

Ampio Pharmaceuticals, Inc.  
Form 10-Q  
May 03, 2013  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**WASHINGTON, D.C. 20549**

**FORM 10-Q**

x **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Quarterly Period Ended: March 31, 2013

or

.. **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File No. 001-35182

**AMPIO PHARMACEUTICALS, INC.**

(Exact name of registrant as specified in its charter)

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**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**26-0179592**  
(IRS Employer  
Identification No.)

**5445 DTC Parkway**

**Suite 925**

**Greenwood Village, Colorado 80111**

(Address of principal executive offices, including zip code)

**(720) 437-6500**

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "accelerated filer", "large accelerated filer" and "smaller reporting company" in Rule 12B-2 of the Exchange Act. (Check one):

Large accelerated filer  Accelerated filer   
Non-accelerated filer  Smaller Reporting Company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

As of May 3, 2013, there were 37,091,588 shares outstanding of Common Stock, par value \$0.0001, of the registrant.

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AND SUBSIDIARIES  
THREE MONTHS ENDED MARCH 31, 2013  
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**CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

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

*projected operating or financial results, including anticipated cash flows used in operations;*

*expectations regarding capital expenditures, research and development expense and other payments;*

*our beliefs and assumptions relating to our liquidity position, including our ability to obtain additional financing;*

*our ability to obtain regulatory approvals for our pharmaceutical drugs and diagnostics; and*

*our future dependence on third party manufacturers or strategic partners to manufacture any of our pharmaceutical drugs and diagnostics that receive regulatory approval, and our ability to identify strategic partners and enter into license, co-development, collaboration or similar arrangements.*

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

*the loss of key management personnel or sponsored research partners on whom we depend;*

*the progress and results of clinical trials for our product candidates;*

*our ability to navigate the regulatory approval process in the U.S. and other countries, and our success in obtaining required regulatory approvals for our product candidates;*

*commercial developments for products that compete with our product candidates;*

*the actual and perceived effectiveness of our product candidates, and how those product candidates compare to competitive products;*

*the strength of our intellectual property protection, and our success in avoiding infringing the intellectual property rights of others;*

*adverse developments in our research and development activities;*

*potential liability if our product candidates cause illness, injury or death, or adverse publicity from any such events;*

*our ability to operate our business efficiently, manage capital expenditures and costs (including general and administrative expenses) and obtain financing when required;*

*our expectations with respect to our acquisition activity.*

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

*This Quarterly Report on Form 10-Q includes trademarks, such as Ampion, Optina, Zertane and Vasaloc, which are protected under applicable intellectual property laws and are our property or the property of our subsidiaries. Solely for convenience, our trademarks and tradenames referred to in this Quarterly Report on Form 10-Q may appear without the ® or ™ symbols, but such references are not intended to indicate in any way that we will not assert, to the fullest extent under applicable law, our rights to these trademarks and tradenames.*

**Table of Contents****PART I FINANCIAL INFORMATION****Item 1. Consolidated Financial Statements****AMPIO PHARMACEUTICALS, INC. AND SUBSIDIARIES****(A Development Stage Company)****Consolidated Balance Sheets**

	March 31, 2013 (Unaudited)	December 31, 2012
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 16,527,349	\$ 17,682,517
Prepaid expenses	350,390	164,890
<b>Total current assets</b>	<b>16,877,739</b>	<b>17,847,407</b>
Fixed assets, net		
In-process research and development	7,500,000	7,500,000
Patents, net	789,104	420,468
Deposits	20,000	20,000
	8,636,189	7,999,758
<b>Total assets</b>	<b>\$ 25,513,928</b>	<b>\$ 25,847,165</b>
<b>Liabilities and Stockholders Equity</b>		
Current liabilities		
Accounts payable	\$ 1,169,800	\$ 1,201,122
Deferred revenue	50,000	50,000
Warrant derivative liability	502,752	384,771
<b>Total current liabilities</b>	<b>1,722,552</b>	<b>1,635,893</b>
Long-term deferred revenue	368,750	381,250
<b>Total liabilities</b>	<b>2,091,302</b>	<b>2,017,143</b>
Commitments and contingencies (Note 6)		
Stockholders equity		
Preferred Stock, par value \$.0001; 10,000,000 shares authorized; none issued		
Common Stock, par value \$.0001; 100,000,000 shares authorized; shares issued and outstanding - 37,085,784 in 2013 and 37,009,695 in 2012	3,709	3,701
Additional paid-in capital	67,030,729	63,687,558
Advances to stockholders	(90,640)	(90,640)
Deficit accumulated in the development stage	(43,949,225)	(39,770,597)

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Total Ampio stockholders equity	22,994,573	23,830,022
Non-controlling interests	428,053	
<b>Total equity</b>	<b>23,422,626</b>	<b>23,830,022</b>
Total liabilities and equity	\$ 25,513,928	\$ 25,847,165

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

**Table of Contents****AMPIO PHARMACEUTICALS, INC. AND SUBSIDIARIES****(A Development Stage Company)****Consolidated Statements of Operations****(unaudited)**

	Three Months Ended March 31, 2013	Three Months Ended March 31, 2012	December 18, 2008 (Inception) through March 31, 2013
License revenue	\$ 12,500	\$ 12,500	\$ 81,250
Expenses			
Research and development	\$ 2,786,822	\$ 1,472,707	\$ 19,740,859
Research and development - related party			230,688
General and administrative	1,311,800	1,536,201	15,367,712
Total operating expenses	4,098,622	3,008,908	35,339,259
Other income (expense)			
Interest income	4,277	3,553	34,810
Interest expense			(29,317)
Unrealized loss on fair value of debt instruments			(5,547,911)
Derivative (expense) income	(126,478)	156,979	(2,843,978)
Total other (expense) income	(122,201)	160,532	(8,386,396)
Net loss, before income tax	\$ (4,208,323)	\$ (2,835,876)	\$ (43,644,405)
Foreign tax expense			82,500
Net loss	\$ (4,208,323)	\$ (2,835,876)	\$ (43,726,905)
Net loss applicable to non-controlling interests	\$ 29,695	\$	\$ 29,695
Net loss applicable to Ampio	\$ (4,178,628)	\$	\$ (43,697,210)
Weighted average number of Ampio common shares outstanding	37,072,509	31,126,685	
Basic and diluted Ampio net loss per common share	\$ (0.11)	\$ (0.09)	

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



**Table of Contents****AMPIO PHARMACEUTICALS, INC. AND SUBSIDIARIES****(A Development Stage Company)****Consolidated Statements of Stockholders' Equity (Deficit)**

	Series A Preferred Stock Shares	Amount	Common Stock Shares	Amount	Common Stock Subscribed	Additional Paid in Capital	Additional Issuances	Advances to Stockholders	Deficit Accumulated in the Development Stage	Non-controlling Interests	Total Stockholders' Equity (Deficit)
Balance - December 18, 2008 (date of inception)		\$		\$	\$	\$	\$	\$	\$	\$	\$
Issuance of common stock to founder December, 2008			1,080,000	1,080							1,080
Balance - December 31, 2008			1,080,000	1,080							1,080
Issuance of common stock and assumption of liabilities in asset acquisition											