UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K/A

(Amendment No. 1)

CURRENT REPORT

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

January 7, 2021
Date of Report (Date of earliest event reported)

Chimerix, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**001-35867**	**33-0903395**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

2505 Meridian Parkway, Suite 100 **Durham, NC**	**27713**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (919) 806-1074

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligations 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, par value $0.001 per share	CMRX	The Nasdaq Global 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. ☐

EXPLANATORY NOTE

On January 13, 2021, Chimerix, Inc. (the "Company") filed a Current Report on Form 8-K (the "Original Form 8-K") with the Securities and Exchange Commission (the "Commission") to report its entry into an Agreement and Plan of Merger (the "Merger Agreement"), dated as of January 7, 2021, by and among the Company, Ocean Merger Sub, Inc., a Delaware corporation and wholly owned subsidiary of the Company ("Merger Sub"), Oncoceutics, Inc., a Delaware corporation ("Oncoceutics"), and Fortis Advisors, LLC solely in its capacity as representative of the securityholders of Oncoceutics. Concurrently with the execution of the Merger Agreement, Merger Sub merged with and into Oncoceutics (the "Merger") whereupon the separate corporate existence of Merger Sub ceased, with Oncoceutics continuing as the surviving corporation of the Merger as a wholly owned subsidiary of the Company.

This Amendment No. 1 to Current Report on Form 8-K/A (this "Amendment") amends the Original Form 8-K to include the financial information required under Item 9.01 of Form 8-K, and to provide the additional disclosure regarding Oncoceutics and its development programs set forth in Item 8.01 herein.

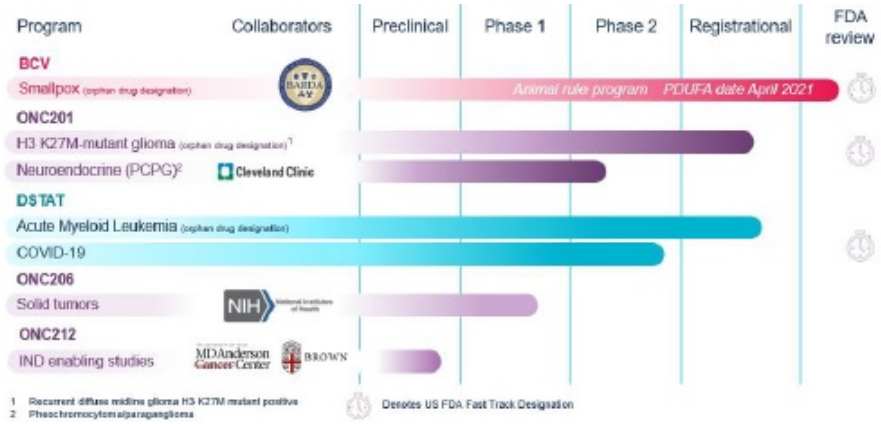
Item 8.01. Other Events

The Company is providing the following updated disclosure as of the date of this Amendment:

Chimerix is a development-stage biopharmaceutical company dedicated to accelerating the advancement of innovative medicines that make a meaningful impact in the lives of patients living with cancer and other serious diseases. Our three most advanced clinical-stage development programs are brincidofovir (BCV), ONC201 and dociparstat sodium (DSTAT). BCV is an antiviral drug candidate developed as a potential medical countermeasure for smallpox and is currently under review for regulatory approval in the United States. ONC201 is currently in a registrational clinical trial for recurrent H3 K27M-mutant glioma and a confirmatory response rate assessment is expected later this year. DSTAT is in development as a potential first-line therapy in acute myeloid leukemia (AML) and as a potential treatment for acute lung injury (ALI) in COVID-19 patients.

On January 7, 2021, we acquired Oncoceutics, Inc., a privately-held, clinical-stage biotechnology company developing imipridones, a novel class of compounds. Oncoceutics' being evaluated in a registrational program lead product candidate, ONC201, has selectively induced cell death in multiple cancer types in clinical trials. ONC201 is currently for recurrent H3 K27M-mutant glioma and a response rate assessment of the registrational cohort is expected in 2021.

Our pipeline, as of the date of the Amendment is illustrated below.



Recent Developments

Dociparstat for the Treatment of Acute Lung Injury (ALI) in COVID-19 Patients

In April 2020, we announced the initiation of a Phase 2/3 study of DSTAT in patients with acute lung injury (ALI) from COVID-19. The study is a 1:1 randomized, double-blind, placebo-controlled, Phase 2/3 trial to evaluate the safety and efficacy of DSTAT in adults with severe COVID-19 who are at high risk of respiratory failure. Eligible subjects will be those with confirmed COVID-19 who require hospitalization and supplemental oxygen therapy. The primary endpoint of the study is the proportion of subjects who survive and do not require mechanical ventilation through day 28. Additional endpoints include time to improvement as assessed by the National Institute of Allergy and Infectious Disease ordinal scale, time to hospital discharge, time to resolution of fever, number of ventilator-free days, all-cause mortality, and changes in key biomarkers (e.g. IL-6, TNF-α, HMGB1, C-reactive protein and d-dimer).

The Phase 2 portion of the study will enroll 24 subjects (12 subjects in each of 2 cohorts with different doses) to determine the maximum tolerated dose and will then expand to a third cohort consisting of an additional 50 patients (74 total) at the selected dose. A formal analysis of all endpoints, including supportive biomarkers will be performed at the conclusion of the Phase 2 portion of the study. Contingent upon positive results from the Phase 2 portion, the Phase 3 portion of the study will enroll approximately 450 subjects. The first cohort of 12 subjects has completed enrollment and dosing. In December 2020, the independent data safety monitoring board, following a review of preliminary data from the first cohort of patients, recommended that the trial proceed to enrollment of the second cohort of patients. The second cohort has begun enrolling. Due to the complex and rapidly changing landscape of COVID infection rates and treatment responses, we cannot predict with certainty when we will complete Phase 2 enrollment. We expect to report initial topline data from the first cohort in the first quarter of 2021. The study protocol allows for the review of data by cohort.

Dociparstat for First-Line Acute Myeloid Leukemia (AML)

During 2020, we conducted an end of Phase 2 meeting with the FDA related to our development of DSTAT in AML, which informed the design of the Phase 3 trial. Currently we are engaged in site initiation for Phase 3 clinical study of DSTAT for the treatment of front line AML. We expect to enroll the first patient to in early 2021.

This study will be a randomized, double-blinded trial of approximately 570 newly diagnosed AML patients. The trial includes patients 60 years of age and older who have an intermediate or adverse genetic risk profile. It will also include patients between 18 and 60 years old who have an adverse genetic risk profile. Patients will receive DSTAT in combination with standard cytarabine plus anthracycline (7+3) induction and cytarabine consolidation chemotherapy or will receive standard of care (7+3) induction and consolidation chemotherapy alone. Patients with FLT-3 mutations are allowed in the study and are eligible to receive midostaurin.

The primary endpoint of the study is overall survival (OS). In addition, the FDA has indicated that event-free survival (EFS) using complete response with hematologic recovery to define induction success (CR) may be acceptable as an endpoint to support submission of a New Drug Application (NDA). Other endpoints to be evaluated in the proposed trial include: minimal residual disease (MRD), relapse-free survival (RFS), time to hematologic recovery, and induction response.

In order to supplement the previously reported data from pilot and Phase 2 studies and further evaluate DSTAT's potential mechanism of action, the proposed Phase 3 trial includes an early assessment of comparative CR and MRD rates among the first 80 evaluable patients. A recently published meta-analysis of 81 separate studies covering 11,151 patients (Short, et. al., Journal of the American Medical Association Oncology, October 8, 2020) has suggested a link between MRD status and outcomes in patients with AML. Specifically, this large cohort meta-analysis showed that MRD-negative AML patients experience superior 5-year disease-free survival (average hazard ratio: 0.37) and 5-year overall survival (average hazard ratio: 0.36) rates when compared to patients that are MRD-positive. This study suggests that evaluation of MRD status in AML patients may allow for an earlier assessment of therapeutic effects and could lead to acceleration in the development of novel AML therapeutics.

The data from the first 80 evaluable patients of the proposed Phase 3 trial are expected to be unblinded, reported publicly, and available for ongoing analysis of later endpoints, unless the independent Data Monitoring Committee (DMC) determines that exceptional pre-specified thresholds have been achieved, in which case the DMC will have the discretion to maintain blinding, which would allow inclusion of these patients in the final analysis.

BCV Oral Treatment for Smallpox

We completed the rolling NDA submission for BCV tablets and for BCV suspension for the approval of BCV as a medical countermeasure for smallpox. In December 2020 we announced that the FDA had accepted the filing of the NDA. The FDA granted priority review and set a Prescription Drug User Fee Act (PDUFA) date of April 7, 2021.

Oncoceutics Acquisition

On January 7, 2021, we acquired Oncoceutics, Inc. (Oncoceutics), a privately-held, clinical-stage biotechnology company developing imipridones, a novel potential class of compounds. Oncoceutics' lead product candidate, ONC201, selectively induced cell death in multiple cancer types in clinical trials. ONC201 is currently being evaluated in a registrational program for recurrent H3 K27M-mutant glioma and a response rate assessment of the registrational cohort is expected in 2021. As consideration for the acquisition, we (a) paid an upfront cash payment of approximately $25.0 million, (b) issued an aggregate of 8,723,769 shares of our common stock, (c) issued a promissory note to the representative of the securityholders of Oncoceutics in the principal amount of $14.0 million, to be paid in cash, upon the one year anniversary of the closing of the acquisition, and (d) agreed to make contingent payments up to an aggregate of $360.0 million based on the achievement of certain development, regulatory and commercialization events, as well as additional tiered royalty payments based upon future net sales of ONC-201 and ONC-206 products, subject to certain reductions, and a contingent payment in the event we receive any proceeds from the sale of a rare pediatric disease priority review voucher based on the Oncoceutics products. We will also pass through to the Oncoceutics securityholders the upfront payment received from China Resources Sanjiu Medical & Pharmaceutical Co., Ltd. pursuant to a license agreement entered into with Oncoceutics prior to the acquisition. The closing payment may be adjusted after the closing, pursuant to procedures, in connection with the finalization of the cash, transaction expenses, debt and working capital amounts at closing.

Imipridones and ONC201

Imipridones are a potential new class of selective cancer therapies. These drug candidates target specific G protein-coupled receptors (GPCRs) and mitochondrial caseinolytic protease P (ClpP), in an effort to produce cancer cell death. The imipridone chemical scaffold provides an opportunity to target GPCRs and ClpP with differential specificity and function. This presents an opportunity to develop potential imipridone therapies broadly within cancer and in other diseases as well.

ONC201 selectively targets Dopamine Receptor D2 (DRD2) and ClpP. ONC201 has selectively induced cell death in cancer by binding to and differentially altering activity of DRD2 and ClpP.

Clinical trials of ONC201 in glioma patients with the H3 K27M-mutation are underway at several locations in the U.S. As many as 10% of patients with glioma have the H3 K27M-mutation. The H3 K27M-mutation is found in 50-90% of patients with midline glioma, including 80-90% of children with diffuse intrinsic pontine glioma or DIPG. Currently there is no effective therapy for patients with the H3 K27M-mutation beyond radiation that provides only transient benefit in a fraction of the population. Often it is not possible to resect these tumors and chemotherapy in ineffective. The median overall survival is less than 8 months.

Based on discussions with the FDA, we plan to integrate data from ongoing ONC201 trials into a registration cohort with the potential for an NDA submission seeking accelerated approval. The 50 subject registration cohort includes patients meeting the following eligibility criteria: greater than 2 years of age with recurrent diffuse midline glioma who harbor the H3 K27M-mutation in their tumor, evidence of measurable disease, completion of prior radiation that was at least 90 days from starting ONC201 and evidence of progressive disease, among other criteria. The primary endpoint of the study is Overall Response Rate (ORR) assessed by RANO-HGG criteria. Below is an interim response summary, which showed a meaningful durability of response.

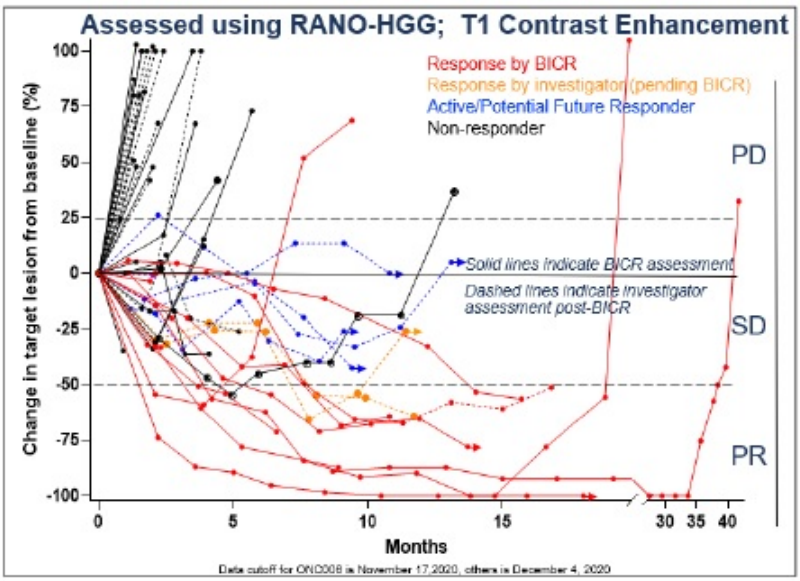


Figure 1: Waterfall plot reflects 47 subjects; 3 subjects did not have on-treatment tumor assessments available but were reported by investigator to have progressive disease. Some eligibility and response data were based on unlocked CRFs that remain subject to change with additional monitoring. PR is partial response, SD is stable disease and PD is progressive disease.

A Blinded Independent Central Review analysis of ORR is expected to take place in 2021 which, if favorable, may form the basis for an NDA submission seeking accelerated of ONC201 in the United States. ONC201 has been generally well tolerated across a database of over 350 glioma patients. The most commonly reported adverse events (AEs) were nausea/vomiting, fatigue and decreased lymphocyte counts. Dose limiting toxicities have not been observed with weekly dosing in any indication.

The FDA has granted ONC201 Fast Track Designation for the treatment of adult recurrent H3 K27M-mutant high-grade glioma, Rare Pediatric Disease Designation for treatment of H3 K27M-mutant glioma, and Orphan Drug Designations for the treatment of glioblastoma and for the treatment of malignant glioma.

In addition to clinical trials in glioma, ONC201 is also being studied in an ongoing Phase 2 trial in neuroendocrine tumors at the Cleveland Clinic. Interim investigator assessments as of a cutoff date of August 20, 2020 showed a 50% ORR in paraganglioma which are adrenal-related tumors that are known to harbor elevated DRD2 expression and dopamine secretion.

ONC206

ONC206 is a DRD2 antagonist and ClpP agonist that demonstrated enhanced non-competitive DRD2 antagonism relative to ONC201, in preclinical studies and additionally showed disruption of DRD2 homodimers. Treatment of tumor cells with ONC206 elicits a distinct gene expression as compared to ONC201. ONC206 has demonstrated syngergistic in vitro activity with ONC201 in cells that have acquired resistance to ONC201. ONC206 showed anti tumor activity in preclinical models of difficult-to-treat neuroendocrine tumors and high-grade gliomas. In vitro, ONC2016 has affected some of the same downstream pathways as ONC201, including activation of the integrated stress response and inhibition of Ras signaling, leading to selective killing of tumor cells.

The first-in-human clinical trial of ONC206 for adults with recurrent primary central nervous system tumors is ongoing at the National Institute of Health (NCT04541082).

ONC212

ONC212 is an investigational agonist of the orphan GPCR tumor suppressor GPR132, as well as ClpP. Similar to the potential downstream effects of ONC201 and ONC206, in vitro studies ONC212 has activated the integrated stress response, inhibited Ras signaling and selectively killed tumor cells. ONC212 showed broad-spectrum activity across both solid tumors and hematological malignancies, including pancreatic cancer and leukemias prioritized as target clinical indications that exhibit high GPR132 and/or ClpP expression.

Currently ONC212 is in IND-enabling studies. First-in-human trials are expected to be conducted in conjunction with MD Anderson Cancer Center and Brown University.

Forward-Looking Statements

Statements contained in, or incorporated by reference into, this Current Report on Form 8-K regarding matters that are not historical facts are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Because such statements are subject to risks and uncertainties, actual results may differ materially from those expressed or implied by such forward-looking statements. Risks are described more fully in our filings with the Securities and Exchange Commission, including without limitation our most recent Annual Report on Form 10-K, our most recent Quarterly Report on Form 10-Q and other documents subsequently filed with or furnished to the Securities and Exchange Commission. All forward-looking statements contained in this Current Report on Form 8-K speak only as of the date on which they were made. We undertake no obligation to update such statements to reflect events that occur or circumstances that exist after the date on which they were made.

Item 9.01 Financial Statements and Exhibits

(a) Financial Statements of Businesses Acquired.

The audited financial statements of Oncoceutics as of and for the years ended December 31, 2019 and 2018, together with the notes thereto and the auditors' report thereon, and the unaudited interim financial statements of Oncoceutics as of September 30, 2020 and for the nine months ended September 30, 2020 and 2019, together with the notes thereto, are attached hereto as Exhibit 99.1 and Exhibit 99.2 and are incorporated herein by reference. The consent of Cohn Reznick LLP, the independent registered public accounting firm of Oncoceutics, is attached hereto as Exhibit 23.1 to this Amendment.

(b) Pro Forma Financial Information.

The unaudited pro forma consolidated combined balance sheet for the Company and Oncoceutics as of September 30, 2020 and unaudited pro forma consolidated combined statements of operations for the Company and Oncoceutics for the year ended December 31, 2019 and for the nine months ended September 30, 2020 that give effect to the acquisition of Oncoceutics are attached hereto as Exhibit 99.3 and are incorporated herein by reference.

(d) Exhibits

Exhibit No.	Description
23.1	Consent of Cohn Reznick LLP, independent registered public accounting firm.
99.1	Audited financial statements of Oncoceutics as of and for the years ended December 31, 2019 and 2018, together with the notes thereto and the auditors' report thereon.
99.2	Unaudited interim financial statements of Oncoceutics as of September 30, 2020 and for the nine months ended September 30, 2020 and 2019.
99.3	Unaudited pro forma consolidated combined balance sheet for the Company and Oncoceutics as of September 30, 2020 and unaudited pro forma consolidated combined statements of operations for the Company and Oncoceutics for the year ended December 31, 2019 and for the nine months ended September 30, 2020.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

SIGNATURES

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.

Chimerix, Inc.

Dated: January 19, 2021

By: /s/ Michael T. Andriole
Michael T. Andriole
Chief Business and Financial Officer

Exhibit 23.1

Consent of Independent Auditor

We consent to the incorporation by reference in the following Registration Statements:

1. Registration Statement (Form S-8 No. 333-187860) pertaining to the 2002 Equity Incentive Plan, 2012 Equity Incentive Plan, 2013 Equity Incentive Plan and 2013 Employee Stock Purchase Plan of Chimerix, Inc.,
2. Registration Statement (Form S-8 Nos. 333-194408, 333-202582, 333-209802, 333-216396, 333-223344, 333-230071, 333-233115 and 333-236610) pertaining to the 2013 Equity Incentive Plan and 2013 Employee Stock Purchase Plan of Chimerix, Inc., and
3. Registration Statement (Form S-3 Nos. 333-221412 and 333-244146) of Chimerix, Inc.;

of our report dated July 1, 2020 on our audits of the financial statements of Oncoceutics, Inc. as of December 31, 2019 and 2018 and for the years then ended, included in this Current Report on Form 8-K/A of Chimerix, Inc.

/s/ CohnReznick LLP
Hartford, Connecticut
January 19, 2021

Exhibit 99.1

Oncoceutics, Inc.

Financial Statements and Independent Auditor's Report
As of December 31, 2019 and 2018, and
For the Years Ended December 31, 2019 and 2018

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As of December 31, 2019 and 2018, and
For the Years Ended December 31, 2019 and 2018

Independent Auditor's Report

To the Board of Directors
Oncoceutics, Inc.

We have audited the accompanying financial statements of Oncoceutics, Inc., which comprise the balance sheets as of December 31, 2019 and 2018, and the related statements of operations, changes in stockholders' equity and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Oncoceutics, Inc. as of December 31, 2019 and 2018, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

/s/ CohnReznick LLP
Hartford, Connecticut
July 1, 2020

Oncoceutics, Inc.

Balance Sheets
December 31, 2019 and 2018

	2019	2018
Assets		
Current assets		
Cash and cash equivalents	$ 1,766,430	$ 2,618,301
Marketable securities	9,807,753	-
Grant receivable	802,835	553,834
Tax credits receivable	168,000	12,393
Prepaid expenses and other assets	7,057	4,817
Total current assets	12,552,075	3,189,345
Tax credits receivable, net of current portion	-	111,359
Property and equipment, net	10,969	4,548
Deposits	7,424	4,000
Total	$ 12,570,468	$ 3,309,252
Liabilities and Stockholders' Equity		
Current liabilities		
Accrued liabilities	$ 1,226,515	$ 1,100,749
Deferred revenue	-	179,987
Total current liabilities	1,226,515	1,280,736
Simple Agreement for Future Equity notes	2,504,332	-
Total	3,730,847	1,280,736
Commitments and contingencies		
Stockholders' equity		
Series A-3 Preferred Stock, $0.001 par value, 938,456 shares authorized, issued and outstanding, liquidation value of $10,000,000	938	-
Series A-2 Preferred Stock, $0.001 par value, 750,179 shares authorized, issued and outstanding, liquidation value of $4,023,435	750	750
Series A-1 Preferred Stock, $0.001 par value, 1,137,772 shares authorized, issued and outstanding, liquidation value of $4,867,468	1,138	1,138
Series Seed Preferred Stock, $0.001 par value, 2,795,161 shares authorized, issued and outstanding, liquidation value of $2,530,000	2,795	2,795
Common Stock, $0.001 par value, 18,000,000 shares authorized, 7,631,086 shares issued and outstanding	7,631	7,631
Additional paid-in capital	23,284,668	12,791,339
Accumulated deficit	(14,458,299)	(10,775,137)
Total stockholders' equity	8,839,621	2,028,516
Total liabilities and stockholders' equity	$ 12,570,468	$ 3,309,252

See Notes to Financial Statements.

Oncoceutics, Inc.

Statements of Operations
Years Ended December 31, 2019 and 2018

	2019	2018
Revenue		
Grant revenue	$ 2,714,101	$ 1,794,632
Licensing revenue	2,500,000	-
Total revenue	5,214,101	1,794,632
Operating expenses		
Research and development	6,727,723	4,113,872
General and administrative	2,421,821	1,509,878
Total operating expenses	9,149,544	5,623,750
Loss from operations	(3,935,443)	(3,829,118)
Other income		
Tax credits	56,641	110,208
Interest income, net	195,640	55,040
Total other income	252,281	165,248
Net loss	$ (3,683,162)	$ (3,663,870)

See Notes to Financial Statements.

Oncoceutics, Inc.

Statements of Changes in Stockholders' Equity
Years Ended December 31, 2019 and 2018

	Series A-3 Preferred		Series A-2 Preferred		Series A-1 Preferred		Series Seed Preferred		Common		Additional paid-in	Accumulated	
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	capital	deficit	Total
Balance, January 1, 2018	-	$ -	750,179	$ 750	1,137,772	$ 1,138	2,795,161	$ 2,795	7,631,086	$ 7,631	$ 12,672,120	$ (7,111,267)	$ 5,573,167
Stock-based compensation	-	-	-	-	-	-	-	-	-	-	119,219	-	119,219
Net loss	-	-	-	-	-	-	-	-	-	-	-	(3,663,870)	(3,663,870)
Balance, December 31, 2018	-	-	750,179	750	1,137,772	1,138	2,795,161	2,795	7,631,086	7,631	12,791,339	(10,775,137)	2,028,516
Issuance of Preferred Stock, net of issuance cost of $23,953	938,456	938	-	-	-	-	-	-	-	-	9,975,109	-	9,976,047
Stock-based compensation	-	-	-	-	-	-	-	-	-	-	518,220	-	518,220
Net loss	-	-	-	-	-	-	-	-	-	-	-	(3,683,162)	(3,683,162)
Balance, December 31, 2019	938,456	$ 938	750,179	$ 750	1,137,772	$ 1,138	2,795,161	$ 2,795	7,631,086	$ 7,631	$ 23,284,668	$ (14,458,299)	$ 8,839,621

See Notes to Financial Statements.

Oncoceutics, Inc.

Statements of Cash Flows
Years Ended December 31, 2019 and 2018

	2019	2018
Cash flows from operating activities		
Net loss	$ (3,683,162)	$ (3,663,870)
Adjustments to reconcile net loss to net cash used in operating activities		
Depreciation	4,704	2,478
Stock-based compensation	518,220	119,219
Changes in operating assets and liabilities		
Grant receivable	(249,001)	(436,598)
Tax credits receivable	(44,248)	32,008
Prepaid expenses and other assets	(5,664)	469,020
Accrued liabilities	125,766	910,323
Deferred revenue	(179,987)	179,987
Net cash used in operating activities	(3,513,372)	(2,387,433)
Cash flows from investing activities		
Purchases of marketable securities	(9,807,753)	-
Purchases of property and equipment	(11,125)	-
Net cash used in investing activities	(9,818,878)	-
Cash flows from financing activities		
Proceeds from issuance of Preferred Stock, net of issuance cost of $23,953	9,976,047	-
Proceeds from Simple Agreement for Future Equity notes	2,504,332	-
Net cash provided by financing activities	12,480,379	-
Net change in cash	(851,871)	(2,387,433)
Cash and cash equivalents, beginning	2,618,301	5,005,734
Cash and cash equivalents, end	$ 1,766,430	$ 2,618,301

See Notes to Financial Statements.

Note 1 - Nature of operations

Oncoceutics, Inc. (the "Company"), a Delaware corporation, is developing a novel class of safe and effective cancer therapies called imipridones. Imipridones have a unique three-ring core structure and have been shown to selectively target G protein-coupled receptors (GPCRs). The Company has established a robust intellectual property position around its imipridone platform, including several issued patents.

The lead compound to emerge from this program is ONC201, an orally active small molecule dopamine receptor D2 (DRD2) antagonist. ONC201 is being evaluated in 10 ongoing clinical trials at leading US cancer centers that have enrolled more than 450 patients as of December 31, 2019. ONC201 has shown efficacy and safety as a single agent in several oncology indications, including brain tumors, endometrial cancer and neuroendocrine tumors. The most advanced indication for ONC201 are gliomas that harbor the H3 K27M mutation that can be identified by immunohisto- chemistry or gene sequencing. The Company is pursuing an NDA-directed program in this rare disease indication based on clinical findings that include radiographic improvements as well as other clinical benefits for patients with H3 K27M-mutant glioma.

Note 2 - Summary of significant accounting policies

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("US GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents

The Company considers all short-term investments with an original maturity of three months or less to be cash equivalents. The Company maintains its cash and cash equivalents with high-credit quality financial institutions. At times, such amounts may exceed federally insured limits. As of December 31, 2019 and 2018, cash and cash equivalent balances in excess of federally insured limits were approximately $1,516,000 and $2,368,000, respectively.

Marketable securities

Marketable securities consist of U.S. Treasury securities and are stated at fair value. Realized and unrealized gains and losses are recorded in operations. Interest income is recorded as earned.

Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. US GAAP has a fair value hierarchy that prioritizes the use of inputs used in valuation methodologies for financial assets and liabilities into the following three levels:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; or other inputs that are observable or can be derived from or corroborated by observable market data by correlation or other means.

Level 3: Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

Assets recorded at fair value include cash equivalents and marketable securities. As of December 31, 2019, the Company's marketable securities are valued based on Level 2 inputs. In 2019, the Company entered into Simple Agreement for Future Equity ("SAFE") Notes. The SAFE notes are recorded as liabilities and are stated at fair value based on a Level 3 input.

Grant revenue and receivable

Grant revenue under cost-plus-fixed-fee grants from the federal government is recognized as allowable costs are incurred and fees are earned. Grant receivable is stated at the outstanding balance, less an allowance for doubtful accounts if necessary. No allowance for doubtful accounts was deemed necessary as of December 31, 2019 and 2018. The Company believes that it has complied with all contractual requirements of the grants through the date of the financial statements.

Revenue from customer contracts

The Company recognizes revenue from customer contracts under Accounting Standards Codification (ASC) 606, *Revenue from Contracts with Customers* ("ASC 606"). Revenue is generated through license, development and commercialization agreements with pharmaceutical partners. The terms of these agreements may contain multiple goods and services which include (i) licenses, (ii) research and development activities, and (iii) participation in joint research and development steering committees. The terms of these agreements may include non-refundable upfront license or option fees, payments for research and development activities, payments upon the achievement of certain milestones, and royalty payments based on product sales derived from the collaboration. Under ASC 606, the Company evaluates whether the license agreement, research and development services, and participation in research and development steering committees, represent separate or combined performance obligations. For contracts with multiple performance obligations, consideration is allocated to the performance obligations based on their relative values and recognized upon satisfaction of the performance obligations. In contracts where the Company is licensing its technology without future performance obligations, the Company recognizes revenue at a point in time when the technology is made available to the customer.

Contracts typically include contingent milestone payments related to specified preclinical and clinical development milestones and regulatory milestones. These milestone payments represent variable consideration to be included within the transaction price using the most likely amount method. To date, the Company has determined that the most likely amount to be recognized for milestone payments was zero, against which no constraint was applied. The Company will continue to assess the probability of significant reversals for any amounts that become likely to be realized prior to recognizing the variable consideration associated with these payments within the transaction price

Property and equipment

Property and equipment, including leasehold improvements, are carried at cost less accumulated depreciation and amortization. Depreciation and amortization are provided on a straight-line basis over the estimated useful lives of the assets, ranging from three to five years.

Stock-based compensation

The Company measures the cost of stock-based awards based on the grant date fair value of the award. That cost is recognized as compensation expense over the period during which an employee is required to provide services in exchange for the award.

Impairment of long-lived and intangible assets

The Company evaluates the recoverability of its long-lived assets whenever events or circumstances indicate that the carrying amount of these assets may not be recoverable. Recoverability of an asset or asset group is measured by comparison of its carrying amount to the expected future undiscounted cash flows that the asset or asset group is expected to generate. If that review indicates that the carrying amount of the long-lived asset or asset group is not recoverable, an impairment loss is recorded in the amount by which the carrying amount of the asset or asset group exceeds its fair value. There were no impairment indicators in 2019 and 2018.

Research and development costs

Research and development expenses consist of costs to develop the Company's technology. Research and development costs are expensed as incurred.

Income taxes

Deferred income tax assets and liabilities are recognized for the expected future tax consequences attributed to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and net operating loss carryforwards. Deferred tax assets and liabilities are measured using the enacted tax rates expected to be applied to taxable income in the years in which those temporary differences are expected to reverse. Deferred income taxes result primarily from temporary differences between the recognition of depreciation and certain other expenses for both financial statement and income tax reporting purposes as well as net operating loss carryforwards. Valuation allowances are recorded to reduce deferred income tax assets when it is more likely than not that a tax benefit will not be realized.

The Company has no unrecognized tax benefits at December 31, 2019 and 2018 and all its income tax returns prior to 2017 are subject to audit by the applicable taxing authorities. The Company will recognize any interest and penalties associated with tax matters as part of income tax expense.

Reclassifications

Certain prior year information has been reclassified to conform to the current year presentation.

Subsequent events

The Company has evaluated subsequent events through July 1, 2020, which is the date the financial statements were available to be issued.

Note 3 - Property and equipment

Property and equipment, net consist of the following as of December 31, 2019 and 2018:

	2019	2018
Furniture and equipment	$ 14,127	$ 3,002
Website	10,250	10,250
	24,377	13,252
Less accumulated depreciation	(13,408)	(8,704)
Total	$ 10,969	$ 4,548

Depreciation expense was $4,704 and $2,478 for the years ended December 31, 2019 and 2018, respectively.

Note 4 - Stockholders' equity

The Company's Certificate of Incorporation, as amended on January 29, 2019, provides that the Company's stock shall consist of 18,000,000 shares of Common Stock, $0.001 par value (the "Common Stock") and 5,621,568 shares of Preferred Stock, $0.001 par value (the "Preferred Stock"). The Company has four classes of Preferred Stock: 2,795,161 shares designated as Series Seed Preferred Stock ("Series Seed"), 1,137,772 shares designated as Series A-1 Preferred Stock ("Series A-1"), 750,179 shares designated as Series A-2 Preferred Stock ("Series A-2") and 938,456 shares designated as Series A-3 Preferred Stock ("Series A-3"). The Series A-1, Series A- 2 and Series A-3 rank equally and are pari passu in all respects.

The following describes the provisions of the Company's Preferred Stock.

Voting rights

Each holder of Preferred Stock is entitled to cast the number of votes equal to the number of whole Common Stock shares into which the Preferred Stock held are convertible. The holders of the Preferred Stock vote together with the holders of the Common Stock as a single class.

Dividends

The Preferred Stock is entitled to dividends on an as converted basis only if dividends are declared on the Common Stock.

Conversion

Each share of Preferred Stock is convertible into Common Stock at any time, at the option of the holder. The initial conversion rate for the Series Seed is equal to the Series Seed Original Issue Price ($0.9431) divided by the Series Seed Conversion Price (initially $0.9431 per share). The initial conversion rate for the Series A-1 is equal to the Series A-1 Original Issue Price ($4.27807 per share) divided by the Series A-1 Conversion Price (initially $4.27807 per share). The initial conversion rate for the Series A-2 is equal to the Series A-2 Original Issue Price ($5.3633 per share) divided by the Series A-2 Conversion Price (initially $5.3633 per share). The initial conversion rate for the Series A-3 is equal to the Series A-3 Original Issue Price ($10.6558 per share) divided by the Series A-3 Conversion Price (initially $10.6558 per share). The conversion price will be adjusted in the event of future stock splits, dividends and sale of common stock. The shares automatically convert in the event of a public offering or the occurrence of an event specified by vote or written consent of the majority of the Company's stockholders on an as converted basis.

Liquidation

Upon liquidation, dissolution, or deemed liquidation event, holders of the Preferred Stock are entitled to receive, ratably, an amount per share equal to the applicable original issue price plus any declared and unpaid dividends. Any remaining assets would then be allocated to the holders of Common Stock on a pro rata basis.

Redemption

The Preferred Stock is not redeemable.

Note 5 - Stock-based compensation

The Company's 2012 Equity Compensation Plan (the "Plan") provides for grants of nonqualified stock options, stock awards, stock units, stock appreciation rights and other equity-based awards to key employees, officers, directors, consultants and advisors. The Company reserved 5,085,342 shares of Common Stock for issuance under the Plan.

The Company records compensation cost on a straight-line basis over the requisite service period of the award based on the fair value of the stock options issued on the measurement date. The Company determined the fair value of the stock options granted in 2019 and 2018 on the date of grant using the Black-Scholes option valuation model with the following weighted-average assumptions:

	2019	2018
Risk-free interest rate	1.50%	1.50%
Expected option term	7 years	7 years
Expected volatility	60%	60% - 125%
Dividend yield	0%	0%

The risk-free interest rate assumption was based upon observed interest rates appropriate for the expected term of the stock options. The expected volatility was calculated based on comparable public companies. The expected term is based on the average of the vesting period and the option term.

The following is a rollforward of the stock options issued in 2019 and 2018:

	Number of Options	Weighted-average exercise price	Weighted-average remaining contractual term (years)
Outstanding – December 31, 2017	1,588,500	$ 1.75	
Granted	30,000		
Exercised	-		
Forfeited/cancelled	-		
Outstanding – December 31, 2018	1,618,500		
Granted	793,500		
Exercised	-		
Forfeited/cancelled	(13,000)		
Outstanding – December 31, 2019	2,399,000	$ 1.96	6.7
Exercisable – December 31, 2019	1,728,221	$ 1.16	5.7
Expected to vest – December 31, 2019	670,779	$ 4.01	9.4

The Company recorded $518,220 and $119,219 in compensation expense related to stock options for the years ended December 31, 2019 and 2018, respectively. As of December 31, 2019, there was $1,232,258 of unamortized compensation cost related to unvested stock options which is expected to be recognized through 2022.

Note 6 - Simple Agreement for Future Equity Notes

In 2019, the Company issued Simple Agreement for Future Equity ("SAFE") Notes in the amount of approximately $2,504,000. The SAFE Notes have no maturity dates and bear no interest. The holders of the SAFE Notes have the right to convert automatically into shares of SAFE Preferred Stock of the Company, at 15% discount of the face amount of the SAFE Notes, in the event of an Equity Financing, as defined. In the event of a Deemed Liquidation Event, Initial Public Offering or Dissolution Event, the SAFE notes are automatically convertible into the number of shares of Series A-3 equal to the Series A-3 Original Issue Price ($10.6558 per share) divided by the Series A-3 Conversion Price (initially $10.6558 per share).

Note 7 - Operating leases

The Company has month-to-month operating lease commitments for office space. Rent expense for the years ended December 31, 2019 and 2018 was $127,546 and $84,525, respectively.

Note 8 - Income taxes

As of December 31, 2019, the Company has net operating loss carryforwards of approximately $12,181,000 for federal and state income tax purposes, resulting in deferred income tax assets of approximately $2,558,000. The Company has recorded a full valuation allowance related to its deferred income tax assets as it is more likely than not that the Company will not realize the benefits from these assets.

For the years ended December 31, 2019 and 2018, the Company recorded approximately $168,000 and $124,000, respectively, for expected research and development credits, which are recorded as tax credits receivable in the accompanying balance sheets. Of these credits, approximately $91,000 and $76,000 relate to refundable State of Pennsylvania research and development credits in 2019 and 2018, respectively. The balance relates to federal research and development credits that are expected to be realized through the reduction of future federal employer payroll taxes.

Note 9 - Related party transactions

In the ordinary course of business, the Company has transactions with its officers, directors, stockholders, and their affiliates. For the years ended December 31, 2019 and 2018, the Company incurred approximately $1,216,000 and $940,000, respectively, for contract research services provided by two of its stockholders. At December 31, 2019 and 2018, the Company owed $21,917 and $0, respectively, to related parties.

Note 10 - Commitments

In 2019 and 2018, the Company received $250,000, respectively, as a grant from a public charity, to be used for the continued development of ONC201.The grant agreement provides for annual renewals at $250,000 in subsequent periods. The Company recognizes grant revenue on this grant ratably as the services are performed. As of December 31, 2019 and 2018, the Company has recorded $0 and $150,000, respectively in deferred revenue in the accompanying balance sheets. The grant agreement provides for royalty payments to the public charity if the U.S. Food and Drug Administration approves ONC201.

Note 11 - License agreements

PSRF Agreement

In 2012, the Company entered in a license agreement with the Penn State Research Foundation ("PSRF") (the "PSRF Agreement") to license certain technology and intellectual property developed by the Pennsylvania State University. Under the PSRF Agreement, the Company pays an annual license maintenance fee and royalties upon the sale of licensed and sublicensed products, at the rate of 4% of net sales and 10% of all additional sublicensing revenue, as defined. For the years ended December 31, 2019 and 2018, the Company paid $157,100 and $5,000, respectively, which are included in research and development expenses.

TSRI Agreement

In 2019, the Company entered in a license agreement with The Scripps Research Institute ("TSRI") (the "TSRI Agreement") and paid an upfront nonrefundable license fee of $300,000 which is included in research and development expenses. The TSRI is entitled to receive milestone payments and tiered royalties contingent on certain events, as defined.

Ohara Agreement

In 2019, the Company entered in a license, development and commercialization agreement with Ohara Pharmaceuticals Co., Ltd. ("Ohara") (the "Ohara Agreement"). The Company granted Ohara an exclusive royalty bearing license to develop and commercialize ONC201 in Japan. Under the terms of the Ohara Agreement, the Company received an upfront nonrefundable payment of $2,500,000 and recorded it in licensing revenue when the technology was made available to Ohara. The Company is also entitled to receive up to an additional $2,500,000 in nonrefundable milestone payments, as defined. The Company is entitled to tiered royalties based on the aggregate annual net sales of all products, as defined, in Japan.

Note 12 - Research collaboration

The Company entered in strategic alliance and research collaboration agreements with the University of Texas M.D. Anderson Cancer Center ("MDACC") for ONC201 and ONC212, in 2014 and 2017, respectively, collectively referred to as the "MDACC Collaborations". The clinical trials under the MDACC Collaborations are conducted by MDACC at its facilities. The Company is responsible for manufacturing and supplying ONC201 and ONC212 to MDACC.

MDACC is entitled to receive royalty on the license of ONC201 and ONC212 based on a percentage of total net license proceeds or a percentage of the total value of the license deal, as defined. MDACC is also entitled to receive a percentage payment based on total net acquisition proceeds, as defined, generated by any sale or option for sale to a third party of ONC201, ONC212, or the Company. The Company has the right to buy out the obligations it has to pay to MDACC for a period of up to two years after the completion of the clinical trial studies under the MDACC Collaborations.

Note 13 - Fair value measurements

The following summarizes the Company's assets and (liabilities) recorded at fair value as of December 31, 2019:

	Total	Level 1	Level 2	Level 3
Marketable securities	$ 9,807,753	$ -	$ 9,807,753	$ -
SAFE notes	(2,504,332)	-	-	(2,504,332)

As of December 31, 2019, the Company’s marketable securities consist of U.S. Treasury securities. Fair value is obtained from an independent pricing source that uses a pricing model. As such, the marketable securities are classified as Level 2.

The fair value of the SAFE notes is based on the expected value of shares to be issued in the future to settle the obligations. The SAFE notes were initially recorded at the amount of consideration received in 2019. Management has concluded that the fair value of the SAFE notes as of December 31, 2019 had not materially changed from the date of the issuance of the notes.

Note 14 - Employee benefit plan

The Company sponsors a 401(k) plan (the "401k Plan") for its employees. Employees are generally eligible to participate in the 401k Plan upon employment. The 401k Plan allows employees to make contributions on a pre-tax and post-tax basis up to the amounts defined by the Internal Revenue Service. The 401k Plan provides for discretionary employer matching contributions and profit sharing contributions. In 2019 and 2018, the Company contributed $79,358 and $7,388, respectively.

Note 15 - Subsequent events

In May 2020, the Company received a subrecipient grant for ONC212 from a private foundation in the amount of $465,750. The grant is administered by Brown University.

The Company could be materially and adversely affected by risks related to the recent outbreak of the novel coronavirus (COVID-19). The ultimate extent of the impact this event may pose to the Company's business operations, clinical trials and financial condition is highly uncertain and unpredictable, and therefore could materially and adversely affect the Company.

Exhibit 99.2

Oncoceutics, Inc.
Financial Statements
As of September 30, 2020 and
For the Nine Months Ended September 30, 2020 and 2019

INDEX

As of September 30, 2020 and
For the Nine Months Ended September 30, 2020 and 2019

Oncoceutics, Inc.
Balance Sheets (unaudited)

	September 30, 2020	December 31, 2019
Assets		
Current assets:		
Cash and cash equivalents	$ 5,779,010	$ 1,766,430
Marketable securities	1,836,915	9,807,753
Grant receivable	543,313	802,835
Tax credits receivable	181,363	168,000
Prepaid expenses and other assets	24,069	7,057
Total current assets	8,364,670	12,552,075
Property and equipment, net	7,918	10,969
Deposits	12,999	7,424
Total assets	$ 8,385,587	$ 12,570,468
Liabilities and Stockholders' Equity		
Current liabilities:		
Accrued liabilities	$ 1,682,453	$ 1,226,515
Deferred revenue	300,000	-
Total current liabilities	1,982,453	1,226,515
PPP loan	265,000	-
Simple Agreement for Future Equity notes	2,504,332	2,504,332
Total liabilities	4,751,785	3,730,847
Commitments and contingencies		
Stockholders' equity:		
Series A-3 Preferred Stock, $.001 par value, 938,456 shares authorized, issued and outstanding, liquidation value of $10,000,000	938	938
Series A-2 Preferred Stock, $.001 par value, 750,179 shares authorized, issued and outstanding, liquidation value of $4,023,435	750	750
Series A-1 Preferred Stock, $.001 par value, 1,137,772 shares authorized, issued and outstanding, liquidation value of $4,867,468	1,138	1,138
Series Seed Preferred Stock, $.001 par value, 2,795,161 shares authorized, issued and outstanding, liquidation value of $2,530,000	2,795	2,795
Common Stock, $.001 par value, 18,000,000 shares authorized, 7,638,710 and 7,631,086 shares issued and outstanding, respectively	7,639	7,631
Additional paid-in capital	23,682,620	23,284,668
Accumulated deficit	(20,062,078)	(14,458,299)
Total stockholders' equity	3,633,802	8,839,621
Total liabilities and stockholders' equity	$ 8,385,587	$ 12,570,468

See accompanying notes to financial statements

Oncoceutics, Inc.
Statements of Operations (unaudited)

	Nine Months Ended September 30,	
	2020	**2019**
Revenue		
Grant revenue	$ 1,994,092	$ 1,967,467
Licensing revenue	549,387	2,500,000
Total revenue	2,543,479	4,467,467
Operating expenses		
Research and development	6,709,277	4,635,584
General and administrative	1,659,234	1,354,673
Total operating expenses	8,368,511	5,990,257
Loss from operations	(5,825,032)	(1,522,790)
Other income		
Tax credits	98,848	75,903
Interest income, net	122,405	140,276
Total other income	221,253	216,179
Net loss	$ (5,603,779)	$ (1,306,611)

See accompanying notes to financial statements

Oncoceutics, Inc.
Statements of Changes in Stockholders' Equity (unaudited)

	Series A-3 Preferred		Series A-2 Preferred		Series A-1 Preferred		Series Seed Preferred		Common Stock		Additional Paid-in	Accumulated	
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Capital	Deficit	Total
Balance as of January 1, 2019	-	$ -	750,179	$ 750	1,137,772	$ 1,138	2,795,161	$ 2,795	7,631,086	$ 7,631	$12,791,339	$ (10,775,137)	$ 2,028,516
Issuance of Preferred Stock, net of issuance cost of $23,953	938,456	938	-	--	-	-	-	-	-	-	9,975,109	-	9,976,047
Stock-based compensation	-	-	-	-	-	-	-	-	-	-	385,718	-	385,718
Net loss	-	-	-	-	-	-	-	-	-	-	-	(1,306,611)	(1,306,611)
Balance as of September 30, 2019	938,456	$ 938	750,179	$ 750	1,137,772	$ 1,138	2,795,161	$ 2,795	7,631,086	$ 7,631	$ 23,152,166	$ (12,081,748)	$ 11,083,670
Balance as of January 1, 2020	938,456	$ 938	750,179	$ 750	1,137,772	$ 1,138	2,795,161	$ 2,795	7,631,086	$ 7,631	$23,284,668	$ (14,458,299)	$ 8,839,621
Exercise of stock options	-	-	-	-	-	-	-	-	7,624	8	21,973	-	21,981
Stock-based compensation	-	-	-	-	-	-	-	-	-	-	375,979	-	375,979
Net loss	-	-	-	-	-	-	-	-	-	-	-	(5,603,779)	(5,603,779)
Balance as of September 30, 2020	938,456	$ 938	750,179	$ 750	1,137,772	$ 1,138	2,795,161	$ 2,795	7,638,710	$ 7,639	$ 23,682,620	$ (20,062,078)	$ 3,633,802

See accompanying notes to financial statements

Oncoceutics, Inc.
Statements of Cash Flows (unaudited)

	Nine months ended September 30,	
	2020	**2019**
Cash flows from operating activities:		
Net loss	$ (5,603,779)	$ (1,306,611)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	4,569	3,253
Stock-based compensation	375,979	385,718
Changes in operating assets and liabilities:		
Grant receivable	259,522	(368,372)
Tax credits receivable	(13,363)	(4,126)
Prepaid expenses and other assets	(22,587)	(16,707)
Accrued liabilities	455,938	81,848
Deferred revenue	300,000	(179,987)
Net cash used in operating activities	(4,243,721)	(1,404,984)
Cash flows from investing activities:		
Purchases of marketable securities	(1,029,134)	(15,835,611)
Sale of marketable securities	8,999,972	5,250,795
Purchases of property and equipment	(1,518)	(9,291)
Net cash provided by (used in) investing activities	7,969,320	(10,594,107)
Cash flows from financing activities:		
Proceeds from exercise of common stock	21,981	-
Proceeds from PPP loan	265,000	-
Proceeds from issuance of Preferred Stock, net of issuance cost of $23,953	-	9,976,049
Proceeds from Simple Agreement for Future Equity notes	-	1,704,392
Net cash provided by financing activities	286,981	11,680,441
Net change in cash	4,012,580	(318,650)
Cash and cash equivalents, beginning	1,766,430	2,618,301
Cash and cash equivalents, end	$ 5,779,010	$ 2,999,651

See accompanying notes to financial statements

Note 1 - Nature of operations and basis of presentation

Oncoceutics, Inc. (the "Company"), a Delaware corporation, is developing a novel class of safe and effective cancer therapies called imipridones. Imipridones have a unique three-ring core structure and have been shown to selectively target G protein-coupled receptors (GPCRs). The Company has established a robust intellectual property position around its imipridone platform, including several issued patents.

The lead compound to emerge from this program is ONC201, an orally active small molecule dopamine receptor D2 (DRD2) antagonist. ONC201 is being evaluated in 10 ongoing clinical trials at leading US cancer centers that have enrolled more than 500 patients as of September 30, 2020. ONC201 has shown efficacy and safety as a single agent in several oncology indications, including brain tumors, endometrial cancer and neuroendocrine tumors. The most advanced indication for ONC201 are gliomas that harbor the H3 K27M mutation that can be identified by immunohisto- chemistry or gene sequencing. The Company is pursuing an NDA-directed program in this rare disease indication based on clinical findings that include radiographic improvements as well as other clinical benefits for patients with H3 K27M-mutant glioma.

The accompanying condensed financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”). In the opinion of management, the accompanying unaudited condensed financial statements include all normal and recurring adjustments (which consist primarily of accruals, estimates and assumptions that impact the financial statements) considered necessary to present fairly the Company’s financial position as of September 30, 2020 and its results of operations and changes in stockholders’ equity and cash flows for the nine month periods ended September 30, 2020 and 2019. Operating results for the nine months ended September 30, 2020 are not necessarily indicative of the results that may be expected for the year ending December 31, 2020.

The condensed balance sheet at December 31, 2019 has been derived from the audited financial statements at that date but does not include all of the information and footnotes required by GAAP for complete financial statements. These unaudited condensed consolidated financial statements should be read in conjunction with the Company’s financial statements for the year ended December 31, 2019.

Note 2 - Summary of significant accounting policies

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("US GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents

The Company considers all short-term investments with an original maturity of three months or less to be cash equivalents. The Company maintains its cash and cash equivalents with high-credit quality financial institutions. At times, such amounts may exceed federally insured limits. As of September 30, 2020 and December 31, 2019, cash and cash equivalent balances in excess of federally insured limits were approximately $5,529,000 and $1,516,000, respectively.

Marketable securities

Marketable securities consist of U.S. Treasury securities and are stated at fair value. Realized and unrealized gains and losses are recorded in operations. Interest income is recorded in other income.

Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. US GAAP has a fair value hierarchy that prioritizes the use of inputs used in valuation methodologies for financial assets and liabilities into the following three levels:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; or other inputs that are observable or can be derived from or corroborated by observable market data by correlation or other means.

Level 3: Significant unobservable inputs that reflect a reporting entity’s own assumptions about the assumptions that market participants would use in pricing an asset or liability.

Assets recorded at fair value include cash equivalents and marketable securities. As of September 30, 2020 and December 31, 2019, the Company's marketable securities are valued based on Level 2 inputs. In 2019, the Company entered into Simple Agreement for Future Equity ("SAFE") Notes. The SAFE Notes are recorded as liabilities and are stated at fair value based on a Level 3 input.

Grant revenue and receivable

Grant revenue under cost-plus-fixed-fee grants from the federal government is recognized as allowable costs are incurred and fees are earned. Grant receivable is stated at the outstanding balance, less an allowance for doubtful accounts if necessary. No allowance for doubtful accounts was deemed necessary as of September 30, 2020 and December 31, 2019. The Company believes that it has complied with all contractual requirements of the grants through the date of the financial statements.

Revenue from customer contracts

The Company recognizes revenue from customer contracts under Accounting Standards Codification (ASC) 606, *Revenue from Contracts with Customers* ("ASC 606"). Revenue is generated through license, development and commercialization agreements with pharmaceutical partners. The terms of these agreements may contain multiple goods and services which include (i) licenses, (ii) research and development activities, and (iii) participation in joint research and development steering committees. The terms of these agreements may include non-refundable upfront license or option fees, payments for research and development activities, payments upon the achievement of certain milestones, and royalty payments based on product sales derived from the collaboration. Under ASC 606, the Company evaluates whether the license agreement, research and development services, and participation in research and development steering committees, represent separate or combined performance obligations. For contracts with multiple performance obligations, consideration is allocated to the performance obligations based on their relative values and recognized upon satisfaction of the performance obligations. In contracts where the Company is licensing its technology without future performance obligations, the Company recognizes revenue at a point in time when the technology is made available to the customer.

Contracts typically include contingent milestone payments related to specified preclinical and clinical development milestones and regulatory milestones. These milestone payments represent variable consideration to be included within the transaction price using the most likely amount method. To date, the Company has determined that the most likely amount to be recognized for milestone payments was zero, against which no constraint was applied. The Company will continue to assess the probability of significant reversals for any amounts that become likely to be realized prior to recognizing the variable consideration associated with these payments within the transaction price.

Property and equipment

Property and equipment, including leasehold improvements, are carried at cost less accumulated depreciation and amortization. Depreciation and amortization are provided on a straight-line basis over the estimated useful lives of the assets, ranging from three to five years.

Stock-based compensation

The Company measures the cost of stock-based awards based on the grant date fair value of the award. That cost is recognized as compensation expense over the period during which an employee is required to provide services in exchange for the award.

Impairment of long-lived and intangible assets

The Company evaluates the recoverability of its long-lived assets whenever events or circumstances indicate that the carrying amount of these assets may not be recoverable. Recoverability of an asset or asset group is measured by comparison of its carrying amount to the expected future undiscounted cash flows that the asset or asset group is expected to generate. If that review indicates that the carrying amount of the long-lived asset or asset group is not recoverable, an impairment loss is recorded in the amount by which the carrying amount of the asset or asset group exceeds its fair value. There were no impairment indicators in 2020 and 2019.

Research and development costs

Research and development expenses consist of costs to develop the Company's technology. Research and development costs are expensed as incurred.

Income taxes

Deferred income tax assets and liabilities are recognized for the expected future tax consequences attributed to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and net operating loss carryforwards. Deferred tax assets and liabilities are measured using the enacted tax rates expected to be applied to taxable income in the years in which those temporary differences are expected to reverse. Deferred income taxes result primarily from temporary differences between the recognition of depreciation and certain other expenses for both financial statement and income tax reporting purposes as well as net operating loss carryforwards. Valuation allowances are recorded to reduce deferred income tax assets when it is more likely than not that a tax benefit will not be realized.

The Company has no unrecognized tax benefits at September 30, 2020 and December 31, 2019 and all its income tax returns prior to 2017 are subject to audit by the applicable taxing authorities. The Company will recognize any interest and penalties associated with tax matters as part of income tax expense.

Note 3 – Property and equipment

Property and equipment, net consist of the following as of September 30, 2020 and December 31, 2019:

	September 30, 2020	December 31, 2019
Furniture and equipment	$ 15,645	$ 14,127
Website	10,250	10,250
	25,895	24,377
Less accumulated depreciation	(17,977)	(13,408)
Total	$ 7,918	$ 10,969

Depreciation expense was $4,569 and $3,253 for the nine months ended September 30, 2020 and September 30, 2019, respectively.

Note 4 - Stockholders' equity

The Company's Certificate of Incorporation, as amended on January 29, 2019, provides that the Company's stock shall consist of 18,000,000 shares of Common Stock, $0.001 par value (the "Common Stock") and 5,621,568 shares of Preferred Stock, $0.001 par value (the "Preferred Stock"). The Company has four classes of Preferred Stock: 2,795,161 shares designated as Series Seed Preferred Stock ("Series Seed"), 1,137,772 shares designated as Series A-1 Preferred Stock ("Series A-1"), 750,179 shares designated as Series A-2 Preferred Stock ("Series A-2") and 938,456 shares designated as Series A-3 Preferred Stock ("Series A-3"). The Series A-1, Series A- 2 and Series A-3 rank equally and are pari passu in all respects.

The following describes the provisions of the Company's Preferred Stock.

Voting rights

Each holder of Preferred Stock is entitled to cast the number of votes equal to the number of whole Common Stock shares into which the Preferred Stock held are convertible. The holders of the Preferred Stock vote together with the holders of the Common Stock as a single class.

Dividends

The Preferred Stock is entitled to dividends on an as converted basis only if dividends are declared on the Common Stock.

Conversion

Each share of Preferred Stock is convertible into Common Stock at any time, at the option of the holder. The initial conversion rate for the Series Seed is equal to the Series Seed Original Issue Price ($0.9431) divided by the Series Seed Conversion Price (initially $0.9431 per share). The initial conversion rate for the Series A-1 is equal to the Series A-1 Original Issue Price ($4.27807 per share) divided by the Series A-1 Conversion Price (initially $4.27807 per share). The initial conversion rate for the Series A-2 is equal to the Series A-2 Original Issue Price ($5.3633 per share) divided by the Series A-2 Conversion Price (initially $5.3633 per share). The initial conversion rate for the Series A-3 is equal to the Series A-3 Original Issue Price ($10.6558 per share) divided by the Series A-3 Conversion Price (initially $10.6558 per share). The conversion price will be adjusted in the event of future stock splits, dividends and sale of common stock. The shares automatically convert in the event of a public offering or the occurrence of an event specified by vote or written consent of the majority of the Company's stockholders on an as converted basis.

Liquidation

Upon liquidation, dissolution, or deemed liquidation event, holders of the Preferred Stock are entitled to receive, ratably, an amount per share equal to the applicable original issue price plus any declared and unpaid dividends. Any remaining assets would then be allocated to the holders of Common Stock on a pro rata basis.

Redemption

The Preferred Stock is not redeemable.

Note 5 - Stock-based compensation

The Company's 2012 Equity Compensation Plan (the "Plan") provides for grants of nonqualified stock options, stock awards, stock units, stock appreciation rights and other equity-based awards to key employees, officers, directors, consultants and advisors. The Company reserved 5,085,342 shares of Common Stock for issuance under the Plan.

The Company records compensation cost on a straight-line basis over the requisite service period of the award based on the fair value of the stock options issued on the measurement date. The Company determined the fair value of the stock options granted in 2020 and 2019 on the date of grant using the Black-Scholes option valuation model with the following weighted-average assumptions:

	2020	2019
Risk-free interest rate	1.20%	1.50%
Expected option term	7 years	7 years
Expected volatility	60%	60%
Dividend yield	0%	0%

The risk-free interest rate assumption was based upon observed interest rates appropriate for the expected term of the stock options. The expected volatility was calculated based on comparable public companies. The expected term is based on the average of the vesting period and the option term.

The following is a rollforward of the stock options issued in 2020:

	Number of Options	Weighted-average exercise price	Weighted-average remaining contractual term (years)
Outstanding – December 31, 2019	2,399,000	$ 1.96	
Granted	40,000		
Exercised	(7,624)		
Forfeited/cancelled	(691,676)		
Outstanding – September 30, 2020	1,739,700	$ 2.04	5.83
Exercisable – September 30, 2020	1,467,860	$ 1.65	5.31
Expected to vest – September 30, 2020	271,840	$ 4.15	8.63

The Company recorded $375,978 and $385,718 in compensation expense related to stock options for the nine months ended September 30, 2020 and September 30, 2019, respectively. As of September 30, 2020, there was $808,024 of unamortized compensation cost related to unvested stock options which is expected to be recognized through 2022.

Note 6 - Simple Agreement for Future Equity Notes

In 2019, the Company issued SAFE Notes in the amount of approximately $2,504,000. The SAFE Notes have no maturity dates and bear no interest. The holders of the SAFE Notes have the right to convert automatically into shares of SAFE Preferred Stock of the Company, at 15% discount of the face amount of the SAFE Notes, in the event of an Equity Financing, as defined. In the event of a Deemed Liquidation Event, Initial Public Offering or Dissolution Event, the SAFE Notes are automatically convertible into the number of shares of Series A-3 equal to the Series A-3 Original Issue Price ($10.6558 per share) divided by the Series A-3 Conversion Price (initially $10.6558 per share).

Note 7 - Operating leases

The Company has month-to-month operating lease commitments for office space. Rent expenses for the nine months ended September 30, 2020 and September 30, 2019 was $64,780 and $92,365, respectively.

Note 8 - Related party transactions

In the ordinary course of business, the Company has transactions with its officers, directors, stockholders, and their affiliates. For the nine months ended September 30, 2020 and September 30, 2019 the Company incurred approximately $853,775 and $321,347, respectively, for contract research services provided by two of its stockholders. At September 30, 2020 and December 31, 2019, the Company owed $55,800 and $21,917, respectively, to related parties.

Note 9 - Commitments

The Company has entered into various grant agreements with not-for-profit organizations to advance the development of ONC201 and ONC202. The Company recognizes grant revenue on these grants as the services are performed. In June 2020, the Company terminated one of the grant agreements. The termination of the grant agreement provides for royalty payments to the not-for-profit organization if the U.S. Food and Drug Administration approves ONC201. As of September 30, 2020 and December 31, 2019, the Company has deferred grant revenue of $300,000 and $0, respectively.

Note 10 - License agreements

PSRF Agreement

In 2012, the Company entered in a license agreement with the Penn State Research Foundation ("PSRF") (the "PSRF Agreement") to license certain technology and intellectual property developed by the Pennsylvania State University. Under the PSRF Agreement, the Company pays an annual license maintenance fee and royalties upon the sale of licensed and sublicensed products, at the rate of 4% of net sales and 10% of all additional sublicensing revenue, as defined. For the nine months ended September 30, 2020 and September 30, 2019 the Company paid approximately $1,431 and $2,925, respectively, which are included in research and development expenses.

TSRI Agreement

In 2019, the Company entered in a license agreement with The Scripps Research Institute ("TSRI") (the "TSRI Agreement") and paid an upfront nonrefundable license fee of $300,000 which was expensed in August 2019. In September 2020, the Company made a second payment over $300,000 to TSRI. TSRI is further entitled to receive milestone payments and tiered royalties contingent on certain events, as defined.

Ohara Agreement

In 2019, the Company entered in a license, development and commercialization agreement with Ohara Pharmaceuticals Co., Ltd. ("Ohara") (the "Ohara Agreement"). The Company granted Ohara an exclusive royalty bearing license to develop and commercialize ONC201 in Japan. Under the terms of the Ohara Agreement, the Company received an upfront nonrefundable payment of $2,500,000 and recorded it in licensing revenue when the technology was made available to Ohara. The Company is also entitled to receive up to an additional $2,500,000 in nonrefundable milestone payments, as defined. The Company is entitled to tiered royalties based on the aggregate annual net sales of all products, as defined, in Japan. In 2020, the Company recognized $549,387 of revenue related to certain drug substance and drug product sold to Ohara under the Ohara Agreement.

Note 11 - Research collaboration

The Company entered in strategic alliance and research collaboration agreements with the University of Texas M.D. Anderson Cancer Center ("MDACC") for ONC201 and ONC212, in 2014 and 2017, respectively, collectively referred to as the "MDACC Collaborations". The clinical trials under the MDACC Collaborations are conducted by MDACC at its facilities. The Company is responsible for manufacturing and supplying ONC201 and ONC212 to MDACC.

The original ONC201 MDACC Collaboration Agreement was terminated in 2020 and the Company entered into a new agreement with MDACC with regard to ONC201 that provides for a success payment to MDACC if ONC201 is approved for leukemia and if the MDACC leukemia study is completed. Under the ONC212 MDACC Collaboration Agreement, MDACC is entitled to receive certain royalty payments in the event of a license of ONC212 based on a percentage of total net license proceeds or a percentage of the total value of the license deal following the completion of the Study as defined in the collaboration agreement. MDACC is also entitled to receive a percentage payment based on total net acquisition proceeds, as defined, generated by any sale of ONC212 or the Company following the IND acceptance and study approval from the MDACC IRB. The Company has the right to buy out these royalty and percentage payments for a period of up to two years after the completion of the clinical trial studies.

Note 12 - Fair value measurements

The following summarizes the Company's assets and (liabilities) recorded at fair value as of September 30, 2020 and December 31 2019:

	As of September 30, 2020			
	Total	Level 1	Level 2	Level 3
Marketable securities	$ 1,836,915	$ -	$ 1,836,915	$ -
SAFE Notes	(2,504,332)	-	-	(2,504,332)

	As of December 31, 2019			
	Total	Level 1	Level 2	Level 3
Marketable securities	$ 9,807,753	$ -	$ 9,807,753	$ -
SAFE Notes	(2,504,332)	-	-	(2,504,332)

As of December September 30, 2020 and December 31, 2019, the Company’s marketable securities consist of U.S. Treasury securities. Fair value is obtained from an independent pricing source that uses a pricing model. As such, the marketable securities are classified as Level 2.

The fair value of the SAFE Notes is based on the expected value of shares to be issued in the future to settle the obligations. The SAFE Notes were initially recorded at the amount of consideration received in 2019. Management has concluded that the fair value of the SAFE Notes as of September 30, 2020 and December 31, 2019 had not materially changed from the date of the issuance of the notes.

Note 13 - Employee benefit plan

The Company sponsors a 401(k) plan (the "401k Plan") for its employees. Employees are generally eligible to participate in the 401k Plan upon employment. The 401k Plan allows employees to make contributions on a pre-tax and post-tax basis up to the amounts defined by the Internal Revenue Service. The 401k Plan provides for discretionary employer matching contributions and profit-sharing contributions. For the nine months ended September 30, 2020 and September 30, 2019, the Company contributed $72,191 and $58,162, respectively.

Note 14 - PPP loan

In May 2020, the Company borrowed $265,000 from Bank of America under the Paycheck Protection Program (“PPP”). The loan was based on 12 months average payroll and allowable expenses under the PPP. The loan bears 1% interest per annum. In December 2020, the full amount of the PPP loan was forgiven and recognized in income.

Note 15 - Subsequent events

For purposes of the financial statements as of September 30, 2020, the Company evaluated subsequent events for recognition and measurement purposes through January 19, 2021, the date the condensed financial statements were available to be issued. Except as described elsewhere in these financial statements and below, the Company has concluded that no events or transactions have occurred that require disclosure.

In December 2020, the Company entered in a license, development and commercialization agreement with CR Sanjiu ("CR Sanjiu”) (the "CR Sanjiu Agreement"). The Company granted CR Sanjiu an exclusive royalty bearing license to develop and commercialize ONC201 in China. Under the terms of the CR Sanjiu Agreement, the Company is entitled to an upfront nonrefundable payment of $10,000,000. The Company is also entitled to receive up to an additional $5,000,000 in nonrefundable milestone payments, as defined. The Company is entitled to tiered royalties based on the aggregate annual net sales of all products, as defined, in China.

On January 7, 2021, the Company entered into an Agreement and Plan of Merger (the “Merger Agreement”) with Chimerix, Inc., a Delaware corporation (“Chimerix”). Concurrently with the execution of the Merger Agreement, the Company merged (the “Merger”) with and into Ocean Merger Sub, Inc., a Delaware corporation and wholly-owned subsidiary of Chimerix (“Merger Sub”) whereupon the separate corporate existence of Merger Sub ceased with the Company continuing as the surviving corporation of the merger as a wholly-owned subsidiary of Chimerix.

As consideration for the merger, Chimerix (a) paid an upfront cash payment of approximately $25.0 million, (b) issued an aggregate of 8,723,769 shares of Chimerix’s common stock, (c) issued a promissory note to Fortis Advisors, LLC in its capacity as representative of the securityholders of the Company in the principal amount of $14.0 million (the “Seller Note”), to be paid in cash, subject to the terms and conditions of the Merger Agreement and the Seller Note, upon the one year anniversary of the closing of the Merger, and (d) agreed to make contingent payments up to an aggregate of $360.0 million based on the achievement of certain development, regulatory and commercialization events as set forth in the Merger Agreement, as well as additional tiered royalty payments based upon future net sales of ONC 201 and ONC 206 products, subject to certain reductions as set forth in the Merger Agreement, and a contingent payment in the event Chimerix receives any proceeds from the sale of a rare pediatric disease priority review voucher based on the Company’s products. The closing payment may be adjusted after the closing, pursuant to procedures set forth in the Merger Agreement, in connection with the finalization of the cash, transaction expenses, debt and working capital amounts at closing.

Each “in-the-money” stock option of the Company (“Options”) that was outstanding and unexercised immediately prior to the effective time of the Merger (the “Effective Time”) became fully vested and exercisable immediately prior to the Effective Time and such Options were automatically “net exercised” immediately prior to the Effective Time with respect to payment of the applicable exercise price and any applicable tax withholding.

The Merger Agreement contains customary representations, warranties and covenants and indemnification provisions. Chimerix has certain diligence obligations with respect to further development and commercialization of the Company’s product candidates.

Exhibit 99.3

CHIMERIX, INC.
UNAUDITED PRO FORMA CONSOLIDATED COMBINED FINANCIAL STATEMENTS

On January 7, 2021, Chimerix, Inc., a Delaware corporation (the "Company"), Ocean Merger Sub, Inc., a Delaware corporation and wholly-owned subsidiary of the Company ("Merger Sub"), Oncoceutics, Inc., a Delaware corporation ("Oncoceutics"), and Fortis Advisors, LLC solely in its capacity as representative of the securityholders of Oncoceutics (the "Securityholders' Representative"), entered into an Agreement and Plan of Merger (the "Merger Agreement"). Concurrently with the execution of the Merger Agreement, Merger Sub merged with and into Oncoceutics (the "Merger") whereupon the separate corporate existence of Merger Sub ceased, with Oncoceutics continuing as the surviving corporation of the Merger as a wholly-owned subsidiary of the Company.

The following unaudited pro forma consolidated combined financial statements (the "pro forma financial statements") have been prepared to reflect the Merger, based on the acquisition method of accounting in accordance with U.S. GAAP, with the Company treated as the acquirer. The transaction is expected to be accounted for as an asset acquisition as the company expects substantially all of the fair value of the gross assets acquired to be concentrated in a single asset or group of similar assets. The pro forma financial statements utilize the historical consolidated financial statements of the Company and Oncoceutics. The historical consolidated financial statements have been adjusted to give effect to pro forma events that are directly attributable to the Merger and factually supportable and, in the case of the statements of operations, which are expected to have a continuing impact.

The unaudited pro forma consolidated combined statements of operations, which have been prepared for the nine months ended September 30, 2020 and the year ended December 31, 2019, give effect to the Merger as if it had occurred on January 1, 2019. The unaudited pro forma consolidated combined balance sheet has been prepared as of September 30, 2020 and gives effect to the Merger as if it had occurred on that date. The pro forma financial statements should be read in conjunction with the accompanying notes and the historical consolidated financial statements and accompanying notes of the Company and Oncoceutics.

The pro forma financial statements are not intended to represent or be indicative of the consolidated results of operations or financial condition of the combined company that would have been reported had the Merger been completed as of the dates presented and should not be taken as representative of the future consolidated results of operations or financial condition of the combined company. The pro forma financial statements do not include the realization of future cost savings or synergies, integration-related costs to achieve those potential cost savings or restructuring charges that may occur following the Merger.

CHIMERIX, INC.
UNAUDITED PRO FORMA CONSOLIDATED COMBINED BALANCE SHEET
AS OF SEPTEMBER 30, 2020
(in thousands)

	Chimerix	Oncoceutics	Pro Forma Adjustments	Note 5	Pro Forma Combined
Assets					
Current assets:					
Cash and cash equivalents	$ 38,130	$ 5,779	$ (28,281)	(a)	$ 15,628
Short-term investments, available-for-sale	49,635	1,837	-		51,472
Accounts receivable	378	543	-		921
Prepaid expenses and other current assets	2,100	206	-		2,306
Total current assets	90,243	8,365	(28,281)		70,327
Property and equipment, net	291	8	-		299
Right-of-Use Asset-Operating	2,943	-	-		2,943
Other long-term assets	27	13	-		40
Total assets	$ 93,504	$ 8,386	$ (28,281)		$ 73,609
Liabilities & Stockholders' Equity					
Current liabilities:					
Accounts payable	$ 880	$ 649	$ -		$ 1,529
Accrued liabilities	6,532	1,334	17,704	(b)	25,570
Total current liabilities	7,412	1,983	17,704		27,099
Other long-term liabilities	2,923	2,769	(2,504)	(c)	3,188
Total liabilities	10,335	4,752	15,200		30,287
Preferred stock	-	6	(6)	(d)	-
Common stock	63	8	(8)	(d)	72
			9	(e)	
Additional paid-in capital	783,758	23,682	(23,682)	(d)	827,194
			43,436	(e)	
Accumulated other comprehensive gain/loss, net	33	-	-		33
Accumulated deficit	(700,685)	(20,062)	20,062	(d)	(783,977)
			(83,292)	(f)	
Total stockholders' equity	83,169	3,634	(43,481)		43,322
Total liabilities and stockholders' equity	$ 93,504	$ 8,386	$ (28,281)		$ 73,609

CHIMERIX, INC.
UNAUDITED PRO FORMA CONSOLIDATED COMBINED STATEMENT OF OPERATIONS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020
(in thousands, except per share data)

	Chimerix	Oncoceutics	Pro Forma Adjustments	Note 4	Pro Forma Combined
Revenues:					
Contract revenue	$ 4,158	$ -	$ -		$ 4,158
Grant revenue	-	1,994	-		1,994
License revenue	94	549	-		643
Total revenues	4,252	2,543	-		6,795
Operating expenses:					
Research and development	27,545	6,709	-		34,254
General and administrative	9,466	1,659	-		11,125
Total operating expense	37,011	8,368	-		45,379
Loss from operations	(32,759)	(5,825)	-		(38,584)
Other income:					
Interest income and other, net	912	221	-		1,133
Net loss	$ (31,847)	$ (5,604)	$ -		$ (37,451)
Per share information:					
Net loss, basic and diluted	$ (0.51)				$ (0.53)
Weighted-average shares outstanding, basic & diluted	62,009,941		8,723,769	(b)	70,733,710

CHIMERIX, INC.
UNAUDITED PRO FORMA CONSOLIDATED COMBINED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2019
(in thousands, except per share data)

	Chimerix	Oncoceutics	Pro Forma Adjustments	Note 4	Pro Forma Combined
Revenues:					
Contract revenue	$ 7,604	$ -	$ -		$ 7,604
Grant revenue	-	2,714	-		2,714
License revenue	4,915	2,500	-		7,415
Total revenues	12,519	5,214	-		17,733
Operating expense:					
Research and development	42,288	6,727	-		49,015
Selling, general and administrative	21,169	2,422	-		23,591
Acquisition of In-Process R&D	65,045	-	83,295	(a)	148,340
Total operating expense	128,502	9,149	83,295		220,946
Loss from operations	(115,983)	(3,935)	(83,295)		(203,213)
Other income:					
Interest income and other, net	3,407	252	-		3,659
Net loss	$ (112,576)	$ (3,683)	$ (83,295)		$ (199,554)
Per share information:					
Net loss, basic and diluted	$ (2.03)				$ (3.11)
Weighted-average shares outstanding, basic & diluted	55,501,973		8,723,769	(b)	64,225,742

CHIMERIX, INC.
NOTES TO UNAUDITED PRO FORMA CONSOLIDATED COMBINED FINANICAL STATEMENTS

1. Description of the Merger

On January 7, 2021, the Company, Merger Sub, Oncoceutics, and Fortis Advisors, LLC solely in its capacity as representative of the securityholders of Oncoceutics, entered into the Merger Agreement. Concurrently with the execution of the Merger Agreement, Merger Sub merged with and into Oncoceutics whereupon the separate corporate existence of Merger Sub ceased, with Oncoceutics continuing as the surviving corporation of the Merger as a wholly owned subsidiary of the Company.

As consideration for the Merger, the Company (a) paid an upfront cash payment of approximately $25.0 million, (b) issued an aggregate of 8,723,769 shares of the Company's common stock ("Merger Shares"), (c) issued a promissory note to the Securityholders' Representative in the original principal amount of $14.0 million (the "Seller Note"), to be paid in cash, subject to the terms and conditions of the Merger Agreement and the Seller Note, upon the one year anniversary of the closing of the Merger, and (d) agreed to make contingent payments up to an aggregate of $360.0 million based on the achievement of certain development, regulatory and commercialization events as set forth in the Merger Agreement, as well as additional tiered payments based upon future net sales of ONC-201 and ONC-206 products, subject to certain reductions as set forth in the Merger Agreement, and a contingent payment in the event the Company receives any proceeds from the sale of a rare pediatric disease priority review voucher based on the Oncoceutics products. The closing payment may be adjusted after the closing, pursuant to procedures set forth in the Merger Agreement, in connection with the finalization of the cash, transaction expenses, debt and working capital amounts at closing.

Each "in-the-money" stock option of Oncoceutics ("Options") that was outstanding and unexercised immediately prior to the effective time of the Merger (the "Effective Time") became fully vested and exercisable immediately prior to the Effective Time and such Options were automatically "net exercised" immediately prior to the Effective Time with respect to payment of the applicable exercise price and any applicable tax withholding.

The Merger Agreement contains customary representations, warranties and covenants and indemnification provisions. The Company has certain diligence obligations with respect to further development and commercialization of the Company's product candidates.

2. Basis of Presentation

The following unaudited pro forma consolidated combined financial data was prepared using a cost accumulation and allocation model of accounting under GAAP. For accounting purposes, Chimerix is considered to be acquiring Oncoceutics in the Merger. To determine the accounting for this transaction under GAAP, a company must assess whether an integrated set of assets and activities should be accounted for as an acquisition of a business or an asset acquisition. The guidance requires an initial screen test to determine if substantially all of the fair value of the gross assets acquired is concentrated in a single asset or group of similar assets. If that screen is met, the set is not a business. The initial screen test has been presumed to be met, such, the Merger is expected to be treated as an asset acquisition. This presumption is based on an initial analysis by the Company. We will engage a third-party valuation company to complete the valuation of the Oncoceutics assets acquired and liabilities assumed to determine if the initial screen test was indeed met. Any changes in our initial analysis based on the third-party valuation company's valuation work could change the accounting treatment for the Merger. There can be no assurance that such third-party valuation work will not result in material changes from the preliminary accounting treatment included in the accompanying unaudited pro forma consolidated combined financial statements.

The unaudited pro forma consolidated combined financial statements are based on the Company's historical financial statements as adjusted to give effect to the Merger. The unaudited pro forma consolidated combined balance sheet as of September 30, 2020 gives effect to the Merger as if it had occurred on September 30, 2020. The unaudited pro forma consolidated combined statements of operations for the nine months ended September 30, 2020 and the year ended December 31, 2019 give effect to the Merger as if it had occurred on January 1, 2019.

The historical financial information of the Company has been adjusted in the accompanying unaudited pro forma consolidated combined financial information to give effect to pro forma events that are (i) directly attributable to the Merger, (ii) factually supportable, and (iii) with respect to the unaudited pro forma consolidated combined statements of operations, are expected to have a continuing impact on the results of operations. The Merger is expected to be accounted for as an asset acquisition; therefore, the in-process research and development which does not have any alternative uses is being recorded as research and development expenses in 2019 for purpose of the pro forma information.

3. Preliminary consideration and purchase price allocation

The following is a preliminary estimate of the purchase price for the Merger (in thousands, except for per share data):

Cash (a)	$	28,281
One-year closing anniversary payment (b)		14,000
Shares common stock issued as consideration (d)		8,723,769
Stock price per share on Effective Date		4.98
Value of estimated common stock consideration (d)		43,445
Total consideration	$	85,726

Net asset acquired	$	2,434
IPR&D assets to be expensed		83,292
Total purchase price allocated	$	85,726

(a) The Company paid approximately $28.3 million consisting of a $25.0 million upfront payment adjusted for agreed upon working capital adjustments, plus $2.5 million of transaction expenses to be paid by the Company on behalf of Oncoceutics.

(b) Per the Merger Agreement, the Company will make a $14 million payment to Oncoceutics shareholders on the one-year anniversary of the closing of the Merger Agreement.

(c) This item represents estimated transaction expenses of approximately $2.5 million to be paid by the Company on behalf of Oncoceutics, approximately $0.9 million of transaction expenses to be incurred by the Company and $0.4 million in working capital adjustments. The transaction expenses principally consist of financial advisor fees, legal expenses and auditor expenses.

(d) The total number of shares of the Company's common stock issued or reserved for issuance as consideration for the Merger was 8,723,769 shares.

4. Reclassification and Proforma Adjustments - Statements of Operations

The following pro forma adjustments included in the unaudited pro forma consolidated combined statements of operations for the nine months ended September 30, 2020 and the year ended December 31, 2019 give effect to the Merger as if it had occurred on January 1, 2019:

(a) Acquisition of In-Process R&D - Represents the aggregate fair value of the in-process research and development which does not have any alternative uses and therefore the aggregate fair value of the purchase price being recorded to Acquisition of In-Process R&D.

(b) Merger Consideration – Stock - Represents the increase in the weighted average shares outstanding due to the issuance of 8,723,769 shares common stock in connection with the Merger.

5. Proforma Adjustments - Balance Sheet

The following are the pro forma adjustments included in the unaudited pro forma consolidated combined balance sheet as of September 30, 2020 and give effect to the Merger as if it had occurred on that date:

(a) Estimated Merger Consideration - Cash - Represents the estimated fair value of cash transferred in the Merger which includes the $25 million upfront payment due per the Merger Agreement and agreed upon working capital adjustments, plus $2.5 million of transaction expenses to be paid by the Company on behalf of Oncoceutics.

(b) Accrued Liabilities - Represents accrued liabilities that are directly attributable to the closing of the Merger, including a $14 million payment due to Oncoceutics shareholders on the one-year anniversary of the closing of the Merger Agreement, estimated transaction expenses of approximately $2.5 million to be paid by the Company on behalf of Oncoceutics, approximately $0.9 million of transaction expenses to be incurred by the Company and $0.4 million in working capital adjustments. The transaction expenses principally consist of financial advisor fees, legal expenses and auditor expenses.

(c) Other Long-term Liabilities – This reflects $2.5 million for Simple Agreement for Future Equity notes that converted to common shares of Oncoceutics with the closing of the Merger.

(d) Stockholders' Equity - This is to reflect the elimination of Oncoceutic's historical shareholders' equity.

(e) Estimated Merger Consideration - Stock - Estimated merger consideration includes 8,723,769 shares of its common stock that the Company issued to Oncoceutics shareholders.

(f) Acquisition of In-Process R&D - Represents the aggregate fair value of the in-process research and development which does not have any alternative uses and therefore the aggregate fair value of the purchase price being recorded to Acquisition of In-Process R&D.