UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q/A
(Amendment No. 1)

(Mark One)

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

For the quarterly period ended **June 30, 2016**

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 Number: **001-37758**

MOLECULIN BIOTECH, INC.
(Exact name of registrant as specified in its charter)

Delaware	**47-4671997**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)
2575 West Belfort, Suite 333, Houston, TX	**77054**
(Address of Principal Executive Offices)	(Zip Code)

(713) 300-5160
(Registrant's Telephone Number, Including Area Code)

(Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report)

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 (§232.405 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, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☒
(Do not check if a 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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of August 8, 2016: 11,254,756

EXPLANATORY NOTE

This Amendment No. 1 ("Form 10-Q/A") to our Quarterly Report on Form 10-Q for the quarter ended June 30, 2016 ("Original Filing"), filed with the U.S. Securities and Exchange Commission ("SEC") on August 15, 2016, is being filed for the purpose of restating our unaudited consolidated financial statements as of June 30, 2016 and to make corresponding revisions to certain disclosures in the Original Filing. As disclosed in our Form 8-K filed on November 18, 2016, the restatement is the result of an error in the accounting for the business combination of Moleculin, LLC.

Our management has determined that there was a control deficiency in our internal control over financial reporting that constitutes a material weakness, as discussed in Part I – Item 4 of this Form 10-Q/A. A material weakness is a deficiency, or combination of control deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the annual or interim consolidated financial statements will not be prevented or detected on a timely basis. For a discussion of management's consideration of our disclosure controls and procedures and the material weakness identified, see Part I – Item 4 included in this Form 10-Q/A.

For reasons discussed above, we are filing this Form 10-Q/A in order to amend the following items in our Original Filing to the extent necessary to reflect the adjustments discussed above and make corresponding revisions to our financial data cited elsewhere in this Form 10-Q/A:

- Part I, Item 1. Financial Statements (unaudited)
- Part I, Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations
- Part I, Item 4. Controls and Procedures
- Part II, Item 1A. Risk Factors

In accordance with applicable SEC rules, this Form 10-Q/A includes new certifications required by Rule 13a-14 under the Securities Exchange Act of 1934 ("Exchange Act") from our Chief Executive Officer and our Chief Financial Officer dated as of the date of filing this Form 10-Q/A.

This Form 10-Q/A amends and restates in its entirety each section of the Original Filing impacted as a result of the change in presentation, but each section that has been restated is noted in Note 2 to the financial statements. This Form 10-Q/A has not been updated to reflect events occurring after August 15, 2016, the date of the Original Filing. Therefore, this Form 10-Q/A should be read in conjunction with filings we have made with the SEC subsequent to August 15, 2016.

Moleculin Biotech, Inc.
FORM 10-Q
For period ended June 30, 2016

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PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

Moleculin Biotech, Inc.
Balance Sheets

	June 30, 2016 (Unaudited) (Restated)	December 31, 2015
Assets		
Current Assets:		
Cash and cash equivalents	$ 7,244,684	$ 28,091
Prepaid expenses	315,143	–
Total current assets	7,559,827	28,091
Long-Term Assets:		
Furniture and equipment, net of accumulated depreciation	7,168	–
Intangible assets	11,173,293	–
Total Assets	$ 18,740,288	$ 28,091
Liabilities and Stockholders' Equity (Deficit)		
Current Liabilities:		
Accounts payable and accrued expenses	$ 721,103	$ 322,790
Accounts payable and accrued expenses-related party	100,000	-
Convertible notes payable	431,644	450,000
Total Liabilities	1,252,747	772,790
Stockholders' Equity (Deficit):		
Preferred stock, $0.001 par value; 5,000,000 authorized, no shares issued and outstanding	–	–
Common stock, $0.001 par value; 75,000,000 authorized, 11,254,756 and 6,661,000 shares issued and outstanding, respectively	11,255	6,661
Subscription receivable	(3,000)	(3,000)
Additional paid-in capital	19,298,614	–
Accumulated deficit	(1,819,328)	(748,360)
Total Stockholders' Equity (Deficit)	17,487,541	(744,699)
Total Liabilities and Stockholders' Equity (Deficit)	$ 18,740,288	$ 28,091

See accompanying notes to the unaudited financial statements.

Moleculin Biotech, Inc.
Statements of Operations
(Unaudited)

	For the Three Months Ended June 30, 2016 (Restated)	For the Six Months Ended June 30, 2016 (Restated)
Revenue	$ –	$ –
Operating expenses:		
Research and development	104,839	119,839
General and administrative	618,001	923,572
Depreciation	652	652
Total operating expenses	723,492	1,044,063
Loss from operations	(723,492)	(1,044,063)
Other expense:		
Interest expense	(15,235)	(26,905)
Net loss	$ (738,727)	$ (1,070,968)
Net loss per common share - basic and diluted	$ (0.08)	$ (0.14)
Weighted average common shares outstanding - basic and diluted	8,875,173	7,796,782

See accompanying notes to the unaudited financial statements.

Moleculin Biotech, Inc.
Statement of Cash Flows
(Unaudited)

	For the Six Months Ended June 30, 2016 (Restated)
Cash Flows From Operating Activities:	
Net loss	$ (1,070,968)
Adjustments to reconcile net loss to net cash used in operating activities:	
Depreciation	652
Stock-based compensation	161,496
Changes in operating assets and liabilities:	
Prepaid expenses	(315,143)
Accounts payable and accrued expenses	(421,938)
Net Cash Used In Operating Activities	(1,645,901)
Cash Flows From Investing Activities:	
Cash acquired through acquisition of Moleculin, LLC	362
Net Cash Provided By Investing Activities	362
Cash Flows From Financing Activities:	
Proceeds from notes payable	165,000
Payments on notes payable	(469,939)
Proceeds from sale of common stock, net of direct offering costs	9,167,071
Net Cash Provided By Financing Activities	8,862,132
Net change in cash and cash equivalents	7,216,593
Cash and cash equivalents, at beginning of period	28,091
Cash and cash equivalents, at end of period	$ 7,244,684
Supplemental disclosures of cash flow information:	
Cash paid for interest	$ 47,951
Cash paid for income taxes	$ –
Supplemental disclosure of non-cash investing and financing activities:	
Assumption of accounts payable related to acquisition of Moleculin, LLC	$ 100,000
Common stock issued to acquire Moleculin, LLC	$ 9,773,586
Common stock issued for conversion of debt	$ 201,055

See accompanying notes to the unaudited financial statements.

Moleculin Biotech, Inc.
Notes to Financial Statements
(Unaudited)

Note 1 – Description of Business and Summary of Significant Accounting Policies

Nature of Business – Moleculin Biotech, Inc. ("MBI" or the "Company") is a preclinical and clinical-stage pharmaceutical company organized as a Delaware corporation in July 2015 to focus on the development of anti-cancer drug candidates, some of which are based on license agreements with The University of Texas System on behalf of the M.D. Anderson Cancer Center, which we refer to as MD Anderson.

Our lead drug candidate is liposomal Annamycin, which we refer to as Annamycin, an anthracycline intended for the treatment of relapsed or refractory acute myeloid leukemia, or AML. In August 2015, the Company entered into a rights transfer agreement with AnnaMed, Inc. ("AnnaMed"), a company affiliated with certain members of the Company's management and board of directors, pursuant to which, in exchange for 1,431,000 shares of the Company's common stock, AnnaMed agreed to transfer any and all data it had regarding the development of Annamycin and the Annamycin IND, including all trade secrets, know-how, confidential information and other intellectual property rights held by AnnaMed. Annamycin has been in clinical trials pursuant to an investigational new drug application, or IND, that had been filed with the U.S. Food and Drug Administration, or FDA. This IND was terminated due to a lack of activity by a prior drug developer. The Company intends to apply for a new IND based on the same data that supported the original IND, updated for subsequent clinical data, and to commence a Phase II clinical trial for Annamycin funded with the proceeds from our Initial Public Offering which was completed on May 31, 2016.

The Annamycin drug substance is no longer covered by any existing patent protection. We intend to submit patent applications for formulation, synthetic process and reconstitution related to our Annamycin drug product candidate, although there is no assurance that we will be successful in obtaining such patent protection. Independently from potential patent protection, we believe Annamycin will qualify for Orphan Drug status, which could entitle us to market exclusivity of up to 7 and 10 years from the date of approval of a New Drug Application ("NDA") and Marketing Authorization ("MA"), in the US and the European Union ("EU"), respectively. However, there can be no assurance that such status will be granted. Separately, the FDA may also grant market exclusivity of up to five years for newly approved new chemical entities (of which Annamycin would be one), but there can be no assurance that such exclusivity will be granted or, if granted, for how long.

We have two other drug development projects in progress, one involving a portfolio of small molecules, which we refer to as the WP1066 Portfolio, focused on the modulation of key oncogenic transcription factors involved in the progression of cancer, and the WP1122 Portfolio, a suite of molecules targeting the metabolic processes involved in cancer in general, and glioblastoma (the most common form of brain tumor) in particular. We have been granted royalty-bearing, worldwide, exclusive licenses for the patent and technology rights related to our WP1066 Portfolio and WP1122 Portfolio drug technologies, as these patent rights are owned by MD Anderson.

On August 11, 2015, the Company entered into a rights transfer agreement for WP1122 with IntertechBio Corporation ("IntertechBio"), a company affiliated with certain members of our management, whereby IntertechBio agreed to assign its license or sublicense its license to certain metabolic inhibitor technology owned by MD Anderson. In consideration, the Company issued 630,000 common shares to IntertechBio. IntertechBio agreed to make payments to MD Anderson including an up-front payment, license documentation fee, annual maintenance fee, milestone payments and minimum annual royalty payments for sales of products developed under the license agreement. The Company has assumed the rights and obligations of IntertechBio under the license agreement with MD Anderson. All out-of-pocket expenses incurred by MD Anderson in filing, prosecuting and maintaining the licensed patents have been and shall continue to be assumed by the Company.

The Company filed a registration statement on Form S-1 (which was declared effective on May 2, 2016) with respect to the Company's initial public offering of shares of its common stock ("IPO") to fund the development of its technologies. Prior to the declaration of effectiveness of the registration statement on Form S-1, we acquired Moleculin, LLC which was merged with and into MBI, which survived the merger. Moleculin, LLC was the holder of a license agreement with MD Anderson covering technology referred to as the WP1066 Portfolio, which is focused on the modulation of key oncogenic transcription factors.

Basis of Presentation - Unaudited Interim Financial Information – The accompanying unaudited interim financial statements and related notes have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") for interim financial information, and in accordance with the rules and regulations of the United States Securities and Exchange Commission (the "SEC") with respect to Form 10-Q and Article 8 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. The unaudited interim financial statements furnished reflect all adjustments (consisting of normal recurring adjustments) which are, in the opinion of management, necessary for a fair statement of the results for the interim periods presented. Interim results are not necessarily indicative of the results for the full year. These interim unaudited financial statements should be read in conjunction with the audited financial statements of the Company as of December 31, 2015 and for the period from July 28, 2015 (inception) to December 31, 2015 and notes thereto contained in the Registration Statement on Form S-1 filed with the SEC on April 27, 2016. The Company was formed in July 2015; therefore there is no comparative financial information that can be compared to the financial results of the three and six months ended June 30, 2016.

Use of Estimates in Financial Statement Presentation - The preparation of these financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of 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.

Acquisition – We acquired Moleculin, LLC ("Moleculin") on May 2, 2016, and, going forward our financial statements include the operations of Moleculin, LLC. We account for acquired businesses using the acquisition method of accounting, which requires, among other things, that most assets acquired and liabilities assumed be recognized at their estimated fair values as of the acquisition date and that the fair value of acquired in-process research and development ("IPR&D") be recorded on the balance sheet. Transaction costs are expensed as incurred. Any excess of the consideration transferred over the assigned values of the net assets acquired is recorded as goodwill. The estimated fair values of assets acquired and liabilities assumed, were determined based on management's best estimates. Preliminary estimated fair values are subject to measurement period adjustments which represent updates made to the preliminary purchase price allocation based on revisions to valuation estimates in the interim period subsequent to the acquisition and initial accounting date up until the purchase price allocation is finalized which cannot be any later than one year from the acquisition date.

Going Concern - These financial statements have been prepared on a going concern basis, which assumes the Company will continue to realize its assets and discharge its liabilities in the normal course of business. The continuation of the Company as a going concern is dependent upon the continued financial support from its stockholders, the ability of the Company to obtain necessary equity financing to continue operations, and the attainment of profitable operations. As of June 30, 2016, the Company has incurred an accumulated deficit of $1,819,328 since inception, and had not yet generated any revenue from operations. These factors raise substantial doubt regarding the Company's ability to continue as a going concern. These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. The Company may seek additional funding through a combination of equity offerings, debt financings, government or other third-party funding, commercialization, marketing and distribution arrangements and other collaborations, strategic alliances and licensing arrangements.

Cash and Cash Equivalents - The Company considers all highly liquid accounts with original maturities of three months or less to be cash equivalents. At June 30, 2016, all of the Company's cash was deposited in two banks and at December 31, 2015, all of the Company's cash was deposited in one bank. Periodically, the Company may carry cash balances at financial institutions in excess of the federally insured limit of $250,000. The amount in excess of the FDIC insurance at June 30, 2016 was $6,744,684.

Intangible assets - Intangible assets with finite lives are amortized using the straight-line method over their estimated period of benefit. If an intangible asset is identified as an in-process research & development asset then no amortization will occur until the development is complete. If the associated research and development effort is abandoned, the related assets will be written-off and the Company will record a noncash impairment loss on its statements of operations. For those compounds that reach commercialization, the IPR&D assets will be amortized over their estimated useful lives.

We evaluate the recoverability of intangible assets periodically and take into account events or circumstances that warrant revised estimates of useful lives or that indicate that impairment exists. No material impairments of intangible assets have been identified during any of the periods presented. Intangible assets are tested for impairment on an annual basis, and between annual tests if indicators of potential impairment exist, using a fair-value-based approach.

Beneficial Conversion Feature - From time to time, the Company may issue convertible notes that have conversion prices that create an embedded beneficial conversion feature on the issuance date. A beneficial conversion feature exists on the date a convertible note is issued when the fair value of the underlying common stock to which the note is convertible into is in excess of the remaining unallocated proceeds of the note after first considering the allocation of a portion of the note proceeds to the fair value of any attached equity instruments, if any related equity instruments were granted with the debt. Prior to the Company's IPO, the Company estimates the fair value of its common stock using the most recent selling price available. The intrinsic value of the beneficial conversion feature is recorded as a debt discount with a corresponding amount to additional paid-in capital. The debt discount is amortized to interest expense over the life of the note using the effective interest method.

Income Taxes - The Company uses the asset and liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are determined based on the differences between the financial reporting and the tax bases of reported assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse. The Company must then assess the likelihood that the resulting deferred tax assets will be realized. A valuation allowance is provided when it is more likely than not that some portion or all of a deferred tax asset will not be realized.

Stock-based Compensation - Stock-based compensation expense includes the estimated fair value of equity awards vested during the reporting period. The expense for equity awards vested during the reporting period is determined based upon the grant date fair value of the award and is recognized as expense over the applicable vesting period of the stock award using the straight-line method.

Earnings (Loss) Per Common Share - Basic net earnings (loss) per common share are computed by dividing net earnings (loss) available to common shareholders by the weighted-average number of common shares outstanding during the period. Diluted net earnings (loss) per common share is determined using the weighted-average number of common shares outstanding during the period, adjusted for the dilutive effect of common stock equivalents. In periods when losses are reported, the weighted-average number of common shares outstanding excludes common stock equivalents, because their inclusion would have been anti-dilutive. As of June 30, 2016, the Company's potentially dilutive shares included notes convertible to 2,691,803 common shares, option to purchase 200,000 common shares and warrants to purchase 107,802 common shares.

Research and Development Costs - Research and development costs are expensed as incurred.

Subsequent Events - The Company's management reviewed all material events through the date these financial statements were issued for subsequent event disclosure consideration.

Recent Accounting Pronouncements -

In May 2014, the FASB issued Accounting Standard Update ("ASU") 2014-09, Revenue from Contracts with Customers (Topic 606), which will replace numerous requirements in U.S. GAAP, including industry-specific requirements, and provide companies with a single revenue recognition model for recognizing revenue from contracts with customers. The core principle of the new standard is that a company should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. In August 2015, the FASB approved a proposal to defer the effective date of the guidance until annual and interim reporting periods beginning after December 15, 2017. The Company is currently evaluating the impact that this standard will have on its financial statements.

In August 2014, the FASB issued ASU 2014-15, Presentation of Financial Statements-Going Concern (Subtopic 205-40): Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern. Under the new guidance, management will be required to assess an entity's ability to continue as a going concern, and to provide related footnote disclosures in certain circumstances. The provisions of this ASU are effective for annual periods beginning after December 15, 2016, and for annual and interim periods thereafter; early adoption is permitted. The Company is currently evaluating the impact that this standard will have on its financial statements.

In January 2016, the FASB issued ASU No. 2016-01, Financial Instruments – Overall: Recognition and Measurement of Financial Assets and Financial Liabilities ("ASU 2016-01"). ASU 2016-01 affects the accounting for equity investments, financial liabilities under the fair value option and the presentation and disclosure requirements of financial instruments. ASU 2016-01 is effective for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. The Company is currently evaluating the impact that this standard will have on its financial statements.

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842) ("ASU 2016-02"). Under ASU 2016-02, an entity will be required to recognize right-of-use assets and lease liabilities on its balance sheet and disclose key information about leasing arrangements. ASU 2016-02 offers specific accounting guidance for a lessee, a lessor and sale and leaseback transactions. Lessees and lessors are required to disclose qualitative and quantitative information about leasing arrangements to enable a user of the financial statements to assess the amount, timing and uncertainty of cash flows arising from leases. For public companies, ASU 2016-02 is effective for annual reporting periods beginning after December 15, 2018, including interim periods within that reporting period, and requires a modified retrospective adoption, with early adoption permitted. The Company is currently evaluating the impact that this standard will have on its financial statements.

In March 2016, the FASB issued ASU 2016-09, Compensation-Stock Compensation (Topic 718). The new guidance changes the accounting and simplifies various aspects of the accounting for share-based payments to employees. The guidance allows for a policy election to account for forfeitures as they occur or based on an estimated number of awards that are expected to vest. ASU 2016-09 is effective for annual periods beginning after December 15, 2016, with early adoption permitted. The Company is currently evaluating the impact that this standard will have on its financial statements.

The Company does not believe that any other recently issued effective pronouncements, or pronouncements issued but not yet effective, if adopted, would have a material effect on the accompanying financial statements.

Note 2 – Restatements

On November 14, 2016, the Company determined that there was an error in the accounting for the business combination of Moleculin, LLC. Following is a summary of the restatement changes made to the financial statements previously filed as of and for the three and six months ended June 30, 2016.

Balance sheet at June 30, 2016:

	Originally Reported	Restatement	As Restated
Intangible assets	$ 11,666,404	$ (493,111)	$ 11,173,293
Total assets	19,233,399	(493,111)	18,740,288
Accounts payable and accrued expenses-related party	250,000	(150,000)	100,000
Long-term payable-related party	600,000	(600,000)	-
Total liabilities and stockholders' Equity	19,233,399	(493,111)	18,740,288

Income statement for the three months ended June 30, 2016:

	Originally Reported	Restatement	As Restated
Research and development	$ 361,728	$ (256,889)	$ 104,839
Net loss	995,616	(256,889)	738,727

Income statement for the six months ended June 30, 2016:

	Originally Reported	Restatement	As Restated
Research and development	$ 376,728	$ (256,889)	$ 119,839
Net loss	1,327,857	(256,889)	1,070,968

Note 3 – Intangible Assets

The Acquisition of Moleculin, LLC

On May 2, 2016, Moleculin, LLC, a Texas limited liability company, was merged with and into the Company. As a result of the merger, the Company issued to the holders of Moleculin equity interests an aggregate of 999,931 shares of the Company's common stock valued at $5,999,586 based on the estimated acquisition-date fair value of our common stock of $6.00, equal to the IPO price announced in our prospectus filed on that date. These shares contain certain trading restrictions. Prior to the Company's acquisition of Moleculin, the Company had loaned $57,822 to Moleculin which was treated as part of the consideration paid to acquire Moleculin.

As additional consideration payable to the Moleculin unit holders, we agreed pursuant to the merger agreement that if drugs for dermatology indications are successfully developed by us (or our successors) using any of the Existing IP Assets, then the Moleculin, LLC unit holders, in the aggregate, will be entitled to receive a 2.5% royalty on the net revenues generated by such drugs. Any such net revenues would include a deduction for license fees or royalty obligations payable to MD Anderson for such Existing IP Assets. The merger agreement defined "Existing IP Assets" to mean all intellectual property, licensed by us and Moleculin as of the time of the merger, including, without limitation, the intellectual property licensed from MD Anderson under the Patent and Technology License Agreement entered into by and between IntertechBio Corporation and MD Anderson dated April 2, 2012, as amended, and the Patent and Technology License Agreement dated June 21, 2010, as amended, between MD Anderson and Moleculin, LLC, but excluding any intellectual property relating to Annamycin. The right to receive the contingent royalty payments described herein is limited to drugs developed only for dermatology indications, and does not include drugs developed for any other indications. We have no obligation of any nature to pursue the development of any drugs for dermatology indications.

Our acquisition of Moleculin, LLC, occurring prior to our IPO offering, provided us with the rights to the license agreement that Moleculin, LLC had with MD Anderson covering the WP1066 Portfolio. However, Moleculin, LLC had previously granted Houston Pharmaceuticals, Inc. ("HPI"), a related party, an option, which could be exercised at any time, to obtain an exclusive sub-license to develop the WP1066 Portfolio in all non-dermatological fields. Moleculin, LLC had previously pursued development of the WP1066 Portfolio for treatment of psoriasis, however, psoriasis related clinical trials had been terminated. Because WP1066 has shown significant activity against a wide range of tumors, Moleculin, LLC focus prior to the acquisition included the development of drugs for cancer treatment. However, the exclusive sub-license option held by HPI precluded Moleculin, LLC from pursuing drug development related to non-skin cancers, in addition to potentially creating significant intellectual property, clinical and commercialization risks associated with drug development for skin cancers. Re-acquisition of the HPI option was therefore essential for the values of both the WP1066 Portfolio and Moleculin, LLC.

In connection with the acquisition of Moleculin, LLC, we also negotiated on behalf of Moleculin, LLC two agreements with HPI. Under the first agreement, the HPI's option to obtain the aforementioned exclusive sublicense was terminated in exchange for a payment of $100,000 and the issuance of 629,000 shares of our common stock. Under the second agreement (HPI Out-Licensing Agreement) HPI has received a non-exclusive technology rights and development sublicense under which it may continue its ongoing work to develop the WP1066 Portfolio related to treatment of non-skin cancer. Pursuant to this HPI Out-Licensing Agreement, we agreed to make payments to HPI of $750,000 over a three-year period commencing after the IPO offering in exchange for HPI allowing us to access any data, information or know-how resulting from the research and development conducted by HPI which will be expensed, as incurred, as research and development expense. Notwithstanding our obligation to make the foregoing payments, the HPI Out-Licensing Agreement does not obligate HPI to conduct any specific research or to meet any milestones. Pursuant to the HPI Out-Licensing Agreement, we have the right within three years of the effective date to buy-out from HPI all rights granted to HPI under the agreement for a payment of $1.0 million. Upon our exercise of the buy-out we will no longer be obligated to make any payments to HPI remaining from the $750,000 obligation discussed above. If we do not exercise the foregoing buy-out right within three years, the license granted to HPI shall convert into an exclusive license. As such, if we do not exercise the buy-out right for any reason, we will no longer have access to the non-skin cancer uses of the WP1066 Portfolio. As noted above, this will also potentially create risks for the development of skin cancer drugs. We do not intend to set aside and designate cash and cash equivalents in the amount of $1.0 million to make the buy-out payment. If we ultimately decide to exercise the buy-out right from HPI all rights granted the HPI under the agreement, we will need to raise additional funds to make the buy-out payment. We cannot assure that such additional funding will be available on satisfactory terms, or at all.

The agreements with HPI were executed on May 2, 2016, simultaneously with the closing of the Moleculin, LLC acquisition, and were non-cancelable but contingent on the Company's ability to complete the IPO by June 30, 2016. They became effective on May 31, 2016.

The termination of the HPI option was completed on behalf of Moleculin, LLC, and was required to enable the sale of Moleculin, LLC by materializing the value of its most significant asset, and was non-cancelable by either party. Further, the HPI option termination price was determined simultaneously with the acquisition on May 2, 2016 as our IPO price was established at that time. Accordingly, we concluded that this transaction was primarily for the benefit of Moleculin, LLC and its former owners, resulting in control of the underlying intellectual property and thereby increasing the value of Moleculin, LLC intangible assets immediately prior to the closing of its acquisition by us.

HPI option termination price amounted to $3,874,000, consisting of 629,000 shares of our common stock valued at the IPO price of $6.00 per share, and $100,000 paid in cash in July 2016, and was included in acquisition-date liabilities assumed.

Purchase Price Allocation

The acquisition price was allocated to the assets acquired and liabilities assumed based upon their estimated fair values. The following table summarizes the estimated fair values of the assets acquired and liabilities assumed as of the acquisition date.

Cash	$ 362
Property & equipment	7,820
Intangibles	11,173,293
Total assets acquired	11,181,475
Liability assumed (HPI)	(3,874,000)
Liabilities assumed	(1,250,067)
Net assets acquired/total consideration transferred	$ 6,057,408

The Company is in the process of obtaining input from third-parties regarding its tangible and intangible assets and other information necessary to measure the fair value of the assets acquired and liabilities assumed in connection with the acquisition of Moleculin, LLC; thus the provisional measurements of current assets, property and equipment, intangibles, and liabilities assumed are subject to change, which could be significant. We will finalize the amounts recognized as we obtain the information necessary to complete our analysis. As of this date, management believes all or most of the intangible assets are IPR&D related to the WP1066 Portfolio, and, as such, no amortization has been recorded to date. Any changes to the provisional measurements will be recognized in the period in which they are determined. We expect to finalize these amounts as soon as possible but no later than one year from the acquisition date.

Intangible assets consisted of the following at June 30, 2016 and December 31, 2015:

	June 30, 2016	December 31, 2015
Intangibles acquired from Moleculin, LLC and HPI	$ 11,173,293	$ –

Unaudited Pro Forma Results of Operations

The following comparative table presents the unaudited condensed pro forma results of operations that reflect the acquisition of Moleculin as if the acquisition had occurred as of the first day of each period presented, adjusted for items that are directly attributable to the acquisition. This information has been compiled from historical financial statements and is not necessarily indicative of the results that actually would have been achieved had the transaction already occurred or that may be achieved in the future.

	Pro Forma For the Three Months Ended June 30, 2016	Pro Forma For the Six Months Ended June 30, 2016
Total operating expenses	$ (761,690)	$ (1,189,505)
Net loss	$ (709,828)	$ (1,156,872)
Net loss per common share – basic and diluted	$ (0.08)	$ (0.14)
Weighted average outstanding common shares – basic and diluted	9,219,594	8,470,769

The three months ended June 30, 2016 are adjusted on a pro forma basis to exclude $72,736 in net interest expense related to the amortization of deferred financing costs and debt discount amortization for Moleculin, LLC's convertible notes. The holders of the convertible notes were issued the Company's common shares upon the Company's acquisition of Moleculin, LLC.

The six months ended June 30, 2016 are adjusted on a pro forma basis to exclude $145,078 in net interest expense related to the amortization of deferred financing costs and debt discount amortization for Moleculin, LLC's convertible notes. The holders of the convertible notes were issued the Company's common shares upon the Company's acquisition of Moleculin, LLC.

Note 4 – Convertible Notes Payable

On various dates from August 31, 2015 through January 19, 2016, each as amended on March 10, 2016, the Company entered into seven unsecured promissory notes with three separate third party investors. Each note bears interest at 8.0% per annum and matures on the earlier of June 30, 2016 or the completion of an IPO of the Company's securities.

Since the completion of the IPO occurred prior to June 30, 2016, these notes were to be automatically converted according to their terms into shares of the Company's common stock at applicable conversion price upon the Company's IPO to the extent and provided that no holder of these notes was or will be permitted to convert such notes to the extent that the holder or any of its affiliates would beneficially own in excess of 4.99% of our common stock after such conversion. Due to this 4.99% limitation, the remaining principal and accrued interest amounts of the effected notes will remain outstanding and will be converted into shares of our common stock at such time as the 4.99% limitation continues to be met. Until such time as the notes are converted into shares of common stock, the maturity date of the notes will automatically be extended and we will not be required to repay the notes or the accrued interest relating to the notes in cash.

The IPO was completed on May 31, 2016. On May 31, 2016, pursuant to the conversion feature of the foregoing notes and with restriction of the 4.99% beneficially owned condition limitation, the Company issued 1,166,503 common shares in total, reducing convertible debt principal by $183,356 and accrued interest by $17,699. The remaining convertible debt without consideration of accrued interest as of June 30, 2016, if converted on June 30, 2016, would result in an additional 2,691,803 common shares to be issued.

The convertible notes were analyzed for a beneficial conversion feature on various issuance dates, at which time it was concluded that a beneficial conversion feature did not exist.

The table below represents the shares that are convertible at June 30, 2016 relating to the principal amounts of these convertible notes payable and excludes any shares that are convertible relating to the associated accrued interest:

Issuance Date	June 30, 2016	December 31, 2015	Conversion Rate	Shares Convertible at June 30, 2016
August 31, 2015*	$ 72,753	$ 125,000	$ 0.1299	560,068
September 3, 2015	125,000	125,000	0.1299	962,279
October 4, 2015*	68,891	147,000	0.20	344,456
October 4, 2015**	–	3,000	0.20	–
October 28, 2015**	–	50,000	0.20	–
January 14, 2016	82,500	–	0.20	412,500
January 19, 2016	82,500	–	0.20	412,500
Total	$ 431,644	$ 450,000		2,691,803

* Debt partially converted on May 31, 2016.
** Debt fully converted to common shares on May 31, 2016.

The common shares relating to the above mentioned convertible notes payable contain the following trading restrictions: (a) beginning 90 days after the initial closing of our IPO and until the one-year anniversary of the initial closing of the IPO, the holder of the note will be able to sell 1% of the number of shares of common stock underlying the note on a monthly basis, subject to a maximum sale on any trading day of 4% of the daily volume; (b) if the common stock price is over $7.00 per share for five consecutive trading days then the holder of the note can sell up to 3% of the number of shares of common stock underlying the note on a monthly basis, subject to a maximum sale on any trading day of 4% of the daily volume; (c) if the common stock price is over $10.00 per share for five consecutive trading days then the holder of the note can sell up to an additional 5% of the number of shares of common stock underlying the note on a monthly basis, subject to a maximum sale on any trading day of 7% of the daily volume; and (d) if the common stock price is over $14.00 per share then the holder of the note is not restricted from making any sales until such time as the common stock price falls back below $14.00 per share; and (b) thereafter, until the two-year anniversary of the initial closing of IPO, the holder of the note can sell on any trading day 10% of the daily volume; provided that if the common stock price is over $10.00 per share then the holder of the note is not restricted from making any sales until such time as the common stock falls back below $10.00 per share. The foregoing lock-up restrictions relate to public sales and do not restrict the transfer of the shares privately, if permitted by applicable law, provided the acquirer of the shares agrees to comply with the above restrictions with respect to any public sales.

Note 5 – Equity

On May 2, 2016, the Company amended and restated its certificate of incorporation to increase the number of shares issuable to 80,000,000 of which 5,000,000 shares of preferred stock and 75,000,000 shares of common stock are authorized.

Preferred Stock

We are authorized to issue up to 5,000,000 shares of preferred stock. Our certificate of incorporation authorizes the board to issue these shares in one or more series, to determine the designations and the powers, preferences and relative, participating, optional or other special rights and the qualifications, limitations and restrictions thereof, including the dividend rights, conversion or exchange rights, voting rights (including the number of votes per share), redemption rights and terms, liquidation preferences, sinking fund provisions and the number of shares constituting the series. As of June 30, 2016, there was no designated preferred stock.

Common Stock

On May 31, 2016, the Company completed its IPO and sold 1,540,026 shares of the Company's common stock. The IPO price per share was $6.00. The Company received net proceeds of $8,464,183 after deducting underwriting discounts, commissions and direct offering expenses payable by us. Pursuant to our agreement with our underwriters, as additional compensation, we issued the underwriters warrants to purchase 107,802 shares of common stock exercisable for a period of 5 years from date of issuance at an exercise price of $7.50 per share. The relative fair value of these warrants was $374,763 calculated using the Black-Scholes option-pricing model. Variables used in the Black-Scholes option-pricing model include: (1) discount rate of 1.39% (2) expected life of 5 years, (3) expected volatility of 80.61%, and (4) zero expected dividends.

In August 2015, the Company agreed to issue 4,600,000 shares of common stock to its director and officers for subscriptions of $4,600 cash to be received. As of June 30, 2016, the Company had not collected the proceeds for $3,000 of the subscriptions.

During the period from January 1, 2016 through May 2, 2016, the Company sold 234,296 common shares for $702,888. These shares are subject to the following lock-up agreement, from and after the later of six months after issuance or 90 days from the effective date of our IPO registration statement until the one-year anniversary thereof, (a) the holder of the shares can sell up to 10% of the purchased shares per month, subject to a maximum sale on any trading day of 8% of the daily volume of the common stock; (b) if the common stock price is over $7.00 per share for five consecutive trading days then the holder of the shares can sell up to 20% of the purchased shares per month, subject to a maximum sale on any trading day of 10% of the daily volume of the common stock; and (c) if the common stock price is over $12.00 per share then the holder of the shares is not restricted from making any sales until such time as the common stock price falls back below $12.00 per share.

On June 20, 2016, the Company agreed to issue 24,000 shares of common stock to PCG Advisory Group, the Company's investor relations firm, for services provided. The fair value of these shares was $157,688 based on the market price on the grant date.

Adoption of 2015 Stock Plan

On December 5, 2015, the Board of Directors of the Company approved the Company's 2015 Stock Plan, which was amended on April 22, 2016. The expiration date of the plan is December 5, 2025 and the total number of underlying shares of the Company's common stock available for grant to employees, directors and consultants under the plan is 2,500,000 shares. The awards under the 2015 Stock Plan can be in the form of stock options, stock awards or stock unit awards.

As of June 30, 2016, the Company has options to purchase 200,000 common shares outstanding. All of the options outstanding were issued on December 10, 2015. These options are exercisable at $0.20 per share and had a remaining contractual term of 9.5 years and an intrinsic value of $1,286,000 on June 30, 2016. Options to purchase 50,000 common shares vest each year beginning on December 10, 2016. During the six months ended June 30, 2016, the Company recorded stock option expense of $3,808. As of June 30, 2016, none of the options were exercisable and unamortized expense related to these options was $23,582.

Note 6 – Income Taxes

As of June 30, 2016, the Company had an operating loss carry forward of approximately $1,700,000 which expires commencing in 2035. The value of these carryforwards depends on the Company's ability to generate taxable income. A change in ownership, as defined by federal income tax regulations, could significantly limit the Company's ability to utilize our net operating loss carryforwards. Additionally, because federal tax laws limit the time during which the net operating loss carryforwards may be applied against future taxes, if the Company fails to generate taxable income prior to the expiration dates the Company may not be able to fully utilize the net operating loss carryforwards to reduce future income taxes. The Company has cumulative losses and there is no assurance of future taxable income, therefore, valuation allowances have been recorded to fully offset the deferred tax asset at June 30, 2016.

Note 7 – Commitments and Contingencies

MD Anderson – IntertechBio Agreement

On August 11, 2015, the Company acquired the rights and obligations under the Patent and Technology License Agreement entered into between IntertechBio and MD Anderson dated April 2, 2012. Pursuant to the agreement, IntertechBio obtained a royalty-bearing, worldwide, exclusive license to intellectual property including patent rights related to the Company's drug product candidate, WP1122. Under the agreement, IntertechBio agreed to pay annual maintenance fee in the amount of $10,000 on the first anniversary of the effective date of the agreement, $20,000 on the second anniversary of the effective date of the agreement, $40,000 on the third anniversary of the effective date of the agreement, $60,000 on the fourth anniversary of the effective date of the agreement (this payment was not made at that time and the parties entered into an amendment to defer this payment until the earlier of May 31, 2016 or four days after the IPO), $80,000 on the fifth anniversary of the effective date of the agreement and $100,000 on the sixth anniversary of the effective date of the agreement, except that such payments will no longer be due upon the first sale of a licensed product. Under the agreement, IntertechBio also agreed to make a minimum annual royalty payment in the amount of $200,000 for the first anniversary following the first sale of a licensed product, $400,000 for the second anniversary following the first sale of a licensed product, and $600,000 for the third year following the first sale of a licensed product. IntertechBio also agreed to make certain milestone payments. Pursuant to an amendment on October 19, 2015, the Company will pay milestone payments as follows:

Phase	Amount
Commencement of Phase II Study for a licensed product	$ 200,000
Commencement of Phase III Study for a licensed product	$ 250,000
Filing of a New Drug Application for a licensed product	$ 400,000
Receipt of market approval for a licensed product	$ 500,000

Per the October 2015 amendment to the agreement, MD Anderson has the right to terminate the license agreement if (i) a preclinical toxicology program for a licensed product is not initiated within one year of the effective date of the amendment, (ii) an investigational new drug application is not filed with the Food and Drug Administration for a Phase I study for a licensed product within three years of the effective date of the amendment, or (iii) a Phase I study for a licensed product is not commenced within five years of the effective date of the amendment. The agreement will expire upon the expiration of the licensed intellectual property. The rights obtained by the Company pursuant to the agreement are made subject to the rights of the U.S. government to the extent that the technology covered by the licensed intellectual property was developed under a funding agreement between MD Anderson and the U.S. government. All out-of-pocket expenses incurred by MD Anderson in filing, prosecuting and maintaining the licensed patents have been and shall continue to be assumed by the Company.

On October 8, 2015, IntertechBio Corporation entered into a letter agreement with MD Anderson wherein MD Anderson agreed to receive past due maintenance fees and patent expenses of $98,108 owed by IntertechBio Corporation in four installments. The past due amount is related to certain metabolic inhibitor technology license that was assigned to the Company by IntertechBio Corporation and was owed by IntertechBio Corporation prior to the Company's acquisition of the license. Pursuant to the letter, IntertechBio Corporation also agreed to pay $65,504 in patent fees to a law firm. In order to have the license in good standing, the Company agreed to pay MD Anderson the $98,108 and the $65,504 in patent fees to a patent law firm on behalf of IntertechBio Corporation. As of December 31, 2015, $45,000 of the past due amount to MD Anderson and $42,504 in patent fees to a patent law firm were still outstanding and were included in accounts payable and accrued liabilities. On April 15, 2016, the Company entered into a letter agreement with MD Anderson where MD Anderson agreed to receive the remaining outstanding amount on or before the earlier of a) May 31, 2016 or b) four days after the Company's completion of the IPO. These amounts were paid prior to or on May 31, 2016. Per the amended agreement, the Company paid the outstanding IntertechBio fees on May 31, 2016 in the amount of $64,004 that included $44,004 to a patent agent associated with MD Anderson and the technology.

MD Anderson – Patent & Technology License Agreement

Upon the Company's acquisition of Moleculin, LLC on May 2, 2016, we obtained a royalty-bearing, worldwide, exclusive license to intellectual property rights, including patent rights related to our WP1066 drug product candidate from MD Anderson through a Patent and Technology License Agreement Moleculin, LLC entered with MD Anderson on June 21, 2010 (the "Moleculin License Agreement"). Under the Moleculin License Agreement, Moleculin, LLC obtained the right to manufacture, have manufactured, use, import, offer to sell or sell products worldwide for any indication under the licensed intellectual property with the right to sublicense. In consideration, Moleculin, LLC agreed to make payments to MD Anderson including an up-front payment, milestone payments and minimum annual royalty payments for sales of products developed under the license agreement. Specifically, under the Moleculin License Agreement, Moleculin, LLC agreed to pay a nonrefundable upfront documentation fee; annual maintenance fee in the amount of $20,000 on June 21, 2011, which has and shall increase in $10,000 increments on an annual basis thereafter up to a maximum of $100,000, except that such payments will no longer be due upon marketing approval in any country of a licensed product. Under the Moleculin License Agreement, Moleculin, LLC also agreed to make a minimum annual royalty payment to MD Anderson in the amount of $200,000 after the first sale of a licensed product.

Upon completion of our acquisition of Moleculin, LLC, we assumed the rights and obligations of Moleculin, LLC. However, the rights we have obtained pursuant to the assignment of the Moleculin License Agreement are made subject to the rights of the U.S. government to the extent that the technology covered by the licensed intellectual property was developed under a funding agreement between MD Anderson and the U.S. government. All out-of-pocket expenses incurred by MD Anderson in filing, prosecuting and maintaining the licensed patents have been and shall continue to be assumed by us.

On October 8, 2015, Moleculin, LLC entered into a letter agreement with MD Anderson for Moleculin, LLC's past due fees to MD Anderson in the amount of $691,186 of which $300,000 has been paid prior to the letter agreement. Pursuant to the letter agreement, MD Anderson agreed to receive the remaining past due fee in three installments: a) $125,000 due on October 31, 2015; b) $175,000 due on January 31, 2016; and c) $91,186 due on April 30, 2016. Moleculin, LLC paid $125,000 to MD Anderson on November 2, 2015.

On October 19, 2015, the agreement was amended for the milestone payments. The amended milestone payments are as follows: (i) commencement of Phase III Study for first licensed drug/product within the United States, Europe, China or Japan - $150,000; (ii) submission of the first NDA within the United States - $500,000; and (iii) receipt of first marketing approval for sale of a license product in the United States $600,000.

On January 28, 2016, the Company and Moleculin, LLC entered into a letter agreement with MD Anderson where MD Anderson agreed to receive the remaining outstanding amount on or before the earlier of April 30, 2016 or four days after our IPO. This date was amended and per the amended agreement, the Company paid the outstanding Moleculin, LLC fees on May 31, 2016 in the amount of $306,186.

Bonwick Capital Partners LLC

On January 22, 2016, as amended on February 15, 2016, the Company entered into a letter agreement with Bonwick Capital Partners LLC. ("Bonwick") to engage Bonwick as an exclusive financial advisor of the Company. Pursuant to the agreement, the Company agreed to: a) pay success fees equal to 7% of the gross proceeds from any form of financing; and b) issue five-year warrants to purchase 7% of the Company's equity securities sold with a cashless exercise provision, exercisable at 125% of the price per share of the Company's common stock paid by investors in the transaction. In addition, the Company agreed to reimburse Bonwick for all of its out-of-pocket expenses incurred in connection with the offering, not to exceed $25,000, and fees and expenses of their counsel not to exceed $100,000. Upon completion of the Company's IPO, the Company paid Bonwick a $50,000 advisory fee.

Bonwick shall be entitled to a success fee as set forth above if the Company completes a financing with parties introduced by Bonwick prior to the termination agreement or during the 6 month period following the termination of the agreement. In connection with the Company's IPO, Bonwick received a success fee of $646,872, warrants to purchase 107,802 shares of common stock at an exercise price of $7.50 per share, and $6,266 for reimbursement of expenses.

Houston Pharmaceuticals, Inc.

Our acquisition of Moleculin, LLC, occurring prior to our IPO offering, provided us with the rights of the license agreement that Moleculin, LLC had with MD Anderson covering the WP1066 Portfolio. As discussed in Note 2, we are obligated to make payments to HPI of $750,000 over a three-year period commencing after the IPO offering in exchange for HPI allowing us to access any data, information or know-how resulting from the research and development conducted by HPI. Pursuant to the HPI Out-Licensing Agreement, we have the right within three years of the date we enter into the agreement to buy-out from HPI all rights granted to HPI under the agreement for a payment of $1.0 million. Upon our exercise of the buy-out we will no longer be obligated to make any payments to HPI remaining from the $750,000 obligation discussed above. We will need to raise additional funds to make the buy-out payment. We cannot assure that such additional funding will be available on satisfactory terms, or at all.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FORWARD-LOOKING STATEMENT NOTICE

This Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") contains certain forward-looking statements. Historical results may not indicate future performance. Our forward-looking statements reflect our current views about future events, are based on assumptions and are subject to known and unknown risks and uncertainties that could cause actual results to differ materially from those contemplated by these statements. Factors that may cause differences between actual results and those contemplated by forward-looking statements include, but are not limited to:

- our ability to obtain additional funding to develop our product candidates;
- the need to obtain regulatory approval of our product candidates;
- the success of our clinical trials through all phases of clinical development;
- compliance with obligations under intellectual property licenses with third parties;
- any delays in regulatory review and approval of product candidates in clinical development;
- our ability to commercialize our product candidates;
- market acceptance of our product candidates;
- competition from existing products or new products that may emerge;
- potential product liability claims;
- our dependency on third-party manufacturers to supply or manufacture our products;
- our ability to establish or maintain collaborations, licensing or other arrangements;
- our ability and third parties' abilities to protect intellectual property rights;
- our ability to adequately support future growth; and
- our ability to attract and retain key personnel to manage our business effectively.

We undertake no obligation to publicly update or revise any forward-looking statements, including any changes that might result from any facts, events, or circumstances after the date hereof that may bear upon forward-looking statements. Furthermore, we cannot guarantee future results, events, levels of activity, performance, or achievements.

Highlights

We are a preclinical and clinical-stage pharmaceutical development company organized as a Delaware corporation in July 2015 to focus on the development of anti-cancer drug candidates. We have three drug development projects. Our lead drug candidate is liposomal Annamycin, which is referred to as Annamycin, an anthracyline intended for the treatment of relapsed or refractory acute myeloid leukemia, or AML. Annamycin has been in clinical trials pursuant to an investigational new drug application, or IND, that had been filed with the U.S. Food and Drug Administration, or FDA. Due to a lack of development activity by a prior drug developer, this IND was terminated, however we intend to apply for a new IND based on the same data that supported the original IND, updated for subsequent clinical data, and to commence a Phase II clinical trial for Annamycin.

We have two other drug development projects in progress. One of them involves a collection of small molecules we refer to as the WP1066 Portfolio that was obtained via our merger with Moleculin, LLC ("Moleculin") and is focused on the modulation of key regulatory transcription factors involved in the progression of cancer. The other, which we call the WP1122 Portfolio, is a suite of molecules targeting the metabolic processes involved in cancer in general, and glioblastoma in particular that we acquired from IntertechBio Corporation. Both of these technologies are licensed on a worldwide exclusive basis from The University of Texas M.D. Anderson Cancer Center, or MD Anderson.

Overview

MBI was founded in 2015 in order to combine and consolidate the development efforts involving several MD Anderson anti-cancer technologies. This effort began with the acquisition of the Annamycin development project from AnnaMed, Inc., or AnnaMed, followed by the acquisition of the license rights to the WP1122 Portfolio from IntertechBio Corporation, or IntertechBio. Further, we created a co-development agreement with Houston Pharmaceuticals, Inc., or HPI, which culminated with the merger of Moleculin and MBI coincident with our initial public offering allowing us to gain control of the WP1066 Portfolio.

AnnaMed was formed in 2012 to take over the development of Annamycin from a prior drug development company, Callisto Pharmaceuticals, Inc., or Callisto. Callisto ceased development work on Annamycin leading to the termination of its IND by the FDA. In order to satisfy unmet license obligations, Callisto agreed to transfer all available Annamycin data to AnnaMed, which data we will now use to apply for a new IND.

IntertechBio was formed in 2009 to license and begin development on the WP1122 Portfolio. In August 2015, IntertechBio agreed to assign all license rights to us in exchange for our common stock.

Moleculin was formed in 2006 and has been working to develop the WP1066 Portfolio it licensed from MD Anderson. On May 2, 2016, Moleculin was merged with and into MBI. As a result of the merger, we issued the holders of Moleculin equity interests and convertible notes an aggregate of approximately 999,931 shares of our common stock.

Since Moleculin commenced operations in 2006, substantially all of its efforts have been focused on research, development and the advancement of the WP1066 Portfolio. Moleculin has not generated any revenue from product sales and, as a result, has incurred significant losses.

Neither Moleculin nor MBI has manufacturing facilities and all manufacturing activities are contracted out to third parties. Additionally, Moleculin currently utilizes third-party clinical research organizations to carry out clinical trials. Neither Moleculin nor MBI have a sales organization.

Critical Accounting Policies and Significant Judgments and Estimates

The financial statements have been prepared in accordance with generally accepted accounting principles in the United States, or GAAP. The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported expenses incurred during the reporting periods. Our estimates are based on our historical experience and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

We believe that the following accounting policies are the most critical to aid in fully understanding and evaluating our reported financial results, and they require our most difficult, subjective or complex judgments, resulting from the need to make estimates about the effect of matters that are inherently uncertain.

Research and Development Costs

We record accrued expenses for estimated costs of our research and development activities conducted by third-party service providers, which include the conduct of pre-clinical studies and clinical trials and contract manufacturing activities. We record the estimated costs of research and development activities based upon the estimated amount of services provided but not yet invoiced, and we include these costs in accrued liabilities in the balance sheets and within research and development expense in the statement of operations. These costs are a significant component of our research and development expenses. We record accrued expenses for these costs based on the estimated amount of work completed and in accordance with agreements established with these third parties.

We estimate the amount of work completed through discussions with internal personnel and external service providers as to the progress or stage of completion of the services and the agreed-upon fee to be paid for such services. We make significant judgments and estimates in determining the accrued balance in each reporting period. As actual costs become known, we adjust our accrued estimates. Although we do not expect our estimates to be materially different from amounts actually incurred, our understanding of the status and timing of services performed, the number of patients enrolled and the rate of patient enrollment may vary from our estimates and could result in us reporting amounts that are too high or too low in any particular period. Our accrued expenses are dependent, in part, upon the receipt of timely and accurate reporting from clinical research organizations and other third-party service providers. To date, there have been no material differences from our accrued expenses to actual expenses.

Acquisition

Our financial statements include the operations of an acquired business after the completion of the acquisition. We account for acquired businesses using the acquisition method of accounting, which requires, among other things, that most assets acquired and liabilities assumed be recognized at their estimated fair values as of the acquisition date and that the fair value of acquired in-process research and development be recorded on the balance sheet. Transaction costs are expensed as incurred. Any excess of the consideration transferred over the assigned values of the net assets acquired is recorded as goodwill. The estimated fair values of assets acquired and liabilities assumed, were determined based on management's best estimates. Preliminary estimated fair values are subject to measurement period adjustments which represent updates made to the preliminary purchase price allocation based on revisions to valuation estimates in the interim period subsequent to the acquisition and initial accounting date up until the purchase price allocation is finalized which cannot be any later than one year from the acquisition date.

The Company is in the process of obtaining input from third-parties of its tangible and intangible assets and other information necessary to measure the fair value of the assets acquired and liabilities assumed; thus the provisional measurements of current assets, property and equipment, intangibles, and liabilities assumed are subject to change, which could be significant. We will finalize the amounts recognized as we obtain the information necessary to complete the analysis. We expect to finalize these amounts as soon as possible but no later than one year from the acquisition date.

Results of Operations –

The Company was formed in July 2015; therefore there is no comparative financial information that can be compared to the financial results of the three and six months ended June 30, 2016. The following table sets forth, for the period indicated, data derived from our statement of operations:

	For the Three Months Ended June 30, 2016 (Unaudited) (Restated)	For the Six Months Ended June 30, 2016 (Unaudited) (Restated)
Operating expenses:		
Research and development	$ 104,839	$ 119,839
General and administrative	618,001	923,572
Depreciation expense	652	652
Total operating expenses	723,492	1,044,063
Interest expense	15,235	26,905
Net loss	$ (738,727)	$ (1,070,968)

Three Months Ended June 30, 2016

Research and Development Expense. Research and development expense was $104,839 for the three months ended June 30, 2016 and mainly represents accrued license fees to MD Anderson for approximately $39,000 and approximately $33,000 related to MD Anderson sponsored research. We expect to incur increased research and development costs in the future as our product development activities expand.

General and Administrative Expense. General and administrative expense was $618,001 for the three months ended June 30, 2016. The expense mainly included professional fees to our consultants, attorneys and accountants for services related to our becoming a publicly traded company and related filing fees of approximately $225,000. The Company incurred approximately $211,000 related to investor relations activities, of which approximately $158,000 is related to the grant of 24,000 common stock shares issued to an investor relations firm for investor relations services. The Company incurred approximately $63,000 for payroll expense related to three months of our Chief Financial Officer's salary, along with one month each of our Chief Operating Officer's and Chief Executive Officer's salaries. The Company also incurred approximately $26,000 of travel expenses primarily related to our IPO. Insurance costs of approximately $26,000 were also recognized.

Interest Expense. Interest expense included expense accrued on our convertible promissory notes issued in 2015 and 2016 bearing interest at the rate of 8% per annum.

Six Months Ended June 30, 2016

Research and Development Expense. Research and development expense was $119,839 for the six months ended June 30, 2016 and mainly represents accrued license fees to MD Anderson for approximately $54,000 and approximately $33,000 related to MD Anderson sponsored research. We expect to incur increased research and development costs in the future as our product development activities expand.

General and Administrative Expense. General and administrative expense was $923,572 for the six months ended June 30, 2016. The expense mainly included professional fees to our consultants, attorneys and accountants for services related to our becoming a publicly traded company and related filing fees of approximately $486,000. The Company incurred approximately $211,000 related to investor relations activities, of which approximately $158,000 is related to the grant of 24,000 common stock issued to an investor relations firm for investor relations services. The Company incurred approximately $95,000 for payroll expense related to six months of our Chief Financial Officer's salary, along with one month (June 2016) of our Chief Operating Officer's and Chief Executive Officer's salaries. The Company also incurred approximately $29,000 of travel expenses primarily related to our IPO. Insurance costs of approximately $34,000 were also recognized.

Interest Expense. Interest expense included expense accrued on our convertible promissory notes issued in 2015 and 2016 bearing interest at the rate of 8% per annum.

Liquidity and Capital Resources

As of June 30, 2016, we had $7,244,684 in cash. During the period from January 1, 2016 through May 2, 2016, we sold 234,296 common shares for $702,888. On May 31, 2016, we completed our initial public offering, pursuant to which we sold 1,540,026 shares of our common stock at $6.00 per share for net proceeds of $8,464,183 after deducting underwriting discounts and commissions and direct offering expenses payable by us.

We believe that our existing cash and cash equivalents as of June 30, 2016, including the proceeds received from our common stock issuances, will be sufficient to fund our planned operations through at least the end of May 2017, which includes the commencement of our planned Phase II registration trial for Annamycin.

We do not expect to generate revenue from product sales unless and until we successfully complete development of, obtain regulatory approval for and begin to commercialize one or more of our product candidates, which we expect will take a number of years and is subject to significant uncertainty. Accordingly, we anticipate that we will need to raise additional capital to fund our future operations. Until such time that we can generate substantial revenue from product sales, if ever, we expect to finance our operating activities through a combination of equity offerings and debt financings and we may seek to raise additional capital through strategic collaborations. However, we may be unable to raise additional funds or enter into such arrangements when needed on favorable terms, or at all, which would have a negative impact on our financial condition and could force us to delay, limit, reduce or terminate our development programs or commercialization efforts or grant to others rights to develop or market product candidates that we would otherwise prefer to develop and market ourselves. Failure to receive additional funding could cause us to cease operations, in part or in full. Furthermore, even if we believe we have sufficient funds for our current or future operating plans, we may seek additional capital due to favorable market conditions or strategic considerations.

The following table sets forth the primary sources and uses of cash for the period indicated:

	For the six months ended June 30, 2016 (Unaudited)
Net cash used in operating activities	$ (1,645,901)
Net cash provided by investing activities	362
Net cash provided by financing activities	8,862,132
Net increase in cash and cash equivalents	$ 7,216,593

Cash used in operating activities

Net cash used in operating activities was $1,645,901 for the six months ended June 30, 2016 and mainly included payments made for payroll, travel, insurance and professional fees to our consultants, attorneys and accountants for services related to our becoming a publicly traded company and related filing fees, along with payments made to MD Anderson for license and maintenance fees. Additionally, prepayments were made for directors and officers insurance.

Cash provided by investing activities

Net cash provided by investing activities was $362 for the six months ended June 30, 2016 and represents the cash amount acquired through the acquisition of Moleculin, LLC.

Cash provided by financing activities

Net cash provided by financing activities was $8,862,132 for the six months ended June 30, 2016. We received $8,464,183 net proceeds from our IPO stock issuance, $702,888 from issuance of common shares at $3 per share, and $165,000 from issuance of convertible notes. Net cash used in financing activities included approximately $470,000 for payments of notes payable.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Not required by smaller reporting companies.

ITEM 4. CONTROLS AND PROCEDURES.

Evaluation of Disclosure Controls and Procedures. Under the supervision and with the participation of our management, including our chief executive officer and principal financial and accounting officer, we conducted an evaluation of the effectiveness, as of June 30, 2016, of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended, or the Exchange Act. Based upon such evaluation, our chief executive officer and principal financial and accounting officer have concluded that, as of June 30, 2016, our disclosure controls and procedures were not effective to provide reasonable assurance that the information we are required to disclose in our filings with the Securities and Exchange Commission, or SEC, under the Exchange Act (i) is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and (ii) accumulated and communicated to our management, including our chief executive officer and principal financial and accounting officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting. For the period covered by this report, management determined that a material weakness existed in its internal control over financial reporting, specifically over accounting for business combinations, that has materially affected, or that is reasonably likely to materially affect, our internal control over financial reporting. Management has engaged an outside firm to assist with such accounting.

On November 14, 2016, our Audit Committee, after discussion with management and our independent registered public accountants, determined that our unaudited consolidated financial statements for the quarter ended June 30, 2016, as reported in our Quarterly Report on Form 10-Q filed on August 15, 2016 should no longer be relied upon due to an error identified therein, and that a restatement of these financial statements is required. We identified certain non-cash errors due to an error in the accounting for the business combination of Moleculin, LLC. This amended Quarterly Report on Form 10-Q/A for the quarter ended June 30, 2016 is being filed to correct such errors.

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

None.

ITEM 1A. RISK FACTORS

For information regarding factors that could affect our results of operations, financial condition and liquidity, refer to the section entitled "Risk Factors" in our prospectus filed pursuant to Rule 424(b)(4) on May 3, 2016 with the SEC, which are incorporated herein by reference. The risks described in the prospectus are not the only risks facing our company. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and/or operating results. Except as updated below, there have been no material changes from the risk factors previously disclosed in our reports as filed with the SEC. The risk factors below supersede, in its entirety, the risk factors set forth in Item 1A in our Quarterly Report on form 10-Q for the first quarter of 2016.

We will require substantial additional funding, which may not be available to us on acceptable terms, or at all, and, if not so available, may require us to delay, limit, reduce or cease our operations.

We intend to use the proceeds from our previous offering to advance Annamycin clinical development. Developing pharmaceutical products, including conducting preclinical studies and clinical trials, is expensive. We will require substantial additional future capital in order to complete clinical development and commercialize Annamycin. If the FDA requires that we perform additional nonclinical studies or clinical trials, or if we determine, as we did in October 2016, that additional clinical trials are required for Annamycin, our expenses would further increase beyond what we currently expect and the anticipated timing of any potential approval of Annamycin would likely be delayed. Further, there can be no assurance that the costs we will need to incur to obtain regulatory approval of Annamycin will not increase.

We will continue to require substantial additional capital to continue our clinical development and commercialization activities. Because successful development of our product candidates is uncertain, we are unable to estimate the actual amount of funding we will require to complete research and development and commercialize our products under development.

The amount and timing of our future funding requirements will depend on many factors, including but not limited to:

- whether our updated plan for clinical trials will be completed on a timely basis and, if completed, will be successful in producing useful clinical data in 2017;

- whether we are successful in obtaining a Special Protocol Assessment, or SPA, with the FDA related to Annamycin;
- the progress, costs, results of and timing of our clinical trials for Annamycin;
- the outcome, costs and timing of seeking and obtaining FDA and any other regulatory approvals;
- the progress of our collaborative drug development partners, which is dependent upon their continued access to grant funding;
- the costs associated with securing and establishing commercialization and manufacturing capabilities;
- market acceptance of our product candidates;
- the costs of acquiring, licensing or investing in businesses, products, product candidates and technologies;
- our ability to maintain, expand and enforce the scope of our intellectual property portfolio, including the amount and timing of any payments we may be required to make, or that we may receive, in connection with the licensing, filing, prosecution, defense and enforcement of any patents or other intellectual property rights;
- our need and ability to rely on data to be generated by our sublicensee partner, Dermin;
- our need and ability to rely on data and drug product for clinical trials to be generated by our sublicensee partner, Dermin;
- our need and ability to hire additional management and scientific and medical personnel;
- the effect of competing drug candidates and new product approvals;
- our need to implement additional internal systems and infrastructure, including financial and reporting systems; and
- the economic and other terms, timing of and success of our existing licensing arrangements and any collaboration, licensing or other arrangements into which we may enter in the future.

Some of these factors are outside of our control. Based upon our currently expected level of operating expenditures, we believe that we will be able to fund our operational plan through the third quarter of 2017. This period could be shortened if there are any significant increases in planned spending on development programs or more rapid progress of development programs than anticipated. We do not believe that our existing capital resources are sufficient to enable us to complete the development and commercialization of Annamycin, if approved, or to initiate any clinical trials or additional development work needed for any other drug candidates, other than as described above. Accordingly, we expect that we will need to raise additional funds in the future. In connection with our initial public offering, we agreed not to issue additional shares of our common stock without our underwriters' consent, which such consent has been obtained. As such, we may conduct additional offerings of our common stock or common stock equivalents in the future.

We may seek additional funding through a combination of equity offerings, debt financings, government or other third-party funding, commercialization, marketing and distribution arrangements and other collaborations, strategic alliances and licensing arrangements. Additional funding may not be available to us on acceptable terms or at all. In addition, the terms of any financing may adversely affect the holdings or the rights of our stockholders. In addition, the issuance of additional shares by us, or the possibility of such issuance, may cause the market price of our shares to decline.

If we are unable to obtain funding on a timely basis, we may be required to significantly curtail one or more of our research or development programs. We also could be required to seek funds through arrangements with collaborative partners or otherwise that may require us to relinquish rights to some of our technologies or product candidates or otherwise agree to terms unfavorable to us

Our financial condition would be adversely impacted if our intangible assets become impaired.

As a result of the accounting for our acquisition of Moleculin, LLC and the agreement we entered into with Houston Pharmaceuticals, Inc , we have carried on our balance sheet intangible assets in-process research and development ("IPR&D") of $11,173,293 as of June 30, 2016. Intangibles are tested for impairment at least annually or when events or changes in circumstances indicate the carrying value of each segment, and collectively our company taken as a whole, might exceed its fair value. We have retained a third party valuation firm to provide us with an initial valuation of these intangible assets; and we expect to receive their final report during the fourth quarter of 2016.

Intangible assets related to IPR&D are considered indefinite-lived intangible assets and are assessed for impairment annually or more frequently if impairment indicators exist. If the associated research and development effort is abandoned, the related assets will be written-off and the Company will record a noncash impairment loss on its statements of operations. For those compounds that reach commercialization, the IPR&D assets will be amortized over their estimated useful lives.

If after receipt of the foregoing valuation report we determine that the value of our intangible assets is less than the amounts reflected on our balance sheet, we will be required to reflect an impairment of our intangible assets in the period in which such determination is made. An impairment of our intangible assets would result in our recognizing an expense in the amount of the impairment in the relevant period, which would also result in the reduction of our intangible assets and a corresponding reduction in our stockholders' equity in the relevant period. As the transactions discussed above were related party transactions and were not conducted on an arm's length basis, it is possible that the terms were less favorable to us than what we would have received in an arm's length transaction. We can provide no assurance that the final valuation of our intangible assets will not result in an impairment charge.

Failure to maintain effective internal control over our financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act could cause our financial reports to be inaccurate

We are required pursuant to Section 404 of the Sarbanes-Oxley Act of 2002, or Section 404, to maintain internal control over financial reporting and to assess and report on the effectiveness of those controls. This assessment includes disclosure of any material weaknesses identified by our management in our internal control over financial reporting. Our management concluded that our disclosure controls and procedures were ineffective as of June 30, 2016, and identified a material weakness in our internal controls over the accounting and reporting for acquisitions. While management is working to remediate the material weakness, there is no assurance that the changes will remediate the identified material weakness or that the controls will prevent or detect future material weaknesses. If we are not able to maintain effective internal control over financial reporting, our financial statements, including related disclosures, may be inaccurate, which could have a material adverse effect on our business.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

(a) During the three months ended June 30, 2016, we sold 105,463 common shares for $316,389 to certain accredited investors, of which all sales were completed prior to the IPO. These transactions did not involve any public offering. These shares are subject to the following lock-up agreement, from and after the later of six months after issuance or 90 days from the effective date of our IPO registration until the one-year anniversary thereof, (a) the shareholder can sell up to 10% of the purchased shares per month, subject to a maximum sale on any trading day of 8% of the daily volume of the common stock; (b) if the common stock price is over $7.00 per share for five consecutive trading days then the shareholder can sell up to 20% of the purchased shares per month, subject to a maximum sale on any trading day of 10% of the daily volume of the common stock; and (c) if the common stock price is over $12.00 per share then the shareholder is not restricted from making any sales until such time as the common stock price falls back below $12.00 per share.

On various dates from August 31, 2015 through January 19, 2016, each as amended on March 10, 2016, we issued certain 8% unsecured promissory notes in aggregate principal amount of $615,000 to certain accredited investors. Upon the completion of the IPO, these notes provided that they be automatically converted into shares of our common stock at their applicable conversion prices, which were $0.1299 with respect to $250,000 in notes and $0.20 per share with respect to the remaining $365,000, to the extent and provided that no holder of these notes was or will be permitted to convert such notes to the extent that the holder or any of its affiliates would beneficially own in excess of 4.99% of our common stock after such conversion. Due to this 4.99% limitation, the remaining principal and accrued interest amounts of the effected notes will remain outstanding and will be converted into shares of our common stock at such time as the 4.99% limitation continues to be met. The IPO was completed on May 31, 2016. On May 31, 2016, pursuant to the conversion feature of the foregoing notes and with restriction of the 4.99% beneficially owned condition limitation, we issued 1,166,503 common shares in total, reducing convertible debt principal by $183,356 and accrued interest by $17,699. The remaining convertible debt without consideration of accrued interest as of June 30, 2016, if converted on June 30, 2016, would result in an additional 2,691,803 common shares to be issued. See Note 3 of our financial statements for more information regarding the issuance of the notes.

On June 20, 2016, we agreed to issue 24,000 shares of common stock to an investor relations firm as consideration for services.

We believe that the issuances were exempt from registration under the Securities Act in reliance on Section 4(a)(2) of the Securities Act regarding transactions not involving a public offering.

(b) On May 31, 2016, we completed our initial public offering, which commenced on May 2, 2016, pursuant to which we sold 1,540,026 shares of our common stock at $6.00 per share with gross proceeds of $9,240,156 and net proceeds of $8,464,183 after deducting underwriting discounts and commissions and offering expenses payable by us. The offer and sale of all of the shares in the offering were registered under the Securities Act pursuant to a registration statement on Form S-1 (File No. 333-209323), which was declared effective by the SEC on May 2, 2016. Bonwick Capital Partners LLC and Network 1 Financial Securities, Inc. acted as underwriters for the offering.

There has been no material change in the planned use of proceeds from our IPO as described in our final prospectus filed with the SEC on May 3, 2016 pursuant to Rule 424(b). No direct or indirect payments were made by us to any of our directors or officers or their associates, to persons owning ten percent or more of our common stock or to their associates, or to our affiliates, other than payments in the ordinary course of business to officers for salaries and those payments disclosed above with regard to the license arrangements with HPI. Pending the uses described, we intend to invest the net proceeds in short-term, interest-bearing obligations, investment-grade instruments, certificates of deposit or direct or guaranteed obligations of the U.S. government.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

Exhibit Number	Title of Document
10.1	Agreement and Plan of Merger between Moleculin Biotech, Inc. and Moleculin, LLC (incorporated by reference to Exhibit 10.11 of the Form S-1 (File No. 333-209323) filed March 22, 2016)
10.2	Technology Rights and Development License Agreement to be entered into by Moleculin Biotech, Inc. and Houston Pharmaceuticals, Inc. (incorporated by reference to Exhibit 10.13 of the Form S-1 (File No. 333-209323) filed April 15, 2016)
31.1*	Certification of the Principal Executive Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934.
31.2*	Certification of the Principal Financial Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934.
32.1*(1)	Certification of the Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2*(1)	Certification of the Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Extension Schema Document
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF *	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB *	XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document

* Filed herewith.

(1) The certifications on Exhibit 32 hereto are deemed not “filed” for purposes of Section 18 of the Exchange Act or otherwise subject to the liability of that Section. Such certifications will not be deemed incorporated by reference into any filing under the Securities Act or the Exchange Act.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

MOLECULIN BIOTECH, INC.

Date: November 21, 2016

By: */s/ Walter Klemp*
Walter Klemp
Acting President and Chief Executive Officer

Date: November 21, 2016

By: */s/ Jonathan P. Foster*
Jonathan P. Foster
Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 31.1

OFFICER'S CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Walter Klemp, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q/A of Moleculin Biotech, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

November 21, 2016

By: */s/ Walter Klemp*
Walter Klemp
Acting Chief Executive Officer

Exhibit 31.2

OFFICER'S CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Jonathan P. Foster, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q/A of Moleculin Biotech, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

November 21, 2016

By: /s/ *Jonathan P. Foster*
Jonathan P. Foster
Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q/A for the fiscal quarter ended June 30, 2016 of Moleculin Biotech, Inc. (the "Company") as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Walter Klemp, Acting Chief Executive Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C 78m or 78o(d)); and
- The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 21, 2016

By: */s/ Walter Klemp*
Walter Klemp
Acting Chief Executive Officer

A signed original of this written statement required by Section 906 has been provided to Moleculin Biotech, Inc. and will be retained by Moleculin Biotech, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q/A for the fiscal quarter ended June 30, 2016 of Moleculin Biotech, Inc. (the "Company") as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jonathan P. Foster, Chief Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C 78m or 78o(d)); and
- The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 21, 2016

By: */s/ Jonathan P. Foster*
Jonathan P. Foster
Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to Moleculin Biotech, Inc. and will be retained by Moleculin Biotech, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.