UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 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): **February 16, 2018**

Cerecor Inc.
(Exact name of registrant as specified in its charter)

Delaware	**001-37590**	**45-0705648**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)
400 E. Pratt Street, Suite 606 **Baltimore, Maryland** (Address of principal executive offices)		**21202** (Zip Code)

Registrant's telephone number, including area code: **(410) 522-8707**

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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☒

Explanatory Note

On February 23, 2018, Cerecor Inc. ("Cerecor" or the "Company"), filed a Current Report on Form 8-K (the "Original 8-K") disclosing, among other things, that on February 16, 2018, Cerecor closed the transactions contemplated by an Asset Purchase Agreement by and among the Company, Avadel US Holdings, Inc. ("Avadel"), Avadel Pharmaceuticals (USA), Inc., Avadel Pediatrics, Inc., Avadel Therapeutics, LLC and Avadel Pharmaceuticals plc (collectively, the "Sellers") to purchase and acquire all rights in the Sellers' pediatric products.

This amendment to the Original 8-K is being filed for the purpose of satisfying the Company's undertaking to file the financial statements and pro forma financial information required by Item 9.01 of Form 8-K, and this amendment should be read in conjunction with the Original 8-K. Except as set forth herein, no modifications have been made to information contained in the Original 8-K, and the Company has not updated any information contained therein to reflect events that have occurred since the date of the Original 8-K.

The financial information provided in Item 9.01 below constitutes abbreviated financial statements as discussed in Section 2065.4 of the Securities and Exchange Commission's ("SEC") Financial Reporting Manual, and a request was submitted to the SEC and such abbreviated financial statements were permitted by the SEC in accordance therewith.

Item 9.01. Financial Statements and Exhibits.

(a) Financial Statements of Business Acquired

The abbreviated financial statements of the Avadel Pediatrics Business, which include Statements of Assets Acquired and Liabilities Assumed at December 31, 2017 and 2016, Statements of Net Revenues and Direct Expenses for the year ended December 31, 2017 and for the period from February 5, 2016 through December 31, 2016, and notes to such financial statements, are attached hereto as Exhibit 99.1 and incorporated by reference into this Item 9.01.

(b) Pro-Forma Financial Information

Unaudited pro forma condensed combined financial information, which includes a pro forma condensed combined balance sheet as of December 31, 2017 and pro forma condensed combined statements of operations for the years ended December 31, 2017 and 2016 and the notes related thereto, are filed as Exhibit 99.2 to this report and incorporated herein by reference.

(d) List of Exhibits

EXHIBIT NO.	DESCRIPTION
23.1	Consent of Independent Auditor.
99.1	Abbreviated financial statements of the Avadel Pediatrics Business which include Statements of Assets Acquired and Liabilities Assumed at December 31, 2017 and 2016, Statements of Net Revenues and Direct Expenses for the year ended December 31, 2017 and for the period from February 5, 2016 through December 31, 2016, and notes to such financial statements.
99.2	Unaudited pro forma condensed combined financial statements, which include a pro forma condensed combined balance sheet as of December 31, 2017 and pro forma condensed combined statements of operations for the years ended December 31, 2017 and 2016 and the notes related thereto.

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: May 4, 2018

Cerecor Inc.

By: /s/ Mariam Morris
Mariam Morris
Chief Financial Officer

Exhibit 23.1

CONSENT OF INDEPENDENT AUDITOR

We consent to the incorporation by reference in Registration Statement No.'s 333-207949, 333-211490 and 333-211491 on Form S-8 of Cerecor Inc. of our audit report dated May 4, 2018, relating to the financial statements of the pediatric business of Avadel Pharmaceuticals plc and subsidiaries (the "Company") for the year ended December 31, 2017 and the period from February 5, 2016 to December 31, 2016, appearing in Form 8-K/A of Cerecor Inc. dated May 4, 2018.

/s/ DELOITTE & TOUCHE LLP

St. Louis, Missouri
May 4, 2018

The Pediatrics Business of Avadel Pharmaceuticals plc
Abbreviated Financial Statements
For the year ended December 31, 2017 and
the period from February 5, 2016 through December 31, 2016

The Pediatrics Business of Avadel Pharmaceuticals plc
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INDEPENDENT AUDITORS' REPORT

The Management of Avadel Pharmaceuticals plc:

We have audited the accompanying financial statements of the Pediatric Business of Avadel Pharmaceuticals plc, which comprise the Statements of Assets Acquired and Liabilities Assumed as of December 31, 2017 and 2016, and the Statements of Net Revenues and Direct Expenses for the year ended December 31, 2017 and the period from February 5, 2016 to December 31, 2016, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets acquired and liabilities assumed of the Pediatric Business as of December 31, 2017 and 2016, and its net revenues and direct expenses for the year ended December 31, 2017 and the period from February 5, 2016 to December 31, 2016 in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

The accompanying financial statements were prepared in connection with Avadel Pharmaceuticals plc's divesture of the Pediatric

Business and, as described in Note 2, were prepared for the purposes of the buyer complying with Rule 3-05 of the Securities and Exchange Commission's Regulation S-X. These financial statements are not intended to be a complete presentation of the financial position or results of operations of the Pediatric Business of Avadel Pharmaceutical plc. Our opinion is not modified with respect to this matter.

/s/ Deloitte & Touche LLP
St. Louis, Missouri

May 4, 2018

The Pediatrics Business of Avadel Pharmaceuticals plc.
Statements of Assets Acquired and Liabilities Assumed
($ in Thousands)

	December 31, 2017	December 31, 2016
Inventory, net	$ 460	$ 844
Goodwill	1,903	1,903
Intangible assets, net	15,993	17,238
Total assets acquired	$ 18,356	$ 19,985
Current portion of long-term related party payable	1,192	1,229
Long-term related party payable, less current portion	19,245	20,809
Total liabilities assumed	$ 20,437	$ 22,038
Total net liabilities assumed	$ (2,081)	$ (2,053)

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

The Pediatrics Business of Avadel Pharmaceuticals plc.
Statements of Net Revenues and Direct Expenses
($ in Thousands)

	Year Ended December 31, 2017	The period from February 5, 2016 through December 31, 2016
Product revenues, net	$ 7,686	$ 6,346
Direct expenses:		
Cost of product revenues	3,595	2,730
Selling, general, and administrative expenses	11,205	10,212
Changes in fair value of related party contingent consideration	(355)	824
Amortization of intangible assets	1,245	1,157
Interest expense	1,050	962
Other (income) expenses	(18)	157
Total direct expenses	$ 16,722	$ 16,042
Net product revenues less direct expenses	$ (9,036)	$ (9,696)

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

The Pediatrics Business of Avadel Pharmaceuticals plc.
Notes to the Abbreviated Financial Statements

1. **Background**

On February 16, 2018, Avadel Pharmaceuticals plc ("Avadel" or the "Company"), together with its subsidiaries Avadel Pharmaceuticals (USA), Inc., Avadel Pediatrics, Inc., FSC Therapeutics LLC ("FSC"), and Avadel US Holdings, Inc. ("Holdings"), as the "Sellers," completed the previously announced disposition of four pediatric commercial stage assets — Karbinal™ ER, Cefaclor, Flexichamber™ and AcipHex® Sprinkle™, together with certain associated business assets (the "Pediatrics Business") — to Cerecor, Inc. ("Cerecor" or "Buyer"), pursuant to the terms of an asset purchase agreement between the Sellers and the Buyer dated as of February 12, 2018 (the "Purchase Agreement"). The Company acquired FSC in February 2016 from Deerfield CSF, LLC ("Deerfield CSF") and certain of its affiliates (the "FSC Acquisition").

2. Basis of Presentation and Direct Costs

Basis of Presentation

The accompanying Statements of Assets Acquired and Liabilities Assumed as of December 31, 2017 and 2016 and the related Statements of Net Revenues and Direct Expenses for the year ended December 31, 2017 and the period from February 5, 2016 through December 31, 2016 (collectively, the "Abbreviated Financial Statements") of the Pediatrics Business have been prepared for the purpose of supporting Cerecor in complying with Rule 3-05 of the U.S. Securities and Exchange Commission's Regulation S-X. The Abbreviated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

These accompanying statements were prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission under Rule 3-05 of Regulation S-X. Historically, complete financial statements have never been prepared for the Pediatrics Business as Avadel did not maintain the Pediatrics Business as a stand-alone business, division or subsidiary for the periods presented, and, therefore, it is impractical to prepare stand-alone or full carve-out financial statements for the Pediatrics Business. The Statements of Assets Acquired and Liabilities Assumed and Net Revenues and Direct Expenses of the Pediatrics Business have been derived from the operating activities attributed to the Pediatrics Business from Avadel's books and records. The Statements of Net Revenues and Direct Expenses do not purport to reflect all of the costs, expenses, and cash flows that would have been associated had the Pediatrics Business been operated as a stand-alone, separate entity. In addition, the Statements of Net Revenues and Direct Expenses may not be indicative of the operating results going forward given the omission of certain corporate overhead described in the notes to the financial statements and changes in the business that may be made by the Buyer. No additional or separate allocations have been made for certain general and administrative, interest or income tax expenses as Avadel considered such items to be corporate expenses and not directly related to the Pediatrics Business.

Statements of cash flows are not presented as such data was not maintained by Avadel for the Pediatric Business acquired as it did not operate as a separate business or a separate legal entity.

3. Summary of Significant Accounting Policies

Use of estimates — The preparation of these Abbreviated Financial Statements in conformity with U.S. GAAP requires management to make certain estimates and assumptions that affect the amounts reported. The estimates and associated assumptions are based on historical experience, complex judgments and various other factors that are believed to be reasonable under the circumstances but are inherently uncertain and unpredictable. Estimates are used in determining such items as adjustments for contingent consideration. These estimates and underlying assumptions can affect all elements of these Abbreviated Financial Statements. Actual results may differ from these estimates.

Revenue Recognition — Revenue is generally realized or realizable and earned when persuasive evidence of an arrangement exists, delivery has occurred or services have been rendered, the seller's price to the buyer is fixed or determinable, and collectability is reasonably assured. The Company records revenue from product sales when title

and risk of ownership have been transferred to the customer, which is typically upon delivery to the customer and when the selling price is determinable. As is customary in the pharmaceutical industry, the Company's gross product sales are subject to a variety of deductions in arriving at reported net product sales. These adjustments include estimates for product returns, chargebacks, payment discounts, rebates, and other sales allowances and are estimated based on analysis of historical data for the product or comparable products, as well as future expectations for such products.

For generic products and branded products where the ultimate net selling price to customer is estimable, the Company recognizes revenues upon delivery to the wholesaler. For new product launches, including products acquired, the Company recognizes revenue if sufficient data is available to determine product acceptance in the marketplace such that product returns may be estimated based on historical or analog product data and there is probable evidence of reorders and consideration is made of wholesaler inventory levels.

In May 2014, the FASB issued ASU 2014-09 "*Revenue from Contracts with Customers"* which supersedes the most current revenue recognition requirements. This ASU requires entities to recognize revenue in a way that depicts the transfer of goods or services to customers in an amount that reflects the consideration which the entity expects to be entitled to in exchange for those goods or services. Through May 2016, the FASB issued ASU 2016-08 "*Principal versus Agent Considerations (Reporting Revenue Gross versus Net),"* ASU 2016-10 "*Identifying Performance Obligations and Licensing,"* and ASU 2016-12, "*Narrow-Scope Improvements and Practical Expedients,"* which provide supplemental adoption guidance and clarification to ASU 2014-09, respectively. These ASUs will be effective for annual and interim periods beginning after December 15, 2017, with early adoption for annual and interim periods beginning after December 15, 2016 permitted and should be applied retrospectively to each prior reporting period presented or as a modified retrospective adjustment as of the date of adoption.

The Company has completed its evaluation and assessment of the potential impacts of adopting this pronouncement on the Abbreviated Financial Statements and related disclosures. Based on this assessment, the Company will adopt the pronouncement under the modified retrospective method of transition in the first quarter of 2018. The Company does not expect adoption of the new standard will have a material effect on the overall timing or amount of revenue recognized in the Abbreviated Financial Statements when compared to current accounting standards. The impact to the Company of adopting the new revenue standard primarily relates to additional and expanded disclosures.

Concentration with Customer — The Company sells its products in the United States primarily through wholesale distributors. Wholesale distributors account for substantially all of the Company's net product revenues.

For the year ended December 31, 2017 and the period from February 5, 2016 through December 31, 2016, the Company's three largest customers accounted for approximately 39%, 32%, and 22%, and 35%, 32%, and 27%, respectively, of the Company's total net product revenues.

Concentration of Products and Sales — The following table presents a summary of total revenues by product for the twelve months ended December 31, 2017 and the period from February 5, 2016 through December 31, 2016 (in thousands):

Revenue by Product:	Year Ended December 31, 2017	The period from February 5, 2016 through December 31, 2016
Karbinal	$ 6,286	$ 3,485
Cefaclor	445	1,021
AcipHex	768	1,574
Other	187	266
Total Revenue	$ 7,686	$ 6,346

Selling, general and administrative — Selling, general and administrative costs including advertising and promotion are expensed as incurred. Advertising and promotion expenses are classified within selling, general and administrative expenses.

Inventory, net — Inventory consists of finished products, which are stated at lower of cost or market determined under the first-in, first-out ("FIFO") method. The Company establishes reserves for inventory estimated to be obsolete, unmarketable or slow-moving on a case by case basis.

Goodwill — Goodwill represents the excess of the acquisition consideration over the fair value of assets acquired and liabilities assumed from the FSC Acquisition. The Company has determined that it operates in a single segment and has a single reporting unit associated with the development and commercialization of pharmaceutical products. The annual test for goodwill impairment is a two-step process. The first step is a comparison of the fair value of the reporting unit with its carrying amount, including goodwill. If this step indicates impairment, then, in the second step, the loss is measured as the excess of recorded goodwill over the implied fair value of the goodwill. Implied fair value of goodwill is the excess of the fair value of the reporting unit as a whole over the fair value of all separately identified assets and liabilities within the reporting unit. The Company tests goodwill for impairment annually and when events or changes in circumstances indicate that the carrying value may not be recoverable. During the fourth quarter of 2017, the Company performed its required annual impairment test of goodwill and has determined that no impairment of goodwill existed at December 31, 2017 or 2016.

Intangibles — Intangible assets consist primarily of purchased licenses and intangible assets recognized as part of the FSC Acquisition.

Intangibles are reviewed for impairment whenever conditions indicate that the carrying value of the assets may not be fully recoverable. Such impairment tests are based on a comparison of the pretax undiscounted cash flows expected to be generated by the asset to the recorded value of the asset or other market based value approaches. If impairment is indicated, the asset value is written down to its market value if readily determinable or its estimated fair value based on discounted cash flows. Any significant changes in business or market conditions that vary from current expectations could have an impact on the fair value of these assets and any potential associated impairment. The Company has determined that no impairment existed at December 31, 2017 or 2016.

Acquisition-related Contingent Consideration — The FSC Acquisition-related contingent consideration payables are accounted for at fair-value (see *Note 7: Long-Term Related Party Payable*). The fair value of FSC Acquisition-related contingent consideration payable is estimated using a discounted cash flow model based on the long-term sales or gross profit forecasts of the specified pediatric products using an appropriate discount rate. Changes in fair value of these liabilities are recorded in the Abbreviated Statements of Net Revenues and Direct Expenses within operating expenses as changes in fair value of related party contingent consideration.

4. Fair Value Measurements

The Company is required to measure certain assets and liabilities at fair value, either upon initial recognition or for subsequent accounting or reporting. For example, fair value is used extensively when accounting for and reporting certain financial instruments, when measuring certain contingent consideration liabilities and in the initial recognition of net assets acquired in a business combination. Fair value is estimated by applying the hierarchy described below, which prioritizes the inputs used to measure fair value into three levels and bases the categorization within the hierarchy upon the lowest level of input that is available and significant to the fair value measurement:

ASC 820, Fair Value Measurements and Disclosures defines fair value as a market-based measurement that should be determined based on the assumptions that marketplace participants would use in pricing an asset or liability. When estimating fair value, depending on the nature and complexity of the asset or liability, one or each of the following techniques are generally used:

· Income approach, which is based on the present value of a future stream of net cash flows.

· Market approach, which is based on market prices and other information from market transactions involving identical or comparable assets or liabilities.

As a basis for considering the assumptions used in these techniques, the standard establishes a three-tier fair value hierarchy which prioritizes the inputs used in measuring fair value as follows:

· Level 1 - Quoted prices for identical assets or liabilities in active markets.

· Level 2 - Quoted prices for similar assets or liabilities in active markets, or quoted prices for identical or similar assets or liabilities in markets that are not active, or inputs other than quoted prices that are directly or indirectly observable, or inputs that are derived principally from, or corroborated by, observable market data by correlation or other means.

· Level 3 - Unobservable inputs that reflect estimates and assumptions.

The following table summarizes the financial instruments measured at fair value on a recurring basis classified in the fair value hierarchy (Level 1, 2 or 3) based on the inputs used for valuation in the accompanying Statement of Assets Acquired and Liabilities Assumed (in thousands):

	December 31,					
	2017			2016		
Fair Value Measurements:	**Level 1**	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
Related party payable *(see note 7: Long-Term Related Party Payable)*	$ —	$ —	$ 20,437	$ —	$ —	$ 22,038
Total Liabilities	$ —	$ —	$ 20,437	$ —	$ —	$ 22,038

5. FSC Acquisition

On February 5, 2016, the Company acquired FSC, a specialty pharmaceutical company dedicated to providing innovative solutions to unmet medical needs for pediatric patients, from Deerfield CSF, a Deerfield Management Company, a related party, which represents the FSC Acquisition. The Company disposed of these pediatric assets on February 16, 2018.

The FSC Acquisition has been accounted for using the acquisition method of accounting and, accordingly, its results are included in the Company's Abbreviated Financial Statements from the date of the FSC Acquisition. Total consideration to acquire FSC was $21.7 million, and was funded with a combination of the following, partially offset by $0.5 million as a result of a net working capital settlement from the seller:

· $15.0 million long-term liability to Deerfield CSF. Under the terms of the FSC Acquisition agreement, the Company will pay $1.1 million annually for five years with a final payment in January 2021 of $15.0 million.

· an estimate of $6.7 million in contingent consideration to Deerfield CSF. Under the terms of the FSC acquisition agreement, the Company shall pay quarterly a 15% royalty on the net sales of certain FSC products, up to $12.5 million for a period not exceeding ten years.

These items are reported in related party payable within the Company's Abbreviated Statements of Assets Acquired and Liabilities Assumed, and is further disclosed in *Note 7: Long-Term Related Party Payable*.

6. Goodwill and Intangible assets, net

At December 31, 2017 and 2016, the gross and net amounts of the amortizable and unamortizable intangible assets were (in thousands):

	December 31,					
	2017			2016		
Gross Value	**Accumulated amortization**	**Net Carrying Amount**	**Gross Value**	**Accumulated amortization**	**Net Carrying Amount**

Amortizable intangible assets:						
Acquired product marketing rights	$ 15,815	$ (2,021)	$ 13,794	$ 15,815	$ (975)	$ 14,840
Acquired developed technology	2,580	(381)	2,199	2,580	(182)	2,398
Total amortizable intangible assets	$ 18,395	$ (2,402)	$ 15,993	$ 18,395	$ (1,157)	$ 17,238
Unamortizable intangible assets:						
Goodwill	$ 1,903	$ —	$ 1,903	$ 1,903	$ —	$ 1,903
Total unamortizable intangible assets	$ 1,903	$ —	$ 1,903	$ 1,903	$ —	$ 1,903

Amortization of intangible assets for the year ended December 31, 2017 and the period from February 5, 2016 through December 31, 2016 was $1.2 million and $1.2 million, respectively.

Amortizable intangible assets are amortized over their estimated useful lives, which range from nine to fifteen years, using the straight-line method. At December 31, 2017, the total future amortization of intangible assets for the next 5 years is as follows (in thousands):

Year Ended:	Estimated Amortization Expense
2018	$ 1,253
2019	1,253
2020	1,253
2021	1,253
2022	1,253
Thereafter	9,728
Total Amortization Expense	$ 15,993

7. Long-Term Related Party Payable

Long-term related party payable and related activity are reported at fair value and consist of the following at December 31, 2017 and 2016, respectively (in thousands):

		Activity during the Twelve Months Ended December 31, 2017		
	Balance, December 31, 2016	Payments to Related Parties	Changes in Fair Value of Related Party Payable Operating Income	Balance, December 31, 2017
Acquisition-related contingent consideration:				
Royalty agreement - FSC (a)	$ 7,038	$ (1,246)	$ (355)	$ 5,437
Financing related:				
Long-term liability - FSC (b)	15,000	—	—	15,000
Total related party payable	22,038	$ (1,246)	$ (355)	20,437
Less: current portion	(1,229)			(1,192)
Total long-term related party payable	$ 20,809			$ 19,245

		Activity for the period from February 5, 2016 through December 31, 2016		
	Balance, February 5, 2016	Payments to Related Parties	Changes in Fair Value of Related Party Payable Operating Expense	Balance, December 31, 2016
Acquisition-related contingent consideration:				
Royalty agreement - FSC (a)	$ 6,658	$ (444)	$ 824	$ 7,038
Financing related:				
Long-term liability - FSC (b)	15,000	—	—	15,000
Total related party payable	21,658	$ (444)	$ 824	22,038
Less: current portion	(426)			(1,229)
Total long-term related				

party payable	$ 21,232	$ 20,809

Each of the above items is associated with related parties as further described in *Note 8: Related Party Transactions.*

(a) In February 2016, the Company acquired all of the membership interests of FSC from Deerfield. The consideration for this transaction in part included a commitment to pay quarterly a 15% royalty on the net sales of certain FSC products, up to $12.5 million for a period not exceeding ten years. This obligation was assumed by the Buyer as part of the disposition of the pediatrics products on February 16, 2018.

(b) In February 2016, the Company acquired all of the membership interests of FSC from Deerfield. The consideration for this transaction in part consists of payments totaling $1.1 million annually for five years with a final payment in January 2021 of $15.0 million. Interest expense of $1.1 million and $1.0 million for the year ended December 31, 2017 and the period from February 5, 2016 through December 31, 2016, is recorded in the Company's Abbreviated Statement of Net Revenues and Direct Expenses. Substantially all of FSC's, and its subsidiaries, assets are pledged as collateral under this agreement. This obligation was assumed by the Buyer as part of the disposition of the pediatrics products on February 16, 2018.

At December 31, 2017, the fair value of the related party payable listed in (a) above was estimated using a discounted cash flow model based on estimated and projected annual net revenues or gross profit, as appropriate, of the FSC products. These fair value measurements are based on significant inputs not observable in the market and thus represent a level 3 measurement as defined in ASC 820. The most significant of these inputs are the Company's estimates of future market share, selling price, and the risk-adjusted discount rate. To the extent the Company's expectations of capturing future market share or selling price are reduced, the estimated future earn-out payments and the respective fair value of contingent consideration would also be reduced. The Company uses an appropriate risk-adjusted discount rate within the discounted cash flow models of approximately 22%. Decreases in the discount rate would increase the calculated fair value of contingent consideration.

Subsequent changes in the fair value of the FSC Acquisition-related related party payables, resulting primarily from management's revision of key assumptions, will be recorded in the Company's Abbreviated Statements of Net Revenues and Direct Expenses in the line items entitled "Changes in fair value of related party contingent consideration" for items noted in (a) above. See *Note 3*: *Summary of Significant Accounting Policies* under the caption Acquisition-related Contingent Consideration.

8. Related Party Transactions

The Company entered into an agreement dated February 5, 2016 to acquire FSC, a specialty pharmaceutical company dedicated to providing innovative solutions to unmet medical needs for pediatric patients, from Deerfield CSF, a Deerfield Management company. Under the terms of the FSC Acquisition, which was completed on February 8, 2016, the Company will pay $1.1 million annually for five years with a final payment in January 2021 of $15.0 million, for a total of $20.2 million to Deerfield for all of the equity interests in FSC. The Company will also pay Deerfield a 15% royalty per annum on net sales of the current FSC products, up to $12.5 million for a

period not exceeding ten years. In connection with the divestiture of the Company's pediatric products on February 16, 2018, the above obligations were assumed by Cerecor and guaranteed by Armistice Capital Master Fund, Ltd., the majority shareholder of Cerecor.

9. Subsequent Events

The Company has evaluated events and transactions for potential recognition or disclosure through May 4, 2018, the date the Abbreviated Financial Statements were available to be issued. No events or transactions have occurred through such date that requires disclosure, other than those already disclosed, in these Abbreviated Financial Statements.

Exhibit 99.2

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

The following unaudited pro forma condensed combined financial information has been prepared to illustrate the effects of the acquisition of the Pediatrics Business ("Avadel Pediatrics Business") from Avadel Pharmaceuticals plc ("Avadel") on February 16, 2018, as well as the effects of the TRx Pharmaceuticals LLC, including subsidiary Zylera Pharmaceuticals, LLC, ("TRx") acquisition (collectively, the "Acquisitions") that took place on November 17, 2017. The historical financial information has been adjusted in the unaudited pro forma condensed combined financial statements to give effect to pro forma events that are (1) directly attributable to the acquisitions, (2) factually supportable, and (3) with respect to the statements of operations, expected to have a continuing impact on the results of operations.

The unaudited pro forma condensed combined balance sheet is based on the individual historical balance sheet of Cerecor Inc. ("Cerecor" or the "Company"), and the Avadel Pediatrics Business, as of December 31, 2017, and has been prepared to reflect the effects of the Acquisition as if it occurred on December 31, 2017. The unaudited pro forma condensed combined statements of operations for the years ended December 31, 2017 and 2016 combine the historical results and operations of Cerecor, the Avadel Pediatrics Business and TRx, giving effect to the Acquisitions as if they had occurred on January 1, 2016. The historical results of Cerecor for the year ended December 31, 2017 include the results of operations of TRx since its acquisition date of November 17, 2017 and the historical TRx results of operations are for the period from January 1, 2017 through the acquisition date.

The unaudited pro forma condensed combined statements of operations do not reflect future events that may occur after the completion of the Acquisitions including, but not limited to, the anticipated realization of ongoing savings from operating synergies and certain one-time charges Cerecor currently expects to incur in connection with the Acquisitions, including, but not limited to, costs in connection with integrating the operations of the Avadel Pediatrics Business and TRx. These unaudited pro forma condensed combined financial statements are for informational purposes only. They do not purport to indicate the results that would actually have been obtained had the Acquisitions been completed on the assumed dates or for the periods presented, or which may be realized in the future.

To produce the pro forma financial information, the Avadel Pediatrics Business assets and liabilities were adjusted to their estimated fair values. The preliminary purchase price allocation for the Avadel Pediatrics Business acquisition was made using the Company's best estimates of fair value, which are dependent upon certain valuation and other analyses that are not yet final. As a result, the unaudited pro forma purchase price adjustments related to the Avadel Pediatrics Business acquisition are preliminary and subject to further adjustments as additional information becomes available and as additional analyses are performed during the applicable measurement period under ASC 805 (up to one year from the acquisition date). Any final valuations might result in material adjustments to the preliminary estimated purchase price allocation. The preliminary unaudited pro forma accounting for the business combination has been made solely for the purpose of preparing the accompanying unaudited pro forma condensed combined financial statements. The TRx purchase price allocation is also considered preliminary as it is still within the one-year measurement period.

The unaudited pro forma condensed combined financial statements have been derived from and should be read in conjunction with:

- the accompanying notes to the unaudited pro forma condensed combined financial statements;
- Cerecor's audited financial statements and related notes contained within Cerecor's Annual Report on Form 10-K for the year ended December 31, 2017;
- the TRx Consolidated Financial Statements for the year ended December 31, 2016 included within Cerecor's Form 8-K/A filed on January 24, 2018; and
- the Abbreviated Financial Statements of the Avadel Pediatrics Business included within this Form 8-K/A.

Cerecor Inc.
Unaudited Pro Forma Condensed Combined Balance Sheet
As of December 31, 2017

	Historical Cerecor	Historical Avadel Pediatric Business	Avadel Pediatric Business Pro Forma Adjustments		Pro Forma Cerecor Combined
ASSETS					
Current assets:					
Cash and cash equivalents	$ 2,472,187	$ —	$ (1)	4a	$ 2,472,186
Accounts receivable, net	3,252,212	—	—		3,252,212
Other receivables	427,241	—	—		427,241
Escrowed cash receivable	3,752,390	—	—		3,752,390
Inventory, net	382,153	460,000	1,597,000	4b	2,439,153
Prepaid expenses and other current assets	703,225	—	—		703,225
Restricted cash, current portion	1,959	—	—		1,959
Total current assets	10,991,367	460,000	1,596,999		13,048,366
Property and equipment, net	44,612	—	—		$ 44,612
Intangible assets, net	17,664,480	15,993,000	460,000	4c	34,117,480
Goodwill	14,292,282	1,903,000	2,975,213	4d	19,170,495
Restricted cash, net of current portion	131,353	—	—		131,353
Total assets					

LIABILITIES AND STOCKHOLDERS EQUITY	$	43,124,094	$	18,356,000	$	5,032,212		$ 66,512,306
Current liabilities:								—
Accounts payable	$	1,298,980	$	—	$	—		$ 1,298,980
Accrued expenses and other current liabilities		7,848,309		—		104,206	4e	7,952,515
Contigent consideration		—		—		829,263	4f	829,263
Income taxes payable		2,259,148		—		—		2,259,148
Total current liabilities		11,406,437		—		933,469		12,339,906
Contingent consideration		2,576,633		—		7,286,646	4f	9,863,279
Current portion of long-term related party payable		—		1,192,000		(1,192,000)	4g	—
Deferred tax liability		7,144		—		—		7,144
License obligations		1,250,000		—		—		1,250,000
Long-term debt		—		—		15,272,303	4g	15,272,303
Long-term related party payable, less current portion		—		19,245,000		(19,245,000)	4g	—
Long term liabilities - other		24,272				—		24,272
Total liabilities		15,264,486		20,437,000		3,055,418		38,756,904
Commitments and Contingencies								
Stockholders equity:								
Avadel Pediatric Business Deficit		—		(2,081,000)		2,081,000	4h	—
Common stock		31,268		—		—		31,268
Additional paid-in capital		83,338,136		—		—		83,338,136
Contingently issuable shares		2,655,464		—		—		2,655,464
Accumulated deficit		(58,165,260)		—		(104,206)	4i	(58,269,466)
Total stockholders' equity		27,859,608		(2,081,000)		1,976,794		27,755,402
Total liabilities and stockholders' equity	$	43,124,094	$	18,356,000	$	5,032,212		$ 66,512,306

See accompanying notes to the unaudited pro forma condensed combined financial information

Cerecor Inc.
Unaudited Pro Forma Condensed Combined Statement of Operations
For the year ended December 31, 2017

	Historical Cerecor	Historical TRx Pharmaceuticals	TRx Pharmaceuticals Pro Forma Adjustments		Historical Avadel Pediatric Business	Avadel Pediatric Business Pro Forma Adjustments		Pro Forma Cerecor Combined
Revenues								
License and other revenue	$ 25,000,000	$ —	$ —		$ —	$ —		$ 25,000,000
Product revenue, net	1,910,403	15,789,075	—		7,686,000	—		25,385,478
Salesforce revenue	278,165	—	—		—	—		278,165
Grant revenue	624,569	—	—		—	—		624,569
Total revenues, net	27,813,137	15,789,075	—		7,686,000	—		51,288,212
Cost of product sales	635,648	3,345,200	—		3,595,000	—		7,575,848
Gross margin	27,177,489	12,443,875	—		4,091,000	—		43,712,364
Operating Expenses:								—
Research and development	4,372,578	—	—		—	—		4,372,578
General and administrative	7,941,584	6,891,084	2,594,162	5a	11,205,000	1,684,225	4j	30,316,055
Sales and marketing	973,345	—	—		—	—		973,345
Change in fair value of contingent consideration	—	—	—		(355,000)	355,000	4k	—
Amortization of intangible assets	—	—	—		1,245,000	(1,245,000)		—
Total operating expenses	13,287,507	6,891,084	2,594,162		12,095,000	794,225		35,661,978
Income (loss) from operations	13,889,982	5,552,791	(2,594,162)		(8,004,000)	(794,225)		8,050,386
Other income (expense):								—
Change in fair value of warrant liability, unit purchase option liability, and investor rights obligations	(29,624)	—	—					(29,624)
Other income	—	—	—		18,000	—		18,000
Interest expense, net	(24,016)	2,141	—		(1,050,000)	164,207	4l	(907,668)
Total other income (expense)	(53,640)	2,141	—		(1,032,000)	164,207		(919,292)
Net income (loss) before taxes	13,836,342	5,554,932	(2,594,162)		(9,036,000)	(630,018)		7,131,094
Income tax expense	1,966,519	35,523	(614,298)	5b	—	(220,506)	4m	1,167,238
Net income (loss) after taxes	$ 11,869,823	$ 5,519,409	$ (1,979,864)		$ (9,036,000)	$ (409,512)		$ 5,963,856

Basic net income per share	$ 0.42						$ 0.21
Weighted-average number of common shares - basic	18,410,005						18,410,005
Diluted net income per share	$ 0.42						$ 0.21
Weighted-average number of common shares - diluted	18,754,799						18,754,799

See the accompanying notes to the unaudited pro forma condensed combined financial information

Cerecor Inc.
Unaudited Pro Forma Condensed Combined Statement of Operations
For the year ended December 31, 2016

	Historical Cerecor	Historical TRx Pharmaceuticals	TRx Pharmaceuticals Pro Forma Adjustments		Historical Avadel Pediatric Business (Period from February 5, 2016 to December 31, 2016)	Avadel Pediatric Business Pro Forma Adjustments		Pro Forma Cerecor Combined
Revenues								
Product revenue, net	$ —	$ 18,433,936	$ —		$ 6,346,000	$ —		$ 24,779,936
Grant revenue	1,152,987		—		—	—		1,152,987
Total revenues, net	1,152,987	18,433,936	—		6,346,000	—		25,932,923
Cost of product sales	—	9,598,167	—		2,730,000	—		12,328,167
Gross margin	1,152,987	8,835,769	—		3,616,000	—		13,604,756
Operating Expenses:								
Research and development	10,149,879	—	—		—	—		10,149,879
General and administrative	7,083,155	4,885,534	3,228,167	5a	10,212,000	(629,775)	4j	24,779,081
Impairment of trademarks	—	3,729,457	—		—	—		3,729,457
Change in fair value of contingent consideration	—	—	—		824,000	(715,323)	4k	108,677
Amortization of intangible assets	—	—	—		1,157,000	(1,157,000)	4j	—
Total operating expenses	17,233,034	8,614,991	3,228,167		12,193,000	(2,502,098)		38,767,094
Income (loss) from operations	(16,080,047)	220,778	(3,228,167)		(8,577,000)	2,502,098		(25,162,338)
Other income (expense):								
Change in fair value of warrant liability and unit purchase option liability	72,625	—	—		—	—		72,625
Other expense	—	—	—		(157,000)	—		(157,000)
Interest expense, net	(464,181)	—	—		(962,000)	76,207	4l	(1,349,974)
Total other income (expense)	(391,556)	—	—		(1,119,000)	76,207		(1,434,349)
Net income (loss) before taxes	(16,471,603)	220,778	(3,228,167)		(9,696,000)	2,578,305		(26,596,687)
Income tax expense	—	20,145	—	5b	—	—	4m	20,145
Net income (loss) after taxes	$ (16,471,603)	$ 200,633	$ (3,228,167)		$ (9,696,000)	$ 2,578,305		$ (26,616,832)
Basic net loss per share	$ (1.87)							$ (1.90)
Weighted-average number of common shares - basic	8,830,396		5,184,916	5c				14,015,312
Diluted net loss per share	$ (1.87)							$ (1.90)
Weighted-average number of common shares - diluted	8,830,396		5,184,916	5c				14,015,312

See the accompanying notes to the unaudited pro forma condensed combined financial information

NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

1. BACKGROUND

On February 12, 2018, the Company entered into an asset purchase agreement ("Purchase Agreement") with Avadel, and certain of its subsidiaries (collectively, the "Sellers"), to purchase and acquire all rights in the Sellers' pediatric products. The acquired products consist of Karbinal™ ER, AcipHex® Sprinkle™, Cefaclor for Oral Suspension, and Flexichamber™. The transactions contemplated by this agreement closed on February 16, 2018. Under the terms of the transactions, Cerecor provided initial consideration consisting of a

nominal cash payment of $1 for the acquired assets, and assumed certain of Avadel's financial obligations to Deerfield CSF, LLC ("Deerfield"), including a $15 million loan due in January 2021 and certain deferred payments representing royalty obligations through February 2026. These deferred payments had a fair value of $7.9 million at the acquisition date. Avadel had acquired the Pediatrics Business in February 2016 from Deerfield, an affiliate of Deerfield Management, one of Avadel's major shareholders.

In connection with entering into the Purchase Agreement, at closing, the Company entered into a licensing and development agreement with Flamel Ireland Limited ("Avadel Ireland"), a subsidiary of Avadel (the "Development Agreement"), under which Avadel Ireland will develop and provide the Company with four stable product formulations utilizing its proprietary LiquiTime® and Micropump® technology. The Company will reimburse Avadel Ireland for any costs associated with the development of these products in excess of $1.0 million in the aggregate. Upon transfer of the product formulations, the Company will assume all remaining development and regulatory costs. Once approved and marketed, the Company will pay Avadel Ireland royalties on net sales of such products. The fair value of this contingent consideration at the acquisition date was $0.2 million.

2. BASIS OF PRESENTATION

The unaudited pro forma condensed combined financial statements were prepared in accordance with generally accepted accounting principles in the United States and pursuant to U.S. Securities and Exchange Commission Regulation S-X Article 11, and present the pro forma financial position and results of operations of the combined companies based upon the historical information after giving effect to the Acquisitions and adjustments described in these footnotes. The unaudited pro forma condensed combined balance sheet is presented as if the Avadel Pediatrics Business acquisition had occurred on December 31, 2017; and the unaudited pro forma condensed combined statements of operations for the years ended December 31, 2017 and 2016 are presented as if the Acquisitions had occurred on January 1, 2016. The historical results of Cerecor for the year ended December 31, 2017 include the results of operations of TRx since its acquisition date of November 17, 2017 and the historical TRx results of operations are for the period from January 1, 2017 through the acquisition date.

The historical results of the Avadel Pediatrics Business have been derived from Avadel's audited financial statements for the year ended December 31, 2017 and for the period from February 5, 2016 through December 31, 2016; the historical results of TRx have been derived from unaudited financial information for the period from January 1, 2017 through its acquisition date on November 17, 2017 and audited financial statements for the year ended December 31, 2016 and the historical results of Cerecor have been derived from audited financial statements for the years ended December 31, 2017 and 2016.

The unaudited pro forma condensed combined financial information does not reflect pro forma adjustments for ongoing cost savings that Cerecor expects to and/or has achieved as a result of the Acquisitions or the costs necessary to achieve these costs savings or synergies.

3. AVADEL PEDIATRICS BUSINESS ACQUISITION—PRELIMINARY CONSIDERATION TRANSFERRED AND PRELIMINARY FAIR VALUE OF ASSETS ACQUIRED AND LIABILITIES ASSUMED

The Avadel Pediatrics Business acquisition has been reflected in the unaudited pro forma condensed combined financial statements as being accounted for under the acquisition method in accordance with ASC 805, *Business Combinations* ("ASC 805") with Cerecor treated as the accounting acquirer. In accordance with ASC 805, the assets acquired and liabilities assumed have been measured at fair value based on various preliminary estimates.

Due to the fact that the unaudited pro forma condensed combined financial information has been prepared based on preliminary estimates, the final amounts recorded for the Acquisition may differ materially from the information presented herein. These estimates are subject to change pending further review of the fair value of assets acquired and liabilities assumed.

For purposes of measuring the estimated fair value, where applicable, of the assets acquired and liabilities assumed, as reflected in the unaudited pro forma condensed combined financial information, the guidance in ASC 820, *Fair Value Measurements and Disclosures* ("ASC 820") has been applied, which establishes a framework for measuring fair value. In accordance with ASC 820, fair value is an exit price and is defined as "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date." Under ASC 805, acquisition-related transaction costs and acquisition-related restructuring charges are not included as components of consideration transferred but are accounted for as expenses in the period in which the costs are incurred.

The total estimated consideration transferred in the acquisition is comprised of the following:

Cash consideration	$	1
Fair value of contingent consideration (i)		240,744
Fair value of consideration transferred	$	240,745

(i) Contingent consideration represents potential future royalties equal to 6% of net sales of the LiquiTime products.

The following is a summary of the preliminary estimated fair values of the net assets acquired as if the acquisition of the Avadel Pediatrics Business had occurred on December 31, 2017:

	Total	Useful life

Fair value of assets acquired		
Current assets:		
Inventory	2,057,000	
Identifiable intangible assets		
Acquired Product Marketing Rights - Karbinal	6,221,000	15.5
Acquired Product Marketing Rights - AcipHex	2,520,000	10.0
Acquired Product Marketing Rights - Cefaclor	6,291,000	7.0
Acquired Developed Technology - Flexichamber	1,131,000	10.0
Acquired IPR&D - LiquiTime	290,000	Indefinite
Total assets acquired	$ 18,510,000	
Fair value of liabilities assumed		
Contingent consideration - deferred payments	$ 7,875,165	
Purchase agreement consideration (Deerfield liability)	15,272,303	
Total liabilities assumed	23,147,468	
Total identifiable net assets	(4,637,468)	
Fair value of consideration transferred	240,745	
Goodwill	$ 4,878,213	

Management has made preliminary allocation estimates based on currently available information. The final determination of the accounting for the business combination is anticipated to be completed as soon as practicable, but no later than one year from the date of the Avadel Pediatrics Business acquisition. The preliminary fair market value of each acquired product marketing right was determined using an income approach, specifically the multi-period excess earnings method.

The amounts allocated to intangible assets in the Avadel Pediatrics Business acquisition could differ materially from the preliminary amounts presented in these unaudited pro forma condensed combined financial

statements. A decrease in the fair value of the assets acquired or an increase in the liabilities assumed from those preliminary valuations presented in these unaudited pro forma condensed combined financial statements would result in a dollar-for-dollar corresponding increase in the amount of goodwill that will result from the Avadel Pediatrics Business acquisition. In addition, if the value of the acquired intangible assets is higher than the preliminary indication, it may result in higher amortization or depreciation expense than is presented in these unaudited pro forma condensed combined financial statements.

4. AVADEL PEDIATRICS BUSINESS ACQUISITION—PRO FORMA ADJUSTMENTS

The preliminary pro forma adjustments included in the unaudited pro forma condensed combined financial statements related to the Avadel Pediatrics Business acquisition are as follows:

(a)Cash and cash equivalents—Adjustment reflects the $1 nominal cash payment made by the Company.

(b)Inventory—Adjustment reflects the step up in basis of finished goods inventory based on the average sales price of products held in inventory at the date of the Avadel Pediatrics Business acquisition less any directly related sales and marketing costs.

(c)Intangible assets, net— Adjustment to ultimately reflect the preliminary fair market value related to the identifiable intangible assets acquired in the Avadel Pediatrics Business acquisition:

Identifable intangible assets acquired:	
Acquired Product Marketing Rights - Karbinal	$ 6,221,000
Acquired Product Marketing Rights - AcipHex	2,520,000
Acquired Product Marketing Rights - Cefaclor	6,291,000
Acquired Developed Technology - Flexichamber	1,131,000
Acquired IPR&D - LiquiTime	290,000
Total Intangible assets	$ 16,453,000

(d)Goodwill—Adjustment reflects the preliminary estimated adjustment to goodwill as a result of the Avadel Pediatrics Business acquisition. Goodwill represents the excess of the consideration transferred over the preliminary fair value of the asset acquired and liabilities assumed as described in Note 3. The goodwill will not be amortized, but instead will be tested for impairment at least annually and whenever events or circumstances have occurred that may indicate a possible impairment exists. In the event management determines that the value of goodwill has become impaired, the Company will incur an accounting charge for the amount of the impairment during the period in which the determination is made. The goodwill is attributable primarily to strategic and synergistic opportunities. The preliminary pro forma adjustment to goodwill is calculated as follows:

Consideration transferred	$ 240,745
Less: fair value of net assets to be acquired	(4,637,468)
	4,878,213
Less: historical goodwill attributed to the Avadel Pediatrics Business	(1,903,000)

Pro-forma adjustment - goodwill	$ 2,975,213

(e)Accrued liabilities—Adjustment reflects an increase in accrued liabilities for transaction costs incurred by Cerecor subsequent to December 31, 2017.

(f)Contingent consideration—Adjustment reflects the preliminary fair value of contingent consideration as of the acquisition date, classified as current or non-current based on expected timing of payments. This amount

will be subsequently remeasured to its fair value at each reporting period with changes in fair value being recognized in earnings.

Fair value of deferred payments (i)	$ 7,875,165
Fair value of LiquiTime royalties (ii)	240,744
Total fair value of contingent consideration	$ 8,115,909

(i) The fair value of deferred payments represents the fair value as of the acquisition date of future royalty obligations equal to 15.0% of Net Sales of Karbinal, AcipHex, Cefaclor and Flexichamber, due through February 2026.

(ii) The fair value of LiquiTime Royalties represents the fair value as of the acquisition date on future royalty payments on net sales of the LiquiTime products equal to 6.0% of net sales.

(g)Long-term debt and related party payable—Adjustment to reflect the fair value of the long-term debt assumed by the Company, which also represents a reclass of the debt and contingent consideration related to a deferred payment obligation from a related party payable to long-term debt classification and contingent consideration, because, as a result of the transaction, the party to whom the debt is owed is no longer a related party of the debtor, which is now the Company instead of Avadel. The fair value of debt assumed is based on a calculation of the present value of future cash payments, discounted using an interest rate equivalent to Cerecor's estimated cost of debt. Cerecor has an obligation to pay Deerfield $262,500 quarterly starting July 2018 and ending October 2020 and to pay $15,262,500 on the last day of January 2021.

(h)Avadel Pediatrics Business deficit— Reflects the net liabilities assumed by the Company as of December 31, 2017.

(i)Accumulated deficit— Adjustment reflects an increase in accumulated deficit based on the estimated transaction costs to be incurred by the Company subsequent to December 31, 2017 related to the Avadel Pediatrics Business acquisition.

(j) Amortization of intangibles assets—Reflects the preliminary adjustment to the amortization expense associated with the fair value of the identifiable intangible assets acquired, over their estimated useful lives. The preliminary pro forma adjustment to amortization expense is calculated as follows:

Intangible Assets	Estimated Useful Life (years)	Preliminary fair value	Amortization Expense for the year ended December 31, 2017	Amortization Expense for the year ended December 31, 2016
Acquired Product Marketing Rights - Karbinal	15.5	$ 6,221,000	$ 400,698	$ 400,698
Acquired Product Marketing Rights - AcipHex	10.0	2,520,000	255,516	255,516
Acquired Product Marketing Rights - Cefaclor	7.0	6,291,000	916,156	916,156
Acquired Developed Technology - Flexichamber	10.0	1,131,000	111,855	111,855
Acquired IPR&D - LiquiTime	indefinite-lived	290,000	—	—
Total		16,453,000	1,684,225	1,684,225
Less: Avadel Pediatrics Business historical intangibles and amortization expense (i)		(15,993,000)	(1,245,000)	(1,157,000)
Pro forma adjustment - intangibles and amortization expense		$ 460,000	$ 439,225	$ 527,225

(i) The historical amortization expense for the year ended December 31, 2016 represents the Avadel Pediatrics Business intangible amortization expense from the date it was acquired by Avadel, February 5, 2016 through December 31, 2016.

The Company expects to amortize the estimated fair value of amortizable intangible assets on a straight-line basis over their estimated useful lives, which reflects the period over which the asset is expected to provide material economic benefit to the Company.

(k)Changes in fair value of contingent consideration— Represents the removal of the historical change in fair value related to contingent consideration recorded by Avadel related to future royalty obligations to Deerfield. The loss of $108,677 related to the change in fair value of contingent consideration recorded by Cerecor for the period from acquisition through March 31, 2018 has been recorded in the year ended December 31, 2016, as if this change in fair value had occurred on the assumed January 1, 2016 acquisition date.

(l)Interest expense—Adjustment to interest expense for the years ended December 31, 2017 and 2016 reflects the impact on interest expense as if the debt held by Avadel had been assumed by the Company on January 1, 2016.

(m)Income tax expense—Adjustment for the year ended December 31, 2017 reflects the income tax impact of the pro forma adjustments made to the pro forma statements of operations using an effective rate of 35%, which was the U.S. Federal statutory corporate income tax rate in 2017. No tax provision was recorded on the pro forma adjustments for the year ended December 31, 2016 because the Company had a history of incurring net operating losses and a full valuation allowance.

5. TRx ACQUISITION—PRO FORMA ADJUSTMENTS

The preliminary pro forma adjustments included in the unaudited pro forma condensed combined financial statements related to the TRx acquisition are as follows:

(a)General and administrative expense—Reflects a decrease of $230,484 for transaction related costs incurred during the year ended December 31, 2017, offset by an increase for amortization expense. The preliminary adjustment to the amortization expense associated with the fair value of the identifiable intangible assets acquired is calculated based on the estimated useful lives of the intangibles. The preliminary pro forma adjustment to amortization expense is calculated as follows:

Intangible Assets	Estimated Useful Life (years)	Preliminary fair value	Amortization Expense for the year ended December 31, 2017	Amortization Expense for the year ended December 31, 2016
Metafolin license agreement	15	$ 10,465,000	$ 610,458	$ 697,667
PAI sales & marketing agreement	2	2,334,000	1,021,125	1,167,000
Trademark - Millipred	4	4,714,000	1,031,188	1,178,500
Trademark - Ulesfia	3	555,000	161,875	185,000
Total		18,068,000	2,824,646	3,228,167
Less: TRx historical intangibles and amortization expense (i)		(50,000)	—	—
Pro forma adjustment - amortization expense		$ 18,018,000	$ 2,824,646	$ 3,228,167

(i) There was no historical amortization expense recognized by TRx for the period from January 1, 2017 through November 17, 2017 or for the year ended December 31, 2016 because TRx only had trademark intangible assets, which are indefinite-lived. For the year ended December 31, 2016, TRx recorded an impairment charge of $3,729,457 to write down the carrying value of its Veripred and Millipred trademarks. This impairment charge is not adjusted for pro forma purposes.

(b)Income tax expense— Adjustment for the year ended December 31, 2017 reflects the income tax impact of the pro forma adjustments made to the pro forma statements of operations using an effective rate of 23.68%. This rate reflects the estimated effective rate of the pro forma combined Cerecor and TRx companies for the year ended December 31, 2017 and is lower than the statutory rate primarily due to the utilization of historical Cerecor net operating loss carryforwards ("NOLs"). As a result of the utilization of NOLs being limited, the Company has not reduced its effective tax rate to zero. The effective tax rate of the combined company could be significantly different from what is presented in these unaudited pro forma financial statements for a variety of reasons, including post-Acquisition activities. No tax provision was recorded on the pro forma adjustments for the year ended December 31, 2016 because the Company had a history of incurring net operating losses and a full valuation allowance.

(c) Earnings per share— The below table shows the calculation for pro forma basic and diluted earnings per share for the year ended December 31, 2017 using the two-class method. The Company had a loss for the year ended December 31, 2016, therefore, the pro forma earnings per share for that period is calculated as pro forma net loss divided by pro forma weighted average shares outstanding. For purposes of the pro forma financial information, the

Company has excluded the 2,349,968 shares that are contingently issuable upon shareholder approval from its basic earnings per share calculations. This approval is expected at the 2018 annual shareholder meeting. However, if these shares were included in the earnings per share calculation, the pro forma basic net income per share for the year ended December 31, 2017 would be $0.20 per share and the pro forma basic net loss per share for the year ended December 31, 2016 would be $1.62 per share. The Company has included the 2,349,968 contingently issuable shares in its dilutive earnings per share calculation for the year ended December 31, 2017 due to the fact that the Company's controlling shareholder has executed a legally binding letter agreeing to vote in favor of the share issuance.

	As reported EPS	Pro forma adjustment	Pro forma EPS
Basic earnings per share			
Net income	$ 11,869,823	$ (5,905,967)	$ 5,963,856
Undistributed earnings allocable to common shares	$ 7,772,084		3,904,994
Undistributed earnings allocable to participating warrants	$ 4,097,739		2,058,862

Weighted average shares, basic			
Common stock	18,410,005		18,410,005
Participating warrants	9,706,458		9,706,458
	28,116,463		28,116,463
Basic income per share:			
Common stock	$ 0.42		$ 0.21
Participating warrants	$ 0.42		$ 0.21
Diluted earnings per share			
Net income	$ 7,772,084		$ 3,904,994
Net income reallocated	49,642	(24,700)	24,942
Undistributed earnings allocable to common shares	$ 7,821,726		$ 3,929,936
Weighted average number of shares attributable to common shareholders - basic	18,410,005		18,410,005
Effect of dilutive securities:			
Contingently issuable shares	283,284		283,284
Stock options	61,510		61,510
Potentially dilutive shares	344,794		344,794
Weighted average number of shares - diluted	18,754,799		18,754,799
Diluted income per share	$ 0.42		$ 0.21