

INNOVUS PHARMACEUTICALS, INC.
Form 10-Q
August 13, 2013

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For Quarterly Period ended June 30, 2013.

Transition Report Pursuant to Section 13 or 15(d) of the Exchange Act.

For the transition period from ____ to ____.

Commission File Number: 000-52991

INNOVUS PHARMACEUTICALS, INC.

(Exact name of registrant as specified in its charter)

Nevada
(State or Other Jurisdiction of Incorporation or Organization)

90-0835572
(IRS Employer
Identification No.)

4275 Executive Square, Suite 200,
La Jolla CA
(Address of Principal Executive Offices)

92037
(Zip Code)

858-964-5123

(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 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 Rule 405 of Regulation S-T (§220.405 of this chapter) 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, a non-accelerated filer, or a smaller reporting company.

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

Outstanding Shares

As of August 8, 2013, the registrant had 17,734,430 shares of common stock outstanding.

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PART I—FINANCIAL INFORMATION**ITEM 1. FINANCIAL STATEMENTS.**

INNOVUS PHARMACEUTICALS, INC.

(Formerly North Horizon, Inc.)

(A Development Stage Company)

Condensed Consolidated Balance Sheets

ASSETS

	June 30, 2013 (Unaudited)	December 31, 2012
CURRENT ASSETS		
Cash	\$ 137,579	\$ 18,445
Prepaid expenses	2,939	-
Accounts receivable	280	-
Deposits	3,200	-
Total Current Assets	143,998	18,445
OTHER ASSETS		
CIRCUMserum License (see note 8)	250,000	-
TOTAL ASSETS	\$ 393,998	\$ 18,445
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES		
Accounts payable	\$ 94,298	\$ 1,602
Accrued compensation	173,676	-
Accrued interest payable (current portion)	5,392	16,596
Convertible debentures - related parties (current portion) (see Note 6)	90,000	162,668
Convertible debt - related party, net of discount of \$7,007 and \$0, respectively (see Note 7)	42,993	-

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Promissory notes	-	50,000
Total Current Liabilities	406,359	230,866
NON-CURRENT LIABILITIES		
Accrued interest payable (non-current portion)	21,704	-
Convertible debentures - related parties (non-current portion) (see Note 6)	361,768	-
Total Non-Current Liabilities	383,472	-
TOTAL LIABILITIES	789,831	230,866
STOCKHOLDERS' DEFICIT		
Common stock; 150,000,000 shares authorized, at \$0.001 par value, 17,657,101 and 16,197,782 shares issued and outstanding, respectively	17,657	16,198
Additional paid-in capital	4,489,901	2,220,202
Deficit accumulated during the development stage	(4,903,391)	(2,448,821)
Total Stockholders' Deficit	(395,833)	(212,421)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	\$393,998	\$18,445

See accompanying notes to these condensed consolidated financial statements.

INNOVUS PHARMACEUTICALS, INC.

(Formerly North Horizon, Inc.)

(A Development Stage Company)

Condensed Consolidated Statements of Operations

(Unaudited)

	For the Three Months Ended		For the Six Months Ended		From October 31, 2008(Inception) Through June 30, 2013
	June 30, 2013	2012	June 30, 2013	2012	2013
REVENUES	\$396	\$-	\$396	\$-	\$ 396
COST OF GOODS SOLD	117	-	117	-	117
GROSS PROFIT	279	-	279	-	279
OPERATING EXPENSES					
Research and development	-	-	-	-	80,960
Investment banking fees	-	-	-	-	1,954,865
Stock compensation	1,612,647	-	1,682,510	-	1,682,510
General and administrative	494,328	49,849	756,281	106,126	1,202,200
Total Operating Expenses	2,106,975	49,849	2,438,791	106,126	4,920,535
LOSS FROM OPERATIONS	(2,106,696)	(49,849)	(2,438,512)	(106,126)	(4,920,256)
OTHER EXPENSE					
Interest expense	(10,525)	(4,472)	(16,058)	(8,455)	(124,374)
Total Other Expense	(10,525)	(4,472)	(16,058)	(8,455)	(124,374)
NET LOSS	\$(2,117,221)	\$(54,321)	\$(2,454,570)	\$(114,581)	\$(5,044,630)
BASIC LOSS AND DILUTED LOSS PER SHARE					
	\$(0.12)	\$(0.00)	\$(0.15)	\$(0.02)	
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING					
	16,973,163	13,764,648	16,614,686	7,593,514	

See accompanying notes to these condensed consolidated financial statements.

INNOVUS PHARMACEUTICALS, INC.

(Formerly North Horizon, Inc.)

(A Development Stage Company)

Condensed Consolidated Statements of Cash Flows

(Unaudited)

	For the Six Months Ended		From October 31, 2008 (Inception) Through
	June 30, 2013	2012	June 30, 2013
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss	\$(2,454,570)	\$(114,581)	\$(5,044,630)
Adjustments to reconcile net loss to net cash used by operating activities:			
Stock compensation	1,682,510	-	1,682,510
Common stock issued for services	195,991	-	205,379
Value of warrants granted to investment banker	-	-	1,904,865
Accretion of debt discount	1,009	-	1,009
Non-cash interest expense (including a discount on conversion of Apricus Bio convertible notes of \$48,920)	-	-	91,897
Promissory note issued for services rendered	-	-	50,000
Research and development expense recognized upon purchase of SSAO inhibitor assets	-	-	20,000
Expenses paid on behalf of the Company by Apricus Bio	-	-	25,990
Changes in operating assets and liabilities			
Accounts receivable	(280)	