

PROVECTUS BIOPHARMACEUTICALS, INC.
Form 424B3
February 21, 2017

Filed pursuant to Rule 424(b)(3)

Registration No. 333-213986

PROSPECTUS SUPPLEMENT NO. 2

(to Prospectus dated January 30, 2017)

Subscription Rights to Purchase Up to 19,662,782 Units

Consisting of an Aggregate of Up to 78,651,128 Shares of Common Stock

and Up to 9,831,391 Shares of Series C Convertible Preferred Stock

at a Subscription Price of \$1.00 Per Unit

This Prospectus Supplement No. 2 (Supplement No. 2) amends and supplements the prospectus dated January 30, 2017, as amended and supplemented by Prospectus Supplement No. 1 dated February 9, 2017 (Supplement No. 1), which forms a part of our Registration Statement on Form S-1 (Registration No. 333-213986). This Supplement No. 2 is being filed to update, amend, and supplement the information previously included in the prospectus with the information contained in our Current Report on Form 8-K filed with the Securities and Exchange Commission on February 21, 2017 (the 8-K). Accordingly, we have attached the 8-K to this Supplement No. 2. You should read this Supplement No. 2 together with the prospectus and Supplement No. 1. Unless otherwise defined in this Supplement No. 2, capitalized terms used in this Supplement No. 2 shall have the same meanings as set forth in the prospectus.

On February 21, 2017, we issued a promissory note in favor of Eric A. Wachter, our Chief Technology Officer (Lender), evidencing an unsecured loan from Lender to the Company in the original principal amount of up to \$2,500,000 (the Promissory Note), on the terms and conditions set forth in the Promissory Note, which is attached to the 8-K as Exhibit 10.1. Pursuant to the terms of the Promissory Note, in the event that, prior to the repayment in full of the Promissory Note, we consummate a bona fide equity financing conducted with the principal purpose of raising capital, pursuant to which we sell shares or units of an equity security or preferred equity approved by the board of directors, which board of directors must consist of at least a majority of the members on the board of directors serving as of the date of the Promissory Note (a Qualified Equity Financing), then such amount of the outstanding principal due under the Promissory Note plus all accrued but unpaid interest that may be included in the Qualified Equity Financing shall automatically convert into the equity securities or securities convertible into equity securities of the Company issued in such Qualified Equity Financing (New Securities) at the price per New Security at which we issue any New Securities in any public or private offering during the period that the Promissory Note is outstanding and otherwise on the same terms (including the same rights, preferences and privileges) as the other investors that purchase New Securities in such Qualified Equity Financing. Accordingly, pursuant to the terms of the Promissory Note, Lender will convert such amount of the outstanding principal due under the Promissory Note plus all accrued but unpaid interest that may be included in the Rights Offering into Units, up to the full amount of the outstanding principal amount and accrued but unpaid interest.

In the event that the Rights Offering is fully subscribed and the amount of Units available for purchase by Lender is less than the outstanding principal amount and accrued but unpaid interest due under the Promissory Note, then we will use the net proceeds of the Rights Offering to repay in full the outstanding principal amount and accrued but unpaid interest due under the Promissory Note less such amount converted to Units pursuant to the terms of the Promissory Note.

The prospectus, Supplement No. 1 and this Supplement No. 2 relate to our distribution to holders of record of our common stock, par value \$0.001 per share, and to holders of our class of warrants with an exercise price of

\$0.85 per share expiring June 19, 2020, which we refer to as the Listed Warrants, at no cost, of non-transferrable subscription rights, which we refer to as the Subscription Rights, to subscribe for up to an aggregate of 19,662,782 units, which we refer to as the Units, at a subscription price of \$1.00 per Unit. We are issuing one Subscription Right for each 20 shares of common stock and each 20 Listed Warrants held of record at the close of business on January 26, 2017. Each Unit consists of four shares of common stock and one-half a share of Series C Convertible Preferred Stock, which we refer to as the Preferred Stock. We refer to the offering that is the subject of the prospectus, Supplement No. 1 and this Supplement No. 2 as the Rights Offering. An investor whose subscription may result in the investor beneficially owning more than 4.99% of our outstanding common stock may elect to receive in the Rights Offering, in lieu of shares of common stock, certain pre-funded warrants, which we refer to as the Pre-Funded Warrants, to purchase the same amount of shares of common stock.

The Rights Offering commenced on January 30, 2017, and the Subscription Rights will expire if they are not exercised by 5:00 p.m. Eastern Time, on March 3, 2017. We may extend the Rights Offering to no later than March 19, 2017 in our sole discretion.

The Rights Offering is being conducted on a best-efforts basis. There is no minimum amount of proceeds necessary in order for us to close the Rights Offering.

We have engaged Maxim Group LLC to act as dealer-manager in the Rights Offering.

Investing in our securities involves a high degree of risk. See the section entitled Risk Factors beginning on page 25 of the prospectus. You should carefully consider these risk factors, as well as the information contained in the prospectus, before you invest.

Shares of our common stock are listed on the NYSE MKT under the symbol PVCT, although NYSE MKT suspended trading in our common stock and commenced delisting procedures on October 13, 2016. We are appealing the NYSE MKT decision to commence delisting procedures. Effective October 17, 2016, our common stock trades on the OTCQB under the symbol PVCT. On February 17, 2017, the closing sale price for our common stock was \$0.02 per share.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of the prospectus or this prospectus supplement. Any representation to the contrary is a criminal offense.

The date of this prospectus supplement is February 21, 2017.

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

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): February 21, 2017

PROVECTUS BIOPHARMACEUTICALS, INC.

(Exact name of registrant as specified in charter)

Delaware
(State or other jurisdiction

of incorporation)

001-36457
(Commission

File Number)

7327 Oak Ridge Hwy., Knoxville, Tennessee 37931

(Address of Principal Executive Offices)

90-0031917
(IRS Employer

Identification No.)

(866) 594-5999

(Registrant's Telephone Number, Including Area Code)

(Former Name or Former Address, If Changed Since Last Report)

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:

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

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))

Item 1.01. Entry into a Material Definitive Agreement.

On February 21, 2017, Provectus Biopharmaceuticals, Inc. (the Company) issued a convertible promissory note in favor of Eric A. Wachter, the Company's Chief Technology Officer (Lender), evidencing an unsecured loan from Lender to the Company in the original principal amount of up to \$2,500,000 (the Promissory Note). Interest accrues on the outstanding balance of the Promissory Note at six percent (6%) per annum calculated on a 360-day basis.

Under the Promissory Note, the Company borrowed \$500,000 of the \$2,500,000 principal on February 21, 2017. The Company has the right to request to borrow any portion of the remaining \$2,000,000 principal at any time until two weeks prior to the Maturity Date (as defined below) by submitting a borrowing request to Lender three business days prior to the requested borrowing date; provided, that it is in the Lender's sole discretion to grant any subsequent borrowing request of the Company. Sixty percent (60%) of the proceeds advanced under the Promissory Note must be used for the Company's research and development expenses, and the remaining forty percent (40%) of the proceeds advanced under the Promissory Note must be used for the Company's general administrative expenses.

Pursuant to the terms of the Promissory Note, in the event that, prior to the repayment in full of the Promissory Note, the Company consummates a bona fide equity financing conducted with the principal purpose of raising capital, pursuant to which the Company sells shares or units of an equity security or preferred equity approved by the board of directors, which board of directors must consist of at least a majority of the members on the board of directors serving as of the date of the Promissory Note (a Qualified Equity Financing), then such amount of the outstanding principal due under the Promissory Note plus all accrued but unpaid interest that may be included in the Qualified Equity Financing shall automatically convert into the equity securities or securities convertible into equity securities of the Company issued in such Qualified Equity Financing (New Securities) at the price per New Security at which the Company issues any New Securities in any public or private offering during the period that the Promissory Note is outstanding and otherwise on the same terms (including the same rights, preferences and privileges) as the other investors that purchase New Securities in such Qualified Equity Financing.

The Promissory Note matures on the earlier of (i) May 22, 2017, (ii) the date upon which the Company defaults under the Promissory Note or (iii) the date on which the Promissory Note is converted into New Securities (the earliest of such dates, the Maturity Date). In lieu of repayment on the Maturity Date, Lender may elect in his sole discretion to apply any and all amounts due and owing to Lender under the Promissory Note to Lender's obligations under that certain Settlement Agreement dated June 6, 2014 by and between Lender and the Company.

Further, under the Promissory Note, the Company has agreed to pay to Lender up to \$25,000 for Lender's reasonable legal fees and expenses incurred in connection with the transactions contemplated by the Promissory Note. The Company may prepay principal and interest under the Promissory Note at any time, in whole or in part, without premium or other prepayment charges.

Pursuant to a Waiver of Rights Agreement, Lender further agreed to waive his rights (A) to foreclose on the assets of the Company or (B) to initiate, or cause the initiation of, any proceeding in bankruptcy or the appointment of any custodian, trustee or liquidator of the Company or of all or a portion of the Company's assets in the event of default under the Promissory Note so long as (i) any shares of Series C Convertible Preferred Stock of the Company (Series C Preferred Stock) issued pursuant to the rights offering commenced by the Company on January 30, 2017 remain outstanding (other than such shares of Series C Preferred Stock held by Lender) and (ii) a change in control of the Company has not occurred, which is any transaction that results in either (a) the shareholders of the Company not continuing to hold at least 50% of the voting interest in the Company after such transaction or (b) the directors of the Company serving on the board of directors as of February 21, 2017 no longer represent a majority of the outstanding board members.

The description of the Promissory Note set forth herein does not purport to be complete and is qualified in its entirety by reference to the Promissory Note, a copy of which is attached hereto as Exhibit 10.1 and incorporated herein by reference.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The disclosure contained in Item 1.01 above is incorporated in this Item 2.03 by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

| Exhibit Number | Description |
|-------------------|---|
| 10.1 | Convertible Promissory Note dated February 21, 2017 |

SIGNATURE

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: February 21, 2017

**PROVECTUS BIOPHARMACEUTICALS,
INC.**

By: /s/ Timothy C. Scott
Timothy C. Scott, Ph.D.
President

EXHIBIT INDEX

| Exhibit Number | Description |
|---------------------------|---|
| 10.1 | Convertible Promissory Note dated February 21, 2017 |

CONVERTIBLE PROMISSORY NOTE

(this Note)

Up to \$2,500,000

February 21, 2017

FOR VALUE RECEIVED, the undersigned Provectus Biopharmaceuticals, Inc., a Delaware corporation (the Borrower), hereby promises to pay to the order of Eric A. Wachter, Ph.D. a resident of the State of Tennessee (Lender), at Lender s office located at 7327 Oak Ridge Highway, Suite A, Knoxville, Tennessee 37931, the principal sum of up to Two Million Five Hundred Thousand and no/100 Dollars (\$2,500,000.00), or, if less, so much thereof as is outstanding hereunder, in lawful money of the United States of America and in immediately available funds, and to pay fees, costs and interest on said principal sum or the unpaid balance thereof, in like money at said office.

On the date hereof, Lender shall pay to the order of the Borrower the principal sum of Five Hundred Thousand and no/100 Dollars (\$500,000). Thereafter, during the period from and including the date hereof until two weeks prior to the Maturity Date (as defined herein), the Borrower may borrow additional funds on any business day; provided that Borrower shall deliver to the Lender an irrevocable borrowing request (Borrowing Request), which Borrowing Request is in the form attached hereto as Exhibit A, and which must be received by the Lender prior to 12:00 p.m. eastern time three (3) business days prior to the requested borrowing date (Borrowing Date), specifying: (i) the amount to be borrowed, (ii) the requested Borrowing Date, (iii) the business purpose for which such loan will be used, and (iv) such other documentation as may be requested by Lender in his sole discretion. Upon receipt of any such Borrowing Request, the Lender, in his sole discretion, may make the amount of borrowing available for the account of the Borrower at the office of the Lender prior to 3:00 p.m. eastern time on the Borrowing Date in funds immediately available.

This Note, including Fees (defined below), interest and principal, shall be due and payable in full on May 22, 2017, or such earlier date upon which the Borrower defaults under this Note (beyond the applicable notice and cure periods) or, at the option of the Lender, this Note is converted into New Securities (as defined below); the earliest of such dates being the Maturity Date . Payments on this Note shall be applied in the following order: to Fees, interest and then principal. On the Maturity Date, in lieu of repayment, the Lender may elect, in his sole discretion, to apply any and all amounts due and owing to Lender to the Lender s obligations under the Settlement Agreement (as defined herein). If any payment on this Note becomes due and payable on a Saturday, Sunday, or business holiday in the State of Tennessee, the payment date thereof shall be extended to the next succeeding business day.

Interest on this Note shall accrue on the outstanding balance hereof at a rate equal to six percent (6%) per annum, calculated on the basis of a 360-day year consisting of twelve 30-day months (the Interest Rate).

In addition to all of the other sums payable hereunder, the Borrower also agrees to pay to the holder hereof on demand, all costs and expenses (including reasonable attorneys fees) which may be incurred in the enforcement of any obligation of the Borrower hereunder (collectively, the Fees).

The Borrower also agrees to pay up to Twenty Five Thousand and no/100 Dollars (\$25,000) to Lender for his reasonable legal fees and expenses in connection with the transactions contemplated under this Note.

Principal and interest under this Note may be pre-paid in whole or in part at any time without premium or other prepayment charge. Any partial prepayment of principal or interest shall reduce the final payment(s).

The Borrower shall be deemed to be in default under this Note if: (i) the Borrower fails to pay, when due, any payment of principal or interest under this Note, which continues for a period of ten (10) days after the due date of such payment, (ii) any action commenced by or against the Borrower under the Federal Bankruptcy Code, or other statute for the relief of creditors, which is not dismissed within sixty (60) days, (iii) acceleration of any other existing debt obligation of the Borrower, (iv) a change of control of the Borrower (i.e., any transaction in which either (1) the shareholders of the Borrower do not continue to hold at least a 50% voting interest after such transaction or (2) the directors of the Borrower serving on the board of directors as of the date hereof no longer represent a majority of the outstanding board members), (v) the sale of all or substantially all the assets of the Borrower, or (vi) liquidation of the Borrower. In the event of default, the Lender, at his option, may (A) allow this Note to remain outstanding and continue to accrue interest at the Interest Rate, (B) declare the outstanding principal balance of and all accrued but unpaid interest on this Note to be immediately due and payable, or (C) apply any outstanding principal amount plus unpaid interest, and any other unpaid obligation of the Borrower to the Lender, against any amounts outstanding with regard to that certain Settlement Agreement, dated June 6, 2014, between the Lender and the Borrower (the Settlement Agreement).

The proceeds of this Note may only be used as follows: (i) 60% of the principal amount shall be used for research and development expenses of the Borrower and (ii) 40% of the principal amount shall be used for general administrative expenses of the Borrower.

The following terms used in this Note shall have the following meanings:

Conversion Amount means (i) the entire principal amount of this Note, plus (ii) all accrued and unpaid interest on the Conversion Date (as herein defined).

Conversion Date means the date which is three (3) business days following the date the Notice of Conversion is delivered to the Borrower.

Conversion Price means the price per New Security at which the Borrower issues any New Securities in any public or private offering during the period that this Note is outstanding.

New Securities means any equity securities or securities convertible into equity securities of the Borrower issued in a Qualified Equity Financing.

Qualified Equity Financing shall mean a bona fide equity financing conducted with the principal purpose of raising capital, pursuant to which the Company sells shares or units of an equity security or preferred equity approved by the board of directors, which board of directors must consist of at least a majority of the members on the board of directors serving as of the date hereof in order to constitute a Qualified Equity Financing.

If the Holder elects to effect a conversion of this Note into New Securities, the Lender shall: (a) deliver a copy of the fully executed notice of conversion in the form attached hereto as Exhibit B (a Notice of Conversion) to the Borrower and (b) surrender or cause to be surrendered this Note, duly endorsed, as soon as practicable thereafter.

On the Conversion Date, the Borrower shall issue and deliver to the Lender confirmation of the number of New Securities that have been issued to the Lender upon conversion of this Note, which number of New Securities shall be calculated by dividing the Conversion Amount by the Conversion Price. The person or persons entitled to receive New Securities issuable upon such conversion shall be treated for all purposes as the record holder of such New Securities at the close of business on the Conversion Date and such New Securities shall be issued and outstanding as of such date.

In the event that, prior to the repayment in full of this Note, the Company consummates a Qualified Equity Financing, then such amount of the outstanding principal due under this Note plus all accrued but unpaid interest that may be included in the Qualified Equity Financing shall automatically convert into New Securities at the Conversion Price and otherwise on the same terms (including the same rights, preferences and privileges) as the other investors that purchase New Securities in such Qualified Equity Financing. If this Note is to be automatically converted, prompt written notice shall be delivered to the Lender at the address last shown on the records of the Borrower, notifying the Investor of the conversion to be effected. Upon such conversion of this Note, the Lender hereby agrees to execute and deliver to the Borrower all transaction documents related to the Qualified Equity Financing, so long as such documents are in a form that is reasonably acceptable to the Lender.

No fractional New Securities or other securities are to be issued upon the conversion of this Note, but instead of any fraction of a New Security which would otherwise be issuable, the Borrower shall pay to the Lender in cash an amount equal to the fair market value of the fractional New Security which would otherwise be issuable. For the purpose of this Note, fair market value shall be agreed between the Borrower and the Lender or, if no such agreement is reached within fourteen (14) days, by a mutually agreed appraiser.

THIS NOTE SHALL BE GOVERNED BY THE INTERNAL LAWS OF THE STATE OF TENNESSEE EXCEPT TO THE EXTENT SUPERSEDED BY FEDERAL LAW. THE BORROWER HEREBY CONSENTS TO THE EXCLUSIVE JURISDICTION OF ANY STATE OR FEDERAL COURT LOCATED IN KNOX COUNTY, TENNESSEE AND WAIVES ANY OBJECTION BASED ON FORUM NON CONVENIENS WITH REGARD TO ANY ACTIONS, CLAIMS, DISPUTES OR PROCEEDINGS RELATING TO THIS NOTE, OR ANY TRANSACTION RELATING TO OR ARISING FROM THIS NOTE, OR ENFORCEMENT AND/OR INTERPRETATION OF ANY OF THE FOREGOING. NOTHING HEREIN SHALL LIMIT THE LENDER'S RIGHT TO BRING PROCEEDINGS AGAINST THE BORROWER IN THE COMPETENT COURTS OF ANY OTHER JURISDICTION.

THE BORROWER AND THE LENDER HEREBY WAIVE ANY AND ALL RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING RELATING TO THIS NOTE, OR ANY TRANSACTION RELATING TO OR ARISING FROM THIS NOTE.

[Signatures contained on next page.]

PROVECTUS BIOPHARMACEUTICALS, INC.

/s/ Timothy C. Scott
Name: Timothy C. Scott
Title: President

STATE OF TENNESSEE)
) ss.
COUNTY OF KNOX)

Before me, the undersigned authority, on this day personally appeared Timothy C. Scott, President of Provectus Biopharmaceuticals, Inc., and such person is known to me to be the person whose name is subscribed to the foregoing instrument, and upon his oath acknowledged to me that he executed the same for the purposes and consideration therein expressed and in the capacity therein stated.

Given under my hand and seal of office this 21st day of February, 2017.

/s/ Richard C. Plumley
Notary Public

(SEAL)

My commission expires: 7-6-2019

Exhibit A

Form of Borrowing Request

(See Attached)

Exhibit A

BORROWING REQUEST

[DATE]

Eric A. Wachter, Ph.D.

7327 Oak Ridge highway, Suite A

Knoxville, Tennessee 37931

Telephone: (865) 769-4011

Email: wachter@pvct.com

Re: Borrowing under that certain Promissory Note dated February 21, 2017 issued by Provectus Biopharmaceuticals, Inc. in favor of Eric A. Wachter, Ph.D. in an original principal sum of up to \$2,500,000 (Promissory Note). Capitalized terms used herein but not defined have the meaning given to them in the Promissory Note.

Please advance \$ as follows:

- (i) Borrowing Date: (a business day).

- (ii) The business purpose for which such advance will be used is:

Very truly yours,

**PROVECTUS BIOPHARMACEUTICALS,
INC.**

By:
Name: Timothy C. Scott
Title: President

Exhibit B

Form of Notice of Conversion

(See Attached)

NOTICE OF CONVERSION

The undersigned hereby irrevocably elects to convert (the Conversion) \$ _____ principal amount of the Convertible Note plus \$ _____ accrued and unpaid interest on such principal amount into New Securities of Provectus Biopharmaceuticals, Inc. (the Company) according to the conditions of the Convertible Note, as of the date written below. No fee will be charged to the Lender for any Conversion.

The undersigned represents and warrants that it understands that all offers and sales by the undersigned of the New Securities issuable to the undersigned upon Conversion of this Convertible Note shall be made pursuant to registration of such securities under the Securities Act of 1933, as amended, or pursuant to an exemption from registration under the Act.

Date of Conversion:
Applicable Conversion Price:
Number of Conversion Securities
to be Issued:

Signature:

Name:

Address:

ACKNOWLEDGED AND AGREED:

PROVECTUS BIOPHARMACEUTICALS, INC.

BY:
NAME:
TITLE:

DATE: