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

FORM 8-K

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

Date of Report (Date of earliest event reported) January 31, 2020

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.)**

540 Gaither Road, Suite 400, Rockville, Maryland 20850
(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))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.001 Par Value	CERC	Nasdaq Capital Market

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. ☒

Introductory Note

On February 3, 2020, Cerecor Inc., a Delaware corporation ("Cerecor"), consummated its two-step merger (the "Merger") with Aevi Genomic Medicine, Inc., a Delaware corporation ("Aevi"), in accordance with the terms of a previously disclosed Agreement and Plan of Merger and Reorganization (the "Merger Agreement"), dated as of December 5, 2019, by and between Cerecor, Genie Merger Sub, Inc., a Delaware corporation and wholly owned subsidiary of Cerecor ("Merger Sub"), Second Genie Merger Sub, LLC ("Second Merger Sub"), a Delaware limited liability company and wholly owned subsidiary of Cerecor, and Aevi. On February 3, 2020, Merger Sub merged with and into Aevi, with Aevi as the surviving corporation, and as part of the same overall transaction, Aevi then merged with and into Second Merger Sub, with Second Merger Sub as the surviving entity. The surviving entity from the second merger was renamed Aevi Genomic Medicine, LLC and is disregarded as an entity separate from Cerecor for U.S. federal income tax purposes. Cerecor retained its public reporting and current NASDAQ listing status.

Item 1.01. Entry into a Material Definitive Agreement.

On February 3, 2020, Cerecor entered into a Contingent Value Rights Agreement (the "CVR Agreement") with American Stock Transfer & Trust Company, LLC. Reference is made to Item 2.01 of this Current Report on Form 8-K, which is incorporated into this Item 1.01 by reference.

Item 1.02. Termination of a Material Definitive Agreement.

On January 31, 2020, Cerecor and Armistice Capital Master Fund Ltd. ("Armistice") terminated the Backstop Agreement by and between the Cerecor and Armistice, dated December 5, 2019, without the Company exercising its option to require Armistice to purchase shares of the Cerecor's common stock. There were no termination penalties incurred by Cerecor related to the termination of the Backstop Agreement.

Item 2.01. Completion of Acquisition or Disposition of Assets.

On February 3, 2020, the Merger was consummated in accordance with the terms of the Merger Agreement and each outstanding common stock of Aevi, par value of $0.0001 per share, was converted into the right to receive (i) the fraction of a share of Cerecor common stock, par value of $0.001 per share, at a ratio equal to 0.0334, which in the aggregate totaled approximately 3.9 million shares of Cerecor common stock issued to Aevi stockholders; (ii) one contingent value right, which represents the right to receive the pro rata portion of contingent payments of up to $6.5 million, to be paid in cash or Cerecor common stock in the sole discretion of Cerecor, upon the achievement of certain milestones in accordance with the CVR Agreement; and (iii) cash in lieu of fractional shares of Cerecor common stock, which in the aggregate totaled approximately $1,000. Additionally, each outstanding Aevi stock option was canceled and each outstanding Aevi warrant was exercised on a cashless basis prior to the Effective Time.

Following the closing of the Merger, pre-closing Cerecor stockholders owned, on a fully-diluted basis approximately 93.1% of Cerecor common stock and pre-closing Aevi stockholders owned approximately 6.9% of Cerecor common stock. As of February 3, 2020, after giving effect to the closing of the Merger, there were approximately 56.3 million shares of Cerecor common stock outstanding.

The issuance of the shares of Cerecor common stock to the former stockholders of Aevi in connection with the Merger and the related transactions did not require approval by Cerecor stockholders. On February 3, 2020, prior to the consummation of the Merger, the stockholders of Aevi approved the Merger Agreement at a special meeting of Aevi stockholders.

The foregoing description of the Merger Agreement and CVR Agreement is not complete and is qualified in its entirety by reference to the Merger Agreement, which was previously filed as Exhibit 2.1 to the Current Report on Form 8-K/A, filed on December 11, 2019, and the CVR Agreement, which is filed as Exhibit 10.1 hereto, and both are incorporated herein by reference.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Board Composition

Effective upon the consummation of the Merger, Cerecor's board of directors was increased from seven to nine board seats and Sol J. Barer, Ph.D and Michael F. Cola were appointed to the board. Accordingly, immediately following the effective time of the Merger, the directors serving on the board of directors of Cerecor are: Dr. Barer, Steven J. Boyd, Mr. Cola, Peter Greenleaf, Phil Gutry, Uli Hacksell, Ph.D., Keith Schmidt, Magnus Persson, M.D., Ph.D., and Simon Pedder, Ph.D., who serves as Executive

Chairman of the board of directors. Dr. Barer and Mr. Cola served as directors of Aevi prior to the closing of the Merger. The Cerecor board of directors has affirmatively determined that all Cerecor directors, except for Mr. Cola, Dr. Pedder, and Mr. Greenleaf, are independent directors within the meaning of the applicable Nasdaq listing standards. The members of Cerecor's audit committee, compensation committee and nominating and corporate governance committee did not change following the consummation of the Merger and all members of such committees are independent directors under the applicable Nasdaq listing standards.

The Board approved an option grant to Dr. Barer to purchase 500,000 shares of common stock which will vest over three years, with one-third of such option vesting on each of the first, second and third anniversaries of the date of grant.

Michael F. Cola and Garry A. Neil

Effective upon the consummation of the Merger, Cerecor entered into an employment agreement with Mr. Cola for him to serve as Cerecor's Chief Executive Officer (the "Cola Employment Agreement") and an employment agreement with Dr. Garry A. Neil for him to serve as Cerecor's Chief Medical Officer (the "Neil Employment Agreement", together with the Cola Employment Agreement, the "Employment Agreements").

Mr. Cola, 60, served as Aevi's President and Chief Executive Officer from September 2013 until February 2020. Prior to joining Aevi, Mr. Cola served as President of Specialty Pharmaceuticals at Shire plc, a global specialty pharmaceutical company, from 2007 until April 2012. He joined Shire in 2005 as EVP of Global Therapeutic Business Units and Portfolio Management. Prior to joining Shire, he was with Safeguard Scientifics, Inc., a growth capital provider to life sciences and technology companies, where he served as President of the Life Sciences Group. While at Safeguard, Mr. Cola served as Chairman and CEO of Clarient, Inc., a cancer diagnostics company subsequently acquired by GE Healthcare, and as Chairman of Laureate Pharma, Inc., a full-service contract manufacturing organization serving research-based biologics companies. Prior to Safeguard Scientifics, Mr. Cola held senior positions in product development and commercialization at AstraMerck, a top 20 U.S. pharmaceutical company, and at AstraZeneca, a global biopharmaceutical company. Mr. Cola received a B.A. in biology and physics from Ursinus College and an M.S. in biomedical science from Drexel University. He serves on the Board of Directors of Vanda Pharmaceuticals Inc., Sage Therapeutics, and serves as Chairman of the Board of Governors of the Boys & Girls Clubs of Philadelphia. Mr. Cola also served on the Life Sciences Pennsylvania Board (formerly named Pennsylvania Bio) from 2009 until 2015.

Dr. Neil, 66, joined Aevi in September 2013. Prior to that, Dr. Neil was a Partner at Apple Tree Partners, a life sciences private equity fund. Prior to joining Apple Tree Partners in 2012, he was Corporate VP of Science & Technology at Johnson & Johnson, and Group President at Johnson & Johnson Pharmaceutical Research and Development. Prior to joining Johnson & Johnson in 2002, he held senior positions at AstraZeneca, EMD Pharmaceuticals and Merck KGaA. Under his leadership a number of important new medicines for the treatment of cancer, anemia, infections, central nervous system and psychiatric disorders, pain, and genitourinary and gastrointestinal diseases gained initial or expanded approvals. Dr. Neil holds a B.S. from the University of Saskatchewan and an M.D. from the University of Saskatchewan College of Medicine. He completed postdoctoral clinical training in internal medicine and gastroenterology at the University of Toronto. Dr. Neil also completed a postdoctoral research fellowship at the Research Institute of Scripps Clinic. He has served on the Board of Directors of GTx, Inc. (NASDAQ: GTXI) since September 2016 and on the Board of Directors of Arena Pharmaceuticals, Inc. (NASDAQ: ARNA) since February 2017. He serves on the Boards of the Reagan Udall Foundation and the Center for Discovery and Innovation (CDI). He is a past Chairman of the Pharmaceutical Research and Manufacturers Association (PhRMA) Science and Regulatory Executive Committee and the PhRMA Foundation Board, and a past member of the Foundation for the U.S. National Institutes of Health (NIH) and the Science Management Review Board of the NIH.

Mr. Cola and Dr. Neil have no familial relationships with any executive officer or director of Cerecor. Other than as disclosed below, there have been no transactions in which Cerecor has participated and in which Mr. Cola or Dr. Neil had a direct or indirect material interest that would be required to be disclosed under Item 404(a) of Regulation S-K.

In July 2019, Aevi entered into a royalty agreement, and liabilities thereunder were assumed by Cerecor upon closing of the Merger, with Michael F. Cola, Cerecor's new Chief Executive Officer, Joseph J. Grano, Jr., Kathleen Jane Grano, Joseph C. Grano, The Grano Children's Trust, Joseph C. Grano, trustee and LeoGroup Private Investment Access, LLC on behalf of Garry A. Neil, Cerecor's new Chief Medical Officer, in exchange for a one-time aggregate payment of $2 million (the "Royalty Agreement"). Collectively, the investors will be entitled to an aggregate amount equal to a low-single digit percentage of the aggregate net sales of Astellas' second generation mTORC1/2 inhibitor, CERC-006 (the "OSI Products"). At any time beginning three years after the date of the first public launch of an OSI Product, Cerecor may exercise, at our sole discretion, a buyout option that terminates any further obligations under the Royalty Agreement in exchange for a payment to Investors of an aggregate of 75% of the net present value of the royalty payments. A majority of the independent members of the board of directors or the audit committee of Aevi approved the Royalty Agreement.

Pursuant to the Employment Agreements, Mr. Cola and Dr. Neil began full-time employment with Cerecor upon the effective time of the Merger on February 3, 2020, at an initial base salary of $450,000 per year and $410,000 per year, respectively, subject to review and adjustment by the Board from time to time. The independent directors of the Board approved an inducement option grant to Mr. Cola to purchase 1.2 million shares of common stock and an inducement option grant to Dr. Neil to purchase 800,000 shares of common stock. Each inducement option grant will vest over four years, with the first 25% of such option vesting on the first anniversary, and the remainder vesting in equal monthly installments, provided that Mr. Cola or Dr. Neil, respectively, remains an employee of Cerecor as of each such vesting date. Mr. Cola will be eligible to receive a discretionary annual bonus with a target amount of 70% of his base salary and Dr. Neil and will be eligible to receive a discretionary annual bonus with a target amount of 60% of his base salary, both as determined by the Board or the compensation committee in its sole discretion (and pro-rated for 2020). Mr. Cola and Dr. Neil will also be eligible for a discretionary annual bonus consisting of restricted stock or options at the discretion of the Board or compensation committee. Mr. Cola and Dr. Neil will also be eligible to participate in Cerecor's other employee benefit plans as in effect from time to time on the same basis as are generally made available to other senior executives of Cerecor.

If employment of Mr. Cola or Dr. Neil is terminated by Cerecor without "Cause" or by Mr. Cola or Dr. Neil for "Good Reason" (each as defined in the Employment Agreements), in each case subject to the executive entering into and not revoking a separation agreement in a form acceptable to Cerecor, the executive whose employment has terminated will be eligible to receive:

(i) accrued benefits under his Employment Agreement;

(ii) subject to complying with obligations set forth in his Employment Agreement, continued payment of the executive's base salary for 18 consecutive months;

(iii) 100% of the annual bonus earned in the year in which the termination occurs, payable when such annual bonuses are paid to other executive employees of Cerecor;

(iv) full vesting of options awarded by Cerecor; and

(v) if he timely elects and remains eligible for continued coverage under COBRA, the COBRA premiums necessary to continue the health insurance coverage in effect for the executive and his covered dependents prior to the date of termination, until the earliest of (x) the first anniversary of his termination, (y) expiration of the executive's continuation coverage under COBRA, or (z) the date when the executive is eligible for substantially equivalent health insurance.

If a termination without Cause occurs within six months of a Change in Control (as defined in the Employment Agreements), then the amounts payable to the executive pursuant to clauses (i)-(iii) above are payable at the later of the closing of the Change in Control or the termination of the executive's employment. Subsequent to any termination, the executive will be subject to a confidentiality covenant, a non-disparagement covenant, a one-year non-competition covenant, and a one-year non-solicitation and non-interference covenant.

The foregoing summaries of the material terms of the Cola Employment Agreement and Neil Employment Agreement are qualified in their entirety by reference to the complete text of the agreements, copies of which are filed as Exhibit 10.3 and Exhibit 10.4 hereto and are incorporated herein by reference.

Indemnification Agreements

In connection with the Merger, Dr. Barer, Mr. Cola and Dr. Neil have entered into our standard indemnification agreement with Cerecor, dated and effective as of February 3, 2020. The form indemnification agreement is attached hereto as Exhibits 10.2 to this Current Report on Form 8-K and is incorporated by reference into this Item 5.02.

Item 9.01. Financial Statements and Exhibits.

(a) Financial statements of businesses acquired.

(i) Audited Consolidated Financial Statements for Aevi Genomic Medicine, Inc. as of December 31, 2018 and 2017.

(ii) Unaudited Condensed Consolidated Financial Statements for Aevi Genomic Medicine, Inc. as of

September 30, 2019 and for the Three- and Nine-Month Periods Ended September 30, 2019 and September 30, 2018.

(b) Pro forma financial information.

The following unaudited pro forma combined financial statements giving effect to the Merger completed February 3, 2020 (as of September 30, 2019) are included in this report:

(i) Unaudited pro forma condensed combined balance sheet as of September 30, 2019.

(ii) Unaudited pro forma condensed combined statement of operations for the nine months ended September 30, 2019.

(iii) Unaudited pro forma condensed combined statement of operations for the year ended December 31, 2018.

(d) Exhibits.

Exhibit No.	Description
10.1	Contingent Value Rights Agreement, effective February 3, 2020, by and between Cerecor Inc. and American Stock Transfer & Trust Company, LLC.
10.2	Form of Director Indemnification Agreement (incorporated by reference to Exhibit 10.12 to Registration Statement on Form S-1/A of Cerecor Inc. filed with the Securities and Exchange Commission on September 8, 2015).
10.3	Employment Agreement, effective February 3, 2020, by and between Cerecor Inc. and Michael F. Cola.
10.4	Employment Agreement, effective February 3, 2020, by and between Cerecor Inc. and Garry A. Neil.
23.1	Consent of Ernst & Young LLP, independent registered public accountant for Aevi Genomic Medicine, Inc.
99.1	Press Release dated February 3, 2020, entitled “Cerecor and Aevi Genomic Medicine Complete Merger”.
99.2	Audited Consolidated Financial Statements for Aevi Genomic Medicine, Inc. as of December 31, 2018 and 2017.
99.3	Unaudited Condensed Consolidated Financial Statements for Aevi Genomic Medicine, Inc. as of September 30, 2019 and for the Three- and Nine-Month Periods Ended September 30, 2019 and September 30, 2018.
99.4	Management’s Discussion and Analysis of Financial Condition and Results of Operations of Aevi Genomic Medicine, Inc.
99.5	Unaudited Pro Forma Condensed Combined Financial Statements.

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: February 3, 2020

/s/ Joseph M. Miller

Joseph M. Miller

Chief Financial Officer

CONTINGENT VALUE RIGHTS AGREEMENT

This Contingent Value Rights Agreement, dated as of February 3, 2020 (this "**Agreement**"), is entered into by and between Cerecor Inc., a Delaware corporation ("**Parent**"), and American Stock Transfer & Trust Company, LLC, a New York limited liability trust company, as " **Rights Agent**".

RECITALS

WHEREAS, Parent, Genie Merger Sub, Inc., a Delaware corporation (" **Merger Sub**"), Second Genie Sub, LLC, a Delaware limited liability company, and Aevi Genomic Medicine, Inc., a Delaware corporation ("**Company**"), have entered into an Agreement and Plan of Merger and Reorganization dated as of December 5, 2019 (as it may be amended or supplemented from time to time pursuant to the terms thereof, the "**Merger Agreement**"), pursuant to which Merger Sub will merge with and into Company (the " **First Merger**"), with Company surviving the First Merger as a subsidiary of Parent, and the surviving company of the First Merger will merge with and into Second Genie Merger Sub (the "**Second Merger**" and together with the First Merger, the "**Mergers**"), with Second Genie Merger Sub surviving the Second Merger as a subsidiary of Parent; and

WHEREAS, pursuant to the Merger Agreement, Parent has agreed to provide to Company's stockholders the right to receive contingent payments as hereinafter described.

NOW, THEREFORE, in consideration of the foregoing and the consummation of the transactions referred to above, Parent and Rights Agent agree, for the proportionate benefit of all Holders, as follows:

ARTICLE I
DEFINITIONS; CERTAIN RULES OF CONSTRUCTION

Section 1.01 Definitions. As used in this Agreement, the following terms will have the following meanings:

"**AEVI-002**" means Company's monoclonal antibody it is developing as part of its genomic research collaboration with The Children's Hospital of Philadelphia.

"**AEVI-002 Program**" means Company's study of AEVI-002 for use in Pediatric Onset Crohn's Disease.

"**AEVI-006**" means Company's licensed mTORC1/2 inhibitor.

"**AEVI-006 Program**" means Company's program aimed at developing and commercializing AEVI-006.

"**AEVI-007**" means Company's licensed fully human monoclonal antibody that targets interleukin 18, or IL-18.

"**AEVI-007 Program**" means Company's program aimed at developing AEVI-007.

"**Board Resolution**" means a copy of a resolution certified by the secretary or an assistant secretary of Parent to have been duly adopted by the Parent Board and to be in full force and effect on the date of such certification, and delivered to the Rights Agent.

"**Business Day**" means any day, other than Saturday, Sunday, or any day on which banking institutions located in the city of New York are authorized or required by Law or other governmental action to close.

"**Cancelled Shares**" means each share of Company Common Stock that was owned by Parent or the Company (as treasury stock or otherwise) or any of their respective direct or indirect wholly owned Subsidiaries as of immediately prior to the Effective Time, which has automatically been cancelled and retired and ceases to exist, and no CVR Payment Amount shall be delivered in exchange therefor.

"**Change of Control**" means (a) a sale or other disposition of all or substantially all of the assets of either Parent or the Company on a consolidated basis (other than to any direct or indirect wholly owned subsidiary of Parent), (b) a merger or consolidation involving either Parent or the Company in which Parent or the Company, respectively, is not the surviving entity, and (c) any other transaction involving either Parent or the Company in which Parent or the Company, respectively, is the surviving entity but in which the stockholders of Parent or the Company, respectively, immediately prior to such transaction own less than fifty percent (50%) of the surviving entity's voting power immediately after the transaction.

"**Code**" means the Internal Revenue Code of 1986, as amended.

"**Company Board**" means the board of directors of the Company.

"**Company Common Stock**" means each share of common stock, par value $0.0001 per share, of the Company.

"**CVR Payment Amount**" means an amount up to $6,500,000 based upon completion of the Milestones consisting of: (i) $2,000,000 upon completion of the Study Milestone; and (ii) $4,500,000 upon completion of the NDA Milestone.

"**CVRs**" means the rights of Holders to receive contingent Parent Common Stock or cash payments, or a combination of contingent Parent Common Stock and cash payments, pursuant to this Agreement.

"**Dissenting Shares**" means shares of Company Common Stock that were not converted into and are not exchangeable for a right to receive the CVR Payment Amount because the holder of such Company Common Stock exercised his, her, or its appraisal rights in compliance with Section 262 of the DGCL.

"**DGCL**" means the Delaware General Corporation Law.

"**DTC**" means The Depository Trust Company or any successor thereto.

"**Effective Time**" means the time the First Merger becomes effective pursuant to the Merger Agreement.

"**Excess Cash Amount**" has the meaning set forth in Section 2.04(i).

"**Exchange Act**" means the Securities Exchange Act of 1934, as amended.

"**Governmental Entity**" means any supranational, national, state, municipal, local, or foreign government, any instrumentality, subdivision, court, administrative agency or commission, or other

governmental authority, or any quasi-governmental or private body exercising any regulatory or other governmental or quasi-governmental authority.

"**Holder**" means a Person in whose name a CVR is registered in the CVR Register at the applicable time.

"**Laws**" means any federal, state, local, municipal, foreign, multi-national or other laws, common law, statutes, constitutions, ordinances, rules, regulations, codes, Orders, or legally enforceable requirements enacted, issued, adopted, promulgated, enforced, ordered, or applied by any Governmental Entity.

"**Legal Action**" means any legal, administrative, arbitral, or other proceedings, suits, actions, investigations, examinations, claims, audits, hearings, charges, complaints, indictments, litigations, or examinations.

"**Majority Holders**" has the meaning set forth in Section 3.01(b).

"**Milestone**" and "**Milestones**" mean, as applicable, the Study Milestone, the NDA Milestone, or both of the Study Milestone and the NDA Milestone.

"**Milestone Cash Payment**" has the meaning set forth in Section 2.04(a).

"**Milestone Notice**" has the meaning set forth in Section 2.04(a).

"**Milestone Notice Date**" has the meaning set forth in Section 2.04(b).

"**Milestone Stock Payment**" has the meaning set forth in Section 2.04(a).

"**Nasdaq**" means the Nasdaq Capital Market.

"**NDA Milestone**" means the receipt from the U.S. Food and Drug Administration of a New Drug Application approval for either AEVI-006 or AEVI-007 achieved or occurring prior to the sixty (60)-month anniversary of the date of this Agreement.

"**Officer's Certificate**" means a certificate signed by the chief executive officer, president, chief financial officer, any vice president, the controller, the treasurer or the secretary, in each case of Parent, in his or her capacity as such an officer, and delivered to the Rights Agent.

"**Parent Board**" means the board of directors of Parent.

"**Parent Common Stock**" means the common stock, par value $0.001 per share, of Parent.

"**Permitted Transfer**" means a transfer of CVRs (a) on death by will or intestacy; (b) by instrument to an inter vivos or testamentary trust in which the CVRs are to be passed to beneficiaries upon the death of the trustee; (c) pursuant to a court order; (d) made by operation of law (including a consolidation or merger) or without consideration in connection with the dissolution, liquidation or termination of any corporation, limited liability company, partnership or other entity; (e) in the case of CVRs held in nominee form, from a nominee to a beneficial owner (through an intermediary if applicable) or from a nominee to another nominee for the same beneficial owner, to the extent allowable by the Rights Agent; (f) from a participant's account in a tax-qualified employee benefit plan to the participant or to such participant's account in a different tax-

qualified employee benefit plan or to a tax-qualified individual retirement account for the benefit of such participant; or (g) to Parent for any or no consideration.

"**Person**" means any individual, corporation, limited or general partnership, limited liability company, limited liability partnership, trust, association, joint venture, Governmental Entity, or other entity or group (which term shall include a "group" as such term is defined in Section 13(d)(3) of the Exchange Act).

"**Rights Agent**" means the Rights Agent named in the first paragraph of this Agreement, until a successor Rights Agent will have become such pursuant to the applicable provisions of this Agreement, and thereafter "Rights Agent" will mean such successor Rights Agent.

"**Securities Act**" means the Securities Act of 1933, as amended.

"**Study Milestone**" means the enrollment of a patient in a Phase II study related to the AEVI-002 Program, the AEVI-006 Program or the AEVI-007 Program, prior to the twenty-four (24)-month anniversary of the date of this Agreement.

"**Subsidiary**" of a Person means a corporation, partnership, limited liability company, or other business entity of which a majority of the shares of voting securities is at the time beneficially owned, or the management of which is otherwise controlled, directly or indirectly, through one or more intermediaries, or both, by such Person.

"**Tax**" and "**Taxes**" mean all federal, state, local, foreign, and other income, gross receipts, sales, use, production, ad valorem, transfer, franchise, registration, profits, license, lease, service, service use, withholding, payroll, employment, unemployment, estimated, excise, severance, environmental, stamp, occupation, premium, property (real or personal), real property gains, windfall profits, customs, duties or other taxes, fees, assessments, or charges of any kind whatsoever, together with any interest, additions, or penalties with respect thereto and any interest in respect of such additions or penalties.

"**Trading Day**" means a day on which Nasdaq is open for trading.

"**Volume Weighted Average Price** " means an amount equal to the volume weighted average price for Parent Common Stock as reported by Nasdaq (or any national securities exchange or over the counter trading market on which the Parent Common Stock primarily trades if the Parent Common Stock is no longer listed on Nasdaq) for the five Trading Days immediately prior to the date Parent makes the applicable payment.

Section 1.02 Rules of Construction. Except as otherwise explicitly specified to the contrary, (a) references to a Section means a Section of this Agreement unless another agreement is specified, (b) the word "including" (in its various forms) means "including without limitation," (c) references to a particular statute or regulation include all rules and regulations thereunder and any predecessor or successor statute, rules or regulation, in each case as amended or otherwise modified from time to time, (d) words in the singular or plural form include the plural and singular form, respectively, (e) references to a particular Person include such Person's successors and assigns to the extent not prohibited by this Agreement and (f) all references to dollars or "$" refer to United States dollars. For clarity, the parties agree that the phrase "materially adverse" when used in this Agreement with respect to the Holders includes any amendment or other action, as applicable, that does or would be reasonably expected to reduce, eliminate, or materially delay (y) any

payment to the Holders under this Agreement, or (z) any achievement by the Company or its successor or their affiliates of the Milestones.

ARTICLE II
CONTINGENT VALUE RIGHTS

Section 2.01 CVRs; Appointment of Rights Agent.

(a) As provided in the Merger Agreement, each Holder is entitled to one CVR for each share of Company Common Stock outstanding immediately prior to the Effective Time (other than Cancelled Shares and Dissenting Shares). Each CVR represents the right of a Holder to receive the aggregate CVR Payment Amount *divided by* the number of then-outstanding CVRs pursuant to this Agreement, to be paid in accordance with this Agreement. The initial Holders will be determined in accordance with the Merger Agreement.

(b) Parent hereby appoints the Rights Agent to act as rights agent for Parent as contemplated hereby in accordance with the express terms and conditions set forth in this Agreement (and no implied terms or conditions), and the Rights Agent hereby accepts such appointment.

Section 2.02 Nontransferable. The CVRs will not be sold, assigned, transferred, pledged, encumbered or in any other manner transferred or disposed of, in whole or in part, other than through a Permitted Transfer. Any attempted sale, assignment, transfer, pledge, encumbrance or any other manner of transfer or disposal of, in whole or in part, the CVRs (other than through a Permitted Transfer) will be void and of no effect.

Section 2.03 No Certificate; Registration; Registration of Transfer; Change of Address.

(a) The CVRs will not be evidenced by a certificate or other instrument.

(b) The Rights Agent will keep a register (the "**CVR Register**") for the purpose of registering CVRs and transfers of CVRs as permitted herein. The CVR Register will initially show one position for Cede & Co. representing all the shares of Company Common Stock held by DTC on behalf of the street name holders of the shares of Company Common Stock held by such holders as of immediately prior to the Effective Time. The Rights Agent will have no responsibility whatsoever directly to the street name holders with respect to transfers of CVRs unless and until such CVRs are transferred into the name of such street name holders in accordance with Section 2.02 of this Agreement.

(c) Subject to the restrictions on transferability set forth in Section 2.02, every request made to transfer a CVR must be in writing and accompanied by a written instrument of transfer in form reasonably satisfactory to the Rights Agent, duly executed by the Holder thereof or the Holder's attorney duly authorized in writing, personal representative or survivor and setting forth in reasonable detail the circumstances relating to the transfer, including a description of how the transfer qualifies as a Permitted Transfer. Upon receipt of such written notice, the Rights Agent will, subject to its reasonable determination that the transfer instrument is in proper form and the transfer otherwise complies with the other terms and conditions of this Agreement (including the provisions of Section 2.02), register the transfer of the CVRs in the CVR Register. No service charge shall be made for any registration of transfer of a CVR, but Parent may require payment of a sum sufficient to cover any stamp or other tax or governmental charge that is imposed in connection with any such registration of transfer. The Rights Agent shall have no duty or obligation to take any action under any section of this Agreement that requires the payment by a Holder of applicable

taxes or charges unless and until the Rights Agent is satisfied that all such taxes or charges have been paid or will be paid. All duly transferred CVRs registered in the CVR Register will be the valid obligations of Parent and will entitle the transferee to the same benefits and rights under this Agreement as those held immediately prior to the transfer by the transferor. No transfer of a CVR will be valid until registered in the CVR Register, and any transfer not duly registered in the CVR Register will be void *ab initio*.

(d) A Holder may make a written request to the Rights Agent to change such Holder's address of record in the CVR Register. The written request must be duly executed by the Holder. Upon receipt of such written notice, the Rights Agent will promptly record the change of address in the CVR Register.

Section 2.04 Payment Procedures.

(a) Within ten Business Days following the Company's determination that it has achieved the Study Milestone or NDA Milestone, if any, Parent will (i) deliver to the Rights Agent a written notice (in each case, a "**Milestone Notice**") indicating the applicable Milestone achieved and (ii) in accordance with Section 4.02, transfer to the Rights Agent, at the Parent's sole discretion, (A) subject to the valuation methodology set forth below, shares of Parent Common Stock (a "**Milestone Stock Payment**"), (B) cash (a "**Milestone Cash Payment**"), or (C) a combination thereof (but in no case less than the Excess Cash Amount), equal to the aggregate CVR Payment Amount then due and payable to the Holders. For purposes of this Agreement, shares of Parent Common Stock will be valued based on the Volume Weighted Average Price.

(b) The Rights Agent will, within ten Business Days of receipt of any Milestone Notice (each such date, a " **Milestone Notice Date**"), send each Holder at its registered address a copy of the applicable Milestone Notice. At the time the Rights Agent sends a copy of such Milestone Notice to the Holders, the Rights Agent will also pay the applicable CVR Payment Amount to the Holders, with each Holder receiving (1), on account of any Milestone Stock Payment, the number of shares of Parent Common Stock equal in value (as set forth in Section 2.04(a)) to the product of A * B, where "A" equals the quotient of (i) the applicable CVR Payment Amount in respect of the applicable Milestone, *divided by* (ii) the then-outstanding number of CVRs held by all Holders including Parent, and "B" equals the number of CVRs held by such Holder as reflected on the CVR Register (such calculation, the "**Pro Rata Share**"), and, (2), on account of any Milestone Cash Payment, such Holder's Pro Rata Share of the Milestone Cash Payment. The shares of Parent Common Stock to be issued to Holders pursuant to the foregoing shall be evidenced by properly authorized share certificates registered with the Parent's stock transfer agent, or at Parent's discretion, by book entry registration with the Parent's stock transfer agent. The Milestone Cash Payment to be paid pursuant to the foregoing, shall be paid by check mailed to the address of each Holder as reflected in the CVR Register as of the close of business on the last Business Day prior to such Milestone Notice Date.

(c) In the event that any CVR Payment Amount payable to the Holders under Section 2.04(a) or Section 2.04(b) includes shares of Parent Common Stock, Parent and the Rights Agent shall take such actions as are necessary to issue or transfer to each Holder such Holder's Pro Rata Share of shares of Parent Common Stock, in accordance with applicable Law.

(d) Each of the Parent and the Surviving Corporation shall be entitled to deduct or withhold, or cause the Rights Agent to deduct or withhold, from any CVR Payment Amount otherwise payable or otherwise deliverable pursuant to this Agreement, in each case directly or through an authorized agent, such amounts as are reasonably determined to be required to be deducted or withheld therefrom under the Code or any other provision of any applicable federal, state, local or non-U.S. Tax Laws. To the extent

such amounts are so deducted or withheld and paid over or deposited with the relevant Tax authority, such amounts shall be treated for all purposes under this Agreement as having been paid to the Holder(s) to whom such amounts would otherwise have been paid or delivered. Prior to making any such Tax withholdings or causing any such Tax withholdings to be made with respect to any Holder, the Rights Agent shall, to the extent practicable, provide notice to the Holder of such potential withholding and a reasonable opportunity for the Holder to provide any necessary Tax forms (including an IRS Form W-9 or an applicable IRS Form W-8) in order to avoid or reduce such withholding amounts; provided that the time period for payment of the applicable CVR Payment Amount by the Rights Agent set forth in under Section 2.04(a) or Section 2.04(b) shall be extended by a period equal to any delay caused by the Holder providing such forms.

(e) Any portion of any CVR Payment Amount that remains undistributed to the Holders one year after an applicable Milestone Notice Date will be delivered by the Rights Agent to Parent, upon written demand, and any Holder will thereafter look only to Parent for payment of such CVR Payment Amount, without interest.

(f) Neither Parent nor the Rights Agent will be liable to any person in respect of any CVR Payment Amount delivered to a public official pursuant to any applicable abandoned property, escheat or similar Law. If, despite Parent's and the Rights Agent's reasonable best efforts to deliver a CVR Payment Amount to the applicable Holder, any CVR Payment Amount has not been paid prior to one (1) year after an applicable Milestone Notice Date (or immediately prior to such earlier date on which the CVR Payment Amount would otherwise escheat to or become the property of any Governmental Entity), any such CVR Payment Amount will, to the extent permitted by applicable Law, become the property of Parent, free and clear of all claims or interest of any person previously entitled thereto.

(g) Except to the extent any portion of any CVR Payment Amount is required to be treated as imputed interest pursuant to applicable Law, the Parties agree to treat the CVRs and the CVR Payment Amounts received with respect to the Company Common Stock pursuant to the Merger Agreement for all U.S. federal and applicable state and local income Tax purposes as additional consideration for the Company Common Stock, and none of the parties will take any position to the contrary on any U.S. federal and applicable state and local income tax return or for other U.S. federal and applicable state and local income Tax purposes except as required by applicable Law.

(h) If any cash payment arising as a result of the achievement of a Milestone (including any payment of fractional shares as set forth in Section 2.04(j)) would result in the Mergers' failing to meet the "continuity of interest" requirement set forth in Section 1.368-1(e) of the Treasury Regulations promulgated under the Code, or would otherwise cause the Mergers to fail to qualify as a "reorganization" within the meaning of Code Section 368(a), Parent shall, in lieu of cash consideration, issue to the Rights Agent, on behalf of and for the benefit of the Holders, a number of shares of Parent Common Stock (valued as set forth in Section 2.04(a)) necessary to cause the Mergers to meet the "continuity of interest" requirement set forth in Section 1.368-1(e) of the Treasury Regulations promulgated under the Code (taking into account for such determination the value of such Parent Common Stock at both the time of such payment and at the Effective Time of the First Merger) or otherwise causing the Mergers to fail to qualify as a "reorganization" within the meaning of Code Section 368(a), but in no event will Parent be required to issue Parent Stock valued in excess of the portion of the CVR Payment that has been earned as a result of the achievement of the applicable Milestone.

(i) Notwithstanding anything contained herein to the contrary, in no event shall the aggregate amount of Parent Common Stock issued, or issuable, pursuant to the terms of this Agreement and the Merger Agreement exceed the maximum amount permitted under Nasdaq rules without shareholder

approval, in which case any remaining amount of the CVR Payment Amount shall be paid in cash (the " **Excess Cash Amount**") pursuant to Section 2.04(a); provided, however, if the Excess Cash Payment would result in the Mergers failing to meet the "control" requirement of Section 368(a)(2)(E) of the Code, or would otherwise cause the Mergers to fail to qualify as a tax-free reorganization, then Parent shall use its commercially reasonable efforts to promptly obtain the necessary approval under the Nasdaq listing requirements or the requirements of any applicable securities exchange or trading market on which the Parent Common Stock is then listed in order to issue such shares and the payment requirements under this Agreement shall be suspended until such approval is obtained. Parent covenants and agrees to, as expeditiously as practicable, register or qualify the issuance of all shares of Parent Common Stock issued or transferred to Holders under this Agreement under the Securities Act and the securities or "Blue Sky" laws of each jurisdiction in which such registration or qualification is necessary.

(j) **Fractional Share Provision.** No fractional shares of Parent Common Stock shall be issued under this Agreement, and in lieu of any fraction share of Parent Common Stock otherwise issuable under this Agreement, if any, the Holder shall receive a cash payment, rounded to the nearest whole cent and without interest, in an amount equal to the product obtained by multiplying the Volume Weighted Average Price for the applicable payment by the fraction of a share the Holder would otherwise be entitled to receive.

Section 2.05 No Voting, Dividends or Interest; No Equity or Ownership Interest in Parent.

(a) Interest will not accrue on any amounts payable on the CVRs to any Holder.

(b) The CVRs will not represent any equity or ownership interest in Parent or in any constituent company to the Mergers, and therefore will not have any voting or dividend rights of any equity or ownership interest in Parent or in any constituent company to the Mergers.

Section 2.06 Ability to Abandon CVR. A Holder may at any time, at such Holder's option, abandon all of such Holder's remaining rights in a CVR by transferring such CVR to Parent without consideration therefor. Nothing in this Agreement is intended to prohibit Parent from offering to acquire CVRs for consideration in its sole discretion.

ARTICLE III
THE RIGHTS AGENT

Section 3.01 Certain Duties and Responsibilities.

(a) The Rights Agent will not have any liability for any actions taken or not taken in connection with this Agreement, except to the extent of its violation of law, willful misconduct, bad faith or gross negligence (as determined by a court of competent jurisdiction in a final and non-appealable judgment). No provision of this Agreement will require the Rights Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers.

(b) The Holders, acting by the written consent of Holders of not less than a majority of the then-outstanding CVRs (the " **Majority Holders**"), may direct in writing the Rights Agent to act on behalf of the Holders in enforcing any of their rights hereunder. The Rights Agent shall be under no obligation to institute any action, suit or proceeding, or to take any other action likely to result in the incurrence of expenses by the Rights Agent; provided that, in the event that the Rights Agent elects to institute any action, suit or proceeding, or to take any other action directed by the Holders, the acting Holders (on behalf of all Holders)

shall furnish the Rights Agent with reasonable security and indemnity for any costs and expenses that may be incurred pursuant to an agreement in form and substance satisfactory to the Rights Agent and shall reimburse the Rights Agent for any such costs and expenses upon demand by the Rights Agent. All rights of action under this Agreement may be enforced by the Rights Agent, any action, suit or proceeding instituted by the Rights Agent shall be brought in its name as the Rights Agent and any recovery in connection therewith shall be for the proportionate benefit of all the Holders, as their respective rights or interests may appear. For the avoidance of doubt, the Rights Agent shall not be obligated to act on behalf of the Holders notwithstanding the Rights Agent's receipt of a written direction from the Majority Holders in accordance with this clause (b).

Section 3.02 Certain Rights of Rights Agent. The Rights Agent undertakes to perform such duties and only such duties as are specifically set forth in this Agreement, and no implied covenants or obligations will be read into this Agreement against the Rights Agent. In addition:

(a) the Rights Agent may rely and will be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order or other paper or document believed by it in good faith to be genuine and to have been signed or presented by the proper party or parties;

(b) whenever the Rights Agent will deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Rights Agent may, in the absence of bad faith, gross negligence or willful misconduct on its part (as determined by a court of competent jurisdiction in a final and non-appealable judgment), request and rely upon an Officer's Certificate with respect to such matter;

(c) the Rights Agent may engage and consult with counsel of its selection and the written advice of such counsel or any opinion of counsel will be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon;

(d) the permissive rights of the Rights Agent to do things enumerated in this Agreement will not be construed as a duty;

(e) the Rights Agent will not be required to give any note or surety in respect of the execution of such powers or otherwise in respect of the premises;

(f) Parent agrees to indemnify Rights Agent and its affiliates and their respective employees, officers and directors for, and hold Rights Agent and its affiliates and their respective employees, officers and directors harmless against, any loss, liability, claim, demands, suits or expense arising out of or in connection with Rights Agent's duties under this Agreement, including the reasonable costs and expenses of defending Rights Agent against any claims, charges, demands, suits or loss, unless such loss has been determined by a court of competent jurisdiction to be a result of Rights Agent's violation of law, gross negligence, bad faith or willful misconduct; and

(g) Parent agrees (i) to pay the fees and expenses of the Rights Agent in connection with this Agreement as agreed upon in writing by Rights Agent and Parent from time to time, and (ii) to reimburse the Rights Agent for all taxes and governmental charges, reasonable expenses and other charges of any kind and nature incurred by the Rights Agent in the execution of this Agreement (other than taxes imposed on or measured by the Rights Agent's net income and franchise or similar taxes imposed on it (in lieu of net income taxes)). The Rights Agent will also be entitled to reimbursement from Parent for all

reasonable and necessary out-of-pocket expenses paid or incurred by it in connection with the administration by the Rights Agent of its duties hereunder, which expenses may not exceed $15,000 in the aggregate without the prior written approval of Parent (such approval not to be unreasonably withheld, delayed or conditioned); provided that the foregoing limitation on expenses shall not apply to Parent's indemnification obligations in clause (f) above.

Section 3.03 Resignation and Removal; Appointment of Successor.

(a) The Rights Agent may resign at any time by giving written notice thereof to Parent and the Holders specifying a date when such resignation will take effect, which notice will be sent at least thirty days prior to the date so specified. Parent has the right to remove Rights Agent at any time by a Board Resolution specifying a date when such removal will take effect. Notice of such removal will be given by Parent to Rights Agent, which notice will be sent at least thirty days prior to the date so specified.

(b) If the Rights Agent resigns, is removed or becomes incapable of acting, Parent, by a Board Resolution, will promptly appoint a qualified successor Rights Agent who may be a Holder but may not be an officer of Parent. The successor Rights Agent so appointed will, forthwith upon its acceptance of such appointment in accordance with this Section 3.03(b), become the successor Rights Agent.

(c) Parent will give notice to each Holder of each resignation and each removal of a Rights Agent and each appointment of a successor Rights Agent by mailing written notice of such event by first-class mail to the Holders as their names and addresses appear in the CVR Register. Each notice will include the name and address of the successor Rights Agent. If Parent fails to send such notice within ten days after acceptance of appointment by a successor Rights Agent, the successor Rights Agent will cause the notice to be mailed at the expense of Parent.

(d) Notwithstanding anything to the contrary in this Section 3.03, unless consented to in writing the Majority Holders, Parent shall not appoint as a successor Rights Agent any Person that is not a stock transfer agent of national reputation or the corporate trust department of a commercial bank.

Section 3.04 Acceptance of Appointment by Successor. Every successor Rights Agent appointed hereunder will execute, acknowledge and deliver to Parent and to the retiring Rights Agent an instrument accepting such appointment and a counterpart of this Agreement, and thereupon such successor Rights Agent, without any further act, deed or conveyance, will become vested with all the rights, powers, trusts and duties of the retiring Rights Agent. On request of Parent or the successor Rights Agent, the retiring Rights Agent will execute and deliver an instrument transferring to the successor Rights Agent all the rights, powers and trusts of the retiring Rights Agent. Notwithstanding anything contained herein to the contrary, Parent's and Holders' obligations to the Rights Agent (including, without limitation, the obligations in Section 3.02) shall survive in all respects the resignation or removal of the Rights Agent.

ARTICLE IV
COVENANTS

Section 4.01 List of Holders. Parent will furnish or cause to be furnished to the Rights Agent in such form as Parent receives from the Company's transfer agent (or other agent performing similar services for the Company), the names and addresses of the Holders within ten Business Days after the Effective Time.

Section 4.02 Payment of CVR Payment Amounts. Parent will promptly deposit with the Rights Agent, for payment to each Holder, the applicable CVR Payment Amount, if any, prior to or on the applicable Milestone Notice Date.

Section 4.03 Records. Parent shall maintain (and shall cause its affiliates to maintain) records relating to the Milestones in sufficient detail to permit the Holders to confirm whether any Milestones giving rise to any CVR Payment Amounts have been achieved by Parent or Company or their successors or affiliates.

ARTICLE V
AMENDMENTS

Section 5.01 Amendments without Consent of Holders. Without the consent of any Holders or the Rights Agent, Parent, when authorized by a Board Resolution, at any time and from time to time, may enter into one or more amendments hereto, to evidence any successor to or permitted assignee of Parent and the assumption by any such successor or permitted assignee of the covenants of Parent herein as provided in Section 6.03. Without the consent of any Holders, Parent, when authorized by a Board Resolution, and the Rights Agent, in the Rights Agent's sole and absolute discretion, at any time and from time to time, may enter into one or more amendments hereto, for any of the following purposes:

(a) to evidence the succession of another Person as a successor Rights Agent in accordance with ARTICLE III and the assumption by any successor of the covenants and obligations of the Rights Agent herein;

(b) to add to the covenants of Parent such further covenants, restrictions, conditions or provisions as Parent and the Rights Agent will consider to be for the protection of the Holders; provided that, in each case, such provisions do not materially adversely affect the interests of the Holders;

(c) to cure any ambiguity, to correct or supplement any provision herein that may be a manifest error or defective or inconsistent with any other provision herein, or to make any other provisions with respect to matters or questions arising under this Agreement; provided that, in each case, such provisions do not materially adversely affect the interests of the Holders;

(d) as may be necessary or appropriate to ensure that the CVRs are not subject to registration under the Securities Act or the Exchange Act; provided that, in each case, such provisions do not materially adversely affect the interests of the Holders; or

(e) any other amendments hereto for the purpose of adding, eliminating or changing any provisions of this Agreement, unless such addition, elimination or change is materially adverse to the interests of the Holders.

Promptly after the execution by Parent and the Rights Agent of any amendment pursuant to the provisions of this Section 5.01, Parent will mail (or cause the Rights Agent to mail) a notice thereof by first class mail to the Holders at their addresses as they appear on the CVR Register, setting forth in general terms the substance of such amendment.

Section 5.02 Amendments with Consent of Holders.

(a) Subject to Section 5.01 (which amendments pursuant to Section 5.01 may be made without the consent of the Holders), with the consent of the Majority Holders, whether evidenced in writing

or taken at a meeting of the Holders, Parent, when authorized by a Board Resolution, and the Rights Agent may enter into one or more amendments hereto for the purpose of adding, eliminating or changing any provisions of this Agreement, even if such addition, elimination or change is materially adverse to the interest of the Holders.

(b) Promptly after the execution by Parent and the Rights Agent of any amendment pursuant to the provisions of this Section 5.02, Parent will mail (or, to the extent requested by Parent in writing, cause the Rights Agent to mail) a notice thereof by first class mail to the Holders at their addresses as they appear on the CVR Register, setting forth in general terms the substance of such amendment.

Section 5.03 Execution of Amendments. In executing any amendment permitted by this ARTICLE V, the Rights Agent will be entitled to receive, and will be fully protected in relying upon, an opinion of counsel selected by Parent stating that the execution of such amendment is authorized or permitted by this Agreement. The Rights Agent may, but is not obligated to, enter into any such amendment that affects the Rights Agent's own rights, privileges, covenants or duties under this Agreement or otherwise.

Section 5.04 Effect of Amendments. Upon the execution of any amendment under this ARTICLE V, this Agreement will be modified in accordance therewith, such amendment will form a part of this Agreement for all purposes and every Holder will be bound thereby.

ARTICLE VI
OTHER PROVISIONS OF GENERAL APPLICATION

Section 6.01 Notices to Rights Agent and Parent. Any notice or other communication required or permitted hereunder shall be in writing and shall be deemed given when delivered in person, by overnight courier, or by electronic mail, or two (2) Business Days after being sent by registered or certified mail (postage prepaid, return receipt requested), as follows:

If to the Rights Agent, to it at:
Address: 6201 15th Avenue
Brooklyn, NY 11217
Telephone: (718) 921-8200
Email: reorg-RM@astfinancial.com
Attention: David Barker

With a copy to:

American Stock Transfer & Trust Company, LLC
48 Wall Street, 22nd Floor
New York, NY 10005
Attention: Legal Department
Email: legalteamAST@astfinancial.com

If to Parent, to it at:
Address: 540 Gaither Road, Suite 400, Rockville, MD 20850
Telephone: (410) 803-6406
Email: jmiller@cerecor.com

Attention: Joseph Miller, Chief Financial Officer

With a copy to Wyrick Robbins Yates & Ponton LLP:
Address: 4101 Lake Boone Trail, Suite 300, Raleigh, NC 27607
Telephone: (919) 781-4000
Email: dreynolds@wyrick.com; dcreekman@wyrick.com
Attention: Don Reynolds and David Creekman

The Rights Agent or Parent may specify a different address, email address or facsimile number by giving notice to each other in accordance with this Section 6.01 and to the Holders in accordance with Section 6.02.

Section 6.02 Notice to Holders. Where this Agreement provides for notice to Holders, such notice will be sufficiently given (unless otherwise herein expressly provided) if in writing and mailed, first-class postage prepaid, to each Holder affected by such event, at the Holder's address as it appears in the CVR Register, not later than the latest date, and not earlier than the earliest date, if any, prescribed for the giving of such notice. In any case where notice to Holders is given by mail, neither the failure to mail such notice, nor any defect in any notice so mailed, to any particular Holder will affect the sufficiency of such notice with respect to other Holders.

Section 6.03 Parent Successors and Assigns. Parent may assign, in its sole discretion and without the consent of any other party, any or all of its rights, interests and obligations hereunder to one or more direct or indirect wholly owned subsidiaries of Parent for so long as they remain wholly owned subsidiaries of Parent (each, an "**Assignee**"); provided that Parent shall remain liable for the performance by any such assignee of, and shall not be relieved of, its obligations, duties and covenants hereunder. Any such Assignee may thereafter assign, in its sole discretion and without the consent of any other party, any or all of its rights, interests and obligations hereunder to one or more additional Assignees satisfying the conditions of the preceding sentence. This Agreement will be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and permitted assignees, and this Agreement shall not restrict Parent's or any successor's ability to merge or consolidate; provided, that in the event of a Change of Control, Parent or Company, as applicable, shall cause the acquirer to assume Parent's obligations, duties and covenants under this Agreement, in which case the obligation to issue Parent Common Stock set forth herein shall be assumed by the ultimate parent company in such Change of Control and the equity issuable hereunder shall be the equity of such new Person. Except as otherwise permitted herein, Parent may not assign this Agreement without the prior written consent of the Majority Holders. Any attempted assignment of this Agreement or any of such rights in violation of this Section 6.03 shall be void and of no effect.

Section 6.04 Benefits of Agreement. Parent and the Rights Agent hereby agree that the respective covenants and agreements set forth herein are intended to be for the benefit of, and shall be enforceable by, the Holders, acting by the written consent of the Majority Holders, all of whom are intended third-party beneficiaries hereof. Nothing in this Agreement, express or implied, will give to any Person (other than the Rights Agent, Parent, Parent's successors and permitted assignees, and the Holders and their respective successors and permitted assignees) any benefit or any legal or equitable right, remedy or claim under this Agreement or under any covenant or provision herein contained, all such covenants and provisions being for the sole benefit of the Rights Agent, Parent, Parent's successors and permitted assignees, and the Holders and their respective successors and permitted assignees. The rights of Holders are limited to those expressly provided in this Agreement.

Section 6.05 Governing Law. This Agreement, and all Legal Actions (whether based on contract, tort, or statute) arising out of or relating to this Agreement or the actions of any of the parties hereto in the negotiation, administration, performance, or enforcement hereof, shall be governed by and construed in accordance with the internal laws of the Delaware without giving effect to any choice or conflict of law provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the application of Laws of any jurisdiction other than those of the State of Delaware.

Section 6.06 Submission to Jurisdiction. Each of the parties hereto irrevocably agrees that any Legal Action with respect to this Agreement and the rights and obligations arising hereunder, or for recognition and enforcement of any judgment in respect of this Agreement and the rights and obligations arising hereunder brought by any other party hereto or its successors or assigns shall be brought and determined exclusively in the State of Delaware, or in the event (but only in the event) that such court does not have subject matter jurisdiction over such Legal Action, in any state or federal court located within the State of Delaware. Each of the parties hereto agrees that mailing of process or other papers in connection with any such Legal Action in the manner provided in Section 6.01 or in such other manner as may be permitted by applicable Laws, shall be valid and sufficient service thereof. Each of the parties hereto hereby irrevocably submits with regard to any such Legal Action for itself and in respect of its property, generally and unconditionally, to the personal jurisdiction of the aforesaid courts and agrees that it shall not bring any action relating to this Agreement or any of the transactions contemplated by this Agreement in any court or tribunal other than the aforesaid courts. Each of the parties hereto hereby irrevocably waives, and agrees not to assert, by way of motion, as a defense, counterclaim, or otherwise, in any Legal Action with respect to this Agreement and the rights and obligations arising hereunder, or for recognition and enforcement of any judgment in respect of this Agreement and the rights and obligations arising hereunder: (a) any claim that it is not personally subject to the jurisdiction of the above named courts for any reason other than the failure to serve process in accordance with this Section 6.06; (b) any claim that it or its property is exempt or immune from jurisdiction of any such court or from any legal process commenced in such courts (whether through service of notice, attachment prior to judgment, attachment in aid of execution of judgment, execution of judgment or otherwise); and (c) to the fullest extent permitted by the applicable Law, any claim that (i) the suit, action, or proceeding in such court is brought in an inconvenient forum, (ii) the venue of such suit, action, or proceeding is improper, or (iii) this Agreement, or the subject matter hereof, may not be enforced in or by such courts.

Section 6.07 Severability. If any term or other provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal or incapable of being enforced by any rule of Law or public policy, all other terms, conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible to the fullest extent permitted by applicable Law and in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the extent possible.

Section 6.08 Counterparts and Signature. This Agreement may be signed in any number of counterparts, including by facsimile or other electronic transmission each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

Section 6.09 Termination. Except as otherwise provided in Section 2.04(f), this Agreement will be terminated and of no force or effect, the parties hereto will have no liability hereunder (except as set forth in Article III), and no payments will be required to be made upon the first to occur of: (a) payment of all

CVR Payment Amounts required to be paid under this Agreement, or (b) the failure to achieve the NDA Milestone prior to the sixty (60)-month anniversary of the date of this Agreement and, only if the Study Milestone was achieved, payment of the CVR Payment Amount in respect of the completion of the Study Milestone. In no event will any CVR Payment Amount become payable (x) in respect the Study Milestone achieved or occurring on or after the twenty-four (24)-month anniversary of this Agreement, or (b) in respect of the NDA Milestone achieved or occurring on or after the sixty (60)-month anniversary.

Section 6.10 Entire Agreement. This Agreement and the Merger Agreement (including the schedules, annexes and exhibits thereto, the documents and instruments referred to therein and the documents delivered pursuant thereto) constitute the entire agreement of the parties and supersede all prior agreements and undertakings, both written and oral, among the parties, or any of them, with respect to the subject matter hereof and, except as otherwise expressly provided herein or therein, are not intended to confer upon any other Person any rights or remedies hereunder or thereunder.

Section 6.11 Waiver of Jury Trial. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE IT HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT AND ANY OF THE AGREEMENTS DELIVERED IN CONNECTION HEREWITH OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (I) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE EITHER OF SUCH WAIVERS, (II) IT UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF SUCH WAIVERS, (III) IT MAKES SUCH WAIVERS VOLUNTARILY AND (IV) IT HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 6.11.

[*Remainder of page intentionally left blank*]

IN WITNESS WHEREOF, each of the parties has caused this Agreement to be executed on its behalf by its duly authorized officers as of the day and year first above written.

CERECOR INC.

By: /s/ Joseph M. Miller

Name: Joseph M. Miller

Title: Chief Financial Officer

AMERICAN STOCK TRANSFER & TRUST COMPANY, LLC

By: /s/ Michael Legregin

Name: Michael Legregin

Title: Senior Vice President, Corporate Actions

Exhibit 10.3

540 Gaither Road
Rockville, MD 20850

January 29, 2020

Michael Cola

Dear Mike:

On behalf of Cerecor Inc., a Delaware corporation (the "Company"), we are pleased to formalize for you ("you" or the "Employee") the terms of your employment with the Company as set forth in this agreement (the "Agreement").

1. In General. You will be employed by the Company, and your employment hereunder shall be governed in accordance with the provisions set forth below. The Agreement may not be modified, altered or changed, except by mutual agreement between you and the Company which must be documented in writing and signed by both parties. This Agreement shall be binding upon and inure to the benefit of the Company, its successors and assigns, without the need for further agreement or consent by either you or the Company. The failure of either party to enforce any of the provisions in this Agreement shall not be construed to be a waiver of the right of that party to enforce any such provision.

2. Position. Effective upon the consummation of the merger of the Company and Aevi Genomic Medicine, Inc. (the "Effective Date"), you will serve as the Company's Chief Executive Officer, based in the Company's offices in Wayne, Pennsylvania. You will report to the Company's Board of Directors (the "Board"). During the Employment Term, you shall devote all your business time, energy and skill and your best efforts to the performance of your duties with the Company. You shall have the duties that are commensurate with your position and any other duties that may be assigned to you by the Board, and you shall perform all such duties faithfully and efficiently in compliance with applicable law and the Company's policies, as may be in effect from time to time.

3. Term. This Agreement sets forth the terms and conditions of your employment that shall apply commencing on the Effective Date and ending upon termination of this Agreement by either party as described in Section 7 hereof (such period, the "Employment Term").

4. Base Salary. The Company agrees to pay you a base salary compensation at an annual rate of not less than Four Hundred And Fifty Thousand Dollars (US $450,000.00), payable in accordance with the regular payroll practices of the Company. The base salary as increased from time to time shall constitute the "Base Salary" for purposes of this Agreement. The Base Salary shall be subject to annual review beginning in 2021 and may be increased, but not decreased, from time to time; provided, however, that notwithstanding the foregoing, the Employee's Base Salary may be decreased in conjunction with a

reduction in base salary affecting all similarly-situated employees so long as the Employee will not experience a proportional decrease greater than that of any other similarly-situated employee.

5. Bonus Compensation.

a) Inducement Grant. As soon as practicable after the Effective Date, and subject to the approval of the Board and your execution of a separate grant document, the Company will grant you a number of non-statutory stock options to purchase 1.2 million shares of Company Common Stock. The stock options will vest over four (4) years, with a twelve-month cliff, such that the first 25% of such stock options will vest on the first anniversary following the Effective Date, and the remainder will vest in equal monthly installments, provided that you remain an employee of the Company as of each such vesting date, with an exercise price equal to the closing price of the common shares on the date of the grant on any exchange on which Company's shares are then traded. Such stock options will be granted to you pursuant to the inducement grant exception under NASDAQ Stock Market Rule 5635(c)(4), and not pursuant to the Company's 2016 Equity Incentive Plan or any other equity incentive plan of the Company, as a material inducement to your employment with the Company.

b) Additional Grants. During the Employment Term, you will also be eligible to receive additional discretionary annual equity awards determined by the Board or the Compensation Committee of the Board, in its sole discretion, provided you are employed on the date such award. Such awards may consist of restricted stock or options to acquire shares of Cerecor common stock, pursuant to the terms, conditions, and restrictions of this Agreement, the Plan or other future similar plan and the form of award agreement thereunder.

c) Annual Bonus. During the Employment Term, you shall be eligible to receive an annual discretionary bonus of a target amount of up to seventy percent (70%) of your Base Salary (pro-rated in 2020) as determined by the Board or the Compensation Committee of the Board, in its sole discretion, provided you are employed on the date such annual bonus is paid. Such bonus may consist of cash and/or, at your election, grants of additional equity awards in the Company, which shall be immediately vested, and is intended to be substantially consistent with cash bonuses and equity award bonuses paid to executives of similar grade in similarly situated companies in the biotechnology industry, subject to the results of operations and financial condition of the Company and your level of individual performance.

6. Employee Benefits. You shall be entitled to participate in any employee benefit plan that the Company has adopted or may adopt, maintain or contribute to for the benefit of its employees generally, subject to satisfying the applicable eligibility requirements. Notwithstanding the foregoing, the Company may modify or terminate any employee benefit plan at any time, provided that such modification or termination is conducted in compliance with applicable law and applied consistently to all similarly-situated employees. You will be eligible for all paid holiday time observed by the Company. In addition, you will be provided a minimum of twenty (20) days of paid vacation per year. Vacation days will accrue and may be used in accordance with the Company's written policies. Upon presentation of appropriate documentation, you shall be reimbursed in accordance with the Company's expense reimbursement policy, for all reasonable business expenses incurred in connection with the performance of your duties hereunder.

7. Termination of Employment.

a) Death or Disability. Your employment shall immediately terminate on the date of your death or upon ten (10) days' prior written notice by the Company for "Disability" (as defined in the Company's long-term disability plan as in effect from time to time or, if no such plan is in effect, as defined under Code Section 409A (as defined in Section 19 below)); provided, however, nothing herein shall give the Company the right to terminate you prior to discharging its obligations, if any, under the Family and Medical Leave Act ("FMLA"), the Americans with Disabilities Act ("ADA") or any other applicable law. Upon your termination due to death or Disability, you (or your estate or legal representative, if applicable) shall be entitled to the following payments and benefits: (i) any unpaid Base Salary through the date of termination, reimbursement for any unreimbursed business expenses under the Company's expense reimbursement policy incurred through the date of termination and any accrued but unused vacation time in accordance with Company policy, payable within thirty (30) days following such termination of employment, (ii) your prorated annual bonus earned in the year in which the termination occurs, payable when such annual bonuses are paid to other executive employees of the Company; (iii) full vesting of options awarded by the Company, which you shall have six (6) months to exercise from the date of such termination; (iv) all other vested payments, benefits or fringe benefits to which you shall be entitled under the terms of any applicable compensation arrangement or benefit, equity or fringe benefit plan or program or grant (collectively, the benefits described in Sections 7(a)(i) and 7(a)(ii) hereof shall be hereafter referred to as the "Accrued Benefits"), and (v) continued payment of your Base Salary as in effect immediately prior to your termination for six (6) consecutive months following such termination.

b) For Cause. Your employment with the Company shall terminate immediately upon written notice by the Company for Cause. "Cause" shall mean: (i) your willful misconduct or gross negligence in the performance of your duties to the Company that, if capable of cure, is not cured within thirty (30) days of your receipt of written notice from the Company; (ii) your failure to perform your duties to the Company or to follow the lawful directives of the Board acting collectively (other than as a result of death or a physical or mental incapacity) that, if capable of cure, is not cured within thirty (30) days of your receipt of written notice from the Company; (iii) your indictment for, conviction of, or pleading of guilty or nolo contendere to, a felony or any crime involving moral turpitude; (iv) any act of theft, fraud, malfeasance or dishonesty in connection with the performance of your duties to the Company that could reasonably be expected to be materially injurious to the Company; or (v) a material breach of this Agreement or any other agreement with the Company, or a material violation of the Company's code of conduct or other written policy that, if such material breach referenced in subsection (v) is capable of cure, is not cured within thirty (30) days of your receipt of written notice from the Company. Upon a termination for Cause, the Company shall pay to you only the Accrued Benefits.

c) Without Cause. Your employment may be terminated by the Company without Cause (other than for death or Disability) immediately upon written notice by the Company. Upon a termination without Cause, subject to your compliance with the obligations in Sections 8, 9 and 10 hereof, the Company shall pay to you the following payments and benefits: (i) the Accrued Benefits; (ii) continued payment of your Base Salary as in effect immediately prior to your termination for eighteen (18) consecutive months following such termination; (iii) 100% of your annual bonus earned in the year in which the termination occurs, payable when such annual bonuses are paid to other executive employees of the Company; (iv) full vesting of options awarded by the Company, which you shall have six (6) months to exercise from the date of such termination; and (v) if you timely elect and remain eligible for continued health insurance coverage under federal COBRA law or, if applicable, state insurance laws, the Company will pay your COBRA or state continuation health insurance premiums until the earliest of (x) the first anniversary of your termination; (y) expiration of your continuation coverage under COBRA; or (z) the date when you are eligible for substantially equivalent health insurance; provided, that the first payment pursuant to clauses (ii) and (iv) shall be made on the first payroll period after the sixtieth (60^{th}) day following such termination and shall include payment of any amounts that would otherwise be due prior

thereto. Provided, however, the Company has the right to terminate its payment pursuant to clause (iv) and instead pay you a lump sum amount equal to the applicable COBRA premium multiplied by the number of months remaining in the specified period if the Company determines in its discretion that continued payment of the COBRA premiums is or may be discriminatory under Section 105(h) of the Internal Revenue Code. In the event of your termination by the Company without Cause (other than for Death or Disability) within 6 months of a Change in Control, as defined in the Company's Amended and Restated 2016 Equity Incentive Plan, the payments pursuant to clauses (i)-(iii) shall be made promptly after its closing or your termination, whichever is later.

d) By Employee; For Good Reason. Your employment shall terminate upon your written notice to the Company of a termination for any reason. "Good Reason" shall mean, without your written consent, (i) a material diminution in your duties, authorities or responsibilities (other than temporarily while physically or mentally incapacitated), (ii) a permanent relocation of your primary place of employment of more than 25 miles from the initially-agreed place of employment, which relocation also causes your primary place of employment to be located further from your primary residence, or (iii) a material breach of this Agreement, including, without limitation, a diminution of your Base Salary inconsistent with Section 4 hereof. Notwithstanding the foregoing, any reasonable actions taken by the Company to accommodate a disability of Employee or pursuant to the FMLA, ADA or any other applicable law shall not constitute Good Reason for purposes of this Agreement. You shall provide the Company with a written notice detailing the specific circumstances alleged to constitute Good Reason within thirty (30) days after you first becoming aware of such circumstances (or the first opportunity when you reasonably should have become aware of such circumstances), and the Company shall have thirty (30) days following the receipt of such notice to cure such alleged "Good Reason" event. If the Company does not cure such event within the cure period, you must terminate your employment within ten (10) days following the end of such cure period, and if you do not do so, any claim of such circumstances as "Good Reason" will be deemed irrevocably waived by you. Upon a termination for Good Reason, you shall be entitled to the payments and benefits described in Section 7(c) above. Upon a termination by you other than for Good Reason, the Company shall pay to you only the Accrued Benefits.

8. Release. Any payments and benefits provided under this Agreement beyond the Accrued Benefits shall only be payable if you execute and deliver to the Company and do not revoke a general release of claims that may otherwise lie against the Company and its related parties in a form reasonably satisfactory to the Company (the "General Release"). The General Release shall be executed and delivered (and no longer subject to revocation, if applicable) within sixty (60) days following termination. The Company shall deliver to you such General Release within seven (7) days after termination.

9. Restrictive Covenants.

a) Confidentiality. You agree that you shall not, directly or indirectly, use, make available, sell, disclose or otherwise communicate to any person, either during your employment or at any time thereafter, any business and technical information or trade secrets, nonpublic, proprietary or confidential information, knowledge or data relating to the Company, any of its subsidiaries, which shall have been obtained by you during your employment by the Company (or any predecessor). The foregoing shall not apply to information that (A) was known to the public prior to its disclosure to you or (B) you are required to disclose by applicable law, regulation or legal process (provided that you provide the Company with prior notice of the contemplated disclosure and cooperate with the Company at its expense in seeking a protective order or other appropriate protection of such information). The terms and conditions of this Agreement shall remain strictly confidential, and you hereby agree not to disclose the terms and conditions hereof to any person or entity, other than immediate family members, legal advisors or personal tax or financial advisors, or prospective future employers solely for the purpose of disclosing the limitations on

your conduct imposed by the provisions of this Section 9. Provided, however, nothing in this Agreement prohibits you from reporting possible violations of federal law or regulation to any governmental agency or entity, including but not limited to the Department of Justice, the Securities and Exchange Commission, the Congress, and any agency Inspector General, or making other disclosures that are protected under the whistleblower provisions of federal law or regulation. You hereby acknowledge that you do not need the prior authorization of the Company to make any such reports or disclosures and that you are not required to notify the Company that you have made such reports or disclosures.

b) Non-Compete. You acknowledge that you perform services of a unique nature for the Company that are irreplaceable, and that your performance of such services to a competing business may result in irreparable harm to the Company. Accordingly, during the your employment hereunder and for a period of twelve (12) months thereafter, you agree that you will not, directly or indirectly, own, manage, operate, control, be employed by or render services to (whether as an employee, consultant, independent contractor or otherwise, and whether or not for compensation) any person, firm, corporation or other entity engaged in competition with the Company or any of its subsidiaries or in any other material business in which the Company or any of its subsidiaries is engaged on the date of termination or in which they have planned, on or prior to such date, to be engaged in on or after such date, in the United States. Notwithstanding the foregoing, nothing herein shall prohibit you from being a passive owner of not more than five percent (5%) of the equity securities of a publicly traded corporation engaged in a business that is in competition with the Company or any of its subsidiaries.

c) Non-Solicitation; Non-Interference. (i) During your employment with the Company and for a period of twelve (12) months thereafter, you agree that you shall not, directly or indirectly, individually or on behalf of any other person, firm, corporation or other entity, solicit, aid or induce any customer of the Company or any of its subsidiaries to purchase goods or services then sold by the Company or any of its subsidiaries from another person, firm, corporation or other entity or assist or aid any other persons or entity in identifying or soliciting any such customer.

(ii) During your employment with the Company and for a period of one (1) year thereafter, you agree that you shall not, directly or indirectly, individually or on behalf of any other person, firm, corporation or other entity, (A) solicit, aid or induce any employee, representative or agent of the Company or any of its subsidiaries to leave such employment or retention or to accept employment with or render services to or with any other person, firm, corporation or other entity unaffiliated with the Company or directly hire or retain any such employee, representative or agent, or take any action to materially assist or aid any other person, firm, corporation or other entity in identifying, hiring or soliciting any such employee, representative or agent, or (B) interfere, or aid or induce any other person or entity in interfering, with the relationship between the Company or any of its subsidiaries and any of their respective vendors, joint ventures or licensors. An employee, representative or agent shall be deemed covered by this Section 9(c) if such person was employed or retained during anytime within six (6) months prior to, or after, your termination of employment.

d) Non-Disparagement. You agree not to make negative comments or otherwise disparage the Company (including its subsidiaries) or its officers, directors, employees, shareholders, agents or products, in any manner likely to be harmful to them or their business, business reputation or personal reputation. The Company agrees to cause its senior executive management employees and the senior executive management employees of its subsidiaries not to make negative comments or otherwise disparage you, in any manner likely to be harmful to you or your business, business reputation or personal reputation. The foregoing sentences shall not be violated by truthful statements in response to legal process, required governmental testimony or filings, or administrative or arbitral proceedings (including, without limitation, depositions in connection with such proceedings).

e) Inventions. (i) You acknowledge and agree that all ideas, methods, inventions, discoveries, improvements, work products or developments ("Inventions"), whether patentable or unpatentable, (A) that relate to your work with the Company, made or conceived by you, solely or jointly with others, during the Employment Term, or (B) suggested by any work that you perform in connection with the Company, either while performing your duties with the Company or on your own time, but only insofar as the Inventions are related to you work as an employee or other service provider to the Company, shall belong exclusively to the Company (or its designee), whether or not patent applications are filed thereon. You will keep full and complete written records (the " Records"), in the manner prescribed by the Company, of all Inventions, and will promptly disclose all Inventions completely and in writing to the Company. The Records shall be the sole and exclusive property of the Company, and you will surrender them upon the termination of the Employment Term, or upon the Company's request. You will assign to the Company the Inventions and all patents that may issue thereon in any and all countries, whether during or subsequent to the Employment Term, together with the right to file, in your name or in the name of the Company (or its designee), applications for patents and equivalent rights (the "Applications"). You will, at any time during and subsequent to the Employment Term, make such applications, sign such papers, take all right full oaths, and perform all acts as may be requested from time to time by the Company with respect to the Inventions. You will also execute assignments to the Company (or its designee) of the Applications, and give the Company and its attorneys all reasonable assistance (including the giving of testimony) to obtain the Inventions for its benefit. The Company will reimburse you for any reasonable, documented out-of-pocket expenses incurred by you as a result of the Company's request(s) in complying with this Section 9(f)(i), including travel, duplicating or telephonic expenses incurred by you, but without additional compensation to you from the Company.

(ii) In addition, the Inventions will be deemed Work for Hire, as such term is defined under the copyright laws of the United States, on behalf of the Company and you agree that the Company will be the sole owner of the Inventions, and all underlying rights therein, in all media now known or hereinafter devised, throughout the universe and in perpetuity without any further obligations to you. If the Inventions, or any portion thereof, are deemed not to be Work for Hire, you hereby irrevocably convey, transfer and assign to the Company all rights, in all media now known or hereinafter devised, throughout the universe and in perpetuity, in and to the Inventions, including, without limitation, all of your right, title and interest in the copyrights (and all renewals, revivals and extensions thereof) to the Inventions, including, without limitation, all rights of any kind or any nature now or hereafter recognized, including without limitation, the unrestricted right to make modifications, adaptations and revisions to the Inventions, to exploit and allow others to exploit the Inventions and all rights to sue at law or in equity for any infringement, or other unauthorized use or conduct in derogation of the Inventions, known or unknown, prior to the date hereof, including, without limitation, the right to receive all proceeds and damages therefrom. In addition, you hereby waive any so-called "moral rights" with respect to the Inventions. You hereby waive any and all currently existing and future monetary rights in and to the Inventions and all patents that may issue thereon, including, without limitation, any rights that would otherwise accrue to your benefit by virtue of you being an employee of or other service provider to the Company.

(f) Return of Company Property. On the date of your termination of employment with the Company for any reason (or at any time prior thereto at the Company's request), you shall return all property belonging to the Company or its subsidiaries (including, but not limited to, any Company-provided laptops, computers, cell phones, wireless electronic mail devices or other equipment, or documents and property belonging to the Company).

(g) Reformation. If it is determined by a court of competent jurisdiction in any state that any restriction in this Section 9 is excessive in duration or scope or is unreasonable or unenforceable under the laws of that state, it is the intention of the parties that such restriction may be modified or amended by the court to render it enforceable to the maximum extent permitted by the laws of that state.

(h) Tolling. In the event of any violation of the provisions of this Section 9 you acknowledge and agree that the post-termination restrictions contained in this Section 9 shall be extended by a period equal to the period of such violation, it being the intention of the parties hereto that the running of the applicable post-termination restriction period shall be tolled during any period of such violation.

(i) Survival of Provisions. The obligations contained in Sections 8, 9 and 10 hereof shall survive the termination or expiration of the Employment Term and your employment with the Company and shall be fully enforceable thereafter.

10. Cooperation. Upon the receipt of reasonable notice from the Company (including outside counsel), you agree that while employed by the Company and thereafter, you will respond and provide information with regard to matters in which you have knowledge as a result of your employment with the Company, and will provide reasonable assistance to the Company, its subsidiaries and their respective representatives in defense of any claims that may be made against the Company or its affiliates, and will assist the Company and its subsidiaries in the prosecution of any claims that may be made by the Company or its subsidiaries, to the extent that such claims may relate to the period of your employment with the Company. You agree to promptly inform the Company if you become aware of any lawsuits involving such claims that may be filed or threatened against the Company or its subsidiaries. You also agree to promptly inform the Company (to the extent that you are legally permitted to do so) if you are asked to assist in any investigation of the Company or its subsidiaries (or their actions), regardless of whether a lawsuit or other proceeding has then been filed against the Company or its affiliates with respect to such investigation, and shall not do so unless legally required. Upon presentation of appropriate documentation, the Company shall pay or reimburse you for all reasonable out-of-pocket travel, duplicating or telephonic expenses incurred by you in complying with this Section 10.

11. Equitable Relief and Other Remedies. You acknowledge and agree that the Company's remedies at law for a breach or threatened breach of any of the provisions of Section 8, 9 or 10 hereof would be inadequate and, in recognition of this fact, you agree that, in the event of such a breach or threatened breach, in addition to any remedies at law, the Company, without posting any bond, shall be entitled to equitable relief in the form of specific performance, a temporary restraining order, a temporary or permanent injunction or any other equitable remedy which may then be available. In the event a violation by you of Section 9 or Section 10 hereof is determined by a court of competent jurisdiction in any state, any severance being paid to you pursuant to this Agreement or otherwise shall immediately cease, and any severance previously paid to you (other than $1,000) shall be immediately repaid to the Company.

12. No Assignments. This Agreement is personal to each of the parties hereto. Except as provided in this Section 12 no party may assign or delegate any rights or obligations hereunder without first obtaining the written consent of the other party hereto. The Company may assign this Agreement to any successor to all or substantially all of the business and/or assets of the Company.

13. Severability. The provisions of this Agreement shall be deemed severable and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof.

14. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

15. Governing Law; Disputes. The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of Delaware without regard to the choice of law principles thereof that would result in the application of the laws of any other jurisdiction. You and the Company agree that any action or proceeding to enforce or arising out of this Agreement may be commenced in the state courts of New Castle County, Delaware or the United States District Court located in Wilmington, Delaware. You and the Company consent to such jurisdiction, agree that venue will be proper in such courts and waive any objections upon "forum non conveniens."

16. Miscellaneous. No provision of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing and signed by you and such officer or director as may be designated by the Board acting collectively. No waiver by either party hereto at any time of any breach by the other party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. This Agreement sets forth the entire agreement of the parties hereto in respect of the subject matter contained herein and supersedes any and all prior agreements or understandings between you and the Company or any of its subsidiaries with respect to the subject matter hereof. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party which are not expressly set forth in this Agreement.

17. Representations. You represent and warrant to the Company that (a) you have the legal right to enter into this Agreement and to perform all of the obligations on your part to be performed hereunder in accordance with its terms, and (b) you are not a party to any agreement or understanding, written or oral, and is not subject to any restriction, which, in either case, could prevent you from entering into this Agreement or performing all of your duties and obligations hereunder.

18. Tax Withholding. The Company may withhold from any and all amounts payable under this Agreement such federal, state and local taxes as may be required to be withheld pursuant to any applicable law or regulation.

19. Code Section 409A.

(a) The intent of the parties is that payments and benefits under this Agreement comply with, or be exempt from, Internal Revenue Code Section 409A and the regulations and guidance promulgated thereunder (collectively "Code Section 409A") and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted to be in compliance therewith. In no event whatsoever shall the Company be liable for any additional tax, interest or penalty that may be imposed on you by Code Section 409A or any damages for failing to comply with Code Section 409A.

(b) A termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amounts or benefits upon or following a termination of employment that are considered ''non-qualified deferred compensation" under Code Section 409A unless such termination is also a "separation from service" within the meaning of Code Section 409A and, for purposes of any such provision of this Agreement, references to a 'termination," 'termination of employment" or like terms shall mean "separation from service." If you are deemed on the date of termination to be a "specified employee" within the meaning of that term under Code Section 409A(a)(2)(B), then with regard to any payment that is considered non-qualified deferred compensation

under Code Section 409A payable on account of a "separation from service," such payment or benefit shall be made or provided at the date which is the earlier of (A) the expiration of the six (6)-month period measured from the date of your "separation from service", and (B) the date of your death (the "Delay Period"). Upon the expiration of the Delay Period, all payments and benefits delayed pursuant to this Section 19 (whether they would have otherwise been payable in a single sum or in installments in the absence of such delay) shall be paid or reimbursed to you in a lump sum and any remaining payments and benefits due under this Agreement shall be paid or provided in accordance with the normal payment dates specified for them herein.

(c) With regard to any provision herein that provides for reimbursement of costs and expenses or in-kind benefits, except as permitted by Code Section 409A, (i) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit, (ii) the amount of expenses eligible for reimbursement, or in-kind benefits, provided during any taxable year shall not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year, provided that the foregoing clause (ii) shall not be violated with regard to expenses reimbursed under any arrangement covered by Internal Revenue Code Section 95(b) solely because such expenses are subject to a limit related to the period the arrangement is in effect and (iii) such payments shall be made on or before the last day of your taxable year following the taxable year in which the expense occurred.

(d) For purposes of Code Section 409A, your right to receive any installment payments pursuant to this Agreement shall be treated as a right to receive a series of separate and distinct payments. In no event may you, directly or indirectly, designate the calendar year of any payment to be made under this Agreement that is considered non-qualified deferred compensation.

To indicate your acceptance of the Company's offer, please sign and date this letter in the space provided below and return it to Rebecca Hoffman via email to rhoffman@cerecor.com.

[Signature page follows.]

Sincerely,

CERECOR INC.

/s/ Joseph M. Miller

Joseph M. Miller
Chief Financial Officer

/s/ Michael Cola

Michael Cola

Exhibit 10.4

540 Gaither Road
Rockville, MD 20850

January 30, 2020

Garry Neil

Dear Garry:

On behalf of Cerecor Inc., a Delaware corporation (the "Company"), we are pleased to formalize for you ("you" or the "Employee") the terms of your employment with the Company as set forth in this agreement (the "Agreement").

1. In General. You will be employed by the Company, and your employment hereunder shall be governed in accordance with the provisions set forth below. The Agreement may not be modified, altered or changed, except by mutual agreement between you and the Company which must be documented in writing and signed by both parties. This Agreement shall be binding upon and inure to the benefit of the Company, its successors and assigns, without the need for further agreement or consent by either you or the Company. The failure of either party to enforce any of the provisions in this Agreement shall not be construed to be a waiver of the right of that party to enforce any such provision.

2. Position. Effective upon the consummation of the merger of the Company and Aevi Genomic Medicine, Inc. (the "Effective Date"), you will serve as the Company's Chief Medical Officer, based in the Company's offices in Wayne, Pennsylvania. You will report to the Company's Chief Executive Officer ("CEO"). During the Employment Term, you shall devote all your business time, energy and skill and your best efforts to the performance of your duties with the Company. You shall have the duties that are commensurate with your position and any other duties that may be assigned to you by the CEO and/or the Company's Board of Directors (the "Board"), and you shall perform all such duties faithfully and efficiently in compliance with applicable law and the Company's policies, as may be in effect from time to time.

3. Term. This Agreement sets forth the terms and conditions of your employment that shall apply commencing on the Effective Date and ending upon termination of this Agreement by either party as described in Section 7 hereof (such period, the "Employment Term").

4. Base Salary. The Company agrees to pay you a base salary compensation at an annual rate of not less than Four Hundred and Ten Thousand Dollars (US $410,000.00), payable in accordance with the regular payroll practices of the Company. The base salary as increased from time to time shall constitute the "Base Salary" for purposes of this Agreement. The Base Salary shall be subject to annual review

beginning in 2021 and may be increased, but not decreased, from time to time; provided, however, that notwithstanding the foregoing, the Employee's Base Salary may be decreased in conjunction with a reduction in base salary affecting all similarly-situated employees so long as the Employee will not experience a proportional decrease greater than that of any other similarly-situated employee.

5. Bonus Compensation.

a) Inducement Grant. As soon as practicable after the Effective Date, and subject to the approval of the Board and your execution of a separate grant document, the Company will grant you a number of non-statutory stock options to purchase eight hundred thousand (800,000) shares of Company Common Stock. The stock options will vest over four (4) years, with a twelve-month cliff, such that the first 25% of such stock options will vest on the first anniversary following the Effective Date, and the remainder will vest in equal monthly installments, provided that you remain an employee of the Company as of each such vesting date, with an exercise price equal to the closing price of the common shares on the date of the grant on any exchange on which Company's shares are then traded. Such stock options will be granted to you pursuant to the inducement grant exception under NASDAQ Stock Market Rule 5635(c)(4), and not pursuant to the Company's 2016 Equity Incentive Plan or any other equity incentive plan of the Company, as a material inducement to your employment with the Company.

b) Additional Grants. During the Employment Term, you will also be eligible to receive additional discretionary annual equity awards determined by the Board or the Compensation Committee of the Board, in its sole discretion, provided you are employed on the date such award. Such awards may consist of restricted stock or options to acquire shares of Cerecor common stock, pursuant to the terms, conditions, and restrictions of this Agreement, the Plan or other future similar plan and the form of award agreement thereunder.

c) Annual Bonus. During the Employment Term, you shall be eligible to receive an annual discretionary bonus of a target amount of up to sixty percent (60%) of your Base Salary (pro-rated in 2020) as determined by the Board or the Compensation Committee of the Board, in its sole discretion, provided you are employed on the date such annual bonus is paid. Such bonus may consist of cash and/or, at your election, grants of additional equity awards in the Company, which shall be immediately vested, and is intended to be substantially consistent with cash bonuses and equity award bonuses paid to executives of similar grade in similarly situated companies in the biotechnology industry, subject to the results of operations and financial condition of the Company and your level of individual performance.

6. Employee Benefits. You shall be entitled to participate in any employee benefit plan that the Company has adopted or may adopt, maintain or contribute to for the benefit of its employees generally, subject to satisfying the applicable eligibility requirements. Notwithstanding the foregoing, the Company may modify or terminate any employee benefit plan at any time, provided that such modification or termination is conducted in compliance with applicable law and applied consistently to all similarly-situated employees. You will be eligible for all paid holiday time observed by the Company. In addition, you will be provided a minimum of twenty (20) days of paid vacation per year. Vacation days will accrue and may be used in accordance with the Company's written policies. Upon presentation of appropriate documentation, you shall be reimbursed in accordance with the Company's expense reimbursement policy, for all reasonable business expenses incurred in connection with the performance of your duties hereunder.

7. Termination of Employment.

a) Death or Disability. Your employment shall immediately terminate on the date of your death or upon ten (10) days' prior written notice by the Company for "Disability" (as defined in the Company's long-term disability plan as in effect from time to time or, if no such plan is in effect, as defined under Code Section 409A (as defined in Section 19 below)); provided, however, nothing herein shall give the Company the right to terminate you prior to discharging its obligations, if any, under the Family and Medical Leave Act ("FMLA"), the Americans with Disabilities Act ("ADA") or any other applicable law. Upon your termination due to death or Disability, you (or your estate or legal representative, if applicable) shall be entitled to the following payments and benefits: (i) any unpaid Base Salary through the date of termination, reimbursement for any unreimbursed business expenses under the Company's expense reimbursement policy incurred through the date of termination and any accrued but unused vacation time in accordance with Company policy, payable within thirty (30) days following such termination of employment, (ii) your prorated annual bonus earned in the year in which the termination occurs, payable when such annual bonuses are paid to other executive employees of the Company; (iii) full vesting of options awarded by the Company, which you shall have six (6) months to exercise from the date of such termination; (iv) all other vested payments, benefits or fringe benefits to which you shall be entitled under the terms of any applicable compensation arrangement or benefit, equity or fringe benefit plan or program or grant (collectively, the benefits described in Sections 7(a)(i) and 7(a)(ii) hereof shall be hereafter referred to as the "Accrued Benefits"), and (v) continued payment of your Base Salary as in effect immediately prior to your termination for six (6) consecutive months following such termination.

b) For Cause. Your employment with the Company shall terminate immediately upon written notice by the Company for Cause. "Cause" shall mean: (i) your willful misconduct or gross negligence in the performance of your duties to the Company that, if capable of cure, is not cured within thirty (30) days of your receipt of written notice from the Company; (ii) your failure to perform your duties to the Company or to follow the lawful directives of the Board acting collectively (other than as a result of death or a physical or mental incapacity) that, if capable of cure, is not cured within thirty (30) days of your receipt of written notice from the Company; (iii) your indictment for, conviction of, or pleading of guilty or nolo contendere to, a felony or any crime involving moral turpitude; (iv) any act of theft, fraud, malfeasance or dishonesty in connection with the performance of your duties to the Company that could reasonably be expected to be materially injurious to the Company; or (v) a material breach of this Agreement or any other agreement with the Company, or a material violation of the Company's code of conduct or other written policy that, if such material breach referenced in subsection (v) is capable of cure, is not cured within thirty (30) days of your receipt of written notice from the Company. Upon a termination for Cause, the Company shall pay to you only the Accrued Benefits.

c) Without Cause. Your employment may be terminated by the Company without Cause (other than for death or Disability) immediately upon written notice by the Company. Upon a termination without Cause, subject to your compliance with the obligations in Sections 8, 9 and 10 hereof, the Company shall pay to you the following payments and benefits: (i) the Accrued Benefits; (ii) continued payment of your Base Salary as in effect immediately prior to your termination for eighteen (18) consecutive months following such termination; (iii) 100% of your annual bonus earned in the year in which the termination occurs, payable when such annual bonuses are paid to other executive employees of the Company; (iv) full vesting of options awarded by the Company, which you shall have six (6) months to exercise from the date of such termination; and (v) if you timely elect and remain eligible for continued health insurance coverage under federal COBRA law or, if applicable, state insurance laws, the Company will pay your COBRA or state continuation health insurance premiums until the earliest of (x) the first anniversary of your termination; (y) expiration of your continuation coverage under COBRA; or (z) the date when you are eligible for substantially equivalent health insurance; provided, that the first payment

pursuant to clauses (ii) and (iv) shall be made on the first payroll period after the sixtieth (60^{th}) day following such termination and shall include payment of any amounts that would otherwise be due prior thereto. Provided, however, the Company has the right to terminate its payment pursuant to clause (iv) and instead pay you a lump sum amount equal to the applicable COBRA premium multiplied by the number of months remaining in the specified period if the Company determines in its discretion that continued payment of the COBRA premiums is or may be discriminatory under Section 105(h) of the Internal Revenue Code. In the event of your termination by the Company without Cause (other than for Death or Disability) within 6 months of a Change in Control, as defined in the Company's Amended and Restated 2016 Equity Incentive Plan, the payments pursuant to clauses (i)-(iii) shall be made promptly after its closing or your termination, whichever is later.

d) By Employee; For Good Reason. Your employment shall terminate upon your written notice to the Company of a termination for any reason. "Good Reason" shall mean, without your written consent, (i) a material diminution in your duties, authorities or responsibilities (other than temporarily while physically or mentally incapacitated), (ii) a permanent relocation of your primary place of employment of more than 25 miles from the initially-agreed place of employment, which relocation also causes your primary place of employment to be located further from your primary residence, or (iii) a material breach of this Agreement, including, without limitation, a diminution of your Base Salary inconsistent with Section 4 hereof. Notwithstanding the foregoing, any reasonable actions taken by the Company to accommodate a disability of Employee or pursuant to the FMLA, ADA or any other applicable law shall not constitute Good Reason for purposes of this Agreement. You shall provide the Company with a written notice detailing the specific circumstances alleged to constitute Good Reason within thirty (30) days after you first becoming aware of such circumstances (or the first opportunity when you reasonably should have become aware of such circumstances), and the Company shall have thirty (30) days following the receipt of such notice to cure such alleged "Good Reason" event. If the Company does not cure such event within the cure period, you must terminate your employment within ten (10) days following the end of such cure period, and if you do not do so, any claim of such circumstances as "Good Reason" will be deemed irrevocably waived by you. Upon a termination for Good Reason, you shall be entitled to the payments and benefits described in Section 7(c) above. Upon a termination by you other than for Good Reason, the Company shall pay to you only the Accrued Benefits.

8. Release. Any payments and benefits provided under this Agreement beyond the Accrued Benefits shall only be payable if you execute and deliver to the Company and do not revoke a general release of claims that may otherwise lie against the Company and its related parties in a form reasonably satisfactory to the Company (the "General Release"). The General Release shall be executed and delivered (and no longer subject to revocation, if applicable) within sixty (60) days following termination. The Company shall deliver to you such General Release within seven (7) days after termination.

9. Restrictive Covenants.

a) Confidentiality. You agree that you shall not, directly or indirectly, use, make available, sell, disclose or otherwise communicate to any person, either during your employment or at any time thereafter, any business and technical information or trade secrets, nonpublic, proprietary or confidential information, knowledge or data relating to the Company, any of its subsidiaries, which shall have been obtained by you during your employment by the Company (or any predecessor). The foregoing shall not apply to information that (A) was known to the public prior to its disclosure to you or (B) you are required to disclose by applicable law, regulation or legal process (provided that you provide the Company with prior notice of the contemplated disclosure and cooperate with the Company at its expense in seeking a protective order or other appropriate protection of such information). The terms and conditions of this Agreement shall remain strictly confidential, and you hereby agree not to disclose the terms and conditions

hereof to any person or entity, other than immediate family members, legal advisors or personal tax or financial advisors, or prospective future employers solely for the purpose of disclosing the limitations on your conduct imposed by the provisions of this Section 9. Provided, however, nothing in this Agreement prohibits you from reporting possible violations of federal law or regulation to any governmental agency or entity, including but not limited to the Department of Justice, the Securities and Exchange Commission, the Congress, and any agency Inspector General, or making other disclosures that are protected under the whistleblower provisions of federal law or regulation. You hereby acknowledge that you do not need the prior authorization of the Company to make any such reports or disclosures and that you are not required to notify the Company that you have made such reports or disclosures.

b) Non-Compete. You acknowledge that you perform services of a unique nature for the Company that are irreplaceable, and that your performance of such services to a competing business may result in irreparable harm to the Company. Accordingly, during the your employment hereunder and for a period of twelve (12) months thereafter, you agree that you will not, directly or indirectly, own, manage, operate, control, be employed by or render services to (whether as an employee, consultant, independent contractor or otherwise, and whether or not for compensation) any person, firm, corporation or other entity engaged in competition with the Company or any of its subsidiaries or in any other material business in which the Company or any of its subsidiaries is engaged on the date of termination or in which they have planned, on or prior to such date, to be engaged in on or after such date, in any locale of any country in which the Company or any of its subsidiaries conducts business (the "Restricted Territory"). You agree that the Restricted Territory includes the following severable and divisible geographic areas: the United States. Notwithstanding the foregoing, nothing herein shall prohibit you from being a passive owner of not more than five percent (5%) of the equity securities of a publicly traded corporation engaged in a business that is in competition with the Company or any of its subsidiaries.

c) Non-Solicitation; Non-Interference. (i) During your employment with the Company and for a period of twelve (12) months thereafter, you agree that you shall not, directly or indirectly, individually or on behalf of any other person, firm, corporation or other entity, solicit, aid or induce any customer of the Company or any of its subsidiaries to purchase goods or services then sold by the Company or any of its subsidiaries from another person, firm, corporation or other entity or assist or aid any other persons or entity in identifying or soliciting any such customer.

(ii) During your employment with the Company and for a period of one (1) year thereafter, you agree that you shall not, directly or indirectly, individually or on behalf of any other person, firm, corporation or other entity, (A) solicit, aid or induce any employee, representative or agent of the Company or any of its subsidiaries to leave such employment or retention or to accept employment with or render services to or with any other person, firm, corporation or other entity unaffiliated with the Company or directly hire or retain any such employee, representative or agent, or take any action to materially assist or aid any other person, firm, corporation or other entity in identifying, hiring or soliciting any such employee, representative or agent, or (B) interfere, or aid or induce any other person or entity in interfering, with the relationship between the Company or any of its subsidiaries and any of their respective vendors, joint ventures or licensors. An employee, representative or agent shall be deemed covered by this Section 9(c) if such person was employed or retained during anytime within six (6) months prior to, or after, your termination of employment.

d) Non-Disparagement. You agree not to make negative comments or otherwise disparage the Company (including its subsidiaries) or its officers, directors, employees, shareholders, agents or products, in any manner likely to be harmful to them or their business, business reputation or personal reputation. The Company agrees to cause its senior executive management employees and the senior executive management employees of its subsidiaries not to make negative comments or otherwise

disparage you, in any manner likely to be harmful to you or your business, business reputation or personal reputation. The foregoing sentences shall not be violated by truthful statements in response to legal process, required governmental testimony or filings, or administrative or arbitral proceedings (including, without limitation, depositions in connection with such proceedings).

e) Inventions. (i) You acknowledge and agree that all ideas, methods, inventions, discoveries, improvements, work products or developments ("Inventions"), whether patentable or unpatentable, (A) that relate to your work with the Company, made or conceived by you, solely or jointly with others, during the Employment Term, or (B) suggested by any work that you perform in connection with the Company, either while performing your duties with the Company or on your own time, but only insofar as the Inventions are related to you work as an employee or other service provider to the Company, shall belong exclusively to the Company (or its designee), whether or not patent applications are filed thereon. You will keep full and complete written records (the " Records"), in the manner prescribed by the Company, of all Inventions, and will promptly disclose all Inventions completely and in writing to the Company. The Records shall be the sole and exclusive property of the Company, and you will surrender them upon the termination of the Employment Term, or upon the Company's request. You will assign to the Company the Inventions and all patents that may issue thereon in any and all countries, whether during or subsequent to the Employment Term, together with the right to file, in your name or in the name of the Company (or its designee), applications for patents and equivalent rights (the "Applications"). You will, at any time during and subsequent to the Employment Term, make such applications, sign such papers, take all right full oaths, and perform all acts as may be requested from time to time by the Company with respect to the Inventions. You will also execute assignments to the Company (or its designee) of the Applications, and give the Company and its attorneys all reasonable assistance (including the giving of testimony) to obtain the Inventions for its benefit. The Company will reimburse you for any reasonable, documented out-of-pocket expenses incurred by you as a result of the Company's request(s) in complying with this Section 9(f)(i), including travel, duplicating or telephonic expenses incurred by you, but without additional compensation to you from the Company.

(ii) In addition, the Inventions will be deemed Work for Hire, as such term is defined under the copyright laws of the United States, on behalf of the Company and you agree that the Company will be the sole owner of the Inventions, and all underlying rights therein, in all media now known or hereinafter devised, throughout the universe and in perpetuity without any further obligations to you. If the Inventions, or any portion thereof, are deemed not to be Work for Hire, you hereby irrevocably convey, transfer and assign to the Company all rights, in all media now known or hereinafter devised, throughout the universe and in perpetuity, in and to the Inventions, including, without limitation, all of your right, title and interest in the copyrights (and all renewals, revivals and extensions thereof) to the Inventions, including, without limitation, all rights of any kind or any nature now or hereafter recognized, including without limitation, the unrestricted right to make modifications, adaptations and revisions to the Inventions, to exploit and allow others to exploit the Inventions and all rights to sue at law or in equity for any infringement, or other unauthorized use or conduct in derogation of the Inventions, known or unknown, prior to the date hereof, including, without limitation, the right to receive all proceeds and damages therefrom. In addition, you hereby waive any so-called "moral rights" with respect to the Inventions. You hereby waive any and all currently existing and future monetary rights in and to the Inventions and all patents that may issue thereon, including, without limitation, any rights that would otherwise accrue to your benefit by virtue of you being an employee of or other service provider to the Company.

(f) Return of Company Property. On the date of your termination of employment with the Company for any reason (or at any time prior thereto at the Company's request), you shall return all

property belonging to the Company or its subsidiaries (including, but not limited to, any Company-provided laptops, computers, cell phones, wireless electronic mail devices or other equipment, or documents and property belonging to the Company).

(g) Reformation. If it is determined by a court of competent jurisdiction in any state that any restriction in this Section 9 is excessive in duration or scope or is unreasonable or unenforceable under the laws of that state, it is the intention of the parties that such restriction may be modified or amended by the court to render it enforceable to the maximum extent permitted by the laws of that state.

(h) Tolling. In the event of any violation of the provisions of this Section 9 you acknowledge and agree that the post-termination restrictions contained in this Section 9 shall be extended by a period equal to the period of such violation, it being the intention of the parties hereto that the running of the applicable post-termination restriction period shall be tolled during any period of such violation.

(i) Survival of Provisions. The obligations contained in Sections 8, 9 and 10 hereof shall survive the termination or expiration of the Employment Term and your employment with the Company and shall be fully enforceable thereafter.

10. Cooperation. Upon the receipt of reasonable notice from the Company (including outside counsel), you agree that while employed by the Company and thereafter, you will respond and provide information with regard to matters in which you have knowledge as a result of your employment with the Company, and will provide reasonable assistance to the Company, its subsidiaries and their respective representatives in defense of any claims that may be made against the Company or its affiliates, and will assist the Company and its subsidiaries in the prosecution of any claims that may be made by the Company or its subsidiaries, to the extent that such claims may relate to the period of your employment with the Company. You agree to promptly inform the Company if you become aware of any lawsuits involving such claims that may be filed or threatened against the Company or its subsidiaries. You also agree to promptly inform the Company (to the extent that you are legally permitted to do so) if you are asked to assist in any investigation of the Company or its subsidiaries (or their actions), regardless of whether a lawsuit or other proceeding has then been filed against the Company or its affiliates with respect to such investigation, and shall not do so unless legally required. Upon presentation of appropriate documentation, the Company shall pay or reimburse you for all reasonable out-of-pocket travel, duplicating or telephonic expenses incurred by you in complying with this Section 10.

11. Equitable Relief and Other Remedies. You acknowledge and agree that the Company's remedies at law for a breach or threatened breach of any of the provisions of Section 8, 9 or 10 hereof would be inadequate and, in recognition of this fact, you agree that, in the event of such a breach or threatened breach, in addition to any remedies at law, the Company, without posting any bond, shall be entitled to equitable relief in the form of specific performance, a temporary restraining order, a temporary or permanent injunction or any other equitable remedy which may then be available. In the event a violation by you of Section 9 or Section 10 hereof is determined by a court of competent jurisdiction in any state, any severance being paid to you pursuant to this Agreement or otherwise shall immediately cease, and any severance previously paid to you (other than $1,000) shall be immediately repaid to the Company.

12. No Assignments. This Agreement is personal to each of the parties hereto. Except as provided in this Section 12 no party may assign or delegate any rights or obligations hereunder without

first obtaining the written consent of the other party hereto. The Company may assign this Agreement to any successor to all or substantially all of the business and/or assets of the Company.

13. Severability. The provisions of this Agreement shall be deemed severable and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof.

14. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

15. Governing Law; Disputes. The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of Delaware without regard to the choice of law principles thereof that would result in the application of the laws of any other jurisdiction. You and the Company agree that any action or proceeding to enforce or arising out of this Agreement may be commenced in the state courts of New Castle County, Delaware or the United States District Court located in Wilmington, Delaware. You and the Company consent to such jurisdiction, agree that venue will be proper in such courts and waive any objections upon "forum non conveniens."

16. Miscellaneous. No provision of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing and signed by you and such officer or director as may be designated by the Board acting collectively. No waiver by either party hereto at any time of any breach by the other party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. This Agreement sets forth the entire agreement of the parties hereto in respect of the subject matter contained herein and supersedes any and all prior agreements or understandings between you and the Company or any of its subsidiaries with respect to the subject matter hereof. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party which are not expressly set forth in this Agreement.

17. Representations. You represent and warrant to the Company that (a) you have the legal right to enter into this Agreement and to perform all of the obligations on your part to be performed hereunder in accordance with its terms, and (b) you are not a party to any agreement or understanding, written or oral, and is not subject to any restriction, which, in either case, could prevent you from entering into this Agreement or performing all of your duties and obligations hereunder.

18. Tax Withholding. The Company may withhold from any and all amounts payable under this Agreement such federal, state and local taxes as may be required to be withheld pursuant to any applicable law or regulation.

19. Code Section 409A.

(a) The intent of the parties is that payments and benefits under this Agreement comply with, or be exempt from, Internal Revenue Code Section 409A and the regulations and guidance promulgated thereunder (collectively "Code Section 409A") and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted to be in compliance therewith. In no event whatsoever shall the Company be liable for any additional tax, interest or penalty that may be imposed on you by Code Section 409A or any damages for failing to comply with Code Section 409A.

(b) A termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amounts or benefits upon or following a termination of employment that are considered ‘‘non-qualified deferred compensation” under Code Section 409A unless such termination is also a “separation from service” within the meaning of Code Section 409A and, for purposes of any such provision of this Agreement, references to a ‘termination,” ‘termination of employment” or like terms shall mean “separation from service.” If you are deemed on the date of termination to be a ‘‘specified employee” within the meaning of that term under Code Section 409A(a)(2)(B), then with regard to any payment that is considered non-qualified deferred compensation under Code Section 409A payable on account of a “separation from service,” such payment or benefit shall be made or provided at the date which is the earlier of (A) the expiration of the six (6)-month period measured from the date of your “separation from service”, and (B) the date of your death (the “Delay Period”). Upon the expiration of the Delay Period, all payments and benefits delayed pursuant to this Section 19 (whether they would have otherwise been payable in a single sum or in installments in the absence of such delay) shall be paid or reimbursed to you in a lump sum and any remaining payments and benefits due under this Agreement shall be paid or provided in accordance with the normal payment dates specified for them herein.

(c) With regard to any provision herein that provides for reimbursement of costs and expenses or in-kind benefits, except as permitted by Code Section 409A, (i) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit, (ii) the amount of expenses eligible for reimbursement, or in-kind benefits, provided during any taxable year shall not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year, provided that the foregoing clause (ii) shall not be violated with regard to expenses reimbursed under any arrangement covered by Internal Revenue Code Section 95(b) solely because such expenses are subject to a limit related to the period the arrangement is in effect and (iii) such payments shall be made on or before the last day of your taxable year following the taxable year in which the expense occurred.

(d) For purposes of Code Section 409A, your right to receive any installment payments pursuant to this Agreement shall be treated as a right to receive a series of separate and distinct payments. In no event may you, directly or indirectly, designate the calendar year of any payment to be made under this Agreement that is considered non-qualified deferred compensation.

To indicate your acceptance of the Company’s offer, please sign and date this letter in the space provided below and return it to Rebecca Hoffman via email to rhoffman@cerecor.com.

[Signature page follows.]

Sincerely,

CERECOR INC.

/s/ Joseph M. Miller

Joseph M. Miller
Chief Financial Officer

/s/ Garry Neil

Garry Neil

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the use of our report dated March 29, 2019, with respect to the consolidated financial statements of Aevi Genomic Medicine, Inc. included in the Form 8-K of Cerecor Inc. dated February 3, 2020 and to the incorporation by reference in the following Registration Statements:

(1) Registration Statement (Form S-1 No. 333-204905) as filed on June 12, 2015, and amended on September 8, 2015, September 22, 2015, October 1, 2015, and October 13, 2015,

(2) Registration Statement (Form S-8 No. 333-207949) pertaining to the 2015 Omnibus Incentive Compensation Plan,

(3) Registration Statement (Form S-8 No. 333-211490) pertaining to the 2016 Equity Incentive Plan,

(4) Registration Statement (Form S-8 No. 333-211491) pertaining to the 2016 Employee Stock Purchase Plan,

(5) Registration Statement (Form S-1 No. 333-213676) as filed on September 16, 2016,

(6) Registration Statement (Form S-3 No. 333-218252) as filed on May 26, 2017,

(7) Registration Statement (Form S-8 No. 333-226767) pertaining to the Amended and Restated 2016 Equity Incentive Plan,

(8) Registration Statement (Form S-3 No. 333-227227) as filed on September 7, 2018, and amended on October 2, 2018, and

(9) Registration Statement (Form S-3 No. 333-229283) as filed on January 17, 2019; and

(10) Registration Statement (Form S-3 No. 333-233978) as filed on September 27, 2019, and amended on October 18, 2019.

/s/ Ernst & Young LLP

Philadelphia, PA
February 3, 2020

Cerecor and Aevi Genomic Medicine Complete Merger

-Cerecor Emerges as a Leading Biopharmaceutical Company in Rare Pediatric and Orphan Diseases
-Mike Cola Named Chief Executive Officer and Dr. Garry Neil Named Chief Medical Officer

Rockville, MD, February 3, 2020 — Cerecor Inc. (NASDAQ: CERC), a biopharmaceutical company focused on becoming a leader in development and commercialization of treatments for rare pediatric and orphan diseases, announced today it has completed the previously announced acquisition of Aevi Genomic Medicine (NASDAQ: GNMX) in an all-stock transaction valued at approximately $15.6 million at close, plus contingent value rights (CVRs) for up to an additional $6.5 million in subsequent payments based on clinical and/or regulatory milestones. Cerecor's pipeline now includes six clinical-stage assets, accelerating the Company's transformation into a research and development organization focused on developing new medicines for unmet needs in rare diseases, particularly for pediatric patients. The Company continues to explore strategic alternatives for its non-core neurological assets, including CERC-301, as well as its sole commercialized product, Millipred®.

Mike Cola, Chief Executive Officer, Cerecor, stated, *"Cerecor began this transformation roughly 15 months ago with the acquisition of the CERC-800s, which have the potential to be the first-ever approved treatments for Congenital Disorders of Glycosylation (CDGs). Following the more recent divestiture of the majority of the commercial pediatric portfolio and the acquisition of Aevi, today the Company is proud to advance a robust pipeline of six clinical-stage rare disease programs with the potential to be first-in-class medicines addressing high unmet needs of patients and families. Four of these programs are potentially Priority Review Voucher (PRV) eligible, with three already granted Rare Pediatric Disease Designation (RPDD) by the FDA. Cerecor is focused on achieving several critical inflection points throughout 2020, including initiation of pivotal studies for one or more CERC-800 program(s) and clinical proof-of-concept studies in patients with the recently integrated Aevi assets: CERC-002, CERC-006 and CERC-007. We believe this combination of assets present a unique opportunity to efficiently deliver high impact medicines by leveraging biomarker-driven approaches in clinical development".*

Pipeline Assets Accelerate Company Transformation

- **Commitment to Rare Pediatric and Orphan Diseases**: Cerecor continues its commitment to becoming an R&D-focused biopharmaceutical company with a robust pipeline of rare pediatric and orphan disease programs. This transaction expands the number of clinical programs in development at Cerecor while creating depth of focus in rare pediatric and orphan diseases.
- **Pipeline Assets:** The emerging clinical-stage pipeline consists of six medicines with compelling biological rationale in orphan autoimmune, metabolic and oncology indications, with the potential for multiple product launches through 2023:
    - CERC-002 (formerly AEVI-002), a fully-human, anti-LIGHT monoclonal antibody for Pediatric Onset Crohn's Disease
    - CERC-006 (formerly AEVI-006), a potent, orally-available mTORC1/2 inhibitor for complex Lymphatic Malformations
    - CERC-007 (formerly AEVI-007), a fully-human, anti-IL-18 monoclonal antibody for auto-inflammatory diseases, including Adult Onset Still's Disease (AOSD) and Multiple Myeloma)
    - CERC-801, an ultra-pure, D-Galactose substrate replacement therapy for PGM1-CDG
    - CERC-802, an ultra-pure, D-Mannose substrate replacement therapy for MPI-CDG

- CERC-803, an ultra-pure, L-Fucose substrate replacement therapy for SLC35C1-CDG

Details of the Transaction

For details of the transaction please see the Investor Relations section of Cerecor.com.
www.cerecor.com

New Officers Appointed

Michael Cola has been appointed as the Chief Executive Officer and Dr. Garry Neil has been appointed as the Chief Medical Officer of Cerecor.

Mr. Cola brings a wealth of leadership experience in the biopharmaceutical industry. Prior to joining Cerecor, Mr. Cola served as President and CEO of Aevi Genomic Medicine since September 2013. Prior to joining Aevi Genomic Medicine, Mr. Cola served as President of Specialty Pharmaceuticals at Shire plc, a global specialty pharmaceutical company, from 2007 until April 2012. He joined Shire in 2005 as EVP of Global Therapeutic Business Units and Portfolio Management. Prior to joining Shire, he was with Safeguard Scientifics, Inc., a growth capital provider to life sciences and technology companies, where he served as President of the Life Sciences Group. While at Safeguard, Mr. Cola served as Chairman and CEO of Clarient, Inc., a cancer diagnostics company subsequently acquired by GE Healthcare, and as Chairman of Laureate Pharma, Inc., Prior to Safeguard Scientifics, Mr. Cola held senior positions in product development and commercialization at Astra Merck, a top 20 U.S. pharmaceutical company, and at Astra Zeneca, a global biopharmaceutical company. Mr. Cola received a B.A. in biology and physics from Ursinus College and an M.S. in biomedical science from Drexel University. He serves on the Board of Directors of Vanda Pharmaceuticals Inc., Sage Therapeutics and Phathom Pharmaceuticals, and currently serves as Chairman of the Board of Governors of the Boys & Girls Clubs of Philadelphia.

Prior to becoming the Chief Medical Officer at Cerecor, Dr. Garry Neil served as Chief Scientific Officer of Aevi Genomic Medicine since September 2013. Prior to joining Aevi Genomic Medicine, Dr. Neil held a number of senior positions in the pharmaceutical industry, academia and venture capital. These include Corporate VP of Science & Technology at Johnson & Johnson, and Group President at Johnson & Johnson Pharmaceutical Research and Development, VP of R&D at Merck KGaA/EMD Pharmaceuticals, VP of Clinical Research at Astra Zeneca and Astra Merck. Dr. Neil holds a B.S. from the University of Saskatchewan and an M.D. from the University of Saskatchewan College of Medicine. He completed his postdoctoral clinical training in internal medicine and gastroenterology at the University of Toronto. Dr. Neil also completed a postdoctoral research fellowship at the Research Institute of Scripps Clinic. He is the Founding Chairman of the Pharmaceutical Industry R&D Consortium, TransCelerate Biopharmaceuticals Inc. He also serves on the Boards of Arena Pharmaceuticals, the Reagan Udall Foundation and the Center for Discovery and Innovation at Hackensack Meridian Health. He is past Chairman of the Pharmaceutical Research and Manufacturers Association (PhRMA) Science and Regulatory Executive Committee and the PhRMA Foundation Board. He is a past member of the Boards of GTx Pharmaceuticals, the Foundation for the National Institutes of Health (FNIH), and the Science Management Review Board of the NIH.

Additionally, Mr. Cola and Dr. Sol J. Barer will be joining the Board of Directors during the first quarter of 2020. Dr. Barer’s long career as a senior pharmaceutical executive with leadership roles in various biopharmaceutical companies, coupled with his experience and knowledge of the global pharmaceutical industry and extensive scientific expertise will be a valuable addition to the Cerecor Board of Directors.

The independent directors of the Board approved, pursuant to NASDAQ Listing Rule 5635(c)(4), the grant of inducement equity awards in the form of stock options to Mr. Cola to purchase 1.2 million shares of common stock, to Dr. Neil to purchase 800,000 shares of common stock and to Dr. Jeffrey Wilkins, our new Chief Development Officer, to purchase 375,000 shares of common stock. Each inducement option grant will vest over four years, with the first 25% of such option vesting on the first anniversary of the date of grant, and the remainder vesting in equal

monthly installments, subject to the continued service of Mr. Cola, Dr. Neil or Dr. Wilkins, respectively, through the applicable vesting date.

Dr. Simon Pedder, Cerecor's Executive Chairman of the Board, added, *"We are extremely pleased to complete this acquisition. We welcome Mike and Garry to Cerecor's management team and Dr. Barer to our Board of Directors. The combined pipeline and leadership team create an exciting platform for the Company to solidify itself as a leader in rare pediatric and orphan drug development. The team is focused on executing and advancing the pipeline to near-term inflection points throughout 2020 that can set the stage for multiple drug approvals in the years to come, starting as soon as 2021."*

About CERC-002

CERC-002 (formerly AEVI-002) is an anti-LIGHT (**L**ymphotoxin-like, exhibits **I**nducible expression, and competes with HSV **G**lycoprotein D for **H**VEM, a receptor expressed by **T** lymphocytes (part of the Tumor Necrosis Super Family 14)), fully human, monoclonal antibody being developed as a treatment for Pediatric Onset Crohn's Disease. CERC-002 is currently in a Phase I trial in adult Crohn's patients and has recently dosed the first patient, we anticipate initial data in the first half of 2020.

About CERC-006

CERC-006 (formerly AEVI-006) is an mTORC1/2 inhibitor (a class of drugs that inhibit the **m**ammalian **t**arget **o**f **r**apamy**c**in) being developed as a treatment for complex Lymphatic Malformations (LM). LM patients often have activating mutations along the PI3K/AKT/mTOR pathway; sirolimus, an mTORC1 inhibitor, has demonstrated clinical utility in LM. CERC-006 has the potential to improve upon both the safety and efficacy of mTOR inhibition in LM. Cerecor seeks to initiate a Phase 1b/2a proof-of-concept study of CERC-006 in LM patients by the end of 2020.

About CERC-007

CERC-007 (formerly AEVI-007) is a fully human, anti-IL-18 monoclonal antibody with the potential to address multiple auto-inflammatory diseases, including Adult Onset Stills Disease (AOSD) and Multiple Myeloma (MM). IL-18 is a pro-inflammatory cytokine that stimulates the production of interferon gamma; patients with ASOD and MM show elevated serum levels of IL-18. Cerecor seeks to initiate two separate Phase 1b/2a proof-of-concept studies in ASOD and MM patients in the second half of 2020.

About CERC-800s

CERC-801, CERC-802 and CERC-803 are monosaccharide substrate replacement therapies with known therapeutic utility for the treatment of Congenital Disorders of Glycosylation. Oral administration of these substrates replenishes critical metabolic intermediates that are reduced or absent due to genetic mutation, overcoming single enzyme defects to support glycoprotein synthesis, maintenance and function. The FDA has granted RPDD and Orphan Drug Designation (ODD) to all three CERC-800 programs. CERC-801 and CERC-802 have completed phase 1 studies and the IND filing for CERC-803 is anticipated in the first half of 2020. The Company has an ongoing retrospective study, CDG FIRST, which seeks to collect natural history and treatment-related data for patients diagnosed with PGM1-CDG, MPI-CDG or SLC35C1-CDG who are either treated with or without D-galactose, D-mannose and L-fucose, respectively, as well as patients with other CDGs who are treated with one of the three monosaccharides. Cerecor seeks to initiate a pivotal study for one or more CERC-800 program(s) in 2020, with the first anticipated NDA filing in 2021.

About Cerecor

Cerecor is a biopharmaceutical company focused on becoming a leader in development and commercialization of treatments for rare pediatric and orphan diseases. The Company is advancing an emerging clinical-stage pipeline of innovative therapies. The Company's pediatric rare disease pipeline is led by CERC-801, CERC-802 and CERC-803 ("CERC-800 programs"), which are therapies for inborn errors of metabolism, specifically disorders known as Congenital Disorders of Glycosylation (CDGs). The FDA granted Rare Pediatric Disease Designation and Orphan Drug Designation ("ODD") to all three CERC-800 compounds, thus qualifying the Company to receive a Priority Review Voucher ("PRV") upon approval of a new drug application ("NDA"). The Company plans to leverage the 505(b)(2) NDA pathway for all three compounds to accelerate development and approval. The Company is also developing CERC-002, CERC-006 and CERC-007. CERC-007 is an anti-IL-18 monoclonal antibody being developed for autoimmune inflammatory diseases such as Adult Onset Stills Disease (AOSD) and Multiple Myeloma, with initial proof-of-concept in patients expected in 2021. CERC-006 is an mTORC1/2 inhibitor targeted towards complex Lymphatic Malformations, also with initial proof-of-concept in patients expected in 2021. CERC-002 is an anti-LIGHT monoclonal antibody currently in a Phase 1 clinical trial; initial proof-of-concept data is expected in the first half of 2020 in Adult Crohn's Disease, an FDA requirement before proceeding into Pediatric Onset Crohn's. The Company is also developing one other preclinical pediatric orphan rare disease compound, CERC-913, for the treatment of mitochondrial DNA Depletion Syndrome.

For more information about Cerecor, please visit www.cerecor.com.

Forward-Looking Statements

This press release may include forward-looking statements made pursuant to the Private Securities Litigation Reform Act of 1995. Forward-looking statements are statements that are not historical facts. Such forward-looking statements are subject to significant risks and uncertainties that are subject to change based on various factors (many of which are beyond Cerecor's control), which could cause actual results to differ from the forward-looking statements. Such statements may include, without limitation, statements with respect to Aevi's or Cerecor's plans, objectives, projections, expectations and intentions and other statements identified by words such as "projects," "may," "will," "could," "would," "should," "continue," "seeks," "aims," "predicts," "believes," "expects," "anticipates," "estimates," "intends," "plans," "potential," or similar expressions (including their use in the negative), or by discussions of future matters such as: the integration of the companies and their personnel; the development of product candidates or products; timing and success of trial results and regulatory review; potential attributes and benefits of product candidates; the expansion of Cerecor's drug portfolio; strategic alternatives for the neurological assets and Millipred; and other statements that are not historical. These statements are based upon the current beliefs and expectations of Cerecor's management but are subject to significant risks and uncertainties, including: risks related to integration of the combined company; drug development costs, timing and other risks, including reliance on investigators and enrollment of patients in clinical trials; regulatory risks; reliance on and the need to attract, integrate and retain key personnel, including Mr. Cola and Dr. Neil; Cerecor's cash position and the need for it to raise additional capital; risks related to potential strategic alternatives for the Company's neurology assets and Millipred; and those other risks detailed in Aevi's and Cerecor's filings with the Securities and Exchange Commission. Actual results may differ from those set forth in the forward-looking statements. Except as required by applicable law, Cerecor expressly disclaims any obligations or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in Cerecor's expectations with respect thereto or any change in events, conditions or circumstances on which any statement is based.

For Media and Investor Inquiries

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Exhibit 99.2

AEVI GENOMIC MEDICINE, INC. AND ITS SUBSIDIARIES

AUDITED CONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2018 AND 2017

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and Board of Directors of Aevi Genomic Medicine, Inc. and its Subsidiaries

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Aevi Genomic Medicine, Inc. and its subsidiaries (the Company) as of December 31, 2018 and 2017, and the related consolidated statements of operations, stockholders' equity and cash flows for the years then ended, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company at December 31, 2018 and 2017, and the consolidated results of their operations and their cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.

The Company's Ability to Continue as a Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 3 to the consolidated financial statements, the Company has incurred operating losses and negative cash flows from operations and has stated that substantial doubt exists about the Company's ability to continue as a going concern. Management's evaluation of the events, conditions, and plans regarding these matters are also described in Note 3. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Ernst and Young LLP

We have served as the Company's auditor since 2016.

Philadelphia, Pennsylvania

March 29, 2019

AEVI GENOMIC MEDICINE, INC. AND ITS SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

U.S. dollars in thousands (except share and per share data)

	Note	December 31, 2018	December 31, 2017
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	3	$12,076	$33,729
Prepaid expenses and other current assets		170	893
Total current assets		12,246	34,622
LONG-TERM ASSETS:			
Lease deposits	6(d)	11	11
Property and equipment, net	4	20	85
Other long-term assets		—	43
Total long-term assets		31	139
Total assets		$12,277	$34,761
LIABILITIES AND STOCKHOLDERS' EQUITY			
CURRENT LIABILITIES:			
Trade payables		$1,582	$943
Other accounts payable and accrued expenses	5	2,763	3,197
Total current liabilities		4,345	4,140
Total liabilities		4,345	4,140
COMMITMENTS AND CONTINGENCIES	6		
STOCKHOLDERS' EQUITY:	7		
Common stock—$0.0001 par value; 200,000,000 shares authorized; 64,766,882 shares issued and outstanding at December 31, 2018; 59,332,265 shares issued and outstanding at December 31, 2017		7	6
Additional paid-in capital		253,678	245,593
Accumulated deficit		(245,753)	(214,978)
Total stockholders' equity		7,932	30,621
Total liabilities and stockholders' equity		$12,277	$34,761

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

AEVI GENOMIC MEDICINE, INC. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS
U.S. dollars in thousands (except share and per share data)

		Year ended December 31,	
	Note	2018	2017
Research and development expenses		$22,299	$25,176
General and administrative expenses		8,663	9,524
Operating loss		(30,962)	(34,700)
Financial expenses		(1)	(41)
Financial income		188	27
Loss before taxes on income		(30,775)	(34,714)
Taxes on income	8	—	—
Net loss		$(30,775)	$(34,714)
Basic loss per share	10	$(0.500)	$(0.830)
Diluted loss per share	10	$(0.500)	$(0.830)
Weighted average number of shares of common stock used in computing basic loss per share		61,381,611	41,675,814
Weighted average number of shares of common stock used in computing diluted loss per share		61,381,611	41,675,814

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

AEVI GENOMIC MEDICINE, INC. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
U.S. dollars in thousands (except share and per share data)

	Common stock		Additional paid-in	Accumulated	Total stockholders'
	Shares	Amount	capital	deficit	equity
Balance as of December 31, 2016	37,103,843	$4	$215,008	$(180,034)	34,978
Issuance of common stock at $1.26 per share, net	22,222,222	2	26,968	—	26,970
Stock-based compensation related to options and warrants granted to consultants, directors and employees	—	—	3,368	—	3,368
Exercise of warrants and options	6,200	(*)	19	—	19
Cumulative-effect adjustment from adoption of ASU 2016-09	—	—	230	(230)	—
Net loss	—	—	—	(34,714)	(34,714)
Balance as of December 31, 2017	59,332,265	$6	$245,593	$(214,978)	30,621
Issuance of common stock at an average of $0.97 per share, net	5,426,151	1	4,961	—	4,962
Stock-based compensation related to options and warrants granted to consultants, directors and employees	—	—	3,090	—	3,090
Exercise of warrants and options	8,466	(*)	34	—	34
Net loss	—	—	—	(30,775)	(30,775)
Balance as of December 31, 2018	64,766,882	$7	$253,678	$(245,753)	7,932

(*)Represents an amount lower than $1.

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

AEVI GENOMIC MEDICINE, INC. AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
U.S. dollars in thousands

	Year ended December 31	
	2018	**2017**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$(30,775)	$(34,714)
Adjustments to reconcile loss to net cash used in operating activities:		
Depreciation	65	112
Loss from disposal of property and equipment	—	32
Stock-based compensation	3,090	3,368
Change in operating assets and liabilities:		
Prepaid and other current assets	723	(558)
Trade payables	639	806
Other accounts payable and accrued expenses	(434)	(2,249)
Lease deposits	—	—
Other long-term assets	43	(43)
Net cash used in operating activities	$(26,649)	$(33,246)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	$—	$(4)
Proceeds from disposal of property and equipment	—	152
Net cash provided by (used in) investing activities	$—	$148
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of common stock and warrants, net	$4,962	$26,970
Proceeds from exercise of options and warrants	34	19
Net cash provided by financing activities	$4,996	$26,989
Increase (decrease) in cash and cash equivalents	(21,653)	(6,109)
Balance of cash and cash equivalents at the beginning of the period	33,729	39,838
Balance of cash and cash equivalents at the end of the period	$12,076	$33,729
Supplemental disclosure of cash flow information:		
Cash paid during the period for taxes	$—	$—

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

NOTE 1: GENERAL

a. Aevi Genomic Medicine Inc., formerly Medgenics Inc., (the "Company") was incorporated in January 2000 in Delaware. The Company has two wholly-owned subsidiaries (the "Subsidiaries"): Medgenics Medical Israel Ltd. (the "Israeli Subsidiary"), which was incorporated in Israel in March 2000; and Aevi Genomics Medicine Europe BVBA/SPRL, which was incorporated in Belgium in December 2018. The Company is a clinical stage biopharmaceutical company with an emphasis on genomic medicine.

The Company's common stock is traded on the NASDAQ. Prior to October 21, 2016 the Company's common stock was traded on the NYSE.

b. As reflected in the accompanying financial statements, the Company incurred a net loss for the twelve month period ended December 31, 2018 of $30,775 and had negative cash flow from operating activities of $26,649 during the twelve month period ended December 31, 2018. The accumulated deficit as of December 31, 2018 is $245,753. The Company and the Subsidiaries have not yet generated revenues from product sales.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements are prepared in accordance with United States Generally Accepted Accounting Principles ("U.S. GAAP"), applied on a consistent basis, as follows:

a. Use of estimates:

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions. The Company's management believes that the estimates and assumptions used are reasonable based upon information available at the time they are made. These estimates and assumptions can affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

b. Financial statements in U.S. dollars:

The Company's management believes that the dollar is the primary currency of the economic environment in which the Company and its Subsidiaries operate. Thus, the functional currency of the Company and its Subsidiaries is the dollar. Accordingly, transactions and balances denominated in dollars are presented at their original amounts. Non-dollar transactions and balances have been re-measured to dollars, in accordance with ASC 830, *"Foreign Currency Matters"* of the Financial Accounting Standards Board ("FASB"). All exchange gains and losses from re-measurement of monetary balance sheet items denominated in non-dollar currencies are reflected in the Statements of Operations as financial income or expenses, as appropriate.

c. New accounting pronouncements:

In 2016, the FASB issued ASU 2016-02, Leases, which will replace existing leasing guidance. ASU 2016-02 requires lessees to recognize operating and financing lease liabilities and related right-of-use assets, in addition to increased disclosures as to the nature of cash flows arising from a lease. We will adopt the new standard effective January 1, 2019, at which time we will not restate comparative periods. Adoption will not change the classification of any of our leases. We do not expect the new standard to have a material impact on our consolidated financial statements.

In 2016, the FASB issued ASU 2016-09, Compensation—Stock Compensation (Topic 718), Improvements to Employee Share-Based Payment Accounting, which is meant to reduce the complexity involving several aspects of the accounting for employee share-based payment transactions, including the income tax consequences, classifications of awards as either equity or liabilities, and classification on the statement of cash flows. ASU 2016-09 became effective for the Company in the first quarter 2017 and was applied using a modified retrospective transition approach. Under ASU 2016-09 the Company elected to no longer estimate forfeiture rates in determining its stock compensation expense and will true up for forfeitures as they occur. As a result of the adoption, the Company recorded a cumulative adjustment to accumulated deficit as of December 31, 2016 for $230.

In June 2018, the FASB issued ASU 2018-07, Compensation—Stock Compensation (Topic 718): Improvements to Nonemployee Shared-Based Payment Accounting. This guidance is intended to simplify the accounting for share-based payments to nonemployees by aligning it with the accounting for share-based payments to employees, with certain exceptions. This guidance will be effective for annual reporting periods beginning after December 15, 2018, including interim periods within those annual reporting periods, and early adoption is permitted. The Company does not anticipate a material impact to the consolidated financial statements as a result of the adoption of this guidance.

Other accounting standards that have been issued or proposed by the FASB or other standards-setting bodies that do not require adoption until a future date are not expected to have a material impact on the Company's consolidated financial statements upon adoption.

d. Principles of consolidation:

The consolidated financial statements include the accounts of the Company and the Subsidiaries. Intercompany transactions and balances have been eliminated upon consolidation.

e. Cash equivalents:

The Company and the Subsidiaries consider all highly liquid investments originally purchased with maturities of three months or less to be cash equivalents.

f. Property and equipment:

Property and equipment are stated at cost net of accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The annual rates of depreciation are as follows:

	%
Computers and peripheral equipment	33
Leasehold improvements	The shorter of term of the lease or the useful life of the asset

g. Impairment of long-lived assets:

Long-lived assets are reviewed for impairment in accordance with ASC 360, "*Property, Plant, and Equipment*" ("ASC 360"), whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of an asset to be held and used is measured by a comparison of the carrying amount of the asset to the future undiscounted cash flows expected to be generated by the asset. If such an asset is considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the asset exceeds the fair value of the asset. No impairment charges have been recognized through December 31, 2018.

h. Income taxes:

The Company accounts for income taxes in accordance with ASC 740, "*Income Taxes*" ("ASC 740"). ASC 740 prescribes the use of the asset and liability method whereby deferred tax assets and liabilities are determined based on differences between financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse. The Company provides a valuation allowance, if necessary, to reduce deferred tax assets to their estimated realizable value. As of December 31, 2018, a full valuation allowance was provided by the Company.

The Company also accounts for income taxes in accordance with ASC 740-10, "*Accounting for Uncertainty in Income Taxes*" ("ASC 740-10"). ASC 740-10 contains a two-step approach for recognizing and measuring uncertain tax positions accounted for in accordance with ASC 740-10. The first step is to evaluate the tax position taken or expected to be taken in a tax return by determining if the weight of available evidence indicates that it is more likely than not that, on an evaluation of the technical merits, the tax position will be sustained on audit,

including resolution of any related appeals or litigation processes. The second step is to measure the tax benefit as the largest amount that is more than 50% likely to be realized upon ultimate settlement. As of December 31, 2017 and 2018, no liability has been recorded as a result of ASC 740-10.

On December 22, 2017, the U.S. government enacted comprehensive tax legislation commonly referred to as the Tax Cuts and Jobs Act (the "Tax Act"). The Tax Act makes broad and complex changes to the U.S. tax code, including, but not limited to, reducing the U.S. federal corporate tax rate from 35 percent to 21 percent; eliminating the corporate alternative minimum tax (AMT) and changing how existing AMT credits can be realized; creating a new limitation on deductible interest expense; changing rules related to uses and limitations of net operating loss carryforwards created in tax years beginning after December 31, 2017; limitations on the deductibility of certain executive compensation; and changes to the calculation of the orphan drug credit.

i. Accounting for stock-based compensation:

The Company applies ASC 718, "*Compensation-Stock Compensation*" ("ASC 718") which requires the measurement and recognition of compensation expense based on estimated fair values for all share-based payment awards made to employees and directors. The Company recognizes compensation expenses for awards granted based on the straight-line method over the requisite service period of each of the grants. In 2017 and 2018, the Company estimated the fair value of stock options granted to employees and directors using the Binominal options pricing model with the following assumptions:

	2018	2017
Dividend yield	0%	0%
Expected volatility	77.5 - 77.9%	72.0 - 78.6%
Risk-free interest rate	2.7 - 3.1%	2.2 - 2.5%
Suboptimal exercise factor	1.5 - 2.5	1.5 - 2.5
Contractual life (years)	10	10
Exit rate	6%	6 - 8%

The Company uses historical data to estimate post vesting exit rate within the valuation model; separate groups of employees that have similar historical exercise behavior are considered separately for valuation purposes. The suboptimal exercise factor represents the value of the underlying stock as a multiple of the exercise price of the option which, if achieved, results in exercise of the option. The risk-free interest rate assumption is based on observed interest rates appropriate for the term of the Company's stock options. The Company has historically not paid dividends and has no foreseeable plans to pay dividends. Prior to the fourth quarter of 2017, the expected stock price volatility of the Company's stock options had been calculated by examining historical volatilities for publicly traded industry peers as well as considering the Company's historical volatility. As of the fourth quarter of 2017, the Company determined there was enough historical data to begin computing the expected price volatility based on the Company's historical data, alone.

The Company applies ASC 718 and ASC 505-50, "*Equity-Based Payments to Non-Employees*" ("ASC 505-50"), with respect to options issued to non-employees. ASC 718 requires the use of option valuation models to measure the fair value of the options. The fair value of these options was estimated at the end of each reporting period up until the date of vesting and at the date of vesting, using the Binomial option pricing model with the following assumptions:

	2018	2017
Dividend yield	0%	0%
Expected volatility	77.9 - 77.9%	78.0 - 78.6%
Risk-free interest rate	2.7 - 2.7%	2.3 - 2.4%
Contractual life (years)	9.7 - 9.8	9.0 - 9.9

Prior to the fourth quarter of 2017, the expected stock price volatility of the Company's stock options had been calculated by examining historical volatilities for publicly traded industry peers as well as considering the Company's historical volatility. As of the fourth quarter of 2017, the Company determined there was enough historical data to begin computing the expected price volatility based on the Company's historical data, alone. The Company expects to continue using this methodology going forward.

j. Loss per share:

Basic loss per share is computed based on the weighted average number of shares of common stock outstanding during each year. Diluted loss per share is computed based on the weighted average number of shares of common stock outstanding during each year, plus the dilutive effect of options, warrants and restricted shares considered to be outstanding during each year, in accordance with ASC 260, "*Earnings Per Share* "("ASC 260").

k. Research and development expenses:

All research and development expenses are charged to the Consolidated Statements of Operations as incurred.

These costs include, but are not limited to, license fees related to the acquisition of in-licensed products; employee-related expenses, including salaries, benefits and travel; expenses incurred under agreements with clinical research organizations and investigative sites that conduct clinical trials and preclinical studies; the cost of acquiring, developing and manufacturing clinical trial materials; facilities, depreciation and other expenses, which include direct and allocated expenses for rent and maintenance of facilities, insurance and other supplies; and costs associated with preclinical activities and regulatory operations. Costs for certain development activities, such as clinical trials, are recognized based on an evaluation of the progress to completion of specific tasks using data such as patient enrollment, clinical site activations, or information provided to the Company by its vendors with respect to their actual costs incurred. Payments for these activities are based on the terms of the individual arrangements, which may differ from the pattern of costs incurred, and are reflected in the consolidated financial statements as prepaid or accrued research and development expense, as the case may be.

l. Concentrations of credit risks:

Financial instruments that potentially subject the Company and the Subsidiaries to concentrations of credit risk consist principally of cash and cash equivalents. Cash and cash equivalents are invested in major banks and financial institutions in the United States. Such deposits in the United States may be in excess of insured limits and are not insured in other jurisdictions. Management believes that the financial institutions that hold the Company's investments are institutions with high credit standing and accordingly, minimal credit risk exists with respect to these investments. The Company has no off-balance-sheet concentrations of credit risk such as foreign exchange contracts, option contracts or other foreign hedging arrangements.

m. Fair value of financial instruments:

The carrying amount of cash and cash equivalents, accounts payable and accrued liabilities are generally considered to be representative of their respective fair values because of the short-term nature of those accounts.

NOTE 3: LIQUIDITY RISKS AND MANAGEMENT PLANS

The future success of the Company is dependent on its ability to develop its product candidates and ultimately upon its ability to attain profitable operations. The Company is subject to a number of risks similar to other early-stage life science companies, including, but not limited to, successful discovery and development of its product candidates, raising additional capital with favorable terms, and development by its competitors of new technological innovations, protection of proprietary technology and market acceptance of the Company's products. The successful discovery and development of product candidates requires substantial working capital which may not be available to the Company on favorable terms.

The Company has financed its operations primarily through issuance of equity and grants from third parties. As of December 31, 2018, the Company had cash and cash equivalents of $12,076 and liabilities of $4,345. The Company has incurred recurring operating losses since inception. For the year ended December 31, 2018, the Company incurred a net loss

of $30,775 and as of December 31, 2018 the Company has an accumulated deficit of $245,753. The Company anticipates operating losses to continue for the foreseeable future due to, among other things, costs related to research, development of its product candidates and its preclinical programs, and its administrative organization. The Company will require substantial additional financing to fund its operations and to continue to execute its strategy. These conditions raise substantial doubt about its ability to continue as a going concern within one year after the date that the financial statements are issued.

To alleviate the conditions that raise substantial doubt about the Company's ability to continue as a going concern, the board of directors has commenced a review to explore and evaluate potential strategic alternatives to enhance stockholder value. These alternatives could include, among others, continuing to execute the Company's business plan, issuing or transferring shares of its common stock or other equity securities, the license, sale or disposition of certain assets or programs, the formation of a joint venture, a strategic business combination, a transaction that results in private ownership or the sale of the Company, or some combination of these. There can be no assurance that the review of strategic alternatives will result in the identification or consummation of any transaction or that our board of directors will determine that continuing our current business operations is in the best interest of the Company's stockholders. If the Company raises additional funds through strategic collaborations and alliances or licensing agreements with third parties, which may include existing collaboration partners, the Company may have to relinquish valuable rights to its technologies or product candidates, including AEVI-002, AEVI-005 and other product candidates, or grant licenses on terms that are not favorable to the Company. To the extent that the Company raises additional capital through the sale of equity, the ownership interest of its existing shareholders will be diluted and other preferences may be necessary that adversely affect the rights of existing shareholders. If none of these alternatives is available, or if available, the Company is unable to raise sufficient capital through such transactions, it will not have sufficient cash resources and liquidity to fund its business operations for at least the next year following the date the financial statements are issued. Accordingly, management has concluded that substantial doubt exists with respect to the Company's ability to continue as a going concern within one year after the date that the financial statements are issued.

In light of our decision to discontinue the AEVI-001 program in ADHD, our board of directors has commenced a review to explore and evaluate potential strategic alternatives to enhance stockholder value. These alternatives could include, among others, continuing to execute the Company's business plan, issuing or transferring shares of our common stock or other equity securities, the license, sale or disposition of certain assets or programs, the formation of a joint venture, a strategic business combination, a transaction that results in private ownership or the sale of the Company, or some combination of these. There can be no assurance that the review of strategic alternatives will result in the identification or consummation of any transaction or that our board of directors will determine that continuing our current business operations is in the best interests of our stockholders.

NOTE 4: PROPERTY AND EQUIPMENT, NET

Composition of property and equipment is as follows:

	December 31,	
	2018	**2017**
Cost:		
Furniture and office equipment	$—	$—
Computers and peripheral equipment	35	35
Laboratory equipment	—	—
Leasehold improvements	157	157
Total cost	192	192
Total accumulated depreciation	172	107
Depreciated cost	$20	$85

Depreciation expense for the years ended December 31, 2018 and 2017 amounted to $65 and $112, respectively.

During the year ended December 31, 2017, the Company disposed of assets associated with the closure of the Israel site resulting in $152 of proceeds and the write down of assets and associated accumulated depreciation of $1,610 and $1,426, respectively. There were no disposals during the year ended December 31, 2018.

NOTE 5: OTHER ACCOUNTS PAYABLE AND ACCRUED EXPENSES

	December 31,	
	2018	2017
Employees and payroll accruals	$47	$1,297
R&D accruals	2,222	1,539
Accrued expenses, other	494	361
Other accounts payable and accrued expenses	$2,763	$3,197

NOTE 6: COMMITMENTS AND CONTINGENCIES

a. The Children's Hospital of Philadelphia (CHOP) Arrangements

In November 2014, the Company entered into a license agreement, or the License Agreement, and a sponsored research agreement, or the Research Agreement, each with CHOP. Under the terms of the License Agreement, CHOP granted the Company (i) an exclusive, sublicensable license to use certain patent rights covering potential diagnostic and therapeutic targets, (ii) an exclusive, non-sublicensable license to use certain biospecimen and phenotypic data collected from patients with rare and orphan diseases and their family members, or the Biobank. A License Issuance Fee of $500 was paid and expensed in 2014. Beginning in 2016 and continuing through 2020, the Company paid, and is contractually required to pay, to CHOP an annual license maintenance fee of $100. This annual license maintenance fee increases to $200 beginning in 2021. The Company is required to pay to CHOP certain milestone payments, ranging from $250 to $500; low single-digit royalties on net sales of all licensed products and a percentage of amounts received from sublicensing activities.

The License Agreement terminates upon the expiration date of the last-to-expire royalty term under the License Agreement. The Company may terminate the License Agreement at any time with six months' prior written notice to CHOP, and CHOP may terminate the License Agreement upon (i) an uncured default by the Company of the License Agreement, (ii) the failure by the Company to meet certain development and/or commercialization milestones under the License Agreement, or (iii) the Company entering into liquidation, having a receiver or administrator appointed over any assets related to the License Agreement, makes any voluntary assignment of our assets for the benefit of creditors, ceases to carry on business, files for bankruptcy under Chapter 7 of the US Bankruptcy Code or has an involuntary petition under Chapter 7 of the US Bankruptcy Code filed against us.

In February 2017, the Company amended the License Agreement. The amendment allows the Company to extend the period of its exclusive commercial access to the Biobank for rolling two-year periods. The cost of the first extension was $198 with each subsequent extension costing $125. The Company has exercised such option in each of 2017 and 2018.

In December 2015, the Company entered into an amendment to the Research Agreement, which amendment, amongst other things, granted it the right to extend the term of the Research Agreement until November 12, 2017. In February 2017, the Company entered into a second amendment to the Research Agreement, which extended the term of the Research Agreement through June 30, 2018. This amendment also granted the Company rights to continually extend the term of the Research Agreement by one year by giving CHOP written notice of extension no later than one year prior to the expiration of the then-current term of the Research Agreement. In June 2017, the Company extended the term of the Research Agreement through June 30, 2019, and in June 2018, it extended the term of the Research Agreement through June 30, 2020. $5,937 was due under the Research Agreement in 2018. $4,750 will be due under the Research Agreement in 2019, and in the first half of 2020, $2,375 will be due.

In March 2019, the Company reached agreement with CHOP to further amend the Research Agreement and the License Agreement ("the CHOP Amendments"). The CHOP Amendments allow the Company to defer the monthly payments due under the Research Agreement for the period from February 1, 2019 through September 30, 2019 in exchange for a non-interest bearing note in the amount of such deferral. Such note matures September 30, 2019 and is secured by all of Aevi's intellectual property and other assets ("the Note"). At maturity, and at CHOP's option, the Note will be payable in cash or a number of shares of the Company's common stock calculated based on the price of the Company's common stock at such time; provided, however, if conversion upon such election would cause CHOP and its affiliates including the CHOP Foundation to own, in the aggregate, in excess of 47.5% of the then-outstanding shares of the Company's common stock (after giving effect to such conversion), then CHOP would only receive the number of shares of the Company common stock

such that CHOP and its affiliates including the CHOP Foundation would own, in the aggregate, 47.5% of the then outstanding shares of the Company's common stock (after giving effect to such conversion), and the balance of the Note would be payable to CHOP in cash.

The CHOP Amendments with respect to the Research Agreement and the License Agreement prohibits the assignment or sublicense of CHOP's intellectual property without CHOP's prior written consent, allows CHOP to terminate the Research Agreement and the License Agreement upon a change of control without CHOP's prior written consent, reduces the period of time during which the Company has to exercise its options to license new intellectual property of CHOP and to negotiate the terms of any such license and requires the Company to meet certain diligence requirements related to acquiring rights to and commencing a clinical trial for a viable molecule that addresses the optioned intellectual property.

Furthermore, the Company has agreed that until and including June 23, 2019 the Company will not undertake any equity financing (including convertible notes) that would have a dilutive effect on the stockholders of Aevi. Thereafter, and until the later of repayment in full of the Note or June 30, 2020, Aevi has agreed to only undertake an equity financing (including convertible notes) if the net proceeds of such financing provide at least six month of cash to sustain the Company's operations; provided, that CHOP will have a right of first refusal to purchase any or all equity proposed to be issued in such financing on equivalent terms.

CHOP is the Company's largest shareholder and also has a seat on the Company's Board of Directors. Expenses related to CHOP, within the Research Agreement or otherwise, were $7,111 and $7,780 for the years ended December 31, 2018 and December 31, 2017, respectively. As of December 31, 2018, the Company had total payables related to CHOP, inclusive of those related to the Research Agreement, of $1,218, allocated between accrued expenses and trade payables.

b. License Agreements

In June 2016, the Company entered into a Clinical Development and Option Agreement, or the Development and Option Agreement, with Kyowa Hakko Kirin Co., Ltd., or KHK, relating to the development and potential commercialization of KHK's first-in-class anti-LIGHT monoclonal antibody, or the Antibody (AEVI-002). Under the Development and Option Agreement, the Company received an exclusive option for exclusive rights to develop and commercialize products containing the Antibody, or the Licensed Products, and to conduct various development activities with respect to the Antibody, including the conduct of a signal finding study testing the Antibody in Severe Pediatric Onset Inflammatory Bowel Disease, or the Study.

For a certain period of time after the completion of the Study, or the Exercise Period, the Company will have the option, or the Option, to obtain exclusive rights for the development and commercialization of the Antibody. If the Company exercises the Option, KHK will have 60 days to select one of two potential development and commercialization structures: a co-development/co-commercialization arrangement or a licensing arrangement.

If, upon the Company's exercise of the Option, KHK chooses to continue the collaboration as a co-development/co-commercialization arrangement, the Company will have the exclusive right to develop, manufacture and commercialize the Licensed Products in the United States and Canada. The Company will be required to pay KHK an initial license fee in the low single-digit millions of dollars and may pay KHK up to an additional $18,000 upon the achievement of certain regulatory milestones related to the Licensed Products. The parties will share the anticipated costs of development of the first Licensed Product for the treatment, prevention, and diagnosis of specified pediatric onset rare and orphan inflammatory diseases (including severe pediatric onset inflammatory bowel diseases such as Crohn's disease and ulcerative colitis, or IBD) and other specified pediatric onset rare and orphan auto-immune diseases, or, collectively, the Field, in the United States, Canada and the European Union with the Company responsible for any costs in excess of an agreed cap.

If, upon the exercise of the Option, KHK chooses to continue the collaboration as a licensing arrangement, the Company will have the exclusive right to develop, manufacture and commercialize the Licensed Products in the Field in the United States, Canada and the European Union. The Company will be required to pay KHK an initial license fee in the low single-digit millions of dollars and may pay KHK up to an additional $28,000 upon the achievement of certain regulatory milestones related to the Licensed Products.

c. Office of the Chief Scientist (OCS):

Under agreements with the OCS in Israel regarding research and development projects, the Israeli Subsidiary is committed to pay royalties to the OCS at rates between 3.5% and 5% of the commercial revenues resulting from this research and development, at an amount not to exceed the amount of the grants received by the Israeli Subsidiary as participation in the research and development program, plus interest at LIBOR. The obligation to pay these royalties is contingent on actual income. The proceeds from any potential transactions relating to the Israeli Subsidiary's research and development program may be subject to the terms and conditions of the OCS agreement. As of December 31, 2018, the principal amount of the aggregate contingent liability was $13,968. The Israeli Subsidiary was not approved a grant from the OCS for 2017 and 2018.

d. Lease Agreements:

1. The offices of the Company are rented under an operating lease agreement and committed through April 2019. Future minimum lease commitment under the existing operating lease agreement is $44.

2. The following table sets forth our lease payment obligations as of December 31, 2018 for the periods indicated below:

	Total	Less than 1 Year	1 - 3 Years	3 - 5 Years	More than 5 Years and Thereafter
Operating lease obligations	$44	$44	$—	$—	$—

e. Per the employment agreements of several executives, if terminated without cause, these executives will be entitled to severance pay in the aggregate amount of $2,627.

NOTE 7: STOCKHOLDERS' EQUITY

a. Common stock:

The common stock confers upon the holders the right to receive notice to participate and vote in annual and special meetings of the stockholders of the Company and the right to receive dividends, if declared.

b. Issuance of shares, stock options and warrants to investors:

1. In October 2017, the Company completed a private offering of an aggregate of 22,222,222 shares of common stock, and warrants exercisable for up to an aggregate of 3,953,904 shares of common stock at a purchase price of $1.26 per share of common stock and accompanying warrants pursuant to that certain securities purchase agreement dated as of August 9, 2017. Each purchaser received a warrant exercisable to purchase a pro rata amount of shares of common stock at a purchase price of $2.84 per share, which will expire five years after the date of issuance. The Company has accounted for these warrants under the equity method in accordance with ASC 815. The aggregate gross proceeds from the offering to the Company were $28,000, of which $20,000 was proceeds received from the CHOP Foundation and $1,000 was proceeds received from directors and officers. The CHOP Foundation was issued 15,873,016 shares of common stock and accompanying warrants of 2,824,217. Net proceeds after deducting estimated offering expenses were $26,970.

The Company also obtained approval from stockholders to increase the total number of authorized shares of Common Stock from 100,000,000 to 200,000,000 shares.

2. On May 15, 2018, we entered into an Equity Distribution Agreement pursuant to which we may from time-to-time issue and sell shares of our common stock having an aggregate offering price of up to $20,000 in an "at the market offering" as defined in Rule 415(a)(4) promulgated under the Securities Act (the "ATM Facility"). For the year ended December 31, 2018, we sold 5,426,151 shares of common stock at an average purchase price of $0.97 per share of common stock for gross proceeds of $5,285 and net proceeds after deducting estimated offering expenses of approximately $4,962 under the ATM Facility.

c. Issuance of stock options, warrants and restricted stock to employees and directors:

1. In 2006, the Company adopted a stock incentive plan (the "stock incentive plan") according to which options, restricted stock and other awards related to common stock of the Company may be granted to directors, employees and consultants (non-employees) of the Company and the Subsidiaries, as determined by the Company's Board of Directors from time to time. The options outstanding are exercisable within a designated period from the date of grant and at an exercise price, each as determined by the Company's Board of Directors. The options outstanding to employees, directors and consultants will vest over a period of up to four years from the date of grant. Any option which is cancelled or forfeited before expiration becomes available for future grants.

2. In March 2013, the Company's Board of Directors approved an amendment to the stock incentive plan increasing the number of shares of common stock authorized for issuance thereunder to a total of 4,178,571 shares of common stock. In April 2014, stockholders approved an amendment to the Company's Stock Incentive Plan, increasing the number of shares authorized to be issued under such plan by 2,000,000 shares. In April 2016, stockholders approved an amendment to the Company's Stock Incentive Plan, increasing the number of shares authorized to be issued under such plan by 3,000,000 shares. In June 2018, stockholders approved an amendment to the Company's Stock Incentive Plan, increasing the number of shares authorized to be issued under such plan by 4,000,000 shares. A summary of the Company's activity for options and warrants granted to employees and directors is as follows:

	Number of options and warrants	Weighted average exercise price	Weighted average remaining contractual terms (years)	Aggregate intrinsic value
Outstanding at December 31, 2017	11,110,362	$4.34	6.43	$1
Granted	2,943,930	$1.54		
Exercised	(17,334)	$1.24		
Forfeited	(3,728,630)	$3.51		
Outstanding at December 31, 2018	10,308,328	$3.84	6.85	$—
Vested and expected to vest, December 31, 2018	10,308,328	$3.84	6.85	$—
Exercisable at December 31, 2018	6,158,796	$4.85	5.50	$—

As of December 31, 2018, there was $2,679 of total unrecognized compensation cost related to non-vested share-based compensation arrangements granted to employees and directors. That cost is expected to be recognized over a weighted-average period of 1.41 years.

d. Issuance of shares, stock options and warrants to consultants:

1. A summary of the Company's activity for options granted under the stock incentive plan and warrants to consultants is as follows:

	Number of options and warrants	Weighted average exercise price	Weighted average remaining contractual terms (years)	Aggregate intrinsic value
Outstanding at December 31, 2017	160,000	$3.62	2.45	$—
Granted	40,000	$1.52		
Exercised	—	$—		
Forfeited	(190,000)	$3.12		
Outstanding at December 31, 2018	10,000	$4.82	7.84	$—
Exercisable at December 31, 2018	10,000	$4.82	7.84	$—

As of December 31, 2018, all compensation cost related to share-based compensation arrangements granted to consultants was recognized.

e. Compensation expense:

Compensation expense related to shares, warrants and options granted to employees, directors and consultants was recorded in the Consolidated Statements of Operations in the following line items:

	Year ended December 31,	
	2018	2017
Research and development expenses	$1,260	$1,515
General and administrative expenses	1,830	1,853
	$3,090	$3,368

f. Summary of shares to be issued upon exercise of options and warrants:

A summary of shares to be issued upon exercise of all the options and warrants, segregated into ranges, as of December 31, 2018 is presented in the following table:

		As of December 31, 2018		
Options / Warrants	**Exercise Price per Share ($)**	**Shares to be Issued upon Exercise of Options and Warrants Outstanding**	**Shares to be Issued upon Exercise of Options and Warrants Exercisable**	**Weighted Average Remaining Contractual Terms of Options and Warrants Outstanding (in years)**
Options:				
Granted to Employees and Directors	1.07 - 2.66	3,619,280	447,641	9.1
	3.14 - 4.91	4,403,900	3,564,632	5.9
	5.22 - 8.80	2,143,938	2,005,313	5.2
		10,167,118	6,017,586	
Granted to Consultants	4.82	10,000	10,000	7.8
Total Shares to be Issued upon Exercise of Options		10,177,118	6,027,586	
Warrants:				
Issued to Employees and Directors	2.84	141,210	141,210	3.8
Issued to Investors	2.84	3,812,694	3,812,694	3.8
Total Shares to be Issued upon Exercise of Warrants		3,953,904	3,953,904	
Total Shares to be Issued upon Exercise of Options and Warrants		14,131,022	9,981,490	

NOTE 8: TAXES ON INCOME

On December 22, 2017, the U.S. government enacted comprehensive tax legislation commonly referred to as the Tax Cuts and Jobs Act (the "Tax Act"). The Tax Act makes broad and complex changes to the U.S. tax code, including, but not limited to, reducing the U.S. federal corporate tax rate from 35 percent to 21 percent; eliminating the corporate alternative minimum tax (AMT) and changing how existing AMT credits can be realized; creating a new limitation on deductible interest expense; changing rules related to uses and limitations of net operating loss carryforwards created in tax years beginning after December 31, 2017; limitations on the deductibility of certain executive compensation; and changes to the calculation of the orphan drug credit.

A reconciliation of income tax benefit computed at the statutory federal income tax rate to income taxes as reflected in the financial statements is as follows:

	December 31,	
	2018	2017
Rate reconciliation:		
Federal income tax benefit at statutory rate	21.0%	35.0%
State and local tax, net of federal benefit	5.7%	5.3%
Loss in earning of subsidiaries	0.0%	(1.00)%
Permanent differences	(0.90)%	(1.30)%
Tax credits	1.6%	2.1%
Tax attribute revaluations	(7.70)%	0.0%
Impact of tax reform	0.0%	(50.60)%
Change in valuation allowance	(19.70)%	10.5%
Effective Income tax rate	0.0%	0.0%

Deferred taxes are recognized for temporary differences between the basis of assets and liabilities for financial statement and income tax purposes. The significant components of the Company's deferred tax assets are comprised of the following:

	December 31,	
	2018	2017
Deferred tax assets:		
Net operating loss and credit carryforwards	$55,184	$45,548
Stock Compensation	4,969	7,065
Accrued Expenses	—	1,497
Other	36	23
Total deferred tax assets before valuation allowance	60,189	54,133
Valuation allowance	(60,189)	(54,133)
Net deferred tax asset	$—	$—

As of December 31, 2018, the Company had U.S. federal net operating loss carryforwards of $145,614, which may be available to offset future income tax liabilities and will expire beginning in 2020. As of December 31, 2018, the Company also had U.S. state net operating loss carryforwards of $138,622 which may be available to offset future income tax liabilities and will expire beginning in 2018.

The Company has recorded a full valuation allowance against its deferred tax assets as of December 31, 2018 and 2017, respectively, because the Company has determined that is it more likely than not that these assets will not be fully realized due to historic net operating losses incurred. The Company experienced a net change in valuation allowance of $6,056 and $17,383 in the years ended December 31, 2018 and 2017, respectively.

As of December 31, 2018, the Company had federal research and development tax credit carryforwards of $2,630 available to reduce future tax liabilities which expire beginning in 2036.

Under the provisions of the Internal Revenue Code, the net operating loss and tax credit carryforwards are subject to review and possible adjustment by the Internal Revenue Service and state tax authorities. Net operating loss and tax credit carryforwards may become subject to an annual limitation in the event of certain cumulative changes in the ownership interest of significant shareholders over a three-year period in excess of 50%, as defined under Sections 382 and 383 of the Internal Revenue Code, respectively, as well as similar state provisions. This could limit the amount of tax attributes that can be utilized annually to offset future taxable income or tax liabilities. The amount of the annual limitation is determined based on the value of the Company immediately prior to the ownership change. Subsequent ownership changes may further affect the limitation in future years. The Company has completed financing since its inception which may have resulted in a change in control as defined by Sections 382 and 383 of the Internal Revenue Code, or could result in a change in control in the future.

The Company files tax returns as prescribed by the tax laws of the jurisdictions in which it operates. In the normal course of business, the Company is subject to examination by federal, state, and foreign jurisdictions, where applicable. The Company's tax years are still open under status from 2015 to present. All open years maybe be examined to the extent that tax credit or net operating loss carryforward are used in future periods. The Company will recognize interest and penalties related to uncertain tax positions in income tax expense. As of December 31, 2018, the Company had no accrued interest or penalties related to uncertain tax positions and no amounts have been recognized in the Company's consolidated statements of operations.

NOTE 9: FINANCIAL INCOME (EXPENSE)

	Year ended December 31,	
	2018	**2017**
Financial expenses:		
Bank charges	(1)	$(3)
Foreign currency remeasurement adjustments	—	(4)
Others	—	(34)
	(1)	$(41)
Financial income:		
Foreign currency remeasurement adjustments	—	$—
Interest on cash equivalents, short-term bank deposits	207	22
Others	(19)	5
	188	$27

NOTE 10: LOSS PER SHARE

The Company computes basic net loss per share by dividing net loss by the weighted average number of shares outstanding, which includes stock issued and outstanding. The Company computes diluted net loss per share by dividing net loss by the weighted average number of shares and potential shares from outstanding stock options. Since the Company had a net loss for all periods presented, the effect of all potentially dilutive securities is anti-dilutive. Accordingly, basic and diluted net loss per share is the same for the year ended December, 2018 and 2017.

The following table presents anti-dilutive shares for the year ended December 31, 2018 and 2017:

	Year ended December 31,	
	2018	**2017**
Weighted-average anti-dilutive shares related to:		
Outstanding stock options	10,221,139	11,105,065
Outstanding warrants	4,386,288	4,830,901
	14,607,427	15,935,966

NOTE 11: QUARTERLY FINANCIAL DATA

	Three Months Ended (Unaudited)			
	March 31	**June 30**	**September 30**	**December 31**
2018:				
R&D expenses	$(6,561)	$(5,747)	$(5,125)	$(4,866)
G&A expenses	$(2,174)	$(2,504)	$(2,174)	$(1,811)
Operating loss	$(8,735)	$(8,251)	$(7,299)	$(6,677)
Financial income (expense)	$26	$60	$50	$51
Net loss	$(8,709)	$(8,191)	$(7,249)	$(6,626)
Basic loss per share	$(0.150)	$(0.140)	$(0.120)	$(0.100)
Diluted loss per share	$(0.150)	$(0.140)	$(0.120)	$(0.100)
Weighted average number of shares used in computing basic loss per share	59,334,821	59,338,255	62,019,780	64,766,882
Weighted average number of shares used in computing diluted loss per share	59,334,821	59,338,255	62,019,780	64,766,882
2017:				
R&D expenses	$(7,947)	$(5,667)	$(6,299)	$(5,263)
G&A expenses	$(2,988)	$(2,369)	$(2,270)	$(1,897)
Operating loss	$(10,935)	$(8,036)	$(8,569)	$(7,160)
Financial income (expense)	$18	$3	$(36)	$1
Net loss	$(10,917)	$(8,033)	$(8,605)	$(7,159)
Basic loss per share	$(0.290)	$(0.220)	$(0.230)	$(0.130)
Diluted loss per share	$(0.290)	$(0.220)	$(0.230)	$(0.130)
Weighted average number of shares used in computing basic loss per share	37,108,261	37,110,043	37,110,043	55,225,985
Weighted average number of shares used in computing diluted loss per share	37,108,261	37,110,043	37,110,043	55,225,985

Exhibit 99.3

AEVI GENOMIC MEDICINE, INC. AND ITS SUBSIDIARIES

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2019 AND FOR THE THREE- AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2019 and SEPTEMBER 30, 2018

CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands, except share data)

	September 30, 2019	December 31, 2018
	Unaudited	Audited
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$2,381	$12,076
Prepaid expenses and other current assets	403	170
Total current assets	2,784	12,246
LONG-TERM ASSETS:		
Lease deposits	11	11
Property and equipment, net	1	20
Total long-term assets	12	31
Total assets	$2,796	$12,277
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Trade payables	$123	$1,582
Other accounts payable and accrued expenses	4,130	2,763
Total current liabilities	4,253	4,345
LONG-TERM LIABILITIES:		
Royalty agreement liability	2,000	—
Total long-term liabilities	2,000	—
Total liabilities	6,253	4,345
STOCKHOLDERS' EQUITY:		
Common stock—$0.0001 par value; 200,000,000 shares authorized; 64,766,882 shares issued and outstanding at September 30, 2019 and December 31, 2018	$7	$7
Additional paid-in capital	254,815	253,678
Accumulated deficit	(258,279)	(245,753)
Total stockholders' equity	(3,457)	7,932
Total liabilities and stockholders' equity	$2,796	$12,277

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

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except share and per share data)

	Nine months ended September 30,		Three months ended September 30,	
	2019	**2018**	**2019**	**2018**
	Unaudited		**Unaudited**	
Research and development expenses	$7,902	$17,433	$2,499	$5,125
General and administrative expenses	4,643	6,852	1,543	2,174
Operating loss	(12,545)	(24,285)	(4,042)	(7,299)
Financial income, net	19	136	—	50
Net loss	$(12,526)	$(24,149)	$(4,042)	$(7,249)
Basic and diluted loss per share	$(0.190)	$(0.400)	$(0.060)	$(0.120)
Weighted average number of common stock used in computing basic and diluted loss per share	64,766,882	60,240,787	64,766,882	62,019,780

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

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

(Unaudited—In thousands, except share and per share data)

For the Three Months ended September 30, 2019 and 2018

	Common stock		Additional paid-in capital	Accumulated deficit	Total stockholders' equity
	Shares	Amount			
Balance as of June 30, 2018	59,340,731	$6	$247,162	$(231,878)	$15,290
Stock-based compensation related to options and warrants granted to directors and employees	—	—	750	—	750
Issuance of common stock at an average of $0.97 per share, net	5,426,151	(*)	4,961	—	4,961
Net loss	—	—	—	(7,249)	(7,249)
Balance as of September 30, 2018	64,766,882	$6	$252,873	$(239,127)	$13,752
Balance as of June 30, 2019	64,766,882	$7	$254,562	$(254,237)	$332
Stock-based compensation related to options and warrants granted to directors and employees	—	—	253	—	253
Net loss	—	—	—	(4,042)	(4,042)
Balance as of September 30, 2019	64,766,882	$7	$254,815	$(258,279)	$(3,457)

For the Nine Months ended September 30, 2019 and 2018

	Common stock		Additional paid-in capital	Accumulated deficit	Total stockholders' equity
	Shares	Amount			
Balance as of December 31, 2017	59,332,265	$6	$245,593	$(214,978)	$30,621
Stock-based compensation related to options and warrants granted to directors and employees	—	—	2,285	—	2,285
Exercise of warrants and options	8,466	(*)	34	—	34
Issuance of common stock at an average of $0.97 per share, net	5,426,151	(*)	4,961	—	4,961
Net loss	—	—	—	(24,149)	(24,149)
Balance as of September 30, 2018	64,766,882	$6	$252,873	$(239,127)	$13,752
Balance as of December 31, 2018	64,766,882	$7	$253,678	$(245,753)	$7,932
Stock-based compensation related to options and warrants granted to directors and employees	—	—	1,137	—	1,137
Net loss	—	—	—	(12,526)	(12,526)
Balance as of September 30, 2019	64,766,882	$7	$254,815	$(258,279)	$(3,457)

(*)Represents an amount lower than $1.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

	Nine months ended September 30,	
	2019	**2018**
	Unaudited	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$(12,526)	$(24,149)
Adjustments to reconcile loss to net cash used in operating activities:		
Depreciation	19	49
Stock-based compensation	1,137	2,285
Changes in operating assets and liabilities:		
Prepaid expenses and other current assets	(233)	355
Trade payables	(1,459)	642
Other accounts payable and accrued expenses	1,367	1,653
Other long-term assets	—	43
Net cash used in operating activities	$(11,695)	$(19,122)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net cash provided by (used in) investing activities	$—	$—
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of shares, net	—	4,961
Proceeds from exercise of options and warrants	—	34
Proceeds from royalty agreement	2,000	—
Net cash provided by financing activities	$2,000	$4,995
Decrease in cash and cash equivalents	(9,695)	(14,127)
Balance of cash and cash equivalents at the beginning of the period	12,076	33,729
Balance of cash and cash equivalents at the end of the period	$2,381	$19,602

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

NOTES TO THE FINANCIAL STATEMENTS

(In thousands, except share and per share data)

NOTE 1: GENERAL

a. Aevi Genomic Medicine Inc. (the "Company") was incorporated in January 2000 in Delaware as Medgenics, Inc. The Company has two wholly-owned subsidiaries (the "Subsidiaries"): Medgenics Medical Israel Ltd. (the "Israeli Subsidiary"), which was incorporated in Israel in March 2000 and Aevi Genomics Medicine Europe BVBA/SPRL, which was incorporated in Belgium in December 2018. The Company is a clinical stage biopharmaceutical company with an emphasis on identifying the drivers of disease and applying this understanding to the pursuit of differentiated novel therapies primarily for pediatric onset, life-altering diseases, including rare and orphan diseases.

As of October 15, 2019, the Company's common stock (the "Common Stock") is traded on the Nasdaq Capital Market, after transferring from the Nasdaq Global Market, which the Company's Common Stock had been traded on since October 21, 2016.

b. As reflected in the accompanying financial statements, the Company incurred a net loss and negative cash flow from operating activities for the nine-month period ended September 30, 2019 of $12,526 and $11,695, respectively. The accumulated deficit as of September 30, 2019 was $258,279. As of September 30, 2019, the Company had cash and cash equivalents of $2,381 which it believes will provide funding for its operations into the fourth quarter of 2019. The Company and the Subsidiaries have not yet generated revenues from product sales. See Note 3 below, for additional information regarding liquidity risks and management's plans. See Note 4 below, for additional information regarding that certain outstanding note payable to CHOP in cash.

c. The Children's Hospital of Philadelphia Foundation (the "CHOP Foundation") is the Company's largest stockholder. As of September 30, 2019, the CHOP Foundation and certain related parties beneficially owned 21,311,586 shares of the Company's Common Stock. The shares of Common Stock beneficially owned by the CHOP Foundation and certain related parties represent approximately 31.5% of the Company's outstanding shares of Common Stock.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

a. The accompanying unaudited condensed financial statements of the Company, have been prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP") and the rules of the Securities and Exchange Commission ("SEC") and should be read in conjunction with the audited financial statements and notes thereto included in the Annual Report on Form 10-K for the year ended December 31, 2018 ("2018 Form 10-K") as filed with the SEC. In the opinion of management, all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of financial position and the results of operations for the interim periods presented have been reflected herein. The results of operations for interim periods are not necessarily indicative of the results to be expected for the full year. Notes to the financial statements that would substantially duplicate the disclosure contained in the audited financial statements for the most recent fiscal year as reported in the 2018 Form 10-K have been omitted.

b. Recently issued accounting pronouncements:

In 2016, the FASB issued ASU 2016-02, Leases, which replaced existing leasing guidance. ASU 2016-02 requires lessees to recognize operating and financing lease liabilities and related right-of-use assets, in addition to increased disclosures as to the nature of cash flows arising from a lease. The Company has adopted the new standard effective January 1, 2019, electing not to restate comparative periods. Adoption has not changed the classification of any of the Company's leases. As a result of adopting ASU 2016-02, the primary impact on the Company's financial statements was the recognition of a right-of-use asset and a

corresponding current lease liability of approximately $42 on the Company's Condensed Consolidated Balance Sheet, as of January 1, 2019.

In June 2018, the FASB issued ASU 2018-07, Compensation—Stock Compensation (Topic 718): Improvements to Nonemployee Shared-Based Payment Accounting. This guidance is intended to simplify the accounting for share-based payments to nonemployees by aligning it with the accounting for share-based payments to employees, with certain exceptions. This guidance will be effective for annual reporting periods beginning after December 15, 2018, including interim periods within those annual reporting periods, and early adoption is permitted. The Company does not anticipate a material impact to the consolidated financial statements as a result of the adoption of this guidance.

Other accounting standards that have been issued or proposed by the FASB or other standards-setting bodies that do not require adoption until a future date are not expected to have a material impact on the Company's consolidated financial statements upon adoption.

NOTE 3: LIQUIDITY RISKS AND MANAGEMENT'S PLANS

The future success of the Company is dependent on its ability to develop its product candidates and ultimately upon its ability to attain profitable operations. The Company is subject to a number of risks similar to other early-stage life science companies, including, but not limited to, successful discovery and development of its product candidates, raising additional capital with favorable terms, development by its competitors of new technological innovations, protection of proprietary technology and market acceptance of the Company's products. The successful discovery and development of product candidates requires substantial working capital which may not be available to the Company on favorable terms.

The Company has financed its operations primarily through issuance of equity. As of September 30, 2019, the Company had cash and cash equivalents of $2,381 and liabilities of $6,253. The Company has incurred recurring operating losses since inception. For the quarter ended September 30, 2019, the Company incurred a net loss of $4,042 and as of September 30, 2019 the Company has an accumulated deficit of $258,279. The Company anticipates operating losses to continue for the foreseeable future due to, among other things, costs related to research, development of its product candidates and its preclinical programs, and its administrative organization. The Company will require substantial additional financing to fund its operations and to continue to execute its strategy. These conditions raise substantial doubt about its ability to continue as a going concern within one year after the date that the financial statements are issued.

To alleviate the conditions that raise substantial doubt about the Company's ability to continue as a going concern, the board of directors has commenced a review to explore and evaluate potential strategic alternatives to enhance stockholder value. These alternatives could include, among others, continuing to execute the Company's business plan, issuing or transferring shares of its Common Stock or other equity securities, the license, sale or disposition of certain assets or programs, the formation of a joint venture, a strategic business combination, a transaction that results in private ownership or the sale of the Company, or some combination of these. There can be no assurance that the review of strategic alternatives will result in the identification or consummation of any transaction or that our board of directors will determine that continuing our current business operations is in the best interest of the Company's stockholders. If the Company raises additional funds through strategic collaborations and alliances or licensing agreements with third parties, which may include existing collaboration partners, the Company may have to relinquish valuable rights to its technologies or product candidates, including AEVI-002, AEVI-005, AEVI-006, AEVI-007 and other product candidates, or grant licenses on terms that are not favorable to the Company. To the extent that the Company raises additional capital through the sale of equity, the ownership interest of its existing shareholders will be diluted and other preferences may be necessary that adversely affect the rights of existing shareholders. If none of these alternatives is available, or if available, the Company is unable to raise sufficient capital through such transactions, it will not have sufficient cash resources and liquidity to fund its business operations for at least the next year following the date the financial statements are issued. Accordingly, management has concluded that substantial doubt exists with respect to the Company's ability to continue as a going concern within one year after the date that the financial statements are issued.

NOTE 4: COMMITMENTS AND CONTINGENCIES

The offices of the Company were rented under an operating lease agreement and committed through April 2019. In March 2019, the Company agreed to extend the operating lease through April 2020. Both the Company and the landlord have the right to terminate the lease 60 days after written notice is provided.

In November 2014, the Company entered into a license agreement (the "License Agreement"), and a sponsored research agreement (the "Research Agreement"), each with the Children's Hospital of Philadelphia ("CHOP"). Under the terms of the License Agreement, CHOP granted the Company (i) an exclusive, sublicensable license to use certain patent rights covering potential diagnostic and therapeutic targets, (ii) an exclusive, non-sublicensable license to use certain biospecimen and phenotypic data collected from patients with rare and orphan diseases and their family members, or the Biobank. A License Issuance Fee of $500 was paid and expensed in 2014. Beginning in 2016 and continuing through 2020, the Company paid, and is contractually required to pay, to CHOP an annual license maintenance fee of $100. This annual license maintenance fee increases to $200 beginning in 2021. The Company is required to pay to CHOP certain milestone payments, ranging from $250 to $500; low single-digit royalties on net sales of all licensed products and a percentage of amounts received from sublicensing activities.

The License Agreement terminates upon the expiration date of the last-to-expire royalty term under the License Agreement. The Company may terminate the License Agreement at any time with six months' prior written notice to CHOP, and CHOP may terminate the License Agreement upon (i) an uncured default by the Company of the License Agreement, (ii) the failure by the Company to meet certain development and/or commercialization milestones under the License Agreement, or (iii) the Company entering into liquidation, having a receiver or administrator appointed over any assets related to the License Agreement, makes any voluntary assignment of our assets for the benefit of creditors, ceases to carry on business, files for bankruptcy under Chapter 7 of the US Bankruptcy Code or has an involuntary petition under Chapter 7 of the US Bankruptcy Code filed against us.

In February 2017, the Company amended the License Agreement. The amendment allows the Company to extend the period of its exclusive commercial access to the Biobank for rolling two-year periods. The cost of the first extension was $198 with each subsequent extension costing $125. The Company has exercised such option in each of 2017 and 2018.

In December 2015, the Company entered into an amendment to the Research Agreement, which amendment, amongst other things, granted it the right to extend the term of the Research Agreement until November 12, 2017. In February 2017, the Company entered into a second amendment to the Research Agreement, which extended the term of the Research Agreement through June 30, 2018. This amendment also granted the Company rights to continually extend the term of the Research Agreement by one year by giving CHOP written notice of extension no later than one year prior to the expiration of the then-current term of the Research Agreement. In June 2017, the Company extended the term of the Research Agreement through June 30, 2019, and in June 2018, it extended the term of the Research Agreement through June 30, 2020. $5,937 was due under the Research Agreement in 2018. $4,750 is due under the Research Agreement in 2019, and in the first half of 2020, $2,375 will be due.

In March 2019, the Company reached agreement with CHOP to further amend the Research Agreement and the License Agreement (the "CHOP Amendments"). The CHOP Amendments allow the Company to defer the monthly payments due under the Research Agreement for the period from February 1, 2019 through September 30, 2019 in exchange for a non-interest bearing note in the amount of such deferral. Such note matures September 30, 2019 and is secured by all of the Company's intellectual property and other assets (the "Note"). At maturity, and at CHOP's option, the Note will be payable in cash or a number of shares of the Company's Common Stock calculated based on the price of the Company's Common Stock at such time; provided, however, if conversion upon such election would cause CHOP and its affiliates including the CHOP Foundation to own, in the aggregate, in excess of 47.5% of the then-outstanding shares of the Company's Common Stock (after giving effect to such conversion), then CHOP would only receive the number of shares of the Company Common Stock such that CHOP and its affiliates including the CHOP Foundation would own, in the aggregate, 47.5% of the then outstanding shares of the Company's Common Stock (after giving effect to such conversion), and the balance of the Note would be payable to

CHOP in cash. Depending on the price of the Company's Common Stock at the time of such conversion, the percentage conversion cap discussed above may result in a significant amount of the Note payable to CHOP in cash. In such case, depending on the amount, the Company may not have enough cash on hand for such cash payment. Based on the Company's closing stock price of $0.15 as of the close of business on September 30, 2019 the $3,167 reflected on the balance sheet relating to the Note and CHOP's current ownership of 18,424,036 shares of Common Stock, excluding its ability to exercise warrants and options, a cash payment would not be required as a result of the percentage conversion cap, if so elected.

The CHOP Amendments with respect to the Research Agreement and the License Agreement prohibits the assignment or sublicense of CHOP's intellectual property without CHOP's prior written consent, allows CHOP to terminate the Research Agreement and the License Agreement upon a change of control without CHOP's prior written consent, reduces the period of time during which the Company has to exercise its options to license new intellectual property of CHOP and to negotiate the terms of any such license and requires the Company to meet certain diligence requirements related to acquiring rights to and commencing a clinical trial for a viable molecule that addresses the optioned intellectual property.

Furthermore, until the later of repayment in full of the Note or June 30, 2020, the Company has agreed to only undertake an equity financing (including convertible notes) if the net proceeds of such financing provide at least six months of cash to sustain the Company's operations; provided, that CHOP will have a right of first refusal to purchase any or all equity proposed to be issued in such financing on equivalent terms.

On October 4, 2019, the Company entered into an agreement with CHOP to extend the maturity date of the Note (the "Agreement"). Pursuant to the Agreement, the maturity of the Note was extended until November 15, 2019, with an automatic further extension to December 15, 2019, if the Company has entered into a definitive agreement concerning a financing of at least $20,000 on or prior to November 15, 2019. In addition, pursuant to the Agreement, the Company and CHOP agreed to amend the SRA and certain license agreements between the Company and CHOP, to return to CHOP certain intellectual property on which the Company is no longer focused and provide that the SRA continues after June 30, 2020, only upon the mutual agreement of CHOP and the Company.

CHOP is the Company's largest shareholder, and the CHOP Foundation has the right to nominate one of the Company's Board of Directors. Expenses related to CHOP, within the Research Agreement or otherwise, were $1,247 and $3,811 for the three and nine months periods ended September 30, 2019, respectively, and $1,239 and $5,725 for the three and nine months periods ended September 30, 2018, respectively. As of September 30, 2019, the Company had total payables related to CHOP, inclusive of those related to the Research Agreement, of $3,211 allocated between accrued expenses and trade payables.

In July 2019, the Company entered into an exclusive license agreement with OSI Pharmaceuticals, LLC, an indirect wholly-owned subsidiary of Astellas Pharma Inc. ("Astellas") for the worldwide development and commercialization of Astellas' novel, second generation mTORC1/2 inhibitor, AEVI-006. Under the terms of the license agreement, the Company paid Astellas an up-front license fee of $500 and Astellas will be eligible to receive milestones payments based upon the achievement of specified development and regulatory milestones. Upon commercialization, Astellas will be entitled to a tiered, single-digit royalty on worldwide annual net sales. The Company will be fully responsible for the development and commercialization of the program. The Company plans to initially develop AEVI-006 for use in congenital complex Lymphatic Malformations. The Company has scheduled a pre-IND meeting with FDA to discuss the path forward for development of AEVI-006 for the treatment of lymphoid malformations. The Company plans to propose to open the IND with a 4-week phase 1/2 PK/PD, safety and Proof of Concept study in adult patients with lymphatic malformations and begin enrollment in 2020. Detailed study design will be based on FDA and investigator feedback.

Also in July 2019, the Company entered into a royalty agreement with Michael F. Cola, Joseph J. Grano, Jr., Kathleen Jane Grano, Joseph C. Grano, The Grano Children's Trust, Joseph C. Grano, trustee and LeoGroup Private Investment Access, LLC on behalf of Garry A. Neil (each individually, an "Investor" and collectively, the "Investors"), in exchange for a one-time aggregate payment of $2,000 (the "Royalty Agreement"). These investors are considered related parties as Mr. Cola is President and Chief Executive Officer of the Company and a member of

its board of directors (the "*Board*"), Dr. Neil is the Chief Scientific Officer of the Company and Mr. Grano is a member of the Board and is affiliated with the three other Investors party to the Royalty Agreement. Collectively, the Investors will be entitled to an aggregate amount equal to a low-single digit percentage of the aggregate net sales of the OSI Products. At any time beginning three years after the date of the first public launch of an OSI Product, the Company may exercise, at its sole discretion, a buyout option that terminates the Company's further obligations under the Royalty Agreement in exchange for a payment to the investors of an aggregate of 75% of the net present value of the royalty payments.

The $2,000 in proceeds received form the Investors was recorded as a royalty agreement liability on the Company's Balance Sheet, in accordance with ASC 730, *Research and Development*. Because there was a significant related party relationship between the Company and the Investors, the Company treated its obligation to make royalty payments under the Royalty Agreement as an implicit obligation to repay the funds advanced by the Investors. As the Company makes royalty payments in accordance with the Royalty Agreement, it will reduce the liability balance. At the time that such royalty payments become probable and estimable, and if such amounts exceed the liability balance, the Company will impute interest accordingly on a prospective basis based on such estimates, which would result in a corresponding increase in the liability balance.

In August 2019, the Company obtained the right to exercise an exclusive global license from Medimmune Limited, a subsidiary of AstraZeneca, for a Phase 2-ready fully human monoclonal antibody that targets interleukin 18, or IL-18, AEVI-007. Under the terms of the agreement, the Company will have the right to exercise an exclusive global license to develop and commercialize AEVI-007. Contingent upon raising additional capital, the Company intends to exercise the option and would be required to pay AstraZeneca a combined mid-single digit millions in cash and equity upon execution of the option, up to $162,000 upon achievement of certain development and sales-related milestones and tiered low double-digit royalties on global annual product sales. The Company will be fully responsible for the development and commercialization of the program.

NOTE 5:- STOCKHOLDERS' EQUITY

a. On September 10, 2019, the Company obtained approval of an amendment to the Company's Amended and Restated Certificate of Incorporation to effect a reverse stock split of the Company's outstanding Common Stock by a ratio of not less than one-for-twenty and not more than one-for-sixty, with the exact ratio to be set within this range by the Company's Board of Directors in its sole discretion, at any time prior to December 31, 2019, the implementation and timing of which shall be subject to the discretion of the Company's Board of Directors.

b.Issuance of stock options and warrants to employees and directors:

A summary of the Company's activity for options and warrants granted to employees and directors is as follows:

	Nine months ended September 30, 2019			
	Number of options and warrants	Weighted average exercise price	Weighted average remaining contractual terms (years)	Aggregate intrinsic value
Outstanding at December 31, 2018	10,308,328	$3.84	6.85	$—
Granted	—	$—		
Exercised	—	$—		
Forfeited	(1,441,913)	$3.61		
Outstanding at September 30, 2019	8,866,415	$3.88	5.92	$—
Vested and expected to vest at September 30, 2019	8,866,415	$3.88	5.92	$—
Exercisable at September 30, 2019	7,482,805	$4.24	5.47	$—

As of September 30, 2019, there was $945 of total unrecognized compensation cost related to non-vested stock-based compensation arrangements granted to employees and directors. That cost is expected to be recognized over a weighted-average period of 1.24 years.

c.Issuance of options and warrants to consultants:

A summary of the Company's activity for warrants and options granted to consultants is as follows:

	Nine months ended September 30, 2019			
	Number of options and warrants	Weighted average exercise price	Weighted average remaining contractual terms (years)	Aggregate intrinsic value
Outstanding at December 31, 2018	10,000	$4.82	7.84	$—
Granted	—	$—		
Exercised	—	$—		
Forfeited	—	$—		
Outstanding at September 30, 2019	10,000	$4.82	7.09	$—
Exercisable at September 30, 2019	10,000	$4.82	7.09	$—

As of September 30, 2019, there was no unrecognized compensation cost related to non-vested stock-based compensation arrangements granted to consultants.

d.Stock-based compensation expense:

Compensation expense related to warrants and options granted to employees, directors and consultants was recorded in the Consolidated Statement of Operations in the following line items:

	Nine months ended September 30,		Three months ended September 30,	
	2019	2018	2019	2018
Research and development expenses	$485	$936	$122	$290
General and administrative expenses	652	1,349	131	460
Total stock-based compensation expense	$1,137	$2,285	$253	$750

e.Summary of shares to be issued upon exercise of options and warrants:

A summary of shares to be issued upon exercise of all the options and warrants, segregated into ranges, as of September 30, 2019 is presented in the following table:

		As of September 30, 2019		
Options / Warrants	Exercise price per share ($)	Shares to be issued upon exercise of options and warrants outstanding	Shares to be issued upon exercise of options and warrants exercisable	Weighted average remaining contractual terms of options and warrants (in years)
Options:				
Granted to employees and directors	1.07 - 2.66	2,914,667	1,717,057	8.3
	3.14 - 4.91	3,993,000	3,807,000	5.0
	5.22 - 8.80	1,817,538	1,817,538	4.4
		8,725,205	7,341,595	
Granted to consultants	4.82	10,000	10,000	7.1
Total shares to be issued upon exercise of options		8,735,205	7,351,595	
Warrants:				
Issued to employees and directors	2.84	141,210	141,210	3.0
Issued to investors	2.84	3,812,694	3,812,694	3.0
Total shares to be issued upon exercise of warrants		3,953,904	3,953,904	
Total shares to be issued upon exercise of options and warrants		12,689,109	11,305,499	

NOTE 6: LOSS PER SHARE

The Company computes basic net loss per share by dividing net loss by the weighted average number of shares outstanding, which includes stock issued and outstanding. The Company computes diluted net loss per share by dividing net loss by the weighted average number of shares and potential shares from outstanding stock options. Since the Company had a net loss for all periods presented, the effect of all potentially dilutive securities is anti-dilutive.

The following table presents anti-dilutive shares for the nine and three months ended September 30, 2019 and 2018:

	Nine months ended September 30,		Three months ended September 30,	
	2019	2018	2019	2018
Weighted-average anti-dilutive shares related to:				
Outstanding stock options	9,797,536	10,219,710	9,294,613	10,623,655
Outstanding warrants	3,953,904	4,532,000	3,953,904	3,953,904
Total weighted-average anti-dilutive shares	13,751,440	14,751,710	13,248,517	14,577,559

NOTE 7: SUBSEQUENT EVENTS

On October 9, 2019, the Nasdaq Hearing's Panel (the "Panel") issued a decision granting (i) the Company's request for transfer of the Company's common stock from the Nasdaq Global Market to the Nasdaq Capital Market effective at the open of business on October 15, 2019 and (ii) the Company's request for continued listing of its common stock on the Nasdaq Capital Market pursuant to an exception through February 3, 2020. Such exception is subject to the conditions that on or before February 3, 2020 (i) the Company must demonstrate a closing bid price of $1.00 or more for a minimum of ten prior consecutive trading days and (ii) the Company must have stockholders' equity above $2,500. If the Company does not regain compliance with the minimum bid price and stockholders' equity requirements by February 3, 2020 or, based on any significant events that occur during the extension period, the Panel reconsiders the extension, the Nasdaq Stock Market LLC ("Nasdaq") could delist the Company's common stock from the Nasdaq Capital Market. There can be no assurance that the Company will regain compliance on or before February 3, 2020, or that it will be able to maintain compliance in the future.

AEVI MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of Aevi's financial condition and results of operations should be read in conjunction with its consolidated financial statements and related notes appearing in Exhibit 99.2 and Exhibit 99.3 of this Form 8-K. This discussion and analysis contains forward-looking statements that involve risks, uncertainties and assumptions. The actual results might differ materially from those anticipated in these forward-looking statements as a result of certain factors, including, but not limited to, those which are not within Aevi's control.

Overview

Aevi is a clinical stage biopharmaceutical company with an emphasis on identifying the drivers of disease and applying this understanding to the pursuit of differentiated novel therapies primarily for pediatric onset, life-altering diseases, including rare and orphan diseases. Aevi looks to find treatments for rare and orphan diseases for which there are limited therapeutic options currently available, with a primary focus on pediatric patients. This strategy begins with identifying and validating a therapeutic target and using biomarkers to guide product development. The strategy also involves identifying and acquiring otherwise abandoned or overlooked drug candidates and matching targets and mechanisms of action to novel discoveries.

Aevi has partnered with CAG at CHOP to implement a genomic medicine driven approach to drug development. Included in the assets at CAG is a fully automated biorepository containing specimens from more than 75,000 pediatric patients and 150,000 relatives of those patients. The sample is highly enriched for rare and orphan diseases and the large majority of patients have been genotyped. Their phenotypes are recorded in a modern electronic health record that is linked to the genomics database and biorepository. The patients in the database have consented to anonymized use of their data for research and follow up contact if needed.

Aevi has recently successfully added two phase 2 ready programs to its development pipeline, AEVI-006 and AEVI-007, and continues to pursue discussions related to potentially expanding its pipeline of development programs through the in-license or acquisition of future product development candidates.

Aevi has generated significant losses to date, and it expects to continue to generate losses as it progresses towards the commercialization of its product candidates. Aevi has incurred net losses of approximately $4.04 million for the three-month period ended September 30, 2019. As of November 31, 2019, Aevi had cash and cash equivalents of approximately $2.38 million.

The CHOP Foundation is Aevi's largest stockholder. As of September 30, 2019, the CHOP Foundation and certain related parties beneficially owned 21,311,586 shares of Aevi's common stock. The shares of common stock beneficially owned by the CHOP Foundation and certain related parties represent approximately 31.5% of Aevi's outstanding shares of common stock. In March 2019, Aevi amended its Research Agreement and License Agreement with CHOP to allow Aevi to defer the monthly payments due under the Research Agreement for the period from February 1, 2019 through September 30, 2019 in exchange for a non-interest-bearing convertible note in the amount of such deferral, the CHOP Note. On October 4, 2019, Aevi entered into an agreement with CHOP to extend the maturity date of CHOP Note until November 15, 2019, with an automatic further extension to December 15, 2019, if Aevi had entered into a definitive agreement concerning a financing of at least $20 million on or prior to November 15, 2019. In addition, pursuant to the agreement, Aevi and CHOP agreed to amend certain agreements relating to the relationship between CHOP and Aevi to return to CHOP certain intellectual property on which Aevi is no longer focused and provide that the Research Agreement continues after June 30, 2020, only upon the mutual agreement of CHOP and Aevi. On November 18, 2019, Aevi entered into an agreement with CHOP to extend the maturity date of the CHOP Note until December 15, 2019, with an automatic further extension to February 15, 2020, upon the occurrence of certain circumstances, which included entering into the Merger Agreement. In addition, pursuant to the Agreement, the principal amount of the CHOP Note was increased to $4,354,166.63, and it increased to $4,749,999.96 on December 15, 2019 as a result of the automatic extension having been triggered and it will increase to $5,145,833.29 if the CHOP Note is still outstanding on January 15, 2020. In addition, Aevi agreed that immediately prior to the consummation of a change of control transaction, the CHOP Note will convert into a number of shares of Aevi common stock equal to one-third of the shares of Aevi common stock outstanding at such time.

On December 5, 2019, Aevi entered into the Merger Agreement with Cerecor, Merger Sub and Second Merger Sub, pursuant to which Merger Sub will merge with and into Aevi, and, as part of the same overall transaction, Aevi will then

merge with and into Second Merger Sub, with Second Merger Sub as the surviving corporation. On February 3, 2020, the Merger was consummated in accordance with the terms of the Merger Agreement.

AEVI-001 (mGluR+ Genetic Subset ADHD)

On January 2, 2019, Aevi announced that the ASCEND trial, a genomically-guided Phase 2 double-blind, placebo-controlled clinical trial of orally-administered AEVI-001 (100 – 400 mg BID) did not achieve statistical significance on the primary endpoint of reduction of ADHD-RS in either Part A or Part B after 6 weeks of treatment with AEVI-001. Given the negative outcomes of the ASCEND trial, Aevi terminated the AEVI-001 program and returned all intellectual property related to such program back to CHOP.

AEVI-004 (novel co-crystal version of AEVI-001)

AEVI-004 is a co-crystal version of AEVI-001. Given the negative outcomes of the ASCEND trial, there are no current clinical development plans for AEVI-004 and Aevi returned all intellectual property related to such program back to CHOP.

AEVI-002 (Anti-LIGHT Monoclonal Antibody)

AEVI-002 is a potential first-in-class anti-LIGHT monoclonal antibody, or the Antibody, being developed for use in Pediatric Onset Crohn's disease. Pediatric Onset Crohn's disease may have a more aggressive phenotype than adult onset disease. The genomic rationale for the use of anti-LIGHT antibody in Crohn's disease was validated by CAG research showing the association to a loss of function mutation in decoy receptor 3 (DcR3). Aevi has subsequently shown that a majority of pediatric patients with active Crohn's disease have elevated levels of free LIGHT, in serum.

In June 2016, Aevi entered into the Development and Option Agreement, with KHK, pursuant to which Aevi acquired certain rights with respect to the development and potential commercialization of the Antibody. Under the Development and Option Agreement, Aevi received an exclusive option for exclusive rights to develop products containing the Antibody, or an Antibody Licensed Product, exclusive rights to commercialize Antibody Licensed Product in various countries and to conduct various development activities with respect to the Antibody Licensed Product, including the conduct of a signal finding study testing the Antibody in Severe Pediatric Onset Inflammatory Bowel Disease.

An 8-week Phase Ib proof-of-concept study has been initiated, with the goal of enrolling up to 12 patients with a Pediatric Onset Crohn's disease diagnosis with most patients being refractory to treatment with TNF-á inhibitors, with or without a DcR3 mutation. The endpoints of the trial include endoscopic evaluation, Crohn's Disease Activity Index ratings and safety. On November 20, 2019, Aevi dosed the first patient in this Phase Ib trial. Active recruitment for the trial has been underway for more than two years. The ability to produce initial data from the trial is directly dependent on successful patient recruitment; thus, continued difficulties in recruitment could cause a significant delay or an inability to deliver any initial data for the program.

AEVI-005 (Monoclonal Antibody)

AEVI-005 is the second monoclonal antibody Aevi is developing as part of its ongoing collaboration with KHK. Aevi is studying AEVI-005 in an undisclosed ultra-orphan auto-immune pediatric disease. Aevi initiated a preclinical research program with AEVI-005 in the second quarter of 2018.

AEVI-006 (mTORC1/2 Inhibitor)

In July 2019, Aevi entered into an exclusive license agreement with OSI Pharmaceuticals, LLC, an indirect wholly owned subsidiary of Astellas, for the worldwide development and commercialization of Astellas' novel, second generation mTORC1/2 inhibitor, AEVI-006.

Aevi plans to initially develop AEVI-006 for use in congenital complex Lymphatic Malformations, which includes a number of rare and orphan diseases.

Lymphatic Malformations are rare and orphan congenital and potentially life-threatening diseases of the lymphatic system. Some of the diseases involved are Generalized Lymphatic Anomaly (GLA), Kaposiform lymphangiomatosis (KLA),

and Gorham-Stoudt disease (GSD). Most lymphatic malformations are evident at birth or within the first two years of age. The exact prevalence of lymphatic malformations in the general population is unknown, but is thought to be approximately 1 in every 4,000 live births. There may be as many as 30,000 to 60,000 Americans living with congenital lymphatic malformations. In some cases, the disease may be familial and have a recognizable genetic cause. In most cases it appears to be sporadic, although somatic genetic mutations are often present. The mTORC1/2 pathway is believed to be involved in greater than 80% of patients with congenital Lymphatic Malformations.

There are currently no approved drug therapies for Lymphatic Malformations. AEVI-006 is a new targeted therapy that may address the underlying cause in the majority of these patients.

Aevi has scheduled a pre-IND meeting with the FDA to discuss the path forward for development of AEVI-006 for the treatment of lymphoid malformations. Aevi plans to propose to open the IND with a 4-week phase 1/2 PK/PD, safety and POC study in adult patients with lymphatic malformations and begin enrollment in 2020. Detailed study design will be based on FDA and investigator feedback.

AEVI-007 (Anti-IL18 Monoclonal Antibody)

In August 2019, Aevi obtained the right to exercise an exclusive global license from Medimmune Limited, a subsidiary of AstraZeneca, for a Phase 2-ready fully human monoclonal antibody that targets interleukin 18, or IL-18, AEVI-007. In December 2019, Aevi exercised the option and paid AstraZeneca a combined mid-single digit millions in cash and equity upon execution of the option.

Aevi initially plans to develop AEVI-007 for adult onset Still's disease, or AOSD, a serious rare and orphan rheumatological disease affecting adults. The disease is similar to systemic onset juvenile idiopathic arthritis that affects children. The etiology of AOSD is unknown with both genetic and infectious factors being implicated. The hallmarks of the disease are persistent daily fever, rash and arthralgias. Many patients suffer complications including splenomegaly, heart and liver disease. Some AOSD patients develop macrophage activation syndrome, a severe acute complication that may cause rapid multi-organ failure and even death. There are currently no approved biologic therapies in the United States for the treatment of AOSD.

Aevi intends to request a pre-IND meeting with the FDA to discuss the path forward for development of AEVI-007 for the treatment of AOSD. Aevi plans to propose to open the IND with a 12-week phase 1/2 PK/PD, safety and POC study in adult patients with AOSD and potentially begin enrollment in 2020. Detailed study design and the ability to meet the enrollment initiation timeline will be based on FDA and investigator feedback.

Financial Operations Overview

Aevi has generated significant losses to date, and it expects to continue to generate losses as it progresses towards the commercialization of its product candidates. Aevi incurred net losses of approximately $12.53 million for the nine-month period ended September 30, 2019. As of September 30, 2019, Aevi had negative stockholders' equity of approximately $3.46 million. As of September 30, 2019, Aevi had cash and cash equivalents of $2.38 million. Aevi believes that cash on hand will be sufficient to enable it to fund its operating expenses and capital expenditure requirements into the fourth quarter of 2019, however, Aevi's current resources would not enable it to repay the CHOP Note if CHOP elected to be paid in cash. These conditions raise substantial doubt about Aevi's ability to continue as a going concern within one year after the date of the filing of this Form 8-K. Aevi is unable to predict the extent of any future losses or when it will become profitable, if at all.

To alleviate the conditions that raise substantial doubt about Aevi's ability to continue as a going concern, the board of directors commenced a review to explore and evaluate potential strategic alternatives to enhance stockholder value. These alternatives could include, among others, continuing to execute Aevi's business plan, issuing or transferring shares of its common stock or other equity securities, the license, sale or disposition of certain assets or programs, the formation of a joint venture, a strategic business combination, a transaction that results in private ownership or the sale of Aevi, or some combination of these. There can be no assurance that the review of strategic alternatives will result in the identification or consummation of any transaction or that Aevi's board of directors will determine that continuing its current business operations is in the best interest of Aevi's stockholders. If Aevi raises additional funds through strategic collaborations and alliances or licensing agreements with third parties, which may include existing collaboration partners, Aevi may have to relinquish valuable rights to its technologies or product candidates, including AEVI-002, AEVI-005, AEVI-006, AEVI-007

and other product candidates, or grant licenses on terms that are not favorable to Aevi. To the extent that Aevi raises additional capital through the sale of equity, the ownership interest of Aevi's existing stockholders will be diluted and other preferences may be necessary that adversely affect the rights of existing stockholders. If none of these alternatives is available, or if available, Aevi is unable to raise sufficient capital through such transactions, Aevi will not have sufficient cash resources and liquidity to fund its business operations for one year after the date of the filing of this Form 8-K. Accordingly, management has concluded that substantial doubt exists with respect to Aevi's ability to continue as a going concern within one year after the date that the financial statements are issued.

Research and Development Expense

Research and development expense consists of: (i) internal costs associated with Aevi's development activities; (ii) payments Aevi makes to third party contract research organizations, contract manufacturers, clinical trial sites and consultants; (iii) technology and intellectual property license costs, including in-licensing; (iv) manufacturing development costs; (v) personnel related expenses, including salaries, and other related costs, including stock-based compensation expense, for the personnel involved in product development; (vi) activities related to regulatory filings and the advancement of Aevi's product candidates through preclinical studies and clinical trials; and (vii) facilities and other allocated expenses, which include direct and allocated expenses for rent, facility maintenance, as well as laboratory and other supplies. All research and development costs are expensed as incurred.

Conducting a significant amount of development is central to Aevi's business model. Product candidates in later-stage clinical development generally have higher development costs than those in earlier stages of development, primarily due to the significantly increased size and duration of the clinical trials.

The process of conducting pre-clinical studies and clinical trials necessary to obtain regulatory approval is costly and time consuming. The probability of success for each product candidate and clinical trial may be affected by a variety of factors, including, among others, the quality of the product candidate's early clinical data, investment in the program, competition, manufacturing capabilities and commercial viability. As a result of these uncertainties, together with the uncertainty associated with clinical trial enrollments and the risks inherent in the development process, Aevi is unable to determine the duration and completion costs of current or future clinical stages of its product candidates or when, or to what extent, it will generate revenues from the commercialization and sale of any of Aevi's product candidates. Development timelines, probability of success and development costs vary widely. Aevi is concurrently focusing on pursuing clinical and pre-clinical research and development in targeted orphan and rare disease.

General and Administrative Expense

General and administrative expense consists primarily of salaries and other related costs, including stock-based compensation expense, for persons serving as Aevi's directors and in Aevi's executive, finance and accounting functions. Other general and administrative expense includes facility-related costs not otherwise included in research and development expense, costs associated with industry and trade shows, and professional fees for legal services and accounting services. Aevi expects that its general and administrative expenses will increase and decrease as personnel increase and decrease.

Results of Operations for the Nine Months Ended September 30, 2019 and 2018

Research and Development Expenses

Research and development expenses for the nine months ended September 30, 2019 were $7.90 million, decreasing from $17.43 million for the same period in 2018 primarily driven by a reduction of expenses relating to development of AEVI-001 in ADHD.

General and Administrative Expenses

General and administrative expenses for the nine months ended September 30, 2019 were $4.64 million, decreasing from $6.85 million for the same period in 2018, due in part to a reduction in the scale of Aevi's operations.

Financial Income and Expenses

Financial income and expense for the nine months ended September 30, 2019 and 2018 were de minimis.

Results of Operations for the Three Months Ended September 30, 2019 and 2018

Research and Development Expenses

Research and development expenses for the three months ended September 30, 2019 were $2.50 million, decreasing from $5.13 million for the same period in 2018 primarily driven by a reduction of expenses relating to development of AEVI-001 in ADHD.

General and Administrative Expenses

General and administrative expenses for the three months ended September 30, 2019 were $1.54 million, decreasing from $2.17 million for the same period in 2018, due in part to a reduction in the scale of Aevi's operations.

Financial Income and Expenses

Financial income and expense for the three months ended September 30, 2019 and 2018 were de minimis.

Results of Operations for the Year Ended December 31, 2018 and 2017

Research and Development Expenses

Research and development expenses for year ended December 31, 2018 decreased to $22.30 million from $25.18 million in 2017. This decrease was primarily driven by a reduction of expenses relating to development of AEVI-001 in ADHD.

General and Administrative Expenses

General and administrative expenses for the year ended December 31, 2018 were $8.66 million, decreasing from $9.52 million in 2017, due in part to a reduction in the scale of Aevi's operations.

Financial Income and Expenses

Financial income and expenses for the years ended December 31, 2018 and 2017 were de minimis.

Liquidity and Capital Resources

Sources of Liquidity

Aevi has financed its operations primarily through issuances of equity.

In the year ended December 31, 2018 and 2017, options and warrants were exercised in consideration of $0.03 million and $0.02 million, respectively, and 8,466 and 6,200 shares of common stock were issued upon such exercises, respectively.

On May 15, 2018, Aevi entered into an Equity Distribution Agreement pursuant to which it may from time-to-time issue and sell shares of its common stock having an aggregate offering price of up to $20,000,000 in an "at the market offering" as defined in Rule 415(a)(4) promulgated under the Securities Act (the "ATM Facility"). For the year ended December 31, 2018, Aevi sold 5,426,151 shares of common stock at an average purchase price of $0.97 per share of common stock for gross proceeds of $5.28 million and net proceeds after deducting estimated offering expenses of approximately $4.96 million under the ATM Facility.

On October 17, 2017, Aevi sold an aggregate of 22,222,222 shares of its common stock, and warrants exercisable for up to an aggregate of 3,953,904 shares of common stock at a purchase price of $1.26 per share of common stock and accompanying warrants pursuant to that certain securities purchase agreement dated as of August 9, 2017, or the 2017 Funding. The aggregate gross proceeds from the offering to Aevi were approximately $28.00 million and net proceeds after deducting estimated offering expenses were approximately $26.97 million.

Cash Flows for the Nine Months Ended September 30, 2019 and 2018

Aevi had cash and cash equivalents of $2.38 million at September 30, 2019, compared to $12.08 million as of December 31, 2018. The decrease in cash during the nine months ended September 30, 2019 primarily reflected Aevi's cash expenses for operations.

Net cash used in operating activities of $11.70 million for the nine months ended September 30, 2019 and $19.12 million for the nine months ended September 30, 2018 primarily reflected Aevi's cash expenses for operations.

Net cash provided by and used in investing activities for the nine months ended September 30, 2019 and 2018 were de minimis.

Net cash provided by financing activities was $2.00 million for the nine months ended September 30, 2019, as a result of Aevi's royalty agreement. Net cash provided by financing activities was $5.00 million for the nine months ended September 30, 2018, relating to the issuance of common stock under Aevi's ATM facility.

Cash Flows for the Years Ended December 31, 2018 and 2017

Aevi had cash and cash equivalents of $12.08 million at December 31, 2018 and $33.73 million at December 31, 2017. The decrease in its cash balance during 2018 was primarily related to advancement of its AEVI-001 ADHD program, offset by the 2018 funding activities.

Net cash used in operating activities of $26.65 million and $33.25 million for the years ended December 31, 2018 and 2017, respectively, primarily reflected its net cash expenses for its operations.

Net cash provided by investing activities for the year ended December 31, 2018 was de minimis.

Net cash provided by financing activities was $5.00 million and $26.99 million for the years ended December 31, 2018 and 2017, respectively, resulting primarily from the issuance of shares of common stock.

Contractual Obligations

The following table sets forth Aevi's contractual payment obligations as of December 31, 2018 for the periods indicated below:

Contractual Obligations	Total	Less than 1 Year	1 - 3 Years	3 - 5 Years	More than 5 Years and Thereafter
Operating lease obligations	$44,000	$44,000	$—	$—	$—
Purchase obligations	$7,125,000	$4,750,000	$2,375,000	$—	$—
Total	$7,169,000	$4,794,000	$2,375,000	$—	$—

Aevi is a party to license and research and development agreements with universities and other third parties, as well as patent assignment agreements, under which it has obtained rights to patents, patent applications and know-how. Aevi enters into contracts in the normal course of business with CROs for clinical trials and clinical and commercial supply manufacturing contracts with vendors for preclinical research studies and for other services and products for operating purposes. Its agreements generally provide for termination within 30-60 days of notice. Such agreements are cancelable contracts and not included in the table of contractual obligations and commitments. Aevi has included as purchase obligations its commitments under agreements to the extent they are quantifiable and are not cancelable. The purchase obligations presented consist solely of its obligations under the Research Agreement with CHOP as of December 31, 2018. Pursuant to the employment agreements of several executives, if terminated without cause, these executives will be entitled to severance pay in the aggregate amount of $2.63 million.

Quantitative and Qualitative Disclosures About Market Risk.

Interest Rate Risk

Aevi has no debt outstanding nor does it have any investments in debt instruments other than highly liquid short-term investments. Aevi invests a major portion of its cash surplus in money market funds in the United States. Given the historic low levels of interest rates, Aevi estimates that a further decline in the interest rate it is receiving will not result in a material adverse effect to its business. Accordingly, Aevi considers its interest rate risk exposure to be insignificant at this time.

Funding Requirements

Aevi's future capital requirements will depend on a number of factors, including its success in targeting rare and orphan disease candidates, the timing and outcome of clinical trials and regulatory approvals, the costs involved in preparing, filing, prosecuting, maintaining, defending, and enforcing patent claims and other intellectual property rights, the acquisition of licenses to new products or compounds, the status of competitive products, the availability of financing, and its success in developing markets for its product candidates.

Aevi believes that cash on hand will be sufficient to enable it to fund its operating expenses and capital expenditure requirements (not including repayment of the CHOP Note) into the fourth quarter of 2019. Aevi has based this estimate on assumptions that may prove to be wrong and it could use its available resources sooner than it currently expect. Because of the numerous risks and uncertainties associated with the development and commercialization of Aevi's product candidates, Aevi is unable to estimate the amounts of increased capital outlays and operating expenditures associated with its current and anticipated clinical trials.

Aevi does not anticipate that it will generate revenue from the sale of products for several years, if at all, or more given the uncertainty of drug development. Absent significant corporate collaboration and licensing arrangements, Aevi will need to finance its future cash needs through additional public or private equity offerings or debt financings in 2019. Aevi does not currently have any commitments for future external funding. Aevi may need to raise additional funds more quickly if one or more of its assumptions prove to be incorrect or if it chooses to expand its product development efforts more rapidly than it presently anticipates. Aevi may seek to sell additional equity or debt securities or obtain a bank credit facility. The sale of additional equity or debt securities, if convertible, could result in dilution to Aevi's stockholders. The incurrence of indebtedness would result in increased fixed obligations and could also result in covenants that would restrict Aevi's operations.

In light of Aevi's decision to discontinue the AEVI-001 program in ADHD, its board of directors commenced a review to explore and evaluate potential strategic alternatives to enhance stockholder value. These alternatives could include, among others, continuing to execute Aevi's business plan, issuing or transferring shares of its common stock or other equity securities, the license, sale or disposition of certain assets or programs, the formation of a joint venture, a strategic business combination, a transaction that results in private ownership or the sale of Aevi, or some combination of these. There can be no assurance that the review of strategic alternatives will result in the identification or consummation of any transaction or that Aevi's board of directors will determine that continuing its current business operations is in the best interests of Aevi's stockholders.

On April 2, 2019, Aevi received a notification from The Nasdaq Stock Market ("Nasdaq") stating that it no longer complied with the minimum stockholders' equity requirement under Nasdaq Listing Rule 5450(b)(1)(A) for continued listing on the Nasdaq Global Market because its stockholder's equity, as reported in Aevi's Annual Report on Form 10-K for the year ended December 31, 2018, had fallen below $10 million. The notification also indicated that Aevi did not meet the alternative compliance standards set forth in Nasdaq Listing Rule 5450(b).

On August 6, 2019, Aevi received a written notice (the "Notice") from Nasdaq. As described in the Notice, Aevi had not regained compliance with Nasdaq's minimum bid price rule, Listing Rule 5550(a)(2) or minimum stockholders' equity requirement under Nasdaq Listing Rule 5450(b)(1)(A). Although Aevi had stockholder approval to enable it to implement a reverse stock split, Aevi needed to maintain a bid price of $1.00 or greater for a minimum of 10 consecutive business days in order to regain compliance with the rules.

Accordingly, Nasdaq determined that Aevi's securities would be scheduled for delisting from the Nasdaq Global Market and would be suspended on August 15, 2019. On August 13, 2019, Aevi requested an oral hearing to appeal the decision of Nasdaq to delist the Aevi's securities.

On October 9, 2019, the Nasdaq Hearing's Panel issued a decision granting (i) the request for transfer of Aevi's common stock from the Nasdaq Global Market to the Nasdaq effective at the open of business on October 15, 2019 and (ii) the request for continued listing of Aevi's common stock on the Nasdaq pursuant to an exception through February 3, 2020. Such exception is subject to the conditions that on or before February 3, 2020 (i) Aevi must demonstrate a closing bid price of $1.00 or more for a minimum of ten prior consecutive trading days and (ii) Aevi must have stockholders' equity above $2.5 million. If Aevi does not regain compliance with the minimum bid price and stockholders' equity requirements by February 3, 2020 or, based on any significant events that occur during the extension period, the Panel reconsiders the extension, Nasdaq could delist Aevi's common stock from the Nasdaq. Aevi does not currently intend to implement a reverse stock split and may not regain compliance by February 3, 2020.

Critical Accounting Policies

Aevi's management's discussion and analysis of its financial condition and results of operations is based on its financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires Aevi to make estimates and judgments that affect the reported amounts of assets, liabilities and expenses. On an ongoing basis, Aevi evaluates these estimates and judgments, including those described below. Aevi bases its estimates on its historical experience and on various other assumptions that it believes to be reasonable under the circumstances. These estimates and assumptions form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results and experiences may differ materially from these estimates.

While Aevi's significant accounting policies are more fully described in Note 2 to its financial statements included in Exhibit 99.2 and Exhibit 99.3 of this Form 8-K, Aevi believes that the following accounting policies are the most critical to aid you in fully understanding and evaluating Aevi's reported financial results and affect the more significant judgments and estimates that Aevi uses in the preparation of its financial statements.

Stock-Based Compensation

Aevi accounts for stock options granted to employees and directors according to the Accounting Standards Codification No. 718 (ASC 718) "Compensation—Stock Compensation." Under ASC 718, stock-based compensation cost is measured at grant date, based on the estimated fair value of the award, and is recognized as an expense over the requisite service period on a straight-line basis.

For the purpose of valuing options granted to Aevi's employees and directors during the nine months ended September 30, 2019 and 2018, Aevi used the Binomial options pricing model. To determine the risk-free interest rate, Aevi utilized the U.S. Treasury yield curve in effect at the time of grant with a term consistent with the contractual life of Aevi's awards. Aevi estimated the expected life of the options granted based on anticipated exercises in the future periods assuming the success of its business model as currently forecast. The expected dividend yield reflects Aevi's current and expected future policy for dividends on its common stock. The expected stock price volatility for Aevi's stock options was calculated by examining historical volatilities for publicly traded industry peers and blending in its historical volatility. Aevi will continue to analyze the expected stock price volatility as more historical data for its common stock becomes available. After adoption of ASU 2016-09 in the first quarter of 2017, Aevi recognizes forfeitures as they occur.

Off-Balance Sheet Arrangements

CHOP License Agreement and Research Agreement

In November 2014, Aevi entered into a license agreement, or the License Agreement, and a sponsored research agreement, or the Research Agreement, each with CHOP. Under the terms of the License Agreement, CHOP granted Aevi (i) an exclusive, sublicensable license to use certain patent rights covering potential diagnostic and therapeutic targets, (ii) an exclusive, non-sublicensable license to use certain biospecimen and phenotypic data collected from patients with rare and orphan diseases and their family members, or the Biobank. In February 2017, Aevi amended the License Agreement. The amendment allows Aevi to extend the period of its exclusive commercial access to the Biobank for rolling two-year periods.

The cost of the first extension was $197,603 with each subsequent extension costing $125,000. Aevi has exercised such option in each of 2017 and 2018. The amendment also allows Aevi to extend the Research Agreement for rolling two-year periods in connection with it extending its exclusive commercial access to the Biobank under the License Agreement.

In December 2015, Aevi entered into an amendment to the Research Agreement, which amendment (i) set the payment schedule under such agreement through March 2017 and (ii) granted Aevi the right to extend the term of the Research Agreement until November 12, 2017. In February 2017, Aevi entered into a second amendment to the Research Agreement, which extended the term of the Research Agreement through June 30, 2018. This amendment also granted Aevi rights to continually extend the term of the Research Agreement by one year by giving CHOP written notice of extension no later than one year prior to the expiration of the then-current term of the Research Agreement. In June 2017, Aevi extended the term of the Research Agreement through June 30, 2019, and in June 2018, it extended the term of Research Agreement through June 30, 2020. $5.94 million was due for the Research Agreement in 2018. $4.75 million due under the Research Agreement in 2019, and in the first half of 2020, $2.38 million will be due.

In March 2019, Aevi reached agreement with CHOP to further amend the Research Agreement and the License Agreement (the "CHOP Amendments"). The CHOP Amendments allow Aevi to defer the monthly payments due under the Research Agreement for the period from February 1, 2019 through September 30, 2019 in exchange for the CHOP Note which matures September 30, 2019 and is secured by all of Aevi's intellectual property and other assets. At maturity, and at CHOP's option, the CHOP Note will be payable in cash or a number of shares of Aevi's common stock calculated based on the price of Aevi's common stock at such time; provided, however, if conversion upon such election would cause CHOP and its affiliates including the CHOP Foundation to own, in the aggregate, in excess of 47.5% of the then-outstanding shares of Aevi's common stock (after giving effect to such conversion), then CHOP would only receive the number of shares of Aevi's common stock such that CHOP and its affiliates including the CHOP Foundation would own, in the aggregate, 47.5% of the then outstanding shares of Aevi's common stock (after giving effect to such conversion), and the balance of the CHOP Note would be payable to CHOP in cash. Depending on the price of Aevi's common stock at the time of such conversion, the percentage conversion cap discussed above may result in a significant amount of the CHOP Note payable to CHOP in cash. In such case, depending on the amount, Aevi may not have enough cash on hand for such cash payment. Based on Aevi's closing stock price of $0.15 as of the close of business on September 30, 2019, the $3.17 million reflected on the balance sheet relating to the CHOP Note and CHOP's current ownership of 18,424,036 shares of common stock, excluding its ability to exercise warrants and options, a cash payment would not be required as a result of the percentage conversion cap, if so elected.

The CHOP Amendments with respect to the Research Agreement and the License Agreement prohibits the assignment or sublicense of CHOP's intellectual property without CHOP's prior written consent, allows CHOP to terminate the Research Agreement and the License Agreement upon a change of control without CHOP's prior written consent, reduces the period of time during which Aevi has to exercise its options to license new intellectual property of CHOP and to negotiate the terms of any such license and requires Aevi to meet certain diligence requirements related to acquiring rights to and commencing a clinical trial for a viable molecule that addresses the optioned intellectual property.

Furthermore, Aevi has agreed until the later of repayment in full of the CHOP Note or June 30, 2020, it has agreed to only undertake an equity financing (including convertible notes) if the net proceeds of such financing provide at least six months of cash to sustain its operations; provided, that CHOP will have a right of first refusal to purchase any or all equity proposed to be issued in such financing on equivalent terms.

On November 18, 2019, Aevi entered into an agreement with CHOP to extend the maturity date of the CHOP Note until December 15, 2019, with an automatic further extension to February 15, 2020, upon the occurrence of certain circumstances, which included entering into the Merger Agreement. In addition, pursuant to the Agreement, the principal amount of the CHOP Note was increased to $4,354,166.63, and it increased to $4,749,999.96 on December 15, 2019 as a result of the automatic extension having been triggered and it will increase to $5,145,833.29 if the CHOP Note is still outstanding on January 15, 2020. In addition, Aevi agreed that immediately prior to the consummation of a change of control transaction, the CHOP Note will convert into a number of shares of Aevi common stock equal to one-third of the shares of Aevi common stock outstanding at such time.

Development and Option Agreement, with Kyowa Hakko Kirin Co., Ltd. (KHK) related to AEVI-002

In June 2016, Aevi entered into the Development and Option Agreement with KHK pursuant to which it acquired certain rights with respect to the development and potential commercialization of AEVI-002, the Antibody. If Aevi exercises

its option under the Development and Option Agreement, KHK has 60 days to select one of two development and commercialization structures as follows:

PLAN A: Co-Development/Co-Commercialization Arrangement

If KHK selects the co-development/co-commercialization arrangement (Plan A), Aevi will have the exclusive right to develop, manufacture and commercialize the Antibody Licensed Products in the Field in the United States and Canada. Aevi will also be responsible for development and regulatory approval of the first Antibody Licensed Product in the European Union and then transferring such regulatory approval to KHK or its designee. Aevi will be responsible for the manufacture of the Antibody Licensed Products for use by the parties in clinical trials as well as for commercialization in their respective fields and/or territories, with KHK purchasing the Antibody Licensed Products from Aevi.

Aevi will be required to pay KHK an initial license fee in the low single-digit millions of dollars upon the co-development/co-commercialization arrangement becoming effective. Aevi may pay KHK up to an additional $18 million upon the achievement of certain regulatory milestones related to the Antibody Licensed Products. The parties will share the anticipated costs of development of the first Antibody Licensed Product in the Field in the United States, Canada and the European Union with Aevi being responsible for any costs in excess of an agreed cap. The parties will split profits from Aevi's sales of Antibody Licensed Products in the United States and Canada equally. KHK will pay Aevi low double-digit royalties for sales of Antibody Licensed Products outside the United States and Canada and outside the Field in the United States and Canada.

PLAN B: Licensing Arrangement

If KHK selects the licensing arrangement (Plan B), Aevi will have the exclusive right to develop, manufacture and commercialize the Antibody Licensed Products in the Field in the United States, Canada and the European Union. Aevi will be responsible for the manufacture of the Antibody Licensed Products for use by the parties in clinical trials as well as for commercialization in their respective fields and/or territories.

Aevi will be required to pay KHK an initial license fee in the low single-digit millions of dollars upon the licensing arrangement becoming effective. Aevi may pay KHK up to an additional $28 million upon the achievement of certain regulatory milestones related to the Antibody Licensed Products. The parties will split profits from Aevi's sales of Antibody Licensed Products in the United States, Canada and the European Union with Aevi being entitled to approximately 74% of such profits and KHK being entitled to approximately 26% of such profits. KHK will pay Aevi low double-digit royalties for sales of Antibody Licensed Products outside the United States, Canada and the European Union and outside the Field in the United States, Canada and the European Union. Aevi will be responsible for costs of development of Antibody Licensed Products in the United States, Canada and the European Union. KHK will have the right to purchase the Antibody Licensed Products from Aevi.

Research Collaboration and Option Agreement with Kyowa Hakko Kirin Co., Ltd. (KHK) related to AEVI-005

During 2018, Aevi expanded its collaboration with KHK by entering a Research Collaboration and Option Agreement related to AEVI-005. AEVI-005 is the second monoclonal antibody Aevi is developing as part of its ongoing collaboration with KHK. Aevi is studying AEVI-005 in an undisclosed ultra-orphan auto-immune pediatric disease. Aevi initiated a preclinical research program with AEVI-005 in the second quarter of 2018.

Exclusive License Agreement with OSI Pharmaceuticals, LLC, a subsidiary of Astellas

In July 2019, Aevi entered into an exclusive license agreement with OSI Pharmaceuticals, LLC, an indirect wholly owned subsidiary of Astellas, for the worldwide development and commercialization of Astellas' novel, second generation mTORC1/2 inhibitor, AEVI-006. Under the terms of the license agreement, Aevi paid Astellas an up-front license fee of $500,000 and Astellas will be eligible to receive milestones payments based upon the achievement of specified development and regulatory milestones. Upon commercialization, Astellas will be entitled to a tiered, single-digit royalty on worldwide annual net sales. Aevi is fully responsible for the development and commercialization of the program.

Royalty Agreement with Certain Related Parties

In July 2019, Aevi entered into a royalty agreement with Michael F. Cola, Joseph J. Grano, Jr., Kathleen Jane Grano, Joseph C. Grano, The Grano Children's Trust, Joseph C. Grano, trustee and LeoGroup Private Investment Access, LLC on behalf of Garry A. Neil in exchange for a one-time aggregate payment of $2 million, which Aevi refers to as the Royalty Agreement. Collectively, the investors will be entitled to an aggregate amount equal to a low-single digit percentage of the aggregate net sales of the OSI Products. At any time beginning three years after the date of the first public launch of an OSI Product Aevi may exercise, at its sole discretion, a buyout option that terminates any further obligations under the Royalty Agreement in exchange for a payment to Investors of an aggregate of 75% of the net present value of the royalty payments.

Exclusive License Agreement with AstraZeneca

In August 2019, Aevi obtained the right to exercise an exclusive global license from Medimmune Limited, a subsidiary of AstraZeneca, for a Phase 2-ready fully human monoclonal antibody that targets interleukin 18, or IL-18, AEVI-007. Under the terms of the agreement, Aevi will have the right to exercise an exclusive global license to develop and commercialize AEVI-007. In December 2019, Aevi exercised the option and paid AstraZeneca a combined mid-single digit millions in cash and equity upon execution of the option, up to $162 million upon achievement of certain development and sales-related milestones and tiered low double-digit royalties on global annual product sales. Aevi will be fully responsible for the development and commercialization of the program.

Exhibit 99.5

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

The following unaudited pro forma condensed combined financial statements were originally filed with the SEC within the Form S-4 and Form S-4/A on December 20, 2019 and December 30, 2019, respectively ("Original Filing"). At the time of the Original Filing, the Merger had not been consummated. Subsequently, on February 3, 2020, the Merger was consummated.

The following unaudited pro forma condensed combined financial statements are based upon the historical consolidated statements of Cerecor Inc. ("Cerecor") and Aevi Genomic Medicine, Inc. ("Aevi"), adjusted to give the effects directly attributable to the proposed Merger of Cerecor and Aevi into a combined biopharmaceutical company (the "Combined Company").

Additionally, the following unaudited pro forma condensed combined financial statements illustrate the effects of the following transactions previously reported (the "Previous Transactions") within the unaudited pro forma condensed combined financial statements contained in Cerecor's Form 8-K filed on December 9, 2019 (the "Previous Report"):

- Cerecor's sale of its rights title and interest in, assets relating to its Pediatric Portfolio, namely Aciphex® Sprinkle™, Cefaclor for Oral Suspension, Karbinal™ ER, Flexichamber™, Poly-Vi-Flor® and Tri-Vi-Flor™ (the "Pediatric Portfolio"), as well as the corresponding commercial infrastructure consisting of the right to offer employment to Cerecor's sales force and the assignment of supporting commercial contracts (collectively, the "Aytu Divestiture") on November 1, 2019;

- Cerecor's acquisition of Ichorion Therapeutics, Inc. ("Ichorion") on September 25, 2018; and

- Cerecor's acquisition of the Pediatrics Business ("Avadel Pediatrics Business") from Avadel Pharmaceuticals PLC ("Avadel") on February 16, 2018.

The historical consolidated financial statements of Cerecor as adjusted for the Previous Transactions have been further adjusted in the unaudited pro forma condensed combined financial statements to give effect to pro forma events that we believe are (1) directly attributable to the Merger, (2) factually supportable, and (3) expected to have a continuing impact on the results of operations of the Combined Company.

The unaudited pro format condensed combined consolidated balance sheet gives effect to the Merger as if it had occurred on September 30, 2019, the date of the Cerecor's most recently filed balance sheet. The unaudited pro forma condensed combined consolidated statements of operations for the nine months ended September 30, 2019 and for the year ended December 31, 2018 give effect to the Merger as if it had occurred on January 1, 2018.

As of the date of this filing, Cerecor has not finalized the purchase accounting of the Merger. Cerecor preliminarily determined that the Merger will be recorded as an asset purchase as opposed to a business combination because management has preliminarily concluded that substantially all of the value received in the Merger is related to one group of similar identifiable assets, namely the acquired in-process research and development ("IPR&D") for the two rare and orphan disease assets (AEVI-006 and AEVI-007). Additionally, because Cerecor preliminarily concluded this transaction will be recorded as an asset purchase as opposed to a business combination for purposes of these unaudited pro forma condensed combined financial statements, the contingent consideration of up to an additional $6.5 million payable upon the achievement of certain milestones will be recognized if and when such milestones are probable and can be reasonably estimated. After completion of the Merger, management will revisit purchase accounting considerations of the Merger (including the conclusion of whether the transaction will be recorded as an asset purchase or a business combination) and complete an updated valuation to reflect the Merger in the Combined Company's financial information. There may be differences between the preliminary estimates herein and the updated valuations upon consummation of the Merger, and these differences could have a material impact on the accompanying unaudited pro forma condensed combined financial statements and the Combined Company's future results of operations and financial position. Accordingly, the preliminary pro forma adjustments have been made solely for the purpose of providing the unaudited pro forma condensed combined financial statements presented below and are subject to further adjustments.

The unaudited pro forma condensed combined statements of operations do not reflect future events that may occur after the completion of the Merger including but not limited to, the anticipated realization of ongoing savings from operating synergies and certain one-time integration charges. These unaudited pro forma condensed combined financial statements are for informational purposes only. The unaudited pro forma condensed combined financial information is not necessarily indicative of the results of operations or financial position that might have been achieved for the dates or periods indicated, nor is it indicative of the results of operations or financial position that may occur in the future.

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

- the accompanying notes to the unaudited pro forma condensed combined financial statements;
- Cerecor's financial statements and related notes for the three and nine months ended September 30, 2019, contained within Cerecor's Form 10-Q filed on November 14, 2019;
- Aevi's financial statements and related notes for the three and nine months ended September 30, 2019, filed as Exhibit 99.3 within this Form 8-K;
- Cerecor's audited financial statements and related notes for the year ended December 31, 2018, contained within Cerecor's Annual Report on Form 10-K filed on March 18, 2019;
- Aevi's audited financial statements and related notes for the year ended December 31, 2018, filed as Exhibit 99.2 within this Form 8-K; and
- the previously filed unaudited pro forma condensed combined financial statements contained within the Previous Report, which include a pro forma condensed combined balance sheet as of September 30, 2019, a pro forma condensed combined statement of operation for the year ended December 31, 2018 and the nine months ended September 30, 2019, and the notes related thereto, filed by Cerecor on December 9, 2019.

Cerecor Inc.
Unaudited Pro Forma Condensed Combined Balance Sheet
As of September 30, 2019
(in thousands)

	Historical Cerecor	Cerecor Previously Reported Pro Forma Adjustments	Historical Cerecor as adjusted for Previous Transactions	Historical Aevi	Aevi Pro Forma Adjustments		Pro Forma Cerecor Combined
		Note 4			*Note 3*		
Assets							
Current assets:							
Cash and cash equivalents	$ 5,251	$ 3,821	$ 9,072	$ 2,381	$ (4,138)	**a)**	$ 7,315
Accounts receivable, net	4,956	—	4,956	—	—		4,956
Other receivables	208	(208)	—	—	—		—
Inventory, net	402	(377)	25	—	—		25
Prepaid expenses and other current assets	1,670	(1,230)	440	403	—		843
Restricted cash, current portion	102		102	—	—		102
Total current assets	12,589	2,006	14,595	2,784	(4,138)		13,241
Property and equipment, net	1,497	—	1,497	1	—		1,498
Intangible assets, net	26,595	(23,834)	2,761	—	680	**b)**	3,441
Goodwill	16,411	(2,667)	13,744	—	—		13,744
Restricted cash, net of current portion	—	10,000	10,000	11	—		10,011
Investment in Aytu	102	—	102	—	—		102
Total assets	$ 57,194	$ (14,495)	$ 42,699	$ 2,796	$ (3,458)		$ 42,037
Liabilities and stockholders' equity							
Current liabilities:							
Accounts payable	$ 826	$ —	$ 826	$ 123	$ —		$ 949
Accrued expenses and other current liabilities	13,134	(3,267)	9,867	4,130	750	**c)**	14,747
Income taxes payable	1,015	—	1,015	—	—		1,015
Long-term debt, current portion	1,050	(1,050)	—	—	—		—
Contingent consideration, current portion	1,237	(1,237)	—	—	—		—
Total current liabilities	17,262	(5,554)	11,708	4,253	750		16,711
Long-term debt, net of current portion	14,255	(14,255)	—	—	—		—
Contingent consideration, net of current portion	6,236	(6,236)	—	—	—		—
Deferred tax liability, net	98	—	98	—	—		98
Other long-term liabilities	1,122	—	1,122	2,000	—		3,122
Total liabilities	38,973	(26,045)	12,928	6,253	750		19,931
Stockholders' equity:							
Common stock	44	—	44	7	(2)	**d)**	49
Preferred stock	3	—	3	—			3
Additional paid-in capital	134,086	(70)	134,016	254,815	(238,704)	**d)**	150,127
Accumulated deficit	(115,912)	11,620	(104,292)	(258,279)	234,498	**e)**	(128,073)
Total stockholders' equity	18,221	11,550	29,771	(3,457)	(4,208)		22,106
Total liabilities and stockholders' equity	$ 57,194	$ (14,495)	$ 42,699	$ 2,796	$ (3,458)		$ 42,037

See accompanying notes, which contain the alphabetical notes shown above, explaining further specific line item pro forma adjustments.

Cerecor Inc.
Unaudited Pro Forma Condensed Combined Statement of Operations
For the nine months ended September 30, 2019

(in thousands, except per share data)

	Historical Cerecor	Cerecor Previously Reported Pro Forma Adjustments	Historical Cerecor as adjusted for Previous Transactions	Historical Aevi	Aevi Pro Forma Adjustments		Pro Forma Cerecor Combined
		Note 4			*Note 3*		
Revenues:							
Product revenue, net	$ 15,374	$ (9,264)	$ 6,110	$ —	$ —		$ 6,110
License and other revenue	100	—	100	—	—		100
Total revenues, net	15,474	(9,264)	6,210	—	—		6,210
Operating expenses:							
Cost of product sales	3,241	(3,853)	(612)	—	—		(612)
Research and development	8,857	—	8,857	7,902	—		16,759
General and administrative	7,779	(269)	7,510	4,643	302	g)	12,455
Sales and marketing	8,676	(7,740)	936	—	—		936
Amortization expense	3,195	(2,191)	1,004	—	255	h)	1,259
Impairment of intangible assets	1,449	(1,449)	—	—	—		—
Change in fair value of contingent consideration	(1,009)	(247)	(1,256)	—	—		(1,256)
Total operating expenses	32,188	(15,749)	16,439	12,545	557		29,541
(Loss) income from operations	(16,714)	6,485	(10,229)	(12,545)	(557)		(23,331)
Other (expense) income:							
Change in fair value of warrant liability and unit purchase option liability	7	—	7	—	—		7
Other (expense) income, net	(24)	—	(24)	19	—		(5)
Interest (expense) income, net	(614)	714	100	—	—		100
Total other (expense) income, net	(631)	714	83	19	—		102
Net (loss) income before taxes	(17,345)	7,199	(10,146)	(12,526)	(557)		(23,229)
Income tax expense	349	(40)	309	—	—		309
Net (loss) income	$ (17,694)	$ 7,239	$ (10,455)	$ (12,526)	$ (557)		$ (23,538)
Net loss attributable to common shareholders	$ (13,239)		$ (7,823)				$ (18,083)
Weighted-average shares of common stock, basic and diluted	42,454		42,454		4,899	i)	47,353
Net loss per share of common stock, basic and diluted	$ (0.31)		$ (0.18)				$ (0.38)
Net loss attributable to preferred shareholders	$ (4,455)		$ (2,632)				$ (5,455)
Weighted-average shares of preferred stock, basic and diluted	2,857		2,857		—		2,857
Net loss per share of preferred stock, basic and diluted	$ (1.56)		$ (0.92)				$ (1.91)

See accompanying notes, which contain the alphabetical notes shown above, explaining further specific line item pro forma adjustments.

Cerecor Inc.
Unaudited Pro Forma Condensed Combined Statement of Operations
For the year ended December 31, 2018

(in thousands, except per share data)

	Historical Cerecor	Cerecor Previously Reported Pro Forma Adjustments	Historical Cerecor as adjusted for Previous Transactions	Historical Aevi	Aevi Pro Forma Adjustments	Pro Forma Cerecor Combined
		Note 4			*Note 3*	
Revenues						
Product revenue, net	$ 17,871	$ (11,165)	$ 6,706	$ —	$ —	$ 6,706
Sales force revenue	456	—	456	—	—	456
Total revenues, net	18,327	(11,165)	7,162	—	—	7,162
Operating expenses:						
Cost of product sales	7,478	(4,051)	3,427	—	—	3,427
Research and development	5,787	2,342	8,129	22,299	—	30,428
Acquired in-process research and development	18,724	—	18,724	—	23,781 **f)**	42,505
General and administrative	10,678	1,283	11,961	8,663	—	20,624
Sales and marketing	8,522	(8,018)	504	—	—	504
Amortization expense	4,532	(2,648)	1,884	—	340 **h)**	2,224
Impairment of intangible assets	1,862	—	1,862	—	—	1,862
Change in fair value of contingent consideration	58	(169)	(111)	—	—	(111)
Total operating expenses	57,641	(11,261)	46,380	30,962	24,121	101,463
Loss (income) from operations	(39,314)	96	(39,218)	(30,962)	(24,121)	(94,301)
Other (expense) income:						
Change in fair value of warrant liability and unit purchase option liability	25	—	25	—	—	25
Other income, net	14	—	14	187	—	201
Interest (expense) income, net	(812)	828	16	—	—	16
Total other (expense) income, net	(773)	828	55	187	—	242
Net (loss) income before taxes	(40,087)	924	(39,163)	(30,775)	(24,121)	(94,059)
Income tax benefit	(34)	16	(18)	—	—	(18)
Net (loss) income	$ (40,053)	$ 908	$ (39,145)	$ (30,775)	$ (24,121)	$ (94,041)
Net (loss) income attributable to common shareholders	$ (41,710)	$ 908	$ (40,802)	$ (30,775)	$ (24,121)	$ (95,698)
Weighted-average shares of common stock, basic and diluted	34,774	5,693	40,467		4,899 **i)**	45,366
Net loss per share of common stock, basic and diluted	$ (1.20)		$ (1.01)			$ (2.11)

See accompanying notes, which contain the alphabetical notes shown above, explaining further specific line item pro forma adjustments.

NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

1. BACKGROUND

On December 5, 2019, Cerecor entered into an Agreement and Plan of Merger and Reorganization (the "Merger Agreement") with Genie Merger Sub, Inc., a Delaware corporation and wholly owned subsidiary of Cerecor, Second Genie Merger Sub, LLC, a Delaware limited liability company and wholly owned subsidiary of Cerecor, and Aevi Genomic Medicine, Inc., a Delaware corporation ("Aevi"). The Merger Agreement provides that, upon the terms and subject to the satisfaction or waiver of the conditions set forth therein, Cerecor's acquisition of Aevi is to be structured as a two-step merger (the "Merger"), pursuant to which Genie Merger Sub, Inc. will merge with and into Aevi with Aevi as the surviving corporation, and as part of the same overall transaction, Aevi will then merge with and into Second Genie Merger Sub, LLC. We sometimes refer to Cerecor after giving effect to the Merger as the "Combined Company".

At the effective time of the Merger (the "Merger Effective Time"), all outstanding common stock of Aevi (other than canceled shares or dissenting shares), par value of $0.0001 per share, will be converted into the right to receive (i) the fraction of a share of Cerecor common stock at a ratio equal to (A) $16.1 million, less a net working capital adjustment amount of up to $500,000, divided by the number of fully diluted shares of Aevi common stock immediately prior to the Merger Effective Time, divided by (B) the average of (x) the volume weighted average price of Cerecor's common stock for the 20 trading days ending two trading days prior to the execution of the Merger Agreement, and (y) the volume weighted average price for the 20 trading days ending two trading days prior to the closing date of the Merger; (ii) one contingent value right (a "CVR"), which represents the right to receive contingent payments of up to $6.5 million, to be paid in cash or Cerecor common stock in the sole discretion of Cerecor, upon the achievement of certain milestones in accordance with the Contingent Value Rights Agreement (the "CVR Agreement"); and (iii) cash in lieu of fractional shares of Cerecor common stock. Additionally, each outstanding Aevi stock option will be canceled prior to the Merger Effective Time and each outstanding Aevi warrant will be exercised on a cashless basis prior to the Merger Effective Time. For purposes of these pro forma condensed combined statements, we have assumed the adjusted purchase price of the Merger to be $16.1 million ("Estimated Adjusted Purchase Price"), which represents the $16.1 million referenced in the Merger Agreement less an assumed $0 net working capital adjustment because as of September 30, 2019, Aevi's net assets were not less than the target net asset amount referenced in the Merger Agreement (refer to note f) below for more information). Additionally, for purposes of these pro forma statements, the fair value of the CVR has not been included in the Estimated Adjusted Purchase Price because management has preliminarily concluded that the transaction will be recorded as an asset purchase as opposed to a business combination (refer to Note 2 for more information regarding this preliminary assessment). The actual purchase price of the Merger will be based upon the inputs described above immediately prior to the Merger Effective Time. Immediately following the Merger Effective Time, the current Chief Executive Officer of Aevi is expected to be appointed as the Chief Executive Officer of Cerecor and the current Chief Scientific Officer of Aevi is expected to be appointed as the Chief Medical Officer of Cerecor.

On February 16, 2018, Cerecor acquired all rights to Avadel Pharmaceuticals PLC's ("Avadel") Pediatrics Business ("Avadel Pediatrics Business") in exchange for Cerecor assuming certain financial obligations of Avadel. On September 25, 2018, Cerecor acquired Ichorion Therapeutics, Inc. ("Ichorion"), a privately-held biopharmaceutical company focused on developing treatments and increasing awareness of inherited metabolic disorders known as CDGs (acquisitions of Avadel Pediatric Business and Ichorion collectively referred to as the "Historical Acquisitions"). On October 10, 2019, the Cerecor entered into, and subsequently closed on, an asset purchase agreement (the "Aytu Purchase Agreement") with Aytu BioScience, Inc. ("Aytu") to sell Cerecor's rights, title and interest in, assets relating to Aciphex® Sprinkle™, Cefaclor for Oral Suspension, Karbinal™ ER, Flexichamber™, Poly-Vi-Flor® and Tri-Vi-Flor™ (the "Pediatric Portfolio"), as well as the corresponding commercial infrastructure consisting of the right to offer employment to Cerecor's sales force and the assignment of supporting commercial contracts (the "Aytu Divestiture" or the "Divestiture"). The acquisitions of Avadel Pediatric Business and Ichorion and divestiture of Pediatric Portfolio to Aytu are collectively referred to as the "Previous Transactions" within these unaudited pro forma financial statements. Cerecor previously reported required pro forma financial information for the Avadel Pediatrics Business acquisition on the Form 8-K/A filed on May 4, 2018, the Ichorion acquisition on the Form 8-K/A filed on December 4, 2018 and the Aytu Divestiture on the Form 8-K filed December 9, 2019 (collectively the "Previous Reports"). Relevant pro forma information from the Previous Reports have been included within the pro forma statements within this filing (see Note 4 for more information).

2. BASIS OF PRESENTATION

The unaudited pro forma condensed combined financial statements contained herein 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 8, which governs disclosure requirements for Smaller Reporting Companies. The statements give effect to the Merger under Accounting Standards Codification Topic 805, "Business Combinations" preliminarily accounting for the Merger as an asset acquisition, with Cerecor as the accounting acquirer.

The unaudited pro forma condensed combined financial statements present the pro forma financial position and results of operations of the Combined Company, based on the historical financial statements of Cerecor and Aevi, after giving effect to the Merger and adjustments described in the notes thereto, and are intended to reflect the impact of the Merger on Cerecor's condensed consolidated financial statements. The unaudited pro forma condensed combined balance sheet gives effect to the Merger as if it had occurred on September 30, 2019, the date of Cerecor's most recently filed balance sheet. The unaudited pro forma condensed combined statements of operations for the nine months ended September 30, 2019 and for the year ended December 31, 2018 give effect to the Merger as if it had occurred on January 1, 2018.

Within these unaudited pro forma financial statements, the historical results of Cerecor do not include the historical results of Aevi because the Merger Agreement was entered into subsequent to September 30, 2019. Therefore, within the unaudited pro forma condensed combined balance sheet as of September 30, 2019, we have included historical Aevi activity and pro forma adjustments as of September 30, 2019. Additionally, within the unaudited pro forma condensed combined statement of operations for the nine months ended September 30, 2019, we have included historical Aevi operations and pro forma adjustments from January 1, 2019 through September 30, 2019. Similarly, within the unaudited pro forma condensed combined statement of operations for the year ended December 31, 2018, we have included historical Aevi operations and pro forma adjustments from January 1, 2018 through December 31, 2018.

Cerecor preliminarily determined this transaction will be recorded as an asset purchase as opposed to a business combination because management has preliminarily concluded that substantially all of the value received is related to one group of similar identifiable assets, namely the acquired in-process research and development ("IPR&D") for the two rare and orphan disease assets (AEVI-006 and AEVI-007). The unaudited pro forma condensed combined financial information has been adjusted to reflect the preliminary valuation of the acquired IPR&D and assembled workforce based on the estimated purchase price. Additionally, because we preliminarily concluded this transaction will be recorded as an asset purchase as opposed to a business combination for purposes of these unaudited pro forma financial statements, the contingent consideration of up to an additional $6.5 million payable upon the achievement of certain milestones will be recognized if and when such milestones are probable and can be reasonably estimated. As of the date of this filing, the achievement of certain milestones are not probable and cannot be reasonably estimated. Therefore, within the unaudited pro forma condensed combined balance sheet as of September 30, 2019, no contingent consideration has been recognized. Upon completion of the Merger, management will revisit purchase accounting considerations of the Merger (including the conclusion of whether the transaction will be recorded as an asset purchase or a business combination) and complete an updated valuation to reflect the Merger in the Combined Company's financial information. There may be differences between the preliminary estimates herein and the updated valuations upon consummation of the Merger, and these differences could have a material impact on the accompanying unaudited pro forma condensed combined financial statements and the Combined Company's future results of operations and financial position. Accordingly, the preliminary pro forma adjustments have been made solely for the purpose of providing the unaudited pro forma condensed combined financial statements presented below and are subject to further adjustments.

The unaudited proforma condensed combined financial information is presented based on assumptions, adjustments, and currently available supportable information described in the accompanying notes and is intended for informational purposes only. The unaudited pro forma condensed combined statements of operations do not reflect future events that may occur after the completion of the Merger including but not limited to, the anticipated realization of ongoing savings from operating synergies and certain one-time integration charges. The unaudited pro forma condensed financial information is not necessarily indicative of what Cerecor's results of operations or financial condition would have been had the Merger been completed on the dates assumed. In addition, it is not necessarily indicative of future results of operations or financial condition.

3. Merger—PRO FORMA ADJUSTMENTS

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

a) **Cash and cash equivalents-** In August 2019, Aevi obtained the right to exercise an exclusive license from MedImmune Limited to develop and commercialize a Phase 2-ready fully human monoclonal antibody that targets interleukin 18, or IL-18, AEVI-007, for consideration of $3.5 million in cash and $2.5 million in equity ("AZ Option").

Pursuant to the AZ Option Agreement, the amount of equity to be issued upon exercise of the AZ Option is subject to certain limits, which any amounts in excess of such limits is to be paid in cash. Aevi is required to exercise the AZ Option prior to consummation of the Merger. Aevi exercised the AZ Option subsequent to September 30, 2019 on December 19, 2019. On the date of exercise, the equity consideration of the AZ Option was limited to $1.9 million and thus an additional $0.6 million was required to be paid in cash. Therefore, $4.1 million of cash ($3.5 million plus the $0.6 million) was paid to exercise the AZ Option. In connection with the Merger Agreement, Cerecor agreed to fund certain of Aevi's expenses related to the exercise of the AZ Option and progressing the AEVI-007 program prior to the consummation of the Merger. This funding obligation is evidenced by a promissory note in the amount of $5.0 million. The promissory note will not impact the

Estimated Adjusted Purchase Price of $16.1 million. Therefore, we have considered the 4.1 million cash payment to exercise the AZ Option to be additional consideration and thus have made a 4.1 million adjustment to reduce cash in the unaudited pro forma condensed balance sheet as of September 30, 2019. Aevi's expenses to progress the AEVI-007 program prior to the completion of the Merger (in addition to the 4.1 million cash payment to exercise the AZ Option) are unknown and therefore no adjustment was made related to the additional funding within the unaudited pro forma condensed balance sheet as of September 30, 2019.

b) **Intangible assets, net-** This adjustment reflects the preliminary estimate of the assembled workforce intangible asset recorded as part of purchase accounting (which we have preliminarily recorded for pro forma purposes as an asset acquisition-see note f) for more information regarding this preliminary conclusion). The assembled workforce represents the total estimated replacement cost of the acquired Aevi workforce, including recruiting fees, training costs and loss of productivity costs. For purposes of these unaudited pro forma condensed combined financial statements, management estimated each of these costs based on estimated replacement costs as a percentage of the acquired Aevi workforce's compensation. We preliminarily assigned a two-year useful life to the assembled workforce intangible asset.

c) **Accrued expenses and other current liabilities-** The $0.8 million net adjustment reflects (1) removal of the CHOP Note (defined below), which will be converted to common stock immediately prior to the consummation of the Merger and (2) accrual of estimated transaction costs directly attributable to the Merger.

Aevi has a convertible secured note with Children's Hospital of Philadelphia dated as of March 29, 2019 ("CHOP Note"). The CHOP Note balance as of September 30, 2019, which was recorded as "other accounts payable and accrued expenses" within Aevi's condensed consolidated balance sheet, was $3.2 million. Pursuant to the Merger Agreement, immediately prior to the consummation of the Merger, the CHOP Note will be converted into shares of Aevi common stock. Accordingly, a $3.2 million adjustment was made to remove the CHOP Note as a liability.

Additionally, a $3.9 million adjustment was made to accrue for estimated transaction costs directly attributable to the Merger that have not yet been accrued in the balance sheet as of September 30, 2019. These costs include investment banking transaction fees, fees related to directors' and officers' insurance tail policy (which is required as part of the Merger Agreement), legal fees, accounting fees and other professional fees.

d) **Additional paid-in capital and common stock-** The $238.7 million net reduction to additional paid-in capital reflects the elimination of historical Aevi equity balances of $254.8 million partially offset by the estimated Cerecor common stock to be issued upon consummation of the Merger based on the Estimated Adjusted Purchase Price of $16.1 million. Similarly, the small net reduction to common stock reflects the elimination of the par value of historical Aevi equity partially offset by the estimated par value of the estimated Cerecor shares to be issued subsequent to consummation of the Merger (for this purpose using the closing stock price on September 30, 2019 to estimate the number of shares to be issued).

e) Accumulated deficit- The $234.5 million increase to accumulated deficit within the unaudited pro forma condensed consolidated balance sheet as of September 30, 2019 represents the removal of Aevi's historical accumulated deficit of $258.3 million offset by the recognition of the estimated IPR&D expense of $23.8 million related to the asset accounting treatment of the Merger. Refer to note f) for more information regarding the preliminary purchase accounting performed.

f) **Acquired in-process research and development-** Cerecor preliminarily determined the Merger will be recorded as an asset purchase as opposed to a business combination because management preliminarily concluded that substantially all of the value received is related to one group of similar identifiable assets, namely the acquired IPR&D for the two rare and orphan disease assets (AEVI-006 and AEVI-007). Accordingly, this adjustment immediately expenses the estimated value attributable to IPR&D asset of $23.1 million within the unaudited pro forma condensed combined statement of operations for the year ended December 31, 2018. The preliminary estimated value to the acquired IPR&D asset (in thousands) is calculated as follows:

Purchase price (per Merger Agreement)	$	16,116	
Estimated net working capital adjustment[1] (as of September 30, 2019)		—	
Estimated Adjusted Purchase Price		16,116	
Estimated net liabilities[2] (as of September 30, 2019)		287	
Cash payment related to AZ Option		4,138	**a)**
Estimated transaction costs		3,920	**c)**
Estimated Merger consideration	$	24,461	
Estimated Merger consideration attributable to estimated assembled workforce intangible asset		680	**b)**
Estimated Merger consideration attributable to estimated acquired IPR&D asset	$	23,781	

1) Pursuant to the Merger Agreement, the $16.1 million purchase price will be reduced if Aevi's net assets are less than a target net asset amount (also referred to as the "net working capital adjustment"), but in no event will such adjustment be more than $500,000. The target net asset amount is initially negative $1.3 million, which amount will decrease (meaning it will become a more negative number) by $7,142.86 for each day after December 31, 2019, until and including the date of the completion of the Merger.

As of September 30, 2019 (which is the date the unaudited pro forma condensed balance sheet gives effect to the Merger as of), Aevi's net assets were not less than the target net asset amount. Accordingly, we assumed the net working capital adjustment to be $0 for purposes of these pro forma statements. The actual net working capital adjustment will be determined at the Merger Effective Time and will likely be $500,000 because working capital has decreased since September 30, 2019 and will likely continue to do so.

2) To arrive at the Estimated Merger consideration, in addition to the adjustments explained in notes a) and c), we adjusted the Estimated Adjusted Purchase Price for Aevi's net liabilities as of September 30, 2019 (which is the date the unaudited pro forma condensed balance sheet gives effect to the Merger as of) because after completion of the Merger the net assets (or the net liabilities) will transfer to the Combined Company.

The net liabilities as of September 30, 2019 are calculated as Aevi's net liabilities per its historical balance sheet as of September 30, 2019, excluding the CHOP Note. The CHOP Note was excluded because as described in note c) above, pursuant to the terms of the CHOP Note, immediately prior to the consummation of the Merger, the CHOP Note will be converted into shares of Aevi common stock. The actual net liabilities will be determined at the Merger Effective Time and are expected to be greater than what is reported above for unaudited pro forma financial statement purposes. Aevi's net liabilities has increased since September 30, 2019 and is expected to continue to increase until the Merger Effective Time.

Upon completion of the Merger, management of the Combined Company will revisit purchase accounting considerations of the Merger (including the conclusion of whether the Merger will be recorded as an asset purchase or a business combination) and complete an updated valuation to reflect the Merger in the Combined Company's financial information. There may be differences between the preliminary estimates herein and the updated valuations upon consummation of the Merger, and these differences could have a material impact on the accompanying unaudited pro forma condensed combined financial statements and the Combined Company's future results of operations and financial position.

g) **General and administrative-** Immediately following the completion of the Merger, the current Chief Executive Officer of Aevi is expected to be appointed as the Chief Executive Officer ("CEO") of Cerecor and the current Chief Scientific Officer of Aevi is expected to be appointed as the Chief Medical Officer ("CMO") of Cerecor. The employment agreements for these executives will be effective upon closing. The CMO's salary is anticipated to match his current salary at Aevi.

In January 2019, the current CEO of Aevi voluntarily elected to forego nearly the entirety of his annual base salary. Upon completion of the Merger, the executive will revert back to his former annual base salary. Accordingly, a $0.3 million adjustment was made to general and administrative expenses to adjust as if his anticipated salary at the Combined Company was paid for the nine months ended September 30, 2019. No adjustment was made for the year ended December 31, 2018.

h) **Amortization expense-** Reflects amortization expense related to the intangible asset of assembled workforce that was recorded as a part of the preliminary asset acquisition accounting as if the acquisition had occurred on January 1, 2018. As described in further detail in note b), the assembled workforce was recorded to intangible assets and has a preliminary useful life of two years.

i) **Weighted-average shares of common stock, basic and diluted-** Adjustment reflects the 4.9 million shares estimated to be issued as part of the Merger. Pursuant to the Merger Agreement, at the Merger Effective Time, all outstanding common stock of Aevi (other than canceled shares or dissenting shares) will be converted into the right to receive (i) the fraction of a share

of Cerecor common stock at a ratio equal to (A) $16.1 million, less a net working capital adjustment amount of up to $500,000, divided by the number of fully diluted shares of Aevi common stock immediately prior to the Merger Effective Time, divided by (B) the average of (x) the volume weighted average price of Cerecor's common stock for the 20 trading days ending two trading days prior to the execution of the Merger Agreement, and (y) the volume weighted average price for the 20 trading days ending two trading days prior to the closing date.

Within the unaudited pro forma condensed combined statements of operations for the nine months ended September 30, 2019 and the year ended December 31, 2018, we estimated the shares to be issued based on the Estimated Adjusted Purchase Price of $16.1 million and Cerecor's closing stock price on September 30, 2019 of $3.29 per share. The actual number of shares of Cerecor common stock to be issued in the Merger will be based upon the inputs described above immediately prior to the Merger Effective Time.

4. PREVIOUSLY REPORTED PRO FORMA INFORMATION

The unaudited pro forma condensed combined financial statements within also illustrate the effects of the following transactions previously reported within the unaudited pro forma condensed combined financial statements contained within Cerecor's Form 8-K filed on December 9, 2019 (the "Previous Report"):

- Cerecor's sale of its Pediatric Portfolio (the Aytu Divestiture), as well as the corresponding commercial infrastructure consisting of the right to offer employment to Cerecor's sales force and the assignment of supporting commercial contracts on November 1, 2019;
- Cerecor's acquisition of Ichorion on September 25, 2018; and
- Cerecor's acquisition of Avadel Pediatric Business on February 16, 2018.

Within the unaudited pro forma condensed consolidated balance sheet as of September 30, 2019, the historical results of Cerecor include Avadel Pediatric Business and Ichorion activity for the full period. The "Cerecor Previously Reported Pro Forma Adjustments" reflects adjustments related to the Aytu Divestiture.

Within the unaudited pro forma condensed combined statement of operations for the nine months ended September 30, 2019, the historical results of Cerecor include the results of operations of Avadel Pediatric Business and Ichorion for the full period. The "Cerecor Previously Reported Pro Forma Adjustments" reflects adjustments related to the Aytu Divestiture.

Within the unaudited pro forma condensed combined statement of operations for the year ended December 31, 2018, the historical results of Cerecor include the results of operation of 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 unaudited pro forma condensed combined statements of operations for the year ended December 31, 2018 included within this filing (which give effect of the Merger and Cerecor Previous Transactions as if they had occurred on January 1, 2018) combines the historical results of operations of Avadel Pediatric Business and Ichorion (prior to each acquisition date) and related pro forma adjustments and pro forma adjustments related to the Aytu Divestiture in the column labeled "Cerecor Previously Reported Pro Forma Adjustments." The detail of this aggregated information herein, as presented in Cerecor's unaudited pro forma condensed combined statements of operations for the year ended December 31, 2018 on the Previous Report, is shown below. Note that this column is further broken out within the Notes section in the Previous Report and should be read in conjunction with the Previous Report.

	Cerecor Previously Reported	Cerecor Reversal of Previously Reported	Cerecor Reversal of Certain Previously Reported	Cerecor Previously Reported	Cerecor Previously Reported
	Historical Avadel Pediatric Business and Historical Ichorion and related Pro Forma Adjustments	Historical Avadel Pediatric Business and related Pro Forma Adjustments	Ichorion Pro Forma Adjustment	Aytu Divestiture Pro Forma Adjustments	Pro Forma Adjustments
(in thousands)					
Revenues					
Product revenue, net	$ 1,705	$ (1,705)	$ —	$ (11,165)	$ (11,165)
Sales force revenue	—	—	—	—	—
Total revenues, net	1,705	(1,705)	—	(11,165)	(11,165)
Operating expenses:					
Cost of product sales	355	(355)	—	(4,051)	(4,051)
Research and development	2,342	—	—	—	2,342
Acquired in-process research and development	(18,724)	—	18,724	—	—
General and administrative	3,294	(1,846)	—	(165)	1,283
Sales and marketing	—	—	—	(8,018)	(8,018)
Amortization expense	302	(246)	—	(2,704)	(2,648)
Impairment of intangible assets	—	—	—	—	—
Change in fair value of contingent consideration	—	—	—	(169)	(169)
Total operating expenses	(12,431)	(2,447)	18,724	(15,107)	(11,261)
Loss (income) from operations	14,136	742	(18,724)	3,942	96
Other (expense) income:					
Change in fair value of warrant liability and unit purchase option liability	—	—	—	—	—
Other income, net	—	—	—	—	—
Interest (expense) income, net	(125)	125	—	828	828
Total other (expense) income, net	(125)	125	—	828	828
Net (loss) income before taxes	14,011	867	(18,724)	4,770	924
Income tax benefit	—	—	—	16	16
Net (loss) income	$ 14,011	$ 867	$ (18,724)	$ 4,754	$ 908
Net (loss) income attributable to common shareholders	$ 14,011	$ 867	$ (18,724)	$ 4,754	$ 908
Weighted-average shares of common stock, basic and diluted	5,693	—	—	—	5,693

Refer to the Previous Report for accompanying notes, which include explanations for pro forma adjustments.