

REFINITIV

# DELTA REPORT

## 10-Q

SCYX - SCYNEXIS INC

10-Q - SEPTEMBER 30, 2024 COMPARED TO 10-Q - JUNE 30, 2024

The following comparison report has been automatically generated

TOTAL DELTAS	590
CHANGES	265
DELETIONS	156
ADDITIONS	169

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

FORM 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June September 30, 2024

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period to  
Commission File Number 001-36365

SCYNEXIS, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of  
incorporation or organization)

56-2181648

(I.R.S. Employer  
Identification No.)

1 Evertrust Plaza, 13<sup>th</sup> Floor

Jersey City, New Jersey

(Address of principal executive offices)

07302-6548

(Zip Code)

(201)-884-5485

(Registrant's telephone number, including area code)

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

Title of Each Class	Trading Symbol	Name of Each Exchange on Which Registered
Common Stock, par value \$0.001 per share	SCYX	Nasdaq Global Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to

such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

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. ☐

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Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒  
As of August 1, 2024 November 1, 2024, there were 37,856,463 37,948,991 shares of the registrant's Common Stock outstanding.

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SCYNEXIS, INC.  
QUARTERLY REPORT ON FORM 10-Q  
FOR THE QUARTERLY PERIOD ENDED JUNE SEPTEMBER 30, 2024  
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**PART I. FINANCIAL INFORMATION**

**Item 1. Financial Statements.**

**SCYNEXIS, INC.**

**UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS**

(in thousands, except share and per share data)

	June 30, 2024	December 31, 2023	September 30, 2024	December 31, 2023
<b>Assets</b>				
Current assets:				
Cash and cash equivalents	\$ 25,994	\$ 34,050	\$ 28,730	\$ 34,050
Short-term investments	47,044	40,312	40,098	40,312
Prepaid expenses and other current assets	1,418	5,548	1,538	5,548
License agreement receivable	233	2,463	153	2,463
License agreement contract asset	19,509	19,363	9,509	19,363
Restricted cash	380	380	435	380
Total current assets	94,578	102,116	80,463	102,116
Investments	10,657	23,594	16,116	23,594

Deferred offering costs	175	175	187	175
Restricted cash	163	163	109	163
Operating lease right-of-use asset (See Note 7)	2,233	2,364	2,163	2,364
<b>Total assets</b>	<b>\$ 107,806</b>	<b>\$ 128,412</b>	<b>\$ 99,038</b>	<b>\$ 128,412</b>
<b>Liabilities and stockholders' equity</b>				
Current liabilities:				
Accounts payable	\$ 5,350	\$ 7,149	\$ 4,955	\$ 7,149
Accrued expenses	5,498	7,495	5,508	7,495
Deferred revenue, current portion	1,229	1,189	1,642	1,189
Operating lease liability, current portion (See Note 7)	372	340	389	340
Warrant liabilities	—	130	—	130
Convertible debt and derivative liability (See Note 6)	12,784	—	13,225	—
Total current liabilities	25,233	16,303	25,719	16,303
Deferred revenue	1,817	2,727	1,294	2,727
Warrant liabilities	17,962	21,680	11,212	21,680
Convertible debt and derivative liability (See Note 6)	—	12,159	—	12,159
Operating lease liability (See Note 7)	2,388	2,581	2,284	2,581
Total liabilities	47,400	55,450	40,509	55,450
Commitments and contingencies				
Stockholders' equity:				
Preferred stock, \$0.001 par value, authorized 5,000,000 shares as of June 30, 2024 and December 31, 2023; 0 shares issued and outstanding as of June 30, 2024 and December 31, 2023	—	—		
Common stock, \$0.001 par value, 150,000,000 shares authorized as of June 30, 2024 and December 31, 2023; 37,856,463 and 37,207,799 shares issued and outstanding as of June 30, 2024 and December 31, 2023, respectively	41	40		
Preferred stock, \$0.001 par value, authorized 5,000,000 shares as of September 30, 2024 and December 31, 2023; 0 shares issued and outstanding as of September 30, 2024 and December 31, 2023	—	—		
Common stock, \$0.001 par value, 150,000,000 shares authorized as of September 30, 2024 and December 31, 2023; 37,943,241 and 37,207,799 shares issued and outstanding as of September 30, 2024 and December 31, 2023, respectively	41	40		
Additional paid-in capital	429,659	428,169	430,590	428,169
Accumulated deficit	(369,294)	(355,247)	(372,102)	(355,247)
Total stockholders' equity	60,406	72,962	58,529	72,962
<b>Total liabilities and stockholders' equity</b>	<b>\$ 107,806</b>	<b>\$ 128,412</b>	<b>\$ 99,038</b>	<b>\$ 128,412</b>

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

**SCYNEXIS, INC.**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(in thousands, except share and per share data)

	Three Months Ended June 30,		Six Months Ended June 30,		Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023	2024	2023	2024	2023
Revenue:								
Product revenue, net	\$ —	\$ 468	\$ —	\$ 1,598				
Product (loss) revenue, net	\$ —	\$ (614)	\$ —	\$ 984				
License agreement revenue	736	130,986	2,109	130,986	660	2,375	2,769	133,360
Total revenue	736	131,454	2,109	132,584	660	1,761	2,769	134,344
Operating expenses:								
Cost of product revenue	—	426	—	562	—	379	—	940
Research and development	6,807	7,040	14,019	13,875	8,073	6,466	22,091	20,342
Selling, general and administrative	3,166	7,474	6,835	12,314	2,907	5,014	9,742	17,328
Total operating expenses	9,973	14,940	20,854	26,751	10,980	11,859	31,833	38,610
(Loss) income from operations	(9,237)	116,514	(18,745)	105,833	(10,320)	(10,098)	(29,064)	95,734
Other (income) expense:								
Amortization of debt issuance costs and discount	421	1,998	822	2,256	441	360	1,262	2,616
Interest income	(1,130)	(737)	(2,402)	(1,325)	(1,020)	(1,263)	(3,422)	(2,590)
Interest expense	197	1,249	403	2,695	213	212	617	2,908
Warrant liabilities fair value adjustment	5,761	(8,214)	(3,848)	13,459	(6,751)	(7,468)	(10,598)	5,991
Derivative liabilities fair value adjustment	(28)	(42)	(196)	364	—	(182)	(196)	182
Total other expense (income)	5,221	(5,746)	(5,221)	17,449				
Total other (income) expense	(7,117)	(8,341)	(12,337)	9,107				
<b>(Loss) income before taxes</b>	<b>(14,458)</b>	<b>122,260</b>	<b>(13,524)</b>	<b>88,384</b>	<b>(3,203)</b>	<b>(1,757)</b>	<b>(16,727)</b>	<b>86,627</b>
Income tax expense	—	—	523	—				
Income tax (benefit) expense	(395)	—	128	—				

<b>Net (loss) income</b>	<u>\$ (14,458)</u>	<u>\$ 122,260</u>	<u>\$ (14,047)</u>	<u>\$ 88,384</u>	<u>\$ (2,808)</u>	<u>\$ (1,757)</u>	<u>\$ (16,855)</u>	<u>\$ 86,627</u>
Net (loss) income per share attributable to common stockholders – basic								
Net (loss) income per share – basic	<u>\$ (0.30)</u>	<u>\$ 2.56</u>	<u>\$ (0.29)</u>	<u>\$ 1.85</u>	<u>\$ (0.06)</u>	<u>\$ (0.04)</u>	<u>\$ (0.35)</u>	<u>\$ 1.81</u>
Net (loss) income per share attributable to common stockholders – diluted								
Net (loss) income per share – diluted	<u>\$ (0.30)</u>	<u>\$ 2.46</u>	<u>\$ (0.29)</u>	<u>\$ 1.82</u>	<u>\$ (0.06)</u>	<u>\$ (0.04)</u>	<u>\$ (0.35)</u>	<u>\$ 1.78</u>
Weighted average common shares outstanding – basic and diluted								
Basic	<u>48,511,656</u>	<u>47,837,393</u>	<u>48,379,256</u>	<u>47,797,731</u>	<u>48,618,693</u>	<u>47,891,996</u>	<u>48,459,777</u>	<u>47,829,614</u>
Diluted	<u>48,511,656</u>	<u>49,923,361</u>	<u>48,379,256</u>	<u>49,166,251</u>	<u>48,618,693</u>	<u>47,891,996</u>	<u>48,459,777</u>	<u>49,397,273</u>

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

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**SCYNEXIS, INC.**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(in thousands)

	<b>Six Months Ended June 30,</b>		<b>Nine Months Ended September 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
<b>Cash flows from operating activities:</b>				
Net (loss) income	\$ (14,047)	\$ 88,384	\$ (16,855)	\$ 86,627
Adjustments to reconcile net (loss) income to net cash (used in) provided by operating activities:				
Depreciation and amortization	—	304	—	451
Stock-based compensation expense	1,464	1,435	2,365	2,067
Accretion of investments discount	(621)	100	(1,097)	(702)
Amortization of debt issuance costs and discount	822	2,256	1,262	2,616
Change in fair value of warrant liabilities	(3,848)	13,459	(10,598)	5,991
Change in fair value of derivative liabilities	(196)	364	(196)	182

Noncash operating lease expense for right-of-use asset	131	110	201	169
Write off of deferred asset for commitment fees	—	514	—	514
Prepayment fee for loan payable payment	—	263	—	263
Changes in operating assets and liabilities:				
Prepaid expenses, other assets, deferred costs, and other	4,131	(165)	4,032	(668)
License agreement receivable	2,230	(25,000)	2,310	(2,349)
License agreement contract asset	(146)	(19,249)	9,854	(19,309)
Accounts receivable	—	(243)	—	(144)
Inventory	—	(4,563)	—	(7,387)
Accounts payable	(1,759)	(2,521)	(2,166)	(2,447)
Accrued expenses	(1,997)	1,562	(1,987)	3,915
Deferred revenue	(870)	4,369	(979)	4,081
Other liabilities and other	(161)	(5,904)	(248)	(5,976)
Net cash (used in) provided by operating activities	(14,867)	55,475	(14,102)	67,894
<b>Cash flows from investing activities:</b>				
Purchase of investments	(10,719)	(26,941)	(27,985)	(73,275)
Maturity of investments	17,545	20,557	36,752	40,550
Net cash provided by (used in) investing activities	6,826	(6,384)	8,767	(32,725)
<b>Cash flows from financing activities:</b>				
Proceeds from common stock issued	—	4		
Payments of deferred offering costs	(40)	—	(40)	—
Payments of loan payable	—	(36,383)	—	(36,383)
Payment of loan payable prepayment fee	—	(263)	—	(263)
Proceeds from employee stock purchase plan issuances	25	4	56	42
Repurchase of shares to satisfy tax withholdings	—	18	—	18
Net cash used in by financing activities	(15)	(36,620)		
Net (decrease) increase in cash, cash equivalents, and restricted cash	(8,056)	12,471		
Net cash provided by (used in) financing activities	16	(36,586)		
Net decrease in cash, cash equivalents, and restricted cash	(5,319)	(1,417)		
Cash, cash equivalents, and restricted cash at beginning of period	34,593	46,032	34,593	46,032
Cash, cash equivalents, and restricted cash at end of period	\$ 26,537	\$ 58,503	\$ 29,274	\$ 44,615
<b>Supplemental cash flow information:</b>				
Cash paid for interest	\$ 420	\$ 2,828	\$ 840	\$ 3,248
Cash received for interest	\$ 1,721	\$ 1,434	\$ 2,623	\$ 2,644
<b>Noncash financing and investing activities:</b>				
Deferred offering costs included in accounts payable	\$ 12	\$ —		

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



SCYNEXIS, INC.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(unaudited)

1. Description of Business and Basis of Preparation

*Organization*

SCYNEXIS, Inc. ("SCYNEXIS" or the "Company") is a Delaware corporation formed on November 4, 1999. SCYNEXIS is a biotechnology company, headquartered in Jersey City, New Jersey, and is pioneering innovative medicines to overcome and prevent difficult-to-treat and drug-resistant infections. The Company is developing its proprietary class of enfumafungin-derived antifungal compounds ("fungerp") as broad-spectrum, systemic antifungal agents for multiple fungal indications. Ibrexafungerp is the first representative of this novel class of antifungals with additional assets from the "fungerp" family, including SCY-247, in preclinical stages of development. In June 2021, the U.S. Food and Drug Administration ("FDA") approved BREXAFEMME (ibrexafungerp tablets) for treatment of patients with vulvovaginal candidiasis ("VVC"), also known as vaginal yeast infection, and in December 2022, the Company announced that the FDA approved a second indication for BREXAFEMME for the reduction in the incidence of recurrent vulvovaginal candidiasis ("RVVC").

In March 2023, the Company entered into a license agreement (the "GSK License Agreement") with GlaxoSmithKline Intellectual Property (No. 3) Limited ("GSK") in which the Company granted GSK an exclusive (even as to the Company and its affiliates), royalty-bearing, sublicensable license for the development and commercialization of ibrexafungerp, including the approved product BREXAFEMME, for all indications, in all countries other than Greater China and certain other countries already licensed to third parties.

Following a review by GSK of the manufacturing process and equipment at the vendor that manufactures the ibrexafungerp drug substance, the Company became aware that a non-antibacterial beta-lactam drug substance was manufactured using equipment common to the manufacturing process for ibrexafungerp. Current FDA draft guidance recommends segregating the manufacture of non-antibacterial beta-lactam compounds from other compounds since beta-lactam compounds have the potential to act as sensitizing agents that may trigger hypersensitivity or an allergic reaction in some people. In the absence of the recommended segregation, there is a risk of cross contamination. It is not known whether any ibrexafungerp has been contaminated with a beta-lactam compound and the Company has not received reports of any adverse events due to the possible beta-lactam cross contamination. Nonetheless, out of an abundance of caution and in line with GSK's recommendation, the Company has recalled BREXAFEMME® (ibrexafungerp tablets) from the market and placed a temporary hold on clinical studies of ibrexafungerp, including the Phase 3 MARIO study.

The patient-level and clinical product recall is ongoing and the Company is working with an experienced vendor to manage the process. In September 2023, after the Company announced its voluntary clinical hold, the FDA concurred with the Company's voluntary hold and placed a clinical hold. The Company is working with the FDA to discuss paths for resolution of this issue. The clinical hold and recall affect the Company's two ongoing clinical studies: the Phase 3 MARIO study and a Phase 1 lactation study. The hold does not impact the completed FURI, CARES, VANQUISH and SCYNERGIA clinical studies. The FDA determined that the compassionate use program for ibrexafungerp, which provides ibrexafungerp to patients with limited or no other treatment options, can continue provided the patient's treating physician concludes a favorable benefit-risk assessment and the patient is made aware of and consents to the risk. This applies to patients currently in the program, as well as for new patients, pending confirmation of available supply. The Company's preclinical stage compound, SCY-247, is not affected by these developments.

The patient-level and clinical product recall is ongoing and the Company is working with an experienced vendor to manage the process. In September 2023, after the Company announced its voluntary clinical hold, the FDA concurred with the Company's voluntary hold and placed a clinical hold. The Company is working on the resolution of this issue and anticipates the restart of the MARIO study, after FDA's lifting of the clinical hold, in the first quarter of 2025.

The Company had an accumulated deficit of \$369.3 372.1 million at June 30, 2024 September 30, 2024. The Company's capital resources primarily comprised cash and cash equivalents and investments of \$83.7 84.9 million at June 30, 2024 September 30, 2024. While the Company believes its capital resources are sufficient to fund the Company's on-going operations for a period of at least 12 months subsequent to the issuance of the accompanying unaudited condensed consolidated financial statements, the Company's liquidity could be materially affected over this period by: (1) its ability to raise additional capital through equity offerings, debt financings, or other non-dilutive third-party funding; (2) costs associated with new or existing strategic alliances, or licensing and collaboration arrangements; (3) negative regulatory events or unanticipated costs related to its development of SCY-247 and ibrexafungerp; (4) its ability to successfully achieve the development, regulatory, and commercial milestones under its GSK License Agreement with GSK; Agreement; and (5) any other unanticipated material negative events or costs. One or more of these events or costs could materially affect the Company's liquidity. If the Company is unable to meet its obligations when they become due, the Company may have to delay expenditures, reduce the scope of its research and development programs, or make significant

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changes to its operating plan. The accompanying unaudited condensed consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

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The unaudited condensed consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary. Intercompany balances and transactions are eliminated in consolidation.

### *Use of Estimates*

The preparation of the unaudited condensed consolidated financial statements in conformity with U.S. GAAP requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates and judgments include: revenue recognition including gross to net estimates and the identification of performance obligations in licensing arrangements; estimates for the relative standalone selling price and measure of progress under the input method for the GSK License Agreement; estimates for product recall reserves; determination of the fair value of stock-based compensation grants; the estimate of services and effort expended by third-party research and development service providers used to recognize research and development expense; and the estimates and assumptions utilized in measuring the fair values of the warrant and derivative liabilities each reporting period.

### *Unaudited Condensed Consolidated Financial Information*

The accompanying unaudited condensed consolidated financial statements and notes have been prepared in accordance with accounting principles generally accepted in the United States ("US GAAP"), as contained in the Financial Accounting Standards Board ("FASB") Accounting Standards Codification (the "Codification" or "ASC") for interim financial information. In the opinion of management, the interim financial information includes all adjustments of a normal recurring nature necessary for a fair presentation of the results of operations, financial position, and cash flows.

The results of operations for the three and **six** **nine** months ended **June 30, 2024** **September 30, 2024**, are not necessarily indicative of the results for the full year or the results for any future periods. These unaudited condensed consolidated financial statements should be read in conjunction with the financial statements and notes set forth in the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission ("SEC") on March 28, 2024.

## 2. Summary of Significant Accounting Policies

The accompanying unaudited condensed consolidated financial statements and notes follow the same significant accounting policies as those described in the notes to the audited consolidated financial statements of the Company for the year ended December 31, 2023, except as described below.

### *Basic and Diluted Net (Loss) Income per Share of Common Stock*

The Company calculates net (loss) income per common share in accordance with ASC 260, *Earnings Per Share*. Basic net (loss) income per common share for the three and **six** **nine** months ended **June 30, 2024** **September 30, 2024** and 2023 was determined by dividing net (loss) income applicable to common stockholders by the weighted average number of common shares outstanding during the period. Per ASC 260, *Earnings Per Share*, the weighted average number of common shares outstanding utilized for determining the basic net (loss) income per common share for the three and **six** **nine** months ended **June 30, 2024** **September 30, 2024** and 2023 includes the outstanding prefunded warrants to purchase 7,516,267 and 3,200,000 shares of common stock issued in the April 2022 public offering and December 2020 public **offering**, **offering**, respectively. Diluted net (loss) income per common share for the three and **six** **nine** months ended **June 30, 2024** **September 30, 2024** and 2023 was determined as follows (in thousands, except share and per share amounts):

	Three Months Ended June 30,		Six Months Ended June 30,		Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023	2024	2023	2024	2023
Net (loss) income allocated to common shares	\$ (14,458)	\$ 122,260	\$ (14,047)	\$ 88,384	\$ (2,808)	\$ (1,757)	\$ (16,855)	\$ 86,627
Dilutive effect of convertible debt	—	433	—	1,047	—	—	—	1,437
Net (loss) income allocated to common shares	<u>\$ (14,458)</u>	<u>\$ 122,693</u>	<u>\$ (14,047)</u>	<u>\$ 89,431</u>	<u>\$ (2,808)</u>	<u>\$ (1,757)</u>	<u>\$ (16,855)</u>	<u>\$ 88,064</u>
Weighted average common shares outstanding – basic	48,511,656	47,837,393	48,379,256	47,797,731	48,618,693	47,891,996	48,459,777	47,829,614
Dilutive effect of convertible debt	—	1,138,200	—	1,138,200	—	—	—	1,138,200
Dilutive effect of restricted stock units	—	947,768	—	230,320	—	—	—	429,459
Weighted average common shares outstanding – diluted	<u>48,511,656</u>	<u>49,923,361</u>	<u>48,379,256</u>	<u>49,166,251</u>	<u>48,618,693</u>	<u>47,891,996</u>	<u>48,459,777</u>	<u>49,397,273</u>
Net (loss) income per share – diluted	\$ (0.30)	\$ 2.46	\$ (0.29)	\$ 1.82	\$ (0.06)	\$ (0.04)	\$ (0.35)	\$ 1.78

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The following potentially dilutive shares of common stock and outstanding restricted stock units that contain certain performance contingencies have not been included in the computation of diluted net (loss) income per share for the three and **six nine** months ended **June 30, 2024** **September 30, 2024** and 2023, as the result would be anti-dilutive or the performance contingencies have not been met:

	Three Months Ended June 30,		Six Months Ended June 30,		Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023	2024	2023	2024	2023
Outstanding stock options	2,842,808	1,970,536	2,842,808	1,970,536	2,912,307	1,960,411	2,912,307	1,960,411
Outstanding restricted stock units	3,263,345	400,000	3,263,345	400,000	3,151,124	2,054,970	3,151,124	400,000
Warrants to purchase common stock associated with December 2020 public offering - Series 2	—	6,800,000	—	6,800,000	—	6,800,000	—	6,800,000
Warrants to purchase common stock associated with April 2022 public offering	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
Warrants to purchase common stock associated with Loan Agreement	198,811	198,811	198,811	198,811	198,811	198,811	198,811	198,811
Common stock associated with March 2019 Notes	1,138,200	—	1,138,200	—	1,138,200	1,138,200	1,138,200	—
Warrants to purchase common stock associated with Danforth	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Total	22,493,164	24,419,347	22,493,164	24,419,347	22,450,442	27,202,392	22,450,442	24,409,222

### *Reclassification of Prior Year Amounts*

Certain prior year amounts within the changes in operating assets and liabilities on the unaudited condensed consolidated statement of cash flows and certain prior year accrued expenses have been reclassified for consistency with the current year presentation.

### *Recently Adopted Accounting Pronouncements*

In August 2020, the FASB issued ASU No. 2020-06, Debt—Debt with Conversion and Other Options and Derivatives and Hedging—Contracts in Entity's Own Equity: Accounting for Convertible Instruments and Contracts in and Entity's Own Equity ("ASU 2020-06"). The amendments in ASU 2020-06 reduce the number of accounting models for convertible debt instruments and revises certain guidance relating to the derivative scope exception and earnings per share. The amendments in ASU 2020-06 are effective for public business entities that meet the definition of a SEC filer and a smaller reporting company for fiscal years beginning after December 15, 2023, and interim periods within those years. The Company adopted ASU 2020-06 on January 1, 2024 and the adoption did not materially impact the unaudited condensed consolidated financial statements.

### *Recently Issued Accounting Pronouncements*

In November 2023, the FASB issued ASU No. 2023-07, Segment Reporting (Topic 280), Improvements to Reportable Segment Disclosures, which introduced new guidance on disclosures for reportable segments and significant segment expenses, including for entities with a single reportable segment. This guidance is effective for the Company for annual reporting periods beginning January 1, 2024 and interim periods beginning January 1, 2025. As a smaller reporting company, the Company is currently evaluating the impact ASU 2023-07 will have on its consolidated financial statements.

In December 2023, the FASB issued ASU No. 2023-09, Income Taxes (Topic 740), Improvements to Income Tax Disclosures, which introduced new guidance on disclosures for income taxes, including enhancements to the rate reconciliation and income taxes paid disclosures. This guidance is effective for the Company for annual reporting periods beginning January 1, 2025. As a smaller reporting company, the Company is currently evaluating the impact ASU 2023-09 will have on its consolidated financial statements.

### 3. Investments

The following table summarizes the investments at **June 30, 2024** **September 30, 2024** (in thousands):

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	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
As of June 30, 2024				
<u>Maturities &lt; 1 Year</u>				
Corporate bonds	\$ 44,527	\$ 6	\$ (47)	\$ 44,486
Agency bonds	2,517	—	(2)	2,515
Total short-term investments	<u>\$ 47,044</u>	<u>\$ 6</u>	<u>\$ (49)</u>	<u>\$ 47,001</u>
<u>Maturities &gt; 1 Year</u>				
Corporate bonds	\$ 10,657	\$ 10	\$ (23)	\$ 10,644
Total investments	<u>\$ 10,657</u>	<u>\$ 10</u>	<u>\$ (23)</u>	<u>\$ 10,644</u>
As of December 31, 2023				
<u>Maturities &lt; 1 Year</u>				
Corporate bonds	\$ 35,286	\$ 25	\$ (13)	\$ 35,298
Agency bonds	5,026	6	—	5,032
Total short-term investments	<u>\$ 40,312</u>	<u>\$ 31</u>	<u>\$ (13)</u>	<u>\$ 40,330</u>
<u>Maturities &gt; 1 Year</u>				
Corporate bonds	\$ 23,594	\$ 143	\$ (9)	\$ 23,728
Total investments	<u>\$ 23,594</u>	<u>\$ 143</u>	<u>\$ (9)</u>	<u>\$ 23,728</u>
	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
As of September 30, 2024				
<u>Maturities &lt; 1 Year</u>				
Corporate bonds	\$ 37,138	\$ 126	\$ (2)	\$ 37,262
Agency bonds	2,960	9	—	2,969

Total short-term investments	\$ 40,098	\$ 135	\$ (2)	\$ 40,231
<u>Maturities &gt; 1 Year</u>				
Corporate bonds	\$ 16,116	\$ 81	\$ (4)	\$ 16,193
Total investments	\$ 16,116	\$ 81	\$ (4)	\$ 16,193
As of December 31, 2023				
<u>Maturities &lt; 1 Year</u>				
Corporate bonds	\$ 35,286	\$ 25	\$ (13)	\$ 35,298
Agency bonds	5,026	6	—	5,032
Total short-term investments	\$ 40,312	\$ 31	\$ (13)	\$ 40,330
<u>Maturities &gt; 1 Year</u>				
Corporate bonds	\$ 23,594	\$ 143	\$ (9)	\$ 23,728
Total investments	\$ 23,594	\$ 143	\$ (9)	\$ 23,728

The Company carries investments at amortized cost. As of **June 30, 2024** **September 30, 2024** and December 31, 2023, the fair value of the corporate and agency bonds totals \$**57.6** **56.4** million and \$64.1 million, respectively, which is determined based on "Level 2" inputs, which consist of quoted prices for similar assets in active markets. The Company has evaluated the unrealized loss position in the corporate and agency bonds as of the balance sheet dates and did not consider it to be indicative of an other-than-temporary impairment as the securities are highly-rated and the Company expects to realize the full principal amount at maturity.

#### 4. Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consisted of the following (in thousands):

	June 30, 2024	December 31, 2023	September 30, 2024	December 31, 2023
Prepaid research and development services	\$ —	\$ 196	\$ —	\$ 196
Prepaid insurance	651	264	427	264
Other prepaid expenses	213	182	158	182
Other current assets	554	4,906	953	4,906
Total prepaid expenses and other current assets	\$ 1,418	\$ 5,548	\$ 1,538	\$ 5,548

#### 5. Accrued Expenses

Accrued expenses consisted of the following (in thousands):

	June 30, 2024	December 31, 2023	September 30, 2024	December 31, 2023
Accrued research and development expenses	\$ 2,348	\$ 2,830	\$ 1,866	\$ 2,830
Accrued employee bonus compensation	906	1,692	1,337	1,692
Other accrued expenses	862	1,040	969	1,040
Accrued product recall	1,382	1,933	1,336	1,933
Total accrued expenses	\$ 5,498	\$ 7,495	\$ 5,508	\$ 7,495

## 6. Borrowings

### *Loan Agreement*

On May 13, 2021 (the "Closing Date"), the Company entered into the Loan and Security Agreement (the "Loan Agreement") with Hercules Capital, Inc. and Silicon Valley Bridge Bank, N.A. (as successor to Silicon Valley Bank) (the "Lenders") for an aggregate principal amount of \$60.0 million (the "Term Loan"). Pursuant to the Loan Agreement, the Term Loan was available to the Company in four tranches, subject to certain terms and conditions.

In connection with the entering into of the GSK License Agreement, the Company entered into a First Amendment and Consent to Loan and Security Agreement with the Lenders pursuant to which the Lenders consented to the Company entering into the GSK License Agreement and the Company agreed to pay to the Lenders an amount equal to the sum of (i) all outstanding principal plus all accrued and unpaid interest with respect to the amounts loaned under the Loan Agreement (approximately \$35.4 million), (ii) the prepayment fee payable under the Loan Agreement (\$262,500), (iii) the final payment payable under the Loan Agreement (\$1,382,500), and (iv) all other sums, if any, that shall have become due and payable with respect to loan advances under the Loan Agreement. Upon receipt by the Company of the \$90.0 million upfront payment from GSK in May 2023, all amounts payable under the Loan Agreement were fully paid. In connection with the repayment of those amounts due, in May 2023, the Company and the Lenders executed a payoff letter confirming the amounts due under the Loan Agreement, and the Company's confirmation that the Loan Agreement was terminated. For the ~~three and six~~ **nine** months ended **June 30, 2023** **September 30, 2023**, the Company recognized **\$1.7 million and \$2.0 million respectively**, in amortization for the remaining debt issuance costs and discount associated with the Loan Agreement which was fully paid in May 2023.

### *March 2019 Note Purchase Agreement*

On March 7, 2019, the Company entered into a Senior Convertible Note Purchase Agreement (the "March 2019 Note Purchase Agreement") with Puissance. Pursuant to the March 2019 Note Purchase Agreement, on March 7, 2019, the Company issued and sold to Puissance \$16.0 million aggregate principal amount of its 6.0% Senior Convertible Notes due 2025 ("March 2019 Notes"), resulting in \$14.7 million in net proceeds after deducting \$1.3 million for an advisory fee and other issuance costs.

As of **June 30, 2024** **September 30, 2024** and December 31, 2023, the Company's March 2019 Notes consist of the convertible debt balance of **\$12.8** **13.2** million and \$12.0 million and the bifurcated embedded conversion option derivative liability of zero and \$0.2 million, respectively. In connection with the Company's issuance of its March 2019 Notes, the Company bifurcated the embedded conversion option, inclusive of the interest make-whole provision and make-whole fundamental change provision, and recorded the embedded conversion option as a long-term derivative liability in the Company's balance sheet in accordance with ASC 815, *Derivatives and Hedging*, at its initial fair value of \$7.0 million as the interest make-whole provision is settled in shares of common stock. The convertible debt and derivative liability associated with the March 2019 Notes are presented in total on the accompanying unaudited condensed consolidated balance sheets as the convertible debt and derivative liability. The derivative liability will be remeasured at each reporting period using the binomial lattice model **and Level 3 inputs** with changes in fair value recorded in the statements of operations in other (income) expense. For the three months ended **June 30, 2024** **September 30, 2024** and 2023, the Company recognized gains of **\$28,000** **zero** and **\$42,000** **0.2** million, respectively, on the fair value adjustment for the derivative liability. For the **six** **nine** months ended **June 30,**

2024 September 30, 2024 and 2023, the Company recognized a gain of \$0.2 million and a loss of \$0.4 0.2 million, respectively, on the fair value adjustment for the derivative liability. For both the three months ended June 30, 2024 September 30, 2024 and 2023, the Company recognized \$0.4 million in amortization of debt issuance costs and discount related to the March 2019 Notes. For the nine months ended September 30, 2024 and 2023, the Company recognized \$1.3 million and \$0.3 0.6 million, respectively, in amortization of debt issuance costs and discount related to the March 2019 Notes. For the six months ended June 30, 2024 and 2023, the Company recognized \$0.8 million and \$0.3 million, respectively, in amortization of debt issuance costs and discount related to the March 2019 Notes.

The Company estimated the fair value of the convertible debt and derivative liability for the March 2019 Notes using a binomial lattice valuation model and Level 3 inputs. At June 30, 2024 and December 31, 2023, the fair value of the convertible debt and derivative liability for the March 2019 Notes is \$12.8 million and \$12.7 million, respectively.

The March 2019 Notes bear interest at a rate of 6.0% per annum payable semiannually in arrears on March 15 and September 15 of each year, beginning September 15, 2019. The March 2019 Notes will mature on March 15, 2025, unless earlier converted, redeemed or repurchased. The March 2019 Notes constitute general, senior unsecured obligations of the Company.

## 7. Commitments and Contingencies

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#### *Other Liabilities*

In February 2021, the Company partnered with Amplitry for the commercial launch of BREXAFEMME for the treatment of VVC. Under the terms of the agreement with Amplitry, the Company was to utilize Amplitry's commercial execution and resources for sales force, remote engagement, training, market access and select operations services. In October 2022, the Company announced that it was actively pursuing a U.S. commercialization partner to out-license BREXAFEMME in order to refocus the Company's resources on the further clinical development of ibrexafungerp for severe, hospital-based indications. As a result, the Company wound down its promotional activities associated with BREXAFEMME. On November 30, 2022, the Company terminated the agreement with Amplitry. Under the terms of the original agreement, Amplitry deferred a portion of its direct service fees in the first two years (2021 and 2022) that accrued interest at an annual rate of 12.75% ("Deferred Fees"). The Deferred Fees of \$5.8 million as of December 31, 2022, classified as other liabilities on the consolidated balance sheet, were fully paid as of February 2023.

## 7. Commitments and Contingencies

#### *Leases*

On March 1, 2018, the Company entered into a long-term lease agreement for approximately 19,275 square feet of office space in Jersey City, New Jersey, that the Company identified as an operating lease under ASC 842 (the "Lease"). The lease term is eleven years from August 1, 2018, the commencement date, with total lease payments of \$7.3 million over the lease term. The Company has the option to renew for two consecutive five-year periods from the end of the first term and the Company is not reasonably certain that the option to renew the Lease will be exercised. Under the Lease, the Company furnished a security deposit in the form of a standby letter of credit in the amount of \$0.3 million, which was reduced by fifty-five thousand dollars on the first anniversary of the commencement date. The security deposit will continue to be reduced by fifty-five thousand dollars every two years on the commencement date anniversary for eight years. The security deposit is classified as restricted cash in the accompanying unaudited condensed consolidated balance sheets.

The following table summarizes certain quantitative information associated with the amounts recognized in the unaudited condensed consolidated financial statements for the Lease (dollars in thousands):



	Three Months Ended June 30,		Six Months Ended June 30,		Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023	2024	2023	2024	2023
Operating lease cost	\$ 166	\$ 166	\$ 332	\$ 332	\$ 166	\$ 166	\$ 498	\$ 498
Variable lease cost	27	46	4	104	28	44	32	148
Total operating lease expense	<u>\$ 193</u>	<u>\$ 212</u>	<u>\$ 336</u>	<u>\$ 436</u>	<u>\$ 194</u>	<u>\$ 210</u>	<u>\$ 530</u>	<u>\$ 646</u>
Cash paid for amounts included in the measurement of operating lease liability	\$ 181	\$ 177	\$ 362	\$ 355	\$ 183	\$ 180	\$ 545	\$ 534
Remaining Lease term (years)			June 30, 2024	December 31, 2023			September 30, 2024	December 31, 2023
Discount rate			5.09	5.59			4.84	5.59
			15 %	15 %			15 %	15 %

Future minimum lease payments for the Lease as of **June 30, 2024** **September 30, 2024** are as follows (in thousands):

	June 30, 2024	September 30, 2024
2024	\$ 368	\$ 185
2025	744	744
2026	759	759
2027	774	774
2028	790	790
Thereafter	466	466
Total	<u>\$ 3,901</u>	<u>\$ 3,718</u>

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The presentations of the operating lease liability as of **June 30, 2024** **September 30, 2024** are as follows (in thousands):

	June 30, 2024	September 30, 2024
Present value of future minimum lease payments	\$ 2,760	\$ 2,673
Operating lease liability, current portion	\$ 372	\$ 389
Operating lease liability, long-term portion	2,388	2,284
Total operating lease liability	<u>\$ 2,760</u>	<u>\$ 2,673</u>
Difference between future minimum lease payments and discounted cash flows	\$ 1,141	\$ 1,045

### License Arrangement with Potential Future Expenditures

As of **June 30, 2024** **September 30, 2024**, the Company had a license arrangement with Merck Sharp & Dohme Corp., or Merck, as amended, that involves potential future expenditures. Under the license arrangement, executed in May 2013, the Company exclusively licensed from Merck its rights to ibrexafungerp in the field of human health. In January 2014, Merck assigned the patents related to ibrexafungerp that it had exclusively licensed to the Company. Ibrexafungerp is the Company's lead product candidate. Pursuant to the terms of the license agreement, Merck was originally eligible to receive milestone payments from the Company that could total \$19.0 million upon occurrence of specific events, including initiation of a Phase 2 clinical study, new

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drug application, and marketing approvals in each of the U.S., major European markets, and Japan. In addition, Merck is eligible to receive tiered royalties from the Company based on a percentage of worldwide net sales of ibrexafungerp. The aggregate royalties are mid- to high-single digits.

In December 2014, the Company and Merck entered into an amendment to the license agreement that deferred the remittance of a milestone payment due to Merck, such that no amount would be due upon initiation of the first Phase 2 clinical trial of a product containing the ibrexafungerp compound (the "Deferred Milestone"). The amendment also increased, in an amount equal to the Deferred Milestone, the milestone payment that would be due upon initiation of the first Phase 3 clinical trial of a product containing the ibrexafungerp compound. In December 2016 and January 2018, the Company entered into second and third amendments to the license agreement with Merck which clarified what would constitute the initiation of a Phase 3 clinical trial for the purpose of milestone payment. In January 2019, a milestone payment became due to Merck as a result of the initiation of the VANISH Phase 3 VVC program and was paid in March 2019. On December 2, 2020, the Company entered into a fourth amendment to the license agreement with Merck. The amendment eliminates two cash milestone payments that the Company would have paid to Merck upon the first filing of an NDA, triggered by the FDA acceptance for filing of the Company's NDA for ibrexafungerp for the treatment of VVC, and first marketing approval in the U.S. Such cash milestone payments would have been creditable against future royalties owed to Merck on net sales of ibrexafungerp. With the amendment, these milestones will not be paid in cash and, accordingly, credits will not accrue. Pursuant to the amendment, the Company will also forfeit the credits against future royalties that it had accrued from a prior milestone payment already paid to Merck. All other key terms of the license agreement are unchanged.

### Legal Proceedings

On November 7, 2023, a securities class action was filed by Brian Feldman against the Company and certain of the Company's executives in the United States District Court, District of New Jersey, alleging that, during the period from March 31, 2023 to September 22, 2023, the Company made materially false and/or misleading statements, as well as failed to disclose material adverse facts about the Company's business, operations, and prospects, alleging specifically that the Company failed to disclose to investors: (1) that the equipment used to manufacture ibrexafungerp was also used to manufacture a non-antibacterial beta-lactam drug substance, presenting a risk of cross-contamination; (2) that the Company did not have effective internal controls and procedures, as well as adequate internal oversight policies to ensure that its vendor complied with current Good Manufacturing Practices (cGMP); (3) that, due to the substantial risk of cross-contamination, the Company were reasonably likely to recall its ibrexafungerp tablets and halt its clinical studies; and (4) as a result of the foregoing, the Company's statements about its business, operations, and prospects were materially misleading and/or lacked a reasonable basis. The complaint seeks unspecified damages, interest, fees and costs on behalf of all persons and entities who purchased and/or acquired shares of the Company's common stock between March 31, 2023 to September 22, 2023. On May 1, 2024, and again on June 4, 2024, purported shareholder derivative complaints were filed in the United States District Court, District of New Jersey. The complaints name the Company's directors and certain of its officers and assert state and federal claims based on the same alleged misstatements as the securities class action complaint. **We disagree** **The Company disagrees** with the allegations and **intend** **intends** to defend these litigations vigorously and the Company has not recognized any expense for these contingencies.

8. Stockholders' Equity

Authorized, Issued, and Outstanding Common Stock

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The Company's authorized common stock has a par value of \$0.001 per share and consists of 150,000,000 shares as of June 30, 2024 September 30, 2024, and December 31, 2023; 37,856,463 37,943,241 and 37,207,799 shares were issued and outstanding at June 30, 2024 September 30, 2024 and December 31, 2023, respectively. For the three and six nine months ended June 30, 2023 September 30, 2023, 3,787,400 and 4,150,400 of the prefunded warrants from the April 2022 public offering were exercised for total proceeds of \$3,787 and \$4,150, respectively.

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The following table summarizes common stock share activity for the three and six nine months ended June 30, 2024 September 30, 2024 and 2023 (dollars in thousands):

	Three Months Ended June 30, 2024					Three Months Ended September 30, 2024												
	Shares of	Common	Common	Additional	Paid-in	Accumulated	Total	Shares of	Common	Common	Additional	Paid-in	Accumulated	Total				
	Common							Common							Paid-in	Accumulated	Stockholders'	Common
	Stock	Stock	Capital	Deficit	Equity		Stock	Stock	Capital	Deficit	Equity		Stock	Stock	Capital	Deficit	Equity	
Balance, March 31, 2024	37,779,796	\$	41	\$	428,900	\$	(354,836)	\$	74,105									
Balance, June 30, 2024	37,856,463	\$	41	\$	429,659	\$	(369,294)	\$	60,406									
Net loss	—		—		—		(14,458)		(14,458)	—		—		—		(2,808)		(2,808)
Stock-based compensation expense	—		—		759		—		759	—		—		900		—		900
Common stock issued through employee stock purchase plan	26,778		—		31		—		31									

Common stock issued for vested restricted stock units	76,667	—	—	—	—	60,000	—	—	—	—
Balance, June 30, 2024	37,856,463	\$ 41	\$ 429,659	\$ (369,294)	\$ 60,406					
Balance, September 30, 2024	37,943,241	\$ 41	\$ 430,590	\$ (372,102)	\$ 58,529					
	Three Months Ended June 30, 2023					Three Months Ended September 30, 2023				
	Shares of Common Stock	Common Stock	Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' (Deficit) Equity	Shares of Common Stock	Common Stock	Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity
Balance, March 31, 2023	33,327,627	\$ 36	\$ 426,214	\$ (456,164)	\$ (29,914)					
Net income	—	—	—	122,260	122,260					
Balance, June 30, 2023	37,175,665	\$ 40	\$ 426,942	\$ (333,904)	\$ 93,078					
Net loss	—	—	—	(1,757)	(1,757)					
Stock-based compensation expense	—	—	728	—	728	—	—	632	—	632
Common stock issued, net of expenses	3,787,400	4	—	—	4					
Common stock issued through employee stock purchase plan	—	—	38	—	38					
Common stock issued for vested restricted stock units	60,638	—	—	—	—	150	—	—	—	—
Balance, June 30, 2023	37,175,665	\$ 40	\$ 426,942	\$ (333,904)	\$ 93,078					
Balance, September 30, 2023	37,175,815	\$ 40	\$ 427,612	\$ (335,661)	\$ 91,991					

	Six Months Ended June 30, 2024					Nine Months Ended September 30, 2024				
	Shares of Common Stock	Common Stock	Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity	Shares of Common Stock	Common Stock	Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity
Balance, December 31, 2023	37,207,799	\$ 40	\$ 428,169	\$ (355,247)	\$ 72,962	37,207,799	\$ 40	\$ 428,169	\$ (355,247)	\$ 72,962
Net loss	—	—	—	(14,047)	(14,047)	—	—	—	(16,855)	(16,855)
Stock-based compensation expense	—	—	1,464	—	1,464	—	—	2,365	—	2,365
Common stock issued through employee stock purchase plan	18,815	—	26	—	26	45,593	—	56	—	56
Common stock issued for vested restricted stock units	629,849	1	—	—	1	689,849	1	—	—	1
Balance, June 30, 2024	37,856,463	\$ 41	\$ 429,659	\$ (369,294)	\$ 60,406					
Balance, September 30, 2024	37,943,241	\$ 41	\$ 430,590	\$ (372,102)	\$ 58,529					

  

	Six Months Ended June 30, 2023					Nine Months Ended September 30, 2023				
	Shares of Common Stock	Common Stock	Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity	Shares of Common Stock	Common Stock	Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity
Balance, December 31, 2022	32,682,342	\$ 36	\$ 425,485	\$ (422,288)	\$ 3,233	32,682,342	\$ 36	\$ 425,485	\$ (422,288)	\$ 3,233
Net income	—	—	—	88,384	88,384	—	—	—	86,627	86,627
Stock-based compensation expense	—	—	1,435	—	1,435	—	—	2,067	—	2,067

Common stock issued through employee stock purchase plan	2,662	—	4	—	4	2,662	—	42	—	42
Common stock issued, net of expenses	4,150,400	4	—	—	4	4,150,400	4	—	—	4
Common stock issued for vested restricted stock units	340,261	—	18	—	18	340,411	—	18	—	18
Balance, June 30, 2023	37,175,665	\$ 40	\$ 426,942	\$ (333,904)	\$ 93,078					
Balance, September 30, 2023	37,175,815	\$ 40	\$ 427,612	\$ (335,661)	\$ 91,991					

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### *Shares Reserved for Future Issuance*

The Company had reserved shares of common stock for future issuance as follows:

	June 30, 2024	December 31, 2023	September 30, 2024	December 31, 2023
Outstanding stock options	2,842,808	1,867,795	2,912,307	1,867,795
Outstanding restricted stock units	3,263,345	1,886,374	3,151,124	1,886,374
Warrants to purchase common stock associated with December 2020 public offering - Series 2	—	6,800,000	—	6,800,000
Prefunded warrants to purchase common stock associated with December 2020 public offering	3,200,000	3,200,000	3,200,000	3,200,000
Warrants to purchase common stock associated with April 2022 public offering	15,000,000	15,000,000	15,000,000	15,000,000
Prefunded warrants to purchase common stock associated with April 2022 public offering	7,516,267	7,516,267	7,516,267	7,516,267
Warrants to purchase common stock associated with Loan Agreement	198,811	198,811	198,811	198,811

Warrant to purchase common stock associated with Danforth	50,000	50,000	50,000	50,000
For possible future issuance for the conversion of the March 2019 Notes	1,138,200	1,138,200	1,138,200	1,138,200
For possible future issuance under 2024 Plan (Note 9)	5,874,196	848,202	5,856,918	848,202
For possible future issuance under employee stock purchase plan	1,458,171	1,474,045	1,413,393	1,474,045
For possible future issuance under 2015 Plan (Note 9)	637,050	633,590	637,050	633,590
Total common shares reserved for future issuance	41,178,848	40,613,284	41,074,070	40,613,284

#### *Warrants Associated with the December 2020 and April 2022 Public Offerings*

The outstanding warrants associated with the December 2020 public offering contains a provision where the warrant holder has the option to receive cash, equal to the Black-Scholes fair value of the remaining unexercised portion of the warrant, as cash settlement in the event that there is a fundamental transaction (contractually defined to include various merger, acquisition or stock transfer activities). Due to this provision, ASC 480, *Distinguishing Liabilities from Equity*, requires that these warrants be classified as liabilities. The fair values of these warrants have been determined using the Black-Scholes valuation model, and the changes in the fair value are recorded in the accompanying unaudited condensed consolidated statements of operations. The outstanding warrants associated with the April 2022 public offering meet the definition of a derivative pursuant to ASC 815, *Derivatives and Hedging*, and do not meet the derivative scope exception given the warrants do not qualify under the indexation guidance. As a result, the April 2022 public offering warrants were initially recognized as liabilities and measured at fair value using the Black-Scholes valuation model. For the three months ended **June 30, 2024** **September 30, 2024** and 2023, the Company recognized **a loss** **gains** of **\$5.8** **6.8** million and **a gain** of **\$8.2** **7.5** million, respectively, and for the **six** **nine** months ended **June 30, 2024** **September 30, 2024** and 2023, recognized a gain of **\$3.8** **10.6** million and a loss of **\$13.5** **6.0** million, respectively, on the warrant liabilities fair value adjustment. As of **June 30, 2024** **September 30, 2024** and December 31, 2023, the fair value of the warrant liabilities was **\$18.0** **11.2** million and \$21.8 million, respectively.

## **9. Stock-based Compensation**

Pursuant to the terms of the Company's 2014 Equity Incentive Plan ("2014 Plan"), on January 1, 2024 and 2023, the Company automatically added 1,916,962 and 1,901,960 shares to the total number shares of common stock available for future issuance under the 2014 Plan, respectively.

#### *2024 Equity Incentive Plan*

In April 2024, the Company's board of directors adopted the 2024 Equity Incentive Plan ("2024 Plan"), which was subsequently approved by the Company's stockholders and became effective on June 19, 2024. The 2024 Plan is the successor to the 2014 Plan. The 2014 Plan terminated on February 11, 2024 and no new grants may be made under the 2014 Plan after that date, although all outstanding awards granted under the 2014 Plan will continue to be subject to the terms and conditions as set forth in the agreements evidencing such awards and the terms of the 2014 Plan. The purpose of the 2024 Plan is to allow the Company to utilize equity incentives in order to secure and retain the services of the Company's employees, directors, and consultants, and to provide long-term incentives that align the interests of the Company's employees, directors, and consultants with the interests of the Company's stockholders.

The aggregate number of shares of the Company's common stock that may be issued under the 2024 Plan will not exceed the sum of (i) 6,150,000 new shares, plus (ii) certain shares subject to outstanding awards granted under the 2014 Plan that may become available for grant under the 2024 Plan as such shares become available from time to time. As of **June 30, 2024** **September 30, 2024**, there were **5,874,196** **5,856,918** shares of common stock available for future issuance under the 2024 Plan.

As of **June 30, 2024** **September 30, 2024**, there were 637,050 shares of common stock available for future issuance under the Company's 2015 Inducement Award Plan ("2015 Plan"). During both the **six nine** months ended **June 30, 2024** **September 30, 2024** and 2023, there were options to purchase zero shares of the Company's common stock granted under the 2015 Plan.

The activity for the Company's 2024 Plan, 2014 Plan, and 2015 Plan, for the **six nine** months ended **June 30, 2024** **September 30, 2024**, is summarized as follows:

	Weighted-Average				Weighted-Average			
	Number of Shares	Weighted-Average Exercise Price	Remaining Contractual Life (in years)	Aggregate Intrinsic Value (\$000)	Number of Shares	Weighted-Average Exercise Price	Remaining Contractual Life (in years)	Aggregate Intrinsic Value (\$000)
Outstanding — December 31, 2023	1,867,795	\$ 10.72	6.10	\$ 184	1,867,795	\$ 10.72	6.10	\$ 184
Granted	1,000,060	\$ 1.86			1,070,060	\$ 1.84		
Forfeited/Cancelled	(25,047)	\$ 36.36			(25,548)	\$ 36.35		
Outstanding — June 30, 2024	2,842,808	\$ 7.38	7.04	\$ 254				
Exercisable — June 30, 2024	1,545,764	\$ 11.78	5.22	\$ 59				
Vested or expected to vest — June 30, 2024	2,842,808	\$ 7.38	7.04	\$ 254				
Outstanding — September 30, 2024	2,912,307	\$ 7.23	6.86	\$ 1				
Exercisable — September 30, 2024	1,649,450	\$ 11.20	5.17	\$ —				
Vested or expected to vest — September 30, 2024	2,912,307	\$ 7.23	6.86	\$ 1				

Restricted stock unit ("RSU") activity under the 2024 Plan, 2014 Plan, and 2015 Plan for the **six nine** months ended **June 30, 2024** **September 30, 2024**, is summarized as follows:

	Number of Shares	Weighted Average Grant Date Fair Value Per Share	Number of Shares	Weighted Average Grant Date Fair Value Per Share
Non-vested at December 31, 2023	1,886,374	\$ 2.28	1,886,374	\$ 2.28
Granted	2,015,940	\$ 1.88	2,025,940	\$ 1.88
Vested	(629,849)	\$ 3.00	(689,849)	\$ 2.92
Forfeited	(9,120)	\$ 2.15	(71,341)	\$ 1.70
Non-vested at June 30, 2024	3,263,345	\$ 1.89		
Non-vested at September 30, 2024	3,151,124	\$ 1.89		

The fair value of RSUs is based on the market price of the Company's common stock on the date of grant. RSUs generally vest 33% annually over a three-year period from the date of grant. Upon vesting, the RSUs generally are net share settled to cover the required withholding tax with the remaining shares issued to the holder. The Company recognizes compensation expense for such awards ratably over the corresponding vesting period.

#### Compensation Cost



The compensation cost that has been charged against income for stock awards was \$0.8 0.9 million and \$0.7 0.6 million for the three months ended June 30, 2024 September 30, 2024 and 2023, and was \$1.5 2.4 million and \$1.4 2.1 million for the six nine months ended June 30, 2024 September 30, 2024 and 2023, respectively. The total income tax benefit recognized in the statements of operations for share-based compensation arrangements was zero for each of the three and six nine months ended June 30, 2024 September 30, 2024 and 2023.

Stock-based compensation expense related to stock options is included in the following line items in the accompanying unaudited condensed consolidated statements of operations (in thousands):

	Three Months Ended		Six Months Ended		Three Months Ended		Nine Months Ended	
	June 30,		June 30,		September 30,		September 30,	
	2024	2023	2024	2023	2024	2023	2024	2023
Research and development	\$ 216	\$ 301	\$ 411	\$ 675	\$ 311	\$ 152	\$ 722	\$ 827
Selling, general and administrative	543	427	1,053	760	590	480	1,643	1,240
Total	\$ 759	\$ 728	\$ 1,464	\$ 1,435	\$ 901	\$ 632	\$ 2,365	\$ 2,067

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### 10. Fair Value Measurements

The carrying amounts of certain financial instruments, including cash and cash equivalents, restricted cash, investments, accounts receivable, prepaid expenses and other current assets, accounts payable, and accrued expenses approximate their respective fair values due to the short-term nature of such instruments.

#### *Assets and Liabilities Measured at Fair Value on a Recurring Basis*

The Company evaluates its financial assets and liabilities subject to fair value measurements on a recurring basis to determine the appropriate level in which to classify them for each reporting period. This determination requires significant judgments to be made. The following table summarizes the conclusions reached as of June 30, 2024 September 30, 2024 and December 31, 2023 for financial instruments measured at fair value on a recurring basis (in thousands):

	Fair Value Hierarchy Classification				Fair Value Hierarchy Classification			
	Quoted Prices in Active Markets for Identical Assets Balance	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)		Quoted Prices in Active Markets for Identical Assets Balance	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
June 30, 2024								
September 30, 2024								
Cash	\$ 1,364	\$ 1,364	—	—	\$ 10,631	\$ 10,631	—	—

Restricted cash	543	543	—	—	544	544	—	—
Money market funds	24,630	24,630	—	—	18,099	18,099	—	—
Total assets	<u>\$ 26,537</u>	<u>\$ 26,537</u>	<u>—</u>	<u>—</u>	<u>\$ 29,274</u>	<u>\$ 29,274</u>	<u>—</u>	<u>—</u>
Warrant liabilities	\$ 17,962	—	—	\$ 17,962	\$ 11,212	—	—	\$ 11,212
Total liabilities	<u>\$ 17,962</u>	<u>—</u>	<u>—</u>	<u>\$ 17,962</u>	<u>\$ 11,212</u>	<u>—</u>	<u>—</u>	<u>\$ 11,212</u>
December 31, 2023								
Cash	\$ 767	\$ 767	—	—	\$ 767	\$ 767	—	—
Restricted cash	543	543	—	—	543	543	—	—
Money market funds	33,283	33,283	—	—	33,283	33,283	—	—
Total assets	<u>\$ 34,593</u>	<u>\$ 34,593</u>	<u>—</u>	<u>—</u>	<u>\$ 34,593</u>	<u>\$ 34,593</u>	<u>—</u>	<u>—</u>
Warrant liabilities	\$ 21,810	—	—	\$ 21,810	\$ 21,810	—	—	\$ 21,810
Derivative liability	196	—	—	196	196	—	—	196
Total liabilities	<u>\$ 22,006</u>	<u>—</u>	<u>—</u>	<u>\$ 22,006</u>	<u>\$ 22,006</u>	<u>—</u>	<u>—</u>	<u>\$ 22,006</u>

The Company measures cash equivalents at fair value on a recurring basis. The fair value of cash equivalents is determined based on "Level 1" inputs, which consist of quoted prices in active markets for identical assets. As of **June 30, 2024** **September 30, 2024**, the cash and cash equivalents of **\$26.0** **28.7** million and the restricted cash balances of \$0.4 million and **\$0.2** **0.1** million within short and long term on the unaudited condensed consolidated balance sheet, respectively, sum to the total of **\$26.5** **29.3** million as shown in the unaudited condensed consolidated statement of cash flows.

Level 3 financial liabilities consist of the warrant liabilities for which there is no current market such that the determination of fair value requires significant judgment or estimation. Changes in fair value measurements categorized within Level 3 of the fair value hierarchy are analyzed each period based on changes in estimates or assumptions and recorded as appropriate. The Company uses the Black-Scholes option valuation model to value the Level 3 warrant liabilities at inception and on subsequent valuation dates. This model incorporates transaction details such as the Company's stock price, contractual terms, maturity, risk free rates, as well as volatility. The unobservable input for all of the Level 3 warrant liabilities includes volatility. The historical and implied volatility of the Company, using its closing common stock prices and market data, is utilized to reflect future volatility over the expected term of the warrants. At **June 30, 2024** **September 30, 2024**, the Level 3 volatility utilized in the Black-Scholes model to fair value the warrant liability was **86.6** **84.2%**. At December 31, 2023, the range and weighted average of the Level 3 volatilities utilized in the Black-Scholes model to fair value the warrant liabilities were 87.2% to 91.0% and 87.2%, respectively.

The Company uses the binomial lattice valuation model to value the Level 3 derivative liabilities at inception and on subsequent valuation dates. This model incorporates transaction details such as the Company's stock price, contractual terms, dividend yield, risk-free rate, adjusted equity volatility, credit rating, market credit spread, and estimated effective yield. The unobservable inputs associated with the Level 3 derivative liabilities are adjusted equity volatility, market credit spread, and **estimated yield**. As of **June 30, 2024**, these inputs were **71.8%**, **1,477 basis points**, and **20.0%**, respectively. The senior

estimated yield. As of December 31, 2023, these inputs were 99.6%, 1,159 basis points, and 16.3%, respectively. The senior convertible notes are initially fair valued using the binomial lattice model and with the straight debt fair value calculated using the discounted cash flow method. The residual difference represents the fair value of the embedded derivative liabilities and the fair value of the embedded derivative liabilities are reassessed using the binomial lattice valuation model on a quarterly basis.

A reconciliation of the beginning and ending balances for liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3) is as follows (in thousands):

	Warrant Liabilities		Warrant Liabilities	
Balance – December 31, 2023	\$	21,810	\$	21,810
Gain adjustment to fair value		(3,848)		(10,598)
Balance – June 30, 2024	\$	17,962		
Balance – September 30, 2024	\$	11,212		
	Derivative Liability		Derivative Liability	
Balance – December 31, 2023	\$	196	\$	196
Gain adjustment to fair value		(196)		(196)
Balance – June 30, 2024	\$	—		
Balance – September 30, 2024	\$	—		

## 11. Revenue

### Product (Loss) Revenue, Net

Net product (loss) revenue was zero and \$(0.50.6) million for the three months ended June 30, 2024 September 30, 2024 and 2023, respectively, and zero and \$1.61.0 million for the six nine months ended June 30, 2024 September 30, 2024 and 2023, respectively. Products are sold primarily to wholesalers and specialty pharmacies. Revenue is reduced from wholesaler list price at the time of recognition for expected chargebacks, rebates, discounts, incentives, and returns, which are referred to as gross to net (“GTN”) adjustments. These reductions are currently attributed to various commercial arrangements. Chargebacks and discounts are recognized as a reduction in accounts receivable or as accrued expenses based on their nature and settled through the issuance of credits to the customer or through cash payments to the customer, respectively. All other returns, rebates, and incentives are reflected as accrued expenses and settled through cash payments to the customer. Revenue attributed to sales to three wholesalers comprised 46 44%, 26%, and 25 28% of the Company's gross revenue for the six nine months ended June 30, 2023 September 30, 2023.

The following table summarizes activity in each of the Company's product revenue provision and allowance categories as of June 30, 2024 September 30, 2024 and 2023 (in thousands):

	Product					Rebates				
	Discounts and Chargebacks (1)	Returns (2)	Rebates and Incentives (3)	Product Recall (4)	Total	Discounts and Chargebacks (1)	Product Returns (2)	and Incentives (3)	Product Recall (4)	Total
Balance as of December 31, 2023	\$ —	\$ 36	\$ 89	\$ 1,932	\$ 2,057	\$ —	\$ 36	\$ 89	\$ 1,932	\$ 2,057
Provision related to current period revenue	—	—	—	—	—	—	—	—	—	—
Changes in estimate related to prior period revenue	—	51	(26)	—	25	—	51	(26)	—	25

Credit/payments	—	—	(39)	(550)	(589)	—	—	(52)	(596)	(648)
Balance as of June 30, 2024	\$ —	\$ 87	\$ 24	\$ 1,382	\$ 1,493					
Balance as of September 30, 2024	\$ —	\$ 87	\$ 11	\$ 1,336	\$ 1,434					
						Rebates				
	Discounts and Chargebacks (1)	Product Returns (2)	Rebates and Incentives (3)	Product Recall (4)	Total	Discounts and Chargebacks (1)	Product Returns (2)	Rebates and Incentives (3)	Product Recall (4)	Total
Balance as of December 31, 2022	\$ 255	\$ 73	\$ 1,213	\$ —	\$ 1,541	\$ 255	\$ 73	\$ 1,213	\$ —	\$ 1,541
Provision related to current period revenue	773	316	2,054	—	3,143	1,303	316	1,979	3,464	7,062
Changes in estimate related to prior period revenue	—	693	—	—	693	(30)	660	(766)	85	(51)
Credit/payments	(708)	(74)	(1,347)	—	(2,129)	(1,280)	(384)	(2,143)	—	(3,807)
Balance as of June 30, 2023	\$ 320	\$ 1,008	\$ 1,920	\$ —	\$ 3,248					
Balance as of September 30, 2023	\$ 248	\$ 665	\$ 283	\$ 3,549	\$ 4,745					

(1) Discounts and chargebacks include fees for wholesaler fees, prompt pay and other discounts, and chargebacks. Discounts and chargebacks are deducted from gross revenue at the time revenues are recognized and are included as a reduction in accounts receivable or as an accrued expense based on their nature on the Company's unaudited condensed consolidated balance sheet.

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- (2) Provisions for product returns are deducted from gross revenues at the time revenues are recognized and are included in accrued expenses on the Company's unaudited condensed consolidated balance sheet.
- (3) Rebates and incentives include rebates and co-pay program incentives. Provisions for rebates and incentives are deducted from gross revenues at the time revenues are recognized and are included in accrued expenses on the Company's unaudited condensed consolidated balance sheets.
- (4) Provisions for product recall are deducted from gross revenues to the extent of revenue recorded related to the recalled product and are included in accrued expenses on the Company's unaudited condensed consolidated balance sheet.

### *License Agreement with GSK*

On March 30, 2023, the Company entered into the GSK License Agreement. Pursuant to the terms of the GSK License Agreement, the Company granted GSK an exclusive (even as to the Company and its affiliates), royalty-bearing, sublicensable license for the development, manufacture, and commercialization of ibrexafungerp, including the approved product BREXAFEMME, for all indications, in all countries other than Greater China and certain other countries already licensed to third parties (the "GSK Territory"). If the existing licenses granted to or agreements with

third parties are terminated with respect to any country, GSK will have an exclusive first right to negotiate with the Company to add those additional countries to the GSK Territory. The parties closed the transactions contemplated by the GSK License Agreement in May 2023.

As previously disclosed, the Company became aware that a non-antibacterial beta-lactam drug substance was manufactured using equipment common to the manufacturing process for ibrexafungerp. Current FDA draft guidance recommends segregating the manufacture of non-antibacterial beta-lactam compounds from other compounds since beta-lactam compounds have the potential to act as sensitizing agents that may trigger hypersensitivity or an allergic reaction in some people. In the absence of the recommended segregation, there is a risk of cross contamination. It is not known whether any ibrexafungerp has been contaminated with a beta-lactam compound. Nonetheless, in light of this risk and out of an abundance of caution, BREXAFEMME (ibrexafungerp tablets) was recalled from the market and clinical studies of ibrexafungerp were placed on temporary hold.

On December 26, 2023, the Company and GSK entered into a binding memorandum of understanding ("Binding MOU") for amendment to the GSK License Agreement. The GSK License Agreement was amended in connection with the delay in the commercialization of BREXAFEMME and further clinical development of ibrexafungerp associated with this event. Under the terms of the updated GSK License Agreement, as amended by Binding MOU, the Company is now eligible to receive potential:

- regulatory approval milestone payments of up to \$49 million (revised from up to \$70 million as provided in the GSK License Agreement);
- commercial milestone payments of up to \$57.5 million based on first commercial sale in invasive candidiasis (U.S./EU) (revised from up to \$115 million as provided in the GSK License Agreement); and
- and sales milestone payments of up to \$179.5 / \$169.75 / \$145.5 million (depending on the date of GSK's relaunch of BREXAFEMME in the U.S.) (revised from up to \$242.5 million as provided in the GSK License Agreement).

These milestones are based on annual net sales in the GSK Territory, with a total of \$64 / \$54.25 / \$46.5 million to be paid upon achievement of multiple sales thresholds up through \$200 million; a total of \$45.5 / \$45.5 / \$39 million to be paid upon achievement of multiple sales thresholds between \$300 million and \$500 million; and \$35 / \$35 / \$30 million to be paid at each sales threshold of \$750 million and \$1 billion.

The Company will continue to be responsible for the execution and costs of the ongoing clinical studies of ibrexafungerp but will have the potential to receive up to \$72.35 million in development milestones (revised from up to \$75.5 million as provided in the GSK License Agreement), which comprise: \$25 million already paid; \$10 million **already paid** for the delivery to GSK of final clinical study reports for the completed FURI, CARES, and NATURE clinical studies; up to \$30 million for the achievement of two interim milestones associated with the Company's resumption and continued performance of the MARIO Study after the clinical hold is lifted; and \$7.35 million for the successful completion of the MARIO Study. In the case of each of the above milestones, such milestone events are defined in the GSK License Agreement, as amended by the Binding MOU. **In July 2024, the Company delivered to GSK the final clinical study reports for the completed FURI, CARES, and NATURE clinical studies and the Company expects to collect the \$10.0 million development milestone in the third quarter of 2024.** GSK will also pay royalties based on cumulative annual sales to us in the mid-single digit to mid-teen range. The royalty terms are not amended by the Binding MOU.

The Company evaluated the GSK License Agreement in accordance with ASC 606 as it includes a customer-vendor relationship as defined under ASC 606 and meets the criteria to be considered a contract. The Company assessed the terms of the GSK License Agreement and identified the following performance obligations which include: (1) the license for the development, manufacture, and commercialization of ibrexafungerp, including the approved product BREXAFEMME, in the

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GSK Territory, (2) the research and development activities for the MARIO study, and (3) performance obligations for the remaining research and development activities for the ongoing clinical and preclinical studies of ibrexafungerp. **The As of June 30, 2023, the Company provided all necessary information to GSK for it to benefit from the license under the license term in 2023 when term.**

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Accordingly, for the nine months ended September 30, 2023, the Company transferred recognized \$130.1 million in license revenue at a point in time upon the license transfer of the license to GSK and completion of the initial technology transfer.

As of June 30, 2024 September 30, 2024 and December 31, 2023, the Company maintains a contract asset of \$19.5 million contract asset and \$19.3 million, respectively, which is associated with the success-based milestones associated with the ongoing clinical studies of ibrexafungerp. In July 2024, the Company delivered to GSK the final clinical study reports for the completed FURI, CARES, and NATURE clinical studies, and the Company billed and received a \$10.0 million development milestone from GSK in the third quarter of 2024. The Company believes that the remaining \$19.5 million contract asset as of September 30, 2024 is collectible given the Company's probability assessment of achieving the milestones milestone as defined in the GSK License Agreement, ongoing development activities, and other information available to the Company. The Company reassessed the transaction price as of June 30, 2024 September 30, 2024, including estimated variable consideration included in the transaction price and the remaining milestones continued to be constrained.

The Company recognizes the revenue associated with the MARIO study and the remaining ongoing clinical and preclinical studies of ibrexafungerp over time using an input method. The input method is based on the actual costs incurred as a percentage of total budgeted costs towards satisfying the performance obligation as this method provides the most faithful depiction of the Company's performance in transferring control of the services promised to GSK and represents the Company's best estimate of the period of the obligation. As of June 30, 2023, the Company provided all necessary information to GSK for it to benefit from the license under the license term. Accordingly, for the three months and six months ended June 30, 2023, the Company recognized \$130.1 million in license revenue at a point in time upon the transfer of the license to GSK and completion of the initial technology transfer.

For the three months ended June 30, 2024 September 30, 2024 and 2023, the Company recognized \$0.7 million and \$131.0 million of license agreement revenue, respectively, and for the six nine months ended June 30, 2024 September 30, 2024 and 2023, the Company recognized \$2.1 million and \$131.0 million, respectively. As of June 30, 2024 September 30, 2024, there is \$1.2 million and \$1.8 million of current and long-term deferred revenue, respectively, which is expected to be recognized by the end of 2025.

#### *License Agreement with Hansoh*

In February 2021, the Company entered into an Exclusive License and Collaboration Agreement (the "Hansoh Agreement") with Hansoh (Shanghai) Health Technology Co., Ltd., and Jiangsu Hansoh Pharmaceutical Group Company Limited (collectively, "Hansoh"), pursuant to which the Company granted to Hansoh an exclusive license to research, develop and commercialize ibrexafungerp in the Greater China region, including mainland China, Hong Kong, Macau, and Taiwan (the "Territory"). The Company also granted to Hansoh a non-exclusive license to manufacture ibrexafungerp solely for development and commercialization in the Territory. For the three and six nine months ended June 30, 2024 September 30, 2024 and 2023, there was no license agreement revenue recognized associated with the Hansoh Agreement given the variable consideration was fully constrained as of June 30, 2024 September 30, 2024 and 2023, respectively.

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## Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Operating results for the three and **six nine** months ended **June 30, 2024** **September 30, 2024**, are not necessarily indicative of results that may occur in future interim periods or future fiscal years. Some of the statements in this "Management's Discussion and Analysis of Financial Condition and Results of Operations" are forward-looking statements. These forward-looking statements are based on management's beliefs and assumptions and on information currently available to our management and involve significant elements of subjective judgment and analysis. Words such as "expects," "will," "anticipate," "target," "goal," "intend," "plan," "seek," "estimate," "potential," "should," "could," variations of such words, and similar expressions are intended to identify forward-looking statements. Our actual results and the timing of events may differ significantly from the results discussed in the forward-looking statements. Factors that might cause such a difference include those discussed under the heading "Risk Factors" in Item 1A of Part I of our Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 28, 2024, and in Part II, Item 1A of this Quarterly Report on Form 10-Q. These and many other factors could affect our future financial and operating results. We undertake no obligation to update any forward-looking statement to reflect events after the date of this Quarterly Report on Form 10-Q. In addition, statements that "we believe" and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based on information available to us as of the date of this Quarterly Report on Form 10-Q. While we believe that information provides a reasonable basis for these statements, that information may be limited or incomplete. Our statements should not be read to indicate that we have conducted an exhaustive inquiry into or review of, all relevant information. These statements are inherently uncertain and investors are cautioned not to unduly rely on these statements.

### Overview

SCYNEXIS, Inc. is pioneering innovative medicines to overcome and prevent difficult-to-treat and drug-resistant infections. We are developing our proprietary antifungal platform "fungerp", a novel class of antifungal agents called triterpenoids, that are a structurally distinct glucan synthase inhibitors and have generally shown *in vitro* and *in vivo* activity against a broad range of human fungal pathogens such as *Candida* and *Aspergillus* genera, including multidrug-resistant strains, as well as *Pneumocystis*, *Coccidioides*, *Histoplasma* and *Blastomyces* genera and *in vivo* activity against most common mucorales species.

Ibrexafungerp is the first representative of this novel class of antifungals. In June 2021 and December 2022, we announced that the United States (U.S.) Food and Drug Administration (FDA) approved BREXAFEMME (ibrexafungerp tablets) for treatment of patients with vulvovaginal candidiasis (VVC), also known as vaginal yeast infection, and for the reduction in the incidence of recurrent vulvovaginal candidiasis (RVVC), respectively. Oral ibrexafungerp is also under development for other systemic fungal diseases. SCY-247, a second-generation antifungal compound from this novel class, is in preclinical development stage. We anticipate initiating a Phase 1 study for SCY-247 in the fourth quarter of 2024.

The FDA has granted Qualified Infectious Disease Product (QIDP) and Fast Track designations to ibrexafungerp for the indications of VVC (including the prevention of recurrent VVC), invasive candidiasis (IC) (including candidemia), and invasive aspergillosis (IA), and has granted Orphan Drug designations for the IC and IA indications. The European Medicines Agency has granted Orphan Medicinal Product designation to ibrexafungerp for IC. We anticipate that the FDA may grant QIDP and Fast Track designations for the IV and oral formulations of SCY-247. These designations may provide us with additional market exclusivity and expedited regulatory paths.

In March 2023, we entered into a license agreement (the GSK License Agreement) with GlaxoSmithKline Intellectual Property (No. 3) Limited (GSK) in which we granted GSK an exclusive (even as to us and our affiliates), royalty-bearing, sublicensable license for the development and commercialization of ibrexafungerp, including the approved product BREXAFEMME, for all indications, in all countries other than Greater China and certain other countries already licensed to third parties. In July 2024, we delivered to GSK the final clinical study reports for the completed FURI, CARES, and NATURE clinical studies and we **expect to collect** **received** a \$10.0 million development milestone in the third quarter of 2024. As of **June 30, 2024** **September 30, 2024**, we have received **\$115.0 million** **\$125.0 million** in upfront and development milestones under the GSK License Agreement. See further details of the GSK License Agreement, including financial terms, as described in Note 11 of Item 1 on this Quarterly Report on Form 10-Q.

### Product Recall and Clinical Hold

Following a review by GSK of the manufacturing process and equipment at the vendor that manufactures the ibrexafungerp drug substance, we became aware that a non-antibacterial beta-lactam drug substance was manufactured using equipment common to the manufacturing process for



ibrexafungerp. Current FDA draft guidance recommends segregating the manufacture of non-antibacterial beta-lactam compounds from other compounds since beta-lactam compounds have the potential to act as sensitizing agents that may trigger hypersensitivity or an allergic reaction in some people. In the absence of the recommended segregation, there is a risk of cross contamination. It is not known whether any ibrexafungerp has been

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contaminated with a beta-lactam compound and we have not received any reports of adverse events due to the possible

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beta-lactam cross contamination. Nonetheless, out of an abundance of caution and in line with GSK's recommendation, we have recalled BREXAFEMME (ibrexafungerp tablets) from the market and placed a temporary hold on clinical studies of ibrexafungerp, including the Phase 3 MARIO study.

The patient-level and clinical product recall is ongoing and we are working with an experienced vendor to manage the process. In September 2023, after we announced our voluntary clinical hold, the FDA concurred with our voluntary hold and placed a clinical hold. We are working with the FDA to discuss paths for resolution of this issue. The clinical hold and recall affected two ongoing clinical studies: the Phase 3 MARIO study and a Phase 1 lactation study. The clinical hold does not impact the completed FURI, CARES, VANQUISH and SCYNERGIA clinical studies. The NATURE study, which is an observational study in patients with IC treated with standard of care antifungals (not ibrexafungerp), is also not affected by this hold. The FDA determined that the compassionate use program for ibrexafungerp, which provides ibrexafungerp to patients with limited or no other treatment options, can continue provided the patient's treating physician concludes a favorable benefit-risk assessment and the patient is made aware of and consents to the risk. This applies to patients currently in the program as well as for new patients, pending confirmation of available supply. Our preclinical stage compound, SCY-247, is not affected by these developments.

In response to the hold on clinical studies of ibrexafungerp by the FDA due to possible beta-lactam cross contamination, we have entered into certain new manufacturing agreements with third-party contract manufacturers to begin producing new batches of ibrexafungerp which we believe will allow us to lift the clinical hold and restart our impacted clinical studies, the Phase 3 MARIO study and a Phase 1 lactation study. **We are working on the resolution of this issue and we anticipate the restart of the MARIO study, after FDA's lifting of the clinical hold, in the first quarter of 2025.**

#### **Legal Proceedings**

On November 7, 2023, a securities class action was filed by Brian Feldman against us and certain of our executives in the United States District Court, District of New Jersey, alleging that, during the period from March 31, 2023 to September 22, 2023, we made materially false and/or misleading statements, as well as failed to disclose material adverse facts about our business, operations, and prospects, alleging specifically that we failed to disclose to investors: (1) that the equipment used to manufacture ibrexafungerp was also used to manufacture a non-antibacterial beta-lactam drug substance, presenting a risk of cross-contamination; (2) that we did not have effective internal controls and procedures, as well as adequate internal oversight policies to ensure that its vendor complied with current Good Manufacturing Practices (cGMP); (3) that, due to the substantial risk of cross-



contamination, we were reasonably likely to recall its ibrexafungerp tablets and halt its clinical studies; and (4) as a result of the foregoing, our statements about our business, operations, and prospects were materially misleading and/or lacked a reasonable basis. The complaint seeks unspecified damages, interest, fees and costs on behalf of all persons and entities who purchased and/or acquired shares of our common stock between March 31, 2023 to September 22, 2023. On May 1, 2024, and again on June 4, 2024, purported shareholder derivative complaints were filed in the United States District Court, District of New Jersey. The complaints name our directors and certain of our officers and assert state and federal claims based on the same alleged misstatements as the securities class action complaint. We disagree with the allegations and intend to defend these litigations vigorously.

### Repaid Loan Agreement

We, Hercules Capital, Inc. (Hercules Capital) and Silicon Valley Bridge Bank, N.A. (now a division of First Citizens Bank, SVB) were parties to a Loan and Security Agreement dated as of May 13, 2021 (the Loan Agreement), pursuant to which Hercules Capital, SVB and each of the other lenders from time-to-time party to the Loan Agreement (collectively, the Lenders) loaned to us \$35 million. In connection with the entering into of the License Agreement, we entered into a First Amendment and Consent to Loan and Security Agreement with the Lenders pursuant to which the Lenders consented to us entering into the License Agreement and we agreed to pay to the Lenders an amount equal to the sum of (i) all outstanding principal plus all accrued and unpaid interest with respect to the amounts loaned under the Loan Agreement (approximately \$35.4 million), (ii) the prepayment fee payable under Loan Agreement (\$262,500), (iii) the final payment payable under Loan Agreement (\$1,382,500), and (iv) all other sums, if any, that shall have become due and payable with respect to loan advances under the Loan Agreement. These payments became due upon the earliest of (A) one business day following receipt by us of the \$90 million upfront payment payable to us under the License Agreement, (B) June 1, 2023, or (C) the termination of the License Agreement.

Following the closing of the transactions under the **GSK** License Agreement, in May 2023, we received the upfront payment pursuant to the terms of the **GSK** License Agreement, which triggered the obligation of us to repay the amounts due under the terms of the First Amendment. In connection with the repayment of those amounts due, in May 2023, we and the Lenders executed a payoff letter confirming the amounts due under the First Amendment, and our confirmation that the Loan Agreement, as amended by the First Amendment, was terminated.

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### Liquidity

We have operated as a public entity since we completed our initial public offering in May 2014, which we refer to as our IPO. We also completed a follow-on public offering of our common stock in April 2015 and public offerings of our common stock and warrants in June 2016, March 2018, December 2019, December 2020, and April 2022. Our principal source of liquidity is cash, cash equivalents, and investments which totaled **\$83.7 million** **\$84.9 million** as of **June 30, 2024** **September 30, 2024**.

As of **June 30, 2024** **September 30, 2024**, our accumulated deficit was **\$369.3 million** **\$372.1 million**. We expect we will continue to incur significant research and development expense as we continue to execute our research and drug development strategy. Consistent with our operating plan, we also expect that we will continue to incur significant selling, general and administrative expenses to support our public reporting company operations and ongoing operations. As a result, we will need additional capital to fund our operations, which we may obtain through one or more of equity offerings, debt financings, other non-dilutive third-party funding (e.g., grants), strategic alliances and licensing or collaboration arrangements. We may offer shares of our common stock pursuant to our effective shelf registration statements.

### Collaborations and Licensing Agreements

We are party to a number of licensing and collaboration agreements with partners in human health, including: (1) GSK, a pharmaceutical company, which we exclusively (even as to us and our affiliates) provide a, royalty-bearing, sublicensable license for the development, manufacture, and commercialization of ibrexafungerp, including the approved product BREXAFEMME, for all indications, in the GSK Territory; (2) Merck, a pharmaceutical company, under which we exclusively licensed the rights to ibrexafungerp in the field of human health, and agreed to pay Merck milestones upon the occurrence of specified events as well as tiered royalties based on worldwide sales of ibrexafungerp when and if it is approved (in 2014, Merck assigned to us the patents related to ibrexafungerp that it had exclusively licensed to us and, as contemplated by the agreement, we will continue to pay milestones and royalties); (3) Hansoh, a pharmaceutical company, which we exclusively provide a license from us to research, develop and commercialize ibrexafungerp in the Greater China region, including mainland China, Hong Kong, Macau, and Taiwan, under which we are entitled to receive development and commercial milestones and royalties; (4) R-Pharm, CJSC, or "R-Pharm," a leading supplier of hospital drugs in Russia, granting it exclusive rights in the field of human health to develop and commercialize ibrexafungerp in Russia and several non-core markets, under which we are entitled to receive potential milestones and royalties and reimbursement for certain development costs incurred by us (this agreement is not material to our unaudited condensed consolidated balance sheets, statements of operations, or statements of cash flows); (5) Waterstone, an international pharmaceutical business, granting Waterstone exclusive worldwide rights to development and commercialization of SCY-635 for the treatment of viral diseases in humans, under which we are entitled to receive potential milestones and royalties; and (6) Cypralis Limited, or "Cypralis," a life sciences company, transferring to it certain cyclophilin inhibitor assets of ours, under which we are eligible to receive milestone payments upon the successful progression of certain Cypralis clinical candidates into later stage clinical studies and royalties payable upon product commercialization.

## Components of Operating Results

### Revenue

Revenue consists of license agreement revenue associated with GSK and product sales of BREXAFEMME. For the three and six nine months ended June 30, 2023 September 30, 2023, our product (loss) revenue, net comprised of sales of BREXAFEMME that we sold as principal given we control BREXAFEMME product until delivery to our wholesalers at which point control is transferred.

### Cost of Product Revenue

Cost of product revenue consists primarily of distribution, freight expenses, royalties due to Merck, and other manufacturing costs associated with BREXAFEMME.

### Research and Development Expense

Research and development expense consists of expenses incurred while performing research and development activities to discover, develop, or improve potential product candidates we seek to develop. This includes conducting preclinical studies and clinical trials, manufacturing and other development efforts, and activities related to regulatory filings for product candidates. We recognize research and development expenses as they are incurred. Our research and development expense primarily consists of:

- costs related to executing preclinical and clinical trials, including development milestones, drug formulation, manufacturing and other development;
- salaries and personnel-related costs, including benefits and any stock-based compensation, for personnel in research and development functions;

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- fees paid to consultants and other third parties who support our product candidate development and intellectual property protection;

- medical affairs related expense and salary that is incurred to discover, develop, or improve potential product candidates;
- other costs in seeking regulatory approval of our products; and
- allocated overhead.

Ibrexafungerp and SCY-247 were the only key research and development project during the periods presented. We expect to continue to incur significant research and development expense for the foreseeable future as we continue our effort to develop ibrexafungerp and SCY-247, and to potentially develop our other product candidates, subject to the availability of additional funding.

The successful development of product candidates is highly uncertain. At this time, we cannot reasonably estimate the nature, timing or costs required to complete the remaining development of any product candidates. This is due to the numerous risks and uncertainties associated with the development of product candidates.

#### *Selling, General and Administrative Expense*

Selling, general and administrative expense consists primarily of salaries and personnel-related costs, including employee benefits and any stock-based compensation. This includes personnel in executive, finance, human resources, business development, medical affairs, marketing and commercial, and administrative support functions. Other expenses include facility-related costs not otherwise allocated to research and development expense, professional fees for accounting, auditing, tax and legal services, consulting costs for general and administrative purposes, information systems and marketing efforts.

#### *Other Expense (Income)*

All of our other expense (income) recognized in the three and six nine months ended June 30, 2024 September 30, 2024 and 2023, consists of amortization of debt issuance costs and discount, interest income, interest expense, the warrant liabilities fair value adjustment, and the derivative liabilities fair value adjustment.

#### *Income Tax (Benefit) Expense*

For the six three and nine months ended June 30, 2024 September 30, 2024, our income tax (benefit) expense recognized consists primarily of an a (benefit) expense for U.S. federal income tax.

#### **Results of Operations for the Three Months Ended June 30, 2024 September 30, 2024 and 2023**

The following table summarizes our results of operations for the three months ended June 30, 2024 September 30, 2024 and 2023, together with the changes in those items in dollars and percentage (dollars in thousands):

	Three Months Ended June 30,				Three Months Ended September 30,			
	2024	2023	Period-to-Period Change		2024	2023	Period-to-Period Change	
Revenue:								
Product revenue, net	\$ —	\$ 468	\$ (468)	(100.0) %				
Product (loss) revenue, net	\$ —	\$ (614)	\$ 614	(100.0) %				
License agreement revenue	736	130,986	(130,250)	(99.4) %	660	2,375	(1,715)	(72.2) %
Total revenue	736	131,454	(130,718)	(99.4) %	660	1,761	(1,101)	(62.5) %
Operating expenses:								
Cost of product revenue	—	426	(426)	(100.0) %	—	379	(379)	(100.0) %
Research and development	6,807	7,040	(233)	(3.3) %	8,073	6,466	1,607	24.9 %
Selling, general and administrative	3,166	7,474	(4,308)	(57.6) %	2,907	5,014	(2,107)	(42.0) %
Total operating expenses	9,973	14,940	(4,967)	(33.2) %	10,980	11,859	(879)	(7.4) %
(Loss) income from operations	(9,237)	116,514	(125,751)	(107.9) %				
Loss from operations	(10,320)	(10,098)	(222)	2.2 %				
Other (income) expense:								
Amortization of debt issuance costs and discount	421	1,998	(1,577)	(78.9) %	441	360	81	22.5 %

Interest income	(1,130)	(737)	(393)	53.3 %	(1,020)	(1,263)	243	(19.2) %
Interest expense	197	1,249	(1,052)	(84.2) %	213	212	1	0.5 %
Warrant liabilities fair value adjustment	5,761	(8,214)	13,975	(170.1) %	(6,751)	(7,468)	717	(9.6) %
Derivative liabilities fair value adjustment	(28)	(42)	14	(33.3) %	—	(182)	182	(100.0) %
Total other expense (income)	5,221	(5,746)	10,967	(190.9) %				
<b>Net (loss) income</b>	<b>\$ (14,458)</b>	<b>\$ 122,260</b>	<b>\$ (136,718)</b>	<b>(111.8) %</b>				
Total other income	(7,117)	(8,341)	1,224	(14.7) %				
<b>Loss before taxes</b>	<b>(3,203)</b>	<b>(1,757)</b>	<b>(1,446)</b>	<b>82.3 %</b>				
Income tax benefit	(395)	—	(395)	— %				
<b>Net loss</b>	<b>\$ (2,808)</b>	<b>\$ (1,757)</b>	<b>\$ (1,051)</b>	<b>59.8 %</b>				

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**Revenue.** For the three months ended June 30, 2024, September 30, 2024 and 2023, revenue primarily consists of the \$0.7 million and \$2.4 million, respectively, in license agreement revenue associated with the GSK License Agreement with GSK. For the three months ended June 30, 2023, revenue primarily consists of the \$130.1 million recognized upon the transfer of the license associated with the License Agreement with GSK in May 2023. Agreement.

**Cost of Product Revenue.** Cost of product revenue for the three months ended June 30, 2023 September 30, 2023 consists primarily of distribution, freight, and royalty costs associated with BREXAFEMME.

**Research and Development.** For the three months ended June 30, 2024 September 30, 2024, research and development expenses decreased increased to \$6.8 million \$8.1 million compared to \$7.0 million \$6.5 million for the three months ended June 30, 2023 September 30, 2023. The decrease increase of \$0.2 million \$1.6 million, or 3% 25%, for the three months ended June 30, 2024 September 30, 2024, was primarily driven by an increase of \$2.2 million in chemistry, manufacturing, and controls (CMC) expense, an increase of \$0.9 million in preclinical expense, and a net increase in other research and development expense of \$0.4 million, offset in part by a decrease of \$1.1 million \$1.6 million in clinical expense and a decrease of \$0.3 million in salaries primarily associated with medical affairs, offset in part by an increase of \$0.7 million in chemistry, manufacturing, and controls (CMC) expense and an increase of \$0.5 million in preclinical expense. affairs.

The \$1.1 million decrease in clinical expense was primarily due to a \$0.5 million decrease in clinical expense for the MARIO study and a \$0.6 million decrease in clinical expense associated with the FURI, CARES, VANQUISH, and SCYNERGIA studies, which were substantially completed in the third quarter of 2023. The \$0.7 million \$2.2 million increase in CMC expense is primarily associated with a \$0.9 million \$2.1 million increase in expense associated with the manufacturing of drug product for SCY-247 and ibrexafungerp. The \$0.5 million \$0.9 million increase in preclinical expense for the three months ended June 30, 2024 was primarily associated with certain preclinical costs associated with the continued development of SCY-247. The \$1.6 million decrease in clinical expense was primarily due to a \$1.4 million decrease in clinical expense for the Phase 3 MARIO study and a \$0.2 million decrease in clinical expense associated with the Phase 1 lactation study.

**Selling, General & Administrative.** For the three months ended June 30, 2024 September 30, 2024, selling, general and administrative expenses decreased to \$3.2 million \$2.9 million from \$7.5 million \$5.0 million for the three months ended June 30, 2023 September 30, 2023. The decrease of \$4.3 million \$2.1 million, or 58% 42%, for the three months ended June 30, 2024 September 30, 2024, was primarily driven by a decrease of \$3.5 million \$1.5 million in professional fees and a decrease of \$0.3 million \$0.5 million in commercial expense due to the costs incurred in the prior

comparable period associated with BREXAFEMME. The \$3.5 million \$1.5 million decrease in professional fees was primarily due to a \$3.1 million \$0.8 million nonrecurring legal expense incurred during in the prior period for business development associated with the GSK License Agreement. period.

*Amortization of Debt Issuance Costs and Discount.* For both the three months ended June 30, 2024 September 30, 2024 and 2023, we recognized \$0.4 million and \$2.0 million in amortization of debt issuance costs and discount, respectively. The decrease of \$1.6 million, or 79%, was primarily driven by the recognition, in the prior period, of \$1.7 million in amortization for the remaining debt issuance costs and discount associated with the Loan Agreement which was fully paid in May 2023. discount. The debt issuance costs and discount for our March 2019 convertible notes primarily consisted of an allocated portion of advisory fees and other issuance costs and the initial fair value of the derivative liability.

*Interest Income.* For the three months ended June 30, 2024 September 30, 2024 and 2023, we recognized \$1.1 million \$1.0 million and \$0.7 million \$1.3 million, respectively, in interest income; the increase was primarily due to the increase in the interest rates income on our money market funds and investments.

*Interest Expense.* For both the three months ended June 30, 2024 September 30, 2024 and 2023, we recognized \$0.2 million and \$1.2 million, respectively. The decrease in interest expense was primarily due to the repayment of the Loan Agreement in May 2023. on our March 2019 convertible notes.

*Warrant Liabilities Fair Value Adjustment.* For the three months ended June 30, 2024 September 30, 2024 and 2023, we recognized a loss gains of \$5.8 million \$6.8 million and a gain of \$8.2 million \$7.5 million, respectively, in the fair value adjustment related to the warrant liabilities primarily due to the increase and decrease in our stock price during the periods, respectively. periods.

*Derivative Liabilities Fair Value Adjustment.* For the three months ended June 30, 2024 and 2023, September 30, 2023, we recognized gains a gain of \$28,000 and \$42,000, respectively, \$0.2 million in the fair value adjustment related to the derivative liabilities liability primarily due to the decreases decrease in our stock price during both the periods. period.

*Income Tax Benefit.* For the three months ended September 30, 2024, we recognized a \$0.4 million income tax benefit for U.S. federal income tax.

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### Results of Operations for the Six Nine Months Ended June 30, 2024 September 30, 2024 and 2023

The following table summarizes our results of operations for the six nine months ended June 30, 2024 September 30, 2024 and 2023, together with the changes in those items in dollars and percentage (dollars in thousands):

	Six Months Ended June 30,				Nine Months Ended September 30,			
	2024	2023	Period-to-Period Change		2024	2023	Period-to-Period Change	
Revenue:								
Product revenue, net	\$ —	\$ 1,598	\$ (1,598)	(100.0) %	\$ —	\$ 984	\$ (984)	(100.0) %
License agreement revenue	2,109	130,986	(128,877)	(98.4) %	2,769	133,360	(130,591)	(97.9) %
Total revenue	2,109	132,584	(130,475)	(98.4) %	2,769	134,344	(131,575)	(97.9) %
Operating expenses:								
Cost of product revenue	—	562	(562)	(100.0) %	—	940	(940)	(100.0) %

Research and development	14,019	13,875	144	1.0 %	22,091	20,342	1,749	8.6 %
Selling, general and administrative	6,835	12,314	(5,479)	(44.5) %	9,742	17,328	(7,586)	(43.8) %
Total operating expenses	20,854	26,751	(5,897)	(22.0) %	31,833	38,610	(6,777)	(17.6) %
(Loss) income from operations	(18,745)	105,833	(124,578)	(117.7) %	(29,064)	95,734	(124,798)	(130.4) %
Other expense (income):								
Amortization of debt issuance costs and discount	822	2,256	(1,434)	(63.6) %	1,262	2,616	(1,354)	(51.8) %
Interest income	(2,402)	(1,325)	(1,077)	81.3 %	(3,422)	(2,590)	(832)	32.1 %
Interest expense	403	2,695	(2,292)	(85.0) %	617	2,908	(2,291)	(78.8) %
Warrant liabilities fair value adjustment	(3,848)	13,459	(17,307)	(128.6) %	(10,598)	5,991	(16,589)	(276.9) %
Derivative liabilities fair value adjustment	(196)	364	(560)	(153.8) %	(196)	182	(378)	(207.7) %
Total other (income) expense	(5,221)	17,449	(22,670)	(129.9) %	(12,337)	9,107	(21,444)	(235.5) %
<b>(Loss) income before taxes</b>	<b>(13,524)</b>	<b>88,384</b>	<b>(101,908)</b>	<b>(115.3) %</b>	<b>(16,727)</b>	<b>86,627</b>	<b>(103,354)</b>	<b>(119.3) %</b>
Income tax expense	523	—	523	— %	128	—	128	— %
<b>Net (loss) income</b>	<b>\$ (14,047)</b>	<b>\$ 88,384</b>	<b>\$ (102,431)</b>	<b>(115.9) %</b>	<b>\$ (16,855)</b>	<b>\$ 86,627</b>	<b>\$ (103,482)</b>	<b>(119.5) %</b>

**Revenue.** For the **six nine** months ended **June 30, 2024** **September 30, 2024**, revenue consists of the **\$2.1 million** **\$2.8 million** in license agreement revenue associated with the **GSK License Agreement with GSK. Agreement**. For the **six nine** months ended **June 30, 2023** **September 30, 2023**, revenue primarily consists of the \$130.1 million recognized upon the transfer of the license associated with the **GSK License Agreement with GSK** in May **2023** and **\$1.6 million** in product sales of **BREXAFEMME. 2023**.

**Cost of Product Revenue.** Cost of product revenue for the **six nine** months ended **June 30, 2023** **September 30, 2023** consists primarily of distribution, freight, and royalty costs associated with **BREXAFEMME**.

**Research and Development.** For the **six nine** months ended **June 30, 2024** **September 30, 2024**, research and development expenses increased to **\$14.0 million** **\$22.1 million** compared to **\$13.9 million** **\$20.3 million** for the **six nine** months ended **June 30, 2023** **September 30, 2023**. The increase of **\$0.1 million** **\$1.7 million**, or **1%** **9%**, for the **six nine** months ended **June 30, 2024** **September 30, 2024**, was primarily driven by an increase of **\$2.2 million** **\$4.4 million** in **chemistry, manufacturing, and controls (CMC) CMC** expense and an increase of **\$0.8 million** **\$1.8 million** in preclinical expense, offset in part by a decrease of **\$1.9 million** **\$3.5 million** in clinical expense and a decrease of **\$0.7 million** **\$1.0 million** in salaries primarily associated with medical **affairs** and a **\$0.3 million** decrease in other research and development expense. **affairs**.

The **\$2.2 million** **\$4.4 million** increase in CMC expense is primarily associated with a **\$1.1 million** **\$1.5 million** expense for drug product purchased in the current period and a **\$1.4 million** **\$2.6 million** increase in expense associated with the manufacturing **costs of drug product** for SCY-247 and ibrexafungerp. The **\$0.8 million** **\$1.8 million** increase in preclinical expense for the three months ended **June 30, 2024** was primarily associated with certain preclinical costs associated with the continued development of SCY-247. The **\$1.9 million** **\$3.5 million** decrease in clinical expense was primarily due to a **\$2.2 million** decrease in clinical expense for the Phase 3 MARIO study, a \$0.8 million decrease in expense associated with a Phase 1 study of oral ibrexafungerp that was substantially completed in the prior period and is intended to support the potential NDA filing for the treatment of IC, and a **\$0.8 million** **\$0.6 million** decrease in clinical expense for associated with the **MARIO study**, and a **\$0.3 million** decrease in other clinical **expense**. **Phase 1 lactation study**.

**Selling, General & Administrative.** For the **six nine** months ended **June 30, 2024** **September 30, 2024**, selling, general and administrative expenses decreased to **\$6.8 million** **\$9.7 million** from **\$12.3 million** **\$17.3 million** for the **six nine** months ended **June 30, 2023** **September 30, 2023**. The decrease of **\$5.5 million** **\$7.6 million**, or 44%, for the **six nine** months ended **June 30, 2024** **September 30, 2024**, was primarily driven by a decrease of **\$4.2 million** **\$5.7 million** in professional fees, and a decrease of **\$0.7 million** **\$1.2 million** in commercial expense due to the costs incurred in the prior **comparable** period associated with **BREXAFEMME. BREXAFEMME**, and a net decrease of **\$0.7 million** in other selling, general, and administrative **expense**. The **\$4.2 million** **\$5.7 million** decrease in professional fees was primarily due to a \$3.1 million expense incurred during the prior period for business development associated with the GSK License Agreement, a **\$0.8 million nonrecurring legal expense** incurred in the prior period, a \$0.7 million decrease in legal costs associated with the GSK License Agreement, and a \$0.5 million expense recognized in the prior period to write off a deferred asset for certain commitment fees associated with the Loan Agreement.



*Amortization of Debt Issuance Costs and Discount.* For the **six nine** months ended **June 30, 2024** **September 30, 2024** and 2023, we recognized **\$0.8 million** **\$1.3 million** and **\$2.3 million** **\$2.6 million** in amortization of debt issuance costs and discount. The decrease of \$1.4 million, or **64%**, was

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**52%**, was primarily driven by the recognition, in the prior period, of \$2.0 million in amortization for the remaining debt issuance costs and discount associated with the Loan Agreement which was fully paid in May 2023. The debt issuance costs and discount for our March 2019 convertible notes primarily consisted of an allocated portion of advisory fees and other issuance costs and the initial fair value of the derivative liability.

*Interest Income.* For the **six nine** months ended **June 30, 2024** **September 30, 2024** and 2023, we recognized **\$2.4 million** **\$3.4 million** and **\$1.3 million**, respectively, **\$2.6 million** in interest **income; the income**, respectively. The increase was primarily due to the **increase in the interest rates income being earned** on our money market funds and **investments**, **investments** for the full period in 2024.

*Interest Expense.* For the **six nine** months ended **June 30, 2024** **September 30, 2024** and 2023, we recognized **\$0.4 million** **\$0.6 million** and **\$2.7 million**, **\$2.9 million in interest expense**, respectively. The decrease in interest expense was primarily due to the repayment of the Loan Agreement in May 2023.

*Warrant Liabilities Fair Value Adjustment.* For the **six nine** months ended **June 30, 2024** **September 30, 2024** and 2023, we recognized a gain of **\$3.8 million** **\$10.6 million** and a loss of **\$13.5 million** **\$6.0 million**, respectively, in the fair value adjustment related to the warrant liabilities primarily due to the decrease and increase in our stock price during the periods, respectively.

*Derivative Liabilities Fair Value Adjustment.* For the **six nine** months ended **June 30, 2024** **September 30, 2024** and 2023, we recognized a gain of \$0.2 million and a loss of **\$0.4 million** **\$0.2 million**, respectively, in the fair value adjustment related to the derivative liabilities primarily due to the decrease and increase in our stock price during the periods, respectively.

*Income Tax Expense.* For the nine months ended September 30, 2024, we recognized a \$0.1 million income tax expense for U.S. federal income tax.

## Liquidity and Capital Resources

### Sources of Liquidity

As of **June 30, 2024** **September 30, 2024**, we had cash and cash equivalents and investments of **\$83.7 million** **\$84.9 million**, compared to cash and cash equivalents and short-term investments of \$98.0 million as of December 31, 2023. We believe our capital resources are sufficient to fund our on-going operations for a period of at least 12 months subsequent to the issuance of the accompanying unaudited condensed consolidated financial statements. As of **June 30, 2024** **September 30, 2024**, our accumulated deficit was **\$369.3 million** **\$372.1 million**.

Consistent with our operating plan, we expect to incur significant research and development expenses and selling, general and administrative expenses. As a result of our continued significant expenses, we may need additional capital to fund our operations, which we may obtain through one or more of equity offerings, debt financings, or other non-dilutive third-party funding, strategic alliances and licensing or collaboration arrangements.

### Cash Flows

The following table sets forth the significant sources and uses of cash for the **six nine** months ended **June 30, 2024** **September 30, 2024** and 2023 (in thousands):

Six Months Ended June 30,		Nine Months Ended September 30,	
2024	2023	2024	2023

Cash, cash equivalents, and restricted cash, January 1	\$ 34,593	\$ 46,032	\$ 34,593	\$ 46,032
Net cash (used in) provided by operating activities	(14,867)	55,475	(14,102)	67,894
Net cash provided by (used in) investing activities	6,826	(6,384)	8,767	(32,725)
Net cash used in financing activities	(15)	(36,620)		
Net (decrease) increase in cash, cash equivalents, and restricted cash	(8,056)	12,471		
Cash, cash equivalents, and restricted cash, June 30	\$ 26,537	\$ 58,503		
Net cash provided by (used in) financing activities	16	(36,586)		
Net decrease in cash, cash equivalents, and restricted cash	(5,319)	(1,417)		
Cash, cash equivalents, and restricted cash, September 30	\$ 29,274	\$ 44,615		

#### Operating Activities

The \$70.3 million \$82.0 million decrease in net cash (used in) provided by operating activities for the six nine months ended June 30, 2024 September 30, 2024, as compared to the six nine months ended June 30, 2023 September 30, 2023 was primarily due to the \$90.0 million \$115.0 million in upfront receipt from the closing of and development milestones received under the GSK License Agreement in the prior period and the continued development costs associated with SCY-247 and ibrexafungerp and in the payment of current period, offset in part by the deferred fees associated with Amplify \$10.0 million development milestone received under the GSK License Agreement in the current period.

Net cash used in operating activities of \$14.9 million \$14.1 million for the six nine months ended June 30, 2024 September 30, 2024, primarily consisted of the \$14.0 million \$16.9 million net loss adjusted for non-cash charges that included the gain on change in fair value of the warrant liabilities of \$3.8 million \$10.6 million, stock-based compensation expense of \$1.5 million \$2.4 million, and amortization of debt issuance costs and discount of \$0.8 million \$1.3 million, partially offset by a net favorable change in operating assets and liabilities of \$1.4 million \$10.8 million. The net favorable change in operating assets and liabilities was of \$10.8 million is due to a net favorable change of \$16.2 million due to the

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decrease in operating assets, offset by an unfavorable change of \$5.4 million due to the decrease in operating liabilities of \$4.8 million and by a net decrease of \$6.2 million in operating assets. The net \$6.2 million \$16.2 million decrease in operating assets is primarily due to a \$2.2 million decrease of \$9.9 million in the license agreement contract asset given the receipt of the \$10.0 million development milestone associated with the GSK License Agreement in the current period, a \$2.3 million decrease in the license agreement receivable associated with the GSK License Agreement with GSK which was collected in the current period, and a \$4.1 million \$4.0 million decrease in prepaid expenses, other assets, deferred costs, and other. The \$4.1 million \$4.0 million decrease in prepaid expenses, other assets, deferred costs, and other was primarily due to the collection of a \$4.4 million unbilled receivable in the current period from GSK. The net unfavorable change of \$5.4 million in operating liabilities is primarily due to the \$2.2 million decrease in accounts payable and a \$2.0 million decrease in accrued expenses primarily due to the \$1.0 million decrease in accrued research and development expenses.

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Net cash provided by operating activities of \$55.5 million \$67.9 million for the six nine months ended June 30, 2023 September 30, 2023, primarily consisted of the \$88.4 million \$86.6 million net income adjusted for non-cash charges that included the loss on change in fair value of the warrant liabilities of \$13.5 million \$6.0 million, stock-based compensation expense of \$1.4 million \$2.1 million, and amortization of debt issuance costs and discount of \$2.3 million \$2.6 million, partially offset by a net unfavorable change in operating assets and liabilities of \$51.7 million \$30.3 million. The net unfavorable change in operating assets and liabilities was due to a net decrease in operating liabilities of \$2.5 million \$0.4 million and by a net increase of \$49.2 million \$30.0 million in operating assets. The net \$49.2 million \$30.0 million increase in operating assets is primarily due to a \$19.2 million \$19.3 million increase in license agreement contract asset associated with the GSK License Agreement, with GSK, an increase of \$25.0 million in license agreement receivable associated with the License Agreement with GSK, a \$4.6 million \$7.4 million increase in inventory for raw material purchased in the current period, and a net an increase in prepaid expenses, other assets, and other and accounts receivable and license agreement receivable of \$0.4 million \$2.5 million. The \$2.5 million \$0.4 million decrease in accounts payable, accrued expenses, deferred revenue, other liabilities, and other was primarily due to the decrease of \$5.8 million in other liabilities associated with the deferred fees due to Amplity that were fully paid as of February 2023 and a decrease of \$2.5 million in accounts payable, offset primarily by a \$4.4 million \$4.1 million increase in deferred revenue associated with the GSK License Agreement with GSK, and a \$3.9 million increase in accrued expenses due to the \$3.5 million increase in expense for product recall.

### Investing Activities

Net cash provided by investing activities of \$6.8 million \$8.8 million for the six nine months ended June 30, 2024 September 30, 2024 consisted of purchases and maturities of investments of \$10.7 million \$28.0 million and \$17.5 million \$36.8 million, respectively.

Net cash used in investing activities of \$6.4 million \$32.7 million for the six nine months ended June 30, 2023 September 30, 2023 consisted of purchases and maturities of short-term investments of \$26.9 million \$73.3 million and \$20.6 million \$40.6 million, respectively.

### Financing Activities

Net cash used in provided by financing activities of \$15,000 \$16,000 for the six nine months ended June 30, 2024 September 30, 2024, consisted primarily of deferred financing costs of \$40,000. the proceeds from employee stock purchase plan issuances.

Net cash used in financing activities of \$36.4 million \$36.6 million for the six nine months ended June 30, 2023 September 30, 2023, consisted primarily of the full repayment of the Loan Agreement with Hercules and SVB in May 2023.

### Future Funding Requirements

We expect to incur expenses in connection with our efforts to further development activities, particularly as we continue the research, development and clinical trials of, and seek regulatory approval for, product candidates. We anticipate that we will need substantial additional funding in connection with our continuing future operations.

We are continually evaluating our operating plan and assessing the optimal cash utilization for our SCY-247 and ibrexafungerp development strategy. We have based our estimates on assumptions that may prove to be wrong, and we may use our available capital resources sooner than we currently expect. Because of the numerous risks and uncertainties associated with the development and commercialization of product candidates, we are unable to estimate the amounts of increased capital outlays and operating expenses necessary to complete the development of product candidates.

Our future capital requirements will depend on many factors, including:

- our ability to successfully achieve the development, regulatory, and commercial milestones under our GSK License Agreement with GSK; Agreement;
- the progress, and costs, of the clinical development of SCY-247 and ibrexafungerp;
- the outcome, costs and timing of seeking and obtaining FDA and any other regulatory approvals;
- the ability of product candidates to progress through clinical development successfully;

- our need to expand our research and development activities;
- the costs associated with securing, establishing and maintaining commercialization and manufacturing capabilities;

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- our ability to maintain, expand and defend the scope of our intellectual property portfolio, including the amount and timing of any payments we may be required to make, or that we may receive, in connection with the licensing, filing, prosecution, defense and enforcement of any patents or other intellectual property rights;
- our need and ability to hire additional management and scientific and medical personnel;
- our need to implement additional, as well as to enhance existing, internal systems and infrastructure, including financial and reporting processes and systems and the associated compliance costs; and

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- the economic and other terms, timing and success of our existing licensing arrangements and any collaboration, licensing or other arrangements into which we may enter in the future.

Until such time, if ever, as we can generate substantial revenue from product sales, we expect to finance our cash needs through a combination of net proceeds from equity offerings, debt financings, or other non-dilutive third-party funding (e.g., grants), strategic alliances and licensing arrangements, in particular the [GSK License Agreement with GSK Agreement](#). To the extent that we raise additional capital through the sale of equity or convertible debt securities, the ownership interests of our common stockholders will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect the rights of our common stockholders. Debt financing, similar to our Loan Agreement or the convertible senior notes we sold in March 2019 and April 2020, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends. If we raise additional funds through sales of assets, other third-party funding, strategic alliances and licensing or collaboration arrangements with third parties, we may have to relinquish valuable rights to our technologies, future revenue streams, research programs or product candidates or to grant licenses on terms that may not be favorable to us.

### **Significant Estimates and Judgments**

Our management's discussion and analysis of our financial condition and results of operations is based on our condensed consolidated financial statements, which we have prepared in accordance with accounting principles generally accepted in the United States, or GAAP. The preparation of our condensed consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of our condensed consolidated financial statements, as well as the reported revenues and expenses during the reported periods. We evaluate these estimates and judgments on an ongoing basis. We base our estimates on historical experience and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

Our critical estimates and judgments are described within Item 7 to our Annual Report on Form 10-K for the year ended December 31, 2023.

### Item 3. Quantitative and Qualitative Disclosure about Market Risk.

This item is not applicable to smaller reporting companies.

### Item 4. Controls and Procedures.

#### *Management's Evaluation of our Disclosure Controls and Procedures*

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in the reports that we file or submit under the Securities Exchange Act of 1934, as amended (the "Exchange Act") is (1) recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms and (2) accumulated and communicated to our management, including our principal executive officer and principal financial officer, to allow timely decisions regarding required disclosure.

As of **June 30, 2024** **September 30, 2024**, our management, with the participation of our principal executive officer and principal financial officer, evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Our management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives, and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Our principal executive officer and principal financial officer have concluded based upon the evaluation described above that, as of **June 30, 2024** **September 30, 2024**, our disclosure controls and procedures were effective at the reasonable assurance level.

#### *Changes in Internal Control Over Financial Reporting*

During the **quarter** **three months** ended **June 30, 2024** **September 30, 2024**, there have been no changes in our internal control over financial reporting, as such term is defined in Rules 13a-15(f) and 15(d)-15(f) promulgated under the Exchange Act, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

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## PART II. OTHER INFORMATION

### Item 1. Legal Proceedings.

On November 7, 2023, a securities class action was filed by Brian Feldman against us and certain of our executives in the United States District Court, District of New Jersey, alleging that, during the period from March 31, 2023 to September 22, 2023, we made materially false and/or misleading statements, as well as failed to disclose material adverse facts about our business, operations, and prospects, alleging specifically that we failed to disclose to investors: (1) that the equipment used to manufacture ibrexafungerp was also used to manufacture a non-antibacterial beta-lactam drug substance, presenting a risk of cross-contamination; (2) that we did not have effective internal controls and procedures, as well as adequate internal oversight policies to ensure that its vendor complied with current Good Manufacturing Practices (cGMP); (3) that, due to the substantial risk of cross-contamination, we were reasonably likely to recall its ibrexafungerp tablets and halt its clinical studies; and (4) as a result of the foregoing, our statements about our business, operations, and prospects were materially misleading and/or lacked a reasonable basis. The complaint seeks unspecified damages, interest, fees and costs on behalf of all persons and entities who purchased and/or acquired shares of our common stock between March 31, 2023 to September 22, 2023. On May 1, 2024, and again on June 4, 2024, purported shareholder derivative complaints were filed in the United States District Court, District of New Jersey. The complaints name our directors and certain of our officers and assert state and federal

claims based on the same alleged misstatements as the securities class action complaint. We disagree with the allegations and intend to defend these litigations vigorously.

Item 1A. Risk Factors.

Our operations and financial results are subject to various risks and uncertainties, including those described in Part I, Item 1A, "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2023.

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Item 6. Exhibits.

Exhibit Number	Description of Document
3.1	<a href="#">Amended and Restated Certificate of Incorporation (Filed with the SEC as Exhibit 3.1 to our current report on Form 8-K, filed with the SEC on May 12, 2014, SEC File No. 001-36365, and incorporated by reference here).</a>
3.2	<a href="#">Certificate of Amendment of Amended and Restated Certificate of Incorporation of SCYNEXIS, Inc. (Filed with the SEC as Exhibit 3.2 to our Form 10-Q, filed with the SEC on August 7, 2019, SEC File No. 001-36365, and incorporated by reference here).</a>
3.3	<a href="#">Certificate of Amendment of Amended and Restated Certificate of Incorporation of SCYNEXIS, Inc. (Filed with the SEC as Exhibit 3.1 to our Form 8-K, filed with the SEC on July 16, 2020, SEC File No. 001-36365, and incorporated by reference here).</a>
3.4	<a href="#">Certificate of Amendment of Amended and Restated Certificate of Incorporation of SCYNEXIS, Inc. (Filed with the SEC as Exhibit 3.4 to our Form 10-Q, filed with SEC on November 9, 2022, SEC File No. 001-36365, and incorporated by reference here).</a>
3.5	<a href="#">Amended and Restated By-Laws (Filed with the SEC as Exhibit 3.4 to our Registration Statement on Form S-1, filed with the SEC on February 27, 2014, SEC File No. 333-194192, and incorporated by reference here).</a>
4.1	Reference is made to Exhibits <a href="#">3.1</a> through <a href="#">3.5</a> .
10.1	<a href="#">SCYNEXIS, Inc. 2024 Equity Incentive Plan (Filed with the SEC as Exhibit 99.1 to our Registration Statement on Form S-8, filed with the SEC on June 20, 2024, SEC File No. 333-280328, and incorporated by reference here).</a>
10.2	<a href="#">Forms of Stock Option Grant Notice, Stock Option Agreement and Notice of Exercise under the SCYNEXIS, Inc. 2024 Equity Incentive Plan (Filed with the SEC as Exhibit 99.2 to our Registration Statement on Form S-8, filed with the SEC on June 20, 2024, SEC File No. 333-280328, and incorporated by reference here).</a>

**10.3** [Forms of Restricted Stock Unit Grant Notice and Restricted Stock Unit Award Agreement under the SCYNEXIS, Inc. 2024 Equity Incentive Plan \(Filed with the SEC as Exhibit 99.3 to our Registration Statement on Form S-8, filed with the SEC on June 20, 2024, SEC File No. 333-280328, and incorporated by reference here\).](#)

31.1\* [Certification of Chief Executive Officer pursuant to Rule 13-a-14\(a\) or Rule 15\(d\)-14\(a\) of the Exchange Act.](#)

31.2\* [Certification of Chief Financial Officer pursuant to Rule 13a-14\(a\) or Rule 15d-14\(a\) of the Exchange Act.](#)

32.1\*\* [Certification of Chief Executive Officer and Chief Financial Officer pursuant to 13a-14\(b\) or 15d-14\(b\) of the Exchange Act.](#)

101.INS Inline XBRL Instance Document

101.SCH Inline XBRL Taxonomy Extension Schema with Embedded Linkbase Documents.

104 Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

\* Filed herewith.

\*\* Furnished herewith. Exhibit 32.1 is being furnished and shall not be deemed to be "filed" for purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of that section, nor shall such exhibit be deemed to be incorporated by reference in any registration statement or other document filed under the Securities Act of 1933, as amended, or the Exchange Act, except as otherwise specifically stated in such filing.

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**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, thereunto duly authorized.

SCYNEXIS, INC.

By: /s/ David Angulo, M.D.  
David Angulo, M.D.  
Chief Executive Officer  
(Principal Executive Officer)

Date: **August 7, November 5, 2024**

By: /s/ Ivor Macleod  
Ivor Macleod  
Chief Financial Officer  
(Principal Financial and Accounting Officer)

Date: August 7, November 5, 2024

Exhibit 31.1

## CERTIFICATIONS

I, David Angulo, certify that:

1. I have reviewed this Form 10-Q of SCYNEXIS, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

over financial reporting.

Date: August 7, 2024 November 5, 2024

/s/ David Angulo, M.D.

David Angulo, M.D.

Chief Executive Officer

Principal Executive Officer

Exhibit 31.2

#### CERTIFICATIONS

I, Ivor Macleod, certify that:

1. I have reviewed this Form 10-Q of SCYNEXIS, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

- b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
- a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

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Date: August 7, 2024 November 5, 2024

/s/ Ivor Macleod

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Ivor Macleod

Chief Financial Officer

Principal Financial Officer

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Exhibit 32.1



## CERTIFICATION

Pursuant to the requirement set forth in Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. §1350), David Angulo, Chief Executive Officer of SCYNEXIS, Inc. (the "Company"), and Ivor Macleod, Chief Financial Officer of the Company, each hereby certifies that, to the best of his knowledge:

1. The Company's Quarterly Report on Form 10-Q for the period ended **June 30, 2024** **September 30, 2024**, to which this Certification is attached as Exhibit 32.1 (the "Periodic Report"), fully complies with the requirements of Section 13(a) or Section 15(d) of the Exchange Act, and
2. The information contained in the Periodic Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

In Witness Whereof, the undersigned have set their hands hereto as of **August 7, 2024** **November 5, 2024**.

/s/ David Angulo, M.D.

\_\_\_\_\_  
David Angulo, M.D.  
Chief Executive Officer

/s/ Ivor Macleod

\_\_\_\_\_  
Ivor Macleod  
Chief Financial Officer

This certification accompanies the Form 10-Q to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of SCYNEXIS, Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Form 10-Q), irrespective of any general incorporation language contained in such filing.

## DISCLAIMER

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