. Additionally, at the age of 65, Dr. Mantripragada is entitled to a pension benefit equal to one month's salary for each year of his employment. If he is terminated other than for cause or due to or after a change of control, all of Dr. Mantripragada's unvested options will accelerate, and he will continue to receive his then base salary and health insurance for a period of up to twelve months. The agreement also requires Dr. Mantripragada to undertake certain confidentiality, non-competition and non-solicitation obligations.

On March 26, 2014, we entered into an amended and restated employment agreement with Dr. Mantripragada, amending the employment agreement. The amended employment agreement amends the employment agreement to remove the pension benefit owned to Dr. Mantripragada such that Dr. Mantripragada is no longer entitled to a pension benefit at the age of 65 equal to one-month's salary for each year of employment.

On February 23, 2015, we entered into a second amended and restated employment agreement (the "CSO Second Amended and Restated Employment Agreement") with our Chief Scientific Officer, Sankaram Mantripragada, amending the CSO Employment Agreement between the Company and Dr. Mantripragada dated March 26, 2014 (the "CSO Employment Agreement"). The CSO Second Amended and Restated Employment Agreement provides, among other things, for: (i) an increase in Mr. Mantripragada's base salary from \$295,000 to \$350,000 based on current market data; and (ii) an increase in Mr. Mantripragada's target bonus from 40% to 45% of his annual salary..

#### Hoyoung Huh

On January 7, 2015, we entered into an Employment Agreement (the "Employment Agreement") with Dr. Huh with an effective date of January 1, 2015 (the "Effective Date"). Under the terms of the Employment Agreement, beginning on Effective Date, Dr. Huh will be paid a base salary of \$216,000 (the "Base Salary") per annum payable in accordance with our payroll practices for executives, but no less than once per month. In addition, we agreed to pay Dr. Huh a one-time cash payment of \$95,000 in consideration for his efforts to support the Company in the 2014 calendar year. Dr. Huh will also be entitled to earn an annual performance bonus equal to 200% (the "Target Bonus") of the Base Salary based upon performance criteria set by the Board in its sole discretion. Dr. Huh is also entitled to a one-time transaction related bonus (the "Transaction Bonus") payable in cash or equity of the Company, subject to the Board's discretion, equal to three percent (3%) of the gross proceeds of, (i) a Business Combination (as defined in the Employment Agreement), (ii) an equity or debt financing of the Company or (iii) strategic partnerships and collaborations.

#### Morgan Fields

On January 27, 2014, the Company entered into an employment agreement with Morgan Fields (the "CAO Employment Agreement") to serve as the Controller of the Company. Under the terms of the CAO Employment Agreement Ms. Fields will be entitled to receive an annual base of \$100,000 an annual bonus of up to 15% of her base salary based on criteria set by the Company. Ms. Fields is eligible to participate in all benefit programs available to our executives and employees, including medical and dental benefit plans. The agreement also requires Ms. Fields to undertake certain confidentiality obligations. On July 18, 2014, the Board approved the appointment of Ms. Fields to Chief Accounting Officer. The board approved the change in the annual salary to \$130,000 and the issuance of additional stock options for 25,000 shares of common stock. All other terms of the original CAO Employment Agreement remain.

On February 23, 2015, we entered into an amended and restated employment agreement (the "CAO Amended and Restated Employment Agreement") with our Chief Accounting Officer, Morgan Fields, amending the CAO Employment Agreement. The CAO Amended and Restated Employment Agreement provides, among other things, for: (i) an increase in Ms. Fields' base salary from \$130,000 to \$145,000 based on current market data; and (ii) an increase in the target bonus from 15% to 25% of her annual salary.

### Steve Howe

On April 1, 2012, Antria Acquisition Corp. entered into an agreement with Steve Howe to serve as Executive Chairman of Antria Acquisition Corp. Under the terms of this agreement, Mr. Howe was entitled to receive an annual base of two hundred fifty thousand dollars (\$250,000) which was to be raised to three hundred twenty five thousand dollars (\$325,000) when the Company raises an aggregate of five million dollars (\$5,000,000) in financing. In addition, Mr. Howe was entitled to an annual bonus equal to thirty percent (30%) of his base salary based on criteria set by the Board. Mr. Howe is eligible to receive grants of options to purchase shares of common stock as consideration for services rendered. Mr. Howe will be eligible to participate in all benefit programs available to our executives and employees, including any employee incentive option plan, and medical and dental benefit plans. Antria Acquisition Corp. will also provide life and disability insurance. Also under the terms of the agreement, Mr. Howe will be entitled to reimbursement for reasonable travel and business expenses and receives a monthly automobile allowance.

On December 13, 2013, Mr. Howe resigned as our Executive Chairman. Pursuant to his resignation, on March 26, 2014, Mr. Howe and the Company entered into a termination agreement to terminate Mr. Howe's employment agreement. The termination agreement provides for, among other things: (i) the termination of the Howe Employment Agreement; (ii) the waiver of any notice provisions set forth in the Howe Employment Agreement; (iii) the release of any obligations owed to or from either Mr. Howe or the Company under the Howe Employment Agreement; and (iv) the waiver of any amounts due and owing to Mr. Howe under the Howe Employment Agreement.

### **Outstanding Equity Awards**

The following table provides a summary of equity awards outstanding for each of the Named Executive Officers and Directors as of June 30, 2015:

Name (a)	Number of Securities Underlying Unexercised Options Exercisable (#) (b)	Number of Securities Underlying Unexercised Options Unexercisable (#) (c)	Equity Incentive Awards: Number of Securities Underlying Unexercised Unearned Options (#) (d)	Option Exercise Price (\$) (e)	Option Expiration Date (f)
Nevan C. Elam	526,620	-	56,714	\$ 4.50	1/30/2018
	421,875	-	928,125	\$ 3.12	3/26/2021
	145,000	-	1,595,000	\$ 2.06	2/23/2025
	<u>1,093,495</u>		<u>2,579,839</u>		
Sankaram Mantripragada, Ph.D.	150,464	-	16,203	\$ 4.50	1/30/2018
	156,250	-	343,750	\$ 3.12	3/26/2021
	57,917	-	637,083	\$ 2.06	2/23/2025
	<u>364,631</u>		<u>997,036</u>		
Hoyoung Huh, M.D., Ph.D	416,667	-	-	\$ 4.50	1/30/2018
	109,375	-	240,625	\$ 3.12	3/26/2021
	67,333	-	740,667	\$ 2.06	2/23/2025
	<u>593,375</u>		<u>981,292</u>		
Morgan Fields	4,167	-	-	\$ 4.50	1/30/2018
	34,375	-	75,625	\$ 3.12	3/26/2021
	5,729	-	19,271	\$ 1.84	7/18/2021
	<u>25,583</u>	-	<u>281,417</u>	\$ 2.06	2/23/2025
	69,854		376,313		
Barry Sherman, M.D.	17,188	-	57,813	\$ 1.84	7/18/2021
	15,583	-	171,417	\$ 2.06	2/23/2025
	<u>32,771</u>		<u>229,230</u>		

### **Director Compensation**

The following table shows the particulars of compensation paid to our current and former directors during the years ended June 30, 2015 and 2014.

Name and Principal Position (a)	Year (b)	Fees earned or paid in Cash (\$) (c)	Stock Award (\$) (d)	Option Award (\$) (e)	Non-Equity Incentive Plan Compensation (\$) (f)	Nonqualified Deferred Compensation Earnings (\$) (g)	All Other Compensation (\$) (h)	Total (\$) (i)
<u>Current Named Directors</u>								
Nevan Elam (1)	2015	-	-	-	-	-	-	-
	2014	-	-	-	-	-	-	-
Hoyoung Huh (2)	2015	-	-	109,837	-	-	-	109,837
	2014	54,000	-	54,919	-	-	-	108,919
Barry Sherman (3)	2015	12,500	-	47,508	-	-	-	60,008
	2014	-	-	-	-	-	-	-
David Welch (4)	2015	-	-	-	-	-	-	-
	2014	-	-	-	-	-	-	-
<u>Former Named Directors</u>								
Steve Howe (5)	2015	-	-	-	-	-	-	-
	2014	-	-	17,260	-	-	-	17,260
Nickolay Kukekov (6)	2015	-	-	-	-	-	-	-
	2014	-	-	-	-	-	-	-

- (1) The only compensation received by this individual was for serving as an officer of the company and included in the executive compensation.
- (2) On July 1, 2012, AntriaBio entered into a consulting agreement with Dr. Huh whereby Dr. Huh agreed to provide AntriaBio services including, but not limited to, serving on AntriaBio's board of directors as lead independent director, assisting AntriaBio in efforts to obtain funding and assisting in business development activities. He also received options to purchase 416,667 shares on January 30, 2013 and 350,000 shares on March 28, 2014.

On March 26, 2014, Dr. Huh entered into a termination agreement (the "Huh Termination Agreement"). Pursuant to the terms of the Huh Termination Agreement, Dr. Huh and the Company agreed to terminate the Consulting Agreement in accordance with the Huh Termination Agreement. The Huh Termination Agreement provides for the following: (i) the termination of the consulting agreement; (ii) the waiver of any notice provisions set forth in the Consulting Agreement; (iii) the release of any obligations owed to or from either Dr. Huh or the Company under the Consulting Agreement; and (iv) the waiver of any amounts due and owing to Dr. Huh under the Consulting Agreement.

Effective January 1, 2015, Dr. Huh was appointed as an executive officer and all compensation became as an officer of the Company.

- (3) On July 18, 2014, Dr. Sherman was appointed as a director of the Board. On July 18, 2015, he received options to purchase 75,000 shares of common stock and on February 23, 2015, he received options to purchase 187,000 shares of common stock. Dr. Sherman is also to receive an annual fee of \$25,000.
- (4) On July 24, 2015, Dr. Welch was appointed as a director of the Board. Dr. Welch received no compensation for the years ending June 30, 2015 and 2014.
- (5) On December 18, 2013, Mr. Howe resigned as the Executive Chairman and remained on as a director of the Board. On March 28, 2014, he received options to purchase 125,000 shares of common stock. On July 18, 2014, Mr. Howe resigned from the Board.
- (6) Dr. Kukekov was appointed to this position on September 4, 2012. Dr. Kukekov did not receive any compensation for his service as a Director. Effective September 25, 2013, Dr. Kukekov resigned from the Board.



## **Compensation Committee Interlocks and Insider Participation**

We do not have a standing compensation committee, however our entire Board performs similar functions. Because we assumed the employment agreements of Antria Acquisition Corp. in connection with the Reverse Merger, the Board did not have any deliberations concerning the compensation of our executive officers. All amendments to compensation agreements were approved by the Board. With respect to the amendments to Messrs. Elam and Mantripragada's employment agreements, Dr. Huh and Dr. Sherman participated in the deliberation of such amendments.

## **CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE.**

### **Antria's Relationship with Konus Advisory Group, Inc.**

#### *Advisory Agreement*

On July 2, 2012, Antria Acquisition Corp. and Konus Advisory Group, Inc. ("**Konus**") entered into an advisory agreement (the "**Advisory Agreement**") whereby Konus agreed to provide Antria Acquisition Corp. services including, but not limited to, finance and strategy, clinical design, project management and portfolio assessment. Antria Acquisition Corp. agreed to pay Konus a monthly retainer in the amount of \$9,000 per month to cover general and administrative matters plus an hour fee ranging from \$100 to \$700 per hour for additional services provided to Antria Acquisition Corp. On March 11, 2015, the advisory agreement was terminated and the remaining outstanding payable balance due to Konus of \$132,339 was written off by Konus.

#### *Consulting Agreement*

In addition to the Advisory Agreement, on July 1, 2012, Antria Acquisition Corp. entered into a consulting agreement (the "**Consulting Agreement**") with Dr. Huh whereby Dr. Huh agreed to provide Antria Acquisition Corp. services including, but not limited to, serving on the Board as lead independent director, assisting Antria Acquisition Corp. in efforts to obtain funding and assisting in business development activities. Dr. Huh is a significant shareholder, managing director and member of the board of directors of Konus. Pursuant to a mutual understanding between Dr. Huh, Konus and AntriaBio, the amounts owed to Dr. Huh pursuant to the terms of the Consulting Agreement will be paid directly to Konus.

On March 26, 2014, Dr. Huh and the Company entered into the Huh Termination Agreement. Pursuant to the terms of the Huh Termination Agreement, Dr. Huh and the Company agreed to terminate the Consulting Agreement in accordance with the termination agreement. The termination agreement provides for the following: (i) the termination of the Consulting Agreement; (ii) the waiver of any notice provisions set forth in the Consulting Agreement; (iii) the release of any obligations owed to or from either Dr. Huh or the Company under the Consulting Agreement; and (iv) the waiver of any amounts due and owing to Dr. Huh under the Consulting Agreement.

#### *CEO Employment Agreement*

On June 18, 2012, Antria Acquisition Corp. entered into an agreement with Nevan Elam to serve as Chief Executive Officer of Antria Acquisition Corp. Under the terms of this agreement, Mr. Elam will be entitled to receive an annual base of \$230,000 until the executive commits full time to the business at which time his salary will increase to \$350,000. Mr. Elam is a significant shareholder managing director and member of the board of directors of Konus. Pursuant to a mutual understanding between Mr. Elam, Konus and AntriaBio, the amounts owed to Mr. Elam pursuant to the terms of his employment agreement will be paid directly to Konus.

On March 26, 2014, we entered into an amended and restated employment agreement with Mr. Elam, amending his employment agreement. The amended employment agreement provides, among other things, for: (i) an increase in Mr. Elam's base salary from \$230,000 to \$390,000; (ii) a termination of the bonus due to Mr. Elam under the Employment Agreement upon the Company raising at least \$5,000,000 in an equity financing; (iii) a termination of the car allowance granted to Mr. Elam under the Employment Agreement; and (iv) the termination of the pension benefit at the age of 65 equal to one-month's salary for each year of employment. Beginning in April 2014, Mr. Elam was paid directly by the Company.

#### ***Konus Note***

On November 14, 2013, we issued into a 14% promissory note in the principal amount of \$250,000 (Konus Note) to Konus in order to evidence funds Konus loaned to the Company. Pursuant to the terms of the Konus Note, the principal balance of the Note is due at the earlier of, (i) November 1, 2014 or (ii) ten days after the closing of an equity financing that raises at least three million dollars. As we completed an initial close of the Unit Financing for aggregate proceeds of approximately \$5 million on March 31, 2014, we paid the outstanding principal and interest balance on the Konus Note on April 1, 2014. We also issued to Konus a warrant to purchase 39,117 shares of our common stock at an exercise price of \$7.50 per share of common stock for a period of five (5) years from the issuance of the warrant.

#### ***Konus Repayment Agreement***

On March 26, 2014, we entered into a repayment agreement with Konus. Pursuant to the terms of the Repayment Agreement, we agreed to repay to Konus \$1,182,644, representing the total amounts due and owing to Konus for services rendered by Konus as of January 31, 2014 and its consultants to the Company (Balance) as set forth in the Konus Agreements (as defined in the Repayment Agreement) through, (i) the issuance of \$275,000 worth of shares of our common stock (Payment Shares) with such Payment Shares to be valued at \$1.56 per share and (ii) a cash payment or series of cash payments totaling \$907,644 to be paid at such time as mutually agreed to by Konus and the Company.

#### **Review, Approval or Ratification of Transactions with Related Persons**

We rely on our Board to review related party transactions on an ongoing basis to prevent conflicts of interest. Our Board reviews a transaction in light of the affiliations of the director, officer or employee and the affiliations of such person's immediate family. Transactions are presented to our Board for approval before they are entered into or, if this is not possible, for ratification after the transaction has occurred. If our Board finds that a conflict of interest exists, then it will determine the appropriate remedial action, if any. Our Board approves or ratifies a transaction if it determines that the transaction is consistent with the best interests of the Company.

#### **Director Independence**

Because our common stock is not currently listed on a national securities exchange, we have used the definition of "independence" of The NASDAQ Stock Market to determine whether our current director or our new directors are independent. We have determined that as of the date of this Annual Report Barry Sherman and David Welch would qualify as "independent" in accordance with the published listing requirements of The NASDAQ Stock Market and for purposes of Section 16 of the Exchange Act. NASDAQ Listing Rule 5605(a)(2) provides that an "independent director" is a person other than an officer or employee of the Company or any other individual having a relationship which, in the opinion of our Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

The NASDAQ listing rules provide that a director cannot be considered independent if:

- the director is, or at any time during the past three years was, an employee of the Company;
- the director or a family member of the director accepted any compensation from the Company in excess of \$120,000 during any period of twelve consecutive months within the three years preceding the independence determination (subject to certain exclusions, including, among other things, compensation for board or board committee service);
- a family member of the director is, or at any time during the past three years was, an executive officer of the Company;
- the director or a family member of the director is a partner in, controlling stockholder of, or an executive officer of an entity to which the Company made, or from which the Company received, payments in the current or any of the past three fiscal years that exceed 5% of the recipient's consolidated gross revenue for that year or \$200,000, whichever is greater (subject to certain exclusions);
- the director or a family member of the director is employed as an executive officer of an entity where, at any time during the past three years, any of the executive officers of the Company served on the compensation committee of such other entity; or
- the director or a family member of the director is a current partner of the Company's outside auditor, or at any time during the past three years was a partner or employee of the Company's outside auditor, and who worked on the company's audit.

#### **SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS**

The following tables set forth information as of October 8, 2015, regarding the ownership of our common stock by:

- each person who is known by us to own more than 5% of our shares of common stock; and
- each named executive officer, each director and all of our directors and executive officers as a group.

The number of shares beneficially owned and the percentage of shares beneficially owned are based on 24,338,219 shares of common stock outstanding as of October 8, 2015.

Beneficial ownership is determined in accordance with the rules and regulations of the SEC and generally includes voting or investment power with respect to securities. Under these rules, beneficial ownership includes any shares as to which the individual or entity has sole or shared voting power or investment power and includes any shares that an individual or entity has the right to acquire beneficial ownership of within 60 days through the exercise of any warrant, stock option, or other right. Shares subject to options that are exercisable within 60 days following October 8, 2015, are deemed to be outstanding and beneficially owned by the optionee for the purpose of computing share and percentage ownership of that optionee but are not deemed to be outstanding for the purpose of computing the percentage ownership of any other person. Except as indicated in the footnotes to this table, and as affected by applicable community property laws, all persons listed have sole voting and investment power for all shares shown as beneficially owned by them.

Information regarding our Equity Compensation Plan is set forth above and is incorporated herein by Reference.

<u>Name and Address of Beneficial Owner</u>	<u>Shares of Common Stock Beneficially Owned</u>	<u>Percentage of Class Beneficially Owned</u>
LRFA, LLC (1) 217 Camino Al Lago Atherton, CA 94027	3,492,545	13.4%
Alpha Venture Capital Partners, LP (2) PO Box 2477 Lakeland, FL 33806	2,115,386	8.3%
Sankaram Mantripragada 1450 Infinite Drive Louisville, CO 80027	1,500,683(3)	6.0%
Hoyoung Huh 1450 Infinite Drive Louisville, CO 80027	752,508(3)	3.0%
Nevan C. Elam 1450 Infinite Drive Louisville, CO 80027	1,455,879(3)	5.6%
Morgan Fields 1450 Infinite Drive Louisville, CO 80027	115,896(3)	0.5%
Barry Sherman 1450 Infinite Drive Louisville, CO 80027	60,063(3)	0.2%
All current executive officers and directors as a group (6 persons)	7,377,574	25.5%

- (1) LRFA, LLC is a Delaware limited liability company. David F. Welch is the president and has sole voting and investment power with respect to the shares. David F. Welch was appointed as a director of the Board on July 24, 2015.
- (2) Alpha Venture Capital Partners, LP is a Delaware Partnership. Carl C. Dockery is the Manager and General Partner and has sole voting and investment power with respect to these shares.
- (3) Includes the vested portion of the options granted by Antria Acquisition Corp. that were assumed by the Company in connection with the Reverse Merger and the options granted under the 2014 Stock and Incentive Plan and the 2015 Non Qualified Stock Option Plan.

#### **DESCRIPTION OF CAPITAL STOCK**

Our authorized capital stock consists of 200,000,000 shares of common stock, \$0.001 par value per share, and 20,000,000 shares of preferred stock in one or more series, \$0.001 par value per share.

## **Common Stock**

As of October 8, 2015, there were 24,338,219 shares of our common stock outstanding held of record by 291 stockholders. In addition, there are outstanding options, warrants and rights to acquire additional shares of common stock.

Holders of the common stock are entitled to one vote per share on all matters submitted to the stockholders for a vote. There are no cumulative voting rights in the election of directors. The shares of common stock are entitled to receive such dividends as may be declared and paid by the Board of Directors out of funds legally available therefor and to share, ratably, in the net assets, if any, of AntriaBio upon liquidation. The stockholders have no preemptive rights to purchase any shares of our capital stock.

The transfer agent for the common stock is VStock, Cedarhurst, New York. Our common stock is traded on the OTCQB and is quoted under the symbol "ANTB."

## **Preferred Stock**

Our certificate of incorporation authorizes 20,000,000 shares of preferred stock. Our Board is authorized, without further stockholder action, to establish various series of preferred stock from time to time and to determine the rights, preferences and privileges of any unissued series including, among other matters, any dividend rights, dividend rates, conversion rights, voting rights, terms of redemption, liquidation preferences, sinking fund terms, the number of shares constituting any such series, and the description thereof and to issue any such shares. The Board has not designated any rights to the preferred stock .

## **Warrants**

The material terms and provisions of the Unit Warrants, Bridge Warrants, and Bridge Incentive Warrants (collectively referred to herein as the "**Offered Warrants**") are summarized below.

Unit Warrants and Bridge Incentive Warrants entitle the holder to purchase shares of common stock for an exercise price equal to \$2.34 per share of our common stock. Bridge Warrants entitle the holder to purchase shares of common stock for an exercise price of \$1.89 per share of our common stock. Subject to certain limitations as described below, the Offered Warrants are immediately exercisable upon issuance and expire on the third anniversary of the initial issue date.

The Compensation Warrants entitle the holder to purchase shares of common stock for an exercise price equal to \$1.56 per share of our common stock. Subject to certain limitations as described below, the Compensation Warrants are immediately exercisable upon issuance and expire on the seventh anniversary of the initial issue date. The Compensation Warrants contain cashless exercise provisions.

The exercise price and the number of shares of our common stock issuable upon the exercise of the Offered Warrants and the Compensation Warrants, as applicable, is subject to appropriate adjustment in the event of recapitalization events, stock dividends, stock splits, stock combinations, reclassifications, reorganizations or similar events affecting our common stock, and also upon any distributions of assets, including cash, stock or other property to our stockholders. The warrant holders must pay the exercise price in cash upon exercise of the Offered Warrants. The Compensation Warrants have cashless exercise features. After the close of business on the expiration date, unexercised Offered Warrants and Compensation Warrants will become void.

In addition, in the event we consummate a merger or consolidation with or into another person or other reorganization event in which our common shares are converted or exchange for securities, cash or other property, or we sell, lease, license, assign, transfer, convey or otherwise dispose of all or substantially all of our assets or we or another person acquire 50% or more of our outstanding common shares, then following such event, the holders of the Offered Warrants will be entitled to receive upon exercise of the Offered Warrants the same kind and amount of securities, cash or property which the holders would have received had they exercised the Offered Warrants immediately prior to such fundamental transaction. Any successor to us or surviving entity shall assume the obligations under the Offered Warrants.

Upon the holder's exercise of an Offered Warrant or a Compensation Warrant we will issue the shares of common stock issuable upon exercise of the Offered Warrant or a Compensation Warrant within three (3) business days following our receipt of notice of exercise and payment of the exercise price, subject to surrender of the Offered Warrant or a Compensation Warrant. Prior to the exercise of any warrants to purchase common stock, holders of the Offered Warrants, the Compensation Warrants or any other warrant will not have any of the rights of holders of the common stock purchasable upon exercise, including the right to vote or to receive any payments of dividends on the common stock purchasable upon exercise.

### **SELLING STOCKHOLDERS**

This prospectus covers an aggregate of 14,958,633 shares of our common stock, which includes: (i) 2,186,847 shares of common stock issued pursuant to the conversion of the Notes; (ii) 225,259 shares of common stock issuable upon the exercise of the Bridge Warrants; (iii) 5,725,325 shares of common stock issued in connection with the Unit Financing; (iv) 5,725,325 shares of common stock issuable upon the exercise of the Unit Warrants; (v) 562,346 shares of common stock issuable upon the exercise of the Bridge Incentive Warrants; (vi) 290,861 shares of common stock issuable upon the exercise of the Compensation Warrants issued to Paulson as compensation in connection with the Bridge Financing and the Unit Financing; and (vii) 242,670 shares of common stock issued pursuant to the Note Conversion, that may be sold or otherwise disposed of the selling stockholders and their transferees.

The following table sets forth certain information regarding the selling stockholders and the shares that may be sold or otherwise disposed of by them pursuant to this prospectus. Beneficial ownership and percentage ownership are determined in accordance with the rules and regulations of the SEC and include voting or investment power with respect to shares of stock. This information does not necessarily indicate beneficial ownership for any other purpose. In computing the number of shares beneficially owned by a person and the percentage ownership of that person, shares of common stock subject to warrants, options and other convertible securities held by that person that are currently convertible or exercisable, or convertible or exercisable within 60 days of the date of this prospectus are deemed outstanding. Such shares, however, are not deemed outstanding for the purposes of computing the percentage ownership of any other person. The percentage of beneficial ownership is based on 24,338,218 shares of common stock outstanding on the date of this prospectus.

Name of Selling Stockholder (1)		Shares Beneficially Owned Prior to this Offering		Number of Shares Covered Hereby(2)	Shares Beneficially Owned After this Offering (122)	
		Number of Shares	% of Outstanding Shares		Number of Shares	% of Outstanding Shares
Alpha Venture Capital Partners, LP	(3)	2,307,694	9.05%	2,307,694	-	*
Sheldon L. Miller	(4)	969,084	3.93%	969,084	-	*
ACNYC, LLC	(5)	641,026	2.60%	641,026	-	*
Gerald Blaine Garst, Jr.	(6)	623,241	2.53%	623,241	-	*
Christian Kurmann	(7)	1,128,796	4.60%	588,796	540,000	2%
LC Sunstein, Jr. Limited Partnership	(8)	760,301	3.10%	544,083	216,218	*
Donald M. Cooper	(9)	440,723	1.80%	440,723	-	*
Francis M. Lymburner	(10)	594,898	2.43%	339,112	255,786	1%
Stephen Shumpert	(11)	701,826	2.87%	301,826	400,000	2%
Dale Ragan	(12)	256,668	1.05%	256,668	-	*
Thomas Gruber	(13)	395,116	1.61%	256,412	138,704	*
Mark W. Spates	(14)	384,218	1.57%	249,298	134,920	*
Joseph O. Manzi	(15)	384,681	1.57%	249,545	135,136	*
LRFA, LLC	(16)	3,492,544	14.29%	249,298	3,243,246	13%
KADI Family Trust	(17)	283,334	1.16%	233,334	50,000	*
Porter Partners, L.P.	(18)	217,950	*	217,950	-	*
Goff VC Fund AB, LLC	(19)	186,122	*	186,122	-	*
Millenium Trust Company LLC FBO Francis Lymburner IRA a/c#xxxx72312	(20)	176,297	*	176,297	-	*
Ashok K. Santhanam and Revathi Santhanam, Trustees of the Santhanam Family Trust, dated May 23, 1997	(21)	224,200	*	170,000	54,200	*
J. A. Cardwell	(22)	166,668	*	166,668	-	*
Nathan Pollack and Sylvia Pollack	(23)	256,832	1.05%	166,668	90,164	*
Stanton J. Rowe	(24)	266,668	1.09%	166,668	100,000	*
Millenium Trust Company LLC FBO Jonathan T. Stanney IRA	(25)	150,000	*	150,000	-	*
Srinivas Akkaraju	(26)	133,334	*	133,334	-	*
Adolfo Carmona and Donna Carmona	(27)	213,334	*	133,334	80,000	*
Lawrence (Larry) E. Coffman Living Trust dtd 1/9/92	(28)	133,334	*	133,334	-	*
Howard Hutt	(29)	296,578	1.22%	133,334	163,244	*
MIS Equity Strategies, L.P.	(30)	214,334	*	133,334	81,000	*
Seal Rock 1, LLC	(31)	133,334	*	133,334	-	*
David A. Ufheil	(32)	192,112	*	124,650	67,462	*
Christopher Hermann	(33)	100,000	*	100,000	-	*
Joe N. and Jamie W. Behrendt Revocable Trust 10/30/1996	(34)	100,000	*	100,000	-	*
Samuel A. Fisher	(35)	124,464	*	97,436	27,028	*
Robert Kantor	(36)	148,994	*	96,668	52,326	*
Art Sadin	(37)	148,154	*	96,154	52,000	*
Randall J. Wolfe	(38)	96,154	*	96,154	-	*
Mitchell Tracy	(39)	93,334	*	93,334	-	*
Tom Sego	(40)	143,484	*	89,428	54,056	*
Kenneth Shell	(41)	83,334	*	83,334	-	*
Clayton A. Struve	(42)	83,334	*	83,334	-	*
Robert Taicher	(43)	83,334	*	83,334	-	*
Francis G. Russo	(44)	200,000	*	80,000	120,000	*
Jonathan T. Stanney	(45)	70,514	*	70,514	-	*
Daniel Gilbert and Cheryl Gilbert	(46)	66,668	*	66,668	-	*
Christopher T. Hale	(47)	66,668	*	66,668	-	*
Richard C. Leto	(48)	66,668	*	66,668	-	*
Natan Vishlitzky and Miryam Vishlitzky	(49)	102,788	*	66,668	36,120	*
Michael J. Dugas	(50)	64,118	*	64,118	-	*
Jorg Brown	(51)	104,104	*	64,104	40,000	*
Steven Collins	(52)	64,104	*	64,104	-	*
Raymond Crespo	(53)	64,104	*	64,104	-	*
Anthony Farello	(54)	64,104	*	64,104	-	*

Harry M. Farnham III	(55)	64,104	*	64,104	-	*
Future, LLC	(56)	64,104	*	64,104	-	*
Bradford Paskewitz	(57)	64,100	*	64,100	-	*
Daniel X. Wray	(58)	124,000	*	64,000	60,000	*
Jason Eisenbeis	(59)	62,326	*	62,326	-	*
Rajace Family Trust dated 10/10/03	(60)	60,098	*	60,098	-	*
Millenium Trust Company LLC Custodian FBO John Saefke IRA	(61)	51,284	*	51,284	-	*
Philip M. Cannella	(62)	71,622	*	50,000	21,622	*
Robert Horowitz	(63)	70,000	*	50,000	20,000	*
James N. Wierzba	(64)	44,520	*	44,520	-	*
Dionisios Liberatos	(65)	41,668	*	41,668	-	*
Paul Russo	(66)	41,668	*	41,668	-	*
EDJ Limited	(67)	38,462	*	38,462	-	*
Thomas Eisenberg	(68)	92,518	*	38,462	54,056	*
Barbara Lile-Duzsik	(69)	38,334	*	38,334	-	*
Joan Rich Baer Pension Plan and Trust	(70)	62,645	*	35,617	27,028	*
Heinz Baumann	(71)	33,334	*	33,334	-	*
Fred and Betty Bialek Revocable Trust Dated 12/20/2004	(72)	48,470	*	33,334	15,136	*
Jack Chitayak	(73)	113,334	*	33,334	80,000	*
Nancy Cowgill	(74)	33,334	*	33,334	-	*
Dan DeAutremont	(75)	33,334	*	33,334	-	*
Due Mondt Investments LTD	(76)	51,390	*	33,334	18,056	*
Keith Fishback and Jeanne Fishback	(77)	33,334	*	33,334	-	*
Frances Gilbert Family LP	(78)	33,334	*	33,334	-	*
Robert T. Freres Jr Living Trust	(79)	33,334	*	33,334	-	*
Noma Hanlon	(80)	33,334	*	33,334	-	*
Debra Kanelstein	(81)	66,848	*	33,334	33,514	*
Michael Kennedy	(82)	33,334	*	33,334	-	*
Stephen Lesser	(83)	33,334	*	33,334	-	*
Clark Schierle	(84)	33,334	*	33,334	-	*
Lance Siegall	(85)	33,334	*	33,334	-	*
Emerson Thomas Springer, Jr.	(86)	33,334	*	33,334	-	*
Glen Stein	(87)	33,334	*	33,334	-	*
Brenna Tanzosh	(88)	33,334	*	33,334	-	*
The Anthony & Angela Reed Family Trust	(89)	33,334	*	33,334	-	*
Mark Thomas	(90)	33,334	*	33,334	-	*
Wayne Westerman	(91)	43,334	*	33,334	10,000	*
Wiesenberg Family Revocable Trust	(92)	33,334	*	33,334	-	*
Bill Hunt	(93)	32,052	*	32,052	-	*
Martin Kupferberg	(94)	32,052	*	32,052	-	*
John Lapinski and Paige Lapinski	(95)	32,052	*	32,052	-	*
PENSCO Trust Company Custodian FBO Paul Hamerton- Kelly IRA	(96)	32,052	*	32,052	-	*
Scott R. Schroeder and Mary K. Schroeder	(97)	32,052	*	32,052	-	*
The Vassily I. Dubenko & Vera Dubenko Family Trust	(98)	32,052	*	32,052	-	*
William Sykes	(99)	26,668	*	26,668	-	*
Austin Mansur	(100)	26,000	*	26,000	-	*
Brian Imwalle	(101)	25,578	*	25,578	-	*
Abraham Bakal	(102)	22,358	*	22,358	-	*
Gil Bakal	(103)	22,358	*	22,358	-	*
Rajace Trust dated 4/23/1999	(104)	22,261	*	22,261	-	*
Parag Doshi	(105)	16,668	*	16,668	-	*
William Esson	(106)	16,668	*	16,668	-	*
Allen Gabriel	(107)	16,668	*	16,668	-	*
Brian A. Halpern	(108)	16,668	*	16,668	-	*
Ed Horton	(109)	16,668	*	16,668	-	*
Aman Mongia	(110)	16,668	*	16,668	-	*
David P. Scheid and Carole A. Scheid	(111)	16,668	*	16,668	-	*
Patrick Sheehan	(112)	16,668	*	16,668	-	*
Richard Vandlen	(113)	16,668	*	16,668	-	*
William Costigan and Stephanie Costigan						



	(114)	16,026	*	16,026	-	*
Mitchell Cohen	(115)	29,042	*	12,822	16,220	*
Vincent Gulli	(116)	12,822	*	12,822	-	*
Howard Richmond	(117)	23,634	*	12,822	10,812	*
Dale E. Jones	(118)	8,905	*	8,905	-	*
Aspire Capital Fund, LLC	(119)	242,670	1.00%	242,670	-	*
Paulson Investment Company, Inc.	(120)	680,438	2.79%	36,095	644,343	3%
Robert Bostelman	(121)	501	*	501	-	*
Basil Christakos	(121)	3,500	*	1,000	2,500	*
Chris Clark	(121)	265,657	1.09%	32,511	233,146	*
Larry Cohen	(121)	26,643	*	1,355	25,288	*
William Corbett	(121)	2,500	*	2,500	-	*
Trent Davis	(121)	9,023	*	9,023	-	*
Mark Finkle	(121)	16,039	*	16,039	-	*
Ahmed Gheith	(121)	11,778	*	1,578	10,200	*
Starla Goff	(121)	2,902	*	1,402	1,500	*
Kevin Graetz	(121)	218,119	*	53,843	164,276	*
Bryan Hagen	(121)	4,500	*	2,000	2,500	*
Joe Hede	(121)	218,119	*	53,843	164,276	*
David Kanarvogel	(121)	130	*	130	-	*
Albert Landstrom	(121)	12,546	*	1,155	11,391	*
Margaret Lorraine Maxfield	(121)	44,500	*	4,500	40,000	*
Jon Nelson	(121)	2,632	*	412	2,220	*
Tom Parigian	(121)	265,657	1.09%	32,511	233,146	*
Gary Saccaro	(121)	28,033	*	4,836	23,197	*
Peter St. Geme	(121)	372	*	372	-	*
Connie Setteducati	(121)	850	*	850	-	*
Robert Setteducati	(121)	265,657	1.09%	32,511	233,146	*
Thomas Shanley	(121)	1,180	*	430	750	*
Clint Smith	(121)	372	*	372	-	*
Tim Touloukian	(121)	582	*	582	-	*
Don Wanek	(121)	510	*	510	-	*
TOTAL				14,958,633		

\* Represents ownership of less than 1%.

- (1) This table and the information in the notes below are based upon information supplied by the selling stockholders, including reports and amendments thereto filed on Schedule 13D, Schedule 13G, Form 3 and Form 4 with the SEC.
- (2) The actual numbers of shares of common stock offered hereby and included in the registration statement of which this prospectus forms a part includes, pursuant to Rule 416 under the Securities Act, such additional number of shares of common stock as may be issuable in connection with the shares registered for sale hereby resulting from stock splits, stock dividends, recapitalizations or similar transactions.
- (3) Carl C. Dockery is the Manager of the General Partner of the selling stockholder and has voting and investment power over the shares. The address of the selling stockholder is PO Box 2477, Lakeland, FL 33806-2477.
- (4) The selling stockholder has voting and investment power over the shares. The address of the selling stockholder is 31731 Northwestern Hwy. Suite #280, Farmington Hills, MI 48334.
- (5) Andrew Cader is the Managing Member of the selling stockholder and has voting and investment power over the shares. The address of the selling stockholder is 300 Beach Drive NE, Unit 2401, St. Petersburg, FL 33701.
- (6) The selling stockholder has voting and investment power over the shares. The address of the selling stockholder is 1062 Eastwood Dr., Los Altos, CA 94024.
- (7) The selling stockholder has voting and investment power over the shares. The address of the selling stockholder is 280 Diablo Ave., Mountain View, CA 94043.
- (8) Leon C. Sunstein, Jr is the Trustee of the selling stockholder and has voting and investment power over the shares. The address of the selling stockholder is PO Box 209, Fort Washington, PA 19034.
- (9) The selling stockholder has voting and investment power over the shares. The address of the selling stockholder is 29 Hessian Blvd., Reading, PA 19607.
- (10) The selling stockholder has voting and investment power over the shares. The address of the selling stockholder is 811 West Ridge Court, Lake Orion, MI 48359.
- (11) The selling stockholder has voting and investment power over the shares. The address of the selling stockholder is 406 Goodnight Drive, Georgetown, TX 78628.
- (12) The selling stockholder has voting and investment power over the shares. The address of the selling stockholder is 1242 Marion Rd. SE, Rochester, MN 55904.
- (13) The selling stockholder has voting and investment power over the shares. The address of the selling stockholder is 147 Lakeview Way, Emerald Hills, CA 94062.
- (14) The selling stockholder has voting and investment power over the shares. The address of the selling stockholder is 328 S. Jackson, Justin, TX 76247.
- (15) The selling stockholder has voting and investment power over the shares. The address of the selling stockholder is 155 Ridge Road, Rumson, NJ 07760.
- (16) David F. Welch is the President of the selling stockholder and has voting and investment power over the shares. The address of the selling stockholder is 217 Camino Al Lago, Atherton, CA 94027.
- (17) William Kadi and Sandra Kadi are the Trustees of the selling stockholder and have voting and investment power over the shares. The address of the selling stockholder is P.O. Box 6126, Incline Village, NV 89450.
- (18) Jeffrey H. Porter is the General Partner of the selling stockholder and has voting and investment power over the shares. The address of the selling stockholder is 300 Drakes Ldg. Rd., Ste. 175, Greenbrae, CA 94904.

- (19) Caroline Bombardier is the Managing Member of the selling stockholder and has voting and investment power over the shares. The address of the selling stockholder is 14023 NW FalconRidge Lane, Portland, OR 97229.
- (20) Francis Lymburner is the individual of the selling stockholder and has voting and investment power over the shares. The address of the selling stockholder is 2001 Spring Road #700, Oak Brook, IL 60523.
- (21) Ashok K. Santhanam and Revathi Santhanam are the Trustees of the selling stockholder and have voting and investment power over the shares. The address of the selling stockholder is 1055 Cascade Drive, Menlo Park, CA 94025.
- (22) The selling stockholder has voting and investment power over the shares. The address of the selling stockholder is 6080 Surety Drive, Suite 305, El Paso, Texas 79905.
- (23) The selling stockholders have voting and investment power over the shares. The address of the selling stockholder is 2510 Blossom Lane, Beachwood, OH 44122.
- (24) The selling stockholder has voting and investment power over the shares. The address of the selling stockholder is 3 Shoreidge, Newport Coast, CA 92657.
- (25) Jonathan T. Stanney is the individual of the selling stockholder and has voting and investment power over the shares. The address of the selling stockholder is 2001 Spring Road #700, Oak Brook, IL 60523.
- (26) The selling stockholder has voting and investment power over the shares. The address of the selling stockholder is 251 Churchill Ave., Palo Alto, CA 94301.
- (27) The selling stockholders have voting and investment power over the shares. The address of the selling stockholder is 6798 Lake Ave., Greenwich, CT 06830.
- (28) The selling stockholder has voting and investment power over the shares. The address of the selling stockholder is 501 S Beverly Glen Blvd., Los Angeles, CA 90024.
- (29) The selling stockholder has voting and investment power over the shares. The address of the selling stockholder is 912 Bermuda Gardens Road, Delray Beach, FL 33483
- (30) Anthony Reed is the Manager of the General Partner of the selling Stockholder and has voting and investment power over the shares. Anthony Reed is an affiliate of Cova Capital Partners, a FINRA registered broker-dealer. The securities registered hereunder for resale by this selling security holder were purchased in the ordinary course of business and at the time of such purchase this selling security holder had no agreements or understandings, directly or indirectly, with any person, to distribute such securities. The address of the selling stockholder is 16217 Kittridge Street, Van Nuys, CA 91406.
- (31) Brian M. Miller is the Manager of the selling stockholder and has voting and investment power over the shares. The address of the selling stockholder is 60 Summit Avenue, Mill Valley, CA 94941.
- (32) The selling stockholder has voting and investment power over the shares. The address of the selling stockholder is 17863 63rd Ave., N. Maple Grove, MN 55311.
- (33) The selling stockholder has voting and investment power over the shares. The address of the selling stockholder is 937 NW Glisan St. #1037, Portland, OR 97209.
- (34) Joe Behrendt is the Trustee of the selling stockholder and has voting and investment power over the shares. The address of the selling stockholder is 12 Skyland Way, Ross, CA 94957
- (35) The selling stockholder has voting and investment power over the shares. The address of the selling stockholder is 22 Coleman Road, Garrison, NY 10524.
- (36) The selling stockholder has voting and investment power over the shares. The selling stockholder is an affiliate of Time Equities, Inc. a FINRA registered broker-dealer. The securities registered hereunder for resale by this selling security holder were purchased in the ordinary course of business and at the time of such purchase this selling security holder had no agreements or understandings, directly or indirectly, with any person, to distribute such securities. The address of the selling stockholder is 7 Heller Drive, Montclair, NJ 07043.
- (37) The selling stockholder has voting and investment power over the shares. The address of the selling stockholder is 2207 Lakeway Drive, Friendswood, TX 77546.
- (38) The selling stockholder has voting and investment power over the shares. The address of the selling stockholder is 2125 Fairhaven Court, West Linn, OR 97068.
- (39) The selling stockholder has voting and investment power over the shares. The address of the selling stockholder is 8300 SW 71st Ave., Portland, OR 97223.
- (40) The selling stockholder has voting and investment power over the shares. The address of the selling stockholder is 1045 Hutchinson Ave., Palo Alto, CA 94301.
- (41) The selling stockholder has voting and investment power over the shares. The address of the selling stockholder is 526 Kingwood Dr 315, Kingward, TX 77339.

- (42) The selling stockholder has voting and investment power over the shares. The address of the selling stockholder is 175 W. Jackson Blvd. Ste #400, Chicago, IL 60604.
- (43) The selling stockholder has voting and investment power over the shares. The address of the selling stockholder is 3001 Ponce De Leon Boulevard, Suite 211, Coral Gables, FL 33134.
- (44) The selling stockholder has voting and investment power over the shares. The address of the selling stockholder is 95 Wall Street, #2318, New York, NY 10005.
- (45) The selling stockholder has voting and investment power over the shares. The address of the selling stockholder is 2 Firefly Ln., Sandwich, MA 02563.
- (46) The selling stockholders have voting and investment power over the shares. The address of the selling stockholder is 4820 SW Garden Home Rd., Portland, OR 97219.
- (47) The selling stockholder has voting and investment power over the shares. The address of the selling stockholder is 12411 N. Golf Dr., Mequon, WI 53902
- (48) The selling stockholder has voting and investment power over the shares. The address of the selling stockholder is 7312 49 Ave. East, Bradenton, FL 34203.
- (49) The selling stockholders have voting and investment power over the shares. The address of the selling stockholder is 87 Clinton Road, Brookline, MA 02445.
- (50) The selling stockholder has voting and investment power over the shares. The address of the selling stockholder is 15388 NW Wooded Way, Beaverton, OR 97006.
- (51) The selling stockholder has voting and investment power over the shares. The address of the selling stockholder is 4032 Jefferson Ave., Emerald Hills, CA 94062
- (52) The selling stockholder has voting and investment power over the shares. The address of the selling stockholder is 4299 MacArthur Blvd #107, Newport Beach, CA 92660.
- (53) The selling stockholder has voting and investment power over the shares. The address of the selling stockholder is 55 Washington Street, Suite 302A, Brooklyn, NY 11201.
- (54) The selling stockholder has voting and investment power over the shares. The address of the selling stockholder is 16 Equestrian Court, West Hills, NY 11743.
- (55) The selling stockholder has voting and investment power over the shares. The address of the selling stockholder is 7006 McKamy Blvd., Dallas, TX 75248.
- (56) Jack R. Frank II is the President of the selling stockholder and has voting and investment power over the shares. The address of the selling stockholder is 14470 Eighteenth Fairway, Milton, GA 30004
- (57) The selling stockholder has voting and investment power over the shares. The address of the selling stockholder is 11 Howell Ct., West Windsor, NJ 08550.
- (58) The selling stockholder has voting and investment power over the shares. The address of the selling stockholder is PO Box 2649, Minden, NY 84923.
- (59) The selling stockholder has voting and investment power over the shares. The address of the selling stockholder is 1617 Norwood Drive, Eagan, MN 55122.
- (60) Behrouz Rajaei is the Trustee of the selling stockholder and has voting and investment power over the shares. The address of the selling stockholder is PO Box 1238, Guasti, CA 91743.
- (61) John Saefke is the individual of the selling stockholder and has voting and investment power over the shares. The address of the selling stockholder is 2001 Spring Road #700, Oak Brook, IL 60523.
- (62) The selling stockholder has voting and investment power over the shares. The address of the selling stockholder is 137 Highbrook Avenue, Pelham, NY 10803
- (63) The selling stockholder has voting and investment power over the shares. The address of the selling stockholder is 217 Red Fox Road, Stamford, CT 06903.
- (64) The selling stockholder has voting and investment power over the shares. The address of the selling stockholder is 2817 W. Country Club Dr., Mequon, WI 53092.
- (65) The selling stockholder has voting and investment power over the shares. The address of the selling stockholder is 228 Robby Lane, Manhasset Hills, NY 11040.
- (66) The selling stockholder has voting and investment power over the shares. The address of the selling stockholder is 13050 La Paloma Rd, Los Altos, CA 94022.
- (67) Jeffrey H. Porter is the Investment Advisor of the selling stockholder and has voting and investment power over the shares. The address of the selling stockholder is Loyalist Plaza, Don Mackay Blvd. Marsh Harbour, Abaco, Bahamas AB-20377
- (68) The selling stockholder has voting and investment power over the shares. The address of the selling stockholder is 22 Melrose Place, Montclair, NJ 07042.

- (69) The selling stockholder has voting and investment power over the shares. The address of the selling stockholder is 20413 87th Ave., S. Kent, WA 98031.
- (70) Joan R. Baer and Arthur B. Baer are the trustees of the selling stockholder and have voting and investment power over the shares. The address of the selling stockholder is 200 Leeder Hill Drive, Apt 2311, Hamden, CT 06517.
- (71) The selling stockholder has voting and investment power over the shares. The address of the selling stockholder is 17 Skylark Drive #4, Larkspur, CA 94939.
- (72) Fred Bialek is the Trustee of the selling stockholder and has voting and investment power over the selling stockholder. The address of the selling stockholder is 200 Winding Way, Woodside, CA 94062
- (73) The selling stockholder has voting and investment power over the shares. The address of the selling stockholder is 1836 El Camino Del Teatro, La Jolla, CA 92037.
- (74) The selling stockholder has voting and investment power over the shares. The address of the selling stockholder is 27080 SW Xanthus Ct., Sherwood, OR 97140.
- (75) The selling stockholder has voting and investment power over the shares. The address of the selling stockholder is 4910 SW Taylors Ferry Rd., Portland, OR 97219.
- (76) Robert S. Beadle is the General Partner of the selling stockholder and has voting and investment power over the shares. The address of the selling stockholder is 8620 Willow Wind, Boerne, TX 78015
- (77) The selling stockholders have shared voting and investment power over the shares. The address of the selling stockholder is 11375 NW Roy Rd., Banks, OR 97106.
- (78) Daniel L. Gilbert is the Manager and General Partner of the selling stockholder and has voting and investment power over the shares. The address of the selling stockholder is 4820 SW Garden Home Rd., Portland, OR 97219.
- (79) Robert T. Freres, Jr. is the Trustee of the selling stockholder and has voting and investment power over the shares. The address of the selling stockholder is 141 14th Street Lyons, OR 97358.
- (80) The selling stockholder has voting and investment power over the shares. The address of the selling stockholder is 1110 SW Myrtle Drive, Portland, OR 97201.
- (81) The selling stockholder has voting and investment power over the shares. The address of the selling stockholder is 135 High Street, Closter, NJ 07624.
- (82) The selling stockholder has voting and investment power over the shares. The address of the selling stockholder is 5445 SW Burton Dr., Portland, OR 97221.
- (83) The selling stockholder has voting and investment power over the shares. The address of the selling stockholder is 11342 178th Place NE, Redmond, WA 98252.
- (84) The selling stockholder has voting and investment power over the shares. The address of the selling stockholder is 4512 Grand Ave., Western Springs, IL 60558.
- (85) The selling stockholder has voting and investment power over the shares. The address of the selling stockholder is 717 Dartmouth Avenue, Silver Spring, MD 20910.
- (86) The selling stockholder has voting and investment power over the shares. The address of the selling stockholder is 4916 SE Antelope Hills Dr., Gresham, OR 97080.
- (87) The selling stockholder has voting and investment power over the shares. The address of the selling stockholder is 2063 NW 19th Way, Boca Raton, FL 33431.
- (88) The selling stockholder has voting and investment power over the shares. The address of the selling stockholder is 3203 SW Newby Terrace, Portland, OR 97239.
- (89) Anthony Reed is the Trustee of the selling stockholder and has voting and investment power over the shares. Anthony Reed is a registered representative of Cova Capital Partners, a FINRA registered broker-dealer. The securities registered hereunder for resale by this selling security holder were purchased in the ordinary course of business and at the time of such purchase this selling security holder had no agreements or understandings, directly or indirectly, with any person, to distribute such securities. The address of the selling stockholder is 16217 Kittridge Street, Van Nuys, CA 91406.
- (90) The selling stockholder has voting and investment power over the shares. The address of the selling stockholder is 3 Monroe Parkway #P 350, Lake Oswego, OR 97035.
- (91) The selling stockholder has voting and investment power over the shares. The address of the selling stockholder is 2628 Summit Drive, Burlingame, CA 94010.
- (92) James H. and Susan Wiesenbergs are the Trustees of the selling stockholder and has voting and investment power over the shares. The address of the selling stockholder is 10040 E. Happy Valley Rd #454, Scottsdale, AZ 85255.

- (93) The selling stockholder has voting and investment power over the shares. The address of the selling stockholder is 9122 SW Trail Ct., Portland, OR 97219.
- (94) The selling stockholder has voting and investment power over the shares. The address of the selling stockholder is 150 East 69th Street, New York, NY 10021
- (95) The selling stockholders have voting and investment power over the shares. The address of the selling stockholder is 245 South Clark Drive, Beverly Hills, CA 90211.
- (96) Paul Hamerton-Kelly is the individual of the selling stockholder and has voting and investment power over the shares. The address of the selling stockholder is PO Box 173859, Denver, CO 80217.
- (97) The selling stockholders have voting and investment power over the shares. The address of the selling stockholder is 2265 Dawnwood, Philomath, OR 97370.
- (98) Sonia Beecher and Vassily I. Dubenko are the Co-Trustee of the selling stockholder and have voting and investment power over the shares. The address of the selling stockholder is 1108 SE Dogwood Ln., Oak Grove, OR 97267.
- (99) The selling stockholder has voting and investment power over the shares. The address of the selling stockholder is 130 N. Country Road 1675 East, Hindsboro, IL 61930.
- (100) The selling stockholder has voting and investment power over the shares. The address of the selling stockholder is 875 N. Michigan Avenue, #3620, Chicago, IL 60611.
- (101) The selling stockholder has voting and investment power over the shares. The address of the selling stockholder is 10956 E. Cosmos Circle., Scottsdale, AZ 85255.
- (102) The selling stockholder has voting and investment power over the shares. The address of the selling stockholder is 24 Spielman Rd., Fairfield, NJ 07004.
- (103) The selling stockholder has voting and investment power over the shares. The address of the selling stockholder is 24 Spielman Rd., Fairfield, NJ 07004.
- (104) Behrouz Rajaei is the Trustee of the selling stockholder and has voting and investment power over the shares. The address of the selling stockholder is PO Box 1238, Guasti, CA 91743.
- (105) The selling stockholder has voting and investment power over the shares. The address of the selling stockholder is 852 Saints Drive, Marietta, GA 30068.
- (106) The selling stockholder has voting and investment power over the shares. The address of the selling stockholder is 16656 S. 14th St., Phoenix, AZ 85048.
- (107) The selling stockholder has voting and investment power over the shares. The address of the selling stockholder is 785 NW Valley Street, Camas, WA 98607.
- (108) The selling stockholder has voting and investment power over the shares. The address of the selling stockholder is 552 N. Greencraig Rd., Los Angeles, CA 90049.
- (109) The selling stockholder has voting and investment power over the shares. The address of the selling stockholder is 3971 Catamarca Dr., San Diego, CA 92124.
- (110) The selling stockholder has voting and investment power over the shares. The address of the selling stockholder is 860 Saints Drive, Marietta, GA 30068.
- (111) The selling stockholders have voting and investment power over the shares. The address of the selling stockholder is 1536 McCoy Avenue, San Jose, CA 95130.
- (112) The selling stockholder has voting and investment power over the shares. The address of the selling stockholder is 1270 Ridgeline Ct., San Jose CA 95127.
- (113) The selling stockholder has voting and investment power over the shares. The address of the selling stockholder is 1015 Hayne Rd., Hillsborough, CA 94010.
- (114) The selling stockholders have voting and investment power over the shares. The address of the selling stockholder is 8815 NW Lakecrest Ave., Vancouver, WA 98665
- (115) The selling stockholder has voting and investment power over the shares. The address of the selling stockholder is 3967 Vierra Street, Pleasanton, CA 94566
- (116) The selling stockholder has voting and investment power over the shares. The address of the selling stockholder is 133-16C 87th Street, Ozone Park, NY 11417.
- (117) The selling stockholder has voting and investment power over the shares. The address of the selling stockholder is 31913 SE 28th Street, Fall City, WA 98024.
- (118) The selling stockholder has voting and investment power over the shares. The address of the selling stockholder is 7490 Bush Lake Rd., Edina, MN 55439.
- (119) Aspire Capital Partners, LLC is the managing member of Aspire Capital Fund, LLC. SGM Holdings Corp. is the managing member of Aspire Capital Partners, LLC. Steven G. Martin is the president and sole shareholder of SGM Holdings Corp. Erik J. Brown is a principal of Aspire Capital Partners, LLC. Christos Komissopoulos is a principal of Aspire Capital Partners, LLC. Each may be deemed to have shared voting and investment power over shares owned by Aspire Capital Fund, LLC. Each of Aspire Capital Partners, LLC, SGM Holdings Corp., Mr. Martin, Mr. Brown and Mr. Komissopoulos disclaim beneficial ownership of the shares of common stock held by Aspire Capital Fund, LLC. Aspire Capital is not a licensed broker dealer or an affiliate of a licensed broker dealer. The address of the selling stockholder is 155 North Wacker Drive, Suite 1600, Chicago, IL 60606.

- (120) Represents shares underlying the Compensation warrants issued to Paulson as compensation for services rendered as the exclusive placement agent for the Unit and Bridge Financing. Trent Davis, as the Chief Executive Officer of Paulson Investment Company, Inc., a broker-dealer registered with the SEC and member of FINRA, has voting and investment power over the shares. The address for Paulson is 1001 SW 5<sup>th</sup> Avenue, Ste 1460, Portland, OR 97204.
- (121) Represents shares underlying the Compensation Warrants issued to Paulson as compensation for services rendered as the exclusive placement agent for the Unit Financing. Each selling stockholder has sole voting and investment power with respect to their respective securities. The selling stockholders are affiliates of Paulson Investment Company LLC, a broker-dealer registered with the SEC and member of FINRA. The securities registered hereunder for resale by the selling security holders were obtained in the ordinary course of business and at the time had no agreements or understandings, directly or indirectly, with any person to distribute such securities. The address of the selling stockholders is 1001 SW 5<sup>th</sup> Avenue, Ste 1460, Portland, OR 97204.
- (122) The Shares beneficially owned after the Offering are covered by the S-1 which became effective on July 29, 2015.

#### **PLAN OF DISTRIBUTION**

The selling stockholders, which as used herein includes donees, pledgees, transferees or other successors-in-interest selling shares of common stock or interests in shares of common stock received after the date of this prospectus from a selling stockholder as a gift, pledge, partnership distribution or other transfer, may, from time to time, sell, transfer or otherwise dispose of any or all of their shares of common stock or interests in shares of common stock on any stock exchange, market or trading facility on which the shares are traded or in private transactions. These dispositions may be at fixed prices, at prevailing market prices at the time of sale, at prices related to the prevailing market price, at varying prices determined at the time of sale, or at negotiated prices.

The selling stockholders may use any one or more of the following methods when disposing of shares or interests therein:

- ordinary brokerage transactions and transactions in which the broker-dealer solicits purchasers;
- block trades in which the broker-dealer will attempt to sell the shares as agent, but may position and resell a portion of the block as principal to facilitate the transaction;
- purchases by a broker-dealer as principal and resale by the broker-dealer for its account;
- an exchange distribution in accordance with the rules of the applicable exchange;
- privately negotiated transactions;
- short sales effected after the date the registration statement of which this prospectus is a part is declared effective by the SEC;
- through the writing or settlement of options or other hedging transactions, whether through an options exchange or otherwise;
- broker-dealers may agree with the selling stockholders to sell a specified number of such shares at a stipulated price per share;
- a combination of any such methods of sale; and
- any other method permitted by applicable law.

The selling stockholders may, from time to time, pledge or grant a security interest in some or all of the shares of common stock owned by them and, if they default in the performance of their secured obligations, the pledgees or secured parties may offer and sell the shares of common stock, from time to time, under this prospectus, or under an amendment to this prospectus under Rule 424(b)(3) or other applicable provision of the Securities Act amending the list of selling stockholders to include the pledgee, transferee or other successors in interest as selling stockholders under this prospectus. The selling stockholders also may transfer the shares of common stock in other circumstances, in which case the transferees, pledgees or other successors in interest will be the selling beneficial owners for purposes of this prospectus.

In connection with the sale of our common stock or interests therein, the selling stockholders may enter into hedging transactions with broker-dealers or other financial institutions, which may in turn engage in short sales of the common stock in the course of hedging the positions they assume. The selling stockholders may also sell shares of our common stock short and deliver these securities to close out their short positions, or loan or pledge the common stock to broker-dealers that in turn may sell these securities. The selling stockholders may also enter into option or other transactions with broker-dealers or other financial institutions or the creation of one or more derivative securities which require the delivery to such broker-dealer or other financial institution of shares offered by this prospectus, which shares such broker-dealer or other financial institution may resell pursuant to this prospectus (as supplemented or amended to reflect such transaction).

The aggregate proceeds to the selling stockholders from the sale of the common stock offered by them will be the purchase price of the common stock less discounts or commissions, if any. Each of the selling stockholders reserves the right to accept and, together with their agents from time to time, to reject, in whole or in part, any proposed purchase of common stock to be made directly or through agents. We will not receive any of the proceeds from this offering.

The selling stockholders also may resell all or a portion of the shares in open market transactions in reliance upon Rule 144 under the Securities Act, provided that they meet the criteria and conform to the requirements of that rule.

The selling stockholders and any underwriters, broker-dealers or agents that participate in the sale of the common stock or interests therein may be “underwriters” within the meaning of Section 2(11) of the Securities Act. Any discounts, commissions, concessions or profit they earn on any resale of the shares may be underwriting discounts and commissions under the Securities Act. Selling stockholders who are “underwriters” within the meaning of Section 2(11) of the Securities Act will be subject to the prospectus delivery requirements of the Securities Act.

To the extent required, the shares of our common stock to be sold, the names of the selling stockholders, the respective purchase prices and public offering prices, the names of any agents, dealer or underwriter, any applicable commissions or discounts with respect to a particular offer will be set forth in an accompanying prospectus supplement or, if appropriate, a post-effective amendment to the registration statement that includes this prospectus.

In order to comply with the securities laws of some states, if applicable, the common stock may be sold in these jurisdictions only through registered or licensed brokers or dealers. In addition, in some states the common stock may not be sold unless it has been registered or qualified for sale or an exemption from registration or qualification requirements is available and is complied with.

We have advised the selling stockholders that the anti-manipulation rules of Regulation M under the Exchange Act may apply to sales of shares in the market and to the activities of the selling stockholders and their affiliates. In addition, to the extent applicable we will make copies of this prospectus (as it may be supplemented or amended from time to time) available to the selling stockholders for the purpose of satisfying the prospectus delivery requirements of the Securities Act. The selling stockholders may indemnify any broker-dealer that participates in transactions involving the sale of the shares against certain liabilities, including liabilities arising under the Securities Act.



We have agreed to indemnify the selling stockholders against certain liabilities, including liabilities under the Securities Act and state securities laws, relating to the registration of the shares offered by this prospectus.

We have agreed with the selling stockholders to keep the registration statement of which this prospectus constitutes a part effective until the earlier of (1) such time as all of the shares covered by this prospectus have been disposed of pursuant to and in accordance with the registration statement or (2) the date on which all of the shares may be sold without restriction pursuant to Rule 144 of the Securities Act.

#### **LEGAL MATTERS**

The validity of the shares of our common stock offered hereby and certain other legal matters will be passed upon for us by the law firm of Dorsey & Whitney LLP.

#### **EXPERTS**

EKS&H LLLP, our independent registered public accounting firm, has audited our financial statements included in our Annual Report on Form 10-K, for the years ended June 30, 2015 and 2014, which is included in this Amendment No. 2 to our Registration Statement on Form S-1. Our financial statements are included in reliance on their reports given upon their authority as experts in accounting and auditing.

#### **ADDITIONAL INFORMATION**

We file annual reports, quarterly reports, current reports, and proxy and information statements and other information with the SEC. You may read and copy materials that we have filed with the SEC at the SEC public reference room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. Copies of reports and other information from us are available on the SEC's website at <http://www.sec.gov>. Such filings are also available at our website at <http://www.antriabio.com>. Website materials are not a part of this prospectus.

**INDEX TO CONSOLIDATED FINANCIAL STATEMENTS**  
**ANTRIABIO, INC. AND SUBSIDIARIES**

	<b>Page</b>
<a href="#"><u>Report of Independent Registered Public Accounting Firm</u></a>	F-2
<a href="#"><u>Consolidated Balance Sheets as of June 30, 2015 and 2014</u></a>	F-3
<a href="#"><u>Consolidated Statements of Operations for the years ended June 30, 2015 and 2014</u></a>	F-4
<a href="#"><u>Consolidated Statements of Stockholders' Equity for the years ended June 30, 2015 and 2014</u></a>	F-5
<a href="#"><u>Consolidated Statements of Cash Flows for the years ended June 30, 2015 and 2014</u></a>	F-6
<a href="#"><u>Notes to Consolidated Financial Statements</u></a>	F-7

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders  
AntriaBio, Inc. and Subsidiaries  
Louisville, Colorado

We have audited the accompanying consolidated balance sheets of AntriaBio, Inc. and subsidiary (the "Company") as of June 30, 2015 and 2014, and the related statements of operations, stockholders' deficit, and cash flows for each of the periods then ended. The Company's management is responsible for these consolidated financial statements. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of AntriaBio, Inc. and subsidiary as of June 30, 2015 and 2014, and the results of their operations and their cash flows for the periods then ended in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 3 to the financial statements, the Company has suffered recurring losses from operations and has a net capital deficiency that raises substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 3. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

EKS&H LLLP

September 28, 2015  
Denver, Colorado

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

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
<b><u>Assets</u></b>		
<b>Current assets</b>		
Cash	\$ 5,278,706	\$ 5,934,534
Restricted cash	450,167	-
Inventory	67,218	289,600
Other current assets	320,293	83,425
<b>Total current assets</b>	<u>6,116,384</u>	<u>6,307,559</u>
<b>Non-current assets</b>		
Fixed assets, net	4,524,912	337,932
Intangible assets, net	58,906	9,161
Deposit	563,000	750,000
<b>Total non-current assets</b>	<u>5,146,818</u>	<u>1,097,093</u>
<b>Total Assets</b>	<u>\$ 11,263,202</u>	<u>\$ 7,404,652</u>
<b><u>Liabilities and Stockholders' Equity</u></b>		
<b>Current liabilities:</b>		
Accounts payable and accrued expenses	\$ 1,408,399	\$ 460,311
Accounts payable and accrued expenses - related party	-	397,055
Convertible notes payable	60,000	60,000
Deferred lease liability, current portion	98,671	-
Lease payable, current portion	93,852	-
Interest payable	13,079	11,079
Warrant derivative liability	31,777	35,595
<b>Total current liabilities</b>	<u>1,705,778</u>	<u>964,040</u>
<b>Non-current liabilities:</b>		
Deferred lease liability, less current portion	480,490	33,881
Lease payable, less current portion	23,127	-
<b>Total non-current liabilities</b>	<u>503,617</u>	<u>33,881</u>
<b>Total Liabilities</b>	<u>2,209,395</u>	<u>997,921</u>
Commitments and Contingencies (Note 12)		
<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; 24,338,219 and 18,091,792 shares issued and outstanding, June 30, 2015 and 2014, respectively	24,341	18,092
Additional paid-in capital	38,138,754	24,135,563
Accumulated deficit	(29,109,288)	(17,746,924)
<b>Total stockholders' equity</b>	<u>9,053,807</u>	<u>6,406,731</u>
<b>Total Liabilities and Stockholders' Equity</b>	<u>\$ 11,263,202</u>	<u>\$ 7,404,652</u>

See accompanying notes to consolidated financial statements

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

	<b>Years Ended June 30,</b>	
	<b>2015</b>	<b>2014</b>
<b>Operating expenses</b>		
<i>Research and development</i>		
Compensation and benefits	\$ 2,068,236	\$ -
Consultants and outside costs	742,229	34,317
Material manufacturing costs	1,355,882	-
Facilities and other costs	534,862	-
	4,701,209	34,317
<i>General and administrative</i>		
Consulting fees	349,633	579,817
Compensation and benefits	3,778,791	2,260,598
Professional fees	526,257	724,385
Investor relations	523,345	661,914
General and administrative	818,647	915,002
	5,996,673	5,141,716
<b>Total operating expenses</b>	10,697,882	5,176,033
<b>Loss from operations</b>	(10,697,882)	(5,176,033)
<b>Other income (expense)</b>		
Interest income	4,970	12,180
Interest expense	(6,729)	(4,230,112)
Derivative losses	(662,723)	(336,489)
<b>Total other income (expense)</b>	(664,482)	(4,554,421)
<b>Net loss</b>	\$ (11,362,364)	\$ (9,730,454)
<b>Net loss per common share - basic and diluted</b>	\$ (0.54)	\$ (1.04)
<b>Weighted average number of common shares outstanding - basic and diluted</b>	20,950,191	9,384,662

See accompanying notes to consolidated financial statements

**AntriaBio, Inc.**  
**Consolidated Statements of Stockholders' Equity**

	<u>Common Stock, \$0.001 Par Value</u>		<u>Additional</u>	<u>Accumulated</u>	<u>Total</u>
	<u>Shares</u>	<u>Amount</u>	<u>Paid-in</u>	<u>Deficit</u>	<u>Stockholders'</u>
			<u>Capital</u>		<u>Equity</u>
					<u>(Deficit)</u>
<b>Balance at June 30, 2013</b>	<b>6,666,667</b>	<b>\$ 6,667</b>	<b>\$ 3,847,591</b>	<b>\$ (8,016,470)</b>	<b>\$ (4,162,212)</b>
Stock-based compensation	-	-	1,081,792	-	1,081,792
Beneficial conversion feature	-	-	2,922,938	-	2,922,938
Fair value of warrants for financing and conversion	-	-	6,476,606	-	6,476,606
Fair value of warrants to be issued	-	-	690,187	-	690,187
Issuance of common stock, net of issuance costs of \$2,263,804	5,725,327	5,725	3,477,683	-	3,483,408
Issuance of common stock for note conversions	5,297,964	5,298	4,959,581	-	4,964,879
Issuance of common stock as repayment of related party balance	176,283	176	274,824	-	275,000
Cashless exercise of warrants	100,550	101	(101)	-	-
Issuance of common stock for services	125,001	125	404,462	-	404,587
Net loss for the year ended June 30, 2014	-	-	-	(9,730,454)	(9,730,454)
<b>Balance at June 30, 2014</b>	<b>18,091,792</b>	<b>\$ 18,092</b>	<b>\$ 24,135,563</b>	<b>\$ (17,746,924)</b>	<b>\$ 6,406,731</b>
Stock-based compensation	-	-	2,846,828	-	2,846,828
Issuance of common stock for services	205,506	207	368,212	-	368,419
Fair value of warrants issued	-	-	6,026,070	-	6,026,070
Issuance of common stock, net of issuance costs of \$3,144,479	6,040,921	6,042	4,762,081	-	4,768,123
Net loss for the year ended June 30, 2015	-	-	-	(11,362,364)	(11,362,364)
<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>

See accompanying notes to consolidated financial statements

**AntriaBio, Inc.**  
**Consolidated Statements of Cash Flows**

	<b>Year Ended June 30,</b>	
	<b>2015</b>	<b>2014</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net Loss	\$(11,362,364)	\$ (9,730,454)
Amortization of notes payable discount	-	3,356,000
Amortization of deferred financing costs	-	416,337
Amortization of intangible asset	5,255	3,544
Depreciation expense	128,870	7,759
Stock-based compensation expense	2,846,828	1,081,792
Stock issued for services	298,419	404,587
Warrant expense	93,564	126,427
Derivative losses	662,723	336,489
Bad debt expense	-	341,780
Forgiveness of accounts payable and accrued expenses - related party	(132,339)	-
Changes in operating assets and liabilities:		
(Increase ) decrease in other assets	(49,868)	12,044
(Increase) decrease in inventory	222,382	(66,600)
Increase in due from related parties	-	18,947
Increase in accounts payable and accrued expenses	436,688	271,965
(Decrease) in accounts payable and accrued expenses - related party	(264,716)	(134,946)
Increase in interest payable	2,000	353,091
Deferred lease liability	33,664	33,881
<b>Net Cash Used In Operating Activities</b>	<b>(7,078,894)</b>	<b>(3,167,357)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of fixed assets	(3,107,957)	(69,974)
Payment of deposit	-	(750,000)
Acquisition of intangibles	(55,000)	-
Increase in restricted cash	(450,167)	-
Decrease in interest receivable - related party	-	(10,211)
<b>Net Cash Used In Investing Activities</b>	<b>(3,613,124)</b>	<b>(830,185)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Payments of financing costs	-	(270,300)
Proceeds from issuance of convertible notes payable	-	2,703,000
Repayments of convertible notes payable	-	(67,500)
Proceeds from issuance of notes payable - related party	-	234,700
Repayments of notes payable - related party	-	(234,700)
Payments on lease payable	(67,898)	-
Proceeds from issuance of equity financing	11,175,656	8,931,434
Payment of placement agent compensation and issuance costs	(1,071,568)	(1,365,085)
<b>Net Cash Provided By Financing Activities</b>	<b>10,036,190</b>	<b>9,931,549</b>
Net increase (decrease) in cash	(655,828)	5,934,007
Cash - Beginning of Year	5,934,534	527
Cash - End of Year	<b>\$ 5,278,706</b>	<b>\$ 5,934,534</b>
<b><u>SUPPLEMENTARY CASH FLOW INFORMATION:</u></b>		
Cash Paid During the Period for:		
Taxes	\$ -	\$ -
Interest	\$ -	\$ 15,726
Non-Cash Transactions:		
Conversion of convertible notes payable to common stock	\$ -	\$ 6,308,000
Conversion of interest payable to common stock	\$ -	\$ 722,587
Conversion of accounts payable and accrued expense - related party to common stock	\$ -	\$ 275,000
Beneficial conversion feature recorded as a debt discount	\$ -	\$ 2,922,938
Warrant value recorded as a debt discount	\$ -	\$ 433,062
Fixed assets acquired through lease payable	\$ 184,877	\$ -
Fixed assets acquired through tenant improvement allowance	\$ 511,616	\$ -
Warrant derivative liability reclassified as equity	\$ 2,342,039	\$ 1,407,739
Warrant value recorded as issuance costs	\$ 1,745,498	\$ 898,719

Fixed assets acquired through accounts payable and accrued expenses	\$ 511,400	\$ -
---	------------	------

See accompanying notes to consolidated financial statements



**AntriaBio, Inc.**  
**Notes to Consolidated Financial Statements**  
**June 30, 2015**

**Note 1 Nature of Operations**

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

Effective May 1, 2014, the Company effected a 6 to 1 reverse split of the Company’s common stock, in which for every six (6) shares of common stock combined into one (1) share of common stock. All share and per share amounts have been retroactively restated to reflect the Reverse split.

**Note 2 Summary of Significant Accounting Policies**

The principal accounting policies applied in the preparation of these financial statements are set out below.

***Basis of Presentation*** - The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”).

***Principals of Consolidation*** – These consolidated financial statements include the accounts of AntriaBio, Inc. and its wholly owned subsidiary. All material intercompany transactions and balances have been eliminated.

***Accounting Estimates*** - The preparation of financial statements in conformity with GAAP 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: the useful lives 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.

***Cash*** - In the statement of cash flows, cash includes cash in hand and other short-term highly liquid investments with original maturities of three months or less. The Company places its cash on deposit with financial institutions it believes to be of high quality. At times such cash investments may be in excess of the Federal Deposit Insurance Corporation (FDIC) insurance limits.

***Restricted Cash*** – Restricted cash consists of cash held in a joint account with our general contractor until the completion of the construction in progress.

***Inventory*** – Inventory is stated at the lower of cost or market. Inventory consists of inventory purchased to make new material. All inventory is recorded at its acquisition cost.

***Fixed Assets*** – Fixed assets are carried at cost less accumulated depreciation and amortization. The fixed assets as of June 30, 2015 and 2014 included \$2,315,803 and \$23,012, respectively of construction in process in the buildout of our lab facilities and manufacturing suite. The Company estimates that the buildout will be completed early in fiscal year 2016 at which time the construction in process will begin to be depreciated. Depreciation is computed using the straight-line method over the estimated useful lives.

**Intangible Assets** – Costs of establishing patents, consisting of legal and filing fees paid to third parties, are expensed as incurred. The value of the current intangible asset is based on the asset values assigned in the asset acquisition discussed in Note 5. The intangible assets are being amortized over 11 years which is the remaining life of the patents acquired. The amortization expense is expected to be \$7,292 for each of the next five fiscal years.

**Deposits** – Deposits represent amounts paid as a security deposit on the lease of the facilities and is recorded at cost.

**Convertible Notes Payable** - Borrowings are recognized initially at the principal amount received. Borrowings are subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized as interest expense in the statements of operation over the period of the borrowings using the effective interest method. The Company records a beneficial conversion feature (“BCF”) related to the issuance of a convertible note when issued. Beneficial conversion features that are contingent upon the occurrence of a future event are recorded when the contingency is resolved. The value of the BCF is recorded in the financial statements as a debt discount (premium) from the face amount of the note and such discount is amortized over the expected term of the convertible note (or to the conversion date of the note, if sooner) and is charged to interest expense.

**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 related costs. These costs relate to research and development costs without an allocation of general and administrative expenses.

**General and Administrative Expenses** - Expenses necessary to generate revenue are expensed in the period incurred.

**Income Taxes** – The Company accounts for income taxes under an asset and liability approach. This process involves calculating the temporary and permanent differences between the carrying amounts of the assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The temporary differences result in deferred tax assets and liabilities, which would be recorded on the Company’s balance sheets in accordance with ASC 740, which established financial accounting and reporting standards for the effect of income taxes. The Company must assess the likelihood that its deferred tax assets will be recovered from future taxable income and, to the extent the Company believes that recovery is not likely, the Company must establish a valuation allowance. Changes in the Company’s valuation allowance in a period are recorded through the income tax provision on the statements of operations.

The Company adopted ASC 740 (formerly known as FIN No. 48, *Accounting for Uncertainty in Income Taxes*). ASC 740 clarifies the accounting for uncertainty in income taxes recognized in an entity’s financial statements and prescribes a recognition threshold and measurement attributes for financial statement disclosure of tax positions taken or expected to be taken on a tax return. Under ASC 740, the impact of an uncertain income tax position on the income tax return must be recognized at the largest amount that is more-likely-than-not to be sustained upon audit by the relevant taxing authority. An uncertain income tax position will not be recognized if it has less than a 50% likelihood of being sustained. Additionally, ASC 740 provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. As a result of the implementation of ASC 740, the Company recognized no material adjustment in the liability for unrecognized income tax benefits. The Company reports tax related interest and penalties as a component of interest expense.

**Segment Reporting** – Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer and the board of directors that makes strategic decisions. The Company operates one segment.

**Comprehensive Income (Loss)** – Comprehensive income (loss) is defined as all changes in stockholders' equity from transactions and other events and circumstances. Therefore, comprehensive income (loss) includes our net loss and all charges and credits made directly to stockholders' equity other than stockholders' contributions and distributions. As of June 30, 2015 and 2014, the Company has no items other than net loss affecting comprehensive income (loss).

**Income (Loss) Per Common Share** – Basic income (loss) per common share is calculated by dividing the net income (loss) available to the common shareholders by the weighted average number of common shares outstanding during that period. Diluted earnings per share is calculated on the treasury stock method, by dividing income available to common shareholders, adjusted for the effects of dilutive convertible securities, by the weighted average number of shares of common shares outstanding during the period and all additional common shares that would have been outstanding had all potential dilutive common shares been issued.

Although there were common stock equivalents of 21,556,142 and 12,420,943 shares outstanding at June 30, 2015 and 2014, respectively, consisting of stock options and warrants; they were not included in the calculation of earnings per share because they would have been anti-dilutive.

**Fair Value of Financial Instruments** - From inception, the Company adopted ASC 820, *Fair Value Measurements and Disclosures*, which provides a framework for measuring fair value under GAAP. 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, restricted cash, accounts payable, and convertible notes payable approximated fair value as of June 30, 2015 and 2014 due to the relatively short maturity of the respective instruments.

The warrant derivative liability recorded as of June 30, 2015 and 2014 is recorded at an estimated fair value based on a Black-Scholes pricing model. The warrant derivative liability recorded in the current period was recorded at an estimated fair value when recorded using an income approach based on a Lattice Model due to a down round provision. The warrant derivative liability is a level 3 fair value instrument with the entire change in the balance recorded through earnings. See significant assumptions in Note 10. 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, 2014	\$ (35,595)
Total unrealized gains (losses):	
Included in earnings	(662,723)
Warrant recorded as derivative liability	(1,675,498)
Warrant reclassified to equity	2,342,039
Balance as of June 30, 2015	<u>\$ (31,777)</u>

**Recently Issued Accounting Pronouncements** -In June 2014, the FASB issued Accounting Standards Update (“ASU”) 2014-10, *Development Stage Entities (Topic 915)*. The objective of the amendments in this update is to improve financial reporting by reducing the cost and complexity associated with the incremental reporting requirements for development stage entities. The amendments in this update remove all incremental financial reporting requirements from US GAAP for development stage entities, thereby improving financial reporting by eliminating the cost and complexity associated with providing that information. The amendments are effective for annual reporting periods beginning after December 15, 2014, and interim reporting periods beginning after December 15, 2015. Early adoption is permitted. The Company has elected to early adopt this guidance, and therefore is no longer presenting the financial statements in accordance with ASU 915, with inception to date disclosures.

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.

In January 2015, the FASB issued ASU 2015-01, *Income Statement – Extraordinary and Unusual Items (Subtopic 225-20)*, which eliminates the concept of extraordinary items. The new guidance is effective for fiscal years and interim periods within those years beginning after December 15, 2015. The new guidance is to be applied prospectively but may also be applied retrospectively to all prior periods presented in the financial statements. Early adoption is permitted provided that the guidance is applied from the beginning of the fiscal year of adoption. We expect to adopt the provisions of this new guidance on July 1, 2016. We do not expect the adoption of the new provisions to have a material impact on our financial condition or results of operations.

**Reclassifications** – Certain amounts reported in prior years in the Consolidated Financial Statements have been reclassified to conform to the current year’s presentation.

**Subsequent Events** – The Company has considered subsequent events through the date of issuance of this Report on Form 10-K, and has determined no additional disclosure is necessary, other than those disclosed in the footnotes.

### **Note 3 Going Concern**

As reflected in the accompanying financial statements, the Company has a net loss of \$11,362,364 and net cash used in operations of \$7,078,894 for the year ended June 30, 2015, and stockholders’ equity of \$9,053,807 and an accumulated deficit of \$29,109,288 at June 30, 2015. 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 equity based financing. There is no assurance that the Company will be successful in accomplishing this objective.

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 Critical Accounting Estimates and Judgments**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

***Useful Life of Depreciable Assets*** – The Company is required to exercise judgment in determining the estimated useful life of depreciable assets. The useful life is determined based on management's judgement. The useful lives are reviewed on a regular basis to determine that the useful life is consistent with current economic events and historical events.

***Share-based Payments and Warrants*** – The Company is required to exercise judgment in calculating the fair value of share based payments and warrants. The fair value calculation includes several inputs that are subject to management's judgement. Management reviews these inputs on a regular basis to determine that the values used in the calculation are consistent with current economic events and historical events.

***Warrant Derivative Liability*** – The Company is required to exercise judgment in calculating the fair value of the warrant derivative liability. The fair value calculation includes several inputs that are subject to management's judgement. Management reviews these inputs on a regular basis to determine that the values used in the calculation are consistent with current economic events and historical events.

***Contingent Liabilities*** - The Company is required to make judgments about contingent liabilities including the probability of pending and potential future litigation outcomes that, by their nature, are dependent on future events that are inherently uncertain. In making its determination of possible scenarios, management considers the evaluation of outside counsel knowledgeable about each matter, as well as known outcomes in case law.

***Income Taxes*** - Significant judgement is involved in determining the Company's provision for income taxes, including any valuation allowance on deferred income tax assets. There are certain transactions and computations for which the ultimate tax determination is uncertain during the normal course of business. The Company recognizes liabilities for expected tax issues based upon estimates of whether additional taxes will be due. Where the final outcome of these matters is different from the amounts that were initially recognized, such difference will impact the income tax and deferred tax positions in the year in which such determination is made.

## **Note 5 Acquisition of Assets**

On January 30, 2013, the Company closed on an asset purchase agreement with the Chapter 7 Estate of PR Pharmaceuticals, Inc. (PRP). Pursuant to the agreement, the Company has acquired certain tangible and intangible assets in exchange for \$400,000 in cash plus an initial deposit of \$100,000 paid to the Chapter 11 Trustee of PRP which is included in the purchase price, plus contingent consideration up to a maximum amount of \$44,000,000.

On November 6, 2014, the Company closed on an asset purchase agreement with the Chapter 7 Estate of PRP in which the Company acquired its contingent consideration payments in exchange for \$55,000 in cash. The value paid for the contingent consideration was allocated to the intangible assets that were acquired from PRP. As of the closing, the Company is no longer obligated to make any contingent consideration payments.

## **Note 6 Fixed Assets**

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

	Useful Life	June 30, 2015	June 30, 2014
Furniture and fixtures	5 - 7 years	\$ 55,330	\$ 6,728
Lab equipment	3 - 15 years	889,672	315,951
Lab equipment (not yet placed in service)	3 - 15 years	1,371,441	-
Leasehold Improvements	3 - 7 years	29,296	-
Construction in process	-	2,315,803	23,012
		4,661,542	345,691
Less: accumulated depreciation and amortization		(136,629)	(7,759)
		<u>\$ 4,524,913</u>	<u>\$ 337,932</u>

Depreciation expense was \$128,870 and \$7,759 for the years ended June 30, 2015 and 2014, respectively.

## **Note 7 Related Party Transactions**

Effective September 1, 2011, the Company issued a \$1,000,000 line of credit to a related party, which had common ownership with the Company. The line of credit was issued in order for the Company to obtain a higher interest rate on excess cash. As of June 30, 2014, the Company wrote off the entire balance due from the related party of \$177,382.

During the year ended June 30, 2015, the Company incurred consulting expenses of \$99,000 for services performed by related parties of the Company and included in the statement of operations. As of June 30, 2015, there were no related party expenses recorded in accounts payable and accrued expense – related party. During the year ended June 30, 2015, the accounts payable and accrued expense – related party balance outstanding of \$132,339 was forgiven and written off.

During the year ended June 30, 2014, the Company incurred consulting expenses of \$321,205 and professional expenses of \$57,345, for services performed by related parties of the Company and included in the statements of operations. As of June 30, 2014, \$397,055 of related party expenses are recorded in accounts payable and accrued expenses – related party.

As of June 30, 2015 and 2014, the due from related party was zero for expenses paid on behalf of related parties. On March 31, 2014, \$164,398 of the due from related party balance was amounts due from a company owned by a Director of the Company on a non-interest bearing basis. On March 31, 2014, the Company wrote off the entire balance due from the related party.

## **Note 8 Convertible Notes Payable**

From 2010 to 2012, 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.

During 2014, the Company sent letters to the holders of the 2010, 2011 and 2012 notes requesting amendment of their convertible notes payable. The convertible notes payable were amended to: (i) fix the conversion price of the notes into common stock at \$1.50 per share, (ii) require mandatory conversion convertible notes payable were amended to: (i) fix the conversion price of the notes into common stock at \$1.50 per share, (ii) require mandatory conversion of principal and interest, and (iii) change the definition of a qualified financing to an equity financing of at least three million dollars. Note holders of \$3,032,500 of the convertible notes payable balances outstanding have signed and returned the amendment letter. Based on the fixed conversion price, the intrinsic value of the beneficial conversion feature of \$653,000 was calculated and recorded as a discount to the notes payable. As of June 30, 2014, \$653,000 of the debt discount has been amortized into interest expense as these all amortized as part of the conversion.

*2013 Notes* – In December 2013 and January 2014, the Company issued \$2,703,000 of 8% convertible promissory notes payable for which principal and interest is due six months after the date of issuance. Pursuant to the note agreements, if the Company issues equity securities in a transaction resulting in gross proceeds of at least \$3 million, the promissory note and accrued interest will automatically convert to common stock at a conversion price of \$1.26 per share. The notes also allow the investor to convert at any time prior to maturity at \$1.26 per share at their option. With the promissory note, the investor will also receive a warrant to purchase common stock equal to one-half of the principal amount of the promissory note. The warrant will have an exercise price of \$1.89 per share and will be exercisable for three years from date of issuance.

The value of the proceeds of the notes was allocated to the warrants as discussed in Note 9 and the remaining balance was allocated to the beneficial conversion feature as the intrinsic value of the beneficial conversion feature is greater than the remaining value of the notes. The discount on the notes is being amortized into interest expense over the remaining life of the notes.

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 has also converted \$4,275,172 of the 2010, 2011 and 2012 Notes and accrued interest into 3,111,126 shares of our common stock as of June 30, 2014. The remaining balance of any debt discounts on the notes converted was recorded into interest expense at the time of the conversion.

As of June 30, 2015 and 2014, the convertible notes outstanding balance was \$60,000 and \$60,000, respectively. As of June 30, 2015, 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 Payable – Related Party* – On November 14, 2013, the Company issued a 14% promissory note to a related party. The note allowed funds to be borrowed until March 1, 2014 for up to \$250,000. The note matures on the earlier of November 1, 2014 or when the Company closes on an equity financing of at least \$3 million. The Company also issued a warrant for one share of common stock for each dollar of principal loaned. The warrant was issued on March 1, 2014 for option to purchase up to 39,117 shares of common stock. The warrant exercise price will be \$7.50 per share and will be exercisable for five years. As of June 30, 2014, the outstanding balance on the note is zero and the accrued interest is zero as the principal balance of \$234,700 and interest of \$12,895 was paid in full on April 1, 2014. The warrants were issued on March 26, 2014 for a fair value of \$76,062.

## **Note 9 Shareholders' Equity (Deficit)**

*Common Stock* - The Company is authorized to issue 200,000,000 shares of \$0.001 par-value common stock. All shares of the Company's common stock have equal rights and privileges with respect to voting, liquidation and dividend rights. Each share of common stock entitles the holder thereof to:

- a. One non-cumulative vote for each share held of record on all matters submitted to a vote of the stockholders;
- b. To participate equally and to receive any and all such dividends as may be declared by the Board of Directors out of funds legally available therefore; and
- c. To participate pro rata in any distribution of assets available for distribution upon liquidation.

Stockholders have no pre-emptive rights to acquire additional shares of common stock or any other securities. Common shares are not subject to redemption and carry no subscription or conversion rights.

*Preferred Stock* – The Company is authorized to issue 20,000,000 shares of Preferred Stock with each share having a par value of \$0.001. No preferred shares are designated and there are no preferred shares issued and outstanding as of June 30, 2015 and 2014.

During 2014, the Company completed a private placement transaction in which the Company issued 5,725,327 units to accredited investors. Each unit consists of one share of our common stock and one common share purchase warrant. Each warrant entitles the holder to purchase one share of common stock at a price of \$2.34 per share and the warrant will expire 36 months following the issuance. The Company received net proceeds of \$7.6 million after the placement agent compensation and issuance costs paid of \$1,365,085 and \$898,719 of warrant expense recorded as issuance costs.

In addition to the units issued, the Company also issued 562,352 additional warrants to investors who invested in the 2013 Notes and also in the private placement. For each dollar that was invested in the 2013 Notes, the Company would issue one-half of one common share purchase warrant for their investment in the private placement transaction for up to 150% of their investment in the 2013 Notes. The warrants will be exercisable at \$2.34 per share and will expire 36 months after they were issued.

On March 26, 2014, the Company entered into a repayment agreement with a related party to issue 176,283 shares of common stock as payment for \$275,000 of accounts payable and accrued expenses – related party that was due to them.

On March 31, 2014, the Company entered into a services agreement whereby the Company receives assistance with investor relations relating to digital strategy, website and investor materials, market awareness and other services. The compensation for these services will be 500,000 shares of common stock to be issued over a twelve-month period. As of June 30, 2014, 125,001 shares of common stock have been issued under the agreement and recorded as investor relations expense of \$404,587 during the year ended June 30, 2014. As of June 30, 2015, an additional 166,668 shares of common stock have been issued under the agreement and \$296,669 has been recorded as investor relations expense during the year ended June 30, 2015. On November 1, 2014 the agreement was terminated and no additional compensation was paid.

During 2015, the Company completed two private placement transactions in which the Company issued 6,040,921 units to accredited investors. Each unit consists of one share of our common stock and one common share purchase warrant. Each warrant entitles the holder to purchase one share of common stock at a price of \$2.50 per share and the warrant will expire 36 months following the issuance. The Company received net proceeds of \$10.1 million after the placement agent compensation and issuance costs paid of \$1,071,568 and \$2,072,911 of warrant expense recorded as issuance costs. The Company also issued 37,838 shares of common stock for services in assisting in the private placement and \$70,000 had been recorded in additional paid in capital as issuance costs.

The Company issued no shares of preferred stock during the years ended June 30, 2015 and 2014. The Company has not declared or paid any dividends or returned any capital to shareholders as of June 30, 2015 and 2014.



## **Note 10 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. Options to purchase 819,445 shares vested immediately, options to purchase 541,667 shares vest monthly over three years and 138,888 shares vested on May 31, 2013. 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 granted 2,835,000 of these shares to current employees and directors of the Company as of June 30, 2014 and granted an additional 460,000 of these shares to current employees as of June 30, 2015. 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. As of June 30, 2015, the Company granted 4,112,000 of these shares to current employees and directors of the Company. The options have an exercise price of from \$1.50 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.

AntriaBio has computed the fair value of all options granted using the Black-Scholes option pricing model. 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 a comparable published volatility of a peer company. Due to the small number of option holders and all options being to officers, directors, or high level employees AntriaBio has estimated a forfeiture rate of zero. 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 year ended June 30, 2015 using the following assumptions:

Expected volatility	90 - 103%
Risk free interest rate	1.31% - 2.38%
Expected term (years)	5 - 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, 2013	1,508,334	\$ 4.50	4.6
Granted	2,835,000	\$ 3.14	
Outstanding, June 30, 2014	4,343,334	\$ 3.61	5.6
Granted	4,572,000	\$ 2.02	
Forfeited	(212,916)	\$ 3.57	
Outstanding, June 30, 2015	8,702,418	\$ 2.78	7.1
Exercisable at June 30, 2015	2,539,751	\$ 3.72	4.6

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 \$671,958 and none for the years ended June 30, 2015 and 2014, respectively and as general and administrative – compensation and benefits expense of \$2,174,870 and \$1,081,792 for the years ended June 30, 2015 and 2014, respectively. The unrecognized stock-based compensation expense at June 30, 2015 is \$11,465,433. 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 note conversions and private placements as follows:

	Number of Warrants	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life
Outstanding, June 30, 2013	293,092	\$ 2.21	4.1
Warrants issued to note holders	225,259	\$ 1.89	
Warrants issued to note holders	4,039,184	\$ 1.98	
Warrants issued to related party	39,117	\$ 7.50	
Warrants issued in private placement	6,287,679	\$ 2.34	
Warrants issued to placement agent	290,861	\$ 1.56	
Warrants issued for investor relations	66,667	\$ 3.44	
Warrants exercised	(100,550)	\$ 1.17	
Warrants forfeited	(41,570)	\$ 1.17	
Outstanding, June 30, 2014	11,099,739	\$ 2.21	3.6
Warrants issued in private placements	6,040,921	\$ 2.50	
Warrants issued to placement agent	1,824,489	\$ 2.50	
Warrants issued for investor relations	111,000	\$ 1.63	
Warrants cancelled	(59,758)	\$ 2.92	
Outstanding, June 30, 2015	19,016,391	\$ 2.33	3.0

Year Ended June 30, 2013: The Company issued warrants to purchase 41,424 shares of common stock at a price of \$2.03 per share, exercisable from August 2012 through August 2017 to a placement agent in connection with the closing of convertible notes payable on specific private placements. The Company also issued a warrant to purchase 233,334 shares of common stock at a price of \$2.03 per share, exercisable from August 2012 through August 2017 to a placement agent in connection with the closing of over \$1,000,000 in convertible notes payable. The Company issued warrants to purchase 18,334 shares of common stock at a price of \$4.95 per share, exercisable from February 2013 through February 2018 in connection with the closing of convertible notes payable on specific private placements.

Year Ended June 30, 2014: The Company issued warrants to various note holders to purchase 225,259 shares of common stock at a price of \$1.89 per share, exercisable from December 2013 through January 2017 in connection with the issuance of convertible notes. The Company issued warrants to a related party as part of a settlement of debt to purchase 39,117 shares of common stock at a price of \$7.50 per share, exercisable from March 2014 through March 2019. The Company issued warrants to various note holders to purchase 4,039,184 shares of common stock at an average price of \$1.98 per share of common stock, exercisable through April 2019 in connection with the conversion of convertible notes payable into equity. The Company issued warrants to purchase 6,287,679 shares of common stock at a price of \$2.34 per share, exercisable through April 2017 in connection with the issuance of units in the private placement that was closed in April of 2014. The Company issued warrants to placement agent to purchase 290,861 shares of common stock at a price of \$1.56 per share, exercisable through April 2021 in connection with the private placement that closed in April of 2014. The Company issued warrants to purchase 66,667 shares of common stock at a price of \$3.44 per share, exercisable through May 2017 and 2019 in connection with investor relations activities that were performed.

Year Ended June 30, 2015: The Company issued warrants to purchase 6,040,921 shares of common stock at a price of \$2.50 per share, exercisable through April 2018 in connection with the issuance of units in private placements. The Company issued warrants to the placement agent to purchase 1,824,489 shares of common stock at a price of \$2.50 per share, exercisable through April 2022 in connection with the private placements that occurred from November 2014 through April 2015. The Company issued warrants to purchase 105,000 shares of common stock at a price of \$1.65 per share in connection with investor relations services. The Company issued warrants to purchase 6,000 shares of common stock at a price of \$1.38 per share in connection with investor relations services.

The warrants exercisable for the 41,424 shares of common stock were accounted for under liability accounting and were fair valued at each reporting period until April 1, 2014 when the warrants were reclassified to equity as the exercise price became fixed. The value of the warrants to purchase 41,424 shares as of April 1, 2014 was \$102,917, which was the fair value of the warrant on the date it was reclassified to additional paid-in capital. The warrants exercisable for the 233,334 shares of common stock were accounted for under liability accounting and were fair valued at each reporting period until March 31, 2014 when the warrants were reclassified to equity as the exercise price became fixed. The value of the warrants to purchase 233,334 shares as of March 31, 2014 was \$614,635, which was recorded as additional paid-in capital. The warrants exercisable for the 18,334 shares of common stock are accounted for under equity treatment and fair valued as of the date of issuance. The fair value of the warrants was valued at \$191,126 and recorded as additional paid-in-capital and deferred financing fees. The deferred financing fees were being amortized over the term of the notes associated with the warrants and were fully amortized as of June 30, 2014.

The warrants for the 225,259 shares of common stock are accounted for under equity treatment and were recorded at the allocated fair value as of the date of issuance. The fair value of the warrants was \$524,594 and the allocated fair value of \$433,062 was recorded into additional paid-in capital and as a discount to the note payable balance. The unamortized discount was fully expensed into interest upon the conversion of the bridge notes in fiscal 2014. The warrants exercisable for the 6,287,679 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 \$14,432,123 and the allocated fair value of \$3,184,222 was recorded into additional paid-in capital. The warrants for the 4,039,184 shares of common stock were accounted for under the equity treatment and were recorded at the allocated fair value as of the date of issuance. The estimated fair value of the warrants was \$11,111,739 and the allocated fair value of \$2,065,708 was recorded into additional paid-in capital. The warrants for the 39,117 was accounted for under the equity treatment and fair valued as of the date of issuance. The estimated fair value of the warrants was \$76,062 and recorded as additional paid-in capital and interest expense. The warrants exercisable for the 290,861 shares were accounted for under liability accounting on the date they were recorded. The warrants to purchase 290,861 shares had a value of \$898,719 when recorded using a Lattice pricing model. On May 16, 2014, the warrants to purchase 290,861 shares terms were fixed and the warrants were fair valued at \$690,187 using a Black-Scholes pricing model and reclassified into equity with the fair value adjustment recorded as derivative expense on the consolidated statement of operations.

The warrants exercisable for the 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. The fair value as of June 30, 2015 and 2014 were \$31,777 and \$35,595, respectively which is reflected as a liability with the fair value adjustment recorded as derivative losses on the consolidated statements of operations.

The warrants exercisable for the 4,968,482 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 \$3,527,816 and the allocated fair value of \$2,597,932 was recorded into additional paid-in capital. The warrants exercisable for the 1,072,439 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 \$1,009,433 and the allocated fair value of \$595,184 was recorded into additional paid-in capital. The warrants exercisable for the 105,000 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 \$80,677 and recorded as additional paid-in-capital and professional fees. The warrants exercisable for the 6,000 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 \$9,006 and recorded as additional paid-in-capital and professional fees.

The warrants exercisable for the 1,477,287 shares were accounted for under liability accounting on the date they were recorded, except for 58,914 shares which were recorded directly into equity using the Black-Scholes pricing model on February 23, 2015 at a fair value of \$92,111. The warrants to purchase 1,418,373 shares had a value of \$1,498,809 when originally recorded using a Lattice pricing model and \$2,217,605 as of February 23, 2015 using a Black-Scholes pricing model when the warrant terms became fixed and were reclassified into equity with the fair value adjustment recorded as derivative expense on the consolidated statement of operations. The warrants exercisable for the 347,202 shares were accounted for under liability accounting on the date they were recorded, except for 247,552 shares which were recorded directly into equity using the Black-Scholes pricing model on April 6, 2015 at a fair value of \$309,121. The warrants to purchase 99,650 shares had a value of \$172,809 when originally recorded using a Lattice pricing model and \$124,434 as of April 6, 2015 using a Black-Scholes pricing model when the warrant terms became fixed and were reclassified into equity with the fair value adjustment recorded as derivative expense on the consolidated statement of operations.

On May 2, 2014, an investor elected to exercise their warrant under a net issue exercise in which 100,550 shares of common stock were issued and 41,570 warrant shares were forfeited.

These warrants were valued using the Black-Scholes option pricing model on the date of issuance except for the warrants to purchase 290,861 shares and the warrants to purchase 1,518,387 shares which were valued using a Lattice pricing model. In order to calculate the fair value of the warrants in both models, 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 a comparable published volatility of a peer company. 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 were as follows:

Expected volatility	89% - 97%
Risk free interest rate	0.56% - 2.21%
Warrant term (years)	2 - 7
Dividend yield	0%

We utilize a Lattice model to determine the fair market value of the warrants to purchase 290,861 shares on the day they were issued. The warrants issued resulted in a warrant derivative liability of \$898,719 as of April 1, 2014. The Lattice model accommodates the probability of exercise price adjustment features as outlined in the warrant agreement. Under the terms of the warrant agreement, at any time while the warrant is outstanding, the exercise price per share can be reduced in proportion to the exercise price per share of future warrants issued that is lower than the exercise price per share as stated in the warrant agreement. The estimated fair value was derived using the lattice model with the following assumptions:

Expected volatility	93%
Risk free interest rate	2.21%
Warrant term (years)	7
Dividend yield	0%

We utilize a Lattice model to determine the fair market value of the warrants to purchase 1,418,373 shares on the day they were issued. The warrants issued resulted in a warrant derivative liability of \$1,498,809 on the dates they were issued. The Lattice model accommodates the probability of exercise price adjustment features as outlined in the placement agent agreement. Under the terms of the placement agent agreement, until the final close of the private placement financing under the agreement, the exercise price per share can be reduced in proportion to the exercise price per share of warrants issued in the private placement that is lower than the exercise price per share as stated in the warrant agreement. The estimated fair value was derived using the lattice model with the following assumptions:

Expected volatility	90% - 91%
Risk free interest rate	1.89% - 1.98%
Warrant term (years)	7
Dividend yield	0%

We utilize a Lattice model to determine the fair market value of the warrants to purchase 99,650 shares on March 31, 2015, the day they were issued. The warrants issued resulted in a warrant derivative liability of \$172,809 on the date they were issued. The Lattice model accommodates the probability of exercise price adjustment features as outlined in the placement agent agreement. Under the terms of the placement agent agreement, until the final close of the private placement financing under the agreement, the exercise price per share can be reduced in proportion to the exercise price per share of warrants issued in the private placement that is lower than the exercise price per share as stated in the warrant agreement. The estimated fair value was derived using the lattice model with the following assumptions:

Expected volatility	90%
Risk free interest rate	1.71%
Warrant term (years)	7
Dividend yield	0%

## **Note 11 Income Taxes**

Taxing jurisdictions related to income taxes are the United States Federal Government, the State of Colorado and the State of California. The provision for income taxes is as follows:

	Year Ended June 30,	
	2015	2014
<b>Current tax benefit</b>		
Federal	\$ -	\$ -
State	-	-
	<u>-</u>	<u>-</u>
<b>Deferred tax benefit</b>		
Federal	3,774,110	2,006,831
State	432,092	79,548
Change in valuation allowance	(4,206,202)	(2,086,379)
	<u>-</u>	<u>-</u>
<b>Total tax expense</b>	<u>\$ -</u>	<u>\$ -</u>

Deferred taxes are a result of differences between income tax accounting and GAAP with respect to income and expenses. The following is a summary of the components of deferred taxes recognized in the financial statements as of June 30, 2015 and 2014:

	As of June 30,	
	2015	2014
<b>Deferred tax assets</b>		
Net operating loss carryforward	\$ 5,170,221	\$ 2,267,379
Start-up and organizational expenses	181,154	457,495
Stock-based compensation	3,080,604	1,683,247
Derivative expense	12,275	129,986
Other	317,150	17,093
<b>Total deferred tax assets</b>	<u>8,761,404</u>	<u>4,555,200</u>
<b>Valuation allowance</b>	<u>(8,761,404)</u>	<u>(4,555,200)</u>
<b>Net deferred taxes</b>	<u>\$ -</u>	<u>\$ -</u>

The valuation allowance was established because the Company had not reported earnings in order to support the recognition of the deferred tax asset. The Company has net operating loss carryforwards of approximately \$13,265,000 for federal and state income tax purposes. Federal and state net operating loss carryforwards, to the extent not used, will expire starting in 2031. Under provisions of the Internal Revenue Code, substantial changes in the Company's ownership may result in limitations on the amount of net operating loss carryforwards that can be utilized in future years. As of June 30, 2015, approximately \$6,281,000 of the net operating loss carryforwards are subject to IRS limitations. The Company is no longer subject to income tax examinations for federal income taxes before 2010 and for Colorado before 2009.

The income tax provision differs from the amount of income tax determined by applying the U.S. federal income tax rate of 34% to pretax income for the following periods, due to the following:

	Year Ended June 30,	
	2015	2014
Computed "expected" tax expense (benefit)	\$ (3,863,260)	\$ (3,308,354)
Change in income taxes from:		
State taxes net of federal benefit	(432,091)	(79,549)
Permanent differences	229,208	1,301,524
Prior period adjustment	(140,059)	-
Change in valuation allowance	4,206,202	2,086,379
	<u>\$ -</u>	<u>\$ -</u>

**Note 12 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 and will be returned gradually over the next several years.

As of June 30, 2015, minimum rental commitment under the operating lease is as follows:

Year Ending June 30,	
2016	359,468
2017	370,252
2018	381,360
2019	392,855
2020	335,747
	<u>\$ 1,839,682</u>

In September 2014, the Company entered into an equipment lease for laboratory equipment to be leased for twenty-four months with a bargain purchase option at the end of the lease. The equipment lease has been recorded as a capital lease with monthly payments of \$8,075 per month to be made.

As of June 30, 2015, minimum rental commitment under the leases is as follows:

Year Ending June 30,	
2016	\$ 96,890
2017	<u>24,223</u>
Total rental commitments	121,113
Less: Interest payments	<u>(4,124)</u>
Total lease payable	116,989
Lease payable, current portion	<u>93,852</u>
Lease payable, less current portion	<u>\$ 23,137</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 June 30, 2015, 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.





**ANTRIABIO, INC.**

**14,958,633 Shares  
of  
Common Stock**

---

**Prospectus**

---

October 27, 2015

---