UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2017

OR

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

For the transition period from to

Commission File Number: 001-35112

Aevi Genomic Medicine, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**98-0217544**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
435 Devon Park Drive, Suite 715 Wayne, Pennsylvania	**19087**
(Address of Principal Executive Offices)	**(Zip Code)**

(610) 254-4201
(Registrant's telephone number, including area code)

Not Applicable
(Former name, former address and former fiscal year, if changed since last report)

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 definition of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act (Check one):

Large accelerated filer	☐		Accelerated filer	☐
Non-accelerated filer	☐	(Do not check if a smaller reporting company)	Smaller reporting company	☑
Emerging growth company	☐			

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☑

As of October 26, 2017, the registrant had 59,332,265 shares of common stock, $0.0001 par value, outstanding.

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Unless the context otherwise requires, all references in this Quarterly Report on Form 10-Q to the "Company," "Aevi Genomic Medicine," "we," "us" and "our" refer to Aevi Genomic Medicine, Inc., a Delaware corporation organized on January 27, 2000, and its wholly-owned subsidiaries, Medgenics Medical (Israel) Ltd. and neuroFix, LLC. We use the Aevi Genomic Medicine logo as a trademark in the United States and elsewhere. All other trademarks or trade names referred to in this document are the property of their respective owners.

AEVI GENOMIC MEDICINE, INC. AND ITS SUBSIDIARY

PART I - FINANCIAL INFORMATION

ITEM 1. - Financial Statements

CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except share data)

	September 30, 2017 Unaudited	December 31, 2016 Audited
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 14,960	$ 39,838
Prepaid expenses and other current assets	954	335
Total current assets	15,914	40,173
LONG-TERM ASSETS:		
Restricted lease deposits	11	11
Property and equipment, net	97	377
Other long-term assets	927	-
Total long-term assets	1,035	388
Total assets	$ 16,949	$ 40,561
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Trade payables	$ 3,481	$ 137
Other accounts payable and accrued expenses	3,376	5,446
Total current liabilities	6,857	5,583
Total liabilities	6,857	5,583
STOCKHOLDERS' EQUITY:		
Common stock - $0.0001 par value; 100,000,000 shares authorized; 37,110,043 shares issued and outstanding at September 30, 2017; 37,112,343 shares issued and 37,103,843 shares outstanding at December 31, 2016	$ 4	$ 4
Additional paid-in capital	217,907	215,008
Accumulated deficit	(207,819)	(180,034)
Total stockholders' equity	10,092	34,978
Total liabilities and stockholders' equity	$ 16,949	$ 40,561

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

AEVI GENOMIC MEDICINE, INC. AND ITS SUBSIDIARY

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except share and per share data)

	Nine months ended September 30,		Three months ended September 30,	
	2017	2016	2017	2016
	Unaudited		Unaudited	
Research and development expenses	$ 19,913	$ 23,417	$ 6,299	$ 7,725
Less: Participation by Office of Chief Scientist	-	(196)	-	(196)
General and administrative expenses	7,627	10,178	2,270	3,042
Operating loss	(27,540)	(33,399)	(8,569)	(10,571)
Financial (expense) / income	(15)	(6)	(36)	14
Loss before taxes	(27,555)	(33,405)	(8,605)	(10,557)
Taxes	-	16	-	13
Net loss	$ (27,555)	$ (33,421)	$ (8,605)	$ (10,570)
Basic and diluted loss per share	$ (0.74)	$ (0.97)	$ (0.23)	$ (0.29)
Weighted average number of common stock used in computing basic and diluted loss per share	37,109,455	34,510,787	37,110,043	37,080,789

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

AEVI GENOMIC MEDICINE, INC. AND ITS SUBSIDIARY

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Nine months ended September 30,	
	2017	**2016**
	Unaudited	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (27,555)	$ (33,421)
Adjustments to reconcile loss to net cash used in operating activities:		
Depreciation	96	230
Loss on disposal of property and equipment	32	-
Stock-based compensation	2,650	6,187
Changes in operating assets and liabilities:		
Prepaid expenses and other current assets	(619)	158
Trade payables	3,344	(704)
Other accounts payable and accrued expenses	(2,852)	2,286
Restricted lease deposits	-	(7)
Net cash used in operating activities	$ (24,904)	$ (25,271)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	$ -	$ (260)
Proceeds from sale of property and equipment	152	-
Net cash provided by (used in) investing activities	$ 152	$ (260)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of shares, net	$ -	$ 19,562
Proceeds from exercise of options and warrants	19	162
Deferred offering costs	(145)	-
Net cash (used in) provided by financing activities	$ (126)	$ 19,724
Decrease in cash and cash equivalents	(24,878)	(5,807)
Balance of cash and cash equivalents at the beginning of the period	39,838	53,064
Balance of cash and cash equivalents at the end of the period	$ 14,960	$ 47,257
Supplemental disclosure of non-cash flow information:		
Cash paid during the period for taxes	$ -	$ 16
Offering costs incurred but not paid	782	-

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

AEVI GENOMIC MEDICINE, INC. AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS
(In thousands, except share and per share data)

NOTE 1:- GENERAL

a. Aevi Genomic Medicine Inc. (the "Company") was incorporated in January 2000 in Delaware as Medgenics, Inc. The Company has a wholly-owned subsidiary, Medgenics Medical Israel Ltd. (the "Subsidiary"), which was incorporated in Israel in March 2000. The Company is a clinical stage biopharmaceutical company with an emphasis on genomic medicine.

Since October 21, 2016 the Company's common stock (the "Common Stock") has been traded on the NASDAQ Global Market.

b. As reflected in the accompanying financial statements, the Company incurred a net loss and negative cash flow from operating activities for the nine-month period ended September 30, 2017 of $27,555 and $24,904, respectively. The accumulated deficit as of September 30, 2017 was $207,819. As of September 30, 2017, the Company had cash and cash equivalents of $14,960, which it believes together with the proceeds from the offering discussed in Note 7, will provide funding for its operations through at least one year after the issuance of the financial statements. The Company and the Subsidiary have not yet generated revenues from product sales.

c. On August 9, 2017, the Company entered into an agreement with The Children's Hospital of Philadelphia Foundation (the "CHOP Foundation") and certain other purchasers (collectively, the "Purchasers") to purchase from the Company 22,222,222 shares of Common Stock and Warrants exercisable for up to an aggregate of 3,953,904 shares of Common Stock at a purchase price of $1.26 per share of Common Stock and accompanying Warrants (the "Offering"). The Offering was consummated on October 17, 2017. See Note 7: Subsequent Events.

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES

a. The accompanying unaudited condensed financial statements of the Company, have been prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP") and the rules of the Securities and Exchange Commission ("SEC") and should be read in conjunction with the audited financial statements and notes thereto included in the Annual Report on Form 10-K for the year ended December 31, 2016 ("2016 Form 10-K") as filed with the SEC. In the opinion of management, all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of financial position and the results of operations for the interim periods presented have been reflected herein. The results of operations for interim periods are not necessarily indicative of the results to be expected for the full year. Notes to the financial statements that would substantially duplicate the disclosure contained in the audited financial statements for the most recent fiscal year as reported in the 2016 Form 10-K have been omitted.

b. Recently issued accounting pronouncements:

In 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-15, Presentation of Financial Statements-Going Concern (Subtopic 205-40): Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern, which defines management's responsibility to assess an entity's ability to continue as a going concern, and to provide related footnote disclosures. The Company adopted this standard as of December 31, 2016. Management has concluded that as of the date of this Quarterly Report Form 10-Q, including the net proceeds that the Company received from the Offering discussing in Note 7 – Subsequent Events, that the Company has sufficient resources to continue as a going concern through one year after the issuance of the financial statements. See, "Note 3: – Liquidity Risks and Management Plans."

In 2015, the FASB issued ASU 2015-17, Income Taxes (Topic 740), Balance Sheet Classification of Deferred Taxes, will require deferred income tax liabilities and assets to be classified as noncurrent. The Company adopted this standard as of March 31, 2017. The Company determined that there was no material impact on the Company's consolidated financial statements.

In 2016, the FASB issued ASU 2016-02, Leases (Topic 842), which will establish the principles that lessees and lessors shall apply to report useful information to users of financial statements about the amount, timing, and uncertainty of cash flows arising from a lease. The pronouncement is effective for fiscal years beginning after December 15, 2018. The Company is currently evaluating the effect this guidance will have on the Company's consolidated financial statements.

In 2016, the FASB issued ASU 2016-09, Compensation-Stock Compensation (Topic 718), Improvements to Employee Share-Based Payment Accounting, which is meant to reduce complexity involving several aspects of the accounting for employee share-based payment transactions, including the income tax consequences, classifications of awards as either equity or liabilities, and classification on the statement of cash flows. ASU 2016-09 became effective for the Company in the first quarter of 2017 and was applied using a modified retrospective transition approach. Under ASU 2016-09 the Company has elected to no longer estimate forfeiture rates in determining its stock compensation expense and will true up forfeitures as they occur. As a result of the adoption, the Company recorded a cumulative adjustment to accumulated deficit as of December 31, 2016 for $230.

Other accounting standards that have been issued or proposed by the FASB or other standards-setting bodies that do not require adoption until a future date are not expected to have a material impact on the Company's consolidated financial statements upon adoption.

NOTE 3:- LIQUIDITY RISKS AND MANAGEMENT'S PLANS

The Company has financed its operations primarily through issuance of equity and grants from other third parties. As of September 30, 2017, the Company had cash and cash equivalents of $14,960 and liabilities of $6,857.

The future success of the Company is dependent on its ability to develop its product candidates and ultimately upon its ability to attain profitable operations. The Company is subject to a number of risks similar to other early-stage life science companies, including, but not limited to, successful discovery and development of its product candidates, raising additional capital with favorable terms, development by its competitors of new technological innovations, protection of proprietary technology and market acceptance of the Company's products. The successful discovery and development of product candidates requires substantial working capital which may not be available to the Company on favorable terms.

The Company expects to continue to incur operating losses in the future and require additional capital to further advance its programs, if warranted by the results of its clinical trials, and support its operations. Management has concluded that as of the date of this Quarterly Report Form 10-Q, including the net proceeds that the Company received from the Offering discussed in Note 7 – Subsequent Events, that the Company has sufficient resources to continue as a going concern through at least one year after the issuance of the financial statements.

NOTE 4:- COMMITMENTS AND CONTINGENCIES

In November 2014, the Company entered into a research agreement with the Children's Hospital of Philadelphia ("CHOP"). Under the terms of the agreement, the Company agreed to sponsor research at CHOP with respect to the recruitment and genetic analysis of patients with rare diseases to accelerate discovery of diagnostic and therapeutic targets.

CHOP granted the Company options over certain intellectual property created in the course of the research. The initial term of the Research Agreement was one year. The Company had the unilateral right to extend the term of the Research Agreement for an additional two-year term beyond the initial term and to provide additional funding for such an extension.

In June 2017, the Company extended the term of the CHOP Research Agreement for an additional period through June 2019. Per the terms of the extension, the Company is obligated to pay CHOP $5,937 in 2018 and $2,375 in 2019.

NOTE 5:- STOCKHOLDERS' EQUITY

a. Issuance of stock options and warrants to employees and directors:

A summary of the Company's activity for options and warrants granted to employees and directors is as follows:

	Nine months ended September 30, 2017			
	Number of options and warrants	Weighted average exercise price	Weighted average remaining contractual terms (years)	Aggregate intrinsic value
Outstanding at December 31, 2016	10,433,396	$ 5.78	6.08	$ 3,383
Granted	3,152,900	$ 2.65		
Exercised	(6,200)	$ 3.14		
Forfeited	(2,373,028)	$ 7.69		
Outstanding at September 30, 2017	11,207,068	$ 4.49	6.70	$ -
Vested and expected to vest at September 30, 2017	11,207,068	$ 4.49	6.70	$ -
Exercisable at September 30, 2017	6,774,511	$ 5.15	5.04	$ -

As of September 30, 2017, there was $6,438 of total unrecognized compensation cost related to non-vested share-based compensation arrangements granted to employees and directors. That cost is expected to be recognized over a weighted-average period of 2.10 years.

b. Issuance of options and warrants to consultants:

A summary of the Company's activity for warrants and options granted to consultants is as follows:

	Nine months ended September 30, 2017			
	Number of options and warrants	Weighted average exercise price	Weighted average remaining contractual terms (years)	Aggregate intrinsic value
Outstanding at December 31, 2016	390,821	$ 6.95	1.43	$ 114
Granted	-	$ -		
Exercised	-	$ -		
Forfeited	(220,541)	$ 9.02		
Outstanding at September 30, 2017	170,280	$ 4.27	1.69	$ -
Vested and expected to vest at September 30, 2017	170,280	$ 4.27	1.69	$ -
Exercisable at September 30, 2017	153,613	$ 4.21	1.19	$ -

As of September 30, 2017, there was a de minimis amount of total unrecognized compensation cost related to non-vested share-based compensation arrangements granted to consultants. That cost is expected to be recognized over a weighted-average period of 0.06 years.

c. Stock-based compensation expense:

Compensation expense related to warrants and options granted to employees, directors and consultants was recorded in the Consolidated Statement of Operations in the following line items:

	Nine months ended September 30,		Three months ended September 30,	
	2017	2016	2017	2016
Research and development expenses	$ 1,230	$ 2,197	$ 465	$ 711
General and administrative expenses	1,420	3,990	410	1,213
	$ 2,650	$ 6,187	$ 875	$ 1,924

d. Summary of shares to be issued upon exercise of options and warrants:

A summary of shares to be issued upon exercise of all the options and warrants, segregated into ranges, as of September 30, 2017 is presented in the following table:

		As of September 30, 2017		
Options / Warrants	**Exercise price per share ($)**	**Shares to be issued upon exercise of options and warrants outstanding**	**Shares to be issued upon exercise of options and warrants exercisable**	**Weighted average remaining contractual terms of options and warrants (in years)**
Options:				
Granted to employees and directors				
	1.07-2.66	2,028,000	60,000	9.7
	3.14-5.07	6,061,900	4,157,334	6.1
	5.10-10.80	3,117,168	2,557,177	5.9
		11,207,068	6,774,511	
Granted to consultants				
	4.82-5.13	45,280	28,613	4.4
Total shares to be issued upon exercise of options		11,252,348	6,803,124	
Warrants:				
Granted to consultants	3.76-4.99	125,000	125,000	0.7
Granted to investors	6.78	3,124,319	3,124,319	0.4
Total shares to be issued upon exercise of warrants		3,249,319	3,249,319	
Total shares to be issued upon exercise of options and warrants		14,501,667	10,052,443	

NOTE 6:- LOSS PER SHARE

The Company computes basic net loss per share by dividing net loss by the weighted average number of shares outstanding, which includes stock issued and outstanding. The Company computes diluted net loss per share by dividing net loss by the weighted average number of shares and potential shares from outstanding stock options. Since the Company had a net loss for all periods presented, the effect of all potentially dilutive securities is anti-dilutive. Accordingly, basic and diluted net loss per share is the same for the nine and three months ended September 30, 2017 and 2016.

The following table presents anti-dilutive shares for the nine and three months ended September 30, 2017 and 2016:

	Nine months ended September 30,		Three months ended September 30,	
	2017	2016	2017	2016
Weighted-average anti-dilutive shares related to:				
Outstanding stock options	11,082,147	10,609,137	11,168,048	11,289,029
Outstanding warrants	4,277,651	6,202,667	3,250,384	4,909,393
	15,359,798	16,811,804	14,418,432	16,198,422

NOTE 7: - SUBSEQUENT EVENTS

Special Stockholder Meeting

On October 17, 2017, the Company held its previously announced special meeting of stockholders (the "Special Meeting"). At the Special Meeting, the Company's stockholders of record as of September 5, 2017 voted to approve (i) the issuance by the Company of shares of its common stock, $0.0001 par value per share (the "Common Stock"), accompanying warrants to purchase shares of Common Stock (the "Warrants") and the shares of Common Stock issuable upon exercise of the Warrants (the "Warrant Shares"), pursuant to and in accordance with the terms of the private placement financing transaction contemplated by a securities purchase agreement, dated August 9, 2017 (Proposal No. 1), (ii) an amendment to the Company's Amended and Restated Certificate of Incorporation to increase the total number of authorized shares of Common Stock from 100,000,000 shares to 200,000,000 shares (Proposal No. 2) and (iii) to adjourn the Special Meeting, if necessary, to solicit additional proxies, in the event that there were not sufficient votes at the time of the Special Meeting to approve Proposal No. 1 or Proposal No. 2.

PIPE Offering

At the Special Meeting, prior to the consummation of the Offering (as defined below), the Company obtained stockholder approval for the Offering (as outlined above in Proposal No. 1), pursuant to the requirements of Nasdaq Listing Rule 5635.

Subsequent to the balance sheet date, on October 17, 2017, the Company sold an aggregate of 22,222,222 shares (the "Shares") of its Common Stock, and Warrants exercisable for up to an aggregate of 3,953,904 shares of Common Stock at a purchase price of $1.26 per share of Common Stock and accompanying Warrants in the Offering to The CHOP Foundation as the lead purchaser and certain other existing institutional and accredited investors (collectively, the "Purchasers") pursuant to that certain securities purchase agreement dated as of August 9, 2017 (the "Purchase Agreement"). Each Purchaser will receive a Warrant exercisable to purchase a pro rata amount of shares of Common Stock (based on the shares of Common Stock purchased in the Offering) at a purchase price of $2.84 per share of Common Stock, which will expire five years after the date of issuance. In addition, the CHOP Foundation has committed to provide up to an additional $5,000 of equity financing through June 30, 2018, subject to certain terms and conditions.

The aggregate gross proceeds from the Offering are approximately $28,000 and net proceeds after estimated offering expenses of approximately $27,000. The Company intends to use the net proceeds from the Offering primarily to further the development of its two lead clinical programs, to support its ongoing collaboration with The Children's Hospital of Philadelphia, to develop other product candidates and for general corporate purposes.

In connection with the Offering, the Company entered into a registration rights agreement (the "Registration Rights Agreement") with the Purchasers. Pursuant to the Registration Rights Agreement, the Company agreed to prepare and file a registration statement (the "Resale Registration Statement") with the SEC within 60 days after the closing of the Offering for purposes of registering the resale of the Shares and the shares of Common Stock issuable upon exercise of the Warrants. The Company also agreed to use commercially reasonable efforts to cause the Resale Registration Statement to be declared effective by the SEC within 90 days after the closing of the Offering (120 days in the event the Resale Registration Statement is reviewed by the SEC). The Company also granted the Purchasers certain demand and piggyback registration rights. The Company also agreed, among other things, to indemnify the selling holders under the registration statements from certain liabilities and to pay all fees and expenses incident to the Company's performance of or compliance with the Registration Rights Agreement.

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

The following discussion and analysis of our financial condition and results of operations should be read together with our financial statements and related notes appearing elsewhere in this Quarterly Report on Form 10-Q.

Forward-Looking Statements

This Quarterly Report on Form 10-Q contains "forward-looking statements" that involve risks and uncertainties, as well as assumptions that, if they never materialize or prove incorrect, could cause our results to differ materially from those expressed or implied by such forward-looking statements. The statements contained in this Quarterly Report on Form 10-Q that are not purely historical are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act. Forward-looking statements are often identified by the use of words such as, but not limited to, "can," "may," "will," "should," "could," "would," "expects," "plans," "continues," "anticipates," "intends," "seeks," "targets," "believes," "estimates," "projects," "predicts," "potential" and similar expressions or variations intended to identify forward-looking statements. These statements are based on the beliefs and assumptions of our management based on information currently available to them. Such forward-looking statements are subject to risks, uncertainties and other important factors that could cause actual results and the timing of certain events to differ materially from future results expressed or implied by such forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed in the section titled "Risk Factors" in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2016, and any updates to those risk factors included in Part II, Item 1A of this Quarterly Report on Form 10-Q. Furthermore, such forward-looking statements speak only as of the date of this report. Except as required by law, we undertake no obligation to update any forward-looking statements to reflect events or circumstances after the date of such statements.

Overview

We are a clinical stage biopharmaceutical company with an emphasis on identifying the genetic drivers of disease and applying this understanding to the pursuit of differentiated novel therapies for pediatric onset, life-altering diseases, including rare and orphan diseases. We look to find treatments for genetically defined diseases for which there are limited therapeutic options currently available, with a primary focus on pediatric patients. This strategy begins with identifying and genetically validating a therapeutic target and using genomics to guide product development. The strategy also involves identifying and acquiring otherwise abandoned or overlooked drug candidates and matching targets and mechanisms of action to novel genetic discoveries.

We have partnered with the Center for Applied Genomics, or CAG, at The Children's Hospital of Philadelphia, or CHOP, to implement a genomic medicine driven approach to drug development. CAG's assets include a fully automated biorepository containing specimens from more than 75,000 pediatric patients and 150,000 relatives of those patients. The sample is highly enriched for rare and orphan diseases and the large majority of patients have been genotyped. Their phenotypes are recorded in a modern electronic health record that is linked to the genomics database and biorepository. The patients in the database have consented to anonymized use of their data for research and follow up contact if needed.

CAG continues to discover important and novel genetic biomarkers by both genome-wide association studies and exome sequencing and analysis of affected individuals and their family members. Such markers not only identify patients with the disease but frequently point to the cause of the disease and suggest targets and feasible intervention strategies that include protein or peptide therapy, monoclonal antibodies, drugs or gene therapy. By working initially in pediatric populations of specific diseases, we can minimize the confounding environmental factors seen in older patients. In addition, the availability of robust genetic biomarkers allows us to design trials that focus on a highly-enriched patient population that we believe is more likely to respond to targeted therapies and further enhance the likelihood of clinical and regulatory success. We believe this will allow us to implement more efficient and shorter clinical development programs, that will lead to higher value medicines that can address critical needs in patients suffering from rare and orphan diseases.

AEVI-001 (mGluR+ ADHD and 22q Deletion Syndrome)

Our lead program, AEVI-001, is an oral, non-stimulant glutamatergic neuromodulator which completed a Phase 2/3 trial (SAGA) in adolescent Attention Deficit Hyperactivity Disorder, ADHD, patients with specific mutations in their mGluR gene network, which we refer to as mGluR+ ADHD, in the first quarter of 2017. Although AEVI-001 did not meet the primary endpoint of reduction on the ADHD rating scale (ADHD-RS) compared to placebo, in the SAGA trial, the drug did demonstrate statistically significant and clinically meaningful improvement compared to placebo in a pre-specified responder analysis of ADHD-RS improvement of 30% or more [ADHD-RS reduction of 17.6, $p < .005$]. In a second pre-specified responder analysis of Clinical Global Impression of Improvement scale (CGI-I), a key secondary endpoint, AEVI-001 demonstrated a statistically significant and clinically meaningful improvement compared to placebo [57% of patients treated with AEVI-001 achieved a score of much improved or very much improved compared to 33% on placebo, $p=0.0155$]. Additionally, the safety analysis demonstrated that AEVI-001 was well tolerated at all doses, and the majority of adverse events were generally mild to moderate in severity. There were no serious adverse events.

Subsequent analysis of responder data from a subset of genomically identified patients in the SAGA trial was since identified nine genes that appear to be predictive of clinically meaningful and statistically significant response on the ADHD-RS scales and CGI-I scales. These genes include certain glutamate metabotropic receptors and neurodevelopmental genes that are found in approximately 10% of pediatric ADHD patients.

One of the neurodevelopmental genes, contactin-4 (CNTN4), previously identified as being important in Autism Spectrum Disorder (ASD) representing approximately 5% of the overall pediatric ADHD patient population. The CNTN4 mutation phenotype is relatively severe, with an increased prevalence of emotional dysregulation, which includes issues related to anger control, risk taking, and inappropriate movements and sounds. All (100%) of the CNTN4 mutation positive patients on treatment (n=6) had clinically meaningful and statistically significant response to therapy with AEVI-001 [ADHD-RS reduction of 20.8, $p=0.03$].

Importantly, these results clarify a path forward for the continued development of AEVI-001 in ADHD, as well as in other potential neurodevelopmental disorders, including but not limited to ASD and Pediatric Generalized Anxiety Disorder. We have initiated a Phase 2 trial in CNTN4 mutation positive ADHD ("CNTN4+ ADHD") (PART A) to confirm genetic responders to AEVI-001. Patient screening began in the third quarter of 2017 and data is expected by mid-2018. We also intend to initiate work on CNTN4+ in ASD to better define the patient phenotype and design a proof-of-concept study to begin in H1 2018.

We have completed work on a signal-finding trial for the treatment of the psychiatric symptoms of 22q Deletion Syndrome (22q DS). Enrolling patients into the signal-finding study was challenging, with only two patients enrolled by the time the study ended. Due to the limited enrollment, it is not feasible to meaningfully interpret the resulting data. 22q DS is an orphan, severe autism spectrum disorder with significant co-morbidities. The disease has a prevalence of between 1:2000-1:4000, roughly equivalent with the more recognized Down's Syndrome.

AEVI-002 (Anti-LIGHT Monoclonal Antibody)

The second program arising out of our genomic research collaboration with CHOP is the development candidate AEVI-002, a first-in-class anti-LIGHT monoclonal antibody, or the Antibody, being developed for use in Severe Pediatric Onset Crohn's disease which has a more aggressive phenotype at younger ages. The genomic rationale for the use of the Antibody in Crohn's disease was validated by CAG research showing the association to a loss of function mutation in decoy receptor 3 (DcR3). The estimated prevalence of the mutation is estimated at 10-15% of pediatric onset Crohn's disease cases.

In June 2016, we entered into a Clinical Development and Option Agreement, or the Development and Option Agreement, with Kyowa Hakko Kirin Co., Ltd., or KHK, pursuant to which we acquired certain rights with respect to the development and potential commercialization of the Antibody. Under the Development and Option Agreement, we received an exclusive option for exclusive rights to develop products containing the Antibody, or an Antibody Licensed Product, exclusive rights to commercialize Antibody Licensed Product in various countries and to conduct various development activities with respect to the Antibody Licensed Product, including the conduct of the Study. The terms of the Development and Option Agreement with KHK are more fully described under the section entitled "Licenses" in Part I, Item 1 of our Annual Report on Form 10-K for the year ended December 31, 2016.

An 8-week Phase Ib proof-of-concept study has been initiated at CHOP, with the goal of enrolling up to 12 patients with a Pediatric Onset Crohn's disease diagnosis that are refractory to treatment with TNF-α inhibitors, with or without a DcR3 mutation. Active recruitment for the trial is underway. The endpoints of the trial will include endoscopic evaluation, Crohn's Disease Activity Index ratings and safety. Initial data from the proof-of-concept study is expected by mid-2018, at which point we will make a determination on our option to license exclusive rights to the Antibody for further development. The identification and recruitment of patients into the proof-of-concept study has been challenging. The ability to produce initial data by mid-2018 is highly dependent on timely recruiting; thus, continued difficulties in recruitment could cause a delay in the delivery of initial data for the program. In an effort to address the recruitment challenges, we are currently initiating three additional trial sites for the program.

Recent Developments

Special Stockholder Meeting

On October 17, 2017, we held our previously announced special meeting of stockholders (the "Special Meeting"). At the Special Meeting, our stockholders of record as of September 5, 2017, voted to approve (i) the issuance by us of shares of our common stock, $0.0001 par value per share (the "Common Stock"), accompanying warrants to purchase shares of Common Stock (the "Warrants") and the shares of Common Stock issuable upon exercise of the Warrants (the "Warrant Shares"), pursuant to and in accordance with the terms of the private placement financing transaction contemplated by a securities purchase agreement, dated August 9, 2017 (Proposal No. 1), (ii) an amendment to our Amended and Restated Certificate of Incorporation to increase the total number of authorized shares of Common Stock from 100,000,000 shares to 200,000,000 shares (Proposal No. 2) and (iii) to adjourn the Special Meeting, if necessary, to solicit additional proxies, in the event that there were not sufficient votes at the time of the Special Meeting to approve Proposal No. 1 or Proposal No. 2.

PIPE Offering

At the Special Meeting, prior to the consummation of the Offering (as defined below), we obtained stockholder approval for the Offering (as outlined above in Proposal No. 1), pursuant to the requirements of Nasdaq Listing Rule 5635.

On October 17, 2017, we sold an aggregate of 22,222,222 shares (the "Shares") of our Common Stock, and Warrants exercisable for up to an aggregate of 3,953,904 shares of Common Stock at a purchase price of $1.26 per share of Common Stock and accompanying Warrants (the "Offering") to the Children's Hospital of Philadelphia Foundation (the "CHOP Foundation") as the lead purchaser and certain other existing institutional and accredited investors (collectively, the "Purchasers") pursuant to that certain securities purchase agreement dated as of August 9, 2017 (the "Purchase Agreement"). Each Purchaser will receive a Warrant exercisable to purchase a pro rata amount of shares of Common Stock (based on the shares of Common Stock purchased in the Offering) at a purchase price of $2.84 per share of Common Stock, which will expire five years after the date of issuance. In addition, the CHOP Foundation has committed to provide up to an additional $5.0 million of equity financing through June 30, 2018, subject to certain terms and conditions.

The aggregate gross proceeds from the Offering are approximately $28.0 million and net proceeds after estimated offering expenses of approximately $27.0 million. We intend to use the net proceeds from the Offering primarily to further the development of our two lead clinical programs, to support our ongoing collaboration with The Children's Hospital of Philadelphia, to develop other product candidates and for general corporate purposes.

In connection with the Offering, we entered into a registration rights agreement (the "Registration Rights Agreement") with the Purchasers. Pursuant to the Registration Rights Agreement, we agreed to prepare and file a registration statement (the "Resale Registration Statement") with the SEC within 60 days after the closing of the Offering for purposes of registering the resale of the Shares and the shares of Common Stock issuable upon exercise of the Warrants. We also agreed to use commercially reasonable efforts to cause the Resale Registration Statement to be declared effective by the SEC within 90 days after the closing of the Offering (120 days in the event the Resale Registration Statement is reviewed by the SEC). We also granted the Purchasers certain demand and piggyback registration rights. We also agreed, among other things, to indemnify the selling holders under the registration statements from certain liabilities and to pay all fees and expenses incident to our performance of or compliance with the Registration Rights Agreement.

Financial Operations Overview

We have generated significant losses to date, and we expect to continue to generate losses as we progress towards the commercialization of our product candidates. We incurred net losses of approximately $27.56 million for the nine-month period ended September 30, 2017. As of September 30, 2017, we had stockholders' equity of approximately $10.09 million. As of September 30, 2017, we had cash and cash equivalents of $14.96 million. We believe that cash on hand, including the net proceeds from the Offering (as described above), will be sufficient to enable us to fund our operating expenses and capital expenditure requirements into early 2019. We are unable to predict the extent of any future losses or when we will become profitable, if at all.

Our management has concluded that as of the date of this Quarterly Report on Form 10-Q, including the net proceeds that we received from the Offering, we have sufficient resources to continue as a going concern through at least one year after the issuance of the financial statements contained herein.

Since our inception, we have obtained funds primarily from the issuance of common stock and convertible securities. If we raise additional funds through strategic collaborations and alliances or licensing arrangements with third parties, which may include existing collaboration partners, we may have to relinquish valuable rights to our technologies or product candidates, including AEVI-001 and AEVI-002, or grant licenses on terms that are not favorable to us. In addition, we anticipate that we will continue to issue equity and/or debt securities as a source of liquidity. There can be no assurance, however, that we will be successful in obtaining such financing in sufficient amounts, on terms acceptable to us, or at all. Any future sales of securities to finance operations will dilute existing stockholders' ownership. We cannot guarantee when or if we will generate positive cash flow. If we are unable to successfully raise sufficient additional capital, through future financings or through strategic and collaborative arrangements, we will not have sufficient cash to fund additional trials and future operations.

Research and Development Expense

Research and development expense consists of: (i) internal costs associated with our development activities; (ii) payments we make to third party contract research organizations, contract manufacturers, clinical trial sites and consultants; (iii) technology and intellectual property license costs; (iv) manufacturing development costs; (v) personnel related expenses, including salaries, and other related costs, including stock-based compensation expense, for the personnel involved in product development; (vi) activities related to regulatory filings and the advancement of our product candidates through preclinical studies and clinical trials; and (vii) facilities and other allocated expenses, which include direct and allocated expenses for rent, facility maintenance, as well as laboratory and other supplies. All research and development costs are expensed as incurred.

Conducting a significant amount of development is central to our business model. Product candidates in later-stage clinical development generally have higher development costs than those in earlier stages of development, primarily due to the significantly increased size and duration of the clinical trials. Research and development expenses will likely increase as we advance the development of AEVI-001 and AEVI-002 and look to advance our earlier-stage research and development projects.

The process of conducting pre-clinical studies and clinical trials necessary to obtain regulatory approval is costly and time consuming. The probability of success for each product candidate and clinical trial may be affected by a variety of factors, including, among others, the quality of the product candidate's early clinical data, investment in the program, competition, manufacturing capabilities and commercial viability. As a result of these uncertainties, together with the uncertainty associated with clinical trial enrollments and the risks inherent in the development process, we are unable to determine the duration and completion costs of current or future clinical stages of our product candidates or when, or to what extent, we will generate revenues from the commercialization and sale of any of our product candidates. Development timelines, probability of success and development costs vary widely. We are concurrently focusing on the development and potential commercialization of AEVI-002 under the Development and Option Agreement with KHK, advancing the development of AEVI-001 and advancing our earlier-stage research and development projects.

Research and development expenses are shown net of participation by third parties.

General and Administrative Expense

General and administrative expense consists primarily of salaries and other related costs, including stock-based compensation expense, for persons serving as our directors and in our executive, finance and accounting functions. Other general and administrative expense includes facility-related costs not otherwise included in research and development expense and professional fees for legal services and accounting services.

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

Research and Development Expenses

Research and development expenses for the nine months ended September 30, 2017 were $19.91 million decreasing from $23.42 million for the same period in 2016 mainly due to decreased costs following the closure of our operations in Israel of $2.50 million and decreasing clinical trial/development activities.

General and Administrative Expenses

General and administrative expenses for the nine months ended September 30, 2017 were $7.63 million, decreasing from $10.18 million for the same period in 2016 primarily due to severance benefits recorded in 2016 related to the termination of an officer of $1.0 million and decreased stock-based compensation expense related to options which have fully vested of $2.0 million.

Financial Income and Expenses

Financial income and expense for the nine months ended September 30, 2017 and 2016 were de minimis.

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

Research and Development Expenses

Research and development expenses for the three months ended September 30, 2017 were $6.30 million decreasing from $7.73 million for the same period in 2016 mainly related to decreasing clinical trial/development activities.

General and Administrative Expenses

General and administrative expenses for the three months ended September 30, 2017 were $2.27 million, decreasing from $3.04 million for the same period in 2016 mainly due to decreased costs following the closure of our operations in Israel and stock-based compensation expense related to options which have fully vested.

Financial Income and Expenses

Financial income and expense for the three months ended September 30, 2017 and 2016 were de minimis.

Liquidity and Capital Resources

Sources of Liquidity

We have financed our operations primarily through issuance of equity.

Cash Flows

We had cash and cash equivalents of $14.96 million at September 30, 2017 and $39.84 million at December 31, 2016. The decrease in our cash balance during the nine months ended September 30, 2017 was primarily related to funding operations and advancing our AEVI-001 program.

Net cash used in operating activities of $24.90 million for the nine months ended September 30, 2017 and $25.27 million for the nine months ended September 30, 2016 primarily reflected our cash expenses for our operations.

Net cash provided by and used in investing activities for the nine months ended September 30, 2017 and 2016 were de minimis.

Net cash used in financing activities for the nine months ended September 30, 2017 was de minimis compared to $19.72 million provided by financing activities for the nine months ended September 30, 2016 related to the completion of a registered public offering of our equity.

Funding Requirements

Our future capital requirements will depend on a number of factors, including our success in targeting rare and orphan disease candidates, the timing and outcome of clinical trials and regulatory approvals, the costs involved in preparing, filing, prosecuting, maintaining, defending, and enforcing patent claims and other intellectual property rights, the acquisition of licenses to new products or compounds, the status of competitive products, the availability of financing, and our success in developing markets for our product candidates.

Without taking into account any revenue we may receive as a result of licensing or other commercialization agreements we may enter into, we believe that cash on hand, including the proceeds from the Offering (as described above), will be sufficient to enable us to fund our operating expenses and capital expenditure requirements into early 2019. We have based this estimate on assumptions that may prove to be wrong, and we could use our available resources sooner than we currently expect. Because of the numerous risks and uncertainties associated with the development and commercialization of our product candidates, we are unable to estimate the amounts of increased capital outlays and operating expenditures associated with our current and anticipated clinical trials.

We do not anticipate that we will generate revenue from the sale of products for several years or more given the uncertainty of drug development. As discussed elsewhere in this Quarterly Report Form on 10-Q, we recently completed the Offering which provided approximately $27.0 million of net proceeds to us. In the absence of additional funding or adequate funding from licensing or commercialization agreements, we expect our continuing operating losses to result in decreases in our cash balances. Absent significant corporate collaboration and licensing arrangements, we will need to finance our future cash needs through additional public or private equity offerings or debt financings. Other than the commitment from the CHOP Foundation, we do not currently have any commitments for future external funding. We may need to raise additional funds more quickly if one or more of our assumptions prove to be incorrect or if we choose to expand our product development efforts more rapidly than we presently anticipate, and we may decide to raise additional funds even before we need them if the conditions for raising capital are favorable. We may seek to encourage holders of our warrants to exercise, sell additional equity or debt securities or obtain a bank credit facility. The sale of additional equity or debt securities, if convertible, could result in dilution to our stockholders. The incurrence of indebtedness would result in increased fixed obligations and could also result in covenants that would restrict our operations. If we are unable to successfully raise sufficient additional capital, through future financings or through strategic and collaborative arrangements, we will not have sufficient cash to fund additional clinical trials and future operations.

Our plans include seeking additional investments and commercial agreements to continue our operations. However, there is no assurance that we will be successful in our efforts to raise the necessary capital and/or reach such commercial agreements to continue our planned research and development activities.

Our management has concluded that as of the date of this Quarterly Report on Form 10-Q, including net proceeds that we received from the Offering, we have sufficient resources to continue as a going concern through at least one year after the issuance of the financial statements contained herein.

Critical Accounting Policies

Our management's discussion and analysis of our financial condition and results of operations is based on our financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities and expenses. On an ongoing basis, we evaluate these estimates and judgments, including those described below. We base our estimates on our historical experience and on various other assumptions that we believe to be reasonable under the circumstances. These estimates and assumptions form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results and experiences may differ materially from these estimates.

While our significant accounting policies are more fully described in Note 2 to our financial statements included elsewhere in this Quarterly Report on Form 10-Q, we believe that the following accounting policies are the most critical to aid you in fully understanding and evaluating our reported financial results and affect the more significant judgments and estimates that we use in the preparation of our financial statements.

Stock-Based Compensation

We account for stock options granted to employees and directors according to the Accounting Standards Codification No. 718 (ASC 718) "Compensation – Stock Compensation." Under ASC 718, stock-based compensation cost is measured at grant date, based on the estimated fair value of the award, and is recognized as an expense over the requisite service period on a straight-line basis.

For the purpose of valuing options granted to our employees and directors during the nine months ended September 30, 2017 and 2016, we used the Binomial options pricing model. To determine the risk-free interest rate, we utilized the U.S. Treasury yield curve in effect at the time of grant with a term consistent with the contractual life of our awards. We estimated the expected life of the options granted based on anticipated exercises in the future periods assuming the success of our business model as currently forecast. The expected dividend yield reflects our current and expected future policy for dividends on our common stock. The expected stock price volatility for our stock options was calculated by examining historical volatilities for publicly traded industry peers and blending in our historical volatility. We will continue to analyze the expected stock price volatility as more historical data for our common stock becomes available. After adoption of ASU 2016-09 in the first quarter of 2017, we recognize forfeitures as they occur.

Off-Balance Sheet Arrangements

CHOP License Agreement and Research Agreement

In November 2014, we entered into a license agreement, or the License Agreement, and a sponsored research agreement, or the Research Agreement, each with CHOP. Under the terms of the License Agreement, CHOP granted us (i) an exclusive, sublicensable license to use certain patent rights covering potential diagnostic and therapeutic targets, (ii) an exclusive, non-sublicensable license to use certain biospecimen and phenotypic data collected from patients with rare and orphan diseases and their family members or the Biobank. In February 2017, we amended the License Agreement. The amendment allows us to extend the period of our exclusive commercial access to the Biobank for rolling two year periods. The cost of each extension is $125,000 per year. In June 2017, we entered into an amendment to the Research Agreement, which extended the Research Agreement through June 30, 2019, for which additional payments totaling $5.94 million will be due in 2018 and $2.38 million will be due in 2019. The amendment also allows us to extend the Research Agreement for rolling two year periods in connection with the Company extending its exclusive commercial access to the Biobank under the License Agreement.

ITEM 3. - Quantitative and Qualitative Disclosures about Market Risk

There has been no significant change in our exposure to market risk during the nine months ended September 30, 2017. For a discussion of our exposure to market risk, refer to Part II, Item 7A, "Quantitative and Qualitative Disclosures About Market Risk," contained in our Annual Report on Form 10-K for the year ended December 31, 2016.

ITEM 4. - Controls and Procedures

Evaluation of disclosure controls and procedures

As required by Rule 13a-15(b) of the Exchange Act, in connection with the filing of this Quarterly Report on Form 10-Q, we carried out an evaluation, under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act) as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on this evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were effective as of September 30, 2017, the end of the period covered by this report.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting during the third quarter of 2017, which were identified in connection with management's evaluation required by paragraph (d) of Rules 13a-15 and 15d-15 under the Exchange Act, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

ITEM 1. - Legal Proceedings

We are not currently a party, as plaintiff or defendant, to any legal proceedings which, individually or in the aggregate, are expected by us to have a material effect on our business, financial condition or results of operation if determined adversely to us.

ITEM 1A. - Risk Factors

The discussion of our business and operations should be read together with the risk factors contained in Item 1A of our Annual Report on Form 10-K for the fiscal year ended December 31, 2016 which describe various risks and uncertainties to which we are or may become subject. These risks and uncertainties have the potential to affect our business, financial condition, results of operations, cash flows, strategies or prospects in a material and adverse manner. Except as disclosed below, there have been no material changes to the risk factors set forth in the above-referenced filing as of September 30, 2017.

ITEM 2. - Unregistered Sales of Equity Securities and Use of Proceeds

Recent Sales of Unregistered Securities

None

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

None

ITEM 3. - Defaults Upon Senior Securities

None

ITEM 4. - Mine Safety Disclosures

Not applicable

ITEM 5. - Other Information

None

ITEM 6. - Exhibits

Exhibit No.	Description
4.1	Form of Warrant (previously filed as Exhibit 4.1 to the Company's Current Report on Form 8-K filed August 11, 2017 and incorporated herein by reference).
10.1	Securities Purchase Agreement (previously filed as Appendix A to the Company's Definitive Proxy Statement on Schedule 14A filed on September 8, 2017 and incorporated herein by reference).
10.2	Registration Rights Agreement (previously filed as Appendix B to the Company's Definitive Proxy Statement on Schedule 14A filed on September 8, 2017 and incorporated herein by reference).
31.1	Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).
31.2	Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).
32.1	Certification of Principal Executive Officer and Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith).
101	Interactive Data File (filed herewith).

SIGNATURES

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

Date: November 2, 2017

AEVI GENOMIC MEDICINE, INC.

By: /s/ Michael F. Cola
Michael F. Cola
President and Chief Executive Officer
(Principal Executive Officer)

Date: November 2, 2017

By: /s/ Brian D. Piper
Brian D. Piper
Chief Financial Officer and Corporate Secretary
(Principal Financial Officer)

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Michael F. Cola, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Aevi Genomic Medicine, 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 and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-15(f)) for the registrant and have:

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, 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. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in case of the 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 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.

AEVI GENOMIC MEDICINE, INC.

Date: November 2, 2017

/s/ Michael F. Cola
Michael F. Cola
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Brian D. Piper, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Aevi Genomic Medicine, 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 and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-15(f)) for the registrant and have:

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, 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. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in case of the 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 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.

AEVI GENOMIC MEDICINE, INC.

Date: November 2, 2017

/s/ Brian D. Piper
Brian D. Piper
Chief Financial Officer and Corporate Secretary
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Chapter 63, Title 18 U.S.C. § 1350(a) and (b)), each of the undersigned hereby certifies that, to his knowledge, the Quarterly Report on Form 10-Q for the period ended September 30, 2017 of Aevi Genomic Medicine, Inc. (the "Company") fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended, and that the information contained in such report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 2, 2017

/s/ Michael F. Cola
Michael F. Cola
President and Chief Executive Officer
(Principal Executive Officer)

Date: November 2, 2017

/s/ Brian D. Piper
Brian D. Piper
Chief Financial Officer and Corporate Secretary
(Principal Financial Officer)