COVENTURE INTERNATIONAL INC
Form 3
December 22, 2005

FORM 3

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

OMB APPROVAL

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INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
Â Yangling Bodisen Biotech Development Co., Ltd.

(Last) (First) (Middle)

C/O NEW YORK GLOBAL GROUP, INC.,Â 14 WALL STREET, 12TH FLOOR

(Street)

NEW YORK,Â NYÂ 10005

(City) (State) (Zip)

2. Date of Event Requiring Statement (Month/Day/Year)
12/06/2005

3. Issuer Name **and** Ticker or Trading Symbol
COVENTURE INTERNATIONAL INC [CVNI]

4. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

_____ Director __X__ 10% Owner
_____ Officer (give title below) _____ Other (specify below)

5. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Beneficially Owned

1.Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
Common Stock	515,942	D	Â

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

SEC 1473 (7-02)

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Table II - Derivative Securities Beneficially Owned (*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)	3. Title and Amount of Securities Underlying Derivative Security	4. Conversion or Exercise	5. Ownership Form of	6. Nature of Indirect Beneficial Ownership (Instr. 5)

Date Exercisable	Expiration Date	(Instr. 4) Title	Amount or Number of Shares	Price of Derivative Security	Derivative Security: Direct (D) or Indirect (I) (Instr. 5)

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Yangling Bodisen Biotech Development Co., Ltd. C/O NEW YORK GLOBAL GROUP, INC. 14 WALL STREET, 12TH FLOOR NEW YORK,Â NYÂ 10005	Â	Â X	Â	Â

Signatures

Chen Bo	12/15/2005
**Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 5(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *See* Instruction 6 for procedure.
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Payments of Leasehold Improvement Loan	(9,742)	(8,906)
Net Cash Provided by Financing Activities	1,290,258	2,291,094
Net Decrease in Cash and Cash Equivalents	(141,200)	(2,525,087)
Cash and Cash Equivalents, Beginning of Year	228,971	2,754,058
Cash and Cash Equivalents, End of Year	$87,771	$228,971
SUPPLEMENTAL INFORMATION:		
Interest paid	$15,273	$10,564
SUPPLEMENTAL DISCLOSURES:		
NON-CASH FINANCING ACTIVITIES:		
Preferred stock issued upon note payable and interest conversion	$9,636,603	$-
Equity issuance costs accrued not paid	$421,077	$-
Issuance of commmon stock through the cashless exercise of warrants		

$57 $-

See notes to consolidated financial statements

Table of Contents

ADMA BIOLOGICS, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010

1. ORGANIZATION AND BUSINESS

ADMA Biologics, Inc. (the "Company") develops and commercializes human plasma and plasma-derived therapeutics. The Company focuses on developing and commercializing plasma-derived human immune globulins. ADMA Biologics, Inc. was founded in 2004 and is based in Hackensack, New Jersey. In addition, ADMA operates ADMA BioCenters of Georgia. This wholly-owned subsidiary is a Delaware corporation that was formed on April 3, 2008. ADMA BioCenters of Georgia is an FDA-licensed source plasma collection facility located in Norcross, GA.

The Company has experienced net losses and negative cash flows from operations since inception and expects these conditions to continue for the foreseeable future. The Company has needed to raise capital from the sales of its securities to sustain operations. As of December 31, 2011, the Company had minimal cash balances. In February 2012, the Company completed a private placement to raise gross proceeds of $17.5 million (see Note 12).

Based upon the Company's projected revenue and expenditures for 2012 and 2013, management currently believes that the net proceeds of the private placement, together with the Company's existing cash, will be sufficient to enable it to fund its operating expenses, research and development expenses and capital expenditures into the third quarter of 2013. Because the Company does not anticipate receiving FDA approval for RI-001, until at the earliest, the second quarter of 2015, if at all, and would therefore not be able to generate revenues from the commercialization of RI-001 until after that date, it will have to raise additional capital prior to the third quarter of 2013 to continue product development and operations. The Company is unable to predict with reasonable certainty when, if ever, it will generate revenues from the commercialization of RI-001, and therefore, how much additional capital it will need to raise prior to the third quarter of 2013. Furthermore, if the Company's assumptions underlying its estimated revenues and expenses prove to be wrong, it may have to raise additional capital sooner than anticipated. There can be no assurance that such funds, if available at all, can be obtained on terms acceptable to the Company. Because of numerous risks and uncertainties associated with the research, development and future commercialization of the Company's product candidate, it is unable to estimate with certainty the amounts of increased capital outlays and operating expenditures associated with its anticipated clinical trials and development activities. Its current estimates may be subject to change as circumstances regarding requirements further develop.

There can be no assurance that the Company's research and development will be successfully completed or that any product will be approved or commercially viable. The Company is subject to risks common to companies in the biotechnology industry including, but not limited to, dependence on collaborative arrangements, development by the Company or its competitors of new technological innovations, dependence on key personnel, protection of proprietary technology, and compliance with FDA and other governmental regulations and approval requirements.

Prior to the last quarter of 2011, ADMA was a development stage company. ADMA's primary focus since 2004 has been conducting research and development of human plasma-derived products for the treatment of specific disease states. The plasma collection center in Georgia was undertaken in 2008 as a complimentary business operation. ADMA transitioned to an operating company from the development stage during the fourth quarter of 2011 when they began to generate revenues from this business segment.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following comprises the Company's significant accounting policies:

Basis of presentation
The accompanying consolidated financial statements include the accounts of ADMA Biologics, Inc. and its wholly-owned subsidiary ADMA Biologics Centers of Georgia. All significant intercompany transactions and balances have been eliminated in consolidation.

Cash and cash equivalents
The Company considers all highly-liquid instruments purchased with a maturity of three months or less to be cash equivalents.

Inventories
Plasma inventories (both plasma intended for resale and plasma intended for internal use in our research and development activities) are carried at the lower of cost or market value determined on the first-in, first-out method. Physical inventories are conducted at the end of each year and perpetual records are adjusted accordingly. Once the research and development plasma is processed to a finished good for ongoing trials it is then expensed to research and development. Inventory at December 31, 2011 and 2010 consists of raw materials. Inventory also includes plasma collected at the Company's FDA licensed plasma collection center. Approximately 9,000 liters of plasma that had been purchased for use in research and development was sold in 2011, and the Company recorded a loss of $1,934,630. The total amount of inventory sold at book value was $2,439,487 and the Company received $504,857 in proceeds from the sales.

Table of Contents

ADMA BIOLOGICS, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Revenue recognition
Revenue from the sale of human plasma collected at the Company's plasma collection center and plasma-derived medicinal products is recognized at the time of transfer of title and risk of loss to the customer, which usually occurs at the time of shipment. Revenue is recognized at the time of delivery if the Company retains the risk of loss during shipment.

The plasma inventory sold in 2011 had been purchased from third parties specifically for use in research and development activities. It had not been collected at the Company's plasma collection center and sold in the ordinary course of business. Therefore, the sale was not recorded as revenue with related cost of sales, but was instead recorded as a loss on sale.

Research and development costs
The Company expenses all research and development costs as incurred including plasma and equipment for which there is no alternative future use. Such expenses include licensing fees and costs associated with planning and conducting clinical trials.

Use of estimates
The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates include valuation of inventory, assumptions used in the fair value of stock-based compensation, and the allowance for the valuation of future tax benefits.

Concentration of credit risk
Financial instruments which potentially subject the Company to concentrations of credit risk consist of cash and cash equivalents.

Property and equipment
Fixed assets are stated at cost less accumulated depreciation. Depreciation is calculated using the straight-line method over the asset's estimated useful life, which is five to ten years. Leasehold improvements are amortized over the lesser of the lease term or their estimated useful lives.

Income taxes
From June 24, 2004 to July 16, 2007, the Company elected to be taxed as an S corporation for both Federal and state income tax reporting purposes. Accordingly, the taxable income or loss related to that period was includable in the personal income tax returns of the stockholders.

Effective July 16, 2007, the Company was merged into a C corporation and adopted guidance issued for "Accounting for Income Taxes" which requires that the Company recognize deferred tax liabilities and assets for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax liabilities and assets are determined on the basis of the difference between the tax basis of assets and liabilities and their respective financial reporting amounts ("temporary differences") at enacted tax rates in effect for the years in which the temporary differences are expected to reverse. The Company records a valuation allowance on

its deferred income tax assets if it is more likely than not that these deferred income tax assets will not be realized.

The Company has no unrecognized tax benefits at December 31, 2011 and 2010. The Company's U.S. Federal and state income tax returns prior to fiscal year 2008 are closed and management continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings.

Table of Contents

ADMA BIOLOGICS, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

The Company will recognize interest and penalties associated with tax matters as income tax expense.

Earnings (Loss) Per Share
Net loss per share is determined in accordance with the two-class method. This method is used for computing basic net loss per share when companies have issued securities other than common stock that contractually entitle the holder to participate in dividends and earnings of the Company. Under the two-class method, net loss is allocated between common shares and other participating securities based on their participation rights in both distributed and undistributed earnings. The Company's Series A convertible preferred stock are participating securities, since the stockholders are entitled to share in dividends declared by the board of directors with the common stock based on their equivalent common shares.

Basic net loss per share is computed by dividing net loss applicable to common stockholders by the weighted average number of shares of common stock outstanding during the period. Because the holders of the Series A convertible Preferred Stock are not contractually required to share in the Company's losses, in applying the two-class method to compute basic net loss per common share, no allocation to preferred stock was made for the years ended December 31, 2011 and 2010.

Diluted net loss per share is calculated by dividing net loss applicable to common stockholders as adjusted for the effect of dilutive securities, if any, by the weighted average number of common stock and dilutive common stock outstanding during the period. Potential common shares include the shares of common stock issuable upon the exercise of outstanding stock options and a warrant (using the treasury stock method) and the conversion of the shares of Series A convertible preferred stock (using the more dilutive of the (a) as converted method or (b) the two –class method). Potential common shares in the diluted net loss per share computation are excluded to the extent that they would be anti-dilutive. No potentially dilutive securities are included in the computation of any diluted per share amounts as the Company reported a net loss for all periods presented. Potentially dilutive securities that would be issued upon conversion of convertible notes, conversion of Series A convertible preferred stock, and the exercise of outstanding warrants and stock options were 1.7 million as of both December 31, 2011 and 2010.

Stock-based compensation
The Company follows recognized accounting guidance which requires all stock-based payments, including grants of stock options, to be recognized in the Statement of Operations as compensation expense, based on their fair values on the grant date. The estimated fair value of options granted under the Company's 2007 Employee Stock Option Plan (the "Plan") are recognized as compensation expense over the option-vesting period.

Table of Contents

ADMA BIOLOGICS, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010

During the years ended December 31, 2011 and 2010, the Company recorded stock-based compensation expense to employees and a consultant of $22,947 and $34,809, respectively.

The fair value of employee options granted was determined on the date of grant using the Black-Scholes model. The Black-Scholes option valuation model was developed for use in estimating the fair value of publicly traded options, which have no vesting restrictions and are fully transferable. In addition, option valuation models require the input of highly subjective assumptions including the expected stock price volatility. The Company's employee stock options have characteristics significantly different from those of traded options, and changes in the subjective input assumptions

Table of Contents

ADMA BIOLOGICS, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010

2.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

can materially affect the fair value estimate. Because there is no public market for the Company's stock and very little historical experience with the Company's stock options, a small similar publicly traded company was used for comparison and expectations as to assumptions required for fair value computation using the Black-Scholes methodology. Accordingly, the Company's stock price volatility is expected to be 72% and the expected term of options outstanding is 6.25 years. The Company's dividend yield has been assumed at 0% as the Company has not paid any dividends on common stock since its inception and does not anticipate paying dividends on its common stock in the foreseeable future.

Guidance for stock-based compensation requires forfeitures to be estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. The Company currently estimates there will be no forfeitures of options.

Fair value of financial instruments
The carrying amounts of certain of the Company's financial instruments, including cash and cash equivalents and accounts payable, are shown at cost which approximates fair value due to the short-term nature of these instruments.

3. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

	2011	2010
Lab and office equipment	$ 465,778	$ 467,492
Computer software	141,277	141,277
Leasehold improvements	940,103	940,103
	1,547,158	1,548,872
Less: accumulated depreciation and amortization	(686,226)	(467,713)
	$ 860,932	$ 1,081,159

The Company recorded depreciation and amortization expense of $219,552 and $220,201 for the years ended December 31, 2011 and 2010, respectively.

4. LEASEHOLD IMPROVEMENT LOAN

In connection with the lease of commercial real estate by the Company's wholly owned subsidiary for the operation of the plasma collection center, the Company borrowed $125,980 from the lessor to pay for leasehold improvement costs in excess of the allowance provided for in the lease agreement. The loan bears interest at 9% and is payable in 120 monthly installments of $1,596 maturing December 31, 2018. Principal maturities under the loan are as follows:

2012	$10,576
2013	11,569
2014	12,654

2015	13,841
2016	15,139
Thereafter	35,410
Total	$99,189

Explanation of Responses:

Table of Contents

ADMA BIOLOGICS, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010

5. NOTES PAYABLE TO SIGNIFICANT STOCKHOLDERS

The Company has issued senior secured convertible promissory notes (the "Notes") to significant stockholders pursuant to the terms of Note Purchase Agreements. The outstanding principal and interest under the notes are due and payable upon the earliest to occur of: (i) March 31, 2012 (as amended); (ii) the date on which the Company consummates a preferred stock financing in which the gross proceeds to the Company total at least $10,000,000 ("Qualified Financing" as defined in the Notes); and (iii) the occurrence of an Event of Default (as defined in the Notes), the first of these three events to occur referred to as the "Maturity Date". Interest accrues on the outstanding principal at the stated rate and is payable on the Maturity Date.

If all or any of the principal and accrued interest thereon remains outstanding prior to the date of a Qualified Financing, those amounts shall automatically convert into shares of the Company's preferred stock at the lower of (a) the price per share paid by investors in the Qualified Financing or (b) the stated Conversion Price.

Any principal and accrued interest thereon that remains outstanding will convert into preferred shares at the stated conversion price if immediately prior to the Maturity Date, a Qualified Financing has not occurred and the Company does not have sufficient cash on hand to repay the outstanding balance in full. The Series A-1 and A-2 Preferred Stock shall have the same rights and privileges as the Company's Series A Preferred Stock and shall be senior to the Series A Preferred Stock in liquidation preference.

If the principal amounts due under these notes are repaid on the Maturity Date, the payees have the option to convert all of the accrued interest into shares of Series A Preferred Stock determined by dividing the interest by the Conversion Price.

In the Event of a Default, the interest rate stated on the notes shall be increased by three percent (3%) per annum. The Notes are collateralized by all of the assets of the Company.

The Company issued promissory notes which are not convertible to significant stockholders pursuant to the terms of Note Purchase Agreements. The outstanding principal and interest under the notes are due and payable upon the earliest to occur of: (i) March 31, 2012 (as amended); (ii) the occurrence of a prepayment event (as defined in the notes) or (iii) the occurrence of an Event of Default (as defined in the notes), the first of these three events to occur referred to as the "Maturity Date".

In December 2011, $8,150,000 of the convertible notes payable and $1,486,603 of accrued interest thereon were converted into 4,835,224 shares of the Company's Series A-1 preferred stock at a conversion price of $1.9930 per share.

Table of Contents

ADMA BIOLOGICS, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010

5. NOTES PAYABLE TO SIGNIFICANT STOCKHOLDERS (Cont'd)

Notes payable consist of the following at December 31, 2011 and 2010:

Issue Date	Principal 12/31/10	Principal Issued in 2011	Principal Converted in 2011	Principal Repaid in 2011	Principal 12/31/11	Interest Rate	Conversion Price
Aug-09	$ 2,500,000	$ ---	$ (2,500,000) *	---	$ ---	9 %	$ 1.9930
Dec-09	2,500,000	---	(2,500,000) *	---	---	9 %	$ 1.9930
Jun-10	1,800,000	---	(1,800,000)	---	---	12 %	$ 1.9930
Dec-10	500,000	---	(500,000)	---	---	10 %	$ 1.9930
Feb-11	---	300,000	(300,000)	---	---	10 %	$ 1.9930
May-11	---	250,000	(250,000)	---	---	10 %	$ 1.9930
Jun-11	---	300,000	(300,000)	---	---	10 %	$ 1.9930
Aug-11	---	250,000	---	---	250,000	10 %	$ 1.9930
Sep-11	---	100,000 **	---	$ (100,000)	---	18 %	---
Oct-11	---	100,000 **	---	(100,000)	---	18 %	---
Dec-11	---	200,000	---	---	200,000	18 %	---
	$ 7,300,000	$ 1,500,000	$ (8,150,000)	$ (200,000)	$ 450,000		

*Notes payable convertible into Series A-1 Preferred Stock. The conversion price was amended to $1.9930 on December 22, 2011 resulting in a charge to interest expense of $556,418. Additional charges to interest of $184,185 and $132,662 were recorded in 2011 and 2010, respectively, for the beneficial conversion feature on the notes issued in June and December 2010.

**Notes paid in full during the year ended December 31, 2011 including interest of $1,972.

Total interest expense incurred on the notes payable for the years ended December 31, 2011 and 2010 was $1,587,685 and $693,401, respectively.

Table of Contents

ADMA BIOLOGICS, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010

5. NOTES PAYABLE TO SIGNIFICANT STOCKHOLDERS (Cont'd)

Stock purchase warrants
In connection with the issuance of the June 2010, August 2011 and September 2011 Notes, the Company issued stock purchase warrants expiring ten years from date of issue to existing common and preferred stockholders at an exercise price of $.07 per share. Such warrants vested immediately and can be exercised at any time up to the expiration date.

Warrants outstanding as of December 31, 2011 and 2010 are as follows:

	Number Of Warrants	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term
Balance Outstanding – December 31, 2009	-		
Issued January 1 – December 31, 2010	52,730	$ 0.07	9.5 years
Balance Outstanding - December 31, 2010	52,730	$ 0.07	9.5 years
Warrants vested and expected to vest – December 31, 2010	52,730	$ 0.07	9.5 years
Warrants vested and expected to vest – December 31, 2010	52,730	$ 0.07	9.5 years
Exercisable - December 31, 2010	52,730	$ 0.07	9.5 years
Issued January 1 – December 31, 2011	5,198	$ 0.07	9.9 years
Cancelled January 1 – December 31, 2011	(586)		
Exercised January 1 – December 31, 2011	(57,342)		
Balance Outstanding – December 31, 2011	---	---	---

6. STOCKHOLDERS' EQUITY

The Company was originally organized as an S corporation and issued 100 shares of stock at a par value of $.01 each. On July 16, 2007, the Company merged into a C corporation and, concurrent with this election, each of the shares of stock of the terminating S corporation converted into 23,904.38 shares of common stock of the C corporation, resulting in a total of 351,535 shares outstanding. Since the shareholders of the S corporation became the majority shareholders of the C corporation, this was accounted for as a reverse merger. Accordingly, the pre-merger financial statements of the S corporation have become the historical financial statements of the C corporation.

Upon conversion of the Company from an S corporation to a C corporation, the Company increased its authorized common stock to 6,500,000 shares with a par value of $.001 per share and authorized 3,400,000 shares of Series A preferred (Series A shares), with a par value of $.001 per share. On July 17, 2007, the Company completed a private placement and raised gross proceeds of $17,000,000 from the sale of 3,386,454 Series A convertible preferred shares at a sale price of $5.02 per share.

In December 2011, 57,054 shares of Common Stock were issued in connection with the cashless exercise of 57,342 Stock Purchase Warrants and 4,835,224 shares of Series A-1 Preferred Stock were issued in connection with the conversion of notes payable and accrued interest thereon.

In December 2011, the corporate charter was amended to increase the authorized capital from 6,500,000 to 16,800,000 common shares and from 3,400,000 to 8,221,678 preferred shares.

Table of Contents

ADMA BIOLOGICS, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010

6. STOCKHOLDERS' EQUITY (Cont'd)

On December 22, 2011, $8,150,000 of notes payable to significant shareholders plus accrued interest were converted to Series A Preferred Stock at a conversion rate of $1.993 per share resulting in the issuance of 4,835,224 additional shares of Series A Preferred Stock. The note holders also exercised 57,342 warrants in a cashless transaction for 57,054 shares of common stock and cancelled warrants for an additional 586 shares of common stock. The due date on all remaining notes payable to significant shareholders was extended from December 31, 2011 to March 31, 2012.

The Series A Preferred Shares have the following rights and preferences:

Dividends
From and after the date of their issuance, dividends at the rate per annum of $0.3514 per share shall accrue on Series A Preferred shares. The Company is under no obligation to pay such accruing dividends. However, dividends on the Preferred Shares shall be cumulative from the date of issuance and shall be paid before any dividends on shares of any other class of stock of the Company. No such dividends were declared prior to December 31, 2010. As of December 31, 2011 and 2010, $5,326,207 and $4,117,726, respectively, in dividends had accumulated on the Series A shares.

Conversion
The holders of the Series A Preferred Shares have the right to convert their shares to common stock at any time at an initial conversion price of $5.02 per share. In certain situations, the Preferred Shares are protected from dilution by future issuances of common stock at less than the Series A Preferred Share conversion price. At December 31, 2011, the conversion price was $13.5524 per share under these anti-dilution provisions.

The Company is required, at all times, to reserve a sufficient number of shares of common stock to effect the conversion of all outstanding shares of preferred stock.

Liquidation preference
Upon liquidation or dissolution of the Company, the holders of the Series A shares are entitled to be paid an amount per share equal to the Series A Original Issue Price ($5.02 per share) plus the cumulative unpaid dividends and any other dividends declared but unpaid.

Voting
The stockholders of the Series A Preferred Shares vote together with all other classes of stock as a single class on matters presented to the stockholders of the Company. Each holder of Series A Preferred Shares is entitled to a number of votes (one vote) equal to the number of whole shares of common stock into which the Series A Preferred Shares of such holder are convertible as of the record date for determining stockholders to vote on such matters, except with respect to certain corporate actions, which require a fifty percent (50%) approval of the then outstanding Series A Preferred Shares. The holders of record of the Series A shares, as a separate class, are entitled to elect two directors of the five-member Board of the Company. One of the two "Series A Directors" shall serve as Chairman of the Board. The holders of record of the common stock are also entitled to elect two directors.

7. RELATED PARTY TRANSACTIONS

The Company leases an office building and equipment from an entity owned by related parties on a month-to-month basis. Rent expense amounted to $96,448 and $96,539 for the years ended December 31, 2011 and 2010, respectively. As of December 31, 2011, the Company owed such entity $72,336.

The Company maintains deposits and other accounts at a bank which is less than 5%-owned by related parties and where a stockholder is a member of the Board of Directors of the bank.

Explanation of Responses: 17

Table of Contents

ADMA BIOLOGICS, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010

7. RELATED PARTY TRANSACTIONS (Cont'd)

The Company owed $450,000 and $7,300,000 to existing common and preferred stockholders under senior secured convertible promissory notes and nonconvertible promissory notes at December 31, 2011 and 2010, respectively. Interest in the amount of $10,781 and $650,301 has been accrued on these notes as of December 31, 2011 and 2010, respectively. During 2011, there were additional borrowings of $1,500,000 from the Company's existing common and preferred stockholders and repayments of $200,000 plus interest of $1,972.

8. COMMITMENTS AND CONTINGENCIES

Lease commitments
Effective June 1, 2008, the Company entered into a 10-year lease for commercial space in a Georgia office building, commencing October 1, 2008. The lease provides for annual rent increases and renewal options at market rent. Rent expense under this lease was approximately $140,000 in both 2011 and 2010.

Future minimum lease payments for each of the five years ending December 31 and thereafter are as follows:

2012	$152,247
2013	156,058
2014	159,995
2015	164,026
2016	168,089
Thereafter	303,894
	$1,104,309

Irrevocable letter of credit
On May 27, 2008, the Company established a $426,963 Standby Letter of Credit in favor of a landlord to guarantee payment under the Georgia office building lease. The landlord granted a temporary reduction of $90,000 in the amount of the required letter of credit to $336,963. This reduction is valid until the Company receives FDA license for its plasma collection center in Georgia and begins to receive proceeds from the sale of plasma collected from the center. This license was granted by the FDA in August 2011 and the Company is in the process of restoring the letter of credit. The entire amount under this letter of credit is maintained in a restricted cash account as of December 31, 2011 and 2010. The letter of credit expires on September 30, 2018.

Purchase commitments
In 2008, the Company entered into an agreement with Biotest Pharmaceuticals ("BPC") for the purchase of plasma pursuant to which the Company will purchase plasma to be utilized in its clinical trials. In 2011 and 2010, the Company purchased $23,467 and $244,937, respectively, of plasma under this agreement. In October 2011, the Company entered into a new agreement with BPC for the purchase and sale or RSV plasma with an initial term of 10 years and two five year renewal terms. Under these agreements, the Company is committed to purchase minimum quantities at specified prices, subject to change upon mutual agreement.

Table of Contents

ADMA BIOLOGICS, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010

9. STOCK OPTIONS

On July 16, 2007 (the “Effective Date”), the Company's Board and stockholders adopted the Plan. The Plan has been adopted as a means of attracting, motivating, and retaining the best available personnel for positions of substantial responsibility within the Company. Under the Plan, the initial maximum number of options to acquire shares of the Company's common stock that were available for issuance to Optionees was 94,853.

The Plan provides for the Board or a Committee of the Board (the “Committee”) to grant Awards to Optionees and to determine the exercise price, vesting term, expiration date and all other terms and conditions of the Awards, including acceleration of the vesting of an Award at any time. All options granted under the Plan are intended to be non-qualified options (“NQOs”) unless specified by the Committee to be incentive stock options (“ISOs”), as defined by the Internal Revenue Code. NQOs may be granted to employees, consultants or Board members at an option price not less than the fair market value of the common stock subject to the Stock Option Agreement.

The following table summarizes information about stock options outstanding as of December 31, 2011 and 2010:

	Number Of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term
Balance Outstanding -December 31, 2009	80,441	$3.33	6.8 years
Options issued	3,676	$1.70	
Options forfeited	(735)	$3.44	
Balance Outstanding -December 31, 2010	83,382	$3.33	6.8 years
Options issued	-		
Options forfeited	-		
Balance Outstanding –December 31, 2011	83,382	$3.33	5.8 years

As of December 31, 2011 and 2010, the Company had 11,471 options available for future grant under the Plan and exercisable options of 80,736 and 68,268, respectively.

The total remaining unrecognized compensation cost related to vested awards amounts to $4,735 and is expected to be recognized in 2012.

Table of Contents

ADMA BIOLOGICS, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010

10. INCOME TAXES

A reconciliation of income taxes at the U.S. federal statutory rate to the benefit for income taxes is as follows:

	Year ended December 31, 2011	2010
Benefit at US federal statutory rate	$ (2,116,237)	$ (2,022,222)
State taxes - deferred	(373,454)	(272,271)
Beneficial conversion feature	189,182	45,108
Increase in valuation allowance	2,076,757	2,582,235
Research and development credits	(97,013)	(332,850)
Benefit for income taxes	$ (320,765)	$ -
Deferred tax assets:		
Federal and state net operating loss carryforwards	$ 10,267,000	$ 7,612,221
Federal and state research credits	1,890,966	1,793,953
Total gross deferred tax assets	12,157,966	9,406,174
Less: valuation allowance for deferred tax assets	(12,157,966)	(9,406,174)
Net deferred tax assets	$ -	$ -

As of December 31, 2011, the Company had federal and state net operating loss carryforwards of approximately $25.0 million and $21.3 million, respectively, The Company also had federal and state research and development tax credit carryforwards of approximately $1.2 million and $0.7 million, respectively. The net operating loss carryforwards and tax credits will expire at various dates beginning in 2027 if not utilized.

During the year ended December 31, 2010, the Company received a Federal Research and Development Grant in the amount of $244,479 under Section 48D of the Internal Revenue Code for a Qualified Therapeutic Discovery Project.

The Company received $320,765 and $617,615 in January 2011 and January 2012, respectively, from the sale of net operating loss and research and development credit carryforwards under the NJ EDA Technology Business Tax Certificate Transfer Program. These amounts are recorded on the financial statements as income tax benefits in the year they are received.

11. SEGMENTS

The Company is engaged in the development and commercialization of human plasma and plasma-derived therapeutics. The Company also operates an FDA-licensed source plasma collection facility located in Norcross, GA. The Company defines its segments as those business units whose operating results are regularly reviewed by the chief operating decision maker (“CODM”) to analyze performance and allocate resources.

The plasma collection center segment includes the Company's operation in Georgia. The research and development segment includes the Company's plasma development operations in New Jersey.

Table of Contents

ADMA BIOLOGICS, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010

11.SEGMENTS (Cont'd)

Summarized financial information concerning reportable segments is shown in the following table:

Year ended December 31, 2011	Plasma Collection Center	Research and Development	Other	Consolidated
Revenues	$761,042	$---	$---	$761,042
Loss from operations	(609,676)	(2,581,386)	(1,431,894)	(4,622,956)
Other (income) expense	---	---	1,601,269	1,601,269
Loss before income taxes	$(609,676)	$(2,581,386)	$(3,033,163)	$(6,224,225)
Property plant and equipment, net	$ 822,265	$ 28,924	$ 9,743	$ 860,932
Depreciation and amortization expense	$ 197,274	$ 18,144	$ 4,134	$ 219,552
Year ended December 31, 2010				
Revenues	$---	$---	$---	$----
Loss from operations	(1,876,644)	(2,193,838)	(1,425,951)	(5,496,433)
Other (income) expense	---	---	451,279	451,279
Loss before income taxes	$(1,876,644)	$(2,193,838)	$(1,877,230)	$(5,947,712)
Property plant and equipment, net	$ 1,020,214	$ 47,067	$ 13,878	$ 1,081,159
Depreciation and amortization expense	$ 198,130	$ 18,144	$ 3,927	$ 220,201

Explanation of Responses:

Table of Contents

ADMA BIOLOGICS, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010

11. SEGMENTS (Cont'd)

The "Other" column includes general and administrative overhead expenses. The column for Research and Development expense includes the loss on sale of research and development inventory.

Property, plant and equipment, net, included in the "Other" column above includes assets related to corporate and support functions.

12. SUBSEQUENT EVENTS

On February 13, 2012, in connection with, and immediately prior to the closing of the Merger (as defined below), the Company completed a private placement (the "2012 Financing") of 1,828,128 shares of the Company's common stock at a price per share of $9.60 to accredited investors, for gross proceeds to the Company of $17,550,029 pursuant to a securities purchase agreement (the "Securities Purchase Agreement"). In lieu of repayment of senior secured promissory notes in the aggregate principal amount of $250,000 (plus $12,740 in accrued interest), the aggregate amount of unpaid principal and interest on the notes was invested by the holders of such notes in the 2012 Financing in exchange for shares of the Company's common stock. The net cash proceeds from the 2012 Financing, after the payment of all expenses related to the 2012 Financing and the Merger, approximated $15.7 million.

Rodman & Renshaw, LLC (the "Placement Agent") acted as the exclusive placement agent in connection with the 2012 Financing. The Company paid the Placement Agent a cash fee for its services equal to 7% of the aggregate offering price paid by each investor in the 2012 Financing, other than with respect to certain investors. As additional compensation, the Company issued the Placement Agent warrants (the "Placement Agent Warrants") to purchase 87,865 shares of common stock of the Company. The Placement Agent Warrants, which were exchanged for warrants of ParentCo (as defined below) in the Merger, are exercisable at $9.60 per share of Common Stock at any time beginning on August 11, 2012 and ending on February 12, 2017. The Company also agreed to reimburse the Placement Agent for up to $100,000 of expenses it incurs in connection with the 2012 Financing and to indemnify it against certain liabilities in connection with the 2012 Financing.

On February 13, 2012, R & R Acquisition VI, Inc. ("ParentCo") entered into a merger agreement (the "Merger Agreement") with the Company and ADMA Acquisition Sub, Inc., a Delaware corporation ("Acquisition Sub") ("Merger"). Upon closing of the Merger, Acquisition Sub was merged with and into the Company, and the Company, as the surviving corporation in the Merger, became a wholly-owned subsidiary of ParentCo. ParentCo's corporate name was changed to ADMA Biologics, Inc.

In connection with the Merger and pursuant to the terms of the Merger Agreement: all of the then issued and outstanding shares of the Company's common stock, including the common stock issued in the 2012 Financing and including the shares of the Company's Series A preferred stock, which were converted into common stock immediately prior to and as part of the Merger, were automatically exchanged into 4,601,270 shares of common stock of ParentCo, par value $0.0001 per share (the "Common Stock") at a 1:1 exchange ratio; all warrants, options and other rights to purchase or acquire shares of the Company's common stock outstanding immediately prior to the Merger, including the Placement Agent Warrants and including the additional options granted to Adam S. Grossman, CEO, under his new employment agreement, were converted into warrants, options or other rights, as the case may be, to purchase an aggregate of 383,380 shares of Common Stock at the same exercise prices; and 2,446,967 of the 2,500,000 shares of Common Stock held by the stockholders of ParentCo immediately prior to the Merger were canceled such that these

stockholders now hold 53,033 shares of Common Stock, not including the 87,865 shares issuable upon exercise of the Placement Agent Warrants, held by an affiliate of one of such stockholders.

Table of Contents

ADMA BIOLOGICS, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010

12. SUBSEQUENT EVENTS (Cont'd)

Immediately prior to the Merger and the transactions described above, (i) 3,386,454 shares of Series A Preferred Stock of the Company were converted into 11,243,748 shares of the Company's common stock after giving effect to cumulative anti-dilution adjustments and accrued dividends, and 4,835,224 shares of the Company's Series A Preferred Stock issued in December 2011 upon the conversion of convertible notes were converted into an equal number of shares of the Company's common stock and (ii) the shares of common stock of the Company were reverse split at a ratio of 1-for-6.8 (the "Reverse Split"). The consolidated financial statements were adjusted to give retroactive effect to the Reverse Split.

As part of the Merger, ParentCo assumed certain of the Company's obligations under an investors' rights agreement, dated July 17, 2007, by and among the Company and its stockholders (the "Investors' Rights Agreement"), assumed the Company's obligations under the Securities Purchase Agreement, and assumed the Company's Plan. After an increase in authorized shares under the Plan in connection with the Merger, the Company currently has options to purchase 295,515 shares of Common Stock issued and outstanding under the Plan and has reserved for future issuance under the Plan an additional 265,685 shares of Common Stock.

For accounting purposes, the Merger will be accounted for as a reverse acquisition, with the Company as the accounting acquiror (legal acquiree) and ParentCo as the accounting acquiree (legal acquiror), effectively a recapitalization of the Company.

On February 13, 2012, the Company entered into a new employment agreement with its President and Chief Executive Officer, Adam S. Grossman, which has an initial term of three (3) years, with automatic three (3) year renewal periods unless notice is provided 90 days in advance. The employment agreement provides that Mr. Grossman (i) will initially be paid $350,000 annually beginning on the date on which the Merger closed (the "Effective Date"); (ii) is eligible for an annual cash bonus, the target of which is $100,000, based upon the attainment of certain performance objectives mutually agreed to by the Board of Directors and Mr. Grossman; (iii) was to be granted on the Effective Date options to purchase shares of Common Stock representing 4% of the Company's equity on a fully diluted basis (options to purchase 212,134 shares of Common Stock at an exercise price of $9.60 were granted pursuant to this provision) and (iv) is eligible to participate in the Company's standard benefits package. All options granted to Mr. Grossman were issued under the Company's stock option plan and vest over a four year period, with 25% of the options vesting on the Effective Date, and the remaining 75% vesting in equal monthly installments over the following 48 months of continued employment (full vesting on the fourth anniversary of the Effective Date), subject to accelerated vesting under certain circumstances. Mr. Grossman also received a bonus in connection with his 2011 performance, including in connection with the 2012 Financing and Merger, of $50,000 on the date on which the Merger closed.

Table of Contents

ADMA BIOLOGICS, INC. AND SUBSIDIARY

CONDENSED CONSOLIDATED BALANCE SHEETS

	March 31, 2012 (Unaudited)	December 31, 2011 (Note 1)
ASSETS		
Current Assets		
Cash and Cash Equivalents	$ 14,239,828	$ 87,771
Inventories	1,175,288	1,147,345
Prepaid Expenses	428,461	59,244
Total Current Assets	15,843,577	1,294,360
Property and Equipment at Cost, Net	815,197	860,932
Other Assets		
Equity Issuance Costs	-	421,077
Restricted Cash	336,963	336,963
Deposits	12,577	12,577
Total Other Assets	349,540	770,617
TOTAL ASSETS	$ 17,008,314	$ 2,925,909
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts Payable	$ 508,852	$ 1,303,414
Accrued Expenses	508,254	526,924
Accrued Interest	-	10,781
Current Portion of Leasehold Improvement Loan	9,951	10,576
Notes Payable – Related Parties	-	450,000
Total Current Liabilities	1,027,057	2,301,695
Deferred Rent Liability	144,238	149,785
Leasehold Improvement Loan	86,663	88,613
TOTAL LIABILITIES	1,257,958	2,540,093
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY		
Preferred Stock - $0.001 par value: 10,000,000 and 8,221,678 shares authorized, 0 and 8,221,678 shares issued and outstanding with a liquidation preference of $0 and $31,959,545 at March 31, 2012 and December 31, 2011, respectively	-	8,222
Common Stock - $0.001 par value: 75,000,000 and 6,500,000 authorized, 4,654,303 and 408,589 shares issued and outstanding at March 31, 2012 and December 31, 2011, respectively	4,654	409

Explanation of Responses:

Additional Paid-In Capital		46,151,031		30,185,200
Accumulated Deficit		(30,405,329)		(29,808,015)
TOTAL STOCKHOLDERS' EQUITY		15,750,356		385,816
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$	17,008,314	$	2,925,909

See Notes to Unaudited Condensed Consolidated Financial Statements.

Table of Contents

ADMA BIOLOGICS, INC. AND SUBSIDIARY

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	For the Three Months Ended March 31, 2012	For the Three Months Ended March 31, 2011
REVENUES	$ 4,400	$ -
Costs and expenses		
Research and development expenses	81,820	246,897
Loss on sale of research and development inventory	-	605,297
Plasma center operating expenses	461,493	376,698
General and administrative expenses	674,589	356,751
TOTAL COSTS AND EXPENSES	1,217,902	1,585,643
LOSS FROM OPERATIONS	(1,213,502)	(1,585,643)
OTHER INCOME (EXPENSE)		
Interest income	7,067	640
Interest expense	(8,494)	(316,138)
TOTAL OTHER INCOME (EXPENSE)	(1,427)	(315,498)
LOSS BEFORE INCOME TAXES	(1,214,929)	(1,901,141)
State income tax benefit	617,615	320,765
NET LOSS	$ (597,314)	$ (1,580,376)
NET LOSS PER SHARE – BASIC AND DILUTED	$ (0.23)	$ (4.50)
WEIGHTED AVERAGE SHARES OUTSTANDING – BASIC AND DILUTED	2,648,087	351,535

See Notes to Unaudited Condensed Consolidated Financial Statements.

Table of Contents

ADMA BIOLOGICS, INC. AND SUBSIDIARY

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY (Unaudited)
For the Three Months Ended March 31, 2012

	Preferred Stock		Common Stock				
	Shares	Amount	Shares	Amount	Additional Paid-in Capital	Accumulated Deficit	Total
Balance - January 1, 2012	8,221,678	$8,222	408,589	$409	$30,185,200	$(29,808,015)	$385,816
Conversion of preferred shares and accumulated dividends	(8,221,678)	(8,222)	2,364,553	2,364	5,858	-	-
Conversion of notes payable and accrued interest into common stock in private placement			27,369	27	262,713	-	262,740
Common stock sold in private placement, net of expenses			1,800,759	1,801	15,651,059	-	15,652,860
Common stock issued to shell company as part of reverse merger	-	-	53,033	53	(53)	-	-
Stock based compensation	-	-	-	-	46,254	-	46,254
Net loss	-	-	-	-	-	(597,314)	(597,314)
Balance – March 31, 2012	-	$-	4,654,303	$4,654	$46,151,031	$(30,405,329)	$15,750,356

See Notes to Unaudited Condensed Consolidated Financial Statements.

Table of Contents

ADMA BIOLOGICS, INC. AND SUBSIDIARY

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	For the Three Months Ended March 31, 2012	For the Three Months Ended March 31, 2011
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (597,314)	$ (1,580,376)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	45,735	54,900
Loss-on sale of research and development inventory	-	605,297
Stock based compensation	46,254	11,202
Amortization of debt discount and beneficial conversion charge	-	136,913
Changes in operating assets and liabilities:		
(Increase) decrease in inventories	(27,943)	131,500
Increase in accounts receivable	-	(73,890)
Increase in prepaid expenses	(369,217)	(13,995)
Decrease in other assets	-	90,000
(Decrease) increase in accounts payable	(794,562)	8,017
(Decrease) increase in accrued expenses	(298,064)	11,342
Increase in accrued interest	1,959	176,548
Decrease in deferred rent liability	(5,547)	(2,577)
Net cash used in operating activities	(1,998,699)	(445,119)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of common stock, net of note payable conversion	17,287,288	-
Proceeds from convertible notes payable	-	300,000
Payment of equity issuance costs	(933,957)	-
Payments on notes payable	(200,000)	-
Payments of leasehold improvement loan	(2,575)	(2,354)
Net cash provided by financing activities	16,150,756	297,646
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	14,152,057	(147,473)
CASH AND CASH EQUIVALENTS – BEGINNING OF PERIOD	87,771	228,970
CASH AND CASH EQUIVALENTS – END OF PERIOD	$ 14,239,828	$ 81,497
Cash paid for interest	$ 3,820	$ 2,677
Supplemental Disclosure of Noncash Financing Activities:		
Conversion of notes payable and accrued interest into common stock	$ 262,740	$ -
Reclassification of equity issuance costs to additional paid-in capital	$ 421,077	$ -
Accrued equity issuance costs	$ 279,394	$ -

Explanation of Responses:

Stock issued to shell company	$ 53	$ -

See Notes to Unaudited Condensed Consolidated Financial Statements.

Table of Contents

ADMA BIOLOGICS, INC. AND SUBSIDIARY
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2012 AND 2011

1. ORGANIZATION AND BUSINESS

ADMA Biologics, Inc. ("ADMA" or the "Company") develops and commercializes human plasma and plasma-derived therapeutics. The Company focuses on developing and commercializing plasma-derived human immune globulins. ADMA Biologics, Inc. was founded in 2004 and is based in Hackensack, New Jersey. In addition, ADMA operates ADMA BioCenters of Georgia. This wholly-owned subsidiary is a Delaware corporation that was formed on April 3, 2008. ADMA BioCenters of Georgia is an FDA-licensed source plasma collection facility located in Norcross, GA.

The Company has experienced net losses and negative cash flows from operations since inception and expects these conditions to continue for the foreseeable future. The Company has needed to raise capital from the sales of its securities to sustain operations.

On February 13, 2012, R&R Acquisition VI, Inc., a Delaware corporation ("ParentCo" or the "Registrant"), entered into an Agreement and Plan of Merger (the "Merger Agreement") by and among ParentCo, ADMA Biologics, Inc., a privately-held Delaware corporation ("Former ADMA"), and ADMA Acquisition Sub, Inc., a Delaware corporation and wholly-owned subsidiary of ParentCo ("Acquisition Sub"). Upon the closing of the merger transaction contemplated under the Merger Agreement (the "Merger"), Acquisition Sub was merged with and into Former ADMA, and Former ADMA, as the surviving corporation in the Merger, became a wholly-owned subsidiary of ParentCo. ParentCo's corporate name was changed to ADMA Biologics, Inc. and the name of Former ADMA was changed to ADMA Plasma Biologics, Inc. Prior to the transactions contemplated by the Merger Agreement with Former ADMA, there were no material relationships between ParentCo and Former ADMA, or any of their respective affiliates, directors or officers, or any associates of their respective directors or officers. For accounting purposes, the Merger was accounted for as a reverse acquisition, with Former ADMA as the accounting acquiror (legal acquiree) and ParentCo as the accounting acquiree (legal acquiror). Consequently, the historical financial information of Former ADMA became the historical financial information of ParentCo.

In February 2012, the Company completed a private placement (the "2012 Financing") to raise gross proceeds of $17.3 million in cash in connection with, and immediately prior to the closing of the Merger. In the 2012 Financing, Former ADMA issued 1,828,128 shares of former ADMA's common stock at a price per share of $9.60 to accredited investors pursuant to a securities purchase agreement dated February 13, 2012 (the "Securities Purchase Agreement"). In lieu of repayment of senior secured promissory notes in the aggregate principal amount of $250,000 (plus $12,740 in accrued interest), the aggregate amount of unpaid principal and interest on the notes was invested by the holders of such notes in the 2012 Financing in exchange for shares of Former ADMA's common stock. Immediately prior to the Merger, (i) 3,386,454 shares of Series A Preferred Stock of Former ADMA were converted into 11,243,748 shares of Former ADMA's common stock after giving effect to cumulative anti-dilution adjustments and accrued dividends, and 4,835,224 shares of Former ADMA's Series A Preferred Stock issued in December 2011 upon the conversion of convertible notes were converted into an equal number of shares of Former ADMA's common stock and (ii) the shares of common stock of Former ADMA were reverse split at a ratio of 1-for-6.8 (the "Reverse Split"). All of the then issued and outstanding shares of Former ADMA's common stock, including the common stock issued in the 2012 Financing and including the shares of Former ADMA's Series A Preferred Stock, which were converted into Former ADMA's common stock immediately prior to and as part of the Merger, were automatically exchanged into 4,601,270 shares of ParentCo's common stock, par value $0.0001 per share (the "Common Stock"), at a 1:1 exchange ratio. All warrants, options and other rights to purchase or acquire shares of Former ADMA's common stock outstanding immediately prior to the Merger, including the warrants issued to the placement agent in the 2012 Financing (the "Placement Agent Warrants") and including the additional options granted to Adam S. Grossman, CEO, under his new employment

agreement, were converted into warrants, options or other rights, as the case may be, to purchase an aggregate of 383,380 shares of Common Stock at the same exercise prices; and 2,446,967 of the 2,500,000 shares of Common Stock held by the stockholders of ParentCo immediately prior to the Merger were canceled such that these stockholders now hold 53,033 shares of Common Stock, not including the 87,865 shares issuable upon exercise of the Placement Agent Warrants, held by an affiliate of one of such stockholders.

Table of Contents

ADMA BIOLOGICS, INC. AND SUBSIDIARY
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2012 AND 2011

The net cash proceeds from the 2012 Financing, after the payment of all expenses related to the 2012 Financing and the Merger, including legal, printing and travel expense, the Placement Agent's cash fee and expense reimbursement and miscellaneous, are approximately $15.7 million, not including in such proceeds the senior secured promissory notes that were satisfied in exchange for shares of Former ADMA's common stock in the 2012 Financing. Based upon the Company's projected revenue and expenditures for 2012 and 2013, management currently believes that the net proceeds of the February 2012 private placement, together with its previously-existing cash, will be sufficient to enable the Company to fund its operating expenses, research and development expenses and capital expenditures into the third quarter of 2013. Because the Company does not anticipate receiving Food and Drug Administration ("FDA") approval for RI-001, its lead product candidate, until at the earliest, the second quarter of 2015, if at all, and would therefore not be able to generate revenues from the commercialization of RI-001 until after that date, the Company will have to raise additional capital prior to the third quarter of 2013 to continue product development and operations. The Company is unable to predict with reasonable certainty when it will generate revenues from the commercialization of RI-001, and therefore, how much additional capital it will need to raise prior to the third quarter of 2013. Furthermore, if the Company's assumptions underlying its estimated expenses and revenues prove to be wrong, it may have to raise additional capital sooner than anticipated. There can be no assurance that such funds, if available at all, can be obtained on terms acceptable to the Company. Due to numerous risks and uncertainties associated with the research, development and future commercialization of its product candidate, the Company is unable to estimate with certainty the amounts of increased capital outlays and operating expenditures associated with its anticipated clinical trials and development activities. The Company's current estimates may be subject to change as circumstances regarding requirements further develop. The Company may decide to raise capital through public or private equity offerings, debt financings or corporate collaboration and licensing arrangements. The Company does not have any existing commitments for future external funding. The Company may seek to sell additional equity or debt securities or obtain a bank credit facility. The sale of additional equity or debt securities, if convertible, could result in dilution to the Company's stockholders. The incurrence of indebtedness would result in increased fixed obligations and could also result in covenants that would restrict its operations.

Additional equity or debt financing, grants, or corporate collaboration and potential licensing arrangements may not be available on acceptable terms, if at all. If adequate funds are not available, the Company may be required to delay, reduce the scope of or eliminate the Company's research and development programs, reduce the Company's planned clinical trials and inhibit potential commercialization efforts of the Company's lead product candidate. The Company may be required to obtain loans or raise additional funds to meet long-term obligations and continue operations. There can be no assurance that such funds, if available at all, can be obtained on terms acceptable to the Company. As of March 31, 2012, the Company had $14.2 million in cash and cash equivalents.

There can be no assurance that the Company's research and development will be successfully completed or that any product will be approved or commercially viable. The Company is subject to risks common to companies in the biotechnology industry including, but not limited to, dependence on collaborative arrangements, development by the Company or its competitors of new technological innovations, dependence on key personnel, protection of proprietary technology, and compliance with the FDA and other governmental regulations and approval requirements.

Prior to the last quarter of 2011, ADMA was a development stage company. ADMA's primary focus since 2004 has been conducting research and development of human plasma-derived products for the treatment of specific disease states. The plasma collection center in Georgia was formed in 2008 as a complementary business operation. ADMA transitioned to an operating company from the development stage during the fourth quarter of 2011 when it began to generate revenues from this business segment.

Explanation of Responses:

Table of Contents

ADMA BIOLOGICS, INC. AND SUBSIDIARY
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2012 AND 2011

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation and principles of consolidation
The accompanying condensed consolidated financial statements include the accounts of ADMA Biologics, Inc. and its wholly-owned subsidiary ADMA Biologics Centers of Georgia. All significant intercompany transactions and balances have been eliminated in consolidation.

The condensed consolidated financial statements for the interim periods included herein are unaudited; however, they contain all adjustments (consisting of only normal recurring adjustments) which in the opinion of management are necessary to present fairly the consolidated financial position of the Company as of March 31, 2012 and its results of operations and cash flows for the three months ended March 31, 2012 and 2011. The results of operations for the interim periods are not necessarily indicative of results that may be expected for any other interim period or for the full year. These interim financial statements should be read in conjunction with the audited annual consolidated financial statements and notes thereto included in the Company's Form 8-K/A filed with the SEC on April 24, 2012.

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States, or GAAP, in accordance with the rules and regulations of the Securities and Exchange Commission for interim reporting. Pursuant to such rules and regulations, certain information and footnote disclosures normally included in complete annual financial statements have been condensed or omitted.

Inventories
Plasma inventories (both plasma intended for resale and plasma intended for internal use in the Company's research and development activities) are carried at the lower of cost or market value determined on the first-in, first-out method. Physical inventories are conducted at the end of each year and perpetual records are adjusted accordingly. Once the research and development plasma is processed to a finished good for ongoing trials, it is then expensed to research and development. Inventory at March 31, 2012 and 2011 consists of raw materials. Inventory also includes plasma collected at the Company's FDA licensed plasma collection center. Certain plasma that had been purchased for use in research and development were sold in March 2011 for net proceeds of $147,781 and the Company recorded a loss of $605,297. The total amount of inventory sold at book value was $753,078 and the Company received $147,781 in net proceeds from the sale.

Revenue recognition
Revenue from the sale of human plasma collected at the Company's plasma collection center and plasma-derived medicinal products is recognized at the time of transfer of title and risk of loss to the customer, which usually occurs at the time of shipment. Revenue is recognized at the time of delivery if the Company retains the risk of loss during shipment.

The plasma inventory of $753,078, which was sold in March 2011 for net proceeds of $147,781, had been purchased from third parties specifically for use in research and development activities. It had not been collected at the Company's plasma collection center and sold in the ordinary course of business. Therefore, the sale was not recorded as revenue with related cost of sales, but was instead recorded as a loss on sale.

Table of Contents

ADMA BIOLOGICS, INC. AND SUBSIDIARY
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2012 AND 2011

Use of estimates
The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates include valuation of inventory, assumptions used in the fair value determination of stock-based compensation and the allowance for the valuation of future tax benefits.

Loss per common share earnings (loss) per share
Net loss per share is determined in accordance with the two-class method. This method is used for computing basic net loss per share when companies have issued securities other than common stock that contractually entitle the holder to participate in dividends and earnings of the Company. Under the two-class method, net loss is allocated between common shares and other participating securities based on their participation rights in both distributed and undistributed earnings. The Company's Series A convertible preferred stock are participating securities, since the stockholders are entitled to share in dividends declared by the Board of Directors with the common stock based on their equivalent common shares.

Basic net loss per share is computed by dividing net loss attributable to common stockholders by the weighted average number of shares of common stock outstanding during the period. Because the holders of the Series A convertible preferred stock are not contractually required to share in the Company's losses, in applying the two-class method to compute basic net loss per common share, no allocation to preferred stock was made for the three months ended March 31, 2012 and 2011.

Diluted net loss per share is calculated by dividing net loss attributable to common stockholders as adjusted for the effect of dilutive securities, if any, by the weighted average number of common stock and dilutive common stock outstanding during the period. Potential common shares include the shares of common stock issuable upon the exercise of outstanding stock options and a warrant (using the treasury stock method) and the conversion of the shares of Series A convertible preferred stock (using the more dilutive of the (a) as converted method or (b) the two–class method). Potential common shares in the diluted net loss per share computation are excluded to the extent that they would be anti-dilutive. No potentially dilutive securities are included in the computation of any diluted per share amounts as the Company reported a net loss for all periods presented. Potentially dilutive securities that would be issued upon conversion of convertible notes, conversion of Series A convertible preferred stock, and the exercise of outstanding warrants and stock options, were 0.4 million and 1.7 million as of March 31, 2012 and March 31, 2011, respectively.

Stock-based compensation
The Company follows recognized accounting guidance which requires all stock-based payments, including grants of stock options, to be recognized in the Statement of Operations as compensation expense, based on their fair values on the grant date. The estimated fair value of options granted under the Company's 2007 Employee Stock Option Plan ("Plan") are recognized as compensation expense over the option-vesting period.

During the three months ended March 31, 2012 options to purchase an aggregate of 212,134 shares of common stock were granted to our President and Chief Executive officer and no options to purchase shares of common stock were granted during the three months ended March 31, 2011.

Explanation of Responses:

Table of Contents

ADMA BIOLOGICS, INC. AND SUBSIDIARY
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2012 AND 2011

3. NOTES PAYABLE TO SIGNIFICANT STOCKHOLDERS

The Company had issued senior secured convertible promissory notes to significant stockholders pursuant to the terms of Note Purchase Agreements. The outstanding principal and interest under the notes were due and payable upon the earliest to occur of: (i) March 31, 2012 (as amended); (ii) the date on which the Company consummates a preferred stock financing in which the gross proceeds to the Company total at least $10,000,000 ("Qualified Financing" as defined in the Notes); and (iii) the occurrence of an Event of Default (as defined in the Notes), the first of these three events to occur was referred to as the "Maturity Date". Interest accrued on the outstanding principal at the stated rate and was payable on the Maturity Date.

If all or any of the principal and accrued interest thereon remained outstanding prior to the date of a Qualified Financing, those amounts would automatically convert into shares of the Company's preferred stock at the lower of (a) the price per share paid by investors in the Qualified Financing or (b) the stated Conversion Price.

Principal of $200,000 plus accrued interest of $3,255 was repaid in January 2012 on the December 2011 notes. Principal of $250,000 plus accrued interest of $12,740 from the August 2011 notes was converted into 27,369 shares of common stock by the noteholders in the 2012 Financing.

4. STOCKHOLDERS' EQUITY

Common stock
The Company was originally organized as an S corporation and issued 100 shares of stock at a par value of $0.01 each. On July 16, 2007, the Company merged into a C corporation and, concurrent with this merger, each of the shares of stock of the terminating S corporation converted into 23,904.38 shares of common stock of the C corporation, resulting in a total of 351,535 shares outstanding. Since the shareholders of the S corporation became the majority shareholders of the C corporation, this was accounted for as a reverse merger. Accordingly, the pre-merger financial statements of the S corporation have become the historical financial statements of the C corporation.

Upon conversion of the Company from an S corporation to a C corporation, the Company increased its authorized common stock to 6,500,000 shares with a par value of $0.001 per share and authorized 3,400,000 shares of Series A preferred (Series A shares), with a par value of $0.001 per share. On July 17, 2007, the Company completed a private placement and raised gross proceeds of $17,000,000 from the sale of 3,386,454 Series A convertible preferred shares at a sale price of $5.02 per share.

In February 2012, the Company completed the 2012 Financing to raise gross proceeds of $17.3 million in cash in connection with, and immediately prior to the closing of the Merger. In the 2012 Financing, Former ADMA issued 1,828,128 shares of Former ADMA's common stock at a price per share of $9.60 to accredited investors pursuant to the Securities Purchase Agreement. In lieu of repayment of senior secured promissory notes in the aggregate principal amount of $250,000 (plus $12,740 in accrued interest), the aggregate amount of unpaid principal and interest on the notes was invested by the holders of such notes in the 2012 Financing in exchange for shares of Former ADMA's common stock. The net cash proceeds from the 2012 Financing, after the payment of all expenses related to the 2012 Financing, approximated $15.7 million.

Table of Contents

ADMA BIOLOGICS, INC. AND SUBSIDIARY
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2012 AND 2011

On February 13, 2012, ParentCo entered into the Merger Agreement by and among ParentCo, Former ADMA and Acquisition Sub. Upon the closing of the Merger, Acquisition Sub was merged with and into Former ADMA, and Former ADMA, as the surviving corporation in the Merger, became a wholly-owned subsidiary of ParentCo. ParentCo's corporate name was changed to ADMA Biologics, Inc. and the name of Former ADMA was changed to ADMA Plasma Biologics, Inc. Prior to the transactions contemplated by the Merger Agreement with Former ADMA, there were no material relationships between ParentCo and Former ADMA, or any of their respective affiliates, directors or officers, or any associates of their respective directors or officers. For accounting purposes, the Merger was accounted for as a reverse acquisition, with Former ADMA as the accounting acquiror (legal acquiree) and ParentCo as the accounting acquiree (legal acquiror). Consequently, the historical financial information of Former ADMA will become the historical financial information of ParentCo.

Immediately prior to the Merger, (i) 3,386,454 shares of Series A Preferred Stock of Former ADMA were converted into 11,243,748 shares of Former ADMA's common stock after giving effect to cumulative anti-dilution adjustments and accrued dividends, and 4,835,224 shares of Former ADMA's Series A Preferred Stock issued in December 2011 upon the conversion of convertible notes were converted into an equal number of shares of Former ADMA's common stock, and (ii) the shares of common stock of Former ADMA were reverse split at a ratio of 1-for-6.8. All of the then issued and outstanding shares of Former ADMA's common stock, including the common stock issued in the 2012 Financing and including the shares of Former ADMA's Series A Preferred Stock, which were converted into Former ADMA's common stock immediately prior to and as part of the Merger, were automatically exchanged into 4,601,270 shares of Common Stock at a 1:1 exchange ratio. All warrants, options and other rights to purchase or acquire shares of Former ADMA's common stock outstanding immediately prior to the Merger, including the Placement Agent Warrants and including the additional options granted to Adam S. Grossman, CEO, under his new employment agreement, were converted into warrants, options or other rights, as the case may be, to purchase an aggregate of 383,380 shares of Common Stock at the same exercise prices; and 2,446,967 of the 2,500,000 shares of Common Stock held by the stockholders of ParentCo immediately prior to the Merger were canceled such that these stockholders now hold 53,033 shares of Common Stock, not including the 87,865 shares issuable upon exercise of the Placement Agent Warrants, held by an affiliate of one of such stockholders.

Common stock options and warrants
The fair value of employee options granted was determined on the date of grant using the Black-Scholes model. The Black-Scholes option valuation model was developed for use in estimating the fair value of publicly traded options, which have no vesting restrictions and are fully transferable. In addition, option valuation models require the input of highly subjective assumptions including the expected stock price volatility. The Company's employee stock options have characteristics significantly different from those of traded options, and changes in the subjective input assumptions can materially affect the fair value estimate. Because there is no public market for the Company's stock and very little historical experience with the Company's stock options, a similar publicly traded company was used for comparison and expectations as to assumptions required for fair value computation using the Black-Scholes methodology.

Table of Contents

ADMA BIOLOGICS, INC. AND SUBSIDIARY
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2012 AND 2011

The Company records compensation expense associated with stock options and other forms of equity compensation using the Black-Scholes option-pricing model and the following assumptions:

	Three Months Ended March 31, 2012
Expected Term	6.25 years
Volatility	82%
Dividend yield	0.0%
Risk-free interest rate	1.99%

Guidance for stock-based compensation requires forfeitures to be estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. The Company currently estimates there will be no forfeitures of options.

During the three months ended March 31, 2012 and 2011, the Company recorded stock-based compensation expense to employees of $46,254 and $11,202, respectively.

A summary of the Company's option and warrant activity under the Plan and related information is as follows:

	Three Months Ended March 31, 2012	
	Shares	Weighted Average Exercise Price
Outstanding at beginning of period	83,382	$ 3.33
Forfeited	-	$ -
Granted	212,134	$ 9.60
Outstanding at end of period and expected to vest	295,516	$ 7.82
Options exercisable	87,764	$ 3.83
Weighted-average fair value of options granted during the period		$ 6.85

The weighted average remaining contractual life of stock options outstanding and expected to vest at March 31, 2012 is 6.6 years. The weighted average remaining contractual life of stock options exercisable at March 31, 2012 is 5.8 years.

As of March 31, 2012, the total compensation expense related to non-vested options not yet recognized totaled $1,404,541. The weighted-average vesting period over which the total compensation expense related to non-vested options not yet recognized at March 31, 2012 was approximately 3.8 years.

5. RELATED PARTY TRANSACTIONS

The Company leases an office building and equipment from an entity owned by related parties on a month-to-month basis. Rent expense amounted to $24,112 for each of the three months ended March 31, 2012 and 2011.

The Company maintains deposits and other accounts at a bank which is less than 5%-owned by related parties and where a stockholder is a member of the Board of Directors of the bank.

6. SEGMENTS

The Company is engaged in the development and commercialization of human plasma and plasma-derived therapeutics. The Company also operates an FDA-licensed source plasma collection facility located in Norcross, Georgia. The Company defines its segments as those business units whose operating results are regularly reviewed by the chief operating decision maker (“CODM”) to analyze performance and allocate resources.

Table of Contents

ADMA BIOLOGICS, INC. AND SUBSIDIARY
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2012 AND 2011

The plasma collection center segment includes the Company's operation in Georgia. The research and development segment includes the Company's plasma development operations in New Jersey.

Summarized financial information concerning reportable segments is shown in the following table:

Three Months Ended March 31, 2012	Plasma Collection Center	Research and Development	Corporate	Consolidated
Revenues	$4,400	$---	$---	$4,400
Loss from operations	(457,093)	(81,820)	(674,589)	(1,213,502)
Other (income) expense	---	---	1,427	1,427
Loss before income taxes	(457,093)	(81,820)	(676,016)	(1,214,929)
Property plant and equipment, net	781,765	24,724	8,708	815,197
Depreciation and amortization expense	40,500	4,200	1,035	45,735

Three Months Ended March 31, 2011				
Revenues	$---	$---	$---	$----
Loss from operations	(376,698)	(852,194)	(356,751)	(1,585,643)
Other (income) expense	---	---	315,498	315,498
Loss before income taxes	(376,698)	(852,194)	(672,249)	(1,901,141)
Depreciation and amortization expense	49,500	4,400	1,000	54,900

The "Corporate" column includes general and administrative overhead expenses. The column for Research and Development expense includes the loss on sale of research and development inventory.

Table of Contents

ADMA BIOLOGICS, INC. AND SUBSIDIARY
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2012 AND 2011

Property, plant and equipment, net, included in the "Other" column above includes assets related to corporate and support functions.

7. SUBSEQUENT EVENTS

On April 4, 2012 there was a grant of 108,808 stock options issued to employees and directors of the Company.

On April 30, 2012, the Board of Directors (the "Board") of ADMA Biologics, Inc.. appointed Brian Lenz, as the Company's Vice President and Chief Financial Officer, effective May 1, 2012 (the "Start Date"). On April 30, 2012, in connection with Mr. Lenz's appointment as the Company's Vice President and Chief Financial Officer, the Company entered into an employment agreement with Mr. Lenz (the "Employment Agreement"). Pursuant to the Employment Agreement, Mr. Lenz will serve as the Company's Vice President and Chief Financial Officer for an initial term of three years, which will extend automatically for additional three-year periods unless appropriate notice is given by one of the parties. Mr. Lenz will receive an annual base salary of $257,500, and will be eligible for annual bonus payments of up to 30% of his base salary, based upon the achievement of certain milestones as established annually by the Company's Chief Executive Officer and Mr. Lenz.

Pursuant to the Employment Agreement, if a Change in Control (as defined under the Employment Agreement) occurs and the successor to the Company does not assume the Employment Agreement or within 12 months following such Change in Control, Mr. Lenz is terminated Without Cause (as defined under the Employment Agreement) or Mr. Lenz resigns for Good Reason (as defined under the Employment Agreement), Mr. Lenz or his estate, as applicable, will receive his base salary, health insurance benefits and any accrued but unpaid benefits for a period of twelve months and all of his unvested stock options shall immediately become fully vested and exercisable from the date of Mr. Lenz's termination. If the Company terminates Mr. Lenz as a result of his death, his estate will receive his base salary for sixty (60) days. If the Company terminates Mr. Lenz for Cause (as defined under the Employment Agreement), if Mr. Lenz terminates his employment other than for Good Reason, or if Mr. Lenz's employment terminates by expiration of the term of the Employment Agreement, Mr. Lenz will receive any salary and benefits earned and unpaid to the date of termination. If the Company terminates Mr. Lenz for reasons other than those stated above or Mr. Lenz terminates his employment for Good Reason, Mr. Lenz will receive his salary and benefits for a period of time ending on the date that is six (6) months from the date of termination, except that such health benefits shall cease upon the earlier to occur of the expiration of such six (6) month period or the date upon which Mr. Lenz begins regular, full-time employment with a third party and is eligible to commence health insurance coverage. The Employment Agreement also contains certain non-compete and non-solicitation provisions effective during the period Mr. Lenz receives termination benefits under the Employment Agreement, if any, as well as standard confidentiality provisions.

Additionally, on May 1, 2012, in connection with his Employment Agreement, Mr. Lenz was issued options to purchase 66,292 shares of the Company's common stock at an exercise price of $9.60 per share, which is equal to the fair market value of one share of the Company's common stock on the date of grant. Such options will vest over a four-year period as follows: an initial 25% of the stock options will become exercisable on the first anniversary of the Start Date; and the remaining stock options will become exercisable in equal monthly installments of the total remaining number of shares covered by the stock options over the following 36 months on the monthly anniversary of the Start Date.

Table of Contents

1,969,026 Shares of Common Stock

ADMA BIOLOGICS, INC.

PROSPECTUS

August 13, 2012