UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K/A

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

For the fiscal year ended December 31, 2016

Commission File Number: 000-08092

OXIS INTERNATIONAL, INC.
(Exact name of Registrant as specified in its charter)

Delaware	94-1620407
(State of incorporation or organization)	(I.R.S. Employer Identification No.)

100 South Ashley Drive, Suite 600
Tampa, FL 33602
(Address of principal executive offices) (Zip code)

(800) 304-9888
(Registrant's telephone number including area code)
Securities registered pursuant to Section 12(b) of the Act: None.
Securities registered pursuant to section 12(g) of the Act:

Title of Securities	Exchanges on which Registered
Common Stock, $.001 Par Value	None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

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 website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☐ No ☒

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

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

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

The aggregate market value of the registrant's common stock, $0.001 par value per share, of the registrant on June 30, 2016, the last business day of the registrant's most recently completed fiscal year, was approximately $9.3 million. As of March 28, 2017, there were 122,912,868 shares of the registrant's common stock, $0.001 par value, issued and outstanding.

EXPLANATORY NOTE

GT Biopharma, Inc., formerly known as Oxis International, Inc, (the **"Company"**) is filing this Amendment No. 1 to its Annual Report on Form 10-K for its fiscal year ended December 31, 2016, as filed with the Securities and Exchange Commission on March 31, 2017 (the "**Original December 2016 Form 10-K**"), primarily to correct an error related to the non-cash calculation of warranty liabilities.

Actual Changes in the Original December 2016 Form 10-K. The actual changes in the Original December Form 10-K included in this Amendment No. 1 are amendments to Part II that include: **(a)** amended and restated Consolidated Statement of Operations for the year ended December 31, 2016, **(b)** amended and restated Consolidated Statement of Stockholders' Deficit for the year ended December 31, 2016, **(c)** amended and restated Consolidated Statement of Cash Flows for the year ended December 31, 2016, and (d) the addition of Note 6.

Notwithstanding that there are no changes in most of the Notes to the Consolidated Financial Statements included in this Amendment No. 1, a complete Form 10-K document including a complete set of the Consolidated Financial Statements (together with all of the Notes from the Original December 2016 10-K) has been included in this Amendment No. 1, for convenient reference.

In addition, see additional amended filings of the Company for relevant subsequent events.

Table of Contents

PART I

CAUTIONARY NOTICE REGARDING FORWARD-LOOKING STATEMENTS

This Report, including any documents which may be incorporated by reference into this Report, contains "Forward-Looking Statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements other than statements of historical fact are "Forward-Looking Statements" for purposes of these provisions, including our plans of operation, any projections of revenues or other financial items, any statements of the plans and objectives of management for future operations, any statements concerning proposed new products or services, any statements regarding future economic conditions or performance, and any statements of assumptions underlying any of the foregoing. All Forward-Looking Statements included in this document are made as of the date hereof and are based on information available to us as of such date. We assume no obligation to update any Forward-Looking Statement. In some cases, Forward-Looking Statements can be identified by the use of terminology such as "may," "will," "expects," "plans," "anticipates," "intends," "believes," "estimates," "potential," or "continue," or the negative thereof or other comparable terminology. Although we believe that the expectations reflected in the Forward-Looking Statements contained herein are reasonable, there can be no assurance that such expectations or any of the Forward-Looking Statements will prove to be correct, and actual results could differ materially from those projected or assumed in the Forward-Looking Statements. Future financial condition and results of operations, as well as any Forward-Looking Statements are subject to inherent risks and uncertainties, including any other factors referred to in our press releases and reports filed with the Securities and Exchange Commission. All subsequent Forward-Looking Statements attributable to the company or persons acting on its behalf are expressly qualified in their entirety by these cautionary statements. Additional factors that may have a direct bearing on our operating results are described under "Risk Factors" and elsewhere in this report.

Introductory Comment

Throughout this Annual Report on Form 10-K, the terms "OXIS," "we," "us," "our," "the company" and "our company" refer to OXIS International, Inc., a Delaware corporation formerly known as DDI Pharmaceuticals, Inc. and Diagnostic Data, Inc, together with our subsidiaries.

ITEM 1. BUSINESS

Overview

OXIS International, Inc., through its wholly owned subsidiary Oxis Biotech, Inc, is an immuno-oncology company with a robust technology platform consisting of bispecific and trispecific scFv constructs, full-length antibodies, proprietary drug payloads, proprietary antibody-drug linkers, dual-drug payload antibody-drug conjugates (ADCs), bispecific targeted ADCs, and NK cell and T-cell antibody directed cell-mediated cytotoxic (ADDCs) agents.

OXS-1550

OXS-1550 is a bispecific scFv recombinant fusion protein-drug conjugate composed of the variable regions of the heavy and light chains of anti-CD19 and anti-CD22 antibodies and a modified form of diphtheria toxin as its cytotoxic drug payload. CD19 is a membrane glycoprotein present on the surface of all stages of B-lymphocyte development, and is also expressed on most B-cell mature lymphoma cells and leukemia cells. CD22 is a glycoprotein expressed on B-lineage lymphoid precursors, including precursor acute lymphoblastic leukemia, and often is co-expressed with CD19 on mature B-cell malignancies such as lymphoma.

OXS-1550 targets cancer cells expressing the CD19 receptor or CD22 receptor or both receptors. When OXS-1550 binds to cancer cells, the cancer cells internalize OXS-1550, and are killed due to the action of drug's cytotoxic diphtheria toxin payload. OXS-1550 has demonstrated success in a Phase 1 human clinical trial in patients with relapsed/refractory B-cell lymphoma or leukemia.

Oxis began enrolling patients in a Phase 1/Phase 2 trial of OXS-1550 during the second quarter of 2016. The FDA-approved clinical trial is being conducted at the University of Minnesota's Masonic Cancer Center. There are currently 32 patients who have participated in the clinical trial. The six new patients bring to 32 the number of patients who have participated in the clinical trial. All the new patients are given an approved increased dosage of OXS-1550.

p62/SQSTM1 (Sequestosome-1) Inhibitor Drug Development Program

In humans, the p62/SQSTM1 protein is encoded by the SQSTM1 gene. The p62/SQSTM1 protein is a multifunctional protein involved in autophagy, cell signaling, tumorigenesis, and plays an important role at the crossroad between autophagy and cancer. Cell-cell interactions between multiple myeloma cells and bone marrow stromal cells activate signaling pathways that result in enhanced multiple myeloma cell growth, osteoclast formation, and inhibition of osteoblast differentiation.

Multiple myeloma remains an incurable malignancy with systematic morbidity and a median survival of 3-5 years. Multiple myeloma is characterized by aberrant proliferation of terminally differentiated plasma cells and impairment in apoptosis capacity. Due to the interactions between myeloma cells and cells of the bone marrow microenvironment, the osteolytic bone disease associated with myeloma is inextricably linked with tumor progression. High incidence of bone metastasis in multiple myeloma patients is frequently associated with severe bone pain and pathological bone fracture. Activated osteoclast levels and suppressed osteoblast levels are thought to play a role in multiple myeloma associated osteolytic bone disease.

While a diverse spectrum of novel agents has shown therapeutic potential for the treatment of multiple myeloma including bortezomib, lenalidomide and arsenic trioxide, high relapse rates and drug resistance continue to plague these therapies. Thus, novel targets and new therapeutics for the treatment of multiple myeloma are of critical importance for improved patient outcomes.

It has been demonstrated that the ZZ domain of the p62/SQSTM1 protein is responsible for increased multiple myeloma cell growth and associated osteoclast mediated bone disease. Dr. Xiang-Qun Xie and colleagues at ID4 Pharma LLC have developed novel chemical compounds (e.g., OXS-4235) which inhibit osteoclastic bone destruction in multiple myeloma. Oxis Biotech has exclusively licensed rights to OXS-4135 and other compounds for the treatment of multiple myeloma and associated osteolytic bone disease.

Triple-Negative Breast Cancer Drug Development Program OXS-2175

OXS-2175 is a small molecule therapeutic candidate which has shown promise in early-stage preclinical *in vitro* and *in vivo* models of triple-negative breast cancer. Oxis Biotech is investigating OXS-2175 formulated as an infusible therapy, and as part of an ADC infusible therapy for the treatment of triple-negative breast cancer.

Therapeutic Antibody-Drug Conjugates Drug Development Program

Antibody-drug conjugates (ADCs) are a new class of highly potent biopharmaceutical drugs designed as a targeted therapy for the treatment of cancer. By combining the unique targeting capabilities of monoclonal antibodies with the cancer-killing ability of cytotoxic drugs, antibody-drug conjugates allow sensitive discrimination between healthy and diseased tissue.

Markets

B-cell lymphoma

B-cell lymphoma is a type of cancer that forms in B cells (a type of immune system cell). B-cell lymphomas may be either indolent (slow-growing) or aggressive (fast-growing). Most B-cell lymphomas are non-Hodgkin lymphomas. There are many different types of B-cell non-Hodgkin lymphomas. These include Burkitt lymphoma, chronic lymphocytic leukemia/small lymphocytic lymphoma (CLL/SLL), diffuse large B-cell lymphoma, follicular lymphoma, and mantle cell lymphoma. It is the most common type of non-Hodgkin lymphoma among adults, with an annual incidence of 7–8 cases per 100,000 people per year.

Triple-Negative Breast Cancer (TNBC)

According to the American Cancer Society there were approximately 231,840 new cases of invasive breast cancer last year in the USA and 40,290 deaths from breast cancer during the same period. Women represent 99% of all breast cancer patients. Breast cancer is treated by various combinations of surgery, radiation therapy, chemotherapy, and hormone therapy. TNBC is a type of breast cancer characterized by breast cancer cells that do not express estrogen receptors, progesterone receptors, or large amounts of HER2/neu protein. Approximately 10% - 20% percent of invasive breast cancers are diagnosed as triple-negative breast cancers. TNBC is more likely to affect younger people, African Americans or Hispanics, and those with a BRCA1 gene mutation.[2] TNBC is insensitive to many of the most effective therapies available for the treatment of breast cancer including the HER2-directed therapy Herceptin® (trastuzumab), and endocrine therapies such as tamoxifen or the aromatase inhibitors. The relapse and survival rates of TNBC patients are shorter than for patients with other types of breast cancer.

Multiple Myeloma

Multiple myeloma is a type of cancer that forms in white blood cells, and affects about 26,850 people annually in the USA causing about 11,240 deaths per year. Multiple myeloma causes cancer cells to accumulate in the bone marrow, where they crowd out healthy blood cells. Multiple myeloma is also characterized by destructive lytic bone lesions (rounded, punched-out areas of bone), diffuse osteoporosis, bone pain, and the production of abnormal proteins which accumulate in the urine. Anemia is also present in most multiple myeloma patients at the time of diagnosis and during follow-up. Anemia in multiple myeloma is multifactorial, and is secondary to bone marrow replacement by malignant plasma cells, chronic inflammation, relative erythropoietin deficiency, and vitamin deficiency. Plasma cell leukemia, a condition in which plasma cells comprise greater than 20% of peripheral leukocytes, is typically a terminal stage of multiple myeloma and is associated with short survival.

Manufacturing

We do not currently own or operate manufacturing facilities for the production of clinical or commercial quantities of any of our product candidates. We rely on a small number of third-party manufacturers to produce our compounds, and expect to continue to do so to meet the preclinical and clinical requirements of our potential product candidates as well as for all of our commercial needs. We do not have long-term agreements with any of these third parties. We require in our manufacturing and processing agreements that all third-party contract manufacturers and processors produce active pharmaceutical ingredients, or API, and finished products in accordance with the FDA's current Good Manufacturing Practices, or cGMP, and all other applicable laws and regulations. We maintain confidentiality agreements with potential and existing manufacturers in order to protect our proprietary rights related to our drug candidates.

Patents and Trademarks

University of Minnesota License Agreement. Oxis executed an exclusive worldwide license agreement with the Regents of the University of Minnesota, to further develop and commercialize cancer therapies using Trispecific Killer Engager (TriKE) technology developed by researchers at the university to target NK cells to cancer. Under the terms of the agreement, OXIS receives exclusive rights to conduct research and to develop, make, use, sell, and import TriKe technology worldwide for the treatment of any disease, state or condition in humans. OXIS shall own all permits, licenses, authorizations, registrations and regulatory approvals required or granted by any governmental authority anywhere in the world that is responsible for the regulation of products such as the TriKe technology, including without limitation the Food and Drug Administration in the United States and the European Agency for the Evaluation of Medicinal Products in the European Union. Under the agreement, the University of Minnesota will receive an upfront license fee, royalty fees ranging from 4 to 6%, minimum annual royalty payments of $250,000 beginning in 2022, $2,000,000 in 2025, and $5,000,000 in 2027 and certain milestone payments totaling $3,100,000.

The following is a list of the pending patent applications that we licensed from the University of Minnesota under our License Agreement:

Pat./Pub. No.	Title	Country	Status
U.S. Patent Application USSN 62/237,835	**Therapeutic compounds and its uses**	**US**	**Pending**

Daniel A. Vallera, Ph.D. License Agreement. Oxis executed an exclusive worldwide license agreement with Daniel A. Vallera, Ph.D. and his associate (jointly "Dr. Vallera"), to further develop and commercialize DT2219ARL (OXS-1550), a novel therapy for the treatment of various human cancers. Under the terms of the agreement, OXIS receives exclusive rights to conduct research and to develop, make, use, sell, and import DT2219ARL worldwide for the treatment of any disease, state or condition in humans. OXIS shall own all permits, licenses, authorizations, registrations and regulatory approvals required or granted by any governmental authority anywhere in the world that is responsible for the regulation of products such as DT2219ARL, including without limitation the Food and Drug Administration in the United States and the European Agency for the Evaluation of Medicinal Products in the European Union. Under the agreement, Dr. Vallera will receive an upfront license fee, royalty fees ranging from 3 to 4% for net sales and 24 to 26% of net sublicensing revenues, and certain milestone payments totaling $1,500,000.

The following is a list of the pending patent applications that we licensed from Dr. Vallera under our License Agreement:

Pat./Pub. No.	Title	Country	Status
U.S. Patent Application USSN 13/256,812	**Methods and compositions for bi-specific targeting of cd19/cd22**	**US**	**Issued**

ID4 Pharma, LLC License Agreement. Pursuant to a patent license agreement with ID4 Pharma LLC, dated January 2, 2015 (the "ID4 License Agreement"), we received an exclusive, worldwide license to certain intellectual property, including intellectual property related to treating a p62-mediated disease (e.g., multiple myeloma). The terms of this license require us to pay ID4 Pharma royalties equal to three percent (3%) of net sales of products and twenty-five percent royalty of net sublicensing revenues. The license will expire upon expiration of the last patent contained in the licensed patent rights, unless terminated earlier. We may terminate the licensing agreement with ID4 Pharma by providing ID4 Pharma with a 30-day written notice.

Oxis shall pay the following cash amounts to ID4 upon the attainment of the following milestones:

(i) filing of an investigational new drug application with a competent regulatory authority anywhere in the world -- $50,000;

(ii) Initiation of Phase I Human Clinical Trial -- $50,000;

(iii) Initiation of Phase II Human Clinical Trial -- $100,000;

(iv) Initiation of pivotal Phase III Human Clinical Trial -- $250,000; and

(v) Receipt of the first marketing approval -- $250,000

The following is a list of the pending patent applications that we licensed from ID4 Pharma under our License Agreement:

Pat./Pub. No.	Title	Country	Status
U.S. Patent Application USSN 14/237,494	**P62-zz chemical inhibitor**	**US**	**Issued**
China Patent Application CN201280048718	**P62-zz chemical inhibitor**	**China**	**Pending**

MultiCell Immunotherapeutics, Inc. (MCIT) License Agreement. Oxis licensed exclusive rights to three antibody-drug conjugates (ADCs) that MCIT will prepare for further evaluation by Oxis as prospective therapeutics for the treatment of triple-negative breast cancer, and multiple myeloma and associated osteolytic bone disease. Under the terms of the agreement, MCIT will develop three ADC product candidates which contain Oxis' lead drug candidates OXS-2175 and OXS-4235. Oxis paid MCIT a license fee of $500,000 and will reimburse MCIT up to $1.125 million for its development costs to make the three ADCs exclusively licensed to Oxis. Assuming all clinical development milestones are achieved and manufacturing rights to the three ADCs purchased, Oxis will pay MCIT an additional sum of $22.75 million and pay a royalty of 3% of net yearly worldwide sales upon marketing approval of the ADCs.

MCIT's ADC platform technology is based on unique multivalent, cleavable linkers that allow drugs tethered to the antibody to be released intracellularly or extracellularly upon binding of the antibody to the target cell. Additionally, the MCIT's ADC technology platform allows multiple drugs to be attached per targeting antibody, and to release the drugs in their original form without modification of the drug.

Competition

The biotechnology and pharmaceutical industries are subject to rapid technological change. Competition from domestic and foreign biotechnology companies, large pharmaceutical companies and other institutions is intense and expected to increase. A number of companies are pursuing the development of pharmaceuticals in our targeted areas. According to the Pharmaceutical Manufacturers Research Association, at the end of 2015 there were 168 drugs in development for the treatment of breast cancer, and there were 135 drugs in development for the treatment of lymphomas (blood cell cancers including multiple myeloma).

Government Regulation

United States

Our research and development activities and the future manufacturing and marketing of any products we develop are subject to significant regulation by numerous government authorities in the United States and other countries. In the United States, the Federal Food, Drug and Cosmetic Act and the Public Health Service Act govern the testing, manufacture, safety, efficacy, labeling, storage, record keeping, approval, advertising and promotion, and distribution of our drug candidates and any products we may develop. In addition, this regulatory framework is subject to changes that may adversely affect approval, delay an application or require additional expenditures.

The steps required before a pharmaceutical compound may be marketed in the United States include: preclinical laboratory and animal testing; submission of an IND to the FDA, which must become effective before clinical trials may commence; conducting adequate and well-controlled clinical trials to establish the safety and efficacy of the drug; submission of a New Drug Application, or NDA, or Biologics License Application, or BLA, to the FDA; satisfactory completion of an FDA pre-approval inspection of the manufacturing facilities to assess compliance with cGMP; and FDA approval of the NDA or BLA prior to any commercial sale or shipment of the drug. In addition to obtaining FDA approval for each product, each drug-manufacturing establishment used must be registered with the FDA and be operated in conformity with cGMP. Drug product manufacturing facilities may also be subject to state and local regulatory requirements.

Preclinical testing includes laboratory evaluation of product chemistry and animal studies to assess the safety and efficacy of the product and its formulation. The results of preclinical testing are submitted to the FDA as part of an IND, and, unless the FDA objects, the IND becomes effective 30 days following its receipt by the FDA.

Clinical trials involve administration of the study drug to healthy volunteers and to patients diagnosed with the condition for which the study drug is being tested under the supervision of qualified clinical investigators. Clinical trials are conducted in accordance with protocols that detail the objectives of the study, the parameters to be used to monitor safety and the efficacy criteria to be evaluated. Each protocol is submitted to the FDA as part of the IND. Each clinical trial is conducted under the auspices of an independent Institutional Review Board, or IRB, in the United States, or Ethics Committee, or EC, outside the United States, for each trial site. The IRB or EC considers, among other matters, ethical factors and the safety of human clinical trial subjects.

Clinical trials are typically conducted in three sequential phases, but the phases may overlap or be repeated. In Phase 1 clinical trials, the drug is initially introduced into healthy human subjects or patients and is tested for adverse effects, dosage tolerance, pharmacokinetics, and clinical pharmacology. Phase 2 clinical trials involve the testing of a limited patient population in order to characterize the actions of the drug in targeted indications, in order to determine drug tolerance and optimal dosage and to identify possible adverse side effects and safety risks. When a compound appears to be effective at a specific dosage and have an acceptable safety profile in Phase 2 clinical trials, Phase 3 clinical trials are undertaken to further evaluate and confirm clinical efficacy and safety within an expanded patient population at multiple clinical trial sites. The FDA reviews the clinical plans and monitors the results of the trials and may discontinue the trials at any time if significant safety issues arise. Similarly, an IRB or EC may suspend or terminate a trial at a study site that is not being conducted in accordance with the IRB or EC's requirements or that has been associated with unexpected serious harm to subjects.

The results of preclinical testing and clinical trials are submitted to the FDA for marketing approval in the form of an NDA or BLA. The submission of an NDA or BLA also requires the payment of user fees, but a waiver of the fees may be obtained under specified circumstances. The testing and approval process is likely to require substantial time, effort and resources and there can be no assurance that any approval will be granted on a timely basis, if at all, or that conditions of any approval, such as warnings, contraindications, or scope of indications will not materially impact the potential market acceptance and profitability of the drug product. Data obtained from clinical trials are not always conclusive, and the FDA may interpret data differently than we interpret the same data. The FDA may refer the application to an advisory committee for review, evaluation and recommendation as to whether the application should be approved and under what conditions. The FDA is not bound by the recommendations of an advisory committee, but it generally follows such recommendations. The approval process is affected by a number of factors, including the severity of the disease, the availability of alternative treatments and the risks and benefits of the product demonstrated in clinical trials.

Additional preclinical testing or clinical trials may be requested during the FDA review period and may delay any marketing approval. After FDA approval for the initial indications, further clinical trials may be necessary to gain approval for the use of the product for additional indications. In addition, after approval, certain types of changes to the approved product, such as manufacturing changes, are subject to further FDA review and approval. The FDA mandates that adverse effects be reported to the FDA, and the regulatory agency may also require post-marketing testing to continue monitoring for expected and unexpected adverse effects, which can involve significant expense. Adverse effects observed during the commercial use of a drug product or which arise in the course of post-marketing studies can result in the need for labeling revisions, including additional warnings and contraindications; and if the findings significantly alter the risk/benefit assessment, the potential withdrawal of the drug from the market.

Among the conditions for FDA approval is the requirement that the prospective manufacturer's quality control and manufacturing procedures conform to the FDA's cGMP requirements. Domestic manufacturing facilities are subject to biannual FDA inspections and foreign manufacturing facilities are subject to periodic inspections by the FDA or foreign regulatory authorities. If the FDA finds that a company is not operating in compliance with cGMPs, the continued availability of the product can be interrupted until compliance is achieved; and if the deficiencies are not corrected within a reasonable time frame, the drug could be withdrawn from the market. In addition, the FDA strictly regulates labeling, advertising and promotion of drugs. Failure to conform to requirements relating to licensing, manufacturing and promoting drug products can result in informal or formal sanctions, including warning letters, injunctions, seizures, civil and criminal penalties, adverse publicity and withdrawal of approval.

Foreign

We are also subject to numerous and varying foreign regulatory requirements governing the design and conduct of clinical trials and marketing approval for pharmaceutical products to be marketed outside of the United States. The approval process varies among countries and regions and can involve additional testing; and the time required to obtain approval may differ from that required to obtain FDA approval.

The steps to obtain approval to market a pharmaceutical compound in the European Union include: preclinical laboratory and animal testing; conducting adequate and well-controlled clinical trials to establish safety and efficacy; submission of a Marketing Authorization Application, or MAA; and the issuance of a product marketing license by the European Commission prior to any commercial sale or shipment of drug. In addition to obtaining a product marketing license for each product, each drug manufacturing establishment must be registered with the European Medicines Agency, or EMA, must operate in conformity with European good manufacturing practice and must pass inspections by the European health authorities.

Upon receiving the MAA, the Committee for Human Medicinal Products, or CHMP, a division of the EMA, will review the MAA and may respond with a list of questions or objections. Answers to questions posed by the CHMP may require additional tests to be conducted. Responses to the list of questions or objections must be provided to and deemed sufficient by the CHMP within a defined time frame. Ultimately, a representative from each of the European Member States will vote whether to approve the MAA.

Foreign regulatory approval processes include all of the risks associated with obtaining FDA approval, and approval by the FDA does not ensure approval by the health authorities of any other country.

Employees

As of December 31, 2016, we had two employees, the chief executive officer and chief financial officer of the company. Many of our activities are out-sourced to consultants who provide services to us on a project basis. As business activities require and capital resources permit, we will hire additional employees to fulfill our company’s needs.

ITEM 1A. RISK FACTORS

This company qualifies as a "smaller reporting company" as defined in 17 C.F.R. §229.10(f)(1), and is not required to provide information by this Item.

ITEM 1B. UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 2. PROPERTIES

Our principal executive office is located at 100 South Ashley Drive, Suite 600, Tampa, FL 33602. It is leased on an annual basis at the rate of $1,209 per month. In the event this lease should be terminated, we believe the Company could locate equally favorable office space at a comparable price.

ITEM 3. LEGAL PROCEEDINGS

In May, 2015, Aaion Partners Inc, a consulting firm, filed a breach of contract action against the Company in the Superior Court of California County of Los Angeles, Case No: BC581098. The lawsuit sought payment under a consulting agreement. In July, 2015, the Company filed a cross-claim against Aaion Partners Inc. for breach of contract and tort claims. In December 2015, we settled this claim for $150,000 to be made in three cash payments and 11,429 shares of restricted common stock. The Company paid $50,000 of the cash due and issued the stock owed. The remaining two payments were not made timely but settlement was finally and fully resolved upon payment by the Company of an additional $132,231. The case was then dismissed in January, 2017.

On June 23, 2016, the Company was served with a complaint filed in the Circuit Court of the 13th Judicial Circuit in and for Hillsborough County, FL, Case No. 16-CA-004791. Suit was brought against the Company by Lippert/Heilshorn and Associates, Inc. who is alleging they are owed compensation for consulting services provided to the company. They are seeking payment of $73,898. The Company has engaged legal counsel to answer the complaint.

On or immediately before February 15, 2017, MultiCell Immunotherapeutics filed an arbitration proceeding against the Company with the American Health Lawyers Association, Claim #3821. In its statement of claim, MultiCell is seeking $207,783 plus interest and costs of arbitration pursuant to alleged contract rights against the Company under a research agreement between the parties. The Company has entered its appearance and is preparing its answer to the statement of claim.

ITEM 4. MINE SAFETY DISCLOSURES

None.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES.

Until May 2009, our common stock was traded on the OTC Bulletin Board ("OTCBB") under the symbol "OXIS." From May 20, 2009 until March 11, 2010, our common stock was traded on Pink OTC Markets Inc. trading platform under the symbol "OXIS." Since January 2015, our common stock is quoted on the OTCQB under the "OXIS" trading symbol.

Trading in our common stock has fluctuated greatly during the past year. Accordingly, the prices for our common stock quoted on the OTCQB or Pink OTC Markets Inc. may not necessarily be reliable indicators of the value of our common stock. The following table sets forth the high and low bid prices for shares of our common stock for the quarters noted, as reported on the OTCQB and the Pink OTC Markets Inc. The following price information reflects inter-dealer prices, without retail mark-up, mark-down or commission and may not represent actual transactions.

YEAR	PERIOD	HIGH	LOW
Fiscal Year 2015	First Quarter	13.50	5.13
	Second Quarter	11.78	5.03
	Third Quarter	6.23	3.50
	Fourth Quarter	5.23	2.93
Fiscal Year 2016	First Quarter	3.20	0.41
	Second Quarter	0.60	0.31
	Third Quarter	0.35	0.17
	Fourth Quarter	0.19	0.0393

Our common stock is also quoted on several European based exchanges including Berlin (OXI.BE), Frankfurt (OXI.DE), the Euronext (OXI.NX) and Paris, (OXI.PA). The foregoing trading prices exclude trading on these foreign stock markets.

Stockholders

As of December 31, 2016, there were 1,330 stockholders of record, which total does not include stockholders who hold their shares in "street name." The transfer agent for our common stock is ComputerShare, whose address is 350 Indiana Street, Golden, CO 80401.

Dividends

We have not paid any dividends on our common stock to date and do not anticipate that we will pay dividends in the foreseeable future. Any payment of cash dividends on our common stock in the future will be dependent upon the amount of funds legally available, our earnings, if any, our financial condition, our anticipated capital requirements and other factors that the Board of Directors may think are relevant. However, we currently intend for the foreseeable future to follow a policy of retaining all of our earnings, if any, to finance the development and expansion of our business and, therefore, do not expect to pay any dividends on our common stock in the foreseeable future.

Equity Compensation Plan Information

The information included under the heading "Equity Compensation Plan Information" in Item 12 of Part III of this report, "Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters." is hereby incorporated by reference into this Item 5 of this report.

Recent Issuances of Unregistered Securities

We did not issue any unregistered securities during the fourth quarter of the fiscal year covered by this report.

Repurchase of Shares

We did not repurchase any shares during the fourth quarter of the fiscal year covered by this report.

ITEM 6. SELECTED FINANCIAL DATA

This company qualifies as a “smaller reporting company” as defined in 17 C.F.R. §229.10(f)(1), and is not required to provide information by this Item.

ITEM 7. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview

Until the end of 2008, we were engaged in the business of developing and selling clinical and research assay products and out-licensing certain therapeutic compounds addressing conditions and diseases associated with oxidative stress. During 2008, we lost our majority-owned subsidiary, BioCheck, Inc., which was engaged in the production of enzyme immunoassay diagnostic kits for clinical laboratories, and in December 2008 we sold substantially all of the assets of our research assay product line to Percipio Biosciences, Inc. Commencing in 2009, our focus shifted from the clinical and research assay business to developing and marketing nutraceutical products in the field of oxidative stress reduction, with a focus on products that include EGT™ as a component. We conducted limited operations, and had limited revenues from these products in 2013 and in 2014. In July 2014, we began pursuing the acquisition of novel therapeutics from various educational and research institutions.

As shown in the accompanying consolidated financial statements, the Company has incurred an accumulated deficit of $124,649,000 through December 31, 2016. On a consolidated basis, the Company had cash and cash equivalents of $19,000 at December 31, 2016. Because our lack of funds, we will have to raise additional capital in order to fund our selling, general and administrative, and research and development expenses. There are no assurances that we will be able to raise the funds necessary to maintain our operations or to implement our business plan. The consolidated financial statements included in this Annual Report do not include any adjustments relating to the recoverability and classification of recorded assets, or the amounts and classification of liabilities that might be necessary in the event we cannot continue our operations.

Recent Developments

License Agreements

Pursuant to a patent license agreement with the ID4, dated December 31, 2014, we received a non-exclusive, worldwide license to certain intellectual property, including intellectual property related to treating a p62-mediated disease (e.g., multiple myeloma).

On March 10, 2015, Oxis licensed exclusive rights to three antibody-drug conjugates (ADCs) that MCIT will prepare for further evaluation by Oxis as prospective therapeutics for the treatment of triple-negative breast cancer, and multiple myeloma and associated osteolytic bone disease. Under the terms of the agreement, MCIT will develop three ADC product candidates which contain Oxis’ lead drug candidates OXS-2175 and OXS-4235.

Oxis executed an exclusive worldwide license agreement with Daniel A. Vallera, Ph.D. and his associate (jointly "Dr. Vallera"), to further develop and commercialize DT2219ARL (OXS-1550), a novel therapy for the treatment of various human cancers. Under the terms of the agreement, OXIS receives exclusive rights to conduct research and to develop, make, use, sell, and import DT2219ARL worldwide for the treatment of any disease, state or condition in humans. OXIS shall own all permits, licenses, authorizations, registrations and regulatory approvals required or granted by any governmental authority anywhere in the world that is responsible for the regulation of products such as DT2219ARL, including without limitation the Food and Drug Administration in the United States and the European Agency for the Evaluation of Medicinal Products in the European Union. Under the agreement, Dr. Vallera will receive an upfront license fee, royalty fees, and certain milestone payments.

In July 2016, Oxis executed an exclusive worldwide license agreement with the Regents of the University of Minnesota, to further develop and commercialize cancer therapies using Trispecific Killer Engager (TriKE) technology developed by researchers at the university to target NK cells to cancer. Under the terms of the agreement, OXIS receives exclusive rights to conduct research and to develop, make, use, sell, and import TriKe technology worldwide for the treatment of any disease, state or condition in humans. OXIS shall own all permits, licenses, authorizations, registrations and regulatory approvals required or granted by any governmental authority anywhere in the world that is responsible for the regulation of products such as the TriKe technology, including without limitation the Food and Drug Administration in the United States and the European Agency for the Evaluation of Medicinal Products in the European Union. Under the agreement, the University of Minnesota will receive an upfront license fee, royalty fees, and certain milestone payments.

Financing

In January 2016, the Company entered into a securities purchase agreement with one accredited investor to sell 10% convertible debentures, with and an exercise price of $1.25, with an initial principal balance of $150,000 and warrants to acquire up to 80,000 shares of the Company's common stock at an exercise price of $1.25 per share.

In May 2016, the Company entered into a securities purchase agreement with twenty accredited investors to sell 10% convertible debentures, with and an exercise price of $0.40, with an initial principal balance of $1,390,044 and warrants to acquire up to 3,475,111 shares of the Company's common stock at an exercise price of $0.45 per share.

In July 2016, the Company entered into a securities purchase agreement with one accredited investor to sell 10% convertible debentures, with and an exercise price of $0.40, with an initial principal balance of $112,135 and warrants to acquire up to 280,338 shares of the Company's common stock at an exercise price of $0.45 per share.

In August 2016, the Company entered into a securities purchase agreement with one accredited investor to sell 10% convertible debentures up $1,000,000, with and an exercise price of $0.40, with an initial principal balance of $250,000 and warrants to acquire up to 2,500,000 shares of the Company's common stock at an exercise price of $0.45 per share.

In January 2017, the Company entered into a securities purchase agreement with eight accredited investors to sell 10% convertible debentures with and an exercise price of the lesser of (i) $0.05 or (ii) the average of the three (3) lowest intra-day trading prices of the Common Stock during the 20 Trading Days immediately prior to the date on which the Notice of Conversion is delivered to the Company, with an initial principal balance of $633,593 and warrants to acquire up to 12,671,860 shares of the Company's common stock at an exercise price of $0.05 per share.

In March 2017, the Company entered into a securities purchase agreement with two accredited investors to sell 10% convertible debentures with and an exercise price of the lesser of (i) $0.05 or (ii) the average of the three (3) lowest intra-day trading prices of the Common Stock during the 20 Trading Days immediately prior to the date on which the Notice of Conversion is delivered to the Company, with an initial principal balance of $232,313 and warrants to acquire up to 4,646,260 shares of the Company's common stock at an exercise price of $0.05 per share.

Results of Operations

Research and Development Expenses

During the year ended December 31, 2016 and 2015, we incurred $975,000 and $1,000,000 of research and development expenses.

Selling, general and administrative expenses

During the year ended December 31, 2016 and 2015, we incurred $8,399,000 and $7,954,000 of selling, general and administrative expenses. The increase in selling, general and administrative expenses is primarily attributable to an increase in professional fees, license fees and stock compensation.

Change in value of warrant and derivative liabilities

During the year ended December 31, 2016, we recorded a gain as a result of a decrease in the fair market value of outstanding warrants and beneficial conversion features of $25,697,000, compared to a gain of $4,505,000 during the year ended December 31, 2015. This increase is a result of a decrease in the fair market value of outstanding debt and equity securities accounted for as derivative liabilities and the conversion of warrants to common stock.

Interest Expense

Interest expense was $6,555,000 and $17,039,000 for the year ended December 31, 2016 and 2015 respectively. The decrease is primarily due to an decrease in the non-cash amortization of the debt issuance costs associated with the convertible debentures and demand notes payable and expenses related the issuance of additional shares

Liquidity and Capital Resources

As of December 31, 2019, we had cash and cash equivalents of $19,000. This cash and cash equivalents is in part the result of the proceeds from borrowings in 2016. On the same day we had total current assets of $21,000, and a working capital deficit of $18,928,000. Based upon the cash position, it is necessary to raise additional capital by the end of the next quarter in order to continue to fund current operations. The Company is pursuing several alternatives to address this situation, including the raising of additional funding through equity or debt financings. In order to finance existing operations and pay current liabilities over the next twelve months, the Company will need to raise approximately $4-5 million of capital.

Critical Accounting Policies

We consider the following accounting policies to be critical given they involve estimates and judgments made by management and are important for our investors' understanding of our operating results and financial condition.

Basis of Consolidation

The consolidated financial statements contained in this report include the accounts of OXIS International, Inc. and its subsidiaries. All intercompany balances and transactions have been eliminated.

Revenue Recognition

Product Revenue

The Company manufactures, or has manufactured on a contract basis, fine chemicals and nutraceutical products, which are its primary products to be sold to customers. Revenue from the sale of its products, including shipping fees, will be recognized when title to the products is transferred to the customer which usually occurs upon shipment or delivery, depending upon the terms of the sales order and when collectability is reasonably assured. Revenue from sales to distributors of its products will be recognized, net of allowances, upon delivery of product to the distributors. According to the terms of individual distributor contracts, a distributor may return product up to a maximum amount and under certain conditions contained in its contract. Allowances are calculated based upon historical data, current economic conditions and the underlying contractual terms.

Long-Lived Assets

Our long-lived assets include property, plant and equipment, capitalized costs of filing patent applications and goodwill and other assets. We evaluate our long-lived assets for impairment in accordance with SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Estimates of future cash flows and timing of events for evaluating long-lived assets for impairment are based upon management's judgment. If any of our intangible or long-lived assets are considered to be impaired, the amount of impairment to be recognized is the excess of the carrying amount of the assets over its fair value.

Applicable long-lived assets are amortized or depreciated over the shorter of their estimated useful lives, the estimated period that the assets will generate revenue, or the statutory or contractual term in the case of patents. Estimates of useful lives and periods of expected revenue generation are reviewed periodically for appropriateness and are based upon management's judgment. Goodwill and other assets are not amortized.

Certain Expenses and Liabilities

On an ongoing basis, management evaluates its estimates related to certain expenses and accrued liabilities. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of liabilities that are not readily apparent from other sources. Actual results may differ materially from these estimates under different assumptions or conditions.

Derivative Financial Instruments

During the normal course of business, from time to time, we issue warrants as part of a debt or equity financing. We do not enter into any derivative contracts for speculative purposes. We recognize all derivatives as assets or liabilities measured at fair value with changes in fair value of derivatives reflected as current period income or loss unless the derivatives qualify for hedge accounting and are accounted for as such. During fiscal 2016 and 2015, we issued warrants to purchase 5,101,500 and 9,874,833 shares of common stock, respectively, in connection with equity transactions. In accordance with ASC Topic 815-40, "Derivatives and Hedging — Contracts in Entity's Own Stock" ("ASC 815-40"), the value of these warrants is required to be recorded as a liability, as the holders have an option to put the warrants back to us in certain events, as defined.

Inflation

We believe that inflation has not had a material adverse impact on our business or operating results during the periods presented.

Off-balance Sheet Arrangements

We have no off-balance sheet arrangements as of December 31, 2016.

ITEM 7A QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

This company qualifies as a smaller reporting company, as defined in 17 C.F.R. §229.10(f) (1) and is not required to provide information by this Item.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Please see the financial statements beginning on page F-1 located elsewhere in this annual report and incorporated herein by reference.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our principal executive officer and principal financial officer evaluated the effectiveness of our "disclosure controls and procedures" (as such term is defined in Rules 13a-15(e) and 15d-15(e) of the United States Securities Exchange Act of 1934, as amended), as of December 31, 2016. Based on that evaluation we have concluded that our disclosure controls and procedures were not effective as of December 31, 2016.

Management's Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rule 13a-15(f) or 15d-15(f) promulgated under the Securities Exchange Act of 1934, as amended, as a process designed by, or under the supervision of, a company's principal executive and principal financial officers and effected by a company's board of directors, management and other personnel, 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 and includes those policies and procedures that:

- Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the company;

- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

All internal control systems, no matter how well designed, have inherent limitations and can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within our company have been detected. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

As of December 31, 2016, management of the company conducted an assessment of the effectiveness of the company's internal control over financial reporting. In making this assessment, it used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control—Integrated Framework. In the course of the assessment, material weaknesses were identified in the company's internal control over financial reporting.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis.

Management determined that fundamental elements of an effective control environment were missing or inadequate as of December 31, 2016. The most significant issues identified were: 1) lack of segregation of duties due to very small staff and significant reliance on outside consultants, and 2) risks of executive override also due to lack of established policies, and small employee staff. Based on the material weaknesses identified above, management has concluded that internal control over financial reporting was not effective as of December 31, 2016.

As the company's operations increase, the company intends to hire additional employees in its accounting department. This annual report does not include an attestation report of our independent registered public accounting firm regarding internal control over financial reporting.

Changes in Internal Control over Financial Reporting

Other than as described above, no changes in our internal control over financial reporting were made during our most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The following table sets forth the name, age and position held by each of our executive officers and directors as of March 15, 2017. Directors are elected for a period of one year and thereafter serve until the next annual meeting at which their successors are duly elected by the stockholders.

Name	Age	Position
Anthony J. Cataldo	65	Chief Executive Officer and Chairman of the Board
Steven Weldon	41	Chief Financial Officer and Director

Anthony J. Cataldo was appointed to the Board of Directors on July 31, 2014 and he was appointed Chief Executive Officer on November 19, 2014. Most recently, From February 2011 to June 2013 Mr. Cataldo served as Chairman and CEO/ Founder of Genesis Biopharma, Inc. (Now known as Lion Biotechnologies, Inc. Trading symbol, LBIO) Mr. Cataldo created Lion/Genesis with the inclusion of assets purchase from the National Cancer Institute (NIH) for their novel treatment of Stage Four Cancer treatment for melanoma.

Mr. Cataldo also served as Chairman of the board of directors of Brand Partners Group, Inc., a provider of integrated products and services dedicated to providing financial services and traditional retail clients with turn-key environmental solutions, from October 2003 through August 2006.

Mr. Cataldo also served as non-executive co-chairman of the board of MultiCell Technologies, Inc., a supplier of functional, non-tumorigenic immortalized human hepatocytes from February 2005 through July 2006. Mr. Cataldo has also served as Executive Chairman of Calypte Biomedical Corporation, a publicly traded biotechnology company, involved in the development and sale of urine based HIV-1 screening tests from May 2001 through November 2004. Mr. Cataldo served as the Chief Executive Officer and Chairman of the Board of Directors of Miracle Entertainment, Inc., a Canadian film production company, from May 1999 through May 2002 where he was the executive producer or producer of several motion pictures. From August 1995 to December 1998, Mr. Cataldo served as President and Chairman of the Board of Senetek, PLC, a publicly traded biotechnology company involved in age-related therapies.

Steven Weldon was appointed to our Board of Directors in September, 2014 and as our President and Chief Financial Officer in November, 2014. Mr. Weldon has over 15 years of financial and accounting experience. The majority of his career has been focused on tax planning, preparation, and CFO consulting. Mr. Weldon's financial background includes experience in managerial, private accounting and planning. He has served on the board of several publicly traded companies as both, Chief Executive Officer and Chief Financial Officer. For several years, he taught accounting and tax courses to undergrad students at Florida Southern College. He received his Bachelor of Science degree and his Masters in Business Administration from Florida Southern College. Mr. Weldon was appointed as Chief Financial Officer and as a member of the board of directors of Growblox Sciences, Inc., a Delaware corporation in September 2005 and served in both positions until November 2014. Mr. Weldon also served as chief executive officer of Growblox Sciences from December 29, 2009, through May 2, 2011, and from April 18, 2012, through March 13, 2014.

Committees of the Board of Directors

Due to the small number of directors, at the present time the duties of an Audit Committee, Nominating and Governance Committee, and Compensation Committee are performed by the board of directors as a whole. At such time as we have more directors on our board of directors, these committees will be reconstituted.

Code of Ethics

A copy of the company's code of ethics is attached to this annual report as exhibit 99.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 requires our executive officers and directors, and persons who own more than 10% of a registered class of the company's equity securities, to file reports of ownership and changes in ownership with the Securities and Exchange Commission ("SEC"). Executive officers, directors and greater than 10% stockholders are required by SEC regulations to furnish the company with copies of all Section 16(a) forms they file.

Based solely on its review of the copies of reporting forms received by the company, the company believes that all of our executive officers and directors filed the required reports on a timely basis under Section 16(a).

ITEM 11. EXECUTIVE COMPENSATION SUMMARY COMPENSATION TABLE

The following table set forth certain information concerning the annual and long-term compensation for services rendered to us in all capacities for the fiscal years ended December 31, 2016 and 2015 of all persons who served as our principal executive officers and as our principal financial officer. No other executive officers received total annual compensation during the fiscal year ended December 31, 2016 and 2015 in excess of $100,000. The principal executive officer and the other named officers are collectively referred to as the "Named Executive Officers."

Name and Principal Position	Year	Salary($)	Bonus($)	Stock Awards	Option Awards[1] ($)	Non-Equity Incentive Plan Compensation Earnings ($)	Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Total
Anthony J. Cataldo,	2016	$216,000		$4,417,026	$ 20,707	$ ——	$ ——	$ ——	$4,653,733
Chairman[2]	2015	$216,000	$134,000	$ ----	$102,535	$ ——	$ ——	$ ——	$452,535
	2014	$154,000	$ ——	$402,291	$139,079	$ ——	$ ——	$ ——	$695,370
Steven Weldon,	2016	$168,000	$ ——	$752,852	$ ——	$ ——	$ ——	$ ——	$920,852
Chief Financial Officer (Principal Financial Officer) [3]	2015	$168,000	$ ——	$197,845	$ ——	$ ——	$ ——	$ ——	$365,845
	2014	$ 25,500	$ ——	$ 57,945	$ ——	$ ——	$ ——	$ ——	$ 83,445

(1) This column represents option awards computed in accordance with FASB ASC Topic 718, excluding the effect of estimated forfeitures related to service-based vesting conditions. For additional information on the valuation assumptions with respect to the option grants, refer to Note 1 of our financial statements in this Annual Report. These amounts do not correspond to the actual value that will be recognized by the named executives from these awards.

(2) Mr. Cataldo served as our Chief Executive Officer from March 2009 to August 2011 and again in November 2014, and was appointed Chairman of the Board of Directors on July 25, 2014.

(3) Mr. Weldon was appointed Chief Financial Officer on November 3, 2014.

Employment Agreements

The Company has entered into employment agreements with Anthony J. Cataldo and Steven Weldon. Pursuant to the agreements, Mr. Cataldo and Mr. Weldon receive annual salaries of $216,000 and $168,000 respectively, as well as bonuses under certain circumstances and as awarded by the Board of Directors. The term of employment under Mr. Cataldo's agreement is for three years with a year to year renewal option thereafter. The term of employment under Mr. Weldon's agreement is for two years with a year to year renewal option thereafter.

Stock Option Grants

The following table sets forth information as of December 31, 2016, concerning unexercised options, unvested stock and equity incentive plan awards for the executive officers named in the Summary Compensation Table.

OUTSTANDING EQUITY AWARDS AT YEAR ENDED DECEMBER 31, 2016

	Option Awards					Stock Awards			
Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested(#)	Market Value of Shares or Units of Stock That Have Not Vested($)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested(#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested($)
Anthony Cataldo	107,278	-	-	$ 2.50	07/01/19				
Anthony Cataldo	107,278	-	-	$ 5.00	07/01/19				
Anthony Cataldo	107,279	-	-	$ 7.50	07/01/19				
Steven Weldon	-	-	-	-					

Director Compensation

Beginning in January 2012, members of the Board of Directors are to receive $3,000 per quarter either in cash or registered shares, plus an option to purchase 25,000 shares at the market price at the end of each quarter. The options will vest equally over a one year period. There was not compensation paid to non-employee directors during fiscal 2016.

ITEM 12.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The following table sets forth certain information regarding beneficial ownership of our common stock as of March 9, 2017 (a) by each person known by us to own beneficially 5% or more of any class of our common stock, (b) by each of our Named Executive Officers, (c) by each of our directors and (d) by all of our current executive officers and directors as a group. As of March 9, 2017 there were 72,951,231shares of our common stock issued and outstanding. Shares of common stock subject to stock options and warrants that are currently exercisable or exercisable within 60 days of March 23, 2016 are deemed to be outstanding for the purpose of computing the percentage ownership of that person but are not treated as outstanding for the purpose of computing the percentage ownership of any other person. Unless indicated below, the persons and entities named in the table have sole voting and sole investment power with respect to all shares beneficially owned, subject to community property laws where applicable. Except as otherwise indicated, the address of each stockholder is c/o OXIS International, Inc. at 100 South Ashley Street, Suite 600, Tampa, FL 33602.

Name and Address of Beneficial Owner	Number of Shares of Common Stock Beneficially Owned	Percent of Shares of Outstanding Common Stock
Security Ownership of Certain Beneficial Owners:		
None		
Security Ownership of Management:		
Anthony J. Cataldo	4,030,731	5.52%
Steven Weldon	601,610	0.01%
Executive officers and directors as a group — 2 persons	4,632,341	5.53%

Equity Compensation Plan Information

The following is a summary of our equity compensation plans at December 31, 2016:

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (c)
Equity compensation plans approved by security holders (1)	373,833	$ 4.76	-
Equity compensation plans not approved by security holders	-	-	-
Total	373,833	$ 4.76	-

(1) As of December 31, 2016, we had options issued and outstanding to purchase 373,833 shares of common stock under our 2014 Stock Incentive Plan.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE

Director Independence

None of our two directors qualify as “independent directors” as defined by Item 407 of Regulation S-K.

We have elected to use the definition for “director independence” under the Nasdaq Stock Market’s listing standards, which defines an “independent director” as “a person other than an officer or employee of us or its subsidiaries or any other individual having a relationship, which in the opinion of our Board of Directors, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.” The definition further provides that, among others, employment of a director by us (or any parent or subsidiary of ours) at any time during the past three years is considered a bar to independence regardless of the determination of our Board of Directors.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Seligson & Giannattasio, LLP was our independent registered public accounting firm for the fiscal years ending December 31, 2015 and 2016. The Audit Committee appointed Seligson & Giannattasio, LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2016. The following table shows the fees that were paid or accrued by us for audit and other services provided by Seligson & Giannattasio, LLP for the 2015 and 2016 fiscal years.

	2016	2015
Audit Fees (1)	$ 56,000	$ 50,500
Audit-Related Fees (2)	-	-
Tax Fees (3)	4,000	-
All Other Fees	-	-
Total	$ 60,000	$ 50,500

(1) Audit fees represent fees for professional services provided in connection with the audit of our annual financial statements and the review of our financial statements included in our Form 10-Q quarterly reports and services that are normally provided in connection with statutory or regulatory filings for the 2016 and 2015 fiscal years.

(2) Audit-related fees represent fees for assurance and related services that are reasonably related to the performance of the audit or review of our financial statements and not reported above under "Audit Fees."

(3) Tax fees represent fees for professional services related to tax compliance, tax advice and tax planning.

All audit related services, tax services and other services rendered by Seligson & Giannattasio, LLP were pre-approved by our Board of Directors or Audit Committee. The Audit Committee has adopted a pre-approval policy that provides for the pre-approval of all services performed for us by Seligson & Giannattasio, LLP. The policy authorizes the Audit Committee to delegate to one or more of its members pre-approval authority with respect to permitted services. Pursuant to this policy, the Board delegated such authority to the Chairman of the Audit Committee. All pre-approval decisions must be reported to the Audit Committee at its next meeting. The Audit Committee has concluded that the provision of the non-audit services listed above is compatible with maintaining the independence Seligson & Giannattasio, LLP.

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

The Company's financial statements and related notes thereto are listed and included in this Annual Report beginning on page F-1. The following documents are furnished as exhibits to this Annual Report on Form 10-K.

EXHIBIT INDEX

		Incorporated by Reference			
ExhibitNumber	**Exhibit Description**	**Form**	**Date**	**Number**	**Filed Herewith**
3.1	Restated Certificate of Incorporation as filed in Delaware September 10, 1996 and as thereafter amended through March 1, 2002	10-KSB	04/01/02	3.A	
3.2	Certificate of Amendment to Amended and Restated Certificate of Incorporation of Oxis International, Inc.	10-K	03/31/11	3.2	
3.3	Certificate of Designation of Preferences, Rights and Limitations of Series H Convertible Preferred Stock of Oxis International, Inc., dated February 5, 2010	8-K	2/16/10	3.1	
3.4	Certificate of Designation of Preferences, Rights and Limitations of Series I Convertible Preferred Stock of Oxis International, Inc., dated March 18, 2011.	10-K	03/31/11	3.4	
3.5	Bylaws, as restated effective September 7, 1994 and as amended through April 29, 2003	10-QSB	08/13/03	3	
14.1	Code of Ethics	10-K	03/31/16	14.1	
21.1	Subsidiaries of OXIS International, Inc.	10-K	03/31/16	21.1	
31.1	Certification of the Principal Executive Officer pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				X
31.2	Certification of the Principal Financial Officer pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				X
32.1	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.				X
32.2	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.				X
101	Interactive Data File				X

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

GT Biopharma, Inc.

Dated: February 28, 2018

By: /s/ Shawn Cross
Shawn Cross
Chief Executive Officer and Chairman of the Board

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Name	Position	Date
/s/ Shawn Cross Shawn Cross	Chief Executive Officer and Chairman of the Board	February 28, 2018
/s/ Steven Weldon Steven Weldon	Chief Financial Officer (Principal Financial Officer), and Director	February 28, 2018
/s/ Dr. Kathleen Clarence-Smith Dr. Kathleen Clarence-Smith	Vice Chairwoman and Director	February 28, 2018
/s/Anthony J. Cataldo Anthony J. Cataldo	Director	February 28, 2018
/s/ Geoffrey Davis Geoffrey Davis	Director	February 28, 2018

OXIS INTERNATIONAL, INC. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015

Contents

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To The Board of Directors and Stockholders of
Oxis International, Inc.

We have audited the accompanying consolidated balance sheets of Oxis International, Inc. (the "Company") and subsidiaries as of December 31, 2016 and 2015 and the related consolidated statements of operations, stockholders' deficit and cash flows for each of the two years in the period ended December 31, 2016. Oxis International, Inc. and subsidiaries' management is responsible for the consolidated financial statements. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Oxis International, Inc. and subsidiaries as of December 31, 2016 and 2015 and the consolidated results of their operations and their consolidated cash flows for each of the two years in the period ended December 31, 2016 in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements have been prepared assuming the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company has incurred significant recurring losses. The realization of a major portion of its assets is dependent upon its ability to meet its future financing needs and the success of its future operations. These factors raise substantial doubt about the Company's ability to continue as a going concern. The consolidated financial statements do not include any adjustments that might result from this uncertainty.

/s/ Seligson & Giannattasio, LLP
Seligson & Giannattasio, LLP
White Plains, New York
March 31, 2017,except for Note 6
Which date is February 28, 2018

OXIS International, Inc. and Subsidiaries
December 31, 2016 and 2015
Consolidated Balance Sheets

	December 31, 2016	December 31, 2015
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 19,000	$ 47,000
Prepaid expenses	2,000	2,000
Total Current Assets	21,000	49,000
Fixed assets, net	4,000	5,000
Total Other Assets	4,000	5,000
TOTAL ASSETS	$ 25,000	$ 54,000
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current Liabilities:		
Accounts payable	$ 2,100,000	$ 893,000
Accrued interest	3,800,000	2,391,000
Accrued expenses	219,000	4,326,000
Line of credit	31,000	31,000
Warrant liability	417,000	33,266,000
Settlement note payable	691,000	691,000
Demand notes payable, net of discount of $-0- and $-0-	452,000	452,000
Convertible debentures, net of discount of $794,000 and $900,000 current portion	10,350,000	6,820,000
Senior secured convertible debentures	889,000	1,039,000
Total Current Liabilities	18,949,000	49,909,000
Long term liabilities:		
Convertible debentures, net of discount of $-0- and $2,536,000	-	714,000
Total long term liabilities	-	714,000
Total liabilities	18,949,000	50,623,000
Stockholders' Deficit:		
Convertible preferred stock - $0.001 par value; 15,000,000 shares authorized:		
Series C - 96,230 and 96,230 shares issued and outstanding at December 31, 2016 and December 31, 2015, respectively	1,000	1,000
Series H – 25,000 and 25,000 shares issued and outstanding at December 31, 2016 and December 31, 2015, respectively	—	—
Series I – 1,666,667 shares issued and outstanding at December 31, 2016 and December 31, 2015, respectively	2,000	2,000
Common stock - $0.001 par value; 150,000,000 shares authorized; and 31,265,475 and 2,400,000 shares issued and outstanding at December 31, 2016 and December 31, 2015, respectively	31,000	2,000
Additional paid-in capital	105,860,000	84,012,000
Accumulated deficit	(124,649,000)	(134,417,000)
Noncontrolling interest	(169,000)	(169,000)
Total Stockholders' Deficit	(18,924,000)	(50,569,000)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	$ 25,000	$ 54,000

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

OXIS International, Inc. and Subsidiaries
December 31, 2016 and 2015
Statements of Operations

	December 31,	
	2016	**2015**
Revenue:		
Product revenues	$ -	$ -
License revenues	-	27,000
TOTAL REVENUE	-	27,000
Cost of Product Revenue	-	-
Gross profit	-	27,000
Operating Expenses:		
Research and development	975,000	1,000,000
Selling, general and administrative	8,399,000	7,954,000
Total operating expenses	9,374,000	8,954,000
Loss from Operations	(9,374,000)	(8,927,000)
Other income (expense)		
Change in value of warrant and derivative liabilities	25,697,000	4,505,000
Interest expense/income	(6,555,000)	(17,039,000)
Total Other Income (Expense)	19,142,000	(12,534,000)
Income (loss) before minority interest and provision for income taxes	9,768,000	(21,461,000)
Less: Net loss attributable to the noncontrolling interests	0	0
Income (loss) before provision for income taxes	9,768,000	(21,461,000)
Provision for income taxes	-	-
Net income (loss)	9,768,000	(21,431,000)
Weighted Average Shares Outstanding		
Basic	24,427,906	2,394,540
Diluted	24,427,906	2,394,540
Net income (loss) per share		
Basic	$ 0.40	$ (8.96)
Diluted	$ 0.40	$ (8.96)

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

OXIS INTERNATIONAL, INC. AND SUBSIDIARIES
Consolidated Statement of Stockholders' Deficit
For the Years Ended December 31, 2016 and 2015

	Preferred Stock		Common Stock		Additional Paid-in	Accumulated
	Shares	Amount	Shares	Amount	Capital	Deficit
Balance at December 31, 2014	1,787,897	$ 3,000	2,366,588	$ 2,000	$83,546,000	$(112,956,000)
Issuance of stock options					220,000	
Issuance of common stock for accrued expenses			33,412	-	246,000	
Net loss						(21,461,000)
Balance at December 31, 2015	1,787,897	$ 3,000	2,400,000	$ 2,000	$84,012,000	$(134,417,000)
Issuance of stock options					42,000	
Issuance of common stock for convertible notes and interest			8,450,691	8,000	2,484,000	
Issuance of common stock for warrants			12,580,213	13,000	9,027,000	
Issuance of common stock for compensation			7,834,571	8,000	10,295,000	
Net income(As restated)						9,768,000
Balance at December 31, 2016	**1,787,897**	**$ 3,000**	**31,265,475**	**$ 31,000**	**$105,860,000**	**$(124,649,000)**

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

OXIS INTERNATIONAL, INC. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2016 and 2015

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES:	(As restated)	
Net income (loss)	$ 9,768,000	$ 21,461,000)
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Depreciation	1,000	2,000
Stock compensation expense for options and warrants issued to employees and non-employees	6,591,000	3,761,000
Note Allonges	65,000	3,667,000
Amortization of debt discounts	2,897,000	2,494,000
Non-cash interest expense	1,632,000	9,840,000
Change in value of warrant and derivative liabilities	(25,697,000)	(3,865,000)
Changes in operating assets and liabilities:		
Other assets	-	25,000
Accounts payable and accrued liabilities	2,813,000	880,000
Net cash used in operating activities	(1,930,000)	(4,657,000)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of fixed assets	-	(1,000)
Net cash used by investing activities	-	(1,000)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from notes payable	1,902,000	3,850,000
Repayment of note payable	-	-
Net cash provided by financing activities	1,902,000	3,850,000
Minority interest	-	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(28,000)	(808,000)
CASH AND CASH EQUIVALENTS - Beginning of period	47,000	855,000
CASH AND CASH EQUIVALENTS - End of period	$ 19,000	$ 47,000

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

Supplemental disclosures:	$ -	$ -
Interest paid	$ -	$ -
Income taxes paid		
Supplemental disclosures:		
Issuance of common stock for convertible debt	$ 1,944,000	$ -
Issuance of common stock for interest expense	$ 528,000	$ 247,000

1. The Company and Summary of Significant Accounting Policies

OXIS International, Inc. (collectively, "OXIS" or the "Company") is engaged in discovering, developing and commercializing novel therapeutics from our proprietary product platform in a broad range of disease areas. Currently, OXIS develops innovative drugs focused on the treatment of cancer. OXIS' lead drug candidate, OXS-2175, is a small molecule therapeutic candidate targeting the treatment of triple-negative breast cancer. In *in vitro* and *in vivo* models of TNBC, OXS-2175 demonstrated the ability to inhibit metastasis. OXIS' lead drug candidate, OXS-4235, also a small molecule therapeutic candidate, targets the treatment of multiple myeloma and associated osteolytic lesions. In *in vitro* and *in vivo* models of multiple myeloma, OXS-4235 demonstrated the ability to kill multiple myeloma cells, and decrease osteolytic lesions in bone. OXIS' lead drug candidate, OXS-1550, is a bispecific scFv recombinant fusion protein-drug conjugate composed of the variable regions of the heavy and light chains of anti-CD19 and anti-CD22 antibodies and a modified form of diphtheria toxin as its cytotoxic drug payload. OXS-1550 has demonstrated success in early human clinical trials in patients with relapsed/refractory B-cell lymphoma or leukemia.

In 1965, the corporate predecessor of OXIS, Diagnostic Data, Inc. was incorporated in the State of California. Diagnostic Data changed its incorporation to the State of Delaware in 1972; and changed its name to DDI Pharmaceuticals, Inc. in 1985. In 1994, DDI Pharmaceuticals merged with International BioClinical, Inc. and Bioxytech S.A. and changed its name to OXIS International, Inc.

Going Concern

As shown in the accompanying consolidated financial statements, the Company has incurred an accumulated deficit of $124,649,000 through December 31, 2016. On a consolidated basis, the Company had cash and cash equivalents of $19,000 at December 31, 2016. The Company's plan is to raise additional capital until such time that the Company generates sufficient revenues to cover its cash flow needs and/or it achieves profitability. However, the Company cannot assure that it will accomplish this task and there are many factors that may prevent the Company from reaching its goal of profitability.

The current rate of cash usage raises substantial doubt about the Company's ability to continue as a going concern for one year after the date the financial statements were issued, absent any sources of significant cash flows. In an effort to mitigate this near-term concern the Company intends to seek additional equity or debt financing to obtain sufficient funds to sustain operations. However, the Company cannot provide assurance that it will successfully obtain equity or debt or other financing, if any, sufficient to finance its goals or that the Company will generate future product related revenues. The Company's financial statements do not include any adjustments relating to the recoverability and classification of recorded assets, or the amounts and classification of liabilities that might be necessary in the event that the Company cannot continue in existence.

Advertising and promotional fees

Advertising expenses consist primarily of costs incurred in the design, development, and printing of Company literature and marketing materials. The Company expenses all advertising expenditures as incurred. There were no advertising expenses for the years ended December 31, 2016 and 2015, respectively.

Basis of Consolidation

The accompanying consolidated financial statements include the accounts of OXIS International, Inc. and its subsidiaries. All intercompany balances and transactions have been eliminated. The Company's financial statements are prepared using the accrual method of accounting.

Cash and Cash Equivalents

The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

Concentrations of Credit Risk

The Company's cash and cash equivalents, marketable securities and accounts receivable are monitored for exposure to concentrations of credit risk. The Company maintains substantially all of its cash balances in a limited number of financial institutions. The balances are each insured by the Federal Deposit Insurance Corporation up to $250,000. The Company does not have balances in excess of this limit at December 31, 2016.

Fair Value of Financial Instruments

The carrying amounts of cash and cash equivalents, restricted cash, accounts receivable, inventory, accounts payable and accrued expenses approximate fair value because of the short-term nature of these instruments. The fair value of debt is based upon current interest rates for debt instruments with comparable maturities and characteristics and approximates the carrying amount.

Stock Based Compensation to Employees

The Company accounts for its stock-based compensation for employees in accordance with Accounting Standards Codification ("ASC") 718. The Company recognizes in the statement of operations the grant-date fair value of stock options and other equity-based compensation issued to employees and non-employees over the related vesting period.

The Company granted stock options to purchase -0- and 52,000 shares of the Company's common stock to employees and directors during the year ended December 31, 2016 and 2015, respectively. The fair values of employee stock options are estimated for the calculation of the pro forma adjustments at the date of grant using the Black-Scholes option-pricing model with the following weighted-average assumptions during 2015: expected volatility of 90%; average risk-free interest rate of 1.50% initial expected life of 5 years; no expected dividend yield; and amortized over the vesting period of typically one to four years. The Company reported an expense for share-based compensation for its employees and directors of $42,000 and $220,000 for the year ended December 31, 2016 and 2015, respectively.

Impairment of Long Lived Assets

The Company's long-lived assets currently consist of capitalized patents. The Company evaluates its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. If any of the Company's long-lived assets are considered to be impaired, the amount of impairment to be recognized is equal to the excess of the carrying amount of the assets over the fair value of the assets.

Income Taxes

The Company accounts for income taxes using the asset and liability approach, whereby deferred income tax assets and liabilities are recognized for the estimated future tax effects, based on current enacted tax laws, of temporary differences between financial and tax reporting for current and prior periods. Deferred tax assets are reduced, if necessary, by a valuation allowance if the corresponding future tax benefits may not be realized.

Net Income (Loss) per Share

Basic net income (loss) per share is computed by dividing the net loss for the period by the weighted average number of common shares outstanding during the period. Diluted net income (loss) per share is computed by dividing the net loss for the period by the weighted average number of common shares outstanding during the period, plus the potential dilutive effect of common shares issuable upon exercise or conversion of outstanding stock options and warrants during the period. The weighted average number of potentially dilutive common shares excluded from the calculation of net income (loss) per share totaled in 37,843,731 in 2016 and 12,525,721 in 2015.

Patents

Acquired patents are capitalized at their acquisition cost or fair value. The legal costs, patent registration fees and models and drawings required for filing patent applications are capitalized if they relate to commercially viable technologies. Commercially viable technologies are those technologies that are projected to generate future positive cash flows in the near term. Legal costs associated with patent applications that are not determined to be commercially viable are expensed as incurred. All research and development costs incurred in developing the patentable idea are expensed as incurred. Legal fees from the costs incurred in successful defense to the extent of an evident increase in the value of the patents are capitalized.

Capitalized cost for pending patents are amortized on a straight-line basis over the remaining twenty year legal life of each patent after the costs have been incurred. Once each patent is issued, capitalized costs are amortized on a straight-line basis over the shorter of the patent's remaining statutory life, estimated economic life or ten years.

Fixed Assets

Fixed assets is stated at cost. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets, which are 3 to 10 years for machinery and equipment and the shorter of the lease term or estimated economic life for leasehold improvements.

Fair Value

The carrying amounts reported in the balance sheets for receivables and current liabilities each qualify as financial instruments and are a reasonable estimate of fair value because of the short period of time between the origination of such instruments and their expected realization and their current market rate of interest. The three levels are defined as follows:

- Level 1 inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets. The Company's Level 1 assets include cash equivalents, primarily institutional money market funds, whose carrying value represents fair value because of their short-term maturities of the investments held by these funds.

- Level 2 inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. The Company's Level 2 liabilities consist of liabilities arising from the issuance of convertible securities and in accordance with ASC 815-40: a warrant liability for detachable warrants, as well as an accrued derivative liability for the beneficial conversion feature. These liabilities are remeasured each reporting period. Fair value is determined using the Black-Scholes valuation model based on observable market inputs, such as share price data and a discount rate consistent with that of a government-issued security of a similar maturity.

- Level 3 inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The following table represents the Company's assets and liabilities by level measured at fair value on a recurring basis at December 31, 2016.

Description	Level 1	Level 2	Level 3
Assets			
	$ —	$ —	$ —
Liabilities			
Warrant liability	—	417,000	—

Research and Development

Research and development costs are expensed as incurred and reported as research and development expense. Research and development costs totaling $975,000 and $1,000,000 for the years ended December 31, 2016 and 2015, respectively.

Revenue Recognition

Product Revenue

The Company manufactures, or has manufactured on a contract basis, fine chemicals and nutraceutical products, which are its primary products to be sold to customers. Revenue from the sale of its products, including shipping fees, will be recognized when title to the products is transferred to the customer which usually occurs upon shipment or delivery, depending upon the terms of the sales order and when collectability is reasonably assured. Revenue from sales to distributors of its products will be recognized, net of allowances, upon delivery of product to the distributors. According to the terms of individual distributor contracts, a distributor may return product up to a maximum amount and under certain conditions contained in its contract. Allowances are calculated based upon historical data, current economic conditions and the underlying contractual terms.

License Revenue

License arrangements may consist of non-refundable upfront license fees, exclusive licensed rights to patented or patent pending technology, and various performance or sales milestones and future product royalty payments. Some of these arrangements are multiple element arrangements.

Non-refundable, up-front fees that are not contingent on any future performance by us, and require no consequential continuing involvement on our part, are recognized as revenue when the license term commences and the licensed data, technology and/or compound is delivered. We defer recognition of non-refundable upfront fees if we have continuing performance obligations without which the technology, right, product or service conveyed in conjunction with the non-refundable fee has no utility to the licensee that is separate and independent of our performance under the other elements of the arrangement. In addition, if we have continuing involvement through research and development services that are required because our know-how and expertise related to the technology is proprietary to us, or can only be performed by us, then such up-front fees are deferred and recognized over the period of continuing involvement.

Payments related to substantive, performance-based milestones in a research and development arrangement are recognized as revenue upon the achievement of the milestones as specified in the underlying agreements when they represent the culmination of the earnings process.

Use of Estimates

The financial statements and notes are representations of the Company's management, which is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America, and have been consistently applied in the preparation of the financial statements. The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and disclosures of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

2. Debt

Senior secured convertible debentures

On October 25, 2006, the Company entered into a securities purchase agreement (“2006 Purchase Agreement”) with four accredited investors (the “2006 Purchasers”). In conjunction with the signing of the 2006 Purchase Agreement, the Company issued secured convertible debentures (“2006 Debentures”) and Series A, B, C, D, and E common stock warrants (“2006 Warrants”) to the 2006 Purchasers, and the parties also entered into a security agreement (the “2006 Security Agreement”) pursuant to which the Company agreed to grant the 2006 Purchasers, pari passu, a security interest in substantially all of the Company’s assets.

Pursuant to the terms of the 2006 Purchase Agreement, the Company issued the 2006 Debentures in an aggregate principal amount of $1,694,250 to the 2006 Purchasers. The 2006 Debentures are subject to an original issue discount of 20.318% resulting in proceeds to the Company of $1,350,000 from the transaction. The 2006 Debentures were due on October 25, 2008. The 2006 Debentures are convertible, at the option of the 2006 Purchasers, at any time prior to payment in full, into shares of common stock of the Company. As a result of the full ratchet anti-dilution provision the current conversion price is the lesser of $0.40 or 60% of the average of the lowest three trading prices occurring at any time during the 20 trading days preceding conversion (the "2006 Conversion Price"). Beginning on the first of the month beginning February 1, 2007, the Company was required to amortize the 2006 Debentures in equal installments on a monthly basis resulting in a complete repayment by the maturity date (the "Monthly Redemption Amounts"). The Monthly Redemption Amounts could have been paid in cash or in shares, subject to certain restrictions. If the Company chose to make any Monthly Redemption Amount payment in shares of common stock, the price per share would have been the lesser of the Conversion Price then in effect and 85% of the weighted average price for the 10-trading days prior to the due date of the Monthly Redemption Amount. The Company did not make any of the required monthly redemption payments.

Pursuant to the provisions of the 2006 Debentures, such non-payment was an event of default and penalty interest has accrued on the unpaid redemption balance at an interest rate equal to the lower of 18% per annum and the maximum rate permitted by applicable law. In addition, each of the 2006 Purchasers has the right to accelerate the cash repayment of at least 130% of the outstanding principal amount of the 2006 Debenture (plus accrued but unpaid liquidated damages and interest) and to sell substantially all of the Company's assets pursuant to the provisions of the 2006 Security Agreement to satisfy any such unpaid balance.

The Company and Bristol entered into a Forbearance Agreement on December 3, 2015, pursuant to which Bristol agreed to refrain and forbear from exercising certain rights and remedies with respect the 2006 Debentures for three months. In exchange for the Forbearance Agreement, the Company issued an allonge in the amount of $350,000 increasing the principal amount of the 2006 Debentures.

During 2016 the Company converted a total of $150,000 of the 2006 Debentures into common stock of the Company. As of December 31, 2016, the balance of the 2006 Debentures is $889,000.

Convertible debentures

From October 2009 to September 2016, the Company has entered into multiple convertible debenture arrangements with several accredited investors ("Convertible Debentures"). Interest on the Convertible Debentures ranges for 0% to 18% with a default rate of 18%. The Convertible Debentures are either two year or six month notes.

The conversion price of the Convertible Debentures is subject to full ratchet anti-dilution adjustment in the event that the Company thereafter issues common stock or common stock equivalents at a price per share less than the conversion price or the exercise price, respectively, and to other normal and customary anti-dilution adjustment upon certain other events. As a result of the full ratchet anti-dilution provision, the current conversion price is $0.40 per share and the default conversion price is 65% of the average of the lowest three trading prices occurring at any time during the 20 trading days preceding conversion .

The holders of the Convertible Debentures have contractually agreed to restrict their ability to convert their Convertible Debentures and receive shares of our common stock such that the number of shares of the Company common stock held by holders and its affiliates after such conversion or exercise does not exceed 4.9% of the Company's then issued and outstanding shares of common stock.

Outstanding Convertible Debentures issued by the Company are as follows:

Note Agreement	Balance at December 31, 2016	Balance at December 31, 2015
2009 Debentures	$ 305,000	$ 305,000
June 2011 Debentures	64,000	89,000
November 2011 Debentures	125,000	225,000
March 2012 Debentures	140,000	140,000
May 2012 Debentures	225,000	275,000
December 2012 Debentures	425,000	425,000
November 2013 Debentures	172,000	261,000
July 2014 Debentures	3,140,000	4,150,000
October 2014 Debentures	1,250,000	1,250,000
March 2015 Debentures	2,175,000	2,350,000
July 2015 Debentures	500,000	550,000
October 2015 Debentures	330,000	500,000
November 2015 Debentures	190,000	250,000
December 2015 Debentures	200,000	200,000
January 2016 Debentures	150,000	-
May 2016 Debentures	1,503,000	-
September 2016 Debentures	250,000	-
		-
Total convertible debentures	$ 11,144,000	$ 10,970,000
Less: discount	(794,000)	(3,436,000)
Total convertible debentures, net of discount	$ 10,350,000	$ 7,534,000
Total short term convertible debentures, net of discount	$ 10,350,000	$ 6,820,000
Total long term convertible debentures, net of discount	$ -	$ 714,000

Allonges

On August 18, 2015, the Company entered into a settlement agreement with three noteholders. In accordance with the July 24, 2014 Security Purchase Agreements, The Company was required to establish and maintain a reserve of shares of its common stock from its duly authorized shares of Common Stock for issuance in an amount equal to 150% of a required minimum by December 21, 2014 which did not occur. As compensation for the default, the Company issued allonges to the noteholders for a total of $837,500, increasing the principal amount of the convertible notes.

On October 7, 2015, the Company entered into a settlement agreement with two noteholders. In accordance with the July 24, 2014 Security Purchase Agreements, The Company was required to establish and maintain a reserve of shares of its common stock from its duly authorized shares of Common Stock for issuance in an amount equal to 150% of a required minimum by December 21, 2014 which did not occur. As compensation for the default, the Company issued allonges to the noteholders for a total of $537,500, increasing the principal amount of the convertible notes.

On November 5, 2015, the Company entered into a Second Settlement Agreement with three noteholders. On August 18, 2015 the Company entered into a Settlement Agreement that required the Company to increase its authorized shares to not less 8,000,000 shares and reserve 150% of the number of shares of its Common Stock no later than the earlier of (1) two days after Oxis obtaining all corporate and regulatory approvals necessary to increase it authorized shares; or (2) September 30, 2015 which did not occur. As compensation for the default, the Company issued additional allonges to the noteholders for a total of $837,500, increasing the principal amount of the convertible notes.

On Dec 5, 2015, the Company entered into a Second Settlement Agreement with three noteholders. On October 7, 2015 the Company entered into a Settlement Agreement that required the Company to increase its authorized shares to not less than 8,000,000 shares and reserve 150% of the number of shares of its Common Stock no later than the earlier of (1) two days after Oxis obtaining all corporate and regulatory approvals necessary to increase it authorized shares; or (2) September 30, 2015 which did not occur. As compensation for the default, the Company issued additional allonges to the noteholders for a total of $537,500, increasing the principal amount of the convertible notes.

The Company entered into a Forbearance Agreement on December 3, 2015, pursuant to which the remaining 2009 Debenture holder agreed to refrain and forbear from exercising certain rights and remedies with respect the 2009 Debentures for three months. In exchange for the Forbearance Agreement, the Company issued an allonge in the amount of $250,000 increasing the principal amount of the 2009 Debentures.

On July 15, 2016, the Company entered into a settlement agreement with one noteholder. In accordance with a 10% Convertible Debenture Due October 15, 2017, The Company was required pay accrued interest in case upon a conversion of the debt within three business days for the conversion which did not occur. As compensation for the default, the Company issued allonges to the noteholders for a total of $40,000, increasing the principal amount of the convertible notes.

Settlement Note Payable

On August 8, 2012, a Settlement Agreement and Mutual General Release ("Agreement") was made by and between OXIS and Bristol Investment Fund, Ltd., in order to settle certain claims regarding certain convertible debentures held by Bristol.

Pursuant to the Agreement, OXIS shall pay Bristol (half of which payment would redound to Theorem Capital LLC (“Theorem”)) a total of $1,119,778 as payment in full for the losses suffered and all costs incurred by Bristol in connection with the Transaction. Payment of such $1,119,778 shall be made as follows: OXIS shall issue restricted common stock to each of Bristol and Theorem, in an amount such that each Bristol and Theorem shall hold no more than 9.99% of the outstanding shares of OXIS (including any shares that each may hold as of the date of issuance). The shares so issued represent $417,475.65 of the $1,119,778 payment (111,327 shares at $3.75 per share, of which 36,675 will be retained by Bristol and 74,652 will be issued to Theorem). The remaining balance of the payment shall be made in the form of two convertible promissory notes in the respective amounts of $422,357.75 for Bristol and $279,944.60 for Theorem (collectively, the “Notes”) with a maturity of December 1, 2017 having an 8% annual interest rate, with interest only accruing until January 1, 2013, and then level payments of $3,750 each beginning January 1, 2013 until paid in full on December 1, 2017. In the event a default in the monthly payments on the Notes has occurred and is continuing each holder of the Notes shall be permitted to convert the unpaid principal and interest of the Notes into shares of OXIS at $0.40 cents per share. In the absence of such continuing default no conversion of the Notes will be permitted. OXIS will have the right to repay the Notes in full at any time without penalty. This settlement note payable is currently in default and has a balance of $691,000 as of December 31, 2016.

Demand Notes

On February 7, 2011 the Company entered into a convertible demand promissory note with Bristol pursuant to which Bristol purchased an aggregate principal amount of $31,375 of convertible demand promissory notes for an aggregate purchase price of $25,000 (the “February 2011 Bristol Note”). The February 2011 Bristol Note is convertible into shares of common stock of the Company at a price equal to $0.40 per share.

On March 4, 2011 the Company entered into a convertible demand promissory note with Bristol pursuant to which Bristol purchased an aggregate principal amount of $31,375 of convertible demand promissory notes for an aggregate purchase price of $25,000 (the "March 2011 Bristol Note"). The March 2011 Bristol Note is convertible at the option of the holder at any time into shares of common stock, at a price equal to $0.40.

On October 26, 2011 the Company entered into a convertible demand promissory note with Theorem pursuant to which Theorem purchased an aggregate principal amount of $200,000 of convertible demand promissory notes for an aggregate purchase price of $157,217 (the "October 2011 Theorem Note"). The October 2011 Theorem Note is convertible into shares of common stock of the Company, at a price equal to $0.40 per share.

On December 7, 2012, the Company entered into, and made its initial $315,000 borrowing under, a short-term loan agreement with two lenders pursuant to which it is permitted to borrow up to an aggregate of $350,000. The loans made under the loan agreement are evidence by the Company's notes and secured pursuant to a Security Agreement, that is junior to the Company's existing security arrangements under the Company's October 26, 2006 Debentures but cover the same assets of the Company.

Interest on the Notes is at the rate of 18% per annum, payable on the first day of each month until maturity on May 1, 2013. On April 1, 2013, the Company was required to pay 25.7143% of the Loan, with the remaining balance due on May 1, 2013.

The full principal amount of the Loans may be due upon default under the terms of the Loan Agreement, the Notes or the Security Agreement.

In March 2013, the Company entered into, and made an additional $35,000 borrowing under, a short-term loan agreement with two lenders the Company entered into in December 2012, pursuant to which it is permitted to borrow up to an aggregate of $350,000. The loans made under the loan agreement are evidence by the Company's notes and secured pursuant to a Security Agreement, that is junior to the Company's existing security arrangements under the Company's October 2006 Debentures but cover the same assets of the Company.

Effective April, 2013 the Company entered into a securities purchase agreement with one accredited investor to sell 10% convertible debentures with an initial principal balance of $75,000.

In December, 2013, the Company entered into a convertible demand promissory note with an initial principal balance of $189,662 convertible at $0.40 per share.

Financing Agreement

On November 8, 2010, the Company entered into a financing arrangement with Gemini Pharmaceuticals, Inc., a product development and manufacturing partner of the Company, pursuant to which Gemini Pharmaceuticals made a $250,000 strategic equity investment in the Company and agreed to make a $750,000 purchase order line of credit facility available to the Company. The outstanding principal of all Advances under the Line of Credit will bear interest at the rate of interest of prime plus 2 percent per annum. There is $31,000 due on this credit line at December 31, 2016.

3. Stockholders' Equity

Common Stock

On May 8, 2015, the Company obtained stockholder consent for the approval of an amendment to our certificate of incorporation to effect a reverse stock split of the Company's common stock at a ratio to be determined by the Board prior to the effective time of the amendment (the "Effective Time") of not less than one-for-fifty and not more than one-for-two hundred fifty and the approval of an amendment to our certificate of incorporation to set the number of authorized shares of common stock the Company shall authority to issue following the reverse stock split in an amount to be determined by the Board prior to the Effective Time.

The Company filed the amended certificate of incorporation with the State of Delaware on December 16, 2015. The Company effected a reverse stock split of the Company's common stock at a ratio of one-for-two hundred fifty and set the number of authorized shares of common stock the Company shall have authority to issue following the reverse stock split in an amount of 150,000,000. The effect of the reverse stock split has been reflected retroactively for all disclosures.

Common Stock

In January 2015, the Company agreed to issue 39,657 shares of common stock as a price protection to a note holder that originally converted notes at a price of $2.50 and continues to hold these shares. These additional shares would have been issued if the conversion shares price was $1.75. As of December 31, 2015, 33,142 shares of common stock have been issued and $247,000 of interest expense was recorded for this issuance. During January 2016 the remaining 6,515 share were issued and $20,000 of interest expense was recorded.

During the year ended December 31, 2016, the Company issued an aggregate of 12,580,183 shares of common stock to a total of 34 persons or entities in exchange of the cancellation of warrants on a cashless basis.

During the year ended December 31, 2016, the Company also issued an aggregate of 2,022,230 shares of common stock to a total of 17 persons as payment for consulting services provided to the Company. The average valuation of these shares was $2.00 per share.

During the year ended December 31, 2016, the Company also issued an aggregate of 4,612,341 shares of common stock to two executive officers of the Company in fulfilment of contractual rights held by the officers pursuant to their employment agreements.

During the year ended December 31, 2016, the Company also issued an aggregate of 5,956,982 shares of common stock to a total of 18 persons as payment for the conversion of certain note and the related accrued interest. The conversion price of these shares was $0.40 per share.

In August 2016, the Company issued 1,115,000 shares of common stock to H.C. Wainwright and Co., LLC as payment for investment banking services provided to the Company.

In October 2016, the Company issued an aggregate of 594,530 shares of common stock to one noteholder as payment for the conversion of a certain note. The conversion price of these shares was $0.0841 per share based on 60% of the average of the lowest three trading prices occurring at any time during the 20 trading days preceding conversion.

In November 2016, the Company issued an aggregate of 975,039 shares of common stock to one noteholder as payment for the conversion of a certain note. The conversion price of these shares was $0.0513 per share based on 60% of the average of the lowest three trading prices occurring at any time during the 20 trading days preceding conversion.

In December 2016, the Company issued an aggregate of 1,024,170 shares of common stock to one noteholder as payment for the conversion of a certain note. The conversion price of these shares was $0.04882 per share based on 60% of the average of the lowest three trading prices occurring at any time during the 20 trading days preceding conversion.

All shares issued during 2016 were exempt from the registration requirements of Section 5 of the Securities Act of 1933 (the "Act") pursuant to Section 4(2) of the Act since the shares were issued to persons or entities closely associated with the Company and there was no public offering of the shares.

Preferred Stock

The 96,230 shares of Series C preferred stock are convertible into 111 shares of the Company's common stock at the option of the holders at any time. The conversion ratio is based on the average closing bid price of the common stock for the fifteen consecutive trading days ending on the date immediately preceding the date notice of conversion is given, but cannot be less than .20 or more than .2889 common shares for each Series C preferred share. The conversion ratio may be adjusted under certain circumstances such as stock splits or stock dividends. The Company has the right to automatically convert the Series C preferred stock into common stock if the Company lists its shares of common stock on the Nasdaq National Market and the average closing bid price of the Company's common stock on the Nasdaq National Market for 15 consecutive trading days exceeds $3,000.00. Each share of Series C preferred stock is entitled to the number of votes equal to .26 divided by the average closing bid price of the Company's common stock during the fifteen consecutive trading days immediately prior to the date such shares of Series C preferred stock were purchased. In the event of liquidation, the holders of the Series C preferred stock shall participate on an equal basis with the holders of the common stock (as if the Series C preferred stock had converted into common stock) in any distribution of any of the assets or surplus funds of the Company. The holders of Series C preferred stock are entitled to noncumulative dividends if and when declared by the Company's board of directors. No dividends to Series C preferred stockholders were issued or unpaid through December 31, 2016.

On December 4, 2008, the Company entered into and closed an Agreement (the “Bristol Agreement”) with Bristol Investment Fund, Ltd. pursuant to which Bristol agreed to cancel the debt payable by the Company to Bristol in the amount of approximately $20,000 in consideration of the Company issuing Bristol 25,000 shares of Series G Convertible Preferred Stock, which such shares carry a stated value equal to $1.00 per share (the “Series G Stock”).

The Series G Stock is convertible, at any time at the option of the holder, into common shares of the Company based on a conversion price equal to the lesser of $2.50 or 60% of the average of the three lowest trading prices occurring at any time during the 20 trading days preceding the conversion. The Series G Stock, as amended, shall have voting rights on an as converted basis multiplied by 100.

In the event of any liquidation or winding up of the Company, the holders of Series G Stock will be entitled to receive, in preference to holders of common stock, an amount equal to the stated value plus interest of 15% per year.

The Series G Stock restricts the ability of the holder to convert the Series G Stock and receive shares of the Company’s common stock such that the number of shares of the Company common stock held by Bristol and its affiliates after such conversion does not exceed 4.9% of the Company’s then issued and outstanding shares of common stock.

On October 13, 2009 the Company was informed by Theorem Group, LLC that it had purchased all of the outstanding Series G Preferred Stock and Theorem gave notice to the Company that it intended to exercise its ability to vote on all shareholder matters utilizing the super voting privileges provided by the Series G Stock.

Effective February 10, 2010, the Company issued 25,000 shares of its new Series H Convertible Preferred Stock (the “Series H Preferred”) to Theorem Group, LLC, a California limited liability company (the “Stockholder”), in exchange for the 25,000 shares of Series G Stock then owned by the Stockholder. The foregoing exchange was effected pursuant to that certain Exchange Agreement, dated February 10, 2010, between the Company and the Stockholder (the “Exchange Agreement”).

The Certificate of Designation of the Series H Preferred is based on, and substantially similar to the form and substance of the Certificate of Designation of the Series G Preferred. Some of the corrections, changes and differences between the Certificate of Designation of the Series G Preferred and the Certificate of Designation of the Series H Preferred include the following:

- As previously disclosed, the holder of the Series H Preferred is entitled to vote with the common stock, and is entitled to a number of votes equal to (i) the number of shares of common stock it can convert into (without any restrictions or limitations on such conversion), (ii) multiplied by 100.
- The holder of the Series H Preferred cannot convert such preferred stock into shares of common stock if the holder and its affiliates after such conversion would own more than 9.9% of the Company’s then issued and outstanding shares of common stock.

- The Series G Preferred contained a limitation that the holder of the Series G Preferred could not convert such preferred shares into more than 19.999% of the issued and outstanding shares of common stock without the approval of the stockholders if the rules of the principal market on which the common stock is traded would prohibit such a conversion. Since the rules of the Company's principal market did not require such a limitation, that provision has been deleted.

On November 8, 2010, the Company sold 1,666,667 shares of the Company's Series I Preferred Stock, $.001 par value, at a price of $0.15 per share ($250,000).

The holder of the Series I Preferred Stock will be entitled to receive, out of funds legally available, dividends in cash at the annual rate of 8.0% of the Preference Amount ($0.15), when, as, and if declared by the Board. No dividends or other distributions shall be made with respect to any shares of junior stock until dividends in the same amount per share on the Series I Preferred Stock shall have been declared and paid or set apart during that fiscal year. Dividends on the Series I Preferred Stock shall not be cumulative and no right shall accrue to the Series I Preferred Stock by reason of the fact that the Company may fail to declare or pay dividends on the Series I Preferred Stock in the amount of the Dividend Rate per share or in any amount in any previous fiscal year of the Company, whether or not the earnings of the Company in that previous fiscal year were sufficient to pay such dividends in whole or in part.

Each share of Series I Preferred Stock shall entitle the holder thereof to such number of votes per share as shall equal the number of shares of Common Stock (rounded to the nearest whole number) into which such share of Series I Preferred Stock is then convertible.

Upon any liquidation of the Company, subject to the rights of any series of Preferred Stock that may from time to time come into existence, before any distribution or payment shall be made to the holders of any Junior Stock, the holders of the shares of Series I Preferred Stock then outstanding shall be entitled to receive and be paid out of the assets of the Company legally available for distribution to its stockholders liquidating distributions in cash or property at its fair market value as determined by the Board in the amount of $0.15 per share (as adjusted for any stock dividends, combinations or splits with respect to such shares).

Shares of Series I Preferred Stock may, at the option of the holder thereof, be converted at any time or from time to time into fully paid and non-assessable shares of Common Stock. The number of shares of Common Stock which a holder of shares of Series I Preferred Stock shall be entitled to receive upon conversion of such shares shall be the product obtained by multiplying the Conversion Rate by the number of shares of Series I Preferred Stock being converted. Initially, the Series I Preferred Stock is convertible into 6,667 shares of common stock.

In the event that the per-share Market Price of the Common Stock over a period of 20 consecutive trading days is equal to at least 130% of the initial conversion price (130% of $0.15), all outstanding shares of Series I Preferred Stock shall be converted automatically into the number of shares of Common Stock into which such shares of Series I Preferred Stock are then convertible without any further action by the holders of such shares and whether or not the certificates representing such shares of Series I Preferred Stock are surrendered to the Company or its transfer agent.

On January 8, 2016 the Company entered into an Exchange Agreement with certain investors together holding 25,000 shares of Series H Preferred Stock and 1,666,667 shares of Series I Preferred Stock have agreed to convert all such shares of Preferred Stock into an aggregate of 4,075,000 shares of Common Stock upon successful completion by the Company of a $6 million financing.

Common Stock Warrants

Warrant transactions for the years ended December 31, 2016 and 2015 are as follows:

	Number of Warrants	Weighted Average Exercise Price
Outstanding, December 31, 2014:	2,652,098	$ 2.50
Granted	9,874,823	1.25
Forfeited	(1,200)	30.00
Exercised	-	
Outstanding at December 31, 2015:	12,525,721	$ 1.25
Granted	5,101,500	0.45
Forfeited	(351,837)	1.25
Exercised	(12,610,183)	1.25
Outstanding at December 31, 2016	4,665,201	$ 0.45
Exercisable warrants:		
December 31, 2016	4,665,201	$ 0.45
December 31, 2015	12,525,721	$ 1.25

Stock Options

The Company reserved 400,000 shares of its common stock at December 31, 2014 for issuance under the 2014 Stock Incentive Plan (the "2014 Plan"). The 2014 Plan, approval by stockholders in May 2015, permits the Company to grant stock options to acquire shares of the Company's common stock, award stock bonuses of the Company's common stock, and grant stock appreciation rights. At December 31, 2016, 133,445 shares of common stock were available for grant and options to purchase 266,555 shares of common stock are outstanding under the 2014 Plan.

The Company has no shares of its common stock at December 31, 2016 to issue under the 2010 Stock Incentive Plan (the "2010 Plan"). The 2010 Plan, approved by stockholders at the 2011 annual meeting, permits the Company to grant stock options to acquire shares of the Company's common stock, award stock bonuses of the Company's common stock, and grant stock appreciation rights. At December 31, 2016, options to purchase 600 shares of common stock are outstanding under the 2010 Plan.

The Company has no shares of its common stock reserved at December 31, 2014 for issuance under the 2003 Stock Incentive Plan (the "2003 Plan"). The 2003 Plan, approved by stockholders at the 2003 annual meeting, permits the Company to grant stock options to acquire shares of the Company's common stock, award stock bonuses of the Company's common stock, and grant stock appreciation rights. At December 31, 2016, options to purchase 967 shares of common stock are outstanding under the 2003 Plan.

In addition, the Company has reserved 2,000 shares of its common stock for issuance outside of its stock incentive plans. At December 31, 2016, options to purchase 2,000 shares of common stock are outstanding outside of its stock incentive plans.

The following table summarizes stock option transactions for the years ended December 31, 2016 and 2015:

	Number of Options	Weighted Average Exercise Price
Outstanding, December 31, 2014	326,040	$ 15.00
Granted	52,000	3.29
Exercised	-	
Expired	(3,240)	61.00
Outstanding, December 31, 2015	374,800	$ 4.88
Granted	-	-
Exercised	-	-
Expired	(947)	56.27
Outstanding, December 31, 2015	373,833	$ 4.76
Exercisable Options:		
December 31, 2015	270,762	$ 4.88
December 31, 2016	373,833	$ 4.76

The weighted-average fair value of options granted was $1,780,000 and $1,829,000 in 2016 and 2015, respectively.

The following table summarizes information about all outstanding and exercisable stock options at December 31, 2016:

	Outstanding Options			Exercisable Options	
Range of Exercise Prices	Number of Options	Weighted-Average Remaining Contractual Life	Weighted-Average Exercise Price	Number of Options	Weighted-Average Exercise Price
$2.50 to $7.50	373,833	2.38	$ 4.76	273,833	$ 4.76

4. Income Taxes

Deferred Taxes

Deferred taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes, and operating losses and tax credit carryforwards. The significant components of net deferred income tax assets for the Company are:

	December 31,	
	2016	2015
Deferred tax assets:		
Federal net operating loss carryforward	$ 19,819,000	$ 15,400,000
Other	1,634,000	1,028,000
Patent amortization	(11,000)	(13,000)
Deferred tax assets before valuation	21,442,000	16,415,000
Valuation allowance	(21,442,000)	(16,415,000)
Net deferred income tax assets	$ —	$ —

Generally accepted accounting principles requires that the tax benefit of net operating losses, temporary differences and credit carryforwards be recorded as an asset to the extent that management assesses that realization is “more likely than not.” Realization of the future tax benefits is dependent on the Company's ability to generate sufficient taxable income within the carryforward period. Because of the Company's history of operating losses, management has provided a valuation allowance equal to its net deferred tax assets. The valuation allowance increased by $5,027,000 during the year ended December 31, 2016.

Tax Carryforward

At December 31, 2016, the Company had net operating loss carryforwards of approximately $49,900,000 to reduce United States federal taxable income in future years. These carryforwards expire through 2036.

The Company is no longer subject to U.S. and state tax examinations for years ending before the fiscal year ended December 31, 2012. Management does not believe there will be any material changes in our unrecognized tax positions over the next twelve months.

The Company's policy is to recognize interest and penalties accrued on any unrecognized tax benefits as a component of income tax expense. There was no accrued interest or penalties associated with any unrecognized tax benefits, nor was any interest expense recognized during the years ended December 31, 2016 and 2015.

5. Subsequent Events

Common Stock

During the first quarter of 2017 the Registrant has issued a total of 91,064,060 shares of common stock to a total of eleven entities or individuals in exchange for the cancellation of debt in the total amount of $1,809,519 and interest in the total amount of $523,800.

The Registrant also issued 583,333 shares of common stock to one entity upon the exercise of warrants on a cashless basis.

Convertible Notes

In January 2017, the Company entered into a securities purchase agreement with eight accredited investors to sell 10% convertible debentures with and an exercise price of the lesser of (i) $0.05 or (ii) the average of the three (3) lowest intra-day trading prices of the Common Stock during the 20 Trading Days immediately prior to the date on which the Notice of Conversion is delivered to the Company, with an initial principal balance of $633,593 and warrants to acquire up to 12,671,860 shares of the Company's common stock at an exercise price of $0.05 per share.

In March 2017, the Company entered into a securities purchase agreement with two accredited investors to sell 10% convertible debentures with and an exercise price of the lesser of (i) $0.05 or (ii) the average of the three (3) lowest intra-day trading prices of the Common Stock during the 20 Trading Days immediately prior to the date on which the Notice of Conversion is delivered to the Company, with an initial principal balance of $232,313 and warrants to acquire up to 4,646,260 shares of the Company's common stock at an exercise price of $0.05 per share.

Agreements

In March 2017, we entered a new one-year Sponsored Research Agreement with the University of Minnesota. The purpose of this agreement is to determine toxicities and in vivo behavior in our Trispecific Killer Engager (TriKE) technology licensed by Oxis from the University of Minnesota.

6. Restatement

The Company’s management determined that the Company needs to make adjustments to correct errors identified in the previously issued financial statements related to the non-cash calculation of warranty liabilities. The error affects the periods ending December 31, 2015, March 31, 2016, June 30, 2016, September 30, 2016 and December 31, 2016 financial statements.

As a result of the error, the Company will recognize a decrease in the Change in Warrant Liability by $11,265,000 through December 31, 2016.

This change had no net effect on the balance sheet and cash flows from operations, investing or financing.

The following table presents the impact of the restatement adjustment on the Company’s Consolidated Statement of Operations for the year ended December 31, 2016.

Liabilities and Stockholders:	As previously reported	Effects of restatement/ reclassification	Restated
Change in value of warrants and derivative liabilities	$ 36,952,000	$ 25,697,000	$(11,265,000)
Net Income	$ 21,033,000	$ 9,768,000	$(11,265,000)
Income per share – basic	$ 0.86	$ 0.40	$ (0.46)
Income per share –diluted	$ 0.86	$ 0.40	$ (0.46)

Exhibit 31.1

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT.

I, Shawn Cross, certify that:

1. I have reviewed this report on Form 10-K of GT Biopharma, 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. I am 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. 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.

Date: February 28, 2018

By: /s/ Shawn Cross
Name: Shawn Cross
Title: Chief Executive Officer and Chairman of the Board (Principal Executive Officer)

Exhibit 31.2

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT.

I, Steven Weldon, certify that:

1. I have reviewed this report on Form 10-K of GT Biopharma, 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. I am 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. 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.

Date: February 28,2018

By: /s/ Steven Weldon
Name: Steven Weldon
Title: Chief Financial Officer and Director (Principal Financial Officer)

Exhibit 32.1

CERTIFICATION TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, I, Shawn Cross, Chief Executive Officer of GT Biopharma, Inc. (the "Company"), hereby certify that, to the best of my knowledge:

(i) the Annual Report on Form 10-K of the Company for the fiscal year ended December 31, 2016 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operation of the Company.

Date: February 28, 2018

By: /s/ Shawn Cross
Name: Shawn Cross
Title: Chief Executive Officer and Chairman of the Board (Principal Executive Officer)

Exhibit 32.2

CERTIFICATION TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, I, Steven Weldon, Chief Financial Officer of GT Biopharma, Inc. (the "Company"), hereby certify that, to the best of my knowledge:

(i) the Annual Report on Form 10-K of the Company for the fiscal year ended December 31, 2016 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operation of the Company.

Date: February 28, 2018

By: /s/ Steven Weldon
Name: Steven Weldon
Title: Chief Financial Officer and Director
(Principal Financial Officer)