

# Report of Organizational Actions Affecting Basis of Securities

OMB No. 1545-0123

► See separate instructions.

## Part I Reporting Issuer

**Aevi Genomic Medicine, Inc.**

**85-4568998**

**3** Name of contact for additional information

**4** Telephone No. of contact

**5** Email address of contact

**Chris Sullivan, Vice President, Finance**

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**435 Devon Park Drive, Suite 715**

**Wayne, PA 19087**

**8** Date of action

**February 3, 2020**

**Common stock and Contingent Value Rights**

**10** CUSIP number

**11** Serial number(s)

**12** Ticker symbol

**13** Account number(s)

**008CVR101**

**GNMX**

## Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

**14** Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ► [see attached statement.](#)

**15** Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ► [see attached statement.](#)

**16** Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ► [see attached statement.](#)



**Part II** Organizational Action (continued)

**17** List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ► see attached statement.

**18** Can any resulting loss be recognized? ► see attached statement.

**19** Provide any other information necessary to implement the adjustment, such as the reportable tax year ► see attached statement.

**Sign  
Here**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ►

*Joseph H. Miller*

Date ►

March 16, 2020

Print your name ►

Joseph H. Miller

Title ►

C.F.O.

**Paid  
Preparer  
Use Only**

Print/Type preparer's name

Preparer's signature

Date

Check ☐ if  
self-employed

PTIN

Firm's name ►

Firm's EIN ►

Firm's address ►

Phone no.



**Form 8937, Part, Box 14**

The parties to the organizational action include Cerecor Inc., a Delaware corporation ("Cerecor"), Genie Merger Sub, Inc., a Delaware corporation and wholly-owned subsidiary of Cerecor Inc. ("Merger Sub 1"), Second Genie Merger Sub, LLC, a Delaware limited liability company and wholly-owned subsidiary of Cerecor ("Merger Sub 2," together with Merger Sub 1, the "Merger Subs"), and Aevi Genomic Medicine, Inc. ("Aevi"), a Delaware corporation headquartered in Pennsylvania.

On February 3, 2020, pursuant to the Agreement and Plan of Merger, dated as of December 5, 2019 (the "Merger Agreement"), Merger Sub 1 merged into Aevi, with Aevi surviving the merger as a subsidiary of Cerecor (the "First Merger"). As part of the same overall transaction, February 3, 2020, Aevi merged with and into Merger Sub 2, with Merger Sub 2 surviving the merger as a subsidiary of Cerecor (the "Second Merger," and together with the First Merger, the "Mergers").

Pursuant to the Merger Agreement, at the effective time of the Merger (the "Effective Time"), each share of Aevi common stock issued and outstanding immediately prior to the Effective Time was exchanged for (a) the fraction of a share of Cerecor common stock equal to the exchange ratio described in the Merger Agreement (the "Stock Consideration"); (b) one Contingent Value Right ("CVR") which represents the right to receive a contingent payment upon the achievement of specified milestones set forth in the Contingent Value Rights Agreement (the "CVR Agreement" and the "CVR Consideration"); and (c) for each holder of shares of Aevi common stock converted pursuant to the Merger who would otherwise have been entitled to receive a fractional share of Cerecor common stock on account of the consideration in (a), such holder will receive, in lieu thereof, a cash payment, rounded to the nearest whole cent and without interest, in an amount equal to the product obtained by multiplying the exchange ratio by the fraction of a share the holder would otherwise be entitled to receive (the "Fractional Share Consideration," and together, the "Merger Consideration").

The Exchange Ratio, and the total number of shares of Cerecor common stock to be issued to Aevi stockholders in the Merger will be determined by dividing the aggregate purchase price by the number of shares of Aevi's common stock outstanding immediately prior to closing, and then dividing such amount by the average of the 20 day volume weighted average price of Cerecor common stock ending two trading days prior to signing the Merger Agreement and the 20 day volume weighted average price of Cerecor common stock ending two trading days prior to completion of the Merger.

The 20-day volume weighted average price of Cerecor common stock ending two trading days prior to signing the Merger Agreement (*i.e.*, December 3, 2019) was \$3.2696, and the 20-day volume weighted average price of Cerecor common stock ending two trading days prior to completion of the Merger (*i.e.*, January 30, 2019) was \$4.7619.

**Form 8937, Part, Box 15**

The Mergers are intended to qualify as a "reorganization" within the meaning of Section 368(a)(1) of the United States Internal Revenue Code of 1986, as amended (the "Code"). Assuming the Mergers qualify as a reorganization within the meaning of Section 368(a)(1), the shareholders of Aevi are expected to have the following impact on their basis in the Cerecor ordinary shares received.

With respect to holders of Aevi common stock, for U.S. federal income tax purposes, each holder of Aevi common stock should take a tax basis in the CVRs equal to the fair market value of such CVRs, and the aggregate tax basis of the Cerecor ordinary shares received by a holder of Aevi common stock in the

Mergers (including any tax basis attributable to fractional shares for which cash is received) is the same as the aggregate tax basis of such holder's Aevi common stock exchanged therefor, decreased by the amount of cash received (excluding any cash in lieu of a fractional share), reduced by the value of the CVRs received by such holder, and increased by the amount of gain (excluding any gain recognized with respect to cash in lieu of a fractional share), if any, recognized.

A holder of Aevi common stock that receives cash in lieu of a fractional share of Cerecor common stock will generally be treated as having received such fractional share and then as having received such cash in redemption of the fractional share, and will generally recognize capital gain or loss in an amount equal to the difference between the cash received in lieu of a fractional share and the holder's adjusted tax basis allocable to such fractional share.

For more information regarding the tax consequences of the Merger, including treatment of the transaction as an open or closed transaction and the recognition of gain in the Merger, please see the section titled "*Material U.S. Federal Income Tax Consequences of the Merger to Aevi Stockholders*" in our Form S-4 filed with the SEC with respect to the Merger, which can be accessed [here](#). Former Aevi shareholders are encouraged to consult their own tax advisors regarding the tax consequences of the Merger.

#### **Form 8937, Part, Box 16**

Each outstanding share of Aevi common stock was converted into (i) the right to receive Cerecor ordinary shares, (ii) the right to receive a CVR; and (iii) cash in lieu of any fractional share.

With respect to holders of Aevi common stock, for U.S. federal income tax purposes, the aggregate tax basis of the Cerecor ordinary shares received by a holder of Aevi common stock in the Mergers (including any tax basis attributable to fractional shares for which cash is received) is the same as the aggregate tax basis of such holder's Aevi common stock exchanged therefor, decreased by the amount of cash received (excluding any cash in lieu of a fractional share), decreased by the fair value of the CVRs received, and increased by the amount of gain (excluding any gain recognized with respect to cash in lieu of a fractional share), if any, recognized.

If a holder acquired Aevi common stock at different times or at different prices, any gain or loss realized will be determined separately with respect to each block of Aevi common stock and such holder's basis in its shares of Cerecor ordinary shares may be determined with reference to each block of Aevi common stock.

#### **Form 8937, Part, Box 17**

The applicable Code sections and subsections upon which the tax treatment is based are as follows: Sections 354(a), 356(a), 358(a), and 368(a), 1001, 1221, and 1223.

#### **Form 8937, Part, Box 18**

The Mergers are intended to qualify as a "reorganization" within the meaning of Section 368(a)(1) of the Code. As described in the response to box 15, if the Mergers are respected as a "reorganization" within the meaning of Section 368(a)(1) of the Code, a holder of Aevi common stock will recognize gain (but not loss) in connection with the Mergers with respect to whole shares of Cerecor ordinary shares received in an amount equal to the lesser of (i) the amount of any cash and CVRs received by such holder of Aevi common stock in the Mergers and (ii) the excess, if any, of the sum of the cash and CVRs received plus the fair market value of the Cerecor shares received in the Mergers by such holder of Aevi common stock over the tax basis of the shares of Aevi common stock surrendered by such holder.

Holders of the Aevi common stock may be able to recognize a loss as a result of being treated as having received a fractional share of Cerecor common stock and then as having received cash in redemption of the fractional share as described in Box 15.

**Form 8937, Part, Box 19**

The First Merger was effective on February 3, 2020. Therefore, the reportable tax year is the year of the stockholder that includes such date.

The information contained herein does not constitute tax advice and does not purport to be a complete discussion or describe the tax consequences that may apply to any particular holder of Aevi common stock. Holders of Aevi common stock are urged to consult their own tax advisors with respect to the tax consequences of the Mergers applicable to their particular circumstances.