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) September 24, 2018

CERECOR INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation)

001-37590	**45-0705648**
(Commission File Number)	**(IRS Employer Identification No.)**

400 E. Pratt Street, Suite 606, Baltimore, Maryland 21202
(Address of principal executive offices) (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 September 26, 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 September 25, 2018, Cerecor completed the transaction contemplated by an Agreement and Plan of Merger (the "Merger Agreement") by and among the Company, ITX Merger Sub, Inc., a wholly owned subsidiary of the Company, Second ITX Merger Sub, LLC, a wholly owned subsidiary of the Company, Ichorion Therapeutics, Inc. ("Ichorion") and a Holders' Representative.

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.

Item 9.01. Financial Statements and Exhibits.

(a) Financial Statements of Business Acquired.

The audited financial statements of Ichorion for the period from July 7, 2017 (inception) through December 31, 2017 and the related notes and the unaudited financial statements of Ichorion as of June 30, 2018, and for the six months ended June 30, 2018 and the related notes are attached hereto as Exhibit 99.1 and Exhibit 99.2 and incorporated herein by reference.

(b) Pro-Forma Financial Information.

Unaudited pro forma condensed combined financial information, which includes pro forma condensed combined statements of operation for the year ended December 31, 2017 and the nine months ended September 30, 2018 and the notes related thereto, are filed as Exhibit 99.3 to this report and incorporated herein by reference.

(d) Exhibits.

Exhibit No.	Description
23.1	Consent of Independent Auditors.
99.1	Audited financial statements of Ichorion Therapeutics, Inc. for the period from July 7, 2017 (inception) through December 31, 2017 and the related notes to such financial statements.
99.2	Unaudited financial statements of Ichorion Therapeutics, Inc. for the six months ended June 30, 2018 and the related notes to such financial statements.
99.3	Unaudited pro forma condensed combined financial statements, which include pro forma condensed combined statements of operation for the year ended December 31, 2017 and the nine months ended September 30, 2018 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.

CERECOR INC.

Date: December 3, 2018

/s/ Joseph M. Miller
Joseph M. Miller
Chief Financial Officer

Exhibit 23.1

Consent of Independent Auditors

We consent to the incorporation by reference in the following Registration Statements (Form S-3 Nos 333-214507, 333-218252, 333-227227, and Form S-8 Nos 333-207949, 333-211490, 333-211491, and 333-226676) of Cerecor Inc. of our report dated December 3, 2018, with respect to the financial statements of Ichorion Therapeutics, Inc. for the period from July 7, 2017 (inception) to December 31, 2017 included in this Current Report on Form 8-K/A of Cerecor Inc. dated December 3, 2018.

/s/ Ernst & Young LLP

Baltimore, Maryland
December 3, 2018

FINANCIAL STATEMENTS

Ichorion Therapeutics, Inc.
Period from July 7, 2017 (Inception) through December 31, 2017
With Report of Independent Auditors

Ichorion Therapeutics, Inc.

Financial Statements

Period from July 7, 2017 (Inception) through December 31, 2017

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Report of Independent Auditors

To the Shareholders and the Board of Directors of Ichorion Therapeutics, Inc.,

Opinion on the Financial Statements

We have audited the accompanying financial statements of Ichorion Therapeutics, Inc., which comprise the balance sheet as of December 31, 2017, and the related statements of operations and comprehensive loss, changes in stockholders' equity and cash flows for the period from July 7, 2017 (inception) to December 31, 2017, 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 conformity with U.S. generally accepted accounting principles; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 financial position of Ichorion Therapeutics, Inc. at December 31, 2017, and the results of its operations and its cash flows for the period from July 7, 2017 (inception) to December 31, 2017 in conformity with U.S. generally accepted accounting principles.

/s/ Ernst & Young LLP

Baltimore, Maryland
December 3, 2018

Ichorion Therapeutics, Inc.

Balance Sheet

		December 31, 2017
Assets		
Current assets:		
Cash	$	**1,899,072**
Prepaid expenses		**92,000**
Total current assets		**1,991,072**
Other assets		**4,650**
Total assets	$	**1,995,722**
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$	**83,328**
Accrued expenses and other current liabilities		**90,730**
Total current liabilities		**174,058**
Total liabilities		**174,058**
Stockholders' equity:		
Convertible preferred stock—$0.00001 par value; 864,582 shares authorized at December 31, 2017; 864,582 shares issued and outstanding at December 31, 2017		**9**
Common stock—$0.00001 par value; 4,700,000 shares authorized at December 31, 2017; 2,104,124 shares issued and outstanding at December 31, 2017		**21**
Additional paid-in capital		**2,709,400**
Accumulated deficit		**(887,766)**
Total stockholders' equity		**1,821,664**
Total liabilities and stockholders' equity	$	**1,995,722**

See accompanying notes.

Ichorion Therapeutics, Inc.

Statement of Operations and Comprehensive Loss

	Period from July 7, 2017 (Inception) through December 31, 2017
Revenue	$ —
Operating expenses:	
Research and development	592,711
General and administrative	295,234
Total operating expenses	887,945
Loss from operations	(887,945)
Other income	179
Net loss and comprehensive loss	$ (887,766)

See accompanying notes.

Ichorion Therapeutics, Inc.

Statement of Changes in Stockholders' Equity

Period from July 7, 2017 (Inception) through December 31, 2017

	Convertible Preferred Stock		**Common stock**		**Additional Paid-In Capital**	**Accumulated Deficit**	**Total Stockholders' Equity**
	Shares	**Amount**	**Shares**	**Amount**			
Issuance of common stock	—	—	**2,075,000**	**21**	—	—	**21**
Issuance of convertible preferred stock, net of issuance costs	**864,582**	**9**	—	—	**2,484,012**	—	**2,484,021**
Share-based compensation	—	—	—	—	**194,809**	—	**194,809**
Issuance of common stock to 3rd party for services rendered			**29,124**	—	**30,579**		**30,579**
Net loss	—	—	—	—	—	**(887,766)**	**(887,766)**
Balance, December 31, 2017	**864,582**	**$ 9**	**2,104,124**	**$ 21**	**$ 2,709,400**	**$ (887,766)**	**$ 1,821,664**

See accompanying notes.

Ichorion Therapeutics, Inc.

Statement of Cash Flows

		Period from July 7, 2017 (Inception) through December 31, 2017
Operating activities		
Net loss	$	(887,766)
Adjustments to reconcile net loss to net cash used in operating activities:		
Share-based compensation expense and issuance of common stock for services rendered		225,388
Changes in assets and liabilities:		
Prepaid expenses		(92,000)
Other assets		(4,650)
Accounts payable		83,328
Accrued expenses and other liabilities		90,730
Net cash used in operating activities		(584,970)
Financing activities		
Proceeds from preferred stock equity offering, net		2,484,021
Proceeds from common stock equity offering		21
Net cash provided by financing activities		2,484,042
Net increase in cash		1,899,072
Cash, beginning of period		—
Cash, end of period	$	1,899,072

See accompanying notes.

1. Business

Ichorion Therapeutics, Inc. (the "Company," or "Ichorion") is a biopharmaceutical company dedicated to developing treatments for rare diseases with unmet medical needs. Ichorion has a primary focus on a group of inherited pediatric disorders known as Inborn Errors of Metabolism.

The Company was incorporated in July 2017 ("Inception") when it also commenced operations. On September 24, 2018 Ichorion entered into and subsequently consummated the transactions contemplated by, and Agreement and Plan of Merger by and among the Company and Cerecor Inc. (NASDAQ: CERC), a fully integrated biopharmaceutical company with commercial operations and research and development capabilities. The consideration consisted of approximately 5.8 million shares of Cerecor Inc.'s Common Stock, par value $0.001 per share, and certain development milestones in the future worth up to an additional $15 million. The fair value of the common stock shares transferred at closing was approximately $20 million.

2. Summary of significant accounting polices

Basis of accounting

The Company has prepared its financial statements in accordance with U.S. generally accepted accounting principles ("GAAP").

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumption 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 expenses during the reporting period. On an ongoing basis, management evaluates its estimates, including estimates related to but not limited to, share-based compensation and income taxes. Actual results could differ from those estimates.

Cash

The cash balances at December 31, 2017, consisted of cash deposited in non-interest-bearing depository accounts with commercial banks. The carrying amounts reported in the balance sheets for cash are valued at cost, which approximates their fair value.

Concentrations of credit risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash. While the Company maintains its cash with a financial institution with a high credit rating, it often maintains the deposit in a federally insured financial institution in excess of federally insured limits.

Financial instruments

The balance sheet includes various financial instruments consist primarily of cash, prepaid and current assets, other assets, accounts payable, and accrued expenses. The carrying amounts reported in the accompanying financial statements for cash, prepaid and current assets, other assets, accounts payable, and accrued expenses approximate their respective fair values because of the short-term nature of these accounts. Fair value is the price that would be received from the sale of an asset or paid to transfer a liability assuming an orderly transaction in the most advantageous market at the measurement date. GAAP establishes a hierarchical disclosure framework that prioritizes and ranks the level of observability of inputs used in measuring fair value. These tiers are as follows:

- Level 1 - Defined as observable inputs such as quoted prices in active markets for identical assets.
- Level 2 - Defined as observable inputs other than Level 1 prices such as quoted prices for similar assets, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

- Level 3 - Defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions.

The Company has no assets or liabilities that were measured using quoted prices for significant unobservable inputs (Level 3 assets and liabilities) as of December 31, 2017.

Prepaid expenses

The Company's prepaid expenses consist of prepayments for contractor and research and development contracts that are amortized until February 2018.

Other assets

Other assets consists of the Company's security deposit which is expected to be refunded in full at the end of its lease.

Research and development expenses

Research and development ("R&D") costs are expensed in the period incurred. These costs include but are not limited to salaries and benefits, consultant fees, preclinical studies and clinical trials, regulatory fees, and medical and regulatory affairs compliance activities.

Accounting for share-based compensation

Share-based payments are accounted for in accordance with the provisions of ASC 718, *Compensation-Stock Compensation*, which requires the measurement and recognition of compensation expense for all awards made to employees and non-employees in the statement of operations.

For shares granted to employees, the compensation cost is measured based on the fair value of the Company's common stock on the date of the grant and the resulting fair value is recognized ratably over the requisite service period, which is generally the vesting period of the option. The Company uses an option pricing model to determine fair value. Significant assumptions used in determining the fair value for common stock includes volatility, risk free interest rate, time to liquidity event and discount for lack of marketability.

Equity instruments issued to non-employees for services are accounted for under the provisions of ASC 718 and ASC 505-50, *Equity-Based Payments to Non-Employees*. Accordingly, the Company initially measures the options at their grant date fair values and revalues as the underlying equity instruments vest. The expense is recognized over the earlier of the performance commitment date or the date the required services are completed and are marked to market during the service period. The Company uses an option pricing model to determine fair value each period. Significant assumptions used in determining the fair value for common stock includes volatility, risk free interest rate, time to liquidity event and discount for lack of marketability.

Income taxes

The Company accounts for income taxes under the asset and liability method in accordance with ASC 740, Income Taxes (“ASC 740”). 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 using enacted tax rates in effect for the year in which the differences are expected to affect taxable income. Deferred tax assets primarily include net operating loss and tax credit carryforwards, accrued expenses not currently deductible and the cumulative temporary differences related to certain research and patent costs. Certain tax attributes, including net operating losses and research and development credit carryforwards, may be subject to an annual limitation under Sections 382 and 383 of the Internal Revenue Code (the "Code"). See Note **6** for further information. The portion of any deferred tax asset for which it is more likely than not that a tax benefit will not be realized must then be offset by recording a valuation allowance. The Company recognizes the tax benefit from an uncertain tax position only if it is more likely than not to be sustained upon examination based on the technical merits of the position. The amount for which an exposure exists is measured as the largest amount of benefit determined on a cumulative probability basis that the Company believes is more likely than not to be realized upon ultimate settlement of the position. The Company’s policy is to record interest and penalties on uncertain tax positions as income tax expense. As of December 31, 2017, the Company did not believe any material uncertain tax positions were present.
On December 22, 2017, the “Tax Cuts and Jobs Act” ("TCJA") was enacted, that significantly reforms the Internal Revenue Code of 1986, as amended. The TCJA, among other things, includes changes to U.S. federal tax rates, imposes significant additional limitations on the deductibility of interest and net operating loss carryforwards, allows for the expensing of capital expenditures, and

puts into effect the migration from a "worldwide" system of taxation to a territorial system. See Note 6 below for further discussion related to the tax impact to the Company.

Recent Accounting Pronouncements

In January 2016, the FASB issued ASU No. 2016-01, Recognition and Measurement of Financial Assets and Financial Liabilities ("ASU 2016-01"). ASU 2016-01 eliminates the requirement to disclose the methods and significant assumptions used to estimate the fair value that is required to be disclosed for financial instruments measured at amortized cost on the balance sheet. The standard also clarifies the need to evaluate a valuation allowance on a deferred tax asset related to available-for-sale securities in combination with our other deferred tax assets. ASU 2016-01 is effective for annual reporting periods beginning after December 15, 2017. The adoption of this standard is not expected to have a material impact on the financial statements.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. Under this guidance, an entity is required to recognize right-of-use assets and lease liabilities on its balance sheet and disclose key information about leasing arrangements. This guidance offers specific accounting guidance for a lessee, a lessor, and sale and leaseback transactions. Lessees and lessors are required to disclose qualitative and quantitative information about leasing arrangements to enable a user of the financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. This guidance is effective for annual reporting periods beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020, and requires a modified retrospective adoption, with early adoption permitted. The Company is currently evaluating the impact on its consolidated financial statements upon the adoption of this guidance.

In October 2016, the FASB issued ASU No. 2016-16, " *Income Taxes (Topic 740), Intra-Entity Transfers of Assets Other Than Inventory* ," which requires companies to recognize the income tax consequences of an intra-entity transfer of an asset other than inventory when the transfer occurs. ASU 2016-16 is effective for annual reporting periods beginning after December 15, 2018. The Company is currently evaluating the impact on its consolidated financial statements upon the adoption of this guidance.

In May 2017, the FASB issued ASU 2017-09, *Compensation-Stock Compensation (Topic 718), Scope of Modification Accounting*. This ASU clarifies when to account for a change to the terms or conditions of a share-based payment award as a modification. Under the new guidance, modification accounting is required only if the fair value, the vesting conditions, or the classification of the award (as equity or liability) changes as a result of the change in terms or conditions. The ASU is effective prospectively for the annual period ended December 31, 2018. The Company is currently evaluating the impact on its consolidated financial statements upon the adoption of this guidance.

3. Accrued expenses and other current liabilities

	As of December 31, 2017
Research and development expenses	$ 74,131
General and administrative expenses	6,579
Legal expenses	8,250
Other	1,770
Total accrued expenses and other current liabilities	$ 90,730

4. Capital Structure

As of December 31, 2017, the total number of shares of capital stock the Company was authorized to issue was 5,564,582 of which 4,700,000 was common stock and 864,582 was preferred stock. All shares of common and preferred stock have a par value of $0.00001 per share.

Convertible Preferred Stock and Common Stock

Issuance

The Company had 2,104,124 shares of common stock outstanding as of December 31, 2017. Upon the Company's incorporation on July 11, 2017, 2,075,000 shares of common stock were issued to the Company's founders and a non-employee consultant. On August 24, 2017, upon entering into the Company's amended and restated certification of incorporation, certain restrictions were placed on these

shares, including but not limited to a vesting schedule for the shares and the Company's right to re-purchase unvested shares if the Purchaser ceases to be a service provider of the Company. Pursuant to the vesting schedule, 25% of the shares vested immediately on July 11, 2017. Thereafter, 43,228 shares vest on a monthly basis from the vesting start date until July 11, 2020. Additionally, in the fourth quarter of 2017, the Company issued 29,124 shares of common stock to a pharmaceutical service company in exchange for research and development services.

The Company had 864,582 shares of Series Seed Preferred Stock ("Preferred Stock") outstanding as of December 31, 2017. On August 24, 2017, the Company entered into a Series Seed Stock Investment Agreement with Opaleye, L.P., a related party of the company. In connection with the financing, the Company issued an aggregate of 864,562 shares of Preferred Stock, at a price of $2.89157 per share, for aggregate proceeds of approximately $2.5 million.

Voting Rights and Dividends

Holders of preferred stock are entitled to the number of votes equal to the number of common shares due to the holder, if converted. Holders of preferred stock shall vote together with holders of common stock on all actions to be taken by the stockholders of the Company. Holders of preferred stock have rights to dividends as declared by the Board of Directors and have a liquidation preference of $2.89157 per share, plus any declared but unpaid dividends. Holders of common stock have rights to dividends as declared by the Board of Directors but not before the full payment of dividends to all Preferred Stock shareholders.

Liquidation

In the event of liquidation, dissolution, or winding up of the Company, the holders of common shares shall rank junior to holders of Preferred Stock. Holders of Preferred Stock shall receive an amount per share equal to $2.89157, plus any dividends declared but unpaid thereon.

Conversion

The Preferred Stock is convertible into common shares at the election of the stockholder at any time. The number of shares of common stock that a holder of Preferred Stock will receive is equal to the number of shares of the preferred stock multiplied by the conversion rate. The initial conversion rate for the Preferred Stock was 1:1.

Stock issuance subsequent to December 31, 2017

On September 21, 2018 the Company entered into a preferred stock investment agreement with Opaleye, L.P., a related party of the company, in which 466,728 shares of preferred stock were issued at a price of $3.2139 for total proceeds of approximately $1.5 million and a par value per share of $0.00001. The preferred stock converted to common stock on a 1 for 1 basis upon acquisition of the Company by Cerecor, Inc in September 2018. On September 20, 2018 the Company amended and restated it’s certificate of incorporation increasing the authority to issue shares to 4,500,000 of common stock and 1,331,310 of preferred stock.

5. Share-based compensation

Total share-based compensation expense for the period ended December 31, 2017 was $225,388. Of the total share-based compensation expense recognized for the period, $124,463 was recorded within research and development costs and $100,925 was recorded within general and administrative expenses.

Stock Vesting Agreement

On August 24, 2017, the holders of the 2,075,000 shares of common stock, who are the members of the management board and a non-employee consultant, entered into the Stock Vesting Agreement. Certain restrictions placed on the shares of common stock as part of the agreement include a vesting schedule for the shares, the Company's right to re-purchase unvested shares if the Purchaser ceases to be a service provider of the Company, and the acceleration of vesting following involuntary termination with 12 months of a change of control of the Company. Pursuant to the vesting schedule, 25% of the shares vested immediately on July 11, 2017. Thereafter, 43,228 shares vest on a monthly basis from the vesting start date until July 11, 2020.

Pursuant to ASC 718, the vesting terms placed on the previously issued shares were presumed to be compensatory in nature. The compensation cost recognized in the current period was measured based on the fair value of the unvested shares at the grant date (August

24, 2017) recognized on a straight-line basis over the requisite service period. There were 1,513,022 shares unvested on August 24, 2017 with a grant date fair value of $1.05. The Company used an option pricing model to determine fair value. Significant assumptions used in determining the grant date fair value for the common stock, include (i) volatility of 80% based on results of a study of similar guideline companies in the Company's peer group with publicly available historical information, (ii) risk free interest rate of 1.73%, (iii) time to liquidity event of three years, and (iv) discount for lack of marketability of 40%. Share-based compensation expense related to the Stock Vesting Agreement for the period ended December 31, 2017 was $194,809. At December 31, 2017, there was $1,393,584 of total unrecognized compensation cost. This compensation cost was expected to be recognized over the next 2.5 years. There were no forfeitures recognized during the period ended December 31, 2017. Subsequent to December 31, 2017, vesting of these awards were accelerated at the discretion of the Board of Directors as a result of the Company being acquired by Cerecor in September 2018.

Service Provider Agreement

In September 2017, the Company entered into an agreement with a service provider to assist in the development strategy of Ichorion's preclinical drugs. The 3rd party agreed to accept shares of the Company's common stock in lieu of cash for a portion of the services which are outlined in the agreement as milestones. Pursuant to ASC 718, the Company measured the share-based payments to the 3rd party based on the fair value of the share-based payments. For the period ended December 31, 2017 fair value of the common stock was determined to be $1.05. The Company used an option pricing model to determine fair value. The significant assumptions used in determining the grant date fair value for the common stock, include (i) volatility of 80% based on results of a study of similar guideline companies in the Company's peer group with publicly available historical information, (ii) risk free interest rate of 1.73%, (iii) time to liquidity event of three years, and (iv) discount for lack of marketability of 40%. Expense for the period ended December 31, 2017 related to the service agreement was $30,850 which was recorded within research and development expense on the statement of operations.

6. Income taxes

The Company’s effective tax rate of 0% recorded in its statement of operations differs from the tax benefit that would result when using the United States federal income tax rate of 34% primarily due to the Company’s continuing loss position and conclusion that its net deferred tax assets are not more likely than not realizable.

Significant components of the Company's deferred income tax assets and liabilities are as follows:

	2017
Net operating loss carryovers	$ 172,378
Share-based compensation expense	62,215
Intangible assets	10,352
Total deferred tax assets	244,945
Valuation allowance	(244,945)
Total net deferred tax asset	$ —

The Company had net operating loss carryforwards of $624,477 for federal income tax purposes as of the period ended December 31, 2017 which will begin to expire if unused in the year 2037. The Company had net operating loss carryforwards for New York State income tax purposes of $624,477 which will begin to expire if unused in the year 2037.

Based on the available objective evidence at this time, management believes it is more likely than not that the net deferred tax assets will not be fully realized. Accordingly, the Company has provided a full valuation allowance against its gross deferred tax assets as of December 31, 2017 as a result of uncertainties regarding the realization of these assets.

The utilization of net operating loss carryforwards may subject to Section 382 limitations following an ownership change. Under Section 382 of the Internal Revenue Code, or similar state provisions, there may be a substantial annual limitation on the Company’s ability to utilize certain tax attributes following an ownership change. The annual limitation may result in the expiration of the net operating loss carryforwards and tax credit carryforwards before utilization. Accordingly, the Company has not made a determination regarding the impact to its gross deferred tax assets in the event of a Section 382 ownership change.

On December 22, 2017, the Tax Cuts and Jobs Act (the "2017 Tax Act") was signed into law. The 2017 Tax Act includes a number of changes to existing U.S. tax laws that impact the Company, most notably a reduction of the U.S. corporate income tax rate from 34 percent to 21 percent for tax years beginning after December 31, 2017. The Company measures deferred tax assets and liabilities using enacted tax rates that will apply in the years in which the temporary differences are expected to be recovered or paid. Accordingly, the Company's deferred tax assets and liabilities were remeasured to reflect the reduction in the U.S. corporate income tax rate from 34 percent to 21 percent, resulting in a $105,601 decrease in net deferred tax assets and a corresponding $105,601 decrease in valuation allowance as of December 31, 2017.

The Company was incorporated in 2017 and files U.S. Federal and New York tax returns. For both U.S. Federal tax returns and New York State tax returns, all tax years are currently within the statute of limitation and may be subject to examination. However, the Company is not currently subject to Federal or State tax examinations.

In addition, the SEC staff issued Staff Accounting Bulletin No. 118, Income Tax Accounting Implications of the Tax Act ("SAB 118") which allows the Company to record provisional amounts during a measurement period not to extend beyond one year from the enactment date. Since the Tax Act was passed late in the fourth quarter of 2017, ongoing guidance and accounting interpretation are expected over the next year, and significant data and analysis is required to finalize amounts recorded pursuant to the Tax Act, the Company considers the accounting for the deferred tax re-measurements and other items to be incomplete due to the forthcoming guidance and its ongoing analysis of final year-end data and tax positions. The FASB has acknowledged that it is appropriate for non-public companies to follow this guidance as it relates to the TCJA. The Company expects to complete its analysis within the measurement period in accordance with SAB 118.

7. Commitments and contingencies

Operating lease

The Company leases office space under a lease expiring in February 2018. Rent expense for 2017 was approximately $12,400.

Other legal matters

From time to time, the Company may become involved in claims and other legal matters arising in the ordinary course of business. Management is not currently aware of any matters that will have a material adverse effect on the consolidated financial position, results of operations, liquidity, or cash flows of the Company.

8. Related parties

In September 2017, the Company signed an agreement with Demeter Therapeutics, LLC ("Demeter") to transfer and assign Demeter's patent rights and research agreement contracts to the Company. Demeter was created in 2015 by the founders of Ichorion. The Company determined the fair value of the patent rights and research agreement contracts transferred were de minimis. Subsequent to the assignment of patent rights and contracts, Demeter was dissolved on December 15, 2017.

9. Subsequent events

The Company has evaluated events occurring between the end of its most recent fiscal year and December 3, 2018, the date the financial statements were issued. There were no other events in addition to those previously disclosed within the Notes above that require adjustments to or disclosure in the Company's financial statements for the fiscal year ended December 31, 2017.

Exhibit 99.2

UNAUDITED FINANCIAL STATEMENTS

Ichorion Therapeutics, Inc.
As of June 30, 2018 and December 31, 2017 and for the Six Months Ended June 30, 2018

Ichorion Therapeutics, Inc.

Unaudited Financial Statements

As of June 30, 2018 and December 31, 2017 and for the Six Months Ended June 30, 2018

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Unaudited Financial Statements

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Ichorion Therapeutics, Inc.

Balance Sheets

	June 30, 2018 (Unaudited)	December 31, 2017
Assets		
Current assets:		
Cash	**$ 952,758**	$ 1,899,072
Prepaid expenses	**19,579**	92,000
Total current assets	**972,337**	1,991,072
Other assets	**4,650**	4,650
Total assets	**$ 976,987**	$ 1,995,722
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	**$ 134,657**	$ 83,328
Accrued expenses and other current liabilities	**133,973**	90,730
Total current liabilities	**268,630**	174,058
Total liabilities	**268,630**	174,058
Stockholders' equity:		
Convertible preferred stock—$0.00001 par value; 864,582 shares authorized at June 30, 2018 and December 31, 2017; 864,582 shares issued and outstanding at June 30, 2018 and December 31, 2017	**9**	9
Common stock—$0.00001 par value; 4,700,000 shares authorized at June 30, 2018 and December 31, 2017; 2,215,824 shares issued and outstanding at June 30, 2018 and December 31, 2017	**22**	21
Additional paid-in capital	**3,061,216**	2,709,400
Accumulated deficit	**(2,352,890)**	(887,766)
Total stockholders' equity	**708,357**	1,821,664
Total liabilities and stockholders' equity	**$ 976,987**	$ 1,995,722

See accompanying notes.

Ichorion Therapeutics, Inc.

Statement of Operations and Comprehensive Loss (Unaudited)

	Six Months Ended June 30, 2018
Revenue	$ —
Operating expenses:	
Research and development	1,120,544
General and administrative	340,236
Total operating expenses	1,460,780
Loss from operations	(1,460,780)
Other expense	(4,344)
Net loss and comprehensive loss	$ (1,465,124)

See accompanying notes.

Ichorion Therapeutics, Inc.

Statement of Cash Flows (Unaudited)

		Six Months Ended June 30, 2018
Operating activities		
Net loss	$	(1,465,124)
Adjustments to reconcile net loss to net cash used in operating activities:		
Share-based compensation expense and issuance of common stock for services rendered		351,817
Changes in assets and liabilities:		
Prepaid expenses		72,421
Accounts payable		51,329
Accrued expenses and other liabilities		43,243
Net cash used in operating activities		(946,314)
Net decrease in cash		(946,314)
Cash, beginning of period		1,899,072
Cash, end of period	$	952,758

See accompanying notes.

Ichorion Therapeutics, Inc.

Notes to Unaudited Financial Statements

June 30, 2018

1. Business and Basis of Presentation

Business

Ichorion Therapeutics, Inc. (the "Company," or "Ichorion") is a biopharmaceutical company dedicated to developing treatments for rare diseases with unmet medical needs. Ichorion has a primary focus on a group of inherited pediatric disorders known as Inborn Errors of Metabolism.

The Company was incorporated in July 2017 ("Inception") when it also commenced operations. On September 24, 2018 Ichorion entered into and subsequently consummated the transactions contemplated by, and Agreement and Plan of Merger by and among the Company and Cerecor Inc. (NASDAQ: CERC), a fully integrated biopharmaceutical company with commercial operations and research and development capabilities. The consideration consisted of approximately 5.8 million shares of Cerecor Inc.'s Common Stock, par value $0.001 per share, and certain development milestones in the future worth up to an additional $15 million. The fair value of the common stock shares transferred at closing was approximately $20 million.

Basis of Presentation

In the opinion of the Company's management, all adjustments, consisting only of normal recurring adjustments or accruals, considered necessary for a fair presentation have been included. The results of the Company's operations for any interim period are not necessarily indicative of the results that may be expected for any other interim period or for a full fiscal year.

2. Summary of significant accounting polices

Basis of accounting

The Company has prepared its financial statements in accordance with U.S. generally accepted accounting principles ("GAAP").

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumption 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 expenses during the reporting period. On an ongoing basis, management evaluates its estimates, including estimates related to but not limited to, share-based compensation and income taxes. Actual results could differ from those estimates.

Cash

The cash balances at June 30, 2018, consisted of cash deposited in non-interest-bearing depository accounts with commercial banks. The carrying amounts reported in the balance sheets for cash are valued at cost, which approximates their fair value.

Concentrations of credit risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash. While the Company maintains its cash with a financial institution with a high credit rating, it often maintains the deposit in a federally insured financial institution in excess of federally insured limits.

Financial instruments

The balance sheet includes various financial instruments consist primarily of cash, prepaid expenses, other assets, accounts payable, and accrued expenses. The carrying amounts reported in the accompanying financial statements for cash, prepaid expenses, other assets,

accounts payable, and accrued expenses approximate their respective fair values because of the short-term nature of these accounts. Fair value is the price that would be received from the sale of an asset or paid to transfer a liability assuming an orderly transaction in the most advantageous market at the measurement date. GAAP establishes a hierarchical disclosure framework that prioritizes and ranks the level of observability of inputs used in measuring fair value. These tiers are as follows:

- Level 1 - Defined as observable inputs such as quoted prices in active markets for identical assets.
- Level 2 - Defined as observable inputs other than Level 1 prices such as quoted prices for similar assets, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 - Defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions.

The Company has no assets or liabilities that were measured using quoted prices for significant unobservable inputs (Level 3 assets and liabilities) as of June 30, 2018.

Prepaid expenses

The Company's prepaid expenses consist of prepayments for contractor and research and development contracts that are amortized until February 2018 and prepayments for software subscriptions.

Other assets

Other assets consists of the Company's security deposit which is expected to be refunded in full at the end of its lease.

Research and development expenses

Research and development ("R&D") costs are expensed in the period incurred. These costs include but are not limited to salaries and benefits, consultant fees, preclinical studies and clinical trials, regulatory fees, and medical and regulatory affairs compliance activities.

Accounting for share-based compensation

Share-based payments are accounted for in accordance with the provisions of ASC 718, *Compensation-Stock Compensation*, which requires the measurement and recognition of compensation expense for all awards made to employees and non-employees in the statement of operations.

For restricted stock and shares granted to employees, the compensation cost is measured based on the fair value of the Company's common stock on the date of the grant and the resulting fair value is recognized ratably over the requisite service period, which is generally the vesting period of the option. The Company uses an option pricing model to determine fair value. Significant assumptions used in determining the fair value for common stock includes volatility, risk free interest rate, time to liquidity event and discount for lack of marketability.

Equity instruments issued to non-employees for services are accounted for under the provisions of ASC 718 and ASC 505-50, *Equity-Based Payments to Non-Employees*. Accordingly, the Company initially measures the options at their grant date fair values utilizing the Black-Scholes option pricing model and revalues as the underlying equity instruments vest. The use of the Black-Scholes option pricing model requires management to make assumptions with respect to the fair value of the stock on the grant date, expected term of the option, the expected volatility of the stock consistent with the expected life of the option, and risk-free interest rates. The expense is recognized over the earlier of the performance commitment date or the date the required services are completed and are marked to market during the service period.

Income taxes

The Company accounts for income taxes under the asset and liability method in accordance with ASC 740, Income Taxes (“ASC 740”). 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 using enacted tax rates in effect for the year in which the differences are expected to affect taxable income. Deferred tax assets primarily include net operating loss and tax credit carryforwards, accrued expenses not currently deductible and the cumulative temporary differences related to certain research and patent costs. Certain tax attributes, including net operating losses and research and development credit carryforwards, may be

subject to an annual limitation under Sections 382 and 383 of the Internal Revenue Code (the "Code"). See Note 6 for further information. The portion of any deferred tax asset for which it is more likely than not that a tax benefit will not be realized must then be offset by recording a valuation allowance. The Company recognizes the tax benefit from an uncertain tax position only if it is more likely than not to be sustained upon examination based on the technical merits of the position. The amount for which an exposure exists is measured as the largest amount of benefit determined on a cumulative probability basis that the Company believes is more likely than not to be realized upon ultimate settlement of the position. The Company's policy is to record interest and penalties on uncertain tax positions as income tax expense. As of June 30, 2018 and December 31, 2017, the Company did not believe any material uncertain tax positions were present.
On December 22, 2017, the "Tax Cuts and Jobs Act" ("TCJA") was enacted, that significantly reforms the Internal Revenue Code of 1986, as amended. The TCJA, among other things, includes changes to U.S. federal tax rates, imposes significant additional limitations on the deductibility of interest and net operating loss carryforwards, allows for the expensing of capital expenditures, and puts into effect the migration from a "worldwide" system of taxation to a territorial system. See Note 6 below for further discussion related to the tax impact to the Company.

Recent Accounting Pronouncements

In January 2016, the FASB issued ASU No. 2016-01, Recognition and Measurement of Financial Assets and Financial Liabilities ("ASU 2016-01"). ASU 2016-01 eliminates the requirement to disclose the methods and significant assumptions used to estimate the fair value that is required to be disclosed for financial instruments measured at amortized cost on the balance sheet. The standard also clarifies the need to evaluate a valuation allowance on a deferred tax asset related to available-for-sale securities in combination with our other deferred tax assets. ASU 2016-01 is effective for annual reporting periods beginning after December 15, 2017. The adoption of this standard is not expected to have a material impact on the financial statements.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. Under this guidance, an entity is required to recognize right-of-use assets and lease liabilities on its balance sheet and disclose key information about leasing arrangements. This guidance offers specific accounting guidance for a lessee, a lessor, and sale and leaseback transactions. Lessees and lessors are required to disclose qualitative and quantitative information about leasing arrangements to enable a user of the financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. This guidance is effective for annual reporting periods beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020, and requires a modified retrospective adoption, with early adoption permitted. The Company is currently evaluating the impact on its consolidated financial statements upon the adoption of this guidance.

In October 2016, the FASB issued ASU No. 2016-16, " *Income Taxes (Topic 740), Intra-Entity Transfers of Assets Other Than Inventory* ," which requires companies to recognize the income tax consequences of an intra-entity transfer of an asset other than inventory when the transfer occurs. ASU 2016-16 is effective for annual reporting periods beginning after December 15, 2018. The Company is currently evaluating the impact on its consolidated financial statements upon the adoption of this guidance.

In May 2017, the FASB issued ASU 2017-09, *Compensation-Stock Compensation (Topic 718), Scope of Modification Accounting*. This ASU clarifies when to account for a change to the terms or conditions of a share-based payment award as a modification. Under the new guidance, modification accounting is required only if the fair value, the vesting conditions, or the classification of the award (as equity or liability) changes as a result of the change in terms or conditions. The ASU is effective prospectively for the annual period ended December 31, 2018. The Company is currently evaluating the impact on its consolidated financial statements upon the adoption of this guidance.

3. Accrued expenses and other current liabilities

	As of June 30, 2018	As of December 31, 2017
Research and development expenses	$ 90,443	$ 74,131
General and administrative expenses	14,626	6,579
Legal expenses	28,402	8,250
Other	502	1,770
Total accrued expenses and other current liabilities	$ 133,973	$ 90,730

4. Capital Structure

As of June 30, 2018, the total number of shares of capital stock the Company was authorized to issue was 5,564,582 of which 4,700,000 was common stock and 864,582 was preferred stock. All shares of common and preferred stock have a par value of $0.00001 per share.

Convertible Preferred Stock and Common Stock

Issuance

The Company had 2,215,824 shares of common stock outstanding as of June 30, 2018. Upon the Company's incorporation on July 11, 2017, 2,075,000 shares of common stock were issued to the Company's founders and a non-employee consultant. On August 24, 2017, upon entering into the Company's amended and restated certification of incorporation, certain restrictions were placed on these shares, including but not limited to a vesting schedule for the shares and the Company's right to re-purchase unvested shares if the Purchaser ceases to be a service provider of the Company. Pursuant to the vesting schedule, 25% of the shares vested immediately on July 11, 2017. Thereafter, 43,228 shares vest on a monthly basis from the vesting start date until July 11, 2020. In the fourth quarter of 2017, the Company issued 29,124 shares of common stock to a pharmaceutical service company in exchange for research and development services. 54,700 shares of common stock were granted to the pharmaceutical company in exchange for research and development services in the first quarter of 2018. Further, in the first quarter of 2018, the Company granted 57,000 stock options to certain non-employee consultants.

The Company had 864,582 shares of Series Seed Preferred Stock ("Preferred Stock") outstanding as of June 30, 2018. On August 24, 2017, the Company entered into a Series Seed Stock Investment Agreement with Opaleye, L.P., a related party of the company. In connection with the financing, the Company issued an aggregate of 864,562 shares of Preferred Stock, at a price of $2.89157 per share, for aggregate proceeds of approximately $2.5 million.

Voting Rights and Dividends

Holders of preferred stock are entitled to the number of votes equal to the number of common shares due to the holder, if converted. Holders of preferred stock shall vote together with holders of common stock on all actions to be taken by the stockholders of the Company. Holders of preferred stock have rights to dividends as declared by the Board of Directors and have a liquidation preference of $2.89157 per share, plus any declared but unpaid dividends. Holders of common stock have rights to dividends as declared by the Board of Directors but not before the full payment of dividends to all Preferred Stock shareholders.

Liquidation

In the event of liquidation, dissolution, or winding up of the Company, the holders of common shares shall rank junior to holders of Preferred Stock. Holders of Preferred Stock shall receive an amount per share equal to $2.89157, plus any dividends declared but unpaid thereon.

Conversion

The Preferred Stock is convertible into common shares at the election of the stockholder at any time. The number of shares of common stock that a holder of Preferred Stock will receive is equal to the number of shares of the preferred stock multiplied by the conversion rate. The initial conversion rate for the Preferred Stock was 1:1.

Stock issuance subsequent to June 30, 2018

On September 21, 2018 the Company entered into a preferred stock investment agreement with Opaleye, L.P., a related party of the company, in which 466,728 shares of preferred stock were issued at a price of $3.2139 for total proceeds of approximately $1.5 million and a par value per share of $0.00001. The preferred stock converted to common stock on a 1 for 1 basis upon acquisition of the Company by Cerecor, Inc in September 2018. On September 20, 2018 the Company amended and restated it’s certificate of incorporation increasing the authority to issue shares to 4,500,000 of common stock and 1,331,310 of preferred stock.

5. Share-based compensation

Total share-based compensation expense for the six months ended June 30, 2018 was $351,817. Of the total share-based compensation expense recognized for the six months ended June 30, 2018, $210,991 was recorded within research and development costs and $140,826 was recorded within general and administrative expenses.

Stock options granted to non-employees

In the first quarter of 2018, the Company granted 57,000 stock options to certain non-employee consultants. The stock options vest monthly over two years or a portion vest immediately with the remaining shares vesting in monthly installments over one year. For the period ended June 30, 2018, the fair value of the stock options was determined to be $0.88. The significant assumptions used in determining fair value of the stock options, include (i) volatility of 80% based on results of a study of similar guideline companies in the Company's peer group with publicly available historical information, (ii) risk free interest rate of 2.0%, and (iii) expected term of ten years. Expense for the six months ended June 30, 2018 related to the restricted stock units was $22,555 which was recorded within research and development expense on the statement of operations. At June 30, 2018, there was $27,862 of total unrecognized compensation cost.

Stock Vesting Agreement

On August 24, 2017, the holders of the 2,075,000 shares of common stock, who are the members of the management board and a non-employee consultant, entered into the Stock Vesting Agreement. Certain restrictions placed on the shares of common stock as part of the agreement include a vesting schedule for the shares, the Company's right to re-purchase unvested shares if the Purchaser ceases to be a service provider of the Company, and the acceleration of vesting following involuntary termination with 12 months of a change of control of the Company. Pursuant to the vesting schedule, 25% of the shares vested immediately on July 11, 2017. Thereafter, 43,228 shares vest on a monthly basis from the vesting start date until July 11, 2020.

Pursuant to ASC 718, the vesting terms placed on the previously issued shares were presumed to be compensatory in nature. The compensation cost recognized in the current period was measured based on the fair value of the unvested shares at the grant date (August 24, 2017) recognized on a straight-line basis over the requisite service period. There were 1,513,022 shares unvested on August 24, 2017 with a grant date fair value of $1.05. The Company used an option pricing model to determine the fair value. Significant assumptions used in determining the grant date fair value for the common stock, include (i) volatility of 80% based on results of a study of similar guideline companies in the Company's peer group with publicly available historical information, (ii) risk free interest rate of 1.73%, (iii) time to liquidity event of three years, and (iv) discount for lack of marketability of 40%. Share-based compensation expense related to the Stock Vesting Agreement for the six months ended June 30, 2018 was $271,827. At June 30, 2018, there was $1,122,037 of total unrecognized compensation cost. This compensation cost was expected to be recognized over the next 2.0 years. There were no forfeitures recognized during the six months ended June 30, 2018. Subsequent to June 30, 2018, vesting of these awards were accelerated at the discretion of the Board of Directors as a result of the Company being acquired by Cerecor in September 2018.

Service Provider Agreement

In September 2017, the Company entered into an agreement with a service provider to assist in the development strategy of Ichorion's preclinical drugs. The 3rd party agreed to accept shares of the Company's common stock in lieu of cash for a portion of the services which are outlined in the agreement as milestones. Pursuant to ASC 718, the Company measured the share-based payments to the 3rd party based on the fair value of the share-based payments. For the period ended June 30, 2018, the fair value of the common stock was determined to be $1.05. The Company used an option pricing model to determine fair value. The significant assumptions used in determining fair value for the common stock, include (i) volatility of 80%, (ii) risk free interest rate of 1.73%, (iii) time to liquidity event of three years, and (iv) discount for lack of marketability of 40%. Expense for the six months ended June 30, 2018 related to the service agreement was $57,435 which was recorded within research and development expense on the statement of operations.

6. Income taxes

There was no provision for income taxes for the six months ended June 30, 2018.

The Tax Cuts and Jobs Act of 2017 ("TCJA") was passed late in the fourth quarter of 2017. In addition, the SEC staff issued Staff Accounting Bulletin No. 118, Income Tax Accounting Implications of the Tax Act ("SAB 118") which allows the Company to record provisional amounts during a measurement period not to extend beyond one year from the enactment date. Since the Tax Act was passed late in the fourth quarter of 2017, ongoing guidance and accounting interpretation are expected over the next year, and significant data and analysis is required to finalize amounts recorded pursuant to the Tax Act, the Company considers the accounting for the deferred tax re-measurements and other items to be incomplete due to the forthcoming guidance and its ongoing analysis of final year-end data and tax positions. The FASB has acknowledged that it is appropriate for non-public companies to follow this guidance as it relates to the TCJA. The Company expects to complete its analysis within the measurement period in accordance with SAB 118.

7. Commitments and contingencies

Operating lease

The Company leases office space under a lease expiring in November 2018. Rent expense for the six months ended June 30, 2018 was approximately $8,370.

Other legal matters

From time to time, the Company may become involved in claims and other legal matters arising in the ordinary course of business. Management is not currently aware of any matters that will have a material adverse effect on the consolidated financial position, results of operations, liquidity, or cash flows of the Company.

8. Subsequent events

The Company has evaluated events occurring between June 30, 2018 and December 3, 2018, the date the financial statements were issued. There were no other events in addition to those previously disclosed within the Notes above that require adjustments to or disclosure in the Company's financial statements for the six months ended June 30, 2018.

Exhibit 99.3

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

The following unaudited pro forma condensed combined statements of operations have been prepared to illustrate the effects of the acquisition of Ichorion Therapeutics, Inc. ("Ichorion") on September 25, 2018 ("the Acquisition"), the effects of the acquisition of the Pediatrics Business ("Avadel Pediatrics Business") from Avadel Pharmaceuticals plc ("Avadel") on February 16, 2018 and the effects of the TRx Pharmaceuticals LLC, including subsidiary Zylera Pharmaceuticals, LLC, ("TRx") acquisition that took place on November 17, 2017 (collectively "the Acquisitions"). 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) expected to have a continuing impact on the results of operations.

The unaudited pro forma condensed combined statements of operations for the year ended December 31, 2017 and the nine months ended September 30, 2018 combine the historical results and operations of Cerecor, Ichorion, the Avadel Pediatrics Business and TRx, giving effect to the Acquisitions as if they had occurred on January 1, 2017. Within the unaudited pro forma condensed combined statement of operations for the year ended December 31, 2017, the historical results of Cerecor include the results of operations of TRx since its acquisition date of November 17, 2017 while the historical TRx results of operations are for the period from January 1, 2017 through its acquisition date. Within the unaudited pro forma condensed combined statement of operations for the nine months ended September 30, 2018, the historical results of Cerecor include the results of operations of the Avadel Pediatric Business since its acquisition date of February 16, 2018 and the results of operations of Ichorion since its acquisition date of September 25, 2018. The historical Avadel Pediatric Business results of operations are for the period from January 1, 2018 through its acquisition date, and the historical Ichorion results of operations are for the period from January 1, 2018 through its acquisition date. A pro forma condensed combined balance sheet has not been presented herein as the balance sheet presented in the Cerecor Inc. ("the Company") Form 10-Q for the period ended September 30, 2018, filed on November 13, 2018 already includes the Acquisitions.

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, TRx, and Ichorion. 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 Ichorion assets and liabilities were reflected at their estimated fair values. The Company recorded this transaction as an asset purchase as opposed to a business combination as management concluded that substantially all of the value received was related to one group of similar identifiable assets which was the acquired in-process research and development ("IPR&D") for the three preclinical therapies for inherited metabolic disorders known as CDGs (CERC-801, CERC-802 and CERC-803). As the Acquisition was accounted for as an asset acquisition there is not a one year measurement period and the purchase price allocation is considered final. 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 analysis 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 for the purpose of preparing the accompanying unaudited pro forma condensed combined financial statements. The TRx purchase price allocation has been finalized. During 2018, there were measurement period adjustments that modified both the TRX and Avadel preliminary purchase price allocations. Historical Cerecor information reflects measurement period adjustments in the periods they were identified. Any measurement period adjustments that would impact the unaudited pro forma condensed combined statements of operations are reflected within the pro forma adjustments.

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 statements of operations;
- 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;
- Cerecor's financial statements and related notes contained within Cerecor's Form 10-Q for the three and nine months ended September 30, 2018;
- 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;

- the Avadel Pediatrics Business Consolidated Financial Statements for the year ended December 31, 2017 included within Cerecor's Form 8-K/A filed on May 4, 2018; and
- the financial statements of Ichorion Therapeutics, Inc. included within this Form 8-K/A.

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

	Historical Cerecor (As Adjusted)	Historical TRx	TRx Pro Forma Adjustments		Historical Avadel Pediatric Business	Avadel Pediatric Business Pro Forma Adjustments		Historical Ichorion July 7, 2017 through December 31, 2017	Ichorion 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
Operating Expenses:											
Cost of product sales	635,648	3,345,200	—		3,595,000	—		—	—		7,575,848
Research and development	4,372,578	—	—		—	—		592,711	30,556	**5a**	4,995,845
Acquired in-process research and development	—	—	—		—	—		—	18,559,874	**5b**	18,559,874
General and administrative	7,941,584	6,891,084	(230,484)	**8k**	11,205,000	—		295,234	38,194	**5a**	26,140,612
Sales and marketing	569,825	—	—		—	—		—	—		569,825
Amortization expense	403,520	—	2,922,179	**8l**	1,245,000	677,786	**7f**	—	75,000	**5c**	5,323,485
Total operating expenses	13,923,155	10,236,284	2,691,695		16,045,000	677,786		887,945	18,703,624		63,165,489
Income (loss) from operations	13,889,982	5,552,791	(2,691,695)		(8,359,000)	(677,786)		(887,945)	(18,703,624)		(11,877,277)
Other income (expense):											
Change in fair value of warrant liability, purchase option liability, investor rights obligation and contingent consideration	(29,624)	—	—		(355,000)	355,000	**7g**	—	—		(29,624)
Other income	—	—	—		18,000	—		179			18,179
Interest expense, net	(24,016)	2,141	—		(1,050,000)	121,384	**7h**	—	—		(950,491)
Total other income (expense)	(53,640)	2,141	—		(1,387,000)	476,384		179	—		(961,936)
Net income (loss) before taxes	13,836,342	5,554,932	(2,691,695)		(9,746,000)	(201,402)		(887,766)	(18,703,624)		(12,839,213)
Income tax expense (benefit)	1,966,519	35,523	(942,093)	**8m**	—	(70,491)	**7i**	—	(50,312)	**5d**	939,146
Net income (loss) after taxes	$11,869,823	$5,519,409	$ (1,749,602)		$(9,746,000)	$ (130,911)		$ (887,766)	$(18,653,312)		$ (13,778,359)
Basic net income (loss) per share	$ 0.42										$ (0.48)
Weighted-average number of common shares - basic	18,410,005		4,559,886	**8n**					5,798,735	**5e**	28,768,626
Diluted net income (loss) per share	$ 0.42										$ (0.48)
Weighted-average number of common shares - diluted	18,754,799		4,559,886	**8n**					5,453,941	**5f**	28,768,626

See accompanying notes.

Cerecor Inc
Unaudited Pro Forma Condensed Combined Statement of Operations
For the nine months ended September 30, 2018

	Historical Cerecor	Historical Avadel Pediatric Business	Avadel Pediatric Business Pro Forma Adjustments		Historical Ichorion	Ichorion Pro Forma Adjustments		Pro Forma Cerecor Combined
Revenues								
License and other revenue	$ —	$ —	$ —		$ —	$ —		$ —
Product revenue, net	13,045,824	1,705,000	—		—	—		14,750,824
Salesforce revenue	296,875	—	—		—	—		296,875
Grant revenue	—	—	—		—	—		—
Total revenues, net	13,342,699	1,705,000	—		—	—		15,047,699
Operating Expenses:								
Cost of product sales	5,397,872	355,000	—		—	—		5,752,872
Research and development	3,780,352	—	—		2,323,535	18,333	**5a**	6,122,220
Acquired in-process research and development	18,723,952	—	—		—	(18,723,952)	**5b**	—
General and administrative	7,833,612	1,995,000	(149,206)	**7j**	1,425,375	22,917	**5a**	11,127,698
Sales and marketing	5,889,137	—	—		—	—		5,889,137
Amortization expense	3,315,843	180,000	65,662	**7f**	—	56,250	**5c**	3,617,755
Impairment of intangible assets	1,861,562	—	—		—	—		1,861,562
Total operating expenses	46,802,330	2,530,000	(83,544)		3,748,910	(18,626,452)		34,371,244
Income (loss) from operations	(33,459,631)	(825,000)	83,544		(3,748,910)	18,626,452		(19,323,545)
Other income (expense):								
Change in fair value of warrant liability, purchase option liability, investor rights obligation and contingent consideration	(383,179)	(256,000)	256,000	**7g**	—	—		(383,179)
Other income	18,655	—	—		—			18,655
Interest expense, net	(577,664)	(131,000)	6,251	**7h**	—	—		(702,413)
Total other income (expense)	(942,188)	(387,000)	262,251		—	—		(1,066,937)
Net income (loss) before taxes	(34,401,819)	(1,212,000)	345,795		(3,748,910)	18,626,452		(20,390,482)
Income tax expense	92,076	—	—	**7i**	—	—	**5d**	92,076
Net income (loss) after taxes	$ (34,493,895)	$ (1,212,000)	$ 345,795		$ (3,748,910)	$ 18,626,452		$ (20,482,558)
Basic net income (loss) per share	$ (1.05)							$ (0.53)
Weighted-average number of common shares - basic	32,749,291					5,692,531	**5e**	38,441,822
Diluted net income (loss) per share	$ (1.05)							$ (0.53)
Weighted-average number of common shares - diluted	32,749,291					5,692,531	**5f**	38,441,822

See accompanying notes.

NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

1. BACKGROUND

On September 24, 2018, Cerecor, Inc (the "Company") entered into, and subsequently consummated the transactions contemplated by, an Agreement and Plan of Merger by and among the Company and Ichorion Therapeutics, Inc., a Delaware corporation, with Ichorion surviving as a wholly owned subsidiary of the Company. The consideration for the Ichorion Acquisition consisted of approximately 5.8 million shares of the Company's Common Stock, par value $0.001 per share, as adjusted for Estimated Working Capital as defined in the Merger Agreement. The shares are subject to a lockup date through December 31, 2019. Consideration for the Ichorion Acquisition which was treated as an asset acquisition under US GAAP, included certain development milestones in the future worth up to an additional $15 million, payable either in shares of Company Common Stock or in cash, at the election of the Company.

The fair value of the common stock shares transferred at closing was approximately $20 million using the Company's stock price at close on September 24, 2018 and offset by an estimated discount for lack of marketability calculated using guideline public company volatility for comparable companies. The assets acquired consisted primarily of $18.7 million of IPR&D, $1.6 million of cash and $0.2 million assembled workforce. The Company recorded this transaction as an asset purchase as opposed to a business combination as management concluded that substantially all of the value received was related to one group of similar identifiable assets which was the IPR&D for the three preclinical therapies for inherited metabolic disorders known as CDGs (CERC-801, CERC-802 and CERC-803). The Company has considered these assets similar due to similarities in the risks for development, compound type, stage of development, regulatory pathway, patient population and economics of commercialization. An assembled workforce asset recorded to intangible assets will be amortized over an estimated useful life of two years.

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 results of operations of the combined companies based upon the historical information after giving effect to the Acquisitions and adjustments described in these footnotes. Within the unaudited pro forma condensed combined statement of operations for the year ended December 31, 2017, the historical results of Cerecor include the results of operations of TRx since its acquisition date of November 17, 2017 while the historical TRx results of operations are for the period from January 1, 2017 through its acquisition date. Within the unaudited pro forma condensed combined statement of operations for the nine months ended September 30, 2018, the historical results of Cerecor include the results of operations of the Avadel Pediatric Business since its acquisition date of February 16, 2018 and the results of operations of Ichorion since its acquisition date of September 25, 2018. The historical Avadel Pediatric Business results of operations are for the period from January 1, 2018 through its acquisition date, and the historical Ichorion results of operations are for the period from January 1, 2018 through its acquisition date.

The historical results of Ichorion have been derived from Ichorion's audited financial statements for the period from July 7, 2017 (Inception) through December 31, 2017 and the unaudited financial information for the period from January 1, 2018 through its acquisition date on September 25, 2018; 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 the unaudited financial information for the period from January 1, 2018 through its acquisition on February 16, 2018; 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 the historical results of Cerecor have been derived from audited financial statements for the years ended December 31, 2017 and the unaudited financial information for the nine months ended September 30, 2018.

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. RECLASSIFCIATION

During 2018, the Company concluded that going forward it would present amortization expense as its own line item on the condensed consolidated statements of operations. Previously, this amount was recorded within sales and marketing expenses. For the year ended December 31, 2017, the Company has reclassified $403,520 from sales and marketing expenses to amortization expense for Historical Cerecor (As Adjusted) to conform with current period presentation.

4. ICHORION ACQUISITION—CONSIDERATION TRANSFERRED AND FAIR VALUE OF ASSETS ACQUIRED AND LIABILITIES ASSUMED

The fair value of the common stock shares transferred at closing was approximately $20 million using the Company's stock price close on September 24, 2018 and offset by an estimated discount for lack of marketability calculated using guideline public company volatility for comparable companies. The assets acquired consisted primarily of $18.7 million of IPR&D, $1.6 million of cash and $0.2 million assembled workforce. The Company recorded this transaction as an asset purchase as opposed to a business combination as management concluded that substantially all of the value received was related to one group of similar identifiable assets which was the IPR&D for the three preclinical therapies for inherited metabolic disorders known as CDGs (CERC-801, CERC-802 and CERC-803). The Company has considered these assets similar due to similarities in the risks for development, compound type, stage of development, regulatory pathway, patient population and economics of commercialization. The fair value of the IPR&D was immediately recognized as Acquired In-Process Research and Development expense as the IPR&D asset has no other alternate use due to the stage of development. The acquired IPR&D expense is not tax deductible. The $0.2 million of transaction costs incurred were recorded to Acquired In-Process Research and Development expense. The assembled workforce asset recorded to intangible assets will be amortized over an estimated useful life of two years.

5. ICHORION ACQUISITION—PRO FORMA ADJUSTMENTS

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

(5a) Compensation - Reflects an increase in compensation of Ichorion employees within both research and development and general and administrative expense who accepted new employment agreements with Cerecor to align with the new compensation structure.

(5b) Acquired in-process R&D - Reflects recording the IPR&D expense related to the asset accounting treatment of the Ichorion acquisition as January 1, 2017. The adjustment for the nine months ended September 30, 2018 includes removal of $0.2 million of transaction costs that are directly attributable to the transaction.

(5c) Amortization expense - Reflects amortization expense related to the intangible asset of assembled workforce that was recorded as a part of the asset acquisition accounting as if the acquisition had occurred on January 1, 2017. The assembled workforce was recorded to intangible assets and has a useful life of two years.

(5d) Income tax expense (benefit) - Adjustment for the year ended December 31, 2017 reflects the income tax impact of the pro forma adjustments excluding the acquired IPR&D adjustment 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. The acquired IPR&D expense is not tax deductible and therefore the pro forma adjustment recorded in adjustment 5b was not tax effected. The income tax adjustment for the period ended September 30, 2018 was $0. An effective rate of 0% was used due to the fact that the Company expects a tax loss in 2018 and based on its history of losses the company expects a full valuation allowance to offset any deferred tax assets.

(5e) Weighted-average number of common shares - basic - Adjustment for the year ended December 31, 2017 reflects the 5,798,735 shares of common stock issued as part of the Acquisition. The adjustment for the nine months ended September 30, 2018 reflects the 5,798,735 shares of common stock issued as part of the Acquisition less 106,204 weighted average shares from the acquisition date to September 30, 2018 that are already included in the weighted average number of shares for historical Cerecor.

(5f) Weighted-average number of common shares - diluted - Adjustment for the year ended December 31, 2017 reflects the 5,798,735 shares of common stock issued as part of the Acquisition reduced by 344,794 shares originally included in the historical Cerecor weighted average number of common shares-diluted to reflect the fact that the IPR&D expense pro forma adjustment recorded in adjustment 5b resulted in the Company proforma net loss (while previously the Company was in a net income position). Due to the Company being in a proforma net loss, the diluted weighted-average number of common shares and basic weighted-average number of common shares used for the calculation are the same. The adjustment for the nine months ended September 30, 2018 reflects the 5,798,735 shares of common stock issued as part of the Acquisition less 106,204 weighted average shares from the acquisition date to September 30, 2018 that are already included in weighted average number of shares for historical Cerecor.

6. AVADEL PEDIATRICS BUSINESS and TRx ACQUISITIONS — PURCHASE PRICE ALLOCATION

Avadel Pediatric Business Acquisition

On February 16, 2018, the Company entered into an Asset Purchase Agreement (the “Purchase Agreement”) with Avadel US Holdings, Inc., Avadel Pharmaceuticals (USA), Inc., Avadel Pediatrics, Inc., Avadel Therapeutics, LLC and Avadel Pharmaceuticals PLC

(collectively, the “Sellers”) to purchase and acquire all rights to the Sellers’ pediatric products. Total consideration transferred to the Sellers consisted of a cash payment of one dollar. In addition, the Company assumed existing seller debt due in January 2021 with a fair value of $15.1 million and contingent consideration, referred to as Deferred payments, relating to royalty obligation through February 2026 with a fair value at acquisition date of approximately $7.9 million. As a result of the Avadel Pediatric Business Acquisition, the Company has currently recorded goodwill of $3.8 million, which is deductible over 15 years for income tax purposes.

The transaction was accounted for as a business combination under the acquisition method of accounting. Accordingly, the tangible and identifiable intangible assets acquired and liabilities assumed were recorded at fair value as of the date of acquisition, with the remaining purchase price recorded as goodwill. The goodwill recognized is attributable primarily to strategic opportunities related to an expanded commercial footprint and diversified pediatric product portfolio that is expected to provide revenue and cost synergies. Transaction costs of $0.1 million were included as general and administrative expense in the historic condensed consolidated statements of operations for the nine months ended September 30, 2018.

During the second quarter of 2018, the Company identified and recorded measurement period adjustments to our preliminary purchase price allocation. These adjustments are reflected in the tables below. The measurement period adjustments were the result of additional analysis performed and information identified during the second quarter of 2018 based on facts and circumstances that existed as of the purchase date.

The following table summarizes the preliminary fair values of the assets acquired and liabilities assumed at the date of acquisition both as disclosed in the first quarter 2018 Form 10-Q and as adjusted for measurement period adjustments identified through the third quarter of 2018:

	At February 16, 2018 (preliminary)	Measurement Period Adjustments	At February 16, 2018 (as adjusted)
Inventory	$ 2,549,000	$ (1,831,000)	$ 718,000
Prepaid assets	—	570,000	570,000
Intangible assets	16,453,000	1,838,000	18,291,000
Accrued expenses	—	(362,000)	(362,000)
Fair value of debt assumed	(15,272,303)	197,303	(15,075,000)
Fair value of contingent consideration and deferred payments	(7,875,165)	(44,835)	(7,920,000)
Total net liabilities assumed	(4,145,468)	367,468	(3,778,000)
Consideration exchanged	241,000	(240,999)	1
Goodwill	$ 4,386,468	$ (608,467)	$ 3,778,001

Based on valuation estimates utilizing the estimated sales price of inventory less sales and marketing costs and an allowance for profit, a step-up in the value of inventory of $0.3 million was recorded in the opening balance sheet, of which approximately $0.1 million was charged to cost of goods sold during the historic post-acquisition period, February 16, 2018 through September 30, 2018.

The purchase price allocation has been prepared on a preliminary basis and is subject to change as additional information becomes available concerning the fair value and tax basis of the assets acquired and liabilities assumed. Any adjustments to the purchase price allocation will be made as soon as practicable but no later than one year from the February 16, 2018 acquisition date.

The fair values of intangible assets, including marketing rights, licenses and developed technology, were determined using variations of the income approach. Varying discount rates were also applied to the projected net cash flows. The Company believes the assumptions are representative of those a market participant would use in estimating fair value. The preliminary fair value of intangible assets both as disclosed in the first quarter 2018 Form 10-Q and as adjusted by measurement period adjustments identified through the third quarter of 2018 includes the following:

	At February 16, 2018 (preliminary)	Measurement Period Adjustments	At February 16, 2018 (as adjusted)	Useful Life
Acquired Product Marketing Rights - Karbinal	$ 6,221,000	$ (21,000)	$ 6,200,000	16 years
Acquired Product Marketing Rights - AcipHex	2,520,000	283,000	2,803,000	10 years
Acquired Product Marketing Rights - Cefaclor	6,291,000	1,320,000	7,611,000	7 years
Acquired Developed Technology - Flexichamber	1,131,000	546,000	1,677,000	10 years
Acquired IPR&D - LiquiTime formulations	290,000	(290,000)	—	Indefinite
Total	$ 16,453,000	$ 1,838,000	$ 18,291,000	

TRx Acquisition

On November 17, 2017, the Company entered into, and consummated the transactions contemplated by, an Equity Interest Purchase Agreement (the "TRx Purchase Agreement") by and among the Company, TRx, Fremantle Corporation and LRS International LLC, the selling members of TRx (collectively, the "TRx Sellers"), which provided for the purchase of all of the equity and ownership interests of TRx by the Company (the "TRx Acquisition"). The consideration for the TRx acquisition consists of $18.9 million in cash, as adjusted for Estimated Working Capital, Estimated Cash on Hand, Estimated Indebtedness and Estimated Transaction Expenses, as well as 7,534,884 shares of the Company's common stock having an aggregate value on the closing date of $8.5 million (the "Equity Consideration") and certain potential contingent payments. Upon closing, the Company issued 5,184,920 shares of its common stock to the TRx Sellers. Pursuant to the TRx Purchase Agreement, the issuance of the remaining 2,349,968 shares were subject to the Company's stockholder approval. In May 2018, stockholder approval was obtained and the remaining shares were issued to the TRx Sellers. The contingent shares were initially recorded to contingently issuable shares, which was recorded within stockholder's equity and were reclassed to common stock and additional paid in capital upon issuance. As a result of the TRx Acquisition, the Company has currently recorded goodwill of $12.6 million, of which $8.7 million was deductible for income taxes.

During the third quarter of 2018, the Company identified and recorded measurement period adjustments to our preliminary purchase price allocation that was disclosed in prior periods. These adjustments are reflected in the tables below. The measurement period adjustments were the result of an arbitration ruling in which the facts and circumstances existed as of the acquisition date.

The following table summarizes the preliminary acquisition-date fair value of the consideration transferred at the date of acquisition both as disclosed in prior periods and as adjusted for measurement period adjustments identified during the third quarter:

	At November 17, 2017 (preliminary)	Measurement Period Adjustments	At November 17, 2017 (as adjusted)
Cash	$ 18,900,000	$ —	$ 18,900,000
Common stock (including contingently issuable shares)	8,514,419	—	8,514,419
Contingent payments	2,576,633	(1,210,000)	1,366,633
Total consideration transferred	$ 29,991,052	(1,210,000)	28,781,052

The TRx Acquisition was accounted for as a business combination under the acquisition method of accounting. Accordingly, the tangible and identifiable intangible assets acquired, and liabilities assumed, were recorded at fair value as of the date of acquisition, with the remaining purchase price recorded as goodwill. The goodwill recognized is attributable primarily to strategic opportunities related to leveraging TRx's research and development, intellectual property, and processes.

The following table summarizes the fair values of the assets acquired and liabilities assumed at the date of acquisition both as disclosed in prior periods and as adjusted for measurement period adjustments identified during the third quarter:

	At November 17, 2017 (preliminary)	Measurement Period Adjustments	At November 17, 2017 (as adjusted)
Fair value of assets acquired:			
Cash and cash equivalents	$ 11,068	$ —	$ 11,068
Accounts receivable, net	2,872,545	—	2,872,545
Inventory	495,777	—	495,777
Prepaid expenses and other current assets	134,281	—	134,281
Other receivables	—	2,764,515	2,764,515
Identifiable Intangible Assets:			—
Acquired product marketing rights - Metafolin	10,465,000	1,522,000	11,987,000
PAI sales and marketing agreement	2,334,000	219,000	2,553,000
Acquired product marketing rights - Millipred	4,714,000	342,000	5,056,000
Acquired product marketing rights - Ulesfia	555,000	(555,000)	—
Total assets acquired	21,581,671	4,292,515	25,874,186
Fair value of liabilities assumed:			
Accounts payable	192,706	—	192,706
Accrued expenses and other current liabilities	4,850,422	3,764,515	8,614,937
Deferred tax liability	839,773	78,840	918,613
Total liabilities assumed	5,882,901	3,843,355	9,726,256
Total identifiable net assets	15,698,770	449,160	16,147,930
Fair value of consideration transferred	29,991,052	(1,210,000)	28,781,052
Goodwill	$ 14,292,282	$ (1,659,160)	$ 12,633,122

Based on valuation estimates utilizing the estimated selling price of inventory less sales and marketing costs and an allowance for profit, a step-up in the value of inventory of $0.2 million was recorded in the opening balance sheet, of which approximately $0.2 million was charged to cost of product sales during the historic nine months ended September 30, 2018.

The fair values of intangible assets, including marketing rights, licenses and developed technology, were determined using variations of the income approach, specifically the multi-period excess earnings method. Varying discount rates were also applied to the projected net cash flows. The Company believes the assumptions are representative of those a market participant would use in estimating fair value. The fair value of intangible assets both as disclosed in prior periods and as adjusted by measurement period adjustments identified during the current quarter includes the following:

	At November 17, 2017 (preliminary)	Measurement Period Adjustments	At November 17, 2017 (as adjusted)	Useful Life
Acquired product marketing rights - Metafolin	$ 10,465,000	$ 1,522,000	$ 11,987,000	15 years
PAI sales and marketing agreement	2,334,000	219,000	2,553,000	2 years
Acquired product marketing rights - Millipred	4,714,000	342,000	5,056,000	4 years
Acquired product marketing rights - Ulesfia	555,000	(555,000)	—	
Total	$ 18,068,000	$ 1,528,000	$ 19,596,000	

The Company received written notice to terminate the PAI Sales and Marketing Agreement in the second quarter of 2018. As a result, the Company reassessed the fair value of the PAI sales and marketing agreement on that date (a level III non-recurring fair value measurement) and concluded due to the absence of future cash flows beyond the date of termination that the fair value was $0. An impairment charge was recognized in the historic nine months ended September 30, 2018 in the amount of $1.9 million, representing the remaining net book value of the PAI sales and marketing agreement intangible asset.

The purchase price allocation for the TRx Acquisition has been finalized.

7. AVADEL PEDIATRICS BUSINESS ACQUISITION—PRO FORMA ADJUSTMENTS

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

(7f) 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:

	At February 16, 2018 (as adjusted)	Amortization Expense for the year ended December 31, 2017	Amortization Expense for the nine months ended September 30, 2018	Useful Life
Acquired Product Marketing Rights - Karbinal	$ 6,200,000	$ 387,500	$ 299,509	16 years
Acquired Product Marketing Rights - AcipHex	2,803,000	280,300	213,158	10 years
Acquired Product Marketing Rights - Cefaclor	7,611,000	1,087,286	831,290	7 years
Acquired Developed Technology - Flexichamber	1,677,000	167,700	124,390	10 years
Total	$ 18,291,000	$ 1,922,786	$ 1,468,347	
Less Avadel Historic Intangible Amortization		(1,245,000)	(180,000)	
Less Cerecor Historic Intangible Amortization		—	(1,222,685)	
Net Pro Forma Amortization Expense Adjustment		$ 677,786	$ 65,662	

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.

(7g) 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.

(7h) Interest expense - Adjustment to interest expense for the year ended December 31, 2017 and nine months ended September 30, 2018 reflects the impact on interest expense as if the fair value of the debt held by Avadel had been assumed by the Company on January 1, 2017. As part of purchase accounting, the fair value of the debt assumed was determined and thus an adjustment was made to reduce the historical interest expense based on the fair value of the debt assumed and interest expense to be recorded for the respective periods.

(7i) Income tax expense (benefit) - 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. The income tax adjustment for the period ended September 30, 2018 was $0. An effective rate of 0% was used due to the fact that the Company expects a tax loss in 2018 and based on its history of losses the company expects a full valuation allowance to offset any deferred tax assets.

(7j) General and administrative expense - Reflects a decrease of $154,206 for acquisition related costs incurred during the nine months ended September 30, 2018 that were directly attributable to the transaction.

8. TRx ACQUISITION—PRO FORMA ADJUSTMENTS

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

(8k) General and administrative expense - Reflects a decrease of $230,484 for acquisition related costs incurred during the year ended December 31, 2017 that were directly attributable to the transaction.

(8l) Amortization of intangibles assets - Reflects the adjustment to the amortization expense associated with the fair value of the identifiable intangible assets acquired, over their estimated useful lives. The pro forma adjustment to amortization expense is calculated as follows:

	Fair Value At November 17, 2017 (as adjusted)	Intangible Amortization Expense for the Period January 1, 2017 through November 16, 2017	Useful Life
Acquired product marketing rights - Metafolin	$ 11,987,000	$ 699,242	15 years
PAI sales and marketing agreement	2,553,000	1,116,938	2 years
Acquired product marketing rights - Millipred	5,056,000	1,106,000	4 years
Acquired product marketing rights - Ulesfia	—	—	
Total	$ 19,596,000	$ 2,922,180	

(8m) Income tax expense (benefit) - 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.

(8*n) Weighted-average number of common shares - basic and diluted*- Adjustment for the period ended December 31, 2017 reflects the 5,184,916 shares of common stock issued as part of the acquisition less 625,030 weighted average shares from the acquisition date to December 31, 2017 that are already included in the weighted average number of shares- basic and diluted for historical Cerecor.