

April 2, 2018



Cerecor Inc. Reports Financial Results for the Fourth Quarter and Year Ended December 31, 2017

Strategic acquisitions transform Cerecor into a leading U.S. Pediatric Pharmaceutical Company

Company announces initiation of a clinical development program for CERC-301 in Neurogenic Orthostatic Hypotension

BALTIMORE, MD -- (Marketwired) -- 04/02/18 -- Cerecor Inc. (NASDAQ: CERC) today announced financial results for the fourth quarter and full year 2017. Net Revenues for the year ended 2017 were \$27.8 million. As of December 31, 2017, the Company had \$43.1 million in total assets including cash and cash equivalents of \$2.5 million, accounts receivable of \$3.3 million, and escrowed receivable of \$3.8 million. Total liabilities were \$15.3 million and Total Stockholder's equity was \$27.9 million.

2017 Corporate & Commercial Highlights:

- In April 2017, the Company entered into a security purchase agreement with Armistice Capital, which resulted in the Company having a greater than 50% shareholder. Armistice Capital has been instrumental in restructuring management and establishing the Company's new strategy.
- In August 2017, the Company sold its lead compound CERC-501 to Janssen Pharmaceuticals, Inc ("Janssen") for gross proceeds of \$25 million.
- In November 2017, the Company purchased TRx Pharmaceuticals, LLC ("TRx") and its wholly-owned subsidiaries, which included Zylera Pharma Corp ("Zylera"). This strategic transaction has allowed the Company to pivot towards becoming a self-sustained, integrated pharmaceutical company focused on developing and commercializing pediatric and specialty products.

"These are exciting times at Cerecor as we close out 2017 with strong financial performance that has resulted from our ability to execute on key strategic transactions," said Peter Greenleaf, Chief Executive Officer of Cerecor. "We are entering 2018 with strong momentum and will work to continue our growth as we continue to execute on key business objectives, such as the recent acquisition of the marketed pediatric portfolio from Avadel Pharmaceuticals and entering our lead compound, CERC-301, into a Phase I safety study for Neurogenic Orthostatic Hypotension ("nOH"). I believe Cerecor is well-positioned to take advantage of vast opportunities as a fully integrated pediatric pharmaceutical company with a platform to develop compounds that can make a true difference in patients suffering from

rare or orphan diseases."

Recent Highlights:

In February 2018, Cerecor entered into definitive agreements with Avadel U.S. Holdings, Inc., and certain of its subsidiaries, to purchase and acquire all rights to Avadel's marketed pediatric products. The acquired products consist of Karbinal™ ER, AcipHex® Sprinkle™, Cefaclor for Oral Suspension, and Flexichamber™. Additionally, Avadel Ireland will develop and provide Cerecor with four stable product formulations of Cerecor's choosing utilizing its proprietary LiquiTime™ and Micropump® technology. Three of these development projects are already underway. Cerecor began shipping Karbinal™ ER to wholesalers last week.

In March 2018, Cerecor announced the appointment of Peter Greenleaf as Chief Executive Officer. Mr. Greenleaf joins the Company from Sucampo Pharmaceuticals where he led its acquisition to Mallinckrodt plc for \$1.2 billion.

In March 2018, Cerecor gained clearance of its Investigational New Drug ("IND") application from the U.S. Food & Drug Administration to initiate clinical studies of CERC-301 in nOH.

Fourth Quarter and Full Year 2017 Financial Results

Cerecor reported a net loss of \$3.1 million, or (\$0.11) per share, for the fourth quarter of 2017, compared to a net loss of \$1.6 million, or (\$0.18) per share, for the fourth quarter of 2016. For the year ended December 31, 2017, Cerecor reported net income of \$11.9 million, or \$0.42 per share, compared to a net loss of \$16.5 million, or (\$1.87) per share, for 2016.

Product and sales force revenue was \$2.2 million for the fourth quarter and year ended December 31, 2017 which resulted from six weeks of net sales post-acquisition of Zylera. License and other revenue was \$25.0 million for the year ended December 31, 2017 which resulted from the sale of CERC-501 to Janssen. We did not have Product or License revenue in 2016. Grant revenue was \$0.6 million for the full year December 31, 2017 and \$1.2 million for the full year ended December 31, 2016 and consisted primarily of \$1.0 million from our research and development grants awarded by the National Institute on Drug Abuse at the National Institutes of Health in 2016.

Research and development ("R&D") expenses increased to \$2.0 million for the fourth quarter of 2017, compared to \$0.8 million for the fourth quarter of 2016. This increase resulted from the Company preparing CERC-301 for nOH clinical trials. For the full year ended December 31, 2017, R&D expenses were \$4.4 million compared to \$10.1 million for the year ended December 31, 2016. The decrease in R&D expenses from 2016 was driven by the winding down and completion of our Phase 2 clinical trials: CERC-301, which was being developed as an adjunct therapy in depression; and CERC-501, which was sold to Janssen in 2017.

General and administrative ("G&A") expenses increased to \$3.0 million for the fourth quarter of 2017, compared to \$1.1 million for the fourth quarter of 2016. This increase was driven by professional fees and integration costs associated with the TRx acquisition. For the full year ended December 31, 2017, G&A expenses were \$7.9 million, compared to \$7.1 million for the year ended December 31, 2016. This increase was due to legal, consulting and other professional expenses associated with the integration, as well as an increase in stock-based compensation expense of \$1.2 million.

Outlook

Currently, both the financial performance from the Zylera and Avadel product lines are tracking ahead of plan. For 2018, the Company expects annual net revenues to exceed \$15 million and projects its adjusted EBITDA to be approximately break-even. The Company expects to incur integration, separation, and certain restructuring costs in 2018 of approximately \$1.2 million. These estimates reflect management's current expectations for Cerecor's performance in 2018. Actual results may vary, whether as a result of market conditions, or other factors.

In addition to the financial measures prepared in accordance with U.S. Generally Accepted Accounting Principles ("GAAP"), the above guidance contains the Company's non-GAAP financial measure of adjusted EBITDA. The Company defines adjusted EBITDA as earnings before interest, taxes, depreciation and amortization, and excludes the amortization of purchased intangible assets, costs related to certain regulatory actions, inventory step-up, legal settlements and reserves, employee separation and other restructuring costs, share-based compensation, impairments and related tax effects.

EBITDA is used by management and the Board to evaluate the Company's core operating results because it excludes certain items whose fluctuations from period-to-period do not necessarily correspond to changes in the core operations of the business.

Non-GAAP measures have limitations in that they do not reflect all of the amounts associated with the Company's results of operations as determined in accordance with GAAP. Also, other companies might calculate these measures differently. Investors are encouraged to review non-GAAP numbers and related definitions to their most directly comparable GAAP measures.

About Cerecor

Cerecor is a biopharmaceutical company focused on near term goal of becoming the leading U.S. pediatric pharmaceutical company while developing innovative therapies that make a difference in the lives of patients. The Company's pipeline is led by CERC-301, which Cerecor currently intends to explore as an adjunctive treatment for Neurogenic Orthostatic Hypotension (nOH) and other potential orphan and neurological indications. Cerecor intends to initiate a Phase I safety study in 2018. Cerecor is also developing two pre-clinical stage compounds, CERC-611 and CERC-406. The Company's R&D efforts are supported by profits from its franchise of commercial medications led by Poly-Vi-Flor® (multivitamin and fluoride supplement tablet, chewable) and Tri-Vi-Flor® (multivitamin and fluoride supplement suspension/drops). In February 2018, the Company added to its marketed product portfolio by acquiring Karbinal™ ER, AcipHex® Sprinkle™, Cefaclor for Oral Suspension, and Flexichamber™.

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 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 development of product candidates or products, potential attributes and benefits of product candidates, the expansion of Cerecor's drug portfolio, Cerecor's ability to identify new indications for its current portfolio, and new product candidates that could be in-licensed, 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 associated with acquisitions, including the need to quickly and successfully integrate acquired assets and personnel; Cerecor's cash position and the potential need for it to raise additional capital; reliance on key personnel, including Mr. Greenleaf; drug development costs, timing, and those other risks detailed in 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.

Cerecor Inc.
Consolidated Condensed Statements of Operations
(in thousands, except share and per share amounts)

	Three Months Ended December 31,		Year Ended December 31,	
	2017 (a)	2016 (a)	2017 (a)	2016 (a)
Revenues				
License and other revenue	\$ -	\$ -	\$ 25,000	\$ -
Product and sales force revenue net	2,189	-	2,189	-
Grant revenue	45	182	625	1,153
Total revenues, net	\$ 2,234	\$ 182	\$ 27,814	\$ 1,153
Operating expenses:				
Cost of product sales	636	-	636	-
Research and development	1,961	773	4,373	10,150
General and administrative	3,021	1,095	7,942	7,083
Sales and marketing	973	-	973	-
Total operating expenses	6,591	1,868	13,924	17,233
Income (loss) from operations	(4,357)	(1,686)	13,890	(16,080)
Other income (expense):				

Change in fair value of warrant liability and unit purchase option liability	(28)	130	(29)	73
Interest income (expense), net	31	(83)	(24)	(464)
Total other income (expense)	3	47	(53)	(391)
Net income (loss) before taxes	(4,354)	(1,639)	13,837	(16,471)
Income tax expense (benefit)	(1,263)	-	1,967	-
Net income (loss)	<u>\$ (3,091)</u>	<u>\$ (1,639)</u>	<u>\$ 11,870</u>	<u>\$ (16,471)</u>
Net income (loss) per share of common stock, basic and diluted	<u>\$ (0.11)</u>	<u>\$ (0.18)</u>	<u>\$ 0.42</u>	<u>\$ (1.87)</u>
Weighted-average shares of common stock outstanding, basic	<u>28,541,403</u>	<u>9,265,606</u>	<u>18,410,005</u>	<u>8,830,396</u>
Weighted-average shares of common stock outstanding, diluted	<u>28,541,403</u>	<u>9,265,606</u>	<u>18,754,799</u>	<u>8,830,396</u>

(a) The consolidated condensed statements of operations for the years ended December 31, 2017 and 2016 have been derived from the audited financial statements but do not include all of the information and footnotes required by accounting principles generally accepted in the United States for complete financial statements.

Cerecor Inc.
Consolidated Condensed Balance Sheets
(in thousands)

	<u>December 31,</u> <u>2017 (a)</u>	<u>December 31,</u> <u>2016 (a)</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 2,472	\$ 5,128
Accounts receivable, net	3,252	133
Escrowed cash receivable	3,752	-
Inventory, net	382	-
Prepaid expenses and other current assets	706	402
Other receivables	427	-
Total current assets	<u>10,991</u>	<u>5,663</u>
Intangible assets, net	17,664	-
Goodwill	14,293	-
Property and equipment, net	45	43
Restricted cash, net of current portion	131	63
Total assets	<u>\$ 43,124</u>	<u>\$ 5,769</u>
Liabilities and stockholders' equity		
Current liabilities		
Accounts payable and accrued expenses	\$ 9,147	\$ 1,958

Income taxes payable	2,259	-
Current portion long term debt	-	2,354
	<u>11,406</u>	<u>4,312</u>
Long term liabilities	3,858	1,250
Liabilities	<u>15,264</u>	<u>5,562</u>
Stockholders' equity	27,860	207
Total liabilities and stockholders' equity	<u>\$ 43,124</u>	<u>\$ 5,769</u>

(a) The consolidated condensed balance sheets as of December 31, 2017 and 2016 have been derived from the audited financial statements but do not include all of the information and footnotes required by accounting principles generally accepted in the United States for complete financial statements.

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240-676-3715

Source: Cerecor, Inc.