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 MARCH 31, 2016

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 **(State or other jurisdiction of incorporation or organization)**	**56-2181648** **(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, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting 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	☐

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 April 15, 2016, there were 13,906,828 shares of the registrant's Common Stock outstanding.

SCYNEXIS, INC.
QUARTERLY REPORT ON FORM 10-Q
FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2016

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Item 1. Financial Statements

SCYNEXIS, INC.

UNAUDITED CONDENSED BALANCE SHEETS

(in thousands, except share and per share data)

	March 31, 2016	December 31, 2015
Assets		
Current assets:		
Cash and cash equivalents	$ 38,016	$ 46,985
Prepaid expenses and other current assets	1,905	1,452
Total current assets	39,921	48,437
Other assets	429	419
Deferred offering costs	331	417
Total assets	$ 40,681	$ 49,273
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$ 1,380	$ 619
Accrued expenses	2,574	3,149
Accrued severance and retention costs	830	2,639
Deferred revenue, current portion	257	257
Total current liabilities	5,041	6,664
Deferred revenue, non-current	571	635
Deferred rent	25	25
Total liabilities	5,637	7,324
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, $0.001 par value, authorized 5,000,000 shares as of March 31, 2016 and December 31, 2015; 0 shares issued and outstanding as of March 31, 2016 and December 31, 2015	—	—
Common stock, $0.001 par value, 125,000,000 shares authorized as of March 31, 2016, and December 31, 2015; 13,906,828 and 13,905,599 shares issued and outstanding as of March 31, 2016, and December 31, 2015, respectively	14	14
Additional paid-in capital	192,348	192,069
Accumulated deficit	(157,318)	(150,134)
Total stockholders' equity	35,044	41,949
Total liabilities and stockholders' equity	$ 40,681	$ 49,273

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 March 31,	
	2016	**2015**
Revenue	$ 64	$ 65
Operating expenses:		
Research and development, net	4,743	3,787
Selling, general and administrative	2,533	2,210
Total operating expenses	7,276	5,997
Loss from operations	(7,212)	(5,932)
Other (income) expense:		
Interest income	(28)	(1)
Total other income	(28)	(1)
Loss from continuing operations	(7,184)	(5,931)
Discontinued operations:		
Loss from discontinued operations	—	(453)
Net loss	$ (7,184)	$ (6,384)
Loss per share attributable to common stockholders - basic and diluted		
Continuing operations	$ (0.52)	$ (0.70)
Discontinued operations	—	(0.05)
Net loss per share - basic and diluted	$ (0.52)	$ (0.75)
Weighted average common shares outstanding:		
Basic and diluted	13,905,613	8,516,467

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

SCYNEXIS, INC.

UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS

(in thousands)

	Three months ended March 31, 2016	Three months ended March 31, 2015
Cash flows from operating activities:		
Net loss	$ (7,184)	$ (6,384)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	3	323
Stock-based compensation expense	274	296
Write off of deferred offering costs	111	—
Changes in deferred rent	—	(57)
Changes in operating assets and liabilities:		
Accounts receivable and unbilled services	—	448
Prepaid expenses, other assets, and deferred costs	(477)	(160)
Accounts payable and accrued expenses	186	1,052
Accrued severance and retention cost obligations	(1,809)	—
Deferred revenue	(64)	(65)
Net cash used in operating activities	(8,960)	(4,547)
Cash flows from investing activities:		
Purchases of property and equipment	(14)	(171)
Net cash used in investing activities	(14)	(171)
Cash flows from financing activities:		
Proceeds from employee stock purchase plan issuance	5	95
Net cash provided by financing activities	5	95
Net decrease in cash and cash equivalents	(8,969)	(4,623)
Cash and cash equivalents, beginning of period	46,985	32,243
Cash and cash equivalents, end of period	$ 38,016	$ 27,620
Supplemental cash flow information:		
Cash received for interest	28	—
Noncash financing and investing activities:		
Deferred offering costs included in accounts payable and accrued expenses	$ 25	$ 257
Equipment purchases in accounts payable and accrued expenses	$ —	$ 25

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

SCYNEXIS, INC.

NOTES TO THE FINANCIAL STATEMENTS

(unaudited)

(dollars in thousands, except per share data)

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 pharmaceutical company, headquartered in Jersey City, New Jersey, committed to the development and commercialization of novel anti-infectives to address significant unmet therapeutic needs. We are developing our lead product candidate, SCY-078, as a novel oral and intravenous drug for the treatment of serious and life-threatening invasive fungal infections in humans.

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 $150,000 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 $40,000 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 $40,000 of the Company’s common stock, through Cantor, as sales agent (the “ATM Offering”). 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). See Note 12 for further details.

The common stock that may be offered, issued and sold by the Company under the Sales Agreement is included in the $150,000 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 $40,000 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 $150,000 of securities may be sold in other offerings pursuant to the base prospectus.

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 months ended March 31, 2016, 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 7, 2016.

Discontinued Operations

As described in Note 11, the Company met the relevant criteria for reporting the Company's contract research and development services business (the "Services Business") in discontinued operations in the second quarter of 2015. The accompanying unaudited interim financial statements present the Services Business as discontinued operations for the three months ended March 31, 2016, and 2015, pursuant to FASB Topic 205-20, *Presentation of Financial Statements--Discontinued Operations*.

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 estimate of services and effort expended by third-party research and development service providers used to recognize research and development expense; and estimates utilized in recognizing stock-based compensation for options granted to employees and nonemployees.

2. Summary of Significant Accounting Policies

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.

Concentration of Credit Risk

Financial instruments, which potentially expose the Company to concentrations of credit risk, consist principally of cash on deposit with a bank, which exceeds the FDIC insurance limits, as well as accounts receivable. Ongoing credit evaluations of the bank and customers' financial condition and independent ratings are reviewed by the Company. Collateralization of deposits has not been required.

Other Assets

Other assets consist primarily of the refundable long-term deposit on the leased building facility and the restricted cash posted as collateral for the Company's corporate credit card program.

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 (the "Shelf Registration"). 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 will be reclassified to additional paid in capital on a pro-rata basis in the event the Company completes an offering under the Shelf Registration, with any remaining deferred offering costs 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 $111 of deferred offering costs associated with the Shelf Registration as a result of the termination of the "at the market" ("ATM") offering program entered into with Cowen and Company, LLC (“Cowen”) on November 11, 2015. See Note 12 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 collaboration arrangements in exchange for non-refundable upfront payments and consideration as services are performed. These arrangements include multiple elements, such as the sale of licenses and the provision of services. Under these arrangements, the Company also is entitled to receive development milestone payments and royalties in the form of a designated percentage of product sales. The Company classifies non-refundable upfront payments, milestone payments and royalties received under collaboration and licensing agreements as revenues within its statements of operations because the Company views such activities as being central to its business operations.

Revenue is recognized when all of the following conditions are met: (i) persuasive evidence of an arrangement exists, (ii) delivery has occurred or services have been rendered, (iii) fees are fixed or determinable, and (iv) collection of fees is reasonably assured.

When entering into an arrangement, the Company first 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 $1,500 from R-Pharm in August 2013 which is being recognized over a period of 70 months. The Company recognized revenue in continuing operations from this upfront payment of $64 and $65 for the three months ended March 31, 2016 and 2015, respectively.

Collaboration Arrangements

The Company assesses its contractual arrangements, and presents costs incurred and payments received under contractual arrangements, 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 and the Company's previously described accounting policy. 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 $648 and $430 as of March 31, 2016 and December 31, 2015, respectively, which are presented in prepaid expenses and other current assets in the accompanying balance sheets.

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 months ended March 31, 2016. Information about the Company’s research and development expenses and reimbursements due under collaboration arrangements for the three months ended March 31, 2016 and 2015, is presented as follows:

	Three months ended March 31,	
	2016	**2015**
Research and development expense, gross	$ 4,962	$ 3,981
Less: Reimbursement of research and development expense	219	194
Research and development expense, net of reimbursements	$ 4,743	$ 3,787

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.

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 portion of the award that is ultimately expected to vest is recorded as expense over the requisite service periods.

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.

	Three Months Ended March 31,	
	2016	**2015**
Warrants to purchase Series C-1 Preferred	14,033	14,033
Stock options	1,450,453	575,416

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. The Company is currently evaluating the impact that the implementation of ASU 2014-09 will have on the Company’s financial statements.

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 new standard will be effective for all entities in the first annual period ending after December 15, 2016. Earlier adoption is permitted. The Company is not early adopting ASU 2014-15. The Company is currently evaluating the impact that the implementation of ASU 2014-15 will have on the Company’s financial statements, and the actual impact will be dependent upon the Company’s liquidity and the nature or significance of future events or conditions that exist upon adopting the updated standard.

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 is currently evaluating the impact that the implementation of ASU 2016-09 will have on the Company’s financial statements.

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, 2016. The Company is currently evaluating the impact that the implementation of ASU 2016-10 will have on the Company’s financial statements.

3. Prepaid Expenses and Other Current Assets

	March 31, 2016	December 31, 2015
Prepaid SCY-078 development services	$ 513	$ 108
Prepaid insurance	99	285
Other prepaid expenses	145	91
Other receivable due from R-Pharm	648	430
Escrow receivable due from Accuratus (Note 11)	500	500
Other current assets	—	38
Total prepaid expenses and other current assets	$ 1,905	$ 1,452

4. Accrued Expenses

	March 31, 2016	December 31, 2015
Accrued research and development expenses	$ 1,950	$ 1,903
Accrued employee bonus compensation	215	776
Employee withholdings	25	42
Other accrued expenses	384	428
Total accrued expenses	$ 2,574	$ 3,149

5. 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 $25 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 $74.

Rent expense was approximately $74 for the three months ended March 31, 2016. Future minimum lease payments for all operating leases as of March 31, 2016 are as follows:

March 31, 2016 to December 31, 2016	$	224
2017		307
2018		182
2019		—
2020		—
Thereafter		—
Total	$	713

License Arrangement with Potential Future Expenditures

As of March 31, 2016, 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 $19,000 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. 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 $2,300 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.

Commitment Services Agreement

In connection with the sale of the Services Business, the Company and Accuratus Lab Services, Inc. ("Accuratus") entered into a Commitment to Services Agreement (the "Services Agreement") pursuant to which Accuratus will provide the Company with certain contract research and development services. The material terms of the Services Agreement are described in Note 11.

Compensatory Arrangements with Former Employees and Officers

The Company has entered into certain compensatory arrangements and commitments with former employees and officers, the material terms of which are described in Note 10.

6. Common Stock

Authorized, Issued, and Outstanding Common Shares

The Company’s common stock has a par value of $0.001 per share and consists of 125,000,000 authorized shares as of March 31, 2016, and December 31, 2015; 13,906,828 and 13,905,599 shares were issued and outstanding at March 31, 2016, and December 31, 2015, respectively. The following table summarizes common stock share activity for the three months ended March 31, 2016:

	Shares of Common Stock	Common Stock		Additional Paid-in Capital		Accumulated Deficit		Total Stockholders' Equity	
Balance, December 31, 2015	13,905,599	$	14	$	192,069	$	(150,134)	$	41,949
Net loss	—		—		—		(7,184)		(7,184)
Stock-based compensation expense	—		—		274		—		274
Common stock issued through employee stock purchase plan	1,229		—		5		—		5
Balance, March 31, 2016	13,906,828	$	14	$	192,348	$	(157,318)	$	35,044

Shares Reserved for Future Issuance

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

	March 31, 2016	December 31, 2015
Outstanding stock options	1,450,453	1,379,727
Outstanding Series C-1 Preferred warrants	14,033	14,033
For possible future issuance under 2014 Equity Incentive Plan (Note 8)	1,037,822	552,415
For possible future issuance under Employee Stock Purchase Plan (Note 8)	78,465	50,283
For possible future issuance under 2015 Inducement Plan (Note 8)	165,000	165,000
Total common shares reserved for future issuance	2,745,773	2,161,458

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 our IPO, however, we refer to these warrants as our 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 our IPO. These warrants remain outstanding as of March 31, 2016 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 $459, 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 March 31, 2016 and December 31, 2015, the fair value of the warrant derivative liability was zero.

7. Income Taxes

The Company applies intraperiod tax allocation guidance pursuant to Topic 740 to allocate income tax (expense) benefit between pre-tax income (loss) from continuing operations and discontinued operations. For periods in which the Company reports pre-tax income from discontinued operations for financial reporting purposes and pre-tax loss from continuing operations, the Company presents income from discontinued operations net of income tax expense attributable to its discontinued operations using the estimated annual effective tax rate of the Services Business. The Company also recognizes a corresponding income tax benefit on its loss from continuing operations for the same affected period. After applying the intraperiod tax allocation policy described above, the Company did not record a federal or state income tax expense or benefit for the three months ended March 31, 2016.

8. 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 in 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.

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, (a) on January 1, 2015, the Company automatically added 340,484 shares to the total number of shares of common stock available for future issuance under the 2014 Plan, and (b) on January 1, 2016, the Company automatically added 556,223 shares to the total number of shares of common stock available for future issuance under the 2014 Plan.

Stock Option Grants

During the three months ended March 31, 2016, the Company granted options to purchase 86,795 shares of common stock. As of March 31, 2016, there were 1,037,822 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 quarter ended March 31, 2016, there were no grants of the Company's common stock under the 2015 Inducement Plan. As of March 31, 2016, there were 165,000 shares of common stock available for future issuance under the 2015 Plan.

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 quarterly period ended March 31, 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 1,229 shares of common stock under the ESPP. During the quarterly period ended March 31, 2015, 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 15,107 shares of common stock under the ESPP. As of March 31, 2016, there were 78,465 shares of common stock available for future issuance under the ESPP.

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 $274 and $296 for the three months ended March 31, 2016 and 2015. The total income tax benefit recognized in the statements of operations for share-based compensation arrangements was $0 for the three months ended March 31, 2016 and 2015. Cash received from options exercised was $0 for both the three months ended March 31, 2016, and 2015.

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

	Three Months Ended March 31,	
	2016	2015
Research and development	$ 70	$ 52
Selling, general and administrative	204	211
Discontinued operations (Note 11)	—	33
Total	$ 274	$ 296

9. 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 March 31, 2016 and December 31, 2015 for financial instruments measured at fair value on a recurring basis:

		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, 2015				
Cash on deposit	$ 46,935	$ 46,935	—	—
Money market funds	50	50	—	—
Total assets	$ 46,985	$ 46,985	—	—
March 31, 2016				
Cash on deposit	$ 17,217	$ 17,217	—	—
Money market funds	20,799	20,799	—	—
Total assets	$ 38,016	$ 38,016	—	—

10. Accrued Severance and Retention Costs

Compensatory Plan with Services Business Employees

In connection with the Company's sale of its Services Business in July 2015 to Accuratus, which is more fully described in Note 11, the Company designed a compensatory plan to promote the retention of services of its non-executive employees supporting that business (the "Services Business Plan") as well to provide severance payments for non-executive employees that were not offered a comparable position by Accuratus (the "June 2015 Terminated Employees"). The Services Business Plan met the definition of an exit and disposal activity pursuant to FASB ASC 420--*Exit and Disposal Cost Obligations* and the related retention and severance expense was recognized in 2015. As of March 31, 2016, the remaining severance and retention obligation for the June 2015 Terminated Employees was $184.

Compensatory Arrangement with Employees of the Company's Continuing Operations

In connection with the Company's planned relocation of its continuing operations to Jersey City, New Jersey, the Company designed a compensatory plan to promote the retention of services of non-executive employees supporting its continuing operations (the "Retention Plan"). The Company has concluded that the Retention Plan meets the definition of an exit and disposal activity pursuant to FASB ASC 420--*Exit and Disposal Cost Obligations* as of June 30, 2015, and all related expenses incurred were recognized in 2015.

The Retention Plan provided that non-executive employees were eligible to receive cash bonuses, severance payments and related benefit premiums provided that such employees remained employed through December 31, 2015 and were not terminated for cause. During the year ended December 31, 2015, the Company recognized total expense of $1,012, which was included in research and development and selling, general, and administrative expenses. As of March 31, 2016, the remaining obligation of $354 is included in accrued severance and retention liabilities in the accompanying balance sheet.

Compensatory Arrangement with Former Executive Officer

Yves J. Ribeill, Ph.D., resigned as President effective July 21, 2015. Dr. Ribeill resigned as a member of the board of directors effective March 16, 2016. The Company and Dr. Ribeill entered into an agreement, effective July 21, 2015, (the "Separation Agreement"), providing for certain payments and benefits to Dr. Ribeill over 12 months commencing with the first payroll period following the resignation date as President. The cash severance payments and related benefit premiums and payroll taxes totaled approximately $1,046 as of July 21, 2015, which was recognized as expense in the quarterly period ended September 30, 2015. As of March 31, 2016, the remaining obligation of $292 is included in accrued severance and retention liabilities in the accompanying balance sheet.

11. Sale of the Services Business, Discontinued Operations

On May 4, 2015, the Company's board of directors directed management to pursue a plan to sell the Service Business to Accuratus, representing a strategic shift in the Company's operations. The Company met the relevant criteria for reporting the service business as held for sale and in discontinued operations in the second quarter of 2015, pursuant to FASB Topic 205-20, *Presentation of Financial Statements--Discontinued Operations*, and FASB Topic 360, *Property, Plant, and Equipment*. The Company assessed the Services Business net asset group for impairment pursuant to FASB Topic 360 and recorded a $1,350 impairment charge on classification of property and equipment assets as held for sale in the quarterly period ended June 30, 2015.

Sale of the Services Business

On July 21, 2015, the Company completed the sale of the Services Business to Accuratus pursuant to the Purchase Agreement, with an effective date of July 17, 2015 for an aggregate purchase price of $3,875, subject to a working capital adjustment of $824, which reduced the proceeds at closing. In addition, a portion of the consideration payable at closing equal to $500 was withheld and is subject to an escrow for a period of 12 months from the date of closing to satisfy indemnification obligations of the Company in connection with breaches of any representation and warranties and other customary obligations under the terms of the Purchase Agreement. The Company has not identified any breaches or other events that would cause a reduction in the escrow funds expected to be received by the Company. The escrow funds were recorded as a receivable included in prepaid expenses and other current assets in the accompanying balance sheets. The net cash consideration received by the Company upon closing in July 2015 was $2,549, after adjusting for the items described above and a nominal escrow fee.

Continuing Involvement with Accuratus

The Company and Accuratus entered into the Services Agreement pursuant to which Accuratus will provide the Company with certain contract research and development services for 18 months (the "Initial Term") following the closing of the sale of the Services Business for a minimum purchase obligation of at least $3,300 due from the Company over the Initial Term of the Services Agreement. The purpose of the Services Agreement is to replace services that were previously provided internally by employees of the Company prior to the sale of the Services Business. The employees performing these services became employees of Accuratus in connection with this sale transaction.

In the quarterly period ended March 31, 2016, the Company recognized $1,177 of expense for services provided by Accuratus under the Services Agreement, which is included in research and development expense in the accompanying unaudited interim statements of operations.

Discontinued Operations

The following table presents revenue, (expenses), gains, and (losses) attributable to discontinued operations:

	Three months ended March 31, 2015
Major line items constituting loss of discontinued operations:	
Revenue	$ 3,232
Cost of revenue	(3,231)
Research and development	(431)
Selling, general, and administrative	(23)
Loss from discontinued operations	$ (453)

The following table presents depreciation, capital expenditures, and significant operating and investing non-cash items related to the discontinued operations:

	Three months ended March 31, 2015
Depreciation expense	$ 282
Purchases of property and equipment	(171)
Stock-based compensation	33
Changes in deferred rent	(57)
Equipment purchases in accounts payable and accrued expenses	25

12. Subsequent Events

Termination of Sales Agreement

On April 10, 2016, SCYNEXIS terminated that certain sales agreement by and between the Company and Cowen, dated November 11, 2015 (the “Agreement”). The Agreement was terminable at will by the Company upon giving ten days written notice to Cowen. The Agreement previously established an ATM offering program through which the Company had the right to sell, from time to time, through Cowen, as the Company’s agent, up to an aggregate of $40,000 of the Company’s common stock. The Company sold no shares of common stock under the Agreement.

Entry into Sales Agreement

On April 11, 2016, the Company entered into the Sales Agreement with Cantor pursuant to which the Company may sell from time to time, at its option, up to an aggregate of $40,000 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), at market prices by any method that is deemed to be an “at-the-market” offering as defined in Rule 415 under the Securities Act, as amended (the “Securities Act”), including sales made directly on the NASDAQ Global Market and any other trading market for the common stock, and sales to or through a market maker other than on an exchange.

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

Operating results for the three months ended March 31, 2016, are not necessarily indicative of results that may occur in future interim periods or future fiscal years. Some of the statements under 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 II of this Quarterly Report on Form 10-Q. These and many other factors could affect our future financial and operating results. We undertake no obligation to update any forward-looking statement to reflect events after the date of this Quarterly Report on Form 10-Q.

Overview

SCYNEXIS is a pharmaceutical company committed to the development and commercialization of novel anti-infectives to address significant unmet therapeutic needs. We are developing our lead product candidate, SCY-078, as a novel oral and intravenous (IV) drug for the treatment of several fungal infections, including serious and life-threatening invasive fungal infections in humans. SCY-078 is a novel and structurally distinct glucan synthase inhibitor that has been shown to be effective *in vitro* and *in vivo* in animal studies against a broad range of *Candida* and *Aspergillus* species, including drug-resistant strains, and we are continuing to conduct additional *in vitro* and *in vivo* studies to further characterize the spectrum of activity of SCY-078. *Candida* and *Aspergillus* species are two of the most common invasive fungal pathogens and are responsible for approximately 85% of all invasive fungal infections in the United States and Europe. We have completed multiple Phase 1 studies with the oral formulation of SCY-078, have conducted two Phase 1 studies with an initial IV formulation of SCY-078, and are planning additional Phase 1 studies with a new IV formulation of SCY-078. We are also conducting two Phase 2 studies with the oral formulation of SCY-078:

- the first study is evaluating the safety, tolerability, and pharmacokinetics of SCY-078 as oral step-down treatment in patients initially treated with IV echinocandin therapy for invasive *Candida* infections. We expect to complete enrollment in June 2016 and to have top line data available in July 2016;

- the second study is evaluating the safety and efficacy of orally administered SCY-078 for the treatment of vulvovaginal candidiasis (VVC). We have completed enrollment and we expect to have top line data available in June 2016.

SCY-078 holds both Fast Track and Qualified Infections Disease Product (QIDP) designations for the IV and oral formulations for the indications of invasive candidiasis (including candidemia) and invasive aspergillosis.

As a spinout from Aventis S.A., or Aventis in 2000, we began as a chemistry and animal health services company, providing contract research services to third parties. This contract research and development services business, which we refer to as our "Services Business," generated substantially all of our revenue until we completed the sale of the Services Business to Accuratus Lab Services, Inc. in July 2015. In addition to SCY-078 and related antifungal compounds, we have discovered a number of proprietary compounds, including those within our cyclophilin inhibitor platform. We are currently focusing our resources on the development of SCY-078. In the future, we may develop other assets within our proprietary portfolio of antifungal or cyclophilin inhibitor compounds either in-house or through collaborations with strategic development partners. Additionally, we may assess external opportunities to expand our clinical pipeline.

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. As of March 31, 2016, we had received an aggregate of $92.6 million in net proceeds from the issuance of our common stock in these two offerings. Our principal source of liquidity is cash and cash equivalents, which totaled $38.0 million as of March 31, 2016.

We have incurred net losses since our inception, including the year ended December 31, 2015, and the three months ended March 31, 2016. As of March 31, 2016, our accumulated deficit was $157.3 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.”

Recent Developments

SCY-078 Development

We are conducting a multicenter Phase 2 study with primary endpoints of safety, tolerability, and pharmacokinetics of the oral formulation of SCY-078 as step-down treatment in patients initially treated with echinocandin therapy for invasive *Candida* infections. We expect to complete enrollment in June 2016 and to have top line data available in July 2016.

We are conducting a multicenter Phase 2 study with primary endpoints of safety and efficacy of the oral formulation of SCY-078 in patients with VVC. We completed enrollment of our Phase 2 study in VVC and we expect to have top line results available in June 2016. This study is also expected to evaluate the potential therapeutic effect of orally administered SCY-078 in a clinical condition caused by *Candida* spp. and, along with the other clinical and nonclinical data from ongoing and planned activities, we expect the study may contribute to the package of information that will support subsequent phases of development of SCY-078.

We investigated the safety, tolerability and pharmacokinetics of single and multiples doses of an IV formulation of SCY-078. This first IV formulation of SCY-078 exhibited a linear dose proportionality profile, showed good systemic tolerability after IV administration and allowed us to determine the doses needed to achieve the target exposure. However, reversible mild to moderate local infusion site reactions (i.e., local redness, swelling, pain) were observed with high doses and repeat infusions. Based on these findings, we have concluded that an optimized formulation is needed to achieve the desirable dose regimen with ideal tolerability. Since we have been developing multiple IV formulations with different characteristics, we are now planning to test an alternative IV formulation whose attributes, we believe, will improve local tolerability. Clinical testing of the optimized formulation in single- and multiple-ascending-dose studies are scheduled to start in the second quarter of 2016, which we expect will be completed in the third quarter of 2016. As initially planned, we are expecting to initiate the subsequent stages of our development program in the fourth quarter of 2016 for the treatment of invasive fungal infections that are refractory to or intolerant of standard antifungal agents and in the first half of 2017 for the treatment of invasive *Candida* infections.

We recently filed our annual Development Safety Update Report (DSUR) to the FDA and the DSUR does not reveal any new clinical or nonclinical information that changes the overall safety profile of SCY-078, relative to the previous knowledge of this investigational drug. Currently, more than 200 subjects and patients have been exposed to SCY-078.

Both the oral and IV formulations of SCY-078 have been granted QIDP designation and fast track designation by the FDA for both invasive candidiasis and invasive aspergillosis. The fast track designation, coupled with the QIDP designation, allows for a potentially accelerated path to approval and underscores the FDA's understanding of the critical need for new and varied treatments for life-threatening invasive fungal infections. Additionally, in April 2016, the Company was granted Small and Medium Sized Enterprise (SME) status by the European Medicines Agency.

Through the SME program, companies are eligible to receive financial incentives, regulatory fee reductions and waivers facilitating seeking scientific advice and other assistance from dedicated EMA personnel during the clinical development process, up through submission of a European marketing authorization application.

Collaborations and Licensing Agreements

We have signed a number of licensing and collaboration agreements with partners in human and animal health, including: (1) Merck, a pharmaceutical company, under which we exclusively licensed from Merck its rights to SCY-078 in the field of human health, and agreed to pay Merck milestones upon the occurrence of specified events and will pay 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) Merial Limited, a wholly owned subsidiary of Sanofi, under which we provided contract research and screening services in the field of animal health on a fee for service basis prior to the sale of our Services Business; (3) R-Pharm, CJSC, or "R-Pharm," a leading supplier of hospital drugs in Russia, granting them 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; (4) Dechra Ltd., or "Dechra," a UK listed international veterinary pharmaceutical business, granting Dechra rights to SCY-641 in the field of animal health, including dog dry eye, under which we are entitled to receive potential milestones and royalties; and (5) Waterstone, an international pharmaceutical business, granting Waterstone exclusive worldwide rights to development and commercialization of SCY-635 for the treatment of viral diseases in humans, under which we are entitled to receive potential milestones and royalties. In November 2015, Dechra notified us of its intention to terminate its license agreement for the development of SCY-641 effective May 2016.

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 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.

The table below summarizes the total costs incurred for each of our key research and development projects during the periods presented (dollars in thousands):

	For the Three Months Ended March 31,	
	2016	2015
SCY-078	$ 4,743	$ 3,695
Cyclophilin Inhibitor Platform	—	92
Total research and development, net	$ 4,743	$ 3,787

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. We do not expect to incur any substantial research and development expenses related to our cyclophilin inhibitor platform in the near future.

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, sales, human resources and administrative support functions. Other expenses include facility-related costs not otherwise allocated to cost of revenue or

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 (Income) Expense

All of our other income recognized in the three months ended March 31, 2016 and 2015, respectively, consists of interest income.

Income Tax (Expense) Benefit

Income tax (expense) benefit consists of U.S. federal and state income taxes. To date, we have not been required to pay U.S. federal income taxes because of our current and accumulated net operating losses. However, in accordance with U.S. GAAP, for periods in which we reported pre-tax income from discontinued operations for financial reporting purposes and pre-tax loss from continuing operations, we presented income from discontinued operations net of income tax expense attributable to our discontinued operations using the estimated annual effective tax rate of the Services Business. We also recognized a corresponding income tax benefit on our loss from continuing operations for the same affected period.

Discontinued Operations

Discontinued operations comprises revenues, costs, gains and losses directly attributable to our Services Business, which we divested through a sale transaction that closed in July 2015. See Note 11 to our unaudited interim financial statements in Item 1 of this Quarterly Report on Form 10-Q.

Results of Operations for the Three Months Ended March 31, 2016 and 2015

The following table summarizes our results of operations for the three months ended March 31, 2016 and 2015, together with the changes in those items in dollars and percentage (dollars in thousands):

	Three Months Ended			
	March 31, 2016	March 31, 2015	Period-to-Period Change	
Revenue	$ 64	$ 65	$ (1)	(1.5)%
Operating expenses:				
Research and development, net	4,743	3,787	956	25.2 %
Selling, general and administrative	2,533	2,210	323	14.6 %
Total operating expenses	7,276	5,997	1,279	21.3 %
Loss from operations	(7,212)	(5,932)	(1,280)	21.6 %
Other (income) expense:				
Interest income	(28)	(1)	(27)	2,700.0 %
Total other income	(28)	(1)	(27)	2,700.0 %
Loss from continuing operations	(7,184)	(5,931)	(1,253)	21.1 %
Discontinued operations:				
Loss from discontinued operations	—	(453)	453	(100.0)%
Net loss	(7,184)	(6,384)	(800)	12.5 %

Revenue. For the three months ended March 31, 2016, revenue remained consistent when compared to the three months ended March 31, 2015. 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 March 31, 2016, research and development expenses increased to $4.7 million from $3.8 million for the three months ended March 31, 2015. The increase of $1.0 million, or 25.2%, for the three months ended March 31, 2016 was primarily driven by an increase of $0.6 million in clinical development, an increase of $0.5 million in chemistry, manufacturing, and controls (CMC), offset by a $0.6 million decrease in preclinical development. The $1.1 million increase in clinical development and CMC expense is driven by the expansion of SCY-078 activities as highlighted within the "Recent Developments" section. The remaining increase for the three months ended March 31, 2016 in research and development expense is due to a $0.2 million increase in salary and other employee benefit costs and an increase of $0.2 million in other research and development costs.

Selling, General & Administrative. For the three months ended March 31, 2016, selling, general and administrative expenses increased to $2.5 million from $2.2 million for the three months ended March 31, 2015. The increase of $0.3 million, or 14.6%, was primarily the result of a increase in general facility expenses of $0.1 million, a $0.1 million write off of deferred offering costs (see Note 2 in Item 1 of this Quarterly Report on Form 10-Q), and a $0.1 million increase in professional service, salary, and other administrative expenses.

Discontinued Operations. For the three months ended March 31, 2015, we incurred a loss from discontinued operations of $0.5 million. See Note 11 for the components of the loss from discontinued operations for the three months ended March 31, 2015.

Liquidity and Capital Resources

Sources of Liquidity

Through March 31, 2016, we have funded our operations through revenue from development services and from net proceeds from debt and equity issuances. As of March 31, 2016, we had cash and cash equivalents of approximately $38.0 million, compared to $47.0 million as of December 31, 2015. The decrease in our cash and cash equivalents 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 three months ended March 31, 2016. As of March 31, 2016, our accumulated deficit was $157.3 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 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.

Cash Flows

The following table sets forth the significant sources and uses of cash for the three months ended March 31, 2016 and 2015 (dollars in thousands):

	Three months ended March 31,	
	2016	**2015**
Cash and cash equivalents, January 1	$ 46,985	$ 32,243
Net cash used in operating activities	(8,960)	(4,547)
Net cash used in investing activities	(14)	(171)
Net cash provided by financing activities	5	95
Net decrease in cash and cash equivalents	(8,969)	(4,623)
Cash and cash equivalents, March 31	**$ 38,016**	**$ 27,620**

Operating Activities

The $4.4 million increase in net cash used in operating activities for the three months ended March 31, 2016, as compared to the three months ended March 31, 2015, was primarily due to increases in costs associated with SCY-078 development efforts and public reporting company operations. We expect that our research and development expenses will continue to increase as we pursue our SCY-078 development efforts described in the "Recent Developments" 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 $9.0 million for the three months ended March 31, 2016, primarily consisted of the $7.2 million net loss adjusted for non-cash charges that included the write off of deferred offering costs of $0.1 million and stock-based compensation expense of $0.3 million, plus a net unfavorable change in operating assets and liabilities of $2.2 million. The net unfavorable change in operating assets and liabilities included a decrease in accrued but unpaid severance and retention costs of $1.8 million plus an increase in prepaid expenses and other assets of $0.5 million. We expect the majority of the remaining severance and retention accruals to be relieved through cash payments occurring during the first half of 2016. The increase in prepaid expenses and other assets is primarily due to (i) a $0.4 million increase in prepaid SCY-078 development services and (ii) a $0.2 million increase in the receivable balance due from R-Pharm for reimbursable research and development expenditures offset by a decrease in prepaid insurance of $0.2 million. We expect to collect the outstanding receivable due from R-Pharm in the second half of 2016.

Net cash used in operating activities of $4.5 million for the three months ended March 31, 2015, primarily consisted of the $6.4 million net loss, which was offset by a favorable change in operating assets and liabilities of $1.3 million, and adjusted for non-cash charges that included depreciation of $0.3 million and stock-based compensation expense of $0.3 million.

Investing Activities

Net cash from investing activities for the three months ended March 31, 2016 consisted of purchases of property and equipment of fourteen thousand dollars.

Net cash used for investing activities of $0.2 million for the three months ended March 31, 2015 consisted of purchases of property and equipment of $0.2 million.

Financing Activities

Net cash provided by financing activities of five thousand dollars for the three months ended March 31, 2016, consisted of proceeds received from the issuance of shares of our common stock to employees under the terms of our employee stock purchase plan.

Net cash provided by financing activities of $0.1 million for the three months ended March 31, 2015, consisted of proceeds from the issuance of shares of our common stock to employees under the terms of our employee stock purchase plan.

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, we believe that our existing cash and cash equivalents will enable us to fund our operating expenses and capital expenditure requirements into the first half of 2017. We are currently evaluating our operating plan and assessing the potential cash utilization impact of SCY-078 development strategy updates. 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, costs, and 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;
- our need to implement additional internal systems and infrastructure, including financial and reporting systems associated with our relocation to New Jersey; 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, 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

There have been no material changes in our contractual obligations, commitments or contingencies since December 31, 2015.

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 Item 1 of this Quarterly Report on Form 10-Q.

Item 3. Quantitative and Qualitative Disclosure about Market Risk

Our primary exposure to market risk is interest income sensitivity, which is affected by changes in the general level of U.S. interest rates. Due to the short-term duration and low risk profile of our current investment portfolio, which comprise cash and cash equivalents and money market fund investments, an immediate 10.0% change in interest rates would not have a material effect on the fair market value of our portfolio. Accordingly, we would not expect our operating results or cash flows to be affected to any significant degree by the effect of a sudden change in market interest rates on our investment portfolio.

We do not believe that our cash and equivalents have significant risk of default or illiquidity. While we believe our cash and equivalents do not contain excessive risk, we cannot provide absolute assurance that in the future our investments will not be subject to adverse changes in market value. In addition, we maintain significant amounts of cash and equivalents at one or more financial institutions that are in excess of federally insured limits.

Inflation generally affects us by increasing our cost of labor and clinical trial costs. We do not believe that inflation has had a material effect on our results of operations during the three months ended March 31, 2016 or 2015.

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 March 31, 2016, 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 March 31, 2016, our disclosure controls and procedures were effective at the reasonable assurance level.

Changes in Internal Control Over Financial Reporting

In connection with the relocation of our corporate offices from North Carolina to New Jersey, we hired new personnel within our accounting and finance department, including a new director of SEC reporting and a corporate controller. We began transitioning all accounting and finance processes and internal control activities to these new employees in December 2015 and the transition was substantially complete upon the filing of our 2015 Form 10-K in March 2016. During the transition process, while we continued to execute our existing system of internal controls over financial reporting, we made certain enhancements relating to our internal control over financial reporting as part of our compliance with internal control requirements of the Sarbanes-Oxley Act of 2002. Except for the previously described changes, during the quarter ended March 31, 2016, 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 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, 2015. There have been no material changes to our risk factors since our Annual Report on Form 10-K for the year ended December 31, 2015.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Unregistered Sales of Equity Securities

None.

Use of Proceeds

On May 2, 2014, our registration statement on Form S-1 (File No. 333-194192) was declared effective for our initial public offering of 6,200,000 shares of our common stock at a price of $10.00 per share for aggregate gross proceeds of $62.0 million to us. As a result of our IPO, which closed on May 7, 2014, we received net proceeds of approximately $54.6 million after deducting underwriting discounts and commissions of $3.3 million and offering expenses payable by us of $4.1 million.

There has been no material change in the planned use of proceeds from our initial public offering as described in our prospectus effective May 2, 2014, filed with the SEC pursuant to Rule 424(b) of the Securities Act. Through March 31, 2016, $54.6 million of the net proceeds had been used for the purposes set forth in our prospectus, including $15.0 million to pay off the balance and all accrued interest on our credit facility with HSBC Bank on May 7, 2014, and $39.6 million for the development of our lead product candidate SCY-078 and to fund working capital, capital expenditures and other general corporate purposes.

Item 6. Exhibits

See the Exhibit Index which follows the signature page of this Quarterly Report on Form 10-Q, which is incorporated herein by reference.

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:	May 9, 2016
By:	/s/ Eric Francois
	Eric Francois Chief Financial Officer (Principal Financial and Accounting Officer)
Date:	May 9, 2016

INDEX TO 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).
10.1	Compensation arrangement with non-employee directors.
10.2	Amendment of Employment Agreement, effective April 18, 2016, between SCYNEXIS, Inc. and Marco Taglietti.
10.3	Amendment of Employment Agreement, effective April 18, 2016, between SCYNEXIS, Inc. and David Angulo.
12.1	Statement Re Computation of Ratio of Earnings to Fixed Charges.
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

COMPENSATION ARRANGEMENT WITH NON-EMPLOYEE DIRECTORS

1. Each non-employee director receives an annual base cash retainer of $35,000 for such service, to be paid quarterly. In addition, the chairman of the Board receives an additional annual base cash retainer of $28,000, to be paid quarterly.

2. In addition, each member of a committee receives compensation for service on a committee as follows:

    a. The chairperson of the audit committee receives an annual cash retainer of $15,000 for this service, paid quarterly, and each of the other members of the audit committee receives an annual cash retainer of $7,500, paid quarterly.

    b. The chairperson of the compensation committee receives an annual cash retainer of $11,000 for this service, paid quarterly, and each of the other members of the compensation committee receive an annual cash retainer of $5,500, paid quarterly.

    c. The chairperson of the nominating and corporate governance committee receive an annual cash retainer of $7,500 for this service, paid quarterly, and each of the other members of the nominating and corporate governance committee receive an annual cash retainer of $3,750, paid quarterly.

3. Each year on the date of the SCYNEXIS annual meeting of stockholders, each non-employee director will automatically be granted an option to purchase 8,800 shares of common stock. If a new board member joins the Board, the director will be granted an initial option to purchase 11,700 shares of common stock. Annual option grants to board members will have an exercise price per share equal to the fair market value of a share of common stock on the date of grant and will vest in full on the earlier of the next annual meeting of stockholders to occur in the year following the date of grant and the one year anniversary of the date of grant; provided, that the non-employee director is providing continuous services on the applicable vesting date. Initial option grants to new board members will have an exercise price per share equal to the fair market value of a share of common stock on the date of grant and will vest in equal annual installments over three years following the date of grant, beginning with the first anniversary of the date of grant; provided that the non-employee director is providing continuous services on the applicable vesting date.

In addition, each non-employee director may elect to receive nonstatutory stock options in lieu of all or a portion of the cash compensation to which the non-employee director would otherwise be entitled to, as described above. Each non-employee director shall make their election prior to the period in which the compensation is to be earned. For each non-employee director electing to receive a nonstatutory stock option in lieu of such cash compensation, the date on which the nonstatutory stock options will be granted will be the date on which the cash compensation would otherwise have been earned, which is generally the first business day of each fiscal quarterly period, and the number of shares underlying such stock option will be determined by (i) dividing the cash compensation that the non-employee director elects to forgo in exchange for such nonstatutory stock options by 0.65, and (ii) dividing the result by the fair market value of a share of common stock on the date of grant. Each nonstatutory stock option granted in lieu of cash compensation pursuant to a non-employee director's election will be 100% vested on the date of grant. After a non-employee director has elected to receive nonstatutory stock options in lieu of cash compensation, the option grants made to that non-employee director are awarded automatically pursuant to the previously described policy and no further action is required by the Company's Board.

April 18, 2016

Marco Taglietti, MD
101 Hudson Street, Suite 3610
Jersey City, NJ 07302

Re: Amendment of Employment Agreement to clarify severance benefits

Dear Marco,

As you know, you and SCYNEXIS, Inc. (the “Company”) are parties to an employment agreement dated February 5, 2015 (“Employment Agreement”). The purpose of this letter is to request that you agree to amend your Employment Agreement to bring the severance provisions of your Employment Agreement into compliance with Section 409A of the Internal Revenue Code of 1986, as amended (“Section 409A”) and the Affordable Care Act. Unless the conditions for, timing of, and form of the payments of your severance benefits are amended, we are concerned that tax penalties under Section 409A and the Affordable Care Act may be imposed on you and/or the Company if your Employment Agreement is not amended prior to the termination of your employment with the Company. The Company believes that by amending your Employment Agreement, you and/or the Company may avoid the adverse tax consequences under Section 409A and the Affordable Care Act.

If you choose to amend your Employment Agreement, Sections 7 and 8 of your Employment Agreement will be replaced in their entirety with the language that appears as Exhibit A to this letter.

For clarity, your Employment Agreement will be amended to provide that you will only receive severance payments upon a “separation from service” as defined under 409A and your severance payments will be paid in the form of a lump on the 60th day following the date that you experience a qualifying termination. Your Employment Agreement will also be amended to clarify that the payment of your severance will be delayed to the extent required by 409A in the event you are a “Specified Employee” as defined under 409A. In addition, your Employment Agreement will also be amended to provide that if at any time the Company determines, in its sole discretion, that its payment of COBRA premiums on your behalf would result in a violation of the Affordable Care Act, then such payments will take the form of taxable cash payments that will be paid to you pursuant to a fixed payment schedule.

If you choose to amend your Employment Agreement, except as specifically amended by this letter, the terms and conditions of your Employment Agreement shall remain in full force and effect.

Although the Company’s compensation committee has approved this amendment, the Company is not making any recommendation as to whether you should accept it. You should decide whether or not to amend your Employment Agreement after taking into account your own personal circumstances and preferences. **We recommend that you consult with your personal tax, financial and legal advisors to determine the consequences of amending your Employment Agreement.**

Please signify your agreement to the foregoing amendment by signing as indicated below and returning your signature to me at your earliest convenience.

Please note that nothing in this letter modifies the at-will nature of your employment. If you have any questions regarding this offer, please let me know.

Sincerely,

By: /s/ Eric Francois
Eric Francois, Chief Financial Officer

I have read and understood, and agree and consent to the foregoing amendment.

/s/ Marco Taglietti, MD
Marco Taglietti, MD

Date: April 18, 2016

EXHIBIT A

AMENDED SECTION 7 OF EMPLOYMENT AGREEMENT

"7. **Payments Upon Termination; Effects on Equity.**

(a) Upon any termination pursuant to Section 6, Employee shall be entitled to receive a lump sum equal to any base salary, bonus and other compensation earned and due but not yet paid through the effective date of termination (collectively *"Accrued Compensation"),* provided however, that Employee shall not earn any additional variable compensation or bonus during the Severance Period or the Change in Control Severance Period. If Employee is entitled to a bonus at the time of termination but the amount of such bonus will not be calculated until a date that is after the termination date of Employee's employment with the Employer, then Employer shall be obligated to pay the full amount of such bonus to Employee within thirty (30) days of the date of determination of such bonus. If the termination occurs in the middle of a period during which Employee was earning a bonus, then Employee shall be entitled to a prorated portion of the bonus.

(b) Just Cause Termination - If Employer, or any successor following a Change in Control but see Section 7(d)(iii) regarding vesting after Change in Control or otherwise, terminates Employee's employment for Just Cause, Employee shall forfeit any unvested stock options at the date of termination, Employee shall have ninety (90) days from the date of termination to exercise any vested options. If Employee terminates his employment or if Employer (or its successor following a Change in Control) terminates Employee's employment without Just Cause, Employee shall have ninety (90) days from the date of termination to exercise any vested options.

(c) Termination by other than for Just Cause; for Good Reason by Employee - In addition to the amounts payable under Section 7(a) above, at any time other than the twelve (12) month period after the consummation of a Change in Control, if Employee's employment hereunder is terminated by (i) Employer other than for Just Cause, or (ii) Employee for Good Reason, and provided in either event that Employee executes a general Release and Settlement Agreement in the Company's then current form which shall be reasonable in all particulars (the *"Release")* within the time period set forth therein and allows such Release to become effective in accordance with its terms no later than the sixtieth (60^{th}) day following Employee's termination date, then Employee shall be entitled to the following:

(i) severance in an amount equal to twelve (12) months of Employee's then current base salary, which will be paid to Employee in a lump sum on the sixtieth (60^{th}) day following Employee's termination date;

(ii) the vesting of Employee's unvested stock options and any restricted stock awards shall be accelerated such that, effective as of the date of Employee's termination of employment, Employee shall receive immediate accelerated vesting of such equity awards with respect to that same number of shares which would have vested if Employee had continued in employment during the twelve (12) month period following Employee's termination date (the "*Severance Period*"), in accordance with the original vesting schedule of such equity awards;

(iii) if Employee elects continued health care coverage under COBRA and timely pays his or her portion of the applicable premiums, the Employer will continue to pay for the same percentage of Employee's , and Employee's qualified beneficiaries', COBRA premiums for continued medical, dental and vision group health coverage as the percentage of medical, dental and vision insurance premiums it paid for Employee , and Employee's beneficiaries, during Employee's employment (the *"COBRA Premium Payments")* . Such COBRA Premium Payments shall commence on the first day of the Severance Period and continue until the earlier of (i) the last day of the Severance Period; (ii) the date on which Employee or qualified beneficiary, as applicable, becomes enrolled in the group health insurance plan of another employer, or (iii) the date on which Employee or qualified beneficiary , as applicable, becomes entitled to Medicare after the COBRA election (such period from the termination date through the earliest of (i) through (iii), the "*COBRA Payment Period*"). Employee is required to notify the Employer immediately if Employee and/or qualified beneficiary becomes covered by a group health plan of a subsequent employer or entitled to Medicare. Upon the conclusion of such period of COBRA Premium Payments made by the Employer, Employee will be responsible for the entire payment of premiums required under COBRA for the duration of the COBRA coverage period. For purposes of this Section 7(c)(iii), references to COBRA shall be deemed to refer also to analogous provisions of state law and any applicable COBRA Premium Payments that are paid by the Employer shall not include any amounts payable by Employee under an Internal Revenue Code Section 125 health care reimbursement plan, which amounts, if any, are the sole responsibility of Employee. Notwithstanding the foregoing, if at any time the Company determines, in its sole discretion, that its payment of COBRA premiums on Employee's behalf would result in a violation of applicable law (including, without limitation, Section 2716 of the Public Health Service Act), then in lieu of paying COBRA premiums on Employee's behalf, the Company will pay Employee on the last day of each remaining month of the COBRA Payment Period a cash payment equal to the COBRA premium for that month on a post-tax basis, which payment shall be subject to applicable tax withholding (such amount, the "*Special Severance Payment*"), such Special Severance Payment to be without regard to whether Employee elects COBRA coverage or alternative health coverage and without regard to the expiration of the COBRA Payment Period prior to the end of the Severance Period following Employee's termination. Such Special Severance Payment shall end on the earlier of (i) the date on which Employee commences other employment and (ii) the close or termination of the Severance Period following Employee's termination. Employee's disability insurance coverage will end upon his last day of active employment and Employee may port or convert the basic life insurance coverage within 31 days of the termination date as provided under the terms of the policy.

(d) Termination following Change in Control - If, within twelve (12) months after the consummation of a Change in Control (as such term is defined in Section 7(e)(i), Employer terminates Employee's employment without Just Cause or Employee terminates his employment with Employer Agreement as a result of a Good Reason (as such term is defined in Section 7(e)(ii) or Employee voluntarily terminates his employment within the first thirty (30) days following Change in Control subject to Employee's providing written notice of voluntary termination during such period; and, in either event, if Employee executes a Release which shall be reasonable in all particulars within the time period set forth therein and allows such Release to become effective in accordance with its terms no later than the sixtieth (60h) day following Employee's termination date, then Employee shall be entitled to the following in lieu of any severance compensation or benefits set forth in Section 7(c):

(i) all Accrued Compensation (as defined in Section 7(a) herein);

(ii) severance, payable in accordance with the Employer's standard payroll practices, of an amount equal to twenty-four (24) months of Employee's then current base salary (exclusive of any bonus pursuant to Section 3 herein or other variable compensation), with said amount to be paid in a lump sum on the sixtieth (60th) day following Employee's termination date;

(iii) all stock option grants and any restricted stock grants then held by Employee shall be subject to accelerated vesting such that all unvested shares shall be accelerated and deemed fully vested as of Employee's last day of employment; and

(iv) if Employee elects continued health care coverage under COBRA and timely pays his or her portion of the applicable premiums, the COBRA Premium Payment benefits provided for in Section 7(c)(iii) shall commence on the first day of the twenty-four (24) month period following Employee's termination of employment ("the Change in Control Severance Period") and continue until the earlier of (i) the last day of the Change in Control Severance Period; (ii) the date on which Employee or qualified beneficiary, as applicable, becomes enrolled in the group health insurance plan of another employer, or (iii) the date on which Employee or qualified beneficiary , as applicable, becomes entitled to Medicare after the COBRA election (such period from the termination date through the earliest of (i) through (iii), the "*Change in Control COBRA Payment Period* "). Notwithstanding the foregoing, if at any time the Company determines, in its sole discretion, that its payment of COBRA premiums on Employee's behalf would result in a violation of applicable law (including, without limitation, Section 2716 of the Public Health Service Act), then in lieu of paying COBRA premiums on Employee's behalf, the Company will pay Employee on the last day of each remaining month of the Change in Control COBRA Payment Period a cash payment equal to the COBRA premium for that month on a post-tax basis, which payment shall be subject to applicable tax withholding (such amount, the "*Change in Control Special Severance Payment*"), such Change in Control Special Severance Payment to be made without regard to whether Employee elects COBRA coverage or alternative health coverage and without regard to the expiration of the Change in Control COBRA Payment Period prior to the end of the Change in Control Severance Period following Employee's termination. Such Change in Control Special Severance Payment shall end on the earlier of (i) the date on which Employee commences other employment and (ii) the close or termination of the Change in Control Severance Period following Employee's termination. Employee's disability insurance coverage will end upon his last day of active employment and Employee may port or convert the basic life insurance coverage within 31 days of the termination date as provided under the terms of the policy.

(e) For purposes hereof:

(i) A *"Change in Control"* shall be deemed to have occurred if, at any time:

(A) Employer shall be a party to any merger, consolidation or other similar transaction that results in the shareholders of Employer immediately before the merger, consolidation or other similar transaction owning less than 50% of the equity, or possessing less than 50% of the voting control, of Employer or the successor entity in the merger, consolidation or other similar transaction;

(B) Employer shall liquidate, dissolve or sell or otherwise dispose of all or substantially all of its assets; or

(C) the shareholders of Employer sell or otherwise dispose of Employer's capital stock in a single transaction or series of related transactions such that the shareholders immediately before such transaction or related transactions own less than 50% of the equity, and possess less than 50% of the voting power of Employer.

Provided, however, that any public offering of securities of the Employer's common stock shall not constitute a Change in Control.

(ii) *"Good Reason"* shall mean the occurrence of any of the following events without Employee's express written consent:

(A) Assignment to, or withdrawal from, Employee of any duties or responsibilities that results in a material diminution in such Employee's authority, duties or responsibilities as in effect immediately prior to such change;

(B) A material diminution in the authority, duties or responsibilities of the supervisor to whom Employee is required to report, including (if applicable) a requirement that Employee report to a corporate officer or employee instead of reporting directly to the Board of Directors;

(C) A material reduction by Employer of Employee's annual base salary;

(D) A relocation of Employee or Employer's principal executive offices if Employee's principal office is at such offices, to a location more than sixty (60) miles from the location at which Employee is then performing his duties, except for an opportunity to relocate which is accepted by Employee in writing or

(E) A material breach by Employer of any provision of this Agreement or any other enforceable written agreement between Employee and Employer;

Provided, however, that, any termination of employment by Employee shall only be deemed for Good Reason pursuant to the foregoing definition if: (i) Employee gives the Employer written notice of the intent to terminate for Good Reason within ninety (90) days following the first occurrence of the condition(s) that Employee believes constitutes Good Reason, which notice shall describe such condition(s); (ii) the Employer fails to remedy such condition(s) within thirty (30) days following receipt of the written notice (the *"Cure Period");* and (iii) Employee terminates her employment within twelve (12) months following the end of the Cure Period.

(f) Except as otherwise provided in this Section 7, upon termination of this Agreement for any reason, Employee shall not be entitled to any form of severance benefits, or any other payment whatsoever. Employee agrees that the payments and benefits provided hereunder, subject to the terms and conditions hereof shall be in full satisfaction of any rights which he might otherwise have or claim by operation of law, by implied contract or otherwise, except for rights which he may have under any employee benefit plan of Employer.

8. **Application of Section 409A.** Notwithstanding anything set forth in this Agreement to the contrary, any severance payments and benefits provided pursuant to this Agreement shall not commence unless and until the Employee has incurred a “separation from service” (as such term is defined in the Treasury Regulation Section 1.409A-1(h), unless the Company reasonably determines that such amounts may be provided to the Employee without causing the Employee to incur the additional 20% tax under Section 409A of the Internal Revenue Code of 1986, as amended (the "Code").

Any severance payments and benefits provided pursuant to this Agreement which constitute “deferred compensation” within the meaning of the Treasury Regulations issued pursuant to Section 409A of the Code are subject to the distribution requirements of Section 409A(a)(2)(A) of the Code, including, without limitation, the requirement of Section 409A(a)(2)(B)(i) of the Code that payment to Employee be delayed until 6 months after separation from service if Employee is a "specified employee" within the meaning of the aforesaid section of the Code at the time of such separation from service.”

April 18, 2016

David Angulo Gonzalez, MD
101 Hudson Street, Suite 3610
Jersey City, NJ 07302

Re: Amendment of Employment Agreement to clarify severance benefits

Dear David,

As you know, you and SCYNEXIS, Inc. (the "Company") are parties to an employment agreement dated July 6, 2015 ("Employment Agreement"). The purpose of this letter is to request that you agree to amend your Employment Agreement to bring the severance provisions of your Employment Agreement into compliance with the Affordable Care Act. Unless your severance benefits are amended, we are concerned that tax penalties under the Affordable Care Act may be imposed on you and/or the Company if your Employment Agreement is not amended prior to the termination of your employment with the Company. The Company believes that by amending your Employment Agreement, you and/or the Company may avoid the adverse personal tax consequences under the Affordable Care Act.

If you choose to amend your Employment Agreement, Section 7 of your Employment Agreement will be replaced in their entirety with the language that appears as Exhibit A to this letter.

For clarity, your Employment Agreement will be amended to provide that if at any time the Company determines, in its sole discretion, that its payment of COBRA premiums on your behalf would result in a violation of the Affordable Care Act, then such payments will take the form of taxable cash payments that will be paid to you pursuant to a fixed payment schedule.

If you choose to amend your Employment Agreement, except as specifically amended by this letter, the terms and conditions of your Employment Agreement shall remain in full force and effect.

Although the Company's compensation committee has approved this amendment, the Company is not making any recommendation as to whether you should accept it. You should decide whether or not to amend your Employment Agreement after taking into account your own personal circumstances and preferences. **We recommend that you consult with your personal tax, financial and legal advisors to determine the consequences of amending your Employment Agreement.**

Please signify your agreement to the foregoing amendment by signing as indicated below and returning your signature to me at your earliest convenience.

Please note that nothing in this letter modifies the at-will nature of your employment. If you have any questions regarding this offer, please let me know.

Sincerely,

By:/s/ Eric Francois

Eric Francois, Chief Financial Officer

I have read and understood, and agree and consent to the foregoing amendment.

/s/ David Angulo Gonzalez, MD

David Angulo Gonzalez, MD

Date: April 18, 2016

EXHIBIT A

AMENDED SECTION 7 OF EMPLOYMENT AGREEMENT

“7. **Payments Upon Termination; Effects on Equity.**

(a) Upon any termination pursuant to Section 6, Employee shall be entitled to receive a lump sum equal to any base salary, bonus and other compensation earned and due but not yet paid through the effective date of termination (collectively *"Accrued Compensation"),* provided however, that Employee shall not earn any additional variable compensation or bonus during the Severance Period or the Change in Control Severance Period. If Employee is entitled to a bonus at the time of termination but the amount of such bonus will not be calculated until a date that is after the termination date of Employee's employment with the Employer, then Employer shall be obligated to pay the full amount of such bonus to Employee within thirty (30) days of the date of determination of such bonus. If the termination occurs in the middle of a period during which Employee was earning a bonus, then Employee shall be entitled to a prorated portion of the bonus.

(b) Just Cause Termination - If Employer, or any successor following a Change in Control or otherwise, terminates Employee's employment for Just Cause, Employee shall forfeit any unvested stock options at the date of termination, Employee shall have ninety (90) days from the date of termination to exercise any vested options. If Employee terminates his employment or if Employer (or its successor following a Change in Control) terminates Employee's employment without Just Cause, Employee shall have ninety (90) days from the date of termination to exercise any vested options.

(c) Termination by other than for Just Cause; for Good Reason by Employee - In addition to the amounts payable under Section 7(a) above, at any time other than the twelve (12) month period after the consummation of a Change in Control, if Employee's employment hereunder is terminated by (i) Employer other than for Just Cause, or (ii) Employee for Good Reason, and provided in either event that Employee executes a general Release and Settlement Agreement in the Company's then current form which shall be reasonable in all particulars (the *"Release")* within the time period set forth therein (but in no event later than forty-five (45) days after the termination date) and allows such Release to become effective in accordance with its terms, then Employee shall be entitled to the following:

(i) severance, payable in accordance with the Employer's standard payroll practices, equal to Employee's then current base salary (exclusive of any bonus pursuant to Section 3 herein or other variable compensation) for a period of six (6) months commencing with the first payroll period following the termination (the*"Severance Period")*, provided that on the first regular payroll pay day following the effective date of the Release, the Employer will pay Employee the severance payments that Employee would otherwise have received under this Agreement on or prior to such date but for the delay in payment related to the effectiveness of the Release, with the balance of such severance payments being paid i as originally scheduled;

(ii) the vesting of the Employee's unvested stock options and any restricted stock awards shall be accelerated such that, effective as of the date of the Employee's termination of employment, the Employee shall receive immediate accelerated vesting of such equity awards with respect to that same number of shares which would have vested if the Employee had continued in employment during the Severance Period, in accordance with the original vesting schedule of such equity awards;

(iii) if the Employee elects continued health care coverage under COBRA and timely pays his or her portion of the applicable premiums, the Employer will continue to pay for the same percentage of Employee's , and Employee's qualified beneficiaries', COBRA premiums for continued medical, dental and vision group health coverage as the percentage of medical, dental and vision insurance premiums it paid for the Employee , and Employee's beneficiaries, during the Employee's employment (the *"COBRA Premium Payments")*. Such COBRA Premium Payments shall commence on the first day of the Severance Period and continue until the earlier of (i) the last day of the Severance Period; (ii) the date on which the Employee or qualified beneficiary, as applicable, becomes enrolled in the group health insurance plan of another employer, or (iii) the date on which the Employee or qualified beneficiary , as applicable, becomes entitled to Medicare after the COBRA election (such period from the termination date through the earliest of (i) through (iii), the "*COBRA Payment Period*"). Employee is required to notify the Employer immediately if Employee and/or qualified beneficiary becomes covered by a group health plan of a subsequent employer or entitled to Medicare. Upon the conclusion of such period of COBRA Premium Payments made by the Employer, Employee will be responsible for the entire payment of premiums required under COBRA for the duration of the COBRA coverage period. For purposes of this Section 7(c)(iii), references to COBRA shall be deemed to refer also to analogous provisions of state law and any applicable COBRA Premium Payments that are paid by the Employer shall not include any amounts payable by Employee under an Internal Revenue Code Section 125 health care reimbursement plan, which amounts, if any, are the sole responsibility of Employee. Notwithstanding the foregoing, if at any time the Company determines, in its sole discretion, that its payment of COBRA premiums on Employee's behalf would result in a violation of applicable law (including, without limitation, Section 2716 of the Public Health Service Act), then in lieu of paying COBRA premiums on Employee's behalf, the Company will pay Employee on the last day of each remaining month of the COBRA Payment Period a cash payment equal to the COBRA premium for that month on a post-tax basis, which payment shall be subject to applicable tax withholding (such amount, the " *Special Severance Payment*"), such Special Severance Payment to be without regard to whether Employee elects COBRA coverage or alternative health coverage and without regard to the expiration of the COBRA Payment Period prior to the end of the Severance Period following Employee's termination. Such Special Severance Payment shall end on the earlier of (i) the date on which Employee commences other employment and (ii) the close or termination of the Severance Period following Employee's termination. Employee's disability insurance coverage will end upon his last day of active employment and Employee may port or convert the basic life insurance coverage within 31 days of the termination date as provided under the terms of the policy.

(d) Termination following Change in Control - If, within twelve (12) months after the consummation of a Change in Control (as such term is defined in Section 7(e)(i), Employer terminates Employee's employment without Just Cause or Employee terminates his employment with Employer Agreement as a result of a Good Reason; and, in either event, if Employee executes a Release which shall be reasonable in all particulars within the time period set forth therein (but in no event later than forty-five (45) days after the termination date) and allows such Release to become effective in accordance with its terms, then Employee shall be entitled to the following in lieu of any severance compensation or benefits set forth in Section 7(c):

(i) all Accrued Compensation (as defined in Section 7(a) herein);

(ii) severance, payable in accordance with the Employer's standard payroll practices, of an amount equal to 12 months of Employee's then current base salary (exclusive of any bonus pursuant to Section 3 herein or other variable compensation), commencing with the first payroll period following the effectiveness of the Release (the *"Change in Control Severance Period");*

(iii) all stock option grants and any restricted stock grants then held by Employee shall be subject to accelerated vesting such that all unvested shares shall be accelerated and deemed fully vested as of Employee's last day of employment; and

(iv) if the Employee elects continued health care coverage under COBRA and timely pays his or her portion of the applicable premiums, the COBRA Premium Payment benefits provided for in Section 7(c)(iii) shall commence on the first day of the Change in Control Severance Period and continue until the earlier of (i) the last day of the Change in Control Severance Period; (ii) the date on which the Employee or qualified beneficiary, as applicable, becomes enrolled in the group health insurance plan of another employer , or (iii) the date on which the Employee or qualified beneficiary, as applicable, becomes entitled to Medicare after the COBRA election (such period from the termination date through the earliest of (i) through (iii), the "*Change in Control COBRA*

Payment Period"). Notwithstanding the foregoing, if at any time the Company determines, in its sole discretion, that its payment of COBRA premiums on Employee's behalf would result in a violation of applicable law (including, without limitation, Section 2716 of the Public Health Service Act), then in lieu of paying COBRA premiums on Employee's behalf, the Company will pay Employee on the last day of each remaining month of the Change in Control COBRA Payment Period a cash payment equal to the COBRA premium for that month on a post-tax basis, which payment shall be subject to applicable tax withholding (such amount, the "*Change in Control Special Severance Payment*"), such Change in Control Special Severance Payment to be made without regard to whether Employee elects COBRA coverage or alternative health coverage and without regard to the expiration of the Change in Control COBRA Payment Period prior to the end of the Change in Control Severance Period following Employee's termination. Such Change in Control Special Severance Payment shall end on the earlier of (i) the date on which Employee commences other employment and (ii) the close or termination of the Change in Control Severance Period following Employee's termination. Employee's disability insurance coverage will end upon his last day of active employment and Employee may port or convert the basic life insurance coverage within 31 days of the termination date as provided under the terms of the policy.

(e) For purposes hereof:

(i) A *"Change in Control"* shall be deemed to have occurred if, at any time:

(A) Employer shall be a party to any merger, consolidation or other similar transaction that results in the shareholders of Employer immediately before the merger, consolidation or other similar transaction owning less than 50% of the equity, or possessing less than 50% of the voting control, of Employer or the successor entity in the merger, consolidation or other similar transaction;

(B) Employer shall liquidate, dissolve or sell or otherwise dispose of all or substantially all of its assets; or

(C) the shareholders of Employer sell or otherwise dispose of Employer's capital stock in a single transaction or series of related transactions such that the shareholders immediately before such transaction or related transactions own less than 50% of the equity, and possess less than 50% of the voting power of Employer.

Provided, however, that any public offering of securities of the Employer's common stock shall not constitute a Change in Control.

(ii) *"Good Reason"* shall mean the occurrence of any of the following events without Employee's express written consent:

(A) Assignment to, or withdrawal from, Employee of any duties or responsibilities that results in a material diminution in such Employee's authority, duties or responsibilities as in effect immediately prior to such change;

(B) A material diminution in the authority, duties or responsibilities of the supervisor to whom Employee is required to report, including (if applicable) a requirement that Employee report to a corporate officer or employee instead of reporting directly to the Board of Directors;

(C) A material reduction by Employer of Employee's annual base salary;

(D) A relocation of Employee or Employer's principal executive offices if Employee's principal office is at such offices, to a location more than sixty (60) miles from the location at which Employee is then performing his duties, except for an opportunity to relocate which is accepted by Employee in writing or

(E) A material breach by Employer of any provision of this Agreement or any other enforceable written agreement between Employee and Employer; ***Provided, however,*** that, any termination of employment by the Employee shall only be deemed for Good Reason pursuant to the foregoing definition if: (i) the Employee gives the Employer written notice of the intent to terminate for Good Reason within ninety (90) days following the first occurrence of the condition(s) that the Employee believes constitutes Good Reason, which notice shall describe such condition(s); (ii) the Employer fails to remedy such condition(s) within thirty (30) days following receipt of the written notice (the *"Cure Period");* and (iii) the Employee terminates her employment within twelve (12) months following the end of the Cure Period.

(f) Except as otherwise provided in this Section 7, upon termination of this Agreement for any reason, Employee shall not be entitled to any form of severance benefits, or any other payment whatsoever. Employee agrees that the payments and benefits provided hereunder, subject to the terms and conditions hereof shall be in full satisfaction of any rights which he might otherwise have or claim by operation of law, by implied contract or otherwise, except for rights which he may have under any employee benefit plan of Employer."

Exhibit 12.1

SCYNEXIS, INC.

COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES
(in thousands, except ratios)

Our earnings were insufficient to cover fixed charges for the three months ended March 31, 2016, and the years ended December 31, 2015, 2014, 2013 and 2012. The following tables set forth our deficiency of earnings to cover (i) fixed charges, and (ii) combined fixed charges and preferred stock dividends and accretion, for the three months ended March 31, 2016, and the years ended December 31, 2015, 2014, 2013 and 2012.

Computation of Ratio of Earnings to Fixed Charges

	Three Months Ended March 31,	Year Ended December 31,			
	2016	2015	2014	2013	2012
Fixed charges:					
Amortization of deferred financing costs and debt discount (1)	$ —	$ —	$ 755	$ 3,485	$ 2,918
Loss on extinguishment of debt (2)	—	—	1,389	—	—
Interest expense for beneficial conversion feature (3)	—	—	—	10,802	—
Interest expense — related party (4)	—	—	—	892	747
Interest expense (5)	—	—	48	192	225
Interest component of rental expense (6)	4	200	404	463	516
Total fixed charges	$ 4	$ 200	$ 2,596	$ 15,834	$ 4,406
Earnings:					
Loss from continuing operations before taxes	$ (7,184)	$ (28,338)	$ (6,769)	$ (31,906)	$ (17,362)
Fixed charges	4	200	2,596	15,834	4,406
Earnings	$ (7,180)	$ (28,138)	$ (4,173)	$ (16,072)	$ (12,956)
Ratio of earnings to fixed charges	—	—	—	—	—
Deficiency of earnings available to cover fixed charges	$ (7,184)	$ (28,338)	$ (6,769)	$ (31,906)	$ (17,362)

Computation of Ratio of Earnings to Combined Fixed Charges and Preferred Stock Dividends and Accretion

	Three Months Ended March 31,	Year Ended December 31,			
	2016	2015	2014	2013	2012
Fixed charges:					
Amortization of deferred financing costs and debt discount (1)	$ —	$ —	$ 755	$ 3,485	$ 2,918
Loss on extinguishment of debt (2)	—	—	1,389	—	—
Interest expense for beneficial conversion feature (3)	—	—	—	10,802	—
Interest expense — related party (4)	—	—	—	892	747
Interest expense (5)	—	—	48	192	225
Interest component of rental expense (6)	4	200	404	463	516
Deemed dividend for beneficial conversion feature on Series D-2 preferred stock (7)	—	—	909	4,232	—
Deemed dividend for antidilution adjustments to convertible preferred stock (8)	—	—	214	6,402	—
Accretion of convertible preferred stock (9)	—	—	510	5,714	—
Total fixed charges	$ 4	$ 200	$ 4,229	$ 32,182	$ 4,406
Earnings:					
Loss from continuing operations before taxes	(7,184)	$ (28,338)	$ (6,769)	$ (31,906)	$ (17,362)
Fixed charges	4	200	4,229	32,182	4,406
Earnings	$ (7,180)	$ (28,138)	$ (2,540)	$ 276	$ (12,956)
Ratio of earnings to fixed charges	—	—	—	0.01	—
Deficiency of earnings available to cover fixed charges	(7,184)	$ (28,338)	$ (6,769)	$ —	$ (17,362)

1. In April 2010, we entered into a $15.0 million credit facility agreement with HSBC Bank USA, National Association, or HSBC, which we refer to as the 2010 Credit Agreement. This 2010 Credit Agreement was guaranteed by a related party. We concluded that the guarantee represented a deemed contribution and recognized the value of the guarantee as deferred financing costs. The value of the guarantee was determined based on the difference between the 2010 Credit Agreement's stated interest rate and the interest rate that would apply if there had been no guarantee from the related party. The value was determined to be $6.3 million at the time the 2010 Credit Agreement was established and was amortized over the life of the 2010 Credit Agreement. On March 8, 2013, the 2010 Credit Agreement and related party guarantee were extended through 2014, under an amendment referred to as the 2013 Credit Agreement. At the time of the extension, we concluded that the value of the new guarantee was $3.9 million. This amount was recorded as deferred financing costs and was being amortized through the year 2014.

2. Upon completion of our IPO on May 7, 2014, the entire outstanding balance of the 2013 Credit Agreement, amounting to $15.0 million plus accrued interest, was paid in full using the proceeds from the IPO. We

recorded a loss on the extinguishment of debt of $1.4 million in the three month period ended June 30, 2014, as the remaining deferred financing costs associated with the 2013 Credit Agreement were written off. We had no outstanding debt as of December 31, 2014.

3. From December 2011 through June 2013, we issued convertible promissory notes totaling $12.3 million to related parties. These notes accrued interest at a rate of 8% per year. The purchasers of the convertible notes also received warrants to purchase common stock. The promissory notes, and accrued interest, were converted into preferred stock in December 2013. In connection with the conversion, the original conversion price on the promissory notes was reduced from$4.3125 to $1.40, and as a result, we recorded additional interest expense of $10.8 million in December 2013 as a result of the beneficial conversion for the antidilution adjustment on the Series D-1 convertible preferred stock and the Series D-2 convertible preferred stock. The warrant fair values were accounted for as a debt discount and amortized over the stated term of the convertibles notes. We concluded that the warrants qualified as a derivative liability and the fair value of the warrants should be adjusted at each reporting period. The amortization of the debt discount was recorded in amortization of deferred financing costs and debt discount and the change in the derivative liability was recorded in derivative fair value adjustment.

4. Interest on related party convertible debt, as described above in footnote 3.

5. Interest on outstanding balances under our 2010 Credit Agreement and 2013 Credit Agreement, as described above in footnote 1.

6. The interest component of rental expense relates to our primary facility leases over the periods presented, including our facility lease in Durham, North Carolina during 2012, 2013, 2014, a portion of 2015 (until July 2015, when the Durham facility lease was assumed by Accuratus Laboratory Services, Inc.), and our facility lease in Jersey City, New Jersey during a portion of 2015 (since the lease inception in August 2015) and the three month period ended March 31, 2016.

7. In December, 2013, we sold shares of Series D-2 Convertible Preferred Stock and determined that the sale resulted in a beneficial conversion feature with an intrinsic value of $4,232, which we recorded as a reduction to additional paid-in capital upon the sale of the Series D-2 Preferred. In January, 2014, we sold additional shares of Series D-2 Preferred and determined that the sale of the Series D-2 Preferred resulted in a beneficial conversion feature with an intrinsic value of $909.

8. In conjunction with the sale of Series D-2 Convertible Preferred Stock in December 2013, we recorded a deemed dividend as a reduction to additional paid-in capital of $6,402 as a result of the beneficial conversion for the antidilution adjustment on the outstanding shares of Series B Preferred, Series C Preferred, and Series C-2 Preferred. In conjunction with the sale of additional Series D-2 Preferred in January 2014, we recorded another deemed dividend as a reduction to additional paid-in capital of $214 as a result of the beneficial conversion for the antidilution adjustment on the outstanding shares of Series B Preferred, Series C Preferred, and Series C-2 Preferred.

9. Relates to the accretion to liquidation value of each convertible preferred stock issuance.

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: May 9, 2016

/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: May 9, 2016

/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 March 31, 2016, 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 May 9, 2016.

/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.