Risk Factors Comparison 2024-03-27 to 2023-03-27 Form: 10-K

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You should carefully consider the following risk factors and all other information contained herein as well as the information included in this Annual Report and other reports and filings made with the SEC in evaluating our business and prospects. Risks and uncertainties, in addition to those we describe below, that are not presently known to us or that we currently believe are immaterial may also impair our business operations. If any of the following risks occur, our business and financial results could be harmed, and the price of our common stock could decline. You should also refer to the other information contained in this Annual Report, including our Consolidated Financial Statements and the related Notes. **These risk factors are current through the date of this Annual Report on Form 10- K.** Risks Related to ~~the Development of AR- 300, Strategic Alternatives and~~ Our ~~BusinessWe~~ ~~--~~ **Business** ~~are dependent~~ **Our OA- 201 program was our only product development opportunity and with the recent data from** ~~on~~ **non** ~~the success of our AR- 300 technology and~~ **clinical studies,** we **have ceased** ~~cannot be certain that any preclinical data will support its~~ further development **activity relating** ~~. AR- 300 is a novel, proprietary (patents pending), small molecule formulation that has demonstrated promising anti- inflammatory properties in vitro and protection of cartilage in preclinical rat meniscal tear studies. We are currently conducting studies~~ to **OA** ~~evaluate the efficacy of AR- 201 300 in osteoarthritis pain. We expect to have preclinical pain and chondroprotection results in the first half of 2023. The future development of AR- 300 will depend on the success and level of positive data from the current and near- term preclinical studies. At this time, AR- 300 is our only potential product in development~~ . We do not have any products that are approved for commercial sale and may never be able to develop marketable products. **We have** ~~In 2022, we~~ generated no revenue from **sales of** any ~~source~~ **products or services. The OA- 201 program was our only development program, and** ~~other~~ ~~--~~ **the** ~~than interest income~~ **small molecule formulation was our only potential product in development** . ~~If~~ **Because** the ~~results~~ **data** from the **recently completed non-** ~~preclinical~~ ~~---~~ **clinical** ~~studies~~ **pain reduction trial** of ~~AR~~ **OA** - **201 did not support** ~~300 are sufficiently positive, any future product candidate from~~ a ~~formulation of AR~~ **pain reduction benefit, Ampio determined to cease substantially all non** - **clinical and clinical** ~~300 will require additional~~ development **activities relating** ~~, including further preclinical studies, as well as clinical trials, optimization of their formulation, and regulatory clearances, before they can be commercialized. Positive results obtained during early development do not necessarily mean later development will succeed. If AR- 300 fails~~ to **OA** ~~demonstrate sufficiently positive data at any time or we determine there are other barriers to successful commercialization, we may abandon development of AR- 300~~ **201 in February 2024** . **Our activities currently consist of taking steps** ~~We believe that sufficiently positive pre- clinical data for AR- 300 is a condition~~ to **preserve cash** ~~future capital raising~~ to **adequately** fund ~~AR- 300 development. If our available cash resources are insufficient to fund our expenses (including relating to legal proceedings) and~~ - **an orderly wind down** ~~the development of AR- 300 and / or completion of a strategic transaction, we may implement further cost reduction and other cash- focused measures to manage liquidity and we may pursue a plan of liquidation or dissolution of Ampio or seek bankruptcy protection. If we decided to cease operations and dissolve and liquidate our assets, it is unclear to what extent we would be able to pay our obligations. In such a circumstance and in light~~ of the Company' s ~~current liquidity~~ **operations and to maximize the Company' s cash** position and **the pursuit of the resolution of currently** pending legal ~~matters, it~~ **proceedings. Our available alternatives are limited and there** is ~~unlikely that cash would be available for distributions to stockholders. We may explore strategic alternatives but there can be~~ no assurance that ~~we will be successful in identifying or completing~~ any ~~strategic alternative or that any such strategic~~ alternative will ~~yield value~~ **result in any distribution to** ~~for~~ - **or cash return to** our stockholders. ~~Given~~ **Throughout the months of February and March 2024, the Board of Directors sought to identify and evaluate potential options available to the Company. Based on** ~~the~~ **these** ~~risks associated~~ **evaluations, the Board determined to take steps designed to ensure sufficient cash to adequately fund an orderly wind down of the Company' s operations and to maximize the Company' s cash position. Consistent** with **this goal** ~~preclinical drug development , we continue to opportunistically identify and evaluate strategic opportunities to acquire or license later stage assets and / or merge with companies that have those assets. To- date, we have evaluated more than a dozen such opportunities. Finding attractive and affordable assets and / or merger partners has been challenging due to competition from the high number of companies with failed clinical trials that are pursuing the same strategy; in addition to our circumstances regarding our cash balance, the uncertainty around our continued listing~~ on **March 25** ~~a major exchange~~ , **2024** ~~and the potential risks associated with ongoing legal and regulatory matters. The process of exploring strategic alternatives is time consuming~~ , **the** ~~and our board~~ **Board** of ~~directors~~ **Directors determined** ~~has not set a timetable for the conclusion of its review of strategic alternatives. Our review of strategic options and alternatives could result in, among other things, a sale, merger, reverse merger, consolidation or business combination, asset divestiture, partnering, licensing or other collaboration agreements, or potential acquisitions, recapitalizations or restructurings, or in one or more transactions. There can be no assurance that the exploration of strategic alternatives is the correct strategy~~ to pursue **voluntary** ~~or that it will result in the identification or consummation of any transaction. Certain potential strategic transaction alternatives, if available and achieved, could result in substantial dilution to existing~~ **delisting** ~~stockholders and have a material adverse effect on the market price~~ of Ampio' s common stock **from the NYSE American** . ~~Additionally~~ **After delisting** , ~~in light of our current~~ **the Company expects to suspend its reporting obligations under the Exchange Act and deregister its common** stock ~~price~~ **under Section 12 (b) of the Exchange Act. Given our prior efforts to develop strategic options, the Board of Directors believes that more likely options include the liquidation** and ~~ongoing legal matters~~ **wind up of the Company through a plan of liquidation and dissolution that would be subject to Board of Director and stockholder approval or bankruptcy**

(should our net assets decline to levels that would require such action). If we wind up our business and dissolve , there **is** ~~can be~~ no assurance that **our** ~~we will have sufficient~~ capital resources **will be sufficient** to **discharge all of our liabilities and** fund **a distribution to our stockholders. We cannot predict the timing of or the amount of distributions, if** any ~~strategic transaction~~ , **to our stockholders in** ~~if available. If we raise additional funds through the issuance of equity securities, including as part of~~ a ~~strategic transaction, it could result in substantial dilution~~ **dissolution** ~~to our existing stockholders, increased fixed payment obligations, and any issued securities may have rights senior to those of the Company' s shares of common stock. We also cannot assure that any potential transaction or other strategic alternative, if identified, evaluated and consummated, will provide greater value to our stockholders or otherwise successfully address the challenges associated with our dependence upon a single preclinical asset for our business. Any potential transaction would be dependent upon a number 8of factors~~ that may be **approved by** ~~beyond our control, including, among other~~ -- **the Board due to uncertainties as to** ~~factors, market conditions, industry trends,~~ the ~~interest~~ **ultimate amount** of ~~third parties in our business or~~ **our liabilities** ~~preclinical development progress~~ , ~~and~~ the ~~availability of financing~~ **operating costs and amounts** to **be reserved** ~~potential buyers on reasonable terms. We rely on third parties~~ for **claims** ~~critical resources~~ , **obligations** ~~including AR- 300 development,~~ and **provisions during** ~~we may not be able to manage these~~ -- **the liquidation** ~~third parties to provide timely, high quality,~~ and ~~cost~~ **winding** - **up process** ~~effective services to us. As of December 31~~ , ~~2022, we had eight full- time employees~~ and ~~as of February 1, 2023, we had five full- time employees. These employees are focused on project management, accounting & finance, IT, and corporate governance. As part of our AR- 300 development strategy, we have determined to outsource and contract with independent organizations, advisors and consultants to provide specific services, such as orthopedic expertise to assist with designing and implementing preclinical, clinical and regulatory development plans for AR- 300. We have also determined to contract with third parties for other~~ -- **the** ~~business~~ - related **timing** ~~functions such as finance and accounting and administrative support. We believe that we will be able~~ to **complete this process,** ~~obtain support and relevant expertise from the third party resources at an overall lower cost profile than hiring our own employees~~ as well as **the time and** ~~benefit from greater range of expertise~~ **expense** ~~from third party~~ **associated with our currently pending legal proceedings and any future legal proceedings in which we may become involved. Examples of uncertainties that could reduce our current cash** resources **and therefore reduce the amount** ~~than~~ **that** may ~~be found~~ **become available to our stockholders** in **a dissolution if approved by the Board include: costs relating to the current and future legal defense costs in excess of coverage afforded by the existing insurance policies, satisfaction or settlement of lawsuits or other claims threatened against us or our directors or officers in excess of the coverage afforded by the existing insurance policies; amounts necessary to resolve claims of** any **creditors** ~~number of employees. However, there can be no assurance that our~~ - **or other** ~~strategy of using~~ third parties **; and delays in the liquidation and dissolution or other winding up process, including relating to seeking stockholder approval of dissolution if approved by the Board. We plan to initiate steps to exit from certain reporting requirements under the Exchange Act, which** will ~~result in~~ **substantially reduce publicly available information about us. Our common stock is currently registered under the Exchange Act, which requires that we, and our officers and directors with respect to Section 16 of the Exchange Act, comply with certain public reporting and proxy statement requirements thereunder. Compliance with** these ~~intended benefits~~ **requirements is costly and time- consuming** . We ~~currently rely, and for~~ **plan to initiate steps to exit from such reporting requirements in order to curtail expenses. Until we exit from** ~~the~~ **these** ~~foreseeable future~~ **reporting requirements, we** will continue to ~~rely~~ **incur expenses that will reduce the amount available for pursuit of our options and the amount available for payment of our liabilities** , ~~in substantial part on third parties to provide critical services~~ -- **reserves or potential distribution** to **stockholders. If our reporting obligations cease, publicly available information about** us ~~. We cannot assure you that the services of these third parties will continue to be available to us on a timely basis when needed, or that we can find qualified replacements. If the cost of these services increase for any reason, or if these third parties are unable or unwilling provide services to us, we may have to find another third party to provide these services which could result in interruptions, increased costs, delays, in other challenges in the development of AR- 300, in the execution of strategic alternatives or strategic transactions, in our ability to fulfill our SEC reporting obligation or comply with the continued listing requirements of NYSE American, or in the proper functioning of other business functions. In addition, if we are unable to effectively manage our outsourced activities or if the quality or accuracy of the services provided by third- party service providers is compromised for any reason, we may similarly suffer from interruptions, increased costs, delays and from the other challenges described above. We cannot assure you that we~~ will be **substantially reduced** ~~able to manage our existing third- party service providers or find other competent outside contractors and consultants on economically reasonable terms, or at all~~ . **There is** ~~Risks Related to Our Financial Position and Capital RequirementsOur history of losses and our cash resources available to execute our business plan over the next twelve months raise~~ substantial doubt about our ability to continue as a going concern. In ~~2022~~ **2023** , we experienced net losses of $ ~~16~~ **8** . ~~3~~ **6** million, had no revenue other than interest income, and used $ ~~21~~ **8** . ~~1~~ **6** million in cash to fund our operations. Due to the current level of liquidity at December 31, ~~2022~~ **2023** and the projected shortfall to cover operating expenses requiring cash for a period of 12 months from the report date of the annual report, management has expressed substantial doubt as to our ability to continue as a going concern. As of December 31, ~~2022~~ **2023** , our source of liquidity consisted of $ ~~12~~ **4** . ~~7~~ **1** million of cash and cash equivalents **and $ 0. 9 million of an insurance recovery receivable. As of February 29, 2024, we had $ 3. 4 million in cash and cash equivalents and $ 0. 5 million of an insurance recovery receivable** . While we **continued to** ~~implemented~~ -- **implement** cost reductions in ~~2022~~ **2023 and additional cost reductions in February and March 2024** , ~~our~~ **we have** finite cash resources available to ~~execute~~ **fund** our ~~business plan present the risk that we will not have sufficient~~ **now limited operations. Our activities currently consist of taking steps to preserve** cash ~~available in the amount or at the time we need it~~ to **adequately** fund ~~our ongoing operations and execute our business plan involving the development of AR- 300 and strategic alternatives over the next twelve months. Our capital needs are based upon management estimates as to future expense and potential future capital raising activity, which~~

~~involve significant judgment particularly given that we are pursuing a strategic alternatives process and cannot predict the duration or expense associated with this process. Additionally, the expense associated with and outcome of any legal proceeding is not possible to determine at this time. We cannot assure you that additional financing will be available in the amount or at the time we need it, or that it will be available on acceptable terms or at all. We believe that positive pre- clinical data for AR- 300 is a condition to future capital raising to fund further development of AR- 300 and~~ an **orderly wind down** ~~identifiable, attractive strategic transaction is a condition to future capital raising to fund that strategic transaction. If our available cash resources are insufficient to fund our expenses (including relating to legal proceedings) and the development of AR- 300 and / or completion of a strategic transaction, we may implement further cost reduction and other cash- focused measures to manage liquidity and we may pursue a plan of liquidation or dissolution of Ampio or seek 9bankruptcy protection. If we decided to cease operations and dissolve and liquidate our assets, it is unclear to what extent we would be able to pay our obligations. In such a circumstance and in light~~ of the Company' s ~~current liquidity~~ **operations and to maximize the Company' s cash** position and **pursuit of the resolution of currently** pending legal ~~matters~~ **proceedings. Currently** , ~~it is unlikely that~~ **pending legal proceedings and any future legal proceedings may adversely affect our** cash ~~would be available for distributions to stockholders~~ **position and limit our pursuit of strategic options** . We are **currently** ~~involved in legal proceedings that likely will adversely affect our financial position and our pursuit of strategic alternatives. We are~~ involved in and may in the future be involved in legal proceedings **. Please see " The settlement in principle of certain legal actions is subject to a number of conditions and risks " for a summary of risks relating to the settlement in principle of certain of the pending legal proceedings. The settlements in principle do not affect the ongoing investigation by the SEC. We intend to continue to cooperate fully with the SEC** . Regardless of whether any claims against us are valid or whether we are liable, **any future** litigation claims **,** or regulatory proceedings ~~are~~ **likely will be** expensive and time consuming to defend against, require us to advance ~~potentially~~ substantial amounts to director and officer defendants **and other indemnifiable defendants** for **the defense of** their ~~defense of the~~ claims, and ~~will~~ result in the diversion of management attention and **reduce our current cash** resources ~~from our business and strategic goals~~ . **We currently expect the amount to be paid in both settlements, including related defense costs, will be covered by, and within the policy limits of our D & O** ~~Insurance~~ **insurance policy. However, if defense costs or the amounts associated with the settlements of the pending actions and stockholder demands exceed Ampio' s current expectation, its insurance coverage may not be adequate to cover the amounts incurred by the Company, including as a result of its indemnification obligations to its current and former officers and directors and other parties. Additionally, insurance** may not be available at all or in sufficient amounts to cover any liabilities with respect to ~~these --~~ **the pending SEC investigation that** ~~or other matters. The outcome of any legal proceeding~~ is not ~~possible to determine~~ **resolved through the settlements in principle of the civil litigations. In addition, insurance may not be available** at ~~this time~~ **all or in sufficient amounts to cover any liabilities with respect to any future claims against us. We may be required to expend significant amounts to satisfy our self- insured retention in order to obtain coverage of any future claims against us, our directors and officers and other indemnifiable parties. The costs relating to the defense, satisfaction and / or settlement of lawsuits or other claims threatened against us, our directors and officers or other indemnifiable parties and amounts necessary to resolve claims of any creditors or other third parties will reduce our current cash resources and therefore reduce the amount that may become available to our stockholders in a dissolution if approved by the Board and the Company' s shareholders** . If we are liable in any legal proceeding, such proceeding could result in injunctions or other equitable relief, settlements, penalties, fines **,** or damages that could materially adversely affect our ~~results of operations,~~ cash position ~~and the conduct of our business and pursuit of strategic alternatives. The uncertainty relating to any legal proceedings may also impair our ability to raise capital~~ . Given our limited cash resources, **if 8we are exposed to** significant liabilities resulting from **our current or future** legal proceedings **that are not covered by insurance or if our** ~~could force us to implement further cost reduction and other~~ cash ~~- focused measures~~ **resources are otherwise insufficient** to **satisfy all claims** ~~manage liquidity, including potential termination of our strategic alternatives process,~~ and ~~the Company~~ **liabilities, we** may ~~pursue a plan of liquidation or dissolution of the Company or~~ seek bankruptcy protection ~~, any of which could cause the value of any investment in the Company to decline to zero~~ . ~~If~~ **The settlement in principle of certain legal actions is subject to a number of conditions and risks. On January 11, 2024,** we ~~decided~~ **announced that settlements in principle had been reached in the pending securities fraud class action, Case Number 22- cv- 2105- WJM- MEH (the " Securities Class Action "), and the pending consolidated derivative actions in the United States District Court for the District of Colorado, Case Number 22- cv- 2803- KLM (the " Consolidated Derivative Actions "). The settlements are subject** to **various conditions, including confirmatory discovery in the Securities Class Action, negotiation and execution of the full settlement agreements and obtaining court approval in each action. On January 9, 2024, Ampio along with the other parties to each** ~~cease~~ **case** ~~operations~~ **filed status reports in both the Securities Class Action** and **the Consolidated Derivative Actions** ~~dissolve and liquidate our assets~~ , ~~it~~ **advising the respective courts of the status of the settlements in principle. The settlement of the Consolidated Derivative Actions** is ~~unclear~~ **supported by the plaintiff in the pending Colorado state court derivative action, Case Number 2023CV30287, as well as** ~~to~~ **two stockholders who previously submitted pre-** ~~what extent we would be able to pay our obligations --~~ **litigation demand letters to** ~~. In such a circumstance and in light of~~ the Company' s ~~current liquidity position and~~ **Board of Directors. If finally approved by the relevant courts, the settlements will result in the dismissal with prejudice of all of the** pending ~~legal matters~~ **actions and the withdrawal of the two stockholder pre- litigation demands. The settlements in principle of the pending actions and stockholder demands are subject to a number of conditions** , ~~it~~ **including confirmatory discovery for the Securities Class Action, the execution and delivery of definitive settlement agreements reflecting the terms of the settlements in principle, obtaining preliminary court approval of the settlements, providing notice to stockholders of the proposed settlements, and obtaining final, non- appealable approvals by the respective courts. The timing of completion of the settlement agreements and filing motions to seek court**

approvals are uncertain. However, we will be endeavoring to finalize and execute the settlement agreements and have motions for preliminary approval submitted to the relevant courts by mid- May 2024. Additionally, the timing of any final decision by any of the respective courts is ~~unlikely that cash would~~ **subject to the discretion of such court and any potential appeal. Ampio currently expects the amount to** be **paid in both settlements** ~~available for distributions to stockholders. We may need additional capital to fund our future operations~~ , **including related defense costs** ~~the development of AR- 300 and any strategic transaction. As of December 31~~ , ~~2022, we had $ 12. 7 million of cash and cash equivalents which we expect can fund our operations through the fourth quarter of 2023. Our future capital requirements~~ will **be** ~~depend on, and could increase significantly as a result of, many factors including: ● progress in and the costs of our AR- 300 preclinical studies and any future clinical trials and research and development relating to AR- 300; ● costs relating to the exploration of strategic alternatives and costs associated with pursuit of any strategic transaction, including any consideration we may pay to acquire or license later stage assets and / or merge with companies that have those assets or other transaction or series of transactions; ● the costs of defending lawsuits and other claims such as those described in Part I, Item 3. " Legal Proceedings " and any amounts paid to resolve those legal matters; ● the costs involved in filing, prosecuting, enforcing, and defending patent claims and other intellectual property rights; ● efforts to cure any future non- compliance with the minimum stockholders' equity or other requirement of the NYSE American; and ● the costs of sustaining our corporate overhead~~ -- **covered** ~~requirements~~ **by** , ~~including~~ **and within the limits of, its** D & O insurance **policies** ~~, and hiring and retaining necessary personnel or third parties~~ . **If defense costs** ~~Our capital needs are based upon management estimates as to future expense and potential future capital raising activity, which involve significant judgment particularly given that we are in the middle of the strategic alternatives process and cannot predict the duration~~ or ~~expense~~ **the amounts** associated with ~~this process. Additionally, the expense associated with and outcome of any legal proceeding is not possible to determine at this time. 10We cannot assure you that additional financing will be available in the amount or at the time we need it, or that it will be available on acceptable terms or at all. We believe that positive pre- clinical data for AR- 300 is a condition to pursue future capital raising to fund AR- 300 and an identifiable, attractive strategic transaction is a condition to pursue future capital raising to fund that strategic transaction. We may obtain future additional financing by incurring indebtedness or from an offering of our equity securities or any of these~~ -- **the settlements** ~~. If we raise equity financing, our stockholders may experience significant dilution~~ of ~~their~~ -- **the** ~~ownership interests and the value of shares of our common stock could decline. Our efforts to raise additional funds from the sale of equity may be hampered by the currently depressed trading price of our common stock, by~~ pending **actions** ~~legal matters,~~ and **stockholder** ~~by our prior non- compliance or any future non- compliance with the continued listing requirements of the NYSE American. If we raise additional equity financing, new investors may demand~~ **demands exceed** ~~rights, preferences or privileges senior to those of existing holders of common stock. Our efforts to raise funds by incurring indebtedness may be hampered by our limited assets to secure debt and the absence of any revenue to support debt service payments. Any financing would likely have covenants that would affect the manner in which we conduct our business, including by restricting our ability to incur indebtedness or sell additional equity securities. If we cannot timely raise any needed funds, we may implement further cost reduction and other cash- focused measures to manage liquidity and we may pursue a plan of liquidation or dissolution of~~ Ampio ~~or seek bankruptcy protection. If we decided to cease operations and dissolve and liquidate our assets, it is unclear to what extent we would be able to pay our obligations. In such a circumstance and in light of the Company~~ ' s current ~~liquidity position~~ **expectation, its insurance coverage may not be adequate to cover the amounts incurred by the Company including as a result of its indemnification obligations to its current** and **former officers and directors. Accordingly, there can be no assurance that the settlements in principle of the** pending ~~legal matters~~ **actions and stockholder demands will be finalized or approved by the respective courts** , **or** ~~it is unlikely~~ that ~~cash would~~ **the settlements will** be ~~available~~ **completed as currently proposed,** ~~for~~ -- **or** ~~distributions to stockholders~~ **at any particular time** . ~~Risks Related~~ **Additionally, the settlements in principle do not affect the ongoing investigation by the SEC. We intend** to **continue to cooperate fully with the SEC.** Our **provisional** ~~Intellectual PropertyWe are dependent on adequate protection of our~~ patent **applications** and proprietary rights **in OA** ~~. We rely on patents, trade secrets, trademarks, copyrights, know~~ - **201 may be of limited value** ~~how, and contractual provisions to establish and protect our intellectual property rights~~ . ~~We~~ **As part of the OA- 201 program, we** own a number of United States provisional patent applications covering ~~AR- 300,~~ our proprietary small molecule pharmaceutical ~~product~~ **formulations** , as well as ~~its~~ **their therapeutic** uses ~~, formulations,~~ and manufacturing processes. ~~We anticipate filing additional~~ **Given that we have ceased efforts to continue to develop OA- 201, our provisional** patent applications **and rights** in **OA- 201 may be of limited value. Even if** ~~the~~ **these provisional patent applications** ~~future, covering new discoveries, formulations~~ and **rights have some value** ~~/ or research advancements in or relating to AR- 300~~ , ~~as needs arise. If~~ we ~~do not diligently pursue our intellectual property rights or they are invalidated or circumvented, our development of AR- 300 and any future commercialization of any formulation of AR- 300 will be adversely affected. We must successfully defend these rights against third- party challenges. However, these legal means afford us only limited protection and~~ may not **be able to** adequately protect our rights **due to** ~~or~~ **our limited cash** ~~remedies to gain or keep any advantages we may have over other companies seeking to commercialize product candidates similar or identical to AR- 300. If the scope of any patent protection we obtain is not sufficiently broad, or if we lose any of our patent or other legal protections of our intellectual property rights, our ability to prevent our competitors from commercializing product candidates similar or identical to AR- 300 would be adversely affected. Additionally, competitors, many of which have substantial~~ resources ~~and may make substantial investments in competing products and product candidates, may apply for and obtain patents that will prevent, limit, or interfere with our ability to develop, manufacture or market any product relating to AR- 300~~ . ~~Further, while we do not believe that our claimed intellectual property interferes with the rights of others, third parties may nonetheless assert patent infringement claims against us in the future. Costly litigation may be necessary to enforce patents issued or licensed to us, to protect trade secrets or " know- how " we own, to defend us against claimed infringement of the rights of others or to determine the ownership, scope, or~~

validity of our proprietary rights and the rights of others. Any claim of infringement against us may involve significant liabilities to third parties, could require us to seek licenses from third parties, and could prevent us from manufacturing, selling, or using any products that we may develop. The occurrence of this litigation or the effect of an adverse determination in any of this type of litigation could have a material adverse effect on our business and financial condition. 11Risks -- **Risks** Related to Our Common StockThe price of our stock has been extremely volatile and may continue to be volatile and fluctuate substantially, which could result in substantial losses for purchasers of our common stock. The price of our common stock has been extremely volatile and may **. We expect that volatility to** continue to be so, particularly as **a result of** we confront and attempt to address the risks relating to AR- 300, our strategic alternatives process **delisting from the NYSE American and Exchange Act deregistration. In addition to delisting** , **deregistration** our capital resources, and the other risk factors described in this section . Additionally , the stock market in general and the market for pre- revenue stage biopharmaceutical companies have experienced extreme volatility that has often been unrelated to the operating performance of a particular company. The following factors , in addition to the other risk factors described in this section, may also have a significant impact on the market price of our common stock: **9** ● any actual or perceived adverse developments in the preclinical studies for AR- 300, any clinical trials involving AR- 300, or the general development of AR- 300; ● uncertainties relating to the strategic alternatives or any strategic transaction, including actual or perceived adverse developments in this process or the announcement or pendency of any transaction; ● any announcements of developments with, or comments by, the FDA or other regulatory authorities that may impact Ampio or the potential regulatory path for AR- 300; ● developments in any legal proceeding in which we are or may become involved; ● any announcements concerning our retention or loss of key employees; ● our continued compliance with NYSE American listing requirements and any action taken by the NYSE American relating to our common stock; ● announcements of patent issuances or denials, infringement claims or other intellectual property related developments; ● announcements of the introduction of new competitive products by other companies; ● future issuances of common stock or other securities; ● sales of stock by our stockholders holding a significant position in the Company; ● economic and other external factors beyond our control; and ● public confidence in the securities markets and regulation by or of the securities market. A significant drop in the price of our stock could expose us to the risk of securities class action lawsuits, which could result in substantial costs and divert management' s attention and resources, which could adversely affect our business. If we cannot continue to satisfy the NYSE American continued listing requirements and rules, our securities may be delisted, which could negatively impact the price of our securities. Currently, our common stock is listed on the NYSE American. In order to maintain our listing on the NYSE American, we must continue to satisfy the applicable continued listing requirements and rules, including such rules and requirements relating to minimum share price, minimum stockholders' equity and a minimum number of public stockholders. The NYSE American may delist the securities of any issuer if, in its opinion, the issuer' s financial condition and / or operating results appear unsatisfactory; if it appears that the extent of public distribution or the aggregate market value of the security has become so reduced as to make continued listing on the NYSE American inadvisable; if the issuer sells or disposes of principal operating assets or ceases to be an operating company; if an issuer fails to comply with the NYSE American' s listing requirements; if an issuer' s common stock sells at what the NYSE American considers a " low selling price " (generally trading below $ 0. 20 per share for an extended period of time); maintaining minimum stockholders' equity at least $ 6. 0 million; or if any other event occurs or any condition exists which makes continued listing on the NYSE American, in its opinion, inadvisable. 12