SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K/A

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

Date of Report (Date of earliest event reported): October 31, 2016

THE FEMALE HEALTH COMPANY
(Exact name of registrant as specified in its charter)

Wisconsin
(State or other jurisdiction of incorporation)

1-13602	39-1144397
(Commission File Number)	(I.R.S. Employer I.D. Number)

4400 Biscayne Boulevard, Suite 888, Miami, Florida	33137
(Address of Principal Executive Offices)	(Zip Code)

312-595-9123
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Explanatory Note

As previously reported, on October 31, 2016, The Female Health Company, a Wisconsin corporation ("FHC"), completed a merger transaction with Aspen Park Pharmaceuticals, Inc., a Delaware corporation ("APP"), pursuant to an Amended and Restated Agreement and Plan of Merger, dated as of October 31, 2016 (the "Amended Merger Agreement"), among FHC, APP, and FHC's wholly owned subsidiary Blue Hen Acquisition, Inc. ("APP Merger Sub"). At that time, APP Merger Sub merged (the "Merger") with and into APP, with APP surviving the Merger as a wholly owned subsidiary of FHC in accordance with the Amended Merger Agreement. This Amendment No. 1 amends the Current Report on Form 8-K, filed November 2, 2016 (the "Initial Form 8-K"), to provide the financial statement information referred to in parts (a) and (b) of Item 9.01 below relating to the Merger. Except as otherwise noted, all other information in the Initial Form 8-K remains unchanged.

Item 9.01. Financial Statements and Exhibits.

(a) Financial statements of businesses acquired.

The audited financial statements of APP as of September 30, 2015 and for the year ended September 30, 2015 and as of September 30, 2014 and for the period from June 9, 2014 (inception) to September 30, 2014, as well as the Report of Independent Registered Public Accounting Firm, Liggett & Webb, P.A., are incorporated herein by reference to FHC's Definitive Proxy Statement on Schedule 14A filed with the Securities and Exchange Commission on August 8, 2016.

The unaudited financial statements of APP as of June 30, 2016 and September 30, 2015 and for the nine months ended June 30, 2016 and 2015 are attached as Exhibit 99.1 to this Form 8-K and incorporated herein by reference.

(b) Pro forma financial information.

The Unaudited Pro Forma Condensed Combined Statements of Operations for the year ended September 30, 2015 is incorporated herein by reference to FHC's Definitive Proxy Statement on Schedule 14A filed with the Securities and Exchange Commission on August 8, 2016.

The following unaudited pro forma financial information related to the Merger is attached as Exhibit 99.2 to this Form 8-K and is incorporated herein by reference:

(i) Unaudited Pro Forma Condensed Combined Balance Sheet as of June 30, 2016; and

(ii) Unaudited Pro Forma Condensed Combined Statement of Operations for the Nine Months Ended June 30, 2016.

(d) Exhibits.

The following exhibits are filed herewith:

Exhibit No.	Description
23.1	Consent of Liggett & Webb, P.A. relating to APP's audited financial statements.
99.1	Unaudited financial statements of APP as of June 30, 2016 and September 30, 2015 and for the nine months ended June 30, 2016 and 2015.
99.2	Unaudited Pro Forma Condensed Combined Balance Sheet as of June 30, 2016 and Unaudited Pro Forma Condensed Combined Statement of Operations for the Nine Months Ended June 30, 2016.

SIGNATURES

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

Date: January 17, 2017

THE FEMALE HEALTH COMPANY

BY: /s/Daniel Haines
Daniel Haines, Chief Financial Officer

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the Registration Statement(No. 333-23517, No. 333-154252 and No. 333-165729) on Form S-8 of The Female Health Company ("the Company") of our report dated April 4, 2016 with respect to the balance sheets of Aspen Park Pharmaceuticals, Inc. as of September 30, 2015 and 2014, and the related statements of operations, changes in stockholders' deficit and cash flows for the two years then ended included in the Company's Form 8-K/A dated January 17, 2017, and to the reference to our firm under the heading "Experts" in the Report.

/s/Liggett & Webb, P.A.

LIGGETT & WEBB, P.A.
Certified Public Accountants
Boynton Beach, Florida
January 17, 2017

Exhibit 99.1

ASPEN PARK PHARMACEUTICALS, INC.

Unaudited Balance Sheets
June 30, 2016 and September 30, 2015

	June 30, 2016	September 30, 2015
Cash	$468,997	$569,257
Inventory	21,506	22,134
Prepaid expenses	7,594	24,241
TOTAL CURRENT ASSETS	498,097	615,632
TOTAL ASSETS	**$498,097**	**$615,632**
Current Liabilities:		
Accounts payable and accrued expenses	$856,853	$522,039
Accrued interest - related party (Note 5)	-	53,108
TOTAL CURRENT LIABILITIES	856,853	575,147
Note payable - related party (Note 5)	-	1,250,000
TOTAL LIABILITIES	856,853	1,825,147
COMMITMENTS AND CONTINGENCIES (NOTE 6)		
SHAREHOLDERS' DEFICIT		
Preferred Stock: $0.01 par value, 400,000 shares authorized, no shares issued and outstanding at June 30 2016, and September 30, 2015, respectively	-	-
Preferred Convertible Series A: $0.01 par value, liquidated value of $25 per share, 1,600,000 shares authorized, 266,000 and 166,000 shares issued and outstanding at June 30, 2016, and September 30, 2015, respectively	2,660	1,660
Common stock: $0.01 par value, 11,000,000 shares authorized; 8,010,000 and 8,000,000 shares issued at June 30, 2016 and September 30, 2015, respectively, and 7,960,000 shares outstanding at June 30, 2016, and September 30, 2015	80,000	80,000
Additional paid-in capital	2,575,128	(18,922)
Accumulated deficit	(3,016,524)	(1,272,233)
Treasury stock: at cost, 40,000 at June 30, 2016, and September 30, 2015	(20)	(20)
TOTAL SHAREHOLDERS' DEFICIT	(358,756)	(1,209,515)
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIT	**$498,097**	**$615,632**

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

ASPEN PARK PHARMACEUTICALS, INC.

Unaudited Statements of Operations
For The Nine Months Ended June 30, 2016 And 2015

	Nine Months Ended June 30,	
	2016	2015
REVENUE, net	$12,825	$8,799
Cost of goods sold	5,490	3,182
GROSS PROFIT	7,335	5,617
EXPENSES		
General and administrative	842,021	551,000
Research and development	879,793	415,432
TOTAL OPERATING EXPENSES	1,721,814	966,432
NET LOSS FROM OPERATIONS	(1,714,479)	(960,815)
OTHER EXPENSES		
Interest expense - related party	29,812	37,484
NET LOSS BEFORE PROVISION FOR INCOME TAXES	(1,744,291)	(998,299)
Provision for income taxes	-	-
NET LOSS	(1,744,291)	(998,298)
Preferred stock dividend	119,626	63,049
NET LOSS ATTRIBUTABLE TO COMMON STOCKHOLDERS	$(1,863,917)	$(1,061,348)
Basic and diluted weighted average common shares outstanding	7,960,000	7,969,231
Net loss per basic and diluted common shares outstanding	(0.23)	(0.13)

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

ASPEN PARK PHARMACEUTICALS, INC.

Unaudited Statements of Cash Flows
For The Nine Months Ended June 30, 2016 And 2015

	Nine Months Ended June 30,	
	2016	**2015**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	$(1,744,291)	$(998,298)
Adjustment to reconcile net loss to net cash used in operating activities:		
Share-based expense	12,030	1,571
Changes in operating assets and liabilities:		
Inventory	628	(7,750)
Prepaid expenses	16,647	(30,369)
Accrued interest - related party (Note 5)	29,812	37,484
Accrued expenses	334,814	407,459
NET CASH USED IN OPERATING ACTIVITIES	(1,350,360)	(589,904)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of patent	-	(769,293)
NET CASH USED IN INVESTING ACTIVITIES	-	(769,293)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of Series A preferred stock	1,250,000	2,075,000
Purchase of Treasury Stock	-	(20)
Proceeds from exercise of warrants	100	-
NET CASH PROVIDED BY FINANCING ACTIVITIES	1,250,100	2,074,980
NET (DECREASE) INCREASE IN CASH	(100,260)	715,783
CASH - BEGINNING OF PERIOD	569,257	4,000
CASH - END OF PERIOD	$468,997	$719,783
SUPPLEMENTAL INFORMATION		
Cash paid for interest expense	$-	$-
Cash paid for income taxes	$-	$-
Net cash paid for the acquisition of patent asset is as follows:		
Patent asset acquired	-	2,019,293
Note issued to related party (Note 5)	-	(1,250,000)
Net cash paid for the acquisition of patent asset	$-	$769,293
Net cash paid for forgiveness of note payable is as follows:		
Note payable forgiven	$(1,250,000)	$ -
Accumulated Interest forgiven on note payable	(82,920)	-
Capital contribution by shareholder	1,332,920	-
Net cash paid for forgiveness of note payable	$ -	$ -

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

1. BUSINESS AND ORGANIZATION

Nature of Operations

Aspen Park Pharmaceuticals, Inc. (the "Company") was incorporated on June 9, 2014 in the State of Delaware. The Company is a privately held therapeutics company focused on the development and commercialization of novel therapies for men's health diseases and conditions, including male secondary hypogonadism, benign prostatic hyperplasia, prostate cancer and side effects of prostate cancer therapies, and sexual dysfunction. Our business is primarily focused on the development of several early and late stage clinical products and includes one product, PREBOOST, of which we have commenced marketing and sales.

Further, the Company's future operations are dependent on, among other factors, retaining the services of future employees and consultants, the success of the Company's research, development, manufacture, and marketing activities, and, ultimately, regulatory and market acceptance of the Company's current and future products.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The Company utilized significant estimates and assumptions in determining the fair value of its common stock related to the share-based compensation arrangement described in Note 7. A number of objective and subjective factors, including external market conditions affecting the biotechnology industry sector and the prices at which the Company sold shares of convertible preferred stock, the superior rights and preferences of securities senior to the Company's common stock at the time and the likelihood of achieving a liquidity event, such as an initial public offering or sale of the Company. The Company utilized the option pricing method utilizing the back-solve method (a form of the market approach defined in the AICPA Practice Aid) in accordance within the framework of the American Institute of Certified Public Accountants, or AICPA, Audit and Accounting Practice Aid Series: Valuation of Privately Held Company Equity Securities Issued as Compensation, or the AICPA Practice Aid, to estimate the fair value of its common stock and in performing retrospective valuation analyses. The valuation methodology included estimates and assumptions that require the Company's judgment. Significant changes to the key assumptions used in the valuations could result in different fair values of common stock at each valuation date.

Research and Development

The Company is engaged in research and development work. Research and development costs are charged to expense as incurred. The Company records expense for in-process research and development projects acquired as asset acquisitions which have not reached technological feasibility and which have no alternative future use.

Income Taxes

Income taxes are accounted for under the asset-and-liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. The Company recognizes positions taken or expected to be taken in a tax return in accordance with Accounting Standards Codification (ASC) Topic 740, *Income Taxes*, which prescribes a recognition threshold and measurement process. Interest and penalties on tax liabilities, if any, would be recorded in interest expense and other non-interest expense, respectively.

3. RELATED PARTY TRANSACTIONS AND BALANCES

On March 22, 2016, the Company issued an additional 100,000 shares of Series A Preferred Stock generating proceeds of $1,250,000. Included among the investors in the Series A Preferred Stock are Harry Fisch, the Company's Chairman, who invested $200,000, Elgar Peershcke, a member of the Company's Board of Directors, who invested $200,000, and Alan Annex, a shareholder of the Company's outside general counsel, who invested $100,000.

On March 22, 2016, Millennium agreed to cancel the outstanding note payable which we previously issued on November 24, 2014 as consideration for the assignment of rights to in-process research and development in the form of patent properties. See Note 5 for additional detail.

4. GOING CONCERN

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company has incurred losses since inception and has a cumulative retained deficit of $3,016,524 as of June 30, 2016 and is continuing to suffer losses. The Company requires capital for its contemplated operational activities. The Company's ability to raise additional capital through the future issuances of common and preferred stock is unknown. The obtainment of additional financing, the successful development of the Company's contemplated plan of operations, and its transition, ultimately, to the attainment of profitable operations are necessary for the Company to continue operations. The ability to successfully resolve these factors raise substantial doubt about the Company's ability to continue as a going concern. The financial statements of the Company do not include any adjustments that may result from the outcome of these aforementioned uncertainties.

5. NOTE PAYABLE, RELATED PARTY

On March 22, 2016, Millennium agreed to cancel the outstanding note payable which we previously issued on November 24, 2014 as consideration for the assignment of rights to in-process research and development in the form of patent properties. Both the principal balance of $1,250,000 and all accrued interest of $82,920 were canceled. The Company determined that Dr. Fisch controlled both entities as defined by ASC 805 and, as such, the cancelation of the note and accrued interest totaling $1,332,920 was recorded as a capital contribution in additional paid-in capital in the Statement of Shareholders' Deficit.

6. INCENTIVE COMPENSATION PLAN

The Company has an incentive compensation plan (the "Plan"), the purpose of which is to attract, motivate, retain and reward high-quality executives and other employees, officers, directors, consultants and other persons who provide services to the Company and its related entities by enabling such persons to acquire or increase a proprietary interest in the Company in order to strengthen the mutuality of interests between such persons and the Company's shareholders, and providing such persons with performance incentives to expend their maximum efforts in the creation of shareholder value. Any shares delivered under the Plan may consist, in whole or in part, of authorized and unissued shares or treasury shares. As of June 30, 2016, the total number of shares reserved and available for delivery under the Plan was 1,200,000 and no Plan awards were issued or outstanding.

7. SHAREHOLDERS' EQUITY

The Company's authorized capital stock consists of 11,000,000 shares of common stock, par value $.01 per share, and 2,000,000 shares of preferred stock, par value $.01 per share.

Preferred Stock

On March 22, 2016, the Company issued an additional 100,000 shares of Series A Preferred Stock generating proceeds of $1,250,000. The Company had approximately $212,372 and $63,048 of undeclared Series A Preferred Stock dividends in arrears as of June 30, 2016 and 2015, respectively.

Warrants

The Company issued a warrant to Purchase 10,000 shares of Common Stock dated May 20, 2015 to Manhattan Medical Research for the development of a protocol and to conduct a phase IV Clinical Study for our PREBOOST product (the "Warrant"). The Warrant is exercisable until May 20, 2020 at a price of $0.001 per share. Vesting of the Warrant is contingent upon satisfactory completion and delivery of the PREBOOST clinical study.

On March 31, 2016, we amended the Warrant held by Manhattan Medical Research to correct the exercise price from $.001 per share to $.01 per share. We also allowed for the exercise of the Warrant and collected the exercise price of $100. Per the terms of the early exercise, the 10,000 common shares will be held by the Company (the "MMR Shares") and released upon the successful completion of the clinical study as contemplated in the original service agreement. As such, the shares will be treated as issued and not outstanding, in our balance sheet as of June 30, 2016.

The fair value of the MMR Shares is estimated using Black-Scholes option-pricing scenarios which project liquidation values for each class of stock, back-solving for the value of the Series A Preferred Stock issued in November 2014. The following table includes the assumptions used in calculating the fair value of the Warrant as of June 30, 2016:

	June 30, 2016
Risk-free interest rate	1.01%
Expected dividend yield	-
Expected Term (in years)	5.00
Expected volatility	103.45%

Expected term: As the back-solve method solves for the projected liquidation value based on a recent financing, we estimated the expected term input to be equivalent to our expected time to a liquidity event.

Risk-free interest rate: The risk-free interest rate is based on the rates paid on securities issued by the U.S. Treasury with a term approximating the expected time to liquidity.

Expected volatility: The expected volatility for the common stock underlying the Warrant was based on the NASDAQ Biotechnology Index, which we believe serves as a baseline indicator of volatility and average investor would expect. We also applied a multiple to the Index's volatility because the public companies which comprise the Index are larger and more diversified than the Company.

At interim reporting periods, the Company will fair value the Warrants and recognize a ratable amount of expense relative to the expected service period. For the three and nine months ended of June 30, 2016, the Company recognized $4,724 and $12,030, respectively, as expense related to the Warrant.

8. ACQUISITION OF PATENT

On April 1, 2016, the Company completed the purchase of a patent for an orally administered tamsulosin for the treatment of benign prostatic hyperplasia which we intend to develop into a viable product. Under the terms of the agreement, the Company will pay $250,000 upon contract execution, a total of $4,750,000 upon the achievement of certain milestones, and additional installments totaling $10,000,000 payable over two years commencing on the first anniversary following the approval of the product by United States Food and Drug Administration ("FDA"). As required by the purchase agreement, we simultaneously entered into an agreement with another third-party for services related to the development of the product. The terms of the product development services include fees totaling $2,325,000 payable in installments due upon the achievement of various milestones over an estimated two-year development timeline culminating in the submission of the NDA to the FDA.

9. SUBSEQUENT EVENTS

The Company has evaluated subsequent events through January 13, 2017, which is the date the financial statements were available to be issued.

On October 31, 2016, the Company completed a merger transaction with The Female Health Company("FHC"), pursuant to an Amended and Restated Agreement and Plan of Merger, dated as of October 31, 2016.

Under the terms of the Amended and Restated Agreement and Plan of Merger, the outstanding shares of the Company's common stock and preferred stock were converted into the right to receive in the aggregate 2,000,000 shares of FHC's common stock and 546,756 shares ofFHC's Class A Convertible Preferred Stock - Series 4 (the Series 4 Preferred Stock).

The total estimated purchase price of approximately $22,676,737 is based on the closing price ofFHC's common stock of $0.95 per share on October 31, 2016 and the issuance to the Company's stockholders of a total of 23,870,249 shares of FHC's common stock (assuming conversion of the Series 4 Preferred Stock).

Exhibit 99.2

Unaudited Pro Forma Condensed Combined Statements of Operations

	Nine Months Ended June 30, 2016				
	Historical FHC	Historical APP	Pro forma Adjustments	Pro forma Combined	
Net revenues	$18,564,236	$12,825		$18,577,061	
Cost of sales	7,083,311	5,490		7,088,801	
Gross profit	11,480,925	7,335	—	11,488,260	
Operating expenses:					
Research and development	96,138	879,793		975,931	
Selling, general, and administrative	8,073,288	842,021		8,915,309	
Total operating expenses	8,169,426	1,721,814	—	9,891,240	
Operating income (loss)	3,311,499	(1,714,479)	—	1,597,020	
Non-operating expense:					
Interest and other expense, net	(54,551)	(29,812)		(84,363)	
Foreign currency transaction loss	(128,442)	—		(128,442)	
Total non-operating expense	(182,993)	(29,812)	—	(212,805)	
Income (loss) before income taxes	3,128,506	(1,744,291)	—	1,384,215	
Income tax expense	1,032,840	—		1,032,840	
Net income (loss)	2,095,666	(1,744,291)	-	351,375	
Preferred stock dividend	-	119,626	(119,626)	-	(a)
Net income (loss) attributable to common stockholders	$2,095,666	$(1,863,917)	$119,626	$351,375	
Net income (loss) per basic common share outstanding	$0.07	$(0.23)		$0.01	
Basic weighted average common shares outstanding	28,647,275	7,960,000		52,791,944	(b)
Net income (loss) per diluted common share outstanding	$0.07	$(0.23)		$0.01	
Diluted weighted average common shares outstanding	29,058,576	7,960,000		53,436,928	(b)

Unaudited Pro Forma Condensed Combined Balance Sheet

	As of June 30, 2016				
	Historical FHC	Historical APP	Pro Forma Adjustments		Pro forma Combined
ASSETS					
Current Assets					
Cash	$3,210,684	$468,997	$ -		$3,679,681
Accounts receivable, net	18,636,643		—		18,636,643
Income tax receivable	29,000		—		29,000
Inventory, net	2,337,436	21,506	—		2,358,942
Prepaid expenses and other current assets	544,265	7,594	—		551,859
Deferred income taxes	244,105		—		244,105
TOTAL CURRENT ASSETS	25,002,133	498,097	—		25,500,230
Other assets	191,071		—		191,071
Intangible Assets			23,035,493	(d)	23,035,493
					—
PLANT AND EQUIPMENT					—
Equipment, furniture and fixtures	4,621,351		—		4,621,351
Leasehold improvements	323,147		—		323,147
Less accumulated depreciation and amortization	(4,028,291)		—		(4,028,291)
Plant and equipment, net	916,207	—	—		916,207
Deferred income taxes	14,509,000		—		14,509,000
TOTAL ASSETS	$40,618,411	$498,097	$23,035,493		$64,152,001
LIABILITIES AND STOCKHOLDERS' EQUITY					
Current Liabilities					
Accounts payable	$1,059,410	$629,788	$ -		$1,689,198
Accrued expenses and other current liabilities	3,692,367	227,065	250,000	(e)	4,169,432
Accrued compensation	235,457		50,210	(f)	285,667
TOTAL CURRENT LIABILITIES	4,987,234	856,853	300,210		6,144,297
LONG-TERM LIABILITIES					
Deferred rent	4,801		—		4,801
Deferred income taxes	115,554		—		115,554
TOTAL LIABILITIES	5,107,589	856,853	300,210		6,264,652
Commitments and Contingencies					
STOCKHOLDERS' EQUITY:					
Preferred Class A Convertible Series 4 (FHC): $0.01 par value, liquidated value of $1 per share, 548,000 shares authorized, 546,756 shares issued and outstanding at June 30, 2016.	—	—	20,771,269	(c)	20,771,269
Preferred Convertible Series A (APP): $0.01 par value, liquidated value of $25 per share, 1,600,000 shares authorized, 166,000 shares issued and outstanding at June 30, 2016	—	2,660	(2,660)	(c)	—
Common Stock: (FHC) par value $0.01 per share; authorized 38,500,000 shares; issued 31,236,371 and 29,035,167 shares outstanding at June 30, 2016: (APP) $0.01 par value, 11,000,000 shares authorized; 8,000,000 shares issued and 7,960,000 outstanding at June 30, 2016	312,364	80,000	(54,532)	(c)	337,832
Additional paid-in-capital	69,486,856	2,575,128	(695,128)	(c)	71,366,856
Accumulated other comprehensive loss	(581,519)		—		(581,519)
Accumulated deficit	(25,900,274)	(3,016,524)	2,716,314	(c),(e),(f)	(26,200,484)
Treasury stock, at cost	(7,806,605)	(20)	20	(c)	(7,806,605)
TOTAL STOCKHOLDERS' EQUITY (DEFICIT)	35,510,822	(358,756)	22,735,283		57,887,349
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$40,618,411	$498,097	$23,035,493		$64,152,001

Notes to Unaudited Pro Forma Condensed Combined Financial Statements

1. **Basis of Presentation**

On October 31, 2016, FHC completed the Merger with APP, pursuant to the Amended Merger Agreement, among FHC, Blue Hen Acquisition, Inc. and APP. Consummation of the Merger did not require the current approval of FHC's shareholders.

Under the terms of the Amended Merger Agreement, the outstanding shares of APP common stock and preferred stock were converted into the right to receive in the aggregate 2,000,000 shares of FHC's common stock (Common Stock) and 546,756 shares of FHC's Class A Convertible Preferred Stock - Series 4 (Preferred Stock).

The terms of the Preferred Stock include the following:

- Each share of Preferred Stock will automatically convert into 40 shares of Common Stock upon receipt by FHC of approval by the affirmative vote of FHC's shareholders by the required vote under the Wisconsin Business Corporation Law and the NASDAQ listing rules, as applicable, of (i) an amendment to FHC's Amended and Restated Articles of Incorporation to increase the total number of authorized shares of Common Stock by a sufficient amount to permit such conversion and (ii) the conversion of Preferred Stock pursuant to applicable NASDAQ rules.
- Upon a Liquidation Event, the holders of the Preferred Stock will be entitled to a liquidation preference equal to the greater of (a) $1.00 per share (or $546,756 in the aggregate for all of the shares of Preferred Stock), or (b) the amount holders would have received if the Preferred Stock had converted to FHC's common stock. A "Liquidation Event" includes any voluntary or involuntary liquidation, dissolution or winding up of FHC and certain transactions involving an acquisition of FHC (which are referred to as Fundamental Changes).
- The Preferred Stock is redeemable on the first to occur of (i) the 20th anniversary of the date of original issuance or (ii) a Fundamental Change, at a price equal to $1.00 per share, unless converted into Common Stock prior to such redemption.
- The Preferred Stock is senior to all existing and future classes of FHC's capital stock upon a Liquidation Event, and no senior or additional pari passu preferred stock may be issued without the consent of the holders of a majority of the outstanding shares of Preferred Stock.
- The Preferred Stock participates in dividends paid to holders of Common Stock on an as converted basis.
- The Preferred Stock has one vote per share and will generally vote with Common Stock on a one share to one share basis

The Merger will be accounted for under the acquisition method of accounting in accordance with ASC 805, *Business Combinations*. Under the acquisition method, the total estimated purchase price, or consideration transferred, will be measured at the closing date of the Merger. Currently, the assets of APP are in the process of being re-measured. Therefore, there is no allocation of the consideration transferred to identified tangible or intangible assets.

The process for estimating the fair values of identifiable intangible assets and certain tangible assets requires the use of significant estimates and assumptions, including estimating future cash flows and developing appropriate discount rates. The applicable accounting guidance defines fair value as the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date (an exit price). Market participants are assumed to be buyers and sellers in the principal or most advantageous market for the asset or liability. Additionally, under the applicable accounting guidance, fair value measurements for an asset assume the highest and best use of that asset by market participants. As a result, FHC may be required to value assets of APP at fair value measures that do not reflect FHC's intended use of those assets. Use of different estimates and judgments could yield different results. Currently FHC has begun the valuation process and it is expected to be completed during the first quarter of fiscal 2017. Once the valuation process is complete, the excess of the purchase price over the estimated amounts of identifiable assets and intangibles of APP as of October 31, 2016 will be allocated to goodwill in accordance with the accounting guidance. The acquisition accounting is subject to finalization of FHC's analysis of the fair value of the assets and liabilities of APP as of October 31, 2016. The acquisition accounting in the unaudited pro forma combined financial statements is preliminary and will be adjusted upon completion of the valuation.

2. **Purchase Price**

The unaudited pro forma condensed combined financial information reflects the purchase price as follows:

	As of June 30, 2016
Net deficit	$(358,756)
Intangible assets	23,035,493
Total purchase price	$22,676,737

FHC has not completed the valuation process. In the unaudited pro forma combined balance sheet as of June 30, 2016, the excess of the aggregate purchase price over the assets and liabilities in the amount of approximately $23,035,493 was classified as intangible assets. FHC will allocate the excess purchase price to identifiable tangible and intangible assets and the excess to goodwill once the valuation is complete. The fair value of identifiable intangible assets that are subject to amortization after the acquisition will be determined once the valuation is completed.

The total estimated purchase price of approximately $22,676,737 is based on the closing price of Common Stock of $0.95 per share on October 31, 2016 and the issuance to the APP stockholders of a total of 2,000,000 share of Common Stock and 546,756 shares of Preferred Stock. After giving effect to the conversion of the Preferred Stock to Common Stock, which is wholly dependent upon future shareholder approval, the former APP Stockholders will own 23,870,249 shares of Common Stock in total, constituting approximately 45% of the outstanding shares of Common Stock as of October 31, 2016.

3. **Pro Forma Adjustments**

The pro forma adjustments included in the unaudited pro forma condensed combined financial statements are as follows:

(a) Represents the elimination of APP's accrued preferred stock dividend.

(b) June 30, 2016 pro forma EPS was computed using the historical FHC basic and diluted weighted average shares outstanding adjusted for the impact of the following:

- Issued 2,000,000 shares of Common Stock and 546,756 shares of Preferred Stock to the APP stockholders at October 1, 2014.
- Issued a warrant (the "Warrant") to FHC's financial advisor for a total of 2,585,379 shares at October 1, 2014 with an exercise price of $1.93 per share.
- Issued restricted stock to David Bethune and an FHC consultant of 140,000 and 50,000 shares, respectively, which vest over one year at October 1, 2014.
- Issued options to David Bethune and an FHC consultant of 140,000 and 50,000 shares, respectively, which vest over one year at October 1, 2014, assuming an exercise price of $0.95 per share (the closing price of the Common Stock on October 31, 2016).
- Acceleration of vesting of shares awarded to certain members of the FHC Board of Directors with accelerated vesting rights upon a change of control. Total shares with accelerated vesting were 283,739 shares. These shares were all considered vested as of September 30, 2015.
- Acceleration of vesting of shares awarded to certain employees during the nine months ending June 30, 2016 with accelerated vesting rights upon a change of control. Total shares with accelerated vesting were 17,000 shares. These shares were all considered vested as of June 30, 2016.

The resulting basic and fully diluted weighted average shares outstanding at June 30, 2016 were used to compute the June 30, 2016 pro forma EPS based on the June 30, 2016 pro forma net income attributable to common stockholders.

(c) Reflects the issuance of 2,000,000 shares of Common Stock to APP stockholders valued at $0.95 per share (the closing price of the Common Stock on October 31, 2016) and 546,756 shares of Preferred Stock to the APP stockholders valued at $20,776,737 for a total of $23,035,493 plus the net deficit of the APP stockholders' equity of $(358,756). FHC is in the process of determining whether the preferred stock is equity or liability. In addition, the preferred stock has been ascribed a value of $0.95 per share as if converted and may change in the future based on the valuation.

(d) Represents the preliminary allocation of the fair value of the consideration transferred to the APP stockholders. The allocation will be adjusted once the valuation is completed for the allocation amongst identifiable tangible and intangible assets with any unallocated assigned to goodwill.

(e) Represents the accrual for the payment to Torreya of its cash fee of $250,000 related to the delivery of its fairness opinion.

(f) Represents the accrual for the cash portion of the accelerated shares awarded to certain members of the FHC Board of Directors of $46,587 and to employees of $3,623.

4. **Additional Transaction-Related Expenses.**

The following transactions will be recorded upon the closing of the Merger:

1. The payment to FHC's financial advisor of its cash fee of $250,000 related to the delivery of its fairness opinion. The value of the Warrant of $723,906 will be expensed over its term of 5 years, or $144,781 per year. The Warrant vests immediately upon issuance; however, it is not exercisable for 5 years.

2. The restricted stock, which vests over one year, to be issued to David Bethune and an FHC consultant of 140,000 and 50,000 shares, respectively, will have total amortization expense of $180,500. Share price of $0.95 per share using the closing price of the Common Stock on October 31, 2016.

3. Stock options, which vest over one year, to be issued to David Bethune and an FHC consultant of 140,000 and 50,000 shares, respectively, will have total amortization expense of approximately $77,976. Assumed exercise price of $0.95 per shares using the closing price of the Common Stock on October 31, 2016.

4. The shares awarded to certain members of the FHC Board of Directors with accelerated vesting, which totaled 283,739 shares, will have additional amortization expense for the accelerated vesting of $316,198. At June 30, 2016 assuming 83,000 shares of Common Stock elected to be paid in cash, the additional accrual/expense required would be $46,587

5. The shares awarded to certain employees with accelerated vesting, which totaled 17,000 shares, will have additional amortization expense for the accelerated vesting of $16,226. At June 30, 2016, assuming 5,665 shares of Common Stock elected to be paid in cash, the additional accrual/expense required would be $3,623.

5. **Additional Information.**

The following transactions will be recorded if, prior to the vesting date FHC receives shareholder approval under the NASDAQ listing rules to (i) increase the number of authorized shares under the 2008 Inventive Plan sufficient to issue such shares or (ii) adopt a new plan under which such shares would be issued:

1. The restricted stock units, which vests over two years, to be issued to David Bethune and an FHC consultant of 140,000 and 50,000 shares, respectively.

2. The stock appreciation rights, which vests over two years, to be issued to David Bethune and an FHC consultant of 140,000 and 50,000 shares, respectively.