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 SEPTEMBER 30, 2017

OR

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

FOR THE TRANSITION PERIOD FROM _____ TO _____

Commission File Number 001-36365

SCYNEXIS, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**56-2181648**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
101 Hudson Street Suite 3610 Jersey City, New Jersey	
(Address of principal executive offices)	**07302-6548 (Zip Code)**

(201)-884-5485
(Registrant's telephone number, including area code)

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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 and post 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	☐	Accelerated filer	☒
Non-accelerated filer	☐ (Do not check if a smaller reporting company)	Smaller reporting company	☒
Emerging growth company	☒		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☒

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 November 1, 2017, there were 28,558,957 shares of the registrant's Common Stock outstanding.

SCYNEXIS, INC.
QUARTERLY REPORT ON FORM 10-Q
FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2017

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

SCYNEXIS, INC.

UNAUDITED CONDENSED BALANCE SHEETS

(in thousands, except share and per share data)

	September 30, 2017	December 31, 2016
Assets		
Current assets:		
Cash and cash equivalents	$ 8,749	$ 35,656
Short-term investments	38,960	22,930
Prepaid expenses and other current assets	1,014	741
Total current assets	48,723	59,327
Other assets	577	120
Deferred offering costs	319	345
Total assets	**$ 49,619**	**$ 59,792**
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$ 1,832	$ 2,192
Accrued expenses	1,737	1,268
Deferred revenue, current portion	257	257
Loan payable, current portion	2,849	—
Total current liabilities	6,675	3,717
Deferred revenue, non-current	185	378
Deferred rent	—	25
Warrant liability	3,792	6,601
Loan payable, long term	11,703	14,252
Total liabilities	22,355	24,973
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, $0.001 par value, authorized 5,000,000 shares as of September 30, 2017 and December 31, 2016; 0 shares issued and outstanding as of September 30, 2017 and December 31, 2016	—	—
Common stock, $0.001 par value, 125,000,000 shares authorized as of September 30, 2017, and December 31, 2016; 28,335,836 and 24,609,411 shares issued and outstanding as of September 30, 2017, and December 31, 2016, respectively	28	24
Additional paid-in capital	224,896	214,918
Accumulated deficit	(197,660)	(180,123)
Total stockholders' equity	27,264	34,819
Total liabilities and stockholders' equity	**$ 49,619**	**$ 59,792**

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

SCYNEXIS, INC.

UNAUDITED CONDENSED STATEMENTS OF OPERATIONS

(in thousands, except share and per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Revenue	$ 64	$ 64	$ 193	$ 193
Operating expenses:				
Research and development, net	4,459	4,890	12,927	16,293
Selling, general and administrative	2,004	1,880	6,425	6,086
Total operating expenses	6,463	6,770	19,352	22,379
Loss from operations	(6,399)	(6,706)	(19,159)	(22,186)
Other expense (income):				
Amortization of debt discount	100	—	300	—
Interest income	(109)	(48)	(261)	(115)
Interest expense	373	—	1,081	—
Warrant liability fair value adjustment	1,638	4,570	(2,809)	4,469
Total other expense (income)	2,002	4,522	(1,689)	4,354
Net loss	$ (8,401)	$ (11,228)	$ (17,470)	$ (26,540)
Net loss per share - basic and diluted	$ (0.31)	$ (0.48)	$ (0.67)	$ (1.53)
Weighted average common shares outstanding - basic and diluted	27,091,061	23,425,007	26,096,046	17,329,441

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

SCYNEXIS, INC.

UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS

(in thousands)

	Nine Months Ended September 30,	
	2017	**2016**
Cash flows from operating activities:		
Net loss	$ (17,470)	$ (26,540)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	40	11
Stock-based compensation expense	1,241	908
Write off of deferred offering costs	—	111
Amortization of investment premium	151	—
Amortization of debt discount	300	—
Change in fair value of warrant liability	(2,809)	4,469
Changes in deferred rent	(7)	—
Changes in operating assets and liabilities:		
Prepaid expenses, other assets, and deferred costs	(743)	(939)
Accounts payable and accrued expenses	92	5
Accrued severance and retention cost obligations	—	(2,631)
Deferred revenue	(193)	(193)
Net cash used in operating activities	(19,398)	(24,799)
Cash flows from investing activities:		
Maturities of investments	45,377	6,932
Purchases of property and equipment	(2)	(24)
Proceeds from sale of Services Business	—	500
Purchase of investments	(61,558)	(35,506)
Net cash used in investing activities	(16,183)	(28,098)
Cash flows from financing activities:		
Proceeds from common stock issued	8,926	23,077
Payments of deferred offering costs and underwriting discounts and commissions	(288)	(1,788)
Proceeds from Loan Agreement	—	15,000
Proceeds from Loan Agreement issuance costs	—	(589)
Proceeds from employee stock purchase plan issuance	36	21
Net cash provided by financing activities	8,674	35,721
Net decrease in cash and cash equivalents	(26,907)	(17,176)
Cash and cash equivalents, beginning of period	35,656	46,985
Cash and cash equivalents, end of period	$ 8,749	$ 29,809
Supplemental cash flow information:		
Cash paid for interest	$ 1,081	$ —
Cash received for interest	$ 393	$ 67
Noncash financing and investing activities:		
Loan Agreement issuance costs included in accounts payable	$ —	$ 426
Deferred offering costs included in accounts payable and accrued expenses	$ —	$ —
Deferred offering costs reclassified to additional-paid-in capital	$ 27	$ 65

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

SCYNEXIS, INC.

NOTES TO THE 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, committed to positively impacting the lives of patients suffering from difficult-to-treat and often life-threatening infections by delivering innovative anti-infective therapies. The Company is developing its lead product candidate, SCY-078, as the first representative of a novel oral and intravenous triterpenoid antifungal family for the treatment of several fungal infections, including serious and life-threatening invasive fungal infections.

The Company is currently dosing patients in two clinical studies evaluating oral SCY-078:

- Phase 2 dose-finding study ("DOVE study") for the treatment of vulvovaginal candidiasis ("VVC"). We expect to report top-line results for this study in mid-2018;

- Global, open-label study for the treatment of invasive fungal infections that are refractory to or intolerant of standard antifungal agents ("FURI study").

The DOVE study is a randomized, multicenter, double-blind, active-controlled, dose-finding study designed to evaluate the safety and efficacy of oral SCY-078 versus oral fluconazole in adult female patients. Approximately 180 patients with moderate to severe acute VVC are being randomized to one of five different regimens of oral SCY-078 or oral fluconazole, the current standard of care. Efficacy will be measured by the percentage of patients with clinical cure (complete resolution of signs and symptoms) at the test-of-cure visit at day 10 (primary endpoint) and at a follow-up visit on day 25. Mycological eradication (negative fungal culture) will also be evaluated at the same time points.

The FURI study is a global, open-label study in which oral SCY-078 is being administered to patients with invasive fungal infections that are refractory to, or that are intolerant of, standard therapy (azoles, echinocandins and/or polyenes). The Company continues to open sites in the U.S. and in Europe, providing access to oral SCY-078 for patients that have failed other therapies and for whom limited treatment options are available.

The Company is initiating a global, open-label study for the treatment of *Candida auris* infections (CARES study) in the fourth quarter of this year. *Candida auris* is typically a multidrug resistant pathogen and systemic infections caused by *Candida auris* are associated with high mortality. The CARES study is intended to provide rapid access to oral SCY-078 for patients suffering from this life-threatening infection.

The Company believes that compelling data from the FURI and/or CARES studies could allow SCY-078 to become eligible for the regulatory Limited Population Pathway for Antibacterial and Antifungal Drugs ("LPAD") potentially resulting in an initial New Drug Application ("NDA") based on streamlined development.

In addition, based on promising *in vitro* and *in vivo* data of SCY-078 against *Aspergillus* infections, as a single agent and in combination with standard of care, the Company is evaluating potential subsequent clinical development steps for this indication.

On March 2, 2017, the Company announced that the U.S. Food and Drug Administration ("FDA") required the Company to hold the initiation of any new clinical studies with the IV formulation of SCY-078 following three thrombotic events observed in healthy volunteers receiving IV SCY-078 in a Phase 1 study. Based on previous discussions with the FDA, the Company is in the process of gathering the required data that will enable the Company to submit a complete response supporting the Company's request to lift the clinical hold on the IV formulation of SCY-078. There can be no assurance that the FDA will lift the clinical hold and allow initiation of any new clinical studies with the IV formulation of SCY-078 or agree with the Company's trial designs involving the IV formulation of SCY-078.

The Company has incurred losses and negative cash flows from operations since its initial public offering ("IPO") in May 2014 and expects to continue to incur losses. The Company's liquidity over the next 12 months could be materially affected by, among other things: its ability to raise capital through equity offerings, debt financings, other non-dilutive third-party funding (e.g., grants), strategic alliances and licensing or collaboration arrangements; key SCY-078 development and regulatory events; costs related to its development of SCY-078; and other factors.

Shelf Registration Filing

On October 30, 2015, the Company filed a shelf registration statement on Form S-3 with the SEC which was declared effective on November 16, 2015. The registration statement contained two prospectuses:

- a base prospectus which covers the offering, issuance and sale by the Company of up to a maximum aggregate offering price of $150.0 million of the Company's common stock, preferred stock, debt securities and warrants, including common stock or preferred stock issuable upon conversion of debt securities, common stock issuable upon conversion of preferred stock, or common stock, preferred stock or debt securities issuable upon the exercise of warrants (the "Shelf Registration"), and
- a prospectus covering the offering, issuance and sale by the Company of up to a maximum aggregate offering price of $40.0 million of the Company's common stock that may be issued and sold under a sales agreement with Cowen and Company, LLC ("Cowen"). On April 10, 2016, the Company terminated the sales agreement with Cowen and on April 11, 2016, entered into a Controlled Equity Offering Sales Agreement℠ (the "Sales Agreement") with Cantor Fitzgerald & Co. ("Cantor"). Pursuant to the Sales Agreement, the Company may sell from time to time, at its option, up to an aggregate of $40.0 million of the Company's common stock, through Cantor, as sales agent. Pursuant to the Sales Agreement, sales of the common stock, if any, will be made under the Company's previously filed and currently effective registration statement on Form S-3 (File No. 333-207705).

The common stock that may be offered, issued and sold by the Company under the Sales Agreement is included in the $150.0 million of securities that may be offered, issued and sold by the Company under the base prospectus. Upon termination of the Sales Agreement with Cantor, any portion of the $40.0 million included in the Sales Agreement that is not sold pursuant to the Sales Agreement will be available for sale in other offerings pursuant to the base prospectus and a corresponding prospectus supplement, and if no shares are sold under the Sales Agreement, the full $150.0 million of securities may be sold in other offerings pursuant to the base prospectus.

June 2016 Public Offering

On June 21, 2016, the Company completed a public offering (the "June 2016 Public Offering") of its common stock and warrants pursuant to the Company's effective Shelf Registration. The Company sold an aggregate of 9,375,000 shares of common stock and warrants to purchase up to 4,218,750 shares of the Company's common stock at a public offering price of $2.40 per share. The warrant exercise price is $3.00 per share. Net proceeds from the June 2016 Public Offering were approximately $20.8 million, after deducting underwriting discounts and commissions and offering expenses of approximately $1.7 million. See Note 8 for further details.

Loan and Security Agreement

On September 30, 2016, the Company entered into a Loan and Security Agreement (the "Loan Agreement") with Solar Capital Ltd. ("Solar"), in its capacity as administrative and collateral agent and as lender. Pursuant to the Loan Agreement, Solar is providing the Company with a 48-month secured term loan in the amount of $15.0 million (the "Term Loan") and the Term Loan matures on September 30, 2020 (the "Maturity Date"). See Note 6 for further details.

Unaudited Interim Financial Information

The accompanying unaudited financial statements and notes have been prepared in accordance with accounting principles generally accepted in the United States, or 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 nine months ended September 30, 2017, are not necessarily indicative of the results for the full year or the results for any future periods. These interim 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 13, 2017.

Use of Estimates

The preparation of financial statements in conformity with US 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 periods. Actual results could differ from those estimates. Significant estimates include: the fair value of the Company's common stock used to measure stock-based compensation for options granted to employees and nonemployees and to determine the fair value of common stock warrants; 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 warrant liability fair value each reporting period.

2. Summary of Significant Accounting Policies

Concentration of Credit Risk

Financial instruments, which potentially expose the Company to concentrations of credit risk, consist principally of cash on deposit and cash equivalents held with one bank which exceed FDIC insured limits and certain short-term investments. Ongoing credit evaluations of the customer's financial condition are performed and independent credit ratings for the associated counterparties are reviewed by the Company and collateral is not required. The Company's money market fund investment (recognized as cash and cash equivalents) is with what the Company believes to be a high quality issuer. The Company has not experienced any losses in such account.

Cash and Cash Equivalents

The Company considers any highly liquid investments with a remaining maturity of three months or less when purchased to be cash and cash equivalents. The Company's cash and cash equivalents include cash on deposit and a money market fund.

Short-Term Investments

The Company's held-to-maturity investments in U.S. government securities, commercial paper, and its overnight repurchase agreement are carried at amortized cost and any premiums or discounts are amortized or accreted through the maturity date of the investment. Any impairment that is not deemed to be temporary is recognized in the period identified.

Deferred Offering Costs

Deferred offering costs are expenses directly related to the Form S-3 filed with the SEC on October 30, 2015 and declared effective on November 16, 2015. These costs consist of legal, accounting, printing, and filing fees that the Company has capitalized, including fees incurred by the independent registered public accounting firm directly related to the Shelf Registration. Deferred costs associated with the Shelf Registration are reclassified to additional paid in capital on a pro-rata basis when the Company completes offerings under the Shelf Registration, with any remaining deferred offering costs to be charged to the results of operations at the end of the three-year life of the Shelf Registration. During the three months ended March 31, 2016, the Company expensed $0.1 million of deferred offering costs associated with the Shelf Registration as a result of the termination of the "at the market" offering program entered into with Cowen on November 11, 2015.

Warrant Liability

On June 21, 2016, the Company sold an aggregate of 9,375,000 shares of common stock and warrants to purchase up to 4,218,750 shares of the Company's common stock under the Shelf Registration at a public offering price of $2.40 per share of common stock sold. The Company accounted for these warrants as a liability instrument measured at its fair value. The fair values of these warrants have been determined using the Black-Scholes valuation model ("Black-Scholes"). The warrants are subject to remeasurement at each balance sheet date, using Black-Scholes, with any changes in the fair value of the outstanding warrants recognized in the accompanying statements of operation. See Note 8 for further details.

Comprehensive Loss

The Company has no items of comprehensive income or loss other than net loss.

Revenue Recognition and Deferred Revenue

The Company has entered into arrangements involving intellectual property rights, some of which include multiple elements, such as the sale or license of intellectual property and the provision of development services. Under these arrangements, the Company may be entitled to receive development milestone payments and royalties in the form of a designated percentage of product sales.

The Company assesses these contractual arrangements, and presents costs incurred and payments received in accordance with ASC 808, *Collaborative Arrangements* ("Topic 808"), when the Company determines that the contractual arrangement includes a joint operating activity, has active participation by both parties, and both parties are subject to significant risks and rewards under the arrangement. When reimbursement payments are due to the Company under a collaborative arrangement within the scope of Topic 808, the Company determines the appropriate classification for each specific reimbursement payment in the statements of operations by considering (i) the nature of the arrangement, (ii) the nature of the Company's business operations, and (iii) the contractual terms of the arrangement. The Company's August 2013 development, license, and supply agreement with R- Pharm, CJSC ("R-Pharm"), combined with the supplemental arrangement in November 2014, is a collaborative arrangement pursuant to Topic 808.

When entering into any arrangement involving intellectual property rights, the Company also determines whether the arrangement includes multiple deliverables and is subject to accounting guidance in ASC subtopic 605-25, *Multiple-Element Arrangements*. If the Company determines that an arrangement includes multiple elements, it determines whether the

arrangement should be divided into separate units of accounting and how the arrangement consideration should be measured and allocated among the separate units of accounting. An element qualifies as a separate unit of accounting when the delivered element has standalone value to the customer. The Company's arrangements do not include a general right of return relative to delivered elements. Any delivered elements that do not qualify as separate units of accounting are combined with other undelivered elements within the arrangement as a single unit of accounting. If the arrangement constitutes a single combined unit of accounting, the Company determines the revenue recognition method for the combined unit of accounting and recognizes the revenue over the period from inception through the date the last deliverable within the single unit of accounting is delivered.

Non-refundable upfront license fees are recorded as deferred revenue and recognized into revenue on a straight-line basis over the estimated period of the Company's substantive performance obligations. If the Company does not have substantive performance obligations, the Company recognizes non-refundable upfront fees into revenue through the date the deliverable is satisfied. Analyzing the arrangement to identify deliverables requires the use of judgment and each deliverable may be an obligation to deliver services, a right or license to use an asset, or another performance obligation. In arrangements that include license rights and other non-contingent deliverables, such as participation in a steering committee, these deliverables do not have standalone value because the non-contingent deliverables are dependent on the license rights. That is, the non-contingent deliverables would not have value without the license rights, and only the Company can perform the related services. Upfront license rights and non-contingent deliverables, such as participation in a steering committee, do not have standalone value as they are not sold separately and they cannot be resold. In addition, when non-contingent deliverables are sold with upfront license rights, the license rights do not represent the culmination of a separate earnings process. As such, the Company accounts for the license and the non-contingent deliverables as a single combined unit of accounting. In such instances, the license revenue in the form of non-refundable upfront payments is deferred and recognized over the applicable relationship period, which historically has been the estimated period of the Company's substantive performance obligations or the period the rights granted are in effect. The Company recognizes contingent event-based payments under license agreements when the payments are received. The Company has not received any royalty payments to date.

The Company will recognize a milestone payment when earned if it is substantive and the Company has no ongoing performance obligations related to the milestone. A milestone payment is considered substantive if it: 1) is commensurate with either the Company's performance to achieve the milestone or the enhanced value of the delivered item as a result of a specific outcome from the Company's performance to achieve the milestone; 2) relates solely to past performance; and 3) is reasonable relative to all of the deliverables and payment terms, including other potential milestone consideration, within the arrangement.

Amounts received prior to satisfying all revenue recognition criteria are recorded as deferred revenue in the accompanying balance sheets.

The Company's deferred revenue includes non-refundable upfront payments received under certain licensing and collaboration arrangements that contain substantive performance obligations that the Company is providing over respective defined service or estimated relationship periods. Such non-refundable upfront payments are recognized over these defined service or estimated relationship periods. The Company received a non-refundable upfront payment of $1.5 million from R-Pharm in August 2013 which is being recognized over a period of 70 months. The Company recognized revenue from this upfront payment of $0.1 million and $0.2 million for the three and nine months ended September 30, 2017, respectively.

The reimbursements due from R-Pharm for specified research and development costs incurred by the Company are classified as a reduction to research and development expense in the accompanying statements of operations. The reimbursements due to the Company are recorded as a reduction of expense when (i) the reimbursable expenses have been incurred by the Company, (ii) persuasive evidence of a cost reimbursement arrangement exists, (iii) reimbursable costs are fixed or determinable, and (iv) the collection of the reimbursement payment is reasonably assured. The Company recorded receivables for unpaid reimbursement amounts due from R-Pharm of $0.3 million and $0.2 million as of September 30, 2017 and December 31, 2016, respectively, which are presented in prepaid expenses and other current assets in the accompanying balance sheets.

In July 2016, the Company entered into an Asset Purchase agreement with UK-based Cypralis Limited (or "Cypralis"), a life sciences company, for the sale of its cyclophilin inhibitor assets. Cypralis also acquired all patents, patent applications and know-how related to the acquired portfolio. In connection with the Asset Purchase agreement, the Company is eligible to receive milestone payments upon the successful progression of Cypralis clinical candidates into later stage clinical studies and royalties payable upon product commercialization. The Company retains the right to repurchase the portfolio assets from Cypralis if abandoned or deprioritized.

Research and Development

Major components of research and development costs include clinical trial activities and services, including related drug formulation, manufacturing, and other development, preclinical studies, cash compensation, stock-based compensation, fees

paid to consultants and other entities that conduct certain research and development activities on the Company's behalf, materials and supplies, legal services, and regulatory compliance.

The Company is required to estimate its expenses resulting from its obligations under contracts with clinical research organizations, clinical site agreements, vendors, and consultants in connection with conducting SCY-078 clinical trials and preclinical development. The financial terms of these contracts are subject to negotiations which vary from contract to contract, and may result in payment flows that do not match the periods over which materials or services are provided to the Company under such contracts. The Company's objective is to reflect the appropriate development and trial expenses in its financial statements by matching those expenses with the period in which the services and efforts are expended. For clinical trials, the Company accounts for these expenses according to the progress of the trial as measured by actual hours expended by CRO personnel, investigator performance or completion of specific tasks, patient progression, or timing of various aspects of the trial. For preclinical development services performed by outside service providers, the Company determines accrual estimates through financial models, taking into account development progress data received from outside service providers and discussions with applicable Company and service provider personnel.

Reimbursements of certain research and development costs by parties under collaborative arrangements have been recorded as a reduction of research and development expense presented within the statement of operations. Such reimbursements were recognized under the collaboration arrangement with R-Pharm during the three and nine months ended September 30, 2017. Information about the Company's research and development expenses and reimbursements due under collaboration arrangements for the three and nine months ended September 30, 2017 and 2016, is presented as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Research and development expense, gross	$ 4,459	$ 5,091	$ 12,946	$ 16,881
Less: Reimbursement of research and development expense	—	201	19	588
Research and development expense, net of reimbursements	$ 4,459	$ 4,890	$ 12,927	$ 16,293

Patent Expenses

Costs related to filing and pursuing patent applications, as well as costs related to maintaining the Company's existing patent portfolio, are recorded as expense as incurred since recoverability of such expenditures is uncertain.

Fair Value of Financial Instruments

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, based on the Company's principal or, in absence of a principal, most advantageous market for the specific asset or liability. The Company uses a three-tier fair value hierarchy to classify and disclose all assets and liabilities measured at fair value on a recurring basis, as well as assets and liabilities measured at fair value on a non-recurring basis, in periods subsequent to their initial measurement. The hierarchy requires the Company to use observable inputs when available, and to minimize the use of unobservable inputs when determining fair value. The three tiers are defined as follows:

- Level 1 — Observable inputs that reflect quoted market prices (unadjusted) for identical assets or liabilities in active markets;
- Level 2 — Observable inputs other than quoted prices in active markets that are observable either directly or indirectly in the marketplace for identical or similar assets and liabilities; and
- Level 3 — Unobservable inputs that are supported by little or no market data, which require the Company to develop its own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available in the circumstances.

Amortization of Debt Discount

The Company's Term Loan with Solar is recorded net of debt discount which comprised issuance costs, customary closing and final fees, and the fair value of the warrants issued in conjunction with the Term Loan (Note 8). The resulting debt discount is being amortized over the term of the Term Loan using the straight-line method, which approximates the effective interest method, and the amortization of debt discount is included in the accompanying statements of operations.

Income Taxes

The Company provides for deferred income taxes under the asset and liability method, whereby deferred income taxes result from temporary differences between the tax bases of assets and liabilities and their reported amounts in the financial statements. Valuation allowances are established when necessary to reduce deferred tax assets to the amount that the Company believes is more likely than not to be realized.

The Company recognizes uncertain tax positions when the positions will be more likely than not sustained based solely upon the technical merits of the positions.

Certain modifications made to an outstanding incentive stock option award at any time after the initial grant dates which are considered to be “material modifications”, as defined within the Internal Revenue Code, may result in the affected award being recharacterized as a non-statutory stock option. The effects of any recharacterization modification for purposes of income tax accounting are recognized on a prospective basis.

Stock-Based Compensation

The Company measures and recognizes compensation expense for all stock-based payment awards made to employees, officers, and directors based on the estimated fair values of the awards as of grant date. The Company values equity instruments and stock options granted to employees and non-employee directors using the Black-Scholes valuation model. The value of the award is recorded as expense over the requisite service periods and the Company recognizes forfeitures as they occur in the period.

Basic and Diluted Net Loss per Share of Common Stock

The Company calculates net loss per common share in accordance with ASC 260, *Earnings Per Share* ("Topic 260”). Basic and diluted net loss per common share was determined by dividing net loss applicable to common stockholders by the weighted average number of common shares outstanding during the period.

The following potentially dilutive shares of common stock have not been included in the computation of diluted net loss per share for all periods as the result would be anti-dilutive.

	September 30,	
	2017	**2016**
Warrants to purchase Series C-1 Preferred	14,033	14,033
Warrants to purchase common stock associated with Loan Agreement	122,435	122,435
Warrants to purchase common stock associated with June 2016 Public Offering	4,218,750	4,218,750
Stock options	2,888,146	1,815,583

Effect of Recent Accounting Pronouncements

In May 2014, the FASB issued ASU No. 2014-09, Revenue from Contracts with Customers: Topic 606, or ASU 2014-09. ASU 2014-09 establishes the principles for recognizing revenue and develops a common revenue standard for U.S. GAAP. The standard outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance. In applying the new revenue recognition model to contracts with customers, an entity: (1) identifies the contract(s) with a customer; (2) identifies the performance obligations in the contract(s); (3) determines the transaction price; (4) allocates the transaction price to the performance obligations in the contract(s); and (5) recognizes revenue when (or as) the entity satisfies a performance obligation. The accounting standards update applies to all contracts with customers except those that are within the scope of other topics in the FASB Accounting Standards Codification. The accounting standards update also requires significantly expanded quantitative and qualitative disclosures regarding the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. This guidance is effective for fiscal years and interim periods within those years beginning after December 15, 2017. In April 2016, the FASB issued ASU No. 2016-10, Revenue from Contracts with Customers, or ASU 2016-10. The new guidance is an update to ASC 606 and provides clarity on: identifying performance obligations and licensing implementation. For public companies, ASU 2016-10 is effective for annual periods, including interim periods within those annual periods, beginning after December 15, 2017. As the Company has not yet received regulatory approval for any products, the impact of this standard is not expected to be material. However, the new standard will require the Company to estimate variable consideration associated with the prior sale of intellectual property to Cypralis, the effects of which have yet to be determined. Additionally, the Company is currently evaluating whether any changes to the accounting for the arrangement with R-Pharm and other third party collaborators may be necessary, as well as the implementation method that will be applied upon adoption.

In August 2014, the FASB issued ASU No. 2014-15, Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern, or ASU 2014-15. ASU 2014-15 will explicitly require management to assess an entity's ability to continue as a going concern, and to provide related footnote disclosure in certain circumstances. The Company adopted ASU 2014-15 in 2016 and ASU 2014-15 did not materially impact the Company's financial statements.

In February 2016, the FASB issued Accounting Standards Update ("ASU") No. 2016-02, Leases, or ASU 2016-02. The new guidance requires lessees to recognize the assets and liabilities arising from leases on the balance sheet. For public companies, ASU 2016-02 is effective for annual periods, including interim periods within those annual periods, beginning after December 15, 2018, and early adoption is permitted. The Company is currently evaluating the impact that the implementation of ASU 2016-02 will have on the Company's financial statements.

In March 2016, the FASB issued ASU No. 2016-09, Compensation-Stock Compensation, or ASU 2016-09. The new guidance is an update to ASC 718 and simplifies several aspects of the accounting for share-based transactions. For public companies, ASU 2016-09 is effective for annual periods, including interim periods within those annual periods, beginning after December 15, 2016. The Company adopted ASU 2016-09 in the three month period ended March 31, 2017, and ASU 2016-09 did not materially impact the Company's financial statements.

In May 2017, the FASB issued ASU No. 2017-09, Compensation-Stock Compensation, or ASU 2017-09. The new guidance is an update to ASC 718 and simplifies the modification accounting for share-based payment awards. For public companies, ASU 2017-09 is effective for annual periods, including interim periods within those annual periods, beginning after December 15, 2017. The Company is currently evaluating the impact that the implementation of ASU 2017-09 will have on the Company's financial statements.

3. Short-term Investments

The following table summarizes the held-to-maturity securities held at September 30, 2017 (in thousands):

	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
As of September 30, 2017				
U.S. government securities	$ 15,486	$ 68	$ (74)	$ 15,480
Commercial paper	13,474	—	—	13,474
Overnight repurchase agreement	10,000	—	—	10,000
Total short-term investments	$ 38,960	$ 68	$ (74)	$ 38,954

All held-to-maturity short-term investments at September 30, 2017 will mature in less than one year. The gross unrealized gains and losses for the Company's commercial paper and overnight repurchase agreement are not significant.

4. Prepaid Expenses and Other Current Assets

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

	September 30, 2017	December 31, 2016
Prepaid SCY-078 development services	$ 134	$ 153
Prepaid insurance	470	243
Other prepaid expenses	73	71
Other receivable due from R-Pharm	251	233
Other current assets	86	41
Total prepaid expenses and other current assets	$ 1,014	$ 741

5. Accrued Expenses

Accrued expenses consisted of the following (in thousands):

	September 30, 2017	December 31, 2016
Accrued research and development expenses	$ 745	$ 318
Accrued employee bonus compensation	643	730
Employee withholdings	24	22
Other accrued expenses	325	198
Total accrued expenses	$ 1,737	$ 1,268

6. Borrowings

On September 30, 2016, the Company entered into the Loan Agreement with Solar, in its capacity as administrative and collateral agent and as lender. Pursuant to the Loan Agreement, Solar is providing the Company with a 48-month secured Term Loan in the amount of $15.0 million. The Term Loan bears interest at a floating rate equal to the LIBOR rate in effect plus 8.49% and the Company is required to make interest-only payments on the Term Loan beginning November 1, 2016 and continuing through March 1, 2018. Beginning April 1, 2018 (the "Amortization Date"), the Company is required to make monthly payments of interest plus equal monthly principal payments from the Amortization Date through the Maturity Date of the Term Loan. If the Company receives certain positive clinical data prior to March 31, 2018, and receives unrestricted net cash proceeds of not less than $20.0 million after September 8, 2016, from certain financing, licensing, or other non-dilutive agreements, the Amortization Date is extended for an additional six months (extending the interest-only period by six months). However, the ultimate term of the Term Loan is not extended and the equal monthly payments of principal will be calculated based on the remaining term of the Term Loan. The obligations under the Loan Agreement are secured by a lien on substantially all assets of the Company other than its intellectual property, which is subject to a negative pledge.

The Loan Agreement contains customary affirmative covenants, including covenants regarding the payment of taxes and other obligations, maintenance of insurance, reporting requirements and compliance with applicable laws and regulations. Further, the Loan Agreement contains customary negative covenants limiting the ability of the Company, among other things, to incur debt, grant liens, make investments, make acquisitions, make certain restricted payments and sell assets, subject to certain exceptions, and maintain certain minimum liquidity requirements. Upon the occurrence and during the continuance of an event of default, the lenders may declare all outstanding principal and accrued but unpaid interest under the Loan Agreement immediately due and payable and may exercise the other rights and remedies provided for under the Loan Agreement and related loan documents. The events of default under the Loan Agreement include payment defaults, cross defaults with certain other agreements, breaches of covenants or representations and warranties, the occurrence of a material adverse effect and certain bankruptcy events. The Company has the right to prepay the Term Loan in whole at any time and the Loan Agreement contains customary prepayment and closing fees.

Pursuant to the Loan Agreement, on September 30, 2016 (the "Closing Date"), the Company issued to Solar a warrant (the "Solar Warrant") to purchase an aggregate of up to 122,435 shares of the Company's common stock at an exercise price of $3.6754 per share. The Solar Warrant will expire five years from the date of the grant. The Solar Warrant is classified as equity and was recorded at its relative fair value at issuance in the stockholders' equity section of the balance sheet (See Note 8).

Future principal debt payments on the currently outstanding Term Loan payable as of September 30, 2017 are as follows (in thousands):

2017	$ —
2018	4,500
2019	6,000
2020	4,500
Total principal payments	15,000
Final fee due at maturity	750
Total principal and final fee payment	15,750
Unamortized discount and debt issuance costs	(1,198)
Less current portion	(2,849)
Loan payable, long term	$ 11,703

7. Commitments and Contingencies

Leases

The Company leases its headquarters facilities under a long-term non-cancelable operating lease. On July 13, 2015, the Company entered into a sublease (the "Sublease") that became effective July 22, 2015, to sublet certain premises consisting of 10,141 square feet of space (the "Subleased Premises") located at 101 Hudson Street, Jersey City, New Jersey from Optimer Pharmaceuticals, Inc. The term of the Sublease commenced on August 1, 2015 (the "Commencement Date") and is scheduled to expire on July 30, 2018. No base rent was due under the Sublease until one month after the Commencement Date. Under the Sublease, the Company is obligated to pay monthly base rent of approximately twenty-five thousand dollars per month, which

amount increases by 3% annually on each anniversary of the Commencement Date. In addition, the Company was required to fund a security deposit with the sublandlord in the amount of $0.1 million. Rent expense was approximately $0.1 million and $0.2 million for the three and nine months ended September 30, 2017, respectively. Future minimum lease payments for all operating leases as of September 30, 2017 are as follows (in thousands):

September 30, 2017 to December 31, 2017	$	78
2018		182
Thereafter		—
Total	$	260

License Arrangement with Potential Future Expenditures

As of September 30, 2017, the Company had a license arrangement with Merck Sharp & Dohme Corp., or Merck, that involves potential future expenditures. Under the license arrangement, the Company exclusively licensed from Merck its rights to SCY-078 in the field of human health. SCY-078 is the Company's lead product candidate. Pursuant to the terms of the license agreement, Merck is eligible to receive milestone payments from the Company that could total $19.0 million upon occurrence of specific events, including initiation of a Phase 3 clinical study, new 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 SCY-078. The aggregate royalty percentages 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 SCY-078 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 SCY-078 compound. In December 2016, the Company entered into a second amendment 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. Except as described above, all other terms and provisions of the license agreement remain in full force and effect.

The Company has two additional licensing agreements for other compounds that could require it to make payments of up to $2.3 million upon achievement of certain milestones by the Company.

Clinical Development Arrangements

The Company has entered into, and expects to continue to enter into, contracts in the normal course of business with various third parties who support its clinical trials, preclinical research studies, and other services related to its development activities. The scope of the services under these agreements can generally be modified at any time, and the agreement can be terminated by either party after a period of notice and receipt of written notice.

Legal Proceeding

On March 8, 2017, a purported stockholder class action lawsuit was filed in the United States District Court for the District of New Jersey against the Company and certain of its current and former officers, captioned Gibson v. Scynexis, Inc., et al. The action was filed on behalf of a putative class of all persons who purchased or otherwise acquired the Company's securities (1) pursuant or traceable to the Company's IPO, or (2) on the open market between May 2, 2014, and March 2, 2017. It asserts claims for violation of Sections 11 and 15 of the Securities Act of 1933 and Sections 10(b) and 20(a) of the Securities Exchange Act of 1934. The complaint seeks, among other things, compensatory damages and attorneys' fees and costs on behalf of the putative class. The Company believes that the claims lack merit and intends to defend the litigation vigorously.

ASC Topic 450, *Contingencies*, requires a loss contingency to be accrued by a charge to operating results if it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated. Legal costs in connection with a loss contingency are expensed as incurred. As of September 30, 2017, the Company has not recognized a liability associated with the class action lawsuit contingency.

8. Stockholder's Equity

Authorized, Issued, and Outstanding Common Stock

The Company's common stock has a par value of $0.001 per share and consists of 125,000,000 authorized shares as of September 30, 2017, and December 31, 2016; 28,335,836 and 24,609,411 shares were issued and outstanding at September 30,

2017, and December 31, 2016, respectively. The following table summarizes common stock share activity for the nine months ended September 30, 2017 (dollars in thousands):

	Shares of Common Stock	Common Stock	Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity
Balance, December 31, 2016	24,609,411	$ 24	$ 214,918	$ (180,123)	$ 34,819
Cumulative stock-based compensation forfeiture adjustment	—	—	67	(67)	—
Net loss	—	—	—	(17,470)	(17,470)
Stock-based compensation expense	—	—	1,241	—	1,241
Common stock issued through employee stock purchase plan	18,132	—	36	—	36
Common stock issued under Shelf Registration, net of expenses	3,708,293	4	8,634	—	8,638
Balance, September 30, 2017	28,335,836	$ 28	$ 224,896	$ (197,660)	$ 27,264

Shares Reserved for Future Issuance

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

	September 30, 2017	December 31, 2016
Outstanding stock options	2,888,146	1,819,444
Outstanding Series C-1 Preferred warrants	14,033	14,033
Warrants to purchase common stock associated with June 2016 Public Offering	4,218,750	4,218,750
Warrants to purchase common stock associated with Loan Agreement	122,435	122,435
For possible future issuance under 2014 Equity Incentive Plan (Note 9)	522,230	668,921
For possible future issuance under Employee Stock Purchase Plan (Note 9)	83,617	72,338
For possible future issuance under 2015 Inducement Plan (Note 9)	165,000	165,000
Total common shares reserved for future issuance	8,014,211	7,080,921

Warrants Associated with Convertible Preferred Stock Issuances

In July 2006, the Company issued warrants to purchase 196,923 shares of Series C-1 Preferred Stock, which converted into the right to purchase 14,033 shares of common stock in connection with the Company's IPO; however, the Company refers to these warrants as its Series C-1 Preferred warrants. The Series C-1 Preferred warrants were issued in conjunction with a loan financing agreement with an original exercise price of $3.25 per share of Series C-1 Preferred, which converted into an exercise price of $45.61 per share of common stock in connection with the Company's IPO. These warrants remain outstanding as of September 30, 2017 and will expire on May 7, 2019, which is the five year anniversary of the Company's IPO. The fair value at the date of grant for these instruments was $0.5 million, which was recorded as a debt discount. The debt discount related to these warrants was fully amortized as of December 31, 2010. The Company determined that the warrants should be recorded as a derivative liability and stated at fair value at each reporting period. As of September 30, 2017 and December 31, 2016, the fair value of the warrant derivative liability was zero.

Warrants Associated with June 2016 Public Offering

On June 21, 2016, the Company completed the June 2016 Public Offering of its common stock and warrants pursuant to the Company's effective Shelf Registration (see Note 1). Each purchaser received a warrant to purchase 0.45 of a share for each share purchased in the June 2016 Public Offering. There is not expected to be any trading market for the warrants. Each warrant was exercisable immediately upon issuance, will expire five years from the date of issuance, and has an exercise price of $3.00 per share.

The warrants contain 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 statements of operations. During the three and nine months ended September 30, 2017, the Company recorded a loss of $1.6 million and a gain of $2.8 million, respectively, due to the change in fair value of the warrant liability. As of September 30, 2017, the fair value of the warrant liability was $3.8 million.

Warrant Associated with Loan Agreement

Pursuant to the Loan Agreement, on the Closing Date the Company issued to Solar the Solar Warrant to purchase an aggregate of up to 122,435 shares of the Company's common stock at an exercise price of $3.6754 per share. The Solar Warrant will expire five years from the date of the grant. The Solar Warrant was classified as equity and recorded at its relative fair value at issuance in the stockholders' equity section of the balance sheet.

9. Stock-based Compensation

2009 Stock Option Plan

The Company had a share-based compensation plan (the "2009 Stock Option Plan") under which the Company granted options to purchase shares of common stock to employees, directors, and consultants as either incentive stock options or nonqualified stock options. Incentive stock options could be granted with exercise prices not less than 100% to 110% of the fair market value of the common stock. Options granted under the plan generally vest over three to four years and expire 10 years from the date of grant.

2014 Equity Incentive Plan

In February 2014, the Company's board of directors adopted the 2014 Equity Incentive Plan, or the 2014 Plan, which was subsequently ratified by its stockholders and became effective on May 2, 2014 (the "Effective Date"). The 2014 Plan, as amended on June 18, 2014 and February 25, 2015, is the successor to and continuation of the 2009 Stock Option Plan. As of the Effective Date, no additional awards will be granted under the 2009 Stock Option Plan, but all stock awards granted under the 2009 Stock Option Plan prior to the Effective Date will remain subject to the terms of the 2009 Stock Option Plan. All awards granted on and after the Effective Date will be subject to the terms of the 2014 Plan. The 2014 Plan provides for the grant of the following awards: (i) incentive stock options, (ii) nonstatutory stock options, (iii) stock appreciation rights, (iv) restricted stock awards, (v) restricted stock unit awards, and (vi) other stock awards. Employees, directors, and consultants are eligible to receive awards. Options granted under the plan generally vest over three to four years and expire in 10 years from the date of grant.

Under the 2014 Plan, after giving effect to the increases to the share reserve approved by the Company's stockholders in September 2014, and June 2015, but excluding the automatic increases discussed below, the aggregate number of shares of common stock that could be issued from and after the Effective Date (the "share reserve") could not exceed the sum of (i) 1,122,731 new shares, (ii) the shares that represented the 2009 Stock Option Plan's available reserve on the Effective Date, and (iii) any returning shares from the 2009 Stock Option Plan. Under the 2014 Plan, the share reserve will automatically increase on January 1st of each year, for a period of not more than 10 years, commencing on January 1, 2015, and ending on January 1, 2024, in an amount equal to 4.0% of the total number of shares of capital stock outstanding on December 31st of the preceding calendar year. The board of directors may act prior to January 1st of a given year to provide that there will be no increase in the share reserve or that the increase will be a lesser number of shares than would otherwise occur.

Pursuant to the terms of the 2014 Plan, on January 1, 2017, 2016 and 2015, the Company automatically added 984,376, 556,223, and 340,484 shares to the total number shares of common stock available for future issuance under the 2014 Plan, respectively. As of September 30, 2017, there were 522,230 shares of common stock available for future issuance under the 2014 Plan.

2015 Inducement Plan

On March 26, 2015, the Company's board of directors adopted the 2015 Inducement Plan, or the 2015 Plan. The 2015 Plan has a share reserve covering 450,000 shares of common stock. During the nine months ended September 30, 2017, there were no grants of the Company's common stock under the 2015 Inducement Plan. As of September 30, 2017, there were 165,000 shares of common stock available for future issuance under the 2015 Plan.

The activity for the 2009 Stock Option Plan, 2014 Plan and 2015 Plan for the nine months ended September 30, 2017, is summarized as follows:

	Number of Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Life (in years)	Aggregate Intrinsic Value ($000)
Outstanding — December 31, 2016	1,819,444	$ 7.52	6.98	$ 32
Granted	1,068,922	$ 2.97		
Exercised	—	$ —		
Canceled	(220)	$ 9.64		
Outstanding — September 30, 2017	2,888,146	$ 5.83	7.31	$ 68
Exercisable — September 30, 2017	1,472,704	$ 7.40	5.80	$ 19
Vested or expected to vest — September 30, 2017	2,888,146	$ 5.83	7.31	$ 68

Restricted stock unit ("RSU") activity under the 2014 Plan for the nine months ended September 30, 2017, is summarized as follows:

	Number of Shares	Weighted Average Grant Date Fair Value Per Share
Non-vested at December 31, 2016	—	—
Granted	62,365	$ 2.72
Vested	—	—
Forfeited	—	—
Non-vested at September 30, 2017	62,365	—

The fair value of RSUs is based on the market price of the Company's common stock on the date of grant. RSUs are only issued to non-executive employees and vest 25% annually over a four year period from the date of grant. Upon vesting, the RSUs 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.

2014 Employee Stock Purchase Plan

In February 2014, the Company's board of directors adopted the 2014 Employee Stock Purchase Plan ("ESPP"), which was subsequently ratified by the Company's stockholders and became effective on May 2, 2014. The purpose of the ESPP is to provide means by which eligible employees of the Company and of certain designated related corporations may be given an opportunity to purchase shares of the Company's common stock, and to seek and retain services of new and existing employees and to provide incentives for such persons to exert maximum efforts for the success of the Company. Common stock that may be issued under the ESPP will not exceed 47,794 shares, plus the number of shares of common stock that are automatically added on January 1st of each year for a period of ten years, commencing on January 1, 2015 and ending on January 1, 2024, in an amount equal to the lesser of (i) 0.8% of the total number of shares of outstanding common stock on December 31 of the preceding calendar year, and (ii) 29,411 shares of common stock. Similar to the 2014 Plan, the board of directors may act prior to January 1st of a given year to provide that there will be no increase in the share reserve or that the increase will be a lesser number of shares than would otherwise occur. The ESPP is intended to qualify as an "employee stock purchase plan" within the meaning of Section 423 of the Internal Revenue Code.

In the nine months ended September 30, 2017, the number of shares of common stock available for issuance under the ESPP was automatically increased by 29,411 shares pursuant to the terms of the ESPP and the Company issued 18,132 shares of common stock under the ESPP. During the nine months ended September 30, 2016, the number of shares of common stock available for issuance under the ESPP was automatically increased by 29,411 shares pursuant to the terms of the ESPP and the Company issued 7,356 shares of common stock under the ESPP. As of September 30, 2017, there were 83,617 shares of common stock available for future issuance under the ESPP; and there were 10,465 shares issued by the Company under the ESPP during the three months ended September 30, 2017.

Compensation Cost

The compensation cost that has been charged against income for stock awards under the 2009 Stock Option Plan, the 2014 Plan, the 2015 Plan, and the ESPP was $0.4 million and $1.2 million for the three and nine months ended September 30,

2017, respectively, and $0.3 million and $0.9 million for the three and nine months ended September 30, 2016, respectively. The total income tax benefit recognized in the statements of operations for share-based compensation arrangements was zero for the three and nine months ended September 30, 2017 and 2016. Cash received from options exercised was zero for the three and nine months ended September 30, 2017, and 2016.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Research and development	$ 120	$ 67	$ 334	$ 223
Selling, general and administrative	287	226	907	685
Total	$ 407	$ 293	$ 1,241	$ 908

10. Fair Value Measurements

The carrying amounts of certain financial instruments, including cash and cash equivalents, 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, pursuant to the policy described in Note 2. This determination requires significant judgments to be made. The following table summarizes the conclusions reached as of September 30, 2017 and December 31, 2016 for financial instruments measured at fair value on a recurring basis (in thousands):

		Fair Value Hierarchy Classification		
	Balance	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2016				
Cash on deposit	$ 9,767	$ 9,767	—	—
Money market funds	25,889	25,889	—	—
Total assets	$ 35,656	$ 35,656	—	—
Warrant liability	$ 6,601	—	—	$ 6,601
Total liabilities	$ 6,601	—	—	$ 6,601
September 30, 2017				
Cash on deposit	$ 2,150	$ 2,150	—	—
Money market funds	6,599	6,599	—	—
Total assets	$ 8,749	$ 8,749	—	—
Warrant liability	$ 3,792	—	—	$ 3,792
Total liabilities	$ 3,792	—	—	$ 3,792

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.

Level 3 financial liabilities consist of the warrant liability 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 liability 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.

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):

Balance - January 1, 2017	$	6,601
Gain adjustment to fair value		(2,809)
Balance - September 30, 2017	$	3,792

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

Operating results for the three and nine months ended September 30, 2017, 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," "believe," "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 13, 2017. 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.

Overview

SCYNEXIS is a biotechnology company committed to positively impacting the lives of patients suffering from difficult-to-treat and often life-threatening infections by delivering innovative anti-infective therapies. We are developing our lead product candidate, SCY-078, as the first representative of a novel oral and intravenous triterpenoid antifungal family for the treatment of several fungal infections, including serious and life-threatening invasive fungal infections. SCY-078 is a structurally distinct glucan synthase inhibitor that has been shown to be effective *in vitro* and *in vivo* against a broad range of human fungi pathogens such as *Candida*, *Aspergillus* species, including multidrug-resistant strains, as well as *Pneumocystis* spp. *Candida* and *Aspergillus* species are the fungi responsible for approximately 85% of all invasive fungal infections in the United States (U.S.) and Europe. To date, we have characterized the pharmacokinetics and safety profile of the oral and intravenous (IV) formulations of SCY-078 in multiple Phase 1 studies. In a Phase 2 study, evaluating oral SCY-078 as a step-down therapy in patients with invasive candidiasis, we confirmed that oral SCY-078 achieved the intended plasma exposure for efficacy and was well-tolerated. In another Phase 2 proof-of-concept study, evaluating oral SCY-078 in patients with vulvovaginal candidiasis (VVC), we observed numerically higher clinical cure rates at test-of-cure and fewer recurrences of VVC at the four-month follow-up when compared to the standard of care (oral fluconazole).

We are currently dosing patients in two clinical studies evaluating oral SCY-078:

- Phase 2 dose-finding study (DOVE study) for the treatment of VVC. We expect to report top-line results for this study in mid-2018;
- Global, open-label study for the treatment of invasive fungal infections that are refractory to or intolerant of standard antifungal agents (FURI study).

The DOVE study is a randomized, multicenter, double-blind, active-controlled, dose-finding study designed to evaluate the safety and efficacy of oral SCY-078 versus oral fluconazole in adult female patients. Approximately 180 patients with moderate to severe acute VVC are being randomized to one of five different regimens of oral SCY-078 or oral fluconazole, the current standard of care. Efficacy will be measured by the percentage of patients with clinical cure (complete resolution of signs and symptoms) at the test-of-cure visit at day 10 (primary endpoint) and at a follow-up visit on day 25. Mycological eradication (negative fungal culture) will also be evaluated at the same time points.

The FURI study is a global, open-label study in which oral SCY-078 is being administered to patients with invasive fungal infections that are refractory to, or that are intolerant of, standard therapy (azoles, echinocandins and/or polyenes). We continue to open sites in the U.S. and in Europe, providing access to oral SCY-078 for patients that have failed other therapies and for whom limited treatment options are available.

We are initiating a global, open-label study for the treatment of *Candida auris* infections (CARES study) in the fourth quarter of this year. *Candida auris* is typically a multidrug resistant pathogen and systemic infections caused by *Candida auris* are associated with high mortality. The CARES study is intended to provide rapid access to oral SCY-078 for patients suffering from this life-threatening infection.

We believe that compelling data from the FURI and/or CARES studies could allow SCY-078 to become eligible for the regulatory Limited Population Pathway for Antibacterial and Antifungal Drugs (LPAD) potentially resulting in an initial New Drug Application (NDA) based on streamlined development.

In addition, based on promising *in vitro* and *in vivo* data of SCY-078 against *Aspergillus* infections, as a single agent and in combination with standard of care, we are evaluating potential subsequent clinical development steps for this indication.

On March 2, 2017, we announced that the U.S. Food and Drug Administration (FDA) required us to hold the initiation of any new clinical studies with the IV formulation of SCY-078 following three thrombotic events observed in healthy volunteers receiving IV SCY-078 in a Phase 1 study. Based on previous discussions with the FDA, we are in the process of gathering the required data that will enable us to submit a complete response supporting our request to lift the clinical hold on the IV formulation of SCY-078. Upon lifting of the clinical hold, we plan to test the intended IV dose regimen first in healthy volunteers before initiating our planned Phase 2 study for treatment of patients with invasive *Candida* infections. We anticipate the commencement of this Phase 2 study to occur in 2018. Despite our confidence in our plan, there can be no assurance that the FDA will lift the clinical hold and allow initiation of any new clinical studies with the IV formulation of SCY-078 or agree with our trial design to permit us to commence these studies. Given the multiple steps required and uncertainty around outcomes, anticipated timing for initiation of a Phase 2 study is a prediction based on our existing operating plan. The clinical hold does not apply to the oral formulation of SCY-078, therefore ongoing and future clinical development using the oral formulation of SCY-078 are not affected by this regulatory action.

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 a public offering of our common stock and warrants in June 2016. As of September 30, 2017, we had received an aggregate of $113.4 million in net proceeds from the issuance of our common stock in these three offerings. Our principal source of liquidity is cash and cash equivalents and short-term investments, which totaled $47.7 million as of September 30, 2017.

We have incurred net losses since our inception, including the year ended December 31, 2016, and the nine months ended September 30, 2017. As of September 30, 2017, our accumulated deficit was $197.7 million. We anticipate that we will continue to incur losses for at least the next several years. We expect that our research and development expenses will continue to increase as we continue to execute our research and drug development strategy. We also expect that we will continue to incur selling, general and administrative expenses to support our public reporting company 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, or 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 Form S-3 shelf registration statement filed with the SEC on October 30, 2015 and declared effective on November 16, 2015, including the related at-the-market facility entered into on April 11, 2016 with Cantor Fitzgerald & Co., or Cantor.

We are an emerging growth company. Under the Jumpstart Our Business Startups Act of 2012, or JOBS Act, emerging growth companies can delay adopting new or revised accounting standards until such time that those standards apply to private companies. We have irrevocably elected not to adopt this exemption from new or revised accounting standards, and therefore, we will be subject to the same new or revised accounting standards as other public companies that are not “emerging growth companies.”

Collaborations and Licensing Agreements

We are party to a number of licensing and collaboration agreements with partners in human health, including: (1) Merck, a pharmaceutical company, under which we exclusively licensed the rights to SCY-078 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 SCY-078 when and if it is approved (in 2014, Merck assigned the patents to us related to SCY-078 that it had exclusively licensed to us and, as contemplated by the agreement, we will continue to pay milestones and royalties); (2) 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 SCY-078 in Russia and several smaller non-core markets, under which we are entitled to receive potential milestones and royalties and reimbursement for certain development costs incurred by us; (3) 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 (4) 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 the continued amortization of a non-refundable upfront payment received under our collaboration arrangement with R-Pharm. The R-Pharm arrangement and our revenue recognition policy is described within Note 2 to our unaudited interim financial statements in Part 1, Item 1 of this Quarterly Report on Form 10-Q.

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 related 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;
- fees paid to consultants and other third parties who support our product candidate development and intellectual property protection;
- other costs in seeking regulatory approval of our products; and
- allocated overhead.

Our SCY-078 project was the only significant research and development project during the periods presented. We plan to increase our research and development expense for the foreseeable future as we continue our effort to develop SCY-078 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, 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 maintenance and marketing efforts.

Other Expense (Income)

All of our other expense (income) recognized in the three and nine months ended September 30, 2017, consists of interest income, amortization of debt discount, interest expense, and the warrant liability fair value adjustment.

Results of Operations for the Three Months Ended September 30, 2017 and 2016

The following table summarizes our results of operations for the three months ended September 30, 2017 and 2016, together with the changes in those items in dollars and percentage (dollars in thousands):

	Three Months Ended September 30,			
	2017	2016	Period-to-Period Change	
Revenue	$ 64	$ 64	$ —	— %
Operating expenses:				
Research and development, net	4,459	4,890	(431)	(8.8) %
Selling, general and administrative	2,004	1,880	124	6.6 %
Total operating expenses	6,463	6,770	(307)	(4.5) %
Loss from operations	(6,399)	(6,706)	307	(4.6) %
Other expense (income):				
Amortization of debt discount	100	—	100	—
Interest income	(109)	(48)	(61)	127.1 %
Interest expense	373	—	373	—
Warrant liability fair value adjustment	1,638	4,570	(2,932)	(64.2) %
Total other expense	2,002	4,522	(2,520)	(55.7) %
Net loss	$ (8,401)	$ (11,228)	$ 2,827	(25.2) %

Revenue. For the three months ended September 30, 2017, revenue remained consistent when compared to the three months ended September 30, 2016. Revenue in both periods consisted of the continued amortization of a non-refundable upfront payment received under our collaboration arrangement with R-Pharm.

Research and Development. For the three months ended September 30, 2017, research and development expenses decreased to $4.5 million from $4.9 million for the three months ended September 30, 2016. The decrease of $0.4 million, or 8.8%, for the three months ended September 30, 2017 was primarily driven by a decrease of $0.3 million in both clinical and preclinical development expense and a $0.2 million net increase in other research and development expenses. The $0.3 million decrease in preclinical development for the three months ended September 30, 2017, was primarily driven by the expense recognized for certain toxicology studies that were substantially initiated and completed in the prior comparable quarter in 2016. The $0.3 million decrease in clinical development for the three months ended September 30, 2017, was primarily driven by reduced clinical activities associated with the IV formulation of SCY-078 and the expense recognized for our two completed Phase 2 and drug-drug interaction studies that were all ongoing in the prior comparable period and completed in 2016, offset in part by the expense recognized for the three months ended September 30, 2017 for the DOVE and FURI studies.

Selling, General & Administrative. For the three months ended September 30, 2017, selling, general and administrative expenses increased to $2.0 million from $1.9 million for the three months ended September 30, 2016. The increase of $0.1 million, or 6.6%, for the three months ended September 30, 2017 was primarily driven by an increase of $0.1 million in stock-based compensation, a decrease of $0.1 million in professional services, and a $0.1 million net increase in other selling, general and administrative expenses.

Amortization of Debt Discount. During the three months ended September 30, 2017, we recognized $0.1 million in amortization of debt discount. The debt discount comprised issuance costs, customary closing and final fees, and the fair value of the warrants issued in conjunction with the Loan and Security Agreement (the "Loan Agreement") with Solar Capital Ltd. (“Solar”), in its capacity as administrative and collateral agent and as lender, entered into in September 2016.

Interest Income. During the three months ended September 30, 2017, we recognized $0.1 million in interest income associated with our short-term investments.

Interest Expense. During the three months ended September 30, 2017, we recognized $0.4 million in interest expense associated with the Loan Agreement with Solar.

Warrant Liability Fair Value Adjustment.

On June 21, 2016, we sold an aggregate of 9,375,000 shares of common stock and warrants to purchase up to 4,218,750 shares of our common stock at a public offering price of $2.40 per share of common stock sold. We accounted for these warrants as a liability instrument measured at their fair value. The fair values of these warrants have been determined using the Black-Scholes valuation model ("Black-Scholes"). The warrants are subject to remeasurement at each balance sheet date, using Black-Scholes, with any changes in the fair value of the outstanding warrants recognized in the accompanying statements of operation. For the three months ended September 30, 2017, we recognized a $1.6 million loss in the fair value adjustment related to the warrant liability primarily due to the increase in our stock price during the quarter.

Results of Operations for the Nine Months Ended September 30, 2017 and 2016

The following table summarizes our results of operations for the nine months ended September 30, 2017 and 2016, together with the changes in those items in dollars and percentage (dollars in thousands):

	Nine Months Ended September 30,			
	2017	2016	Period-to-Period Change	
Revenue	$ 193	$ 193	$ —	— %
Operating expenses:				
Research and development, net	12,927	16,293	(3,366)	(20.7)%
Selling, general and administrative	6,425	6,086	339	5.6 %
Total operating expenses	19,352	22,379	(3,027)	(13.5)%
Loss from operations	(19,159)	(22,186)	3,027	(13.6)%
Other (income) expense:				
Amortization of debt discount	300	—	300	—
Interest income	(261)	(115)	(146)	127.0 %
Interest expense	1,081	—	1,081	—
Warrant liability fair value adjustment	(2,809)	4,469	(7,278)	(162.9)%
Total other (income) expense	(1,689)	4,354	(6,043)	(138.8)%
Net loss	$ (17,470)	$ (26,540)	9,070	(34.2)%

Revenue. For the nine months ended September 30, 2017, revenue remained consistent when compared to the nine months ended September 30, 2016. Revenue in both periods consisted of the continued amortization of a non-refundable upfront payment received under our collaboration arrangement with R-Pharm.

Research and Development. For the nine months ended September 30, 2017, research and development expenses decreased to $12.9 million from $16.3 million for the nine months ended September 30, 2016. The decrease of $3.4 million, or 20.7%, was primarily driven by a decrease of $2.4 million in clinical development, a decrease of $1.5 million in chemistry, manufacturing, and controls (CMC), and a $0.5 million net increase in other research and development expenses. The $2.4 million decrease in clinical development for the nine months ended September 30, 2017, was primarily driven by reduced clinical activities associated with the IV formulation of SCY-078 and the expense recognized for our two completed Phase 2 and drug-drug interaction studies that were all ongoing in the prior comparable period and completed in 2016, offset in part by the expense recognized for the nine months ended September 30, 2017 for the DOVE and FURI studies. The $1.5 million decrease in CMC expense for the nine months ended September 30, 2017, is primarily driven by a decrease in our SCY-078 manufacturing costs after a new manufacturer was engaged by us in the second half of 2016.

Selling, General & Administrative. For the nine months ended September 30, 2017, selling, general and administrative expenses increased to $6.4 million from $6.1 million for the nine months ended September 30, 2016. The increase of $0.3 million, or 5.6%, for the nine months ended September 30, 2017 was primarily driven by an increase of $0.5 million in business development related activities and a $0.2 million increase in stock-based compensation, offset by a decrease of $0.4 million in consulting services recognized in the prior comparable period associated with the transition from our former corporate headquarters.

Amortization of Debt Discount. During the nine months ended September 30, 2017, we recognized $0.3 million in amortization of debt discount. The debt discount comprised issuance costs, customary closing and final fees, and the fair value of the warrants issued in conjunction with the Loan Agreement with Solar Capital Ltd. (“Solar”), in its capacity as administrative and collateral agent and as lender, entered into in September 2016.

Interest Income. During the nine months ended September 30, 2017, we recognized $0.3 million in interest income associated with short-term investments.

Interest Expense. During the nine months ended September 30, 2017, we recognized $1.1 million in interest expense associated with the Loan Agreement with Solar.

Warrant Liability Fair Value Adjustment. On September 21, 2016, we sold an aggregate of 9,375,000 shares of common stock and warrants to purchase up to 4,218,750 shares of our common stock at a public offering price of $2.40 per share of common stock sold. We accounted for these warrants as a liability instrument measured at their fair value. The fair values of these warrants have been determined using the Black-Scholes valuation model ("Black-Scholes"). The warrants are subject to remeasurement at each balance sheet date, using Black-Scholes, with any changes in the fair value of the outstanding warrants recognized in the accompanying statements of operation. For the nine months ended September 30, 2017, we recognized a $2.8 million gain in the fair value adjustment related to the warrant liability primarily due to the decrease in our stock price during the period.

Liquidity and Capital Resources

Sources of Liquidity

Through September 30, 2017, we have funded our operations from net proceeds from debt and equity issuances and through revenue from development services. As of September 30, 2017, we had cash and cash equivalents and short-term investments of approximately $47.7 million, compared to $58.6 million as of December 31, 2016. The decrease in our cash and cash equivalents and short-term investments was primarily due to the continued development costs associated with our lead product candidate, SCY-078. We have incurred net losses since our inception, including the nine months ended September 30, 2017. As of September 30, 2017, our accumulated deficit was $197.7 million.

We anticipate that we will continue to incur losses for at least the next several years. We expect our research and development expenses to increase and we will continue to incur selling, general and administrative expenses to support our 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, or 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 Form S-3 shelf registration statement filed with the SEC on October 30, 2015 and declared effective on November 16, 2015, including the related at-market-facility entered into on April 11, 2016 with Cantor. During the nine months ended September 30, 2017, we received net proceeds of $8.6 million ($3.6 million in the third quarter) under our at-the-market facility.

Cash Flows

The following table sets forth the significant sources and uses of cash for the nine months ended September 30, 2017 and 2016 (in thousands):

	Nine Months Ended September 30,	
	2017	2016
Cash and cash equivalents, January 1	$ 35,656	$ 46,985
Net cash used in operating activities	(19,398)	(24,799)
Net cash used in investing activities	(16,183)	(28,098)
Net cash provided by financing activities	8,674	35,721
Net decrease in cash and cash equivalents	(26,907)	(17,176)
Cash and cash equivalents, September 30	$ 8,749	$ 29,809

Operating Activities

The $5.4 million decrease in net cash used in operating activities for the nine months ended September 30, 2017, as compared to the nine months ended September 30, 2016, was primarily due to decreases in costs associated with SCY-078 development efforts. We expect that our research and development expenses will increase as we pursue our SCY-078 development efforts described in the "Overview" section above and we expect we will continue to incur selling, general and administrative expenses to support our operations.

Net cash used in operating activities of $19.4 million for the nine months ended September 30, 2017, primarily consisted of the $17.5 million net loss adjusted for non-cash charges that included the gain on change in fair value of the warrant liability of $2.8 million and stock-based compensation expense of $1.2 million, plus a net unfavorable change in operating assets and liabilities of $0.8 million. The net unfavorable change in operating assets and liabilities included an increase in accounts payable and accrued expenses of $0.1 million and an increase in prepaid expenses, other assets, and deferred costs of $0.7 million. The increase in prepaid expenses, other assets, and deferred costs is primarily due to a $0.6 million increase in long term prepaid SCY-078 development services.

Net cash used in operating activities of $24.8 million for the nine months ended September 30, 2016, primarily consisted of the $26.5 million net loss adjusted for non-cash charges that included the write off of deferred offering costs of $0.1 million, the loss on change in fair value of the warrant liability of $4.5 million and stock-based compensation expense of $0.9 million, plus a net unfavorable change in operating assets and liabilities of $3.8 million. The net unfavorable change in operating assets and liabilities included a decrease in accrued but unpaid severance and retention costs of $2.6 million plus an increase in prepaid expenses and other assets of $0.9 million. The decrease in accrued but unpaid severance and retention costs was primarily due to payments made for remaining obligations. The increase in prepaid expenses and other assets is primarily due to (i) a $0.2 million increase in prepaid SCY-078 development services, (ii) a $0.6 million increase in the receivable balance due from R-Pharm for reimbursable research and development expenditures and (iii) a $0.1 million increase in prepaid insurance. Subsequent to September 30, 2016, $0.8 million of the receivable balance due from R-Pharm was collected.

Investing Activities

Net cash used in investing activities of $16.2 million for the nine months ended September 30, 2017 consisted primarily of purchases and maturities of short-term investments of $61.6 million and $45.4 million, respectively.

Net cash used in investing activities for the nine months ended September 30, 2016 consisted primarily of purchases of investments of $35.5 million offset by the maturities of investments of $6.9 million and $0.5 million in proceeds from the release of an escrow receivable.

Financing Activities

Net cash provided by financing activities of $8.7 million for the nine months ended September 30, 2017, consisted of gross proceeds from common stock issued under the Shelf Registration of $8.9 million, partially offset by related underwriting discounts and commissions and offering expenses totaling $0.3 million.

Net cash provided by financing activities of $35.7 million for the nine months ended September 30, 2016, consisted of gross proceeds from common stock and warrants issued under the Shelf Registration of $23.1 million, partially offset by related underwriting discounts and commissions and offering expenses totaling $1.8 million and net proceeds of $14.4 million from our Loan Agreement.

Future Funding Requirements

To date, we have not generated any revenue from product sales. We do not know when, or if, we will generate any revenue from product sales. We do not expect to generate significant revenue from product sales unless and until we obtain regulatory approval of and commercialize SCY-078. In addition, we expect our expenses to increase in connection with our ongoing 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.

Based upon our existing operating plan (and accounting for the planned activities intended to address FDA questions and potentially lift the clinical hold on the IV formulation of SCY-078, including the cost of an additional Phase 1 study), we believe that our existing cash and cash equivalents and short-term investments will enable us to fund our operating expenses and capital expenditure requirements into the second quarter of 2019. We are currently evaluating our operating plan and assessing the potential cash utilization impact of our updated SCY-078 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 expenditures necessary to complete the development of product candidates.

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

- the progress, and costs, of the clinical development of SCY-078;
- 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;
- 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;
- the costs associated with our securities litigation and the outcome of that litigation
- our need to implement additional, as well as to enhance existing, internal systems and infrastructure, including financial and reporting processes and systems; and
- 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. To the extent that we raise additional capital through the sale of equity or convertible debt securities as we did in April 2015 and June 2016, 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, 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.

Contractual Obligations, Commitments and Contingencies

Our commitments and contingencies, including payment obligations under license agreements that are contingent upon future events such as our achievement of specified development, regulatory and commercial milestones, have been described within Notes 6 and 7 to our unaudited interim financial statements in Part 1 of this Quarterly Report on Form 10-Q and have not changed materially since December 31, 2016.

Off-Balance Sheet Arrangements

During the periods presented we did not have, nor do we currently have, any off-balance sheet arrangements as defined under SEC rules.

Critical Accounting Policies and Significant Judgments and Estimates

Our management's discussion and analysis of our financial condition and results of operations is based on our interim financial statements, which we have prepared in accordance with accounting principles generally accepted in the United States, or GAAP. The preparation of our 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 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 accounting policies, significant judgments, and estimates are described within Note 2 to our unaudited interim financial statements in Part I, Item 1 of this Quarterly Report on Form 10-Q.

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 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 September 30, 2017, 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 Securities Exchange Act of 1934). 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 September 30, 2017, our disclosure controls and procedures were effective at the reasonable assurance level.

Changes in Internal Control Over Financial Reporting

During the quarter ended September 30, 2017, 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 Securities Exchange Act of 1934, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

The information called for by this item is incorporated herein by reference to Note 7 of Notes to the Financial Statements contained elsewhere in this report under the caption Legal Proceeding.

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, 2016. There have been no material changes to our risk factors since our Annual Report on Form 10-K for the year ended December 31, 2016.

Item 6. Exhibits

Exhibit Number	Description of Document
2.1	Asset Purchase Agreement, dated July 17, 2015, between the Company and Accuratus Lab Services, Inc. (Filed with the SEC as Exhibit 10.1 to our current report on Form 8-K, filed with the SEC on July 23, 2015, SEC File No. 001-36365, and incorporated by reference here).
3.1	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).
3.2	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).
4.1	Reference is made to Exhibits 3.1 and 3.2.
4.2	Fifth Amended and Restated Investor Rights Agreement, dated December 11, 2013 (Filed with the SEC as Exhibit 10.21 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).
10.1	Amendment to the Development, License and Supply Agreement, dated August 1st, 2013, between SCYNEXIS, Inc. and R-Pharm, CJSC.
10.2	Additional Agreement No. 2 to the Development, License and Supply Agreement, dated August 1st, 2013, between SCYNEXIS, Inc. and R-Pharm, CJSC.
10.3	Additional Agreement No. 3 to the Development, License and Supply Agreement, dated August 1st, 2013, between SCYNEXIS, Inc. and R-Pharm, CJSC.
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	XBRL Instance Document
101.SCH	XBRL Taxonomy Schema Linkbase Document
101.CAL	XBRL Taxonomy Calculation Linkbase Document
101.DEF	XBRL Taxonomy Definition Linkbase Document
101.LAB	XBRL Taxonomy Labels Linkbase Document
101.PRE	XBRL Taxonomy Presentation Linkbase Document

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

SCYNEXIS, INC.

By: /s/ Marco Taglietti, M.D.
Marco Taglietti, M.D.
Chief Executive Officer
(Principal Executive Officer)

Date: November 7, 2017

By: /s/ Eric Francois
Eric Francois
Chief Financial Officer
(Principal Financial and Accounting Officer)

Date: November 7, 2017

[RUSSIAN TRANSLATION]	**AMENDMENT** **to the Development, License and Supply Agreement dated 01 August 2013**
	MoscowFebruary 19, 2016
	R-PHARM JSC, a joint stock company incorporated and existing under the laws of the Russian Federation and having its principal office at Berzarina street, 19, bld. 1, Moscow, 123154, Russia, Principal State Registration Number (OGRN) 1027739700020 (“R-Pharm”) and
	Scynexis, Inc., a corporation organized and existing under the laws of the State of Delaware, having offices located at 3501C Tricenter Boulevard, Durham, North Carolina, USA 27713 (“Scynexis”),
	jointly referred to as the “Parties”,
	have entered into the present Amendment to the Development, License and Supply Agreement dated 01 August 2013 executed by the Parties (hereinafter — “the Agreement”) in accordance with the following:
	1. To replace the term «Матенты» (“Patents”) with the term «Матенты на и30б-ретения» (“Patents for inventions”) in the Russian text of the Agreement.

	2. To amend clause 1.19 of the Agreement to read as follows: «l.19. «Know-How» shall mean any and all unpatented inventions, improvements, discoveries, claims, formulae, processes, trade secrets, technologies and know-how (including confidential data and Confidential Information) that is generated, owned or controlled by any Party as existing as on the Effective Date of this Agreement, as well as those that will be created during the term of this Agreement, relating to, derived from or useful for the use or sale of the Compound or the Product, including, without limitation, synthesis, preparation, recovery and purification processes and techniques, control methods and assays, chemical data, toxicological and pharmacological data and techniques, clinical data, medical uses, product forms and product formulations and specifications. Patent applications before the grant of a patent and Joint Patent Rights before the grant of a patent shall be considered to be Know-How. For the avoidance of doubt, any know-how that Scynexis possesses by virtue of any agreement with a third party is not Know-How within the meaning of the present Agreement. Only data: (i)of the type enumerated above that are results of intellectua activity in the scientific and technical sphere and (ii)that relate to methods of professional activity, which have potential commercial value by virtue of not being known by third parties, by virtue of third parties' having no legal, unrestricted access thereto, and/or by virtue of third parties' not having obtained such data, directly or indirectly, as a result of a violation to of this Agreement, and -to which the owner of such data has applied the Regime of Commercial Secrets, shall be considered to be Know-How. The Parties shall observe the Regime of Commercial Secrets in using and transferring Know-How.»

	3. To amend Agreement by adding new clause 1.42 as follows: «1.42. “Regime of Commercial Secrets” shall mean measures for ensuring the confidentiality of information including, but not limited to: 1) determining the list of information that constitutes commercial secrets; 2) restricting access to information constituting commercial secrets by establishing a regime for handling such information and establishing control over compliance with the regime; 3) registering persons and entities provided with access to information that constitutes commercial secrets and/or registration of per-sons and entities to whom such information has been conveyed or otherwise transmitted; 4) regulating use of information constituting commercial secrets (i) by staff members working under respective employment contracts, and (ii) by contractors working pursuant to civil law contracts; 5) prior to receiving access in accordance with paragraph 3) and/or paragraph 4) of this section, any person requesting such access is required to agree in writing to keep Know-How confidential; 6) applying to physical media carrying information constituting a commercial secret, or including in the content of documents containing such information, the marking “Commercial Secret” together with an indication of the owner of such information (including full name and address). The information in the physical media should be encrypted according to industry standards. The Regime of Commercial Secrets shall exclude access to information that constitutes commercial secrets, absent consent of its owner».
	4. To amend clause 6.1 of the Agreement to read as follows: «6.1. License Payments to Scynexis. In consideration of the grant of (i) exclusive rights under the Patents, (ii) rights to Scynexis’s interest in the Joint Patent Rights, (iii) the non-exclusive, royalty-bearing license under the Scynexis Know-How, and (iv) rights to Scynexis’s interest in the Joint Know-How, which were granted to R-Pharm under Section 5.1 and 5.2 of the Agreement, R-Pharm shall pay to Scynexis the license payments set forth below».
	5. To amend the Agreement by adding new clause 6.6 as follows: «6.6. Trademark Royalty. The Parties agree that none of the payments set forth in clauses 6.1, 6.2, 6.3 of the Agreement include license payments for the acquisition of license rights for Trademarks».

	6 . To amend clause 7.5 of the Agreement to read as follows: “7.5 Russian VAT (Value Added Tax) is not included in the fee for rights granted under the present Agreement. If in accordance with the legislation of the Russian Federation fee payments provided under this Agreement shall be subject to Russian VAT, and R-Pharm, as tax agent, is obliged to calculate, withhold and pay such VAT (into the budget of the Russian Federation) from the sums being paid to Scynexis, the fee payments for the rights under the present Agreement shall be correspondingly increased so as to fully offset payment of such Russian VAT. Defined in such a way, the fee for the grant of the rights shall be considered as income of Scynexis arising from the exclusive rights conveyed by this Agreement, including VAT. R-Pharm shall calculate, withhold from Scynexis and pay into the budget of the Russian Federation the corresponding sum of Russian VAT from the amount of income set forth above in connection with the realization of exclusive rights in view of the relevant tax. If Scynexis’s income under this Agreement is subject, in accordance with tax legislation of the Russian Federation, to taxation of profits at the source of payment of income, R-Pharm shall perform the duties of tax agent for taxes on profit, and shall calculate, withhold and pay the corresponding tax into the budget of the Russian Federation. For the purposes of the profit-tax calculation in accordance with Russian legislation, the tax base shall comprise the amount of income arising from the rights granted under this agreement and received by Scynexis under this agreement (as defined above in this clause, without considering Russian VAT). In order to avoid double taxation of foreign entity income (per application of the pro-visions of the International Treaties of the Russian Federation), Scynexis undertakes to pro-vide R-Pharm with suitable documentation (e.g., a certificate issued by the relevant authority) showing that, during the period in which Scynexis receives income, Scynexis is domiciled in a country with which the Russian Federation has a relevant tax treaty. Such documentation shall be certified by an authorized body of the relevant foreign government and shall be duly legalized or apostilled in accordance with the provisions of the Hague Convention of October 05, 1961. In case such documentation is not in the Russian language, Scynexis shall provide R-Pharm with a translation of the documentation into Russian. R-Pharm shall not be liable for the over- withholding of tax if Scynexis fails to provide such documentation.”
	7. The present Amendment is an integral part of the Agreement and shall enter into force beginning with the date that the Amendment has been signed by both Parties.
	8. The Parties agree that the provisions of the present Amendment are applicable to the relationship of the Parties from August 01, 2013.
	9.Except as amended via the present Amendment, all provisions of the Agreement apply as they did before the present Amendment.

	10. The present Amendment has been executed in two counterparts having the same legal force, with one counterpart for each Party.
	11. In case of any inconsistency between the English version and the Russian version of the present Amendment, the English version shall govern.

	SIGNATURES OF THE PARTIES:
	«R-Pharm», JSC
	V.G. Ignatiev: /s/ V.G. Ignatiev
	SCYNEXIS, INC.
	Marco Taglietti: /s/ Marco Taglietti

[RUSSIAN TRANSLATION]	**ADDITIONAL AGREEMENT No. 2 to the Development, License and Supply Agreement dated August 1st, 2013**
	Moscow ____ ,2016
	Joint Stock Company R-Pharm, represented by its General Director Ignatiev V .G., acting on the basis of the Chapter, hereinafter referred to as the "R-Pharm" on the one hand, and
	Scynexis, Inc., a corporation organized and existing under the laws of the State of Delaware, having offices located at 101 Hudson Street, Suite 3610, Jersey City, New Jersey, USA 07302, hereinafter referred to as the "Scynexis" on the other hand,
	jointly are referred to as the "Parties",
	enter into the present Additional Agreement to the Development, License and Supply Agreement dated August 1st, 2013 executed by the Parties (hereinafter - "the Agreement" in accordance with the following:
	1. Due to the new bank details of Scynexis hereby the Parties agree to set forth the information about the bank details of Scynexis stipulated in the clause 15.18 of the Agreement shall be modified to read as follows: Scynexis, Inc. Account name: Name of Bank: Address of Bank: ABA Number
	2. Due to the relocation of Scynexis, the notice address for Scynexis under Section 5.ll(a) for adverse drug experiences shall be modified to read as follows: SCYNEXIS, Inc. 101 Hudson Street, Suite 3610 Jersey City, NJ 07302 USA E-mail: Facsimile No.: 201-884-5490 Telephone No.:
	3. Due to the relocation of Scynexis, the notice address for Scynexis under Section 15.5, for notices given under the Agreement, shall be modified to read as follows: SCYNEXIS, Inc. 101 Hudson Street, Suite 3610 Jersey City, NJ 07302 USA Attention: General Counsel Facsimile No.: +1-201-884-5490
	4. The present Additional Agreement shall be the integral part of the Agreement and shall be valid from the date of signatures of the authorized representatives of the Parties.
	5 . In everything that is not under discussion in the present Additional Agreement the provisions of the Agreement shall apply.
	6. The present Additional Agreement has been executed in two equal counterparts, one for each Party.
	7. In case of any discrepancies between the English

	and Russian texts of the present Additional Agreement, the English version shall be applied.

SIGNATURES OF THE PARTIES:

“R-Pharm”, JSC

By: /s/ R-Pharm, JSC

Name:

Title:

Scynexis, Inc.

By: /s/ Eric Francois

Name: Eric Francois

Title: CFO

[RUSSIAN TRANSLATION]	**ADDITIONAL AGREEMENT No. 3 to the Development, License and Supply Agreement dated August 1st, 2013**
	Moscow, 2016
	Joint Stock Company R-Pharm, represented by its General Director Ignatiev V.G., acting on the basis of the Chapter, hereinafter referred to as the "R-Pharm" on the one hand, and
	Scynexis, Inc., a corporation organized and existing under the laws of the State of Delaware, having offices located at 101 Hudson Street, Suite 3610, Jersey City, New Jersey, USA 07302, hereinafter referred to as the "Scynexis" on the other hand,
	jointly are referred to as the "Parties",
	enter into the present Additional Agreement to the Development, License and Supply Agreement dated August 1st, 2013 executed by the Parties (hereinafter — "the Agreement" in accordance with the following:
	1. Due to the new bank details of Scynexis hereby the Parties agree to set forth the information about the bank details of Scynexis stipulated in the clause 15.18 of the Agreement shall be modified to read as follows: Scynexis, Inc. Account name: Name of Bank: ABA Number
	2. The present Additional Agreement shall be the integral part of the Agreement and shall be valid from the date of signatures of the authorized representatives of the Parties.
	3. In everything that is not under discussion in the present Additional Agreement the provisions of the Agreement shall apply.

	4. The present Additional Agreement has been executed in two equal counterparts, one for each Party.
	5. In case of any discrepancies be-tween the English and Russian texts of the present Additional Agreement, the English version shall be applied.

SIGNATURES OF THE PARTIES:

“R-Pharm”, JSC

By: /s/ R-Pharm, JSC

Name:

Title:

Scynexis, Inc.

By: /s/ Eric Francois

Name: Eric Francois

Title: CFO

Exhibit 31.1

CERTIFICATIONS

I, Marco Taglietti, 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)) 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, to 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) 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

   c) 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.

Date: November 7, 2017

/s/ Marco Taglietti, M.D.

Marco Taglietti, M.D.
Chief Executive Officer

Exhibit 31.2

CERTIFICATIONS

I, Eric Francois, 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)) 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, to 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) 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

   c) 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.

Date: November 7, 2017

/s/ Eric Francois

Eric Francois
Chief Financial Officer

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), Marco Taglietti, Chief Executive Officer of SCYNEXIS, Inc. (the "Company"), and Eric Francois, 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 September 30, 2017, 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 November 7, 2017.

/s/ Marco Taglietti, M.D.	/s/ Eric Francois
Marco Taglietti, M.D. Chief Executive Officer	Eric Francois 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.