

Ampio Pharmaceuticals, Inc.  
Form 10-Q  
August 09, 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: June 30, 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 August 9, 2013, there were 37,102,426 shares outstanding of Common Stock, par value \$0.0001, of the registrant.

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**AMPIO PHARMACEUTICALS, INC.**

**AND SUBSIDIARIES**

**SIX MONTHS ENDED JUNE 30, 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**

	June 30, 2013 (Unaudited)	December 31, 2012
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 12,456,834	\$ 17,682,517
Prepaid expenses	414,377	164,890
<b>Total current assets</b>	<b>12,871,211</b>	<b>17,847,407</b>
Fixed assets, net	315,462	59,290
In-process research and development	7,500,000	7,500,000
Patents, net	770,351	420,468
Deposits	20,000	20,000
	8,605,813	7,999,758
<b>Total assets</b>	<b>\$ 21,477,024</b>	<b>\$ 25,847,165</b>
<b>Liabilities and Stockholders Equity</b>		
Current liabilities		
Accounts payable	\$ 1,759,034	\$ 1,201,122
Deferred revenue	50,000	50,000
Warrant derivative liability	621,972	384,771
<b>Total current liabilities</b>	<b>2,431,006</b>	<b>1,635,893</b>
Long-term deferred revenue	356,250	381,250
<b>Total liabilities</b>	<b>2,787,256</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 - 37,095,755 in 2013 and 37,009,695 in 2012	3,709	3,701
Additional paid-in capital	68,691,296	63,687,558
Advances to stockholders	(90,640)	(90,640)

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Deficit accumulated in the development stage	(50,366,846)	(39,770,597)
Total Ampio stockholders equity	18,237,519	23,830,022
Non-controlling interests	452,249	
Total equity	18,689,768	23,830,022
Total liabilities and equity	\$ 21,477,024	\$ 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 June 30,		Six Months Ended June 30,		December 18, 2008 (Inception) through June 30, 2013
	2013	2012	2013	2012	
License revenue	\$ 12,500	\$ 12,500	\$ 25,000	\$ 25,000	\$ 93,750
Expenses					
Research and development	\$ 5,249,196	\$ 1,551,629	\$ 8,036,018	\$ 3,024,336	\$ 25,220,743
General and administrative	1,220,346	727,164	2,532,146	2,263,365	16,588,058
Total operating expenses	6,469,542	2,278,793	10,568,164	5,287,701	41,808,801
Other income (expense)					
Interest income	3,172	3,634	7,449	7,187	37,982
Interest expense					(29,317)
Unrealized loss on fair value of debt instruments					(5,547,911)
Derivative expense	(139,389)	(233,226)	(265,867)	(76,247)	(2,983,367)
Total other expense	(136,217)	(229,592)	(258,418)	(69,060)	(8,522,613)
Net loss, before income tax	\$ (6,593,259)	\$ (2,495,885)	\$ (10,801,582)	\$ (5,331,761)	\$ (50,237,664)
Foreign tax expense					82,500
Net loss	\$ (6,593,259)	\$ (2,495,885)	\$ (10,801,582)	\$ (5,331,761)	\$ (50,320,164)
Net loss applicable to non-controlling interests	\$ 175,638	\$	\$ 205,333	\$	\$ 205,333
Net loss applicable to Ampio	\$ (6,417,621)	\$ (2,495,885)	\$ (10,596,249)	\$ (5,331,761)	\$ (50,114,831)
Weighted average number of Ampio common shares outstanding	37,090,989	31,260,070	37,081,800	31,193,378	
Basic and diluted Ampio net loss per common share	\$ (0.17)	\$ (0.08)	\$ (0.29)	\$ (0.17)	

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



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**AMPIO PHARMACEUTICALS, INC. AND SUBSIDIARIES**

**(A Development Stage Company)**

**Consolidated Statements of Stockholders' Equity (Deficit)**

Series A Preferred Stock Shares	Common Stock	Common Stock	Additional Paid in Additional	Advances to	Deficit Accumulated in the Development	Non- controlling	Total Stockholders Equity
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