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CytoDyn signs definitive agreement to acquire Prostagene

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Singapore – CytoDyn, a biotechnology company developing a novel humanized CCR5 monoclonal antibody for multiple therapeutic indications, including treatment of HIV and cancer, announces the signing of a definitive agreement to acquire privately held ProstaGene. CytoDyn also confirms that Richard G. Pestell, Founder and Chief Executive Officer of ProstaGene, will join CytoDyn as Interim Chief Medical Officer. Upon the closing of the acquisition, which is expected in November, Dr. Pestell will become Chief Medical Officer.

Under the terms of the definitive agreement, CytoDyn will acquire substantially all of the assets of ProstaGene, including the transfer or assignment of certain intellectual property rights held by ProstaGene and Dr. Pestell. The aggregate transaction consideration will consist of 27,000,000 shares of CytoDyn common stock, issuable (to the extent necessary) as 270,000 shares of new Series C convertible preferred stock ("Series C Preferred Stock"), that automatically converts into common stock, upon stockholder approval of a sufficient increase in CytoDyn's authorized shares of common stock. One-fifth of the stock consideration will be held back and distributed over an 18-month escrow period, to the extent not needed to satisfy indemnity claims. One-half of the stock consideration otherwise distributable to Dr. Pestell (approximately 8.3 million shares) will be restricted and subject to vesting and forfeiture upon certain events over a three-year period. The transaction is expected to close in November.

"We are honored to soon have world-renowned cancer researcher Dr. Richard Pestell join CytoDyn as our Chief Medical Officer, with responsibility for leading all PRO 140 programs in non-HIV indications," said Nader Pourhassan, Ph.D., President and CEO of CytoDyn. "We also have taken this important next step to acquire ProstaGene, which will allow Dr. Pestell to accelerate his CCR5 antagonist research related to cancer. As previously stated, our objective is to evaluate PRO 140 in expanded indications including certain cancers and immunological indications concurrent with advancing our promising HIV programs."