CytoDyn Inc.
Form 424B5
February 08, 2019
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Filed Pursuant to Rule 424(b)(5)
Registration No. 333-223195

PROSPECTUS SUPPLEMENT

(To the Prospectus Dated March 7, 2018)

3,522,000 Shares of Common Stock

Warrants to Purchase up to 1,761,000 Shares of Common Stock

We are offering an aggregate of 3,522,000 shares of common stock, $0.001 par value per share, and warrants to purchase up to 1,761,000 shares of common stock. Each share of common stock is being sold together with one half of a warrant to purchase one share of our common stock for the combined purchase price of $0.50. The warrants are exercisable for five years from the date of issuance at an exercise price of $0.50 per share. The shares of common stock and warrants will be issued separately. This prospectus also registers the shares of common stock issuable upon the exercise of the warrants being offered.

Our common stock is currently quoted on the OTCQB of the OTC Markets under the symbol CYDY. On February 6, 2019, the closing price of our common stock was $0.53 per share.

Investing in our securities involves a high degree of risk. See Risk Factors beginning on page S-6 of this prospectus supplement.

We retained Paulson Investment Company, LLC as our exclusive placement agent to use its reasonable best efforts to solicit offers to purchase the securities in this offering. The placement agent has no obligation to buy any of the securities from us or to arrange for the purchase or sale of any specific number or dollar amount of the securities. We expect that delivery of the securities being offered pursuant to this prospectus supplement and the accompanying prospectus will be made on or about February 7, 2019.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Share of Common Stock and Warrant		Total	
Public offering price	$	0.50	$	1,761,000
Placement agent commissions to be paid by us(1)(3)	$	0.045	$	158,490
Proceeds, before expenses, to us(2)(3)	$	0.455	$	1,602,510

(1) We have also agreed to issue to the placement agent warrants to purchase an aggregate of up to 9% of the aggregate number of shares of common stock initially issued to investors in this offering, as well as a one-time non-accountable expense fee of $35,000 for aggregate expenses incurred in this offering (which was previously paid in connection with a prior closing). For additional information about the compensation paid to the placement agent, see Plan of Distribution.

(2) The amount of the offering proceeds to us presented in this table does not give effect to any exercise of the warrants being issued in this offering.

(3) The placement agent commissions reflect a 9% fee on the combined purchase price of $0.50 per share of common stock and related warrants issued to investors.

Paulson Investment Company, LLC

The date of this prospectus supplement is February 7, 2019.

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Prospectus Supplement

Prospectus

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ABOUT THIS PROSPECTUS SUPPLEMENT

In this prospectus supplement, CytoDyn Inc. and its consolidated subsidiaries are referred to herein as CytoDyn, the Company, we, us and our, unless the context indicates otherwise.

This prospectus supplement and the accompanying prospectus relate to the offering of shares of our common stock and warrants to purchase shares of our common stock. Before buying any of the shares of common stock and warrants to purchase shares of our common stock offered hereby, we urge you to carefully read this prospectus supplement and the accompanying prospectus, together with the information incorporated herein by reference as described under the headings Where You Can Find More Information and Incorporation of Documents by Reference. These documents contain important information that you should consider when making your investment decision. This prospectus supplement contains information about the common stock and warrants offered hereby and may add, update or change information in the accompanying prospectus.

You should rely only on the information that we have provided or incorporated by reference in this prospectus supplement and the accompanying prospectus. Neither we nor any of our affiliates have authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it.

We are not making offers to sell or solicitations to buy our securities in any jurisdiction in which an offer or solicitation is not authorized or in which the person making that offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make an offer or solicitation. You should assume that the information in this prospectus supplement and the accompanying prospectus or any related free writing prospectus is accurate only as of the date on the front of the document and that any information that we have incorporated by reference is accurate only as of the date of the document incorporated by reference, regardless of the time of delivery of this prospectus supplement, the accompanying prospectus or any related free writing prospectus, or any sale of a security.

This document is in two parts. The first part is this prospectus supplement, which adds to and updates information contained in the accompanying prospectus. The second part, the prospectus, provides more general information, some of which may not apply to this offering. Generally, when we refer to this prospectus, we are referring to both parts of this document combined. To the extent there is a conflict between the information contained in this prospectus supplement and the information contained in the accompanying prospectus, you should rely on the information in this prospectus supplement.

This prospectus supplement and the accompanying prospectus contain summaries of certain provisions contained in some of the documents described herein, but reference is made to the actual documents for complete information. All of the summaries are qualified in their entirety by the actual documents. Copies of some of the documents referred to herein have been or will be filed as exhibits to the registration statement of which this prospectus is a part or as exhibits to documents incorporated by reference herein, and you may obtain copies of those documents as described below under the headings Where You Can Find More Information and Incorporation of Documents by Reference.

Trademarks and Trade Names

This prospectus supplement contains references to our trademarks and to trademarks belonging to other entities. Solely for convenience, trademarks and trade names referred to in this prospectus supplement, including logos, artwork and other visual displays, may appear without the ® or TM symbols, but such references are not intended to indicate, in any way, that their respective owners will not assert, to the fullest extent under applicable law, their rights thereto. We do not intend our use or display of other companies trade names or trademarks to imply a relationship with, or endorsement or sponsorship of us by, any other companies.

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FORWARD-LOOKING STATEMENTS

This prospectus contains certain forward-looking statements that involve risks, uncertainties and assumptions that are difficult to predict. Words and expressions reflecting optimism, satisfaction or disappointment with current prospects, as well as words such as believes, hopes, intends, estimates, expects, projects, plans, anticipates and va or the use of future tense, identify forward-looking statements, but their absence does not mean that a statement is not forward-looking. Our forward-looking statements are not guarantees of performance, and actual results could vary materially from those contained in or expressed by such statements due to risks and uncertainties including: (i) the sufficiency of our cash position, (ii) our ability to raise additional capital to fund our operations, (iii) our ability to meet our debt obligations, if any, (iv) our ability to enter into partnership or licensing arrangements with third parties, (v) our ability to identify patients to enroll in our clinical trials in a timely fashion, (vi) our ability to achieve approval of a marketable product, (vii) the design, implementation and conduct of our clinical trials, (viii) the results of our clinical trials, including the possibility of unfavorable clinical trial results, (ix) the market for, and marketability of, any product that is approved, (x) the existence or development of vaccines, drugs, or other treatments that are viewed by medical professionals or patients as superior to our products, (xi) regulatory initiatives, compliance with governmental regulations and the regulatory approval process, (xii) general economic and business conditions, (xiii) changes in foreign, political, and social conditions, and (xiv) various other matters, many of which are beyond our control. We urge you to specifically consider the various risk factors identified in this prospectus, including the statements set forth in the sections titled Risk Factors or elsewhere in this prospectus supplement, in the accompanying prospectus and in the documents incorporated or deemed incorporated herein or therein by reference, any of which could cause actual results to differ materially from those indicated by our forward-looking statements. Except as required by law, we do not undertake any responsibility to update any forward-looking statements to take into account events or circumstances that occur after the date of this prospectus.

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PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights certain information about us, this offering and information appearing elsewhere in this prospectus supplement, in the accompanying prospectus and in the documents we incorporate by reference. This summary is not complete and does not contain all of the information that you should consider before investing in our securities. To fully understand this offering and its consequences to you, you should read this entire prospectus supplement and the accompanying prospectus carefully, including the information referred to under the heading Risk Factors in this prospectus supplement beginning on page S-6, the financial statements and other information incorporated by reference in this prospectus supplement and the accompanying prospectus when making an investment decision. This is only a summary and may not contain all the information that is important to you. You should carefully read both this prospectus and any accompanying prospectus supplement, including the information incorporated by reference therein, and any other offering materials, together with the additional information described under the heading Where You Can Find More Information.

About Us

We are a clinical-stage biotechnology company focused on the clinical development and potential commercialization of humanized monoclonal antibodies to treat Human Immunodeficiency Virus (HIV) infection. Our lead product candidate, leronlimab (PRO 140), belongs to a class of HIV therapies known as entry inhibitors that block HIV from entering into and infecting certain cells. We believe that monoclonal antibodies are a new emerging class of therapeutics for the treatment of HIV to address unmet medical needs in the area of HIV and graft-versus-host disease. In addition, we are expanding the clinical focus of leronlimab (PRO 140) to include the evaluation in certain cancer and immunological indications where CCR antagonism has shown initial promise.

We believe the leronlimab (PRO 140) antibody shows promise as a powerful anti-viral agent while not being a chemically synthesized drug and has fewer side effects, lower toxicity and less frequent dosing requirements, as compared to daily drug therapies currently in use for the treatment of HIV. The leronlimab (PRO 140) antibody belongs to a class of HIV therapies known as entry inhibitors that block HIV from entering into and infecting certain cells. Leronlimab blocks HIV from entering a cell by binding to a molecule called the C-C chemokine receptor type 5 (CCR5), a normal cell surface co-receptor protein to which certain strains of HIV, referred to as R5 strains, attach as part of HIV s entry into a cell.

Leronlimab (PRO 140) is an antibody, and through several short-term clinical trials, it has demonstrated efficacy without issues relating to toxicity, side effects or drug resistance. Moreover, these trials suggest that PRO 140 does not affect the normal function of the CCR5 co-receptor for HIV. Instead, leronlimab binds to a precise site on CCR5 that R5 strains of HIV use to enter the cell and, in doing so, inhibits the ability of these strains of HIV to infect the cell without affecting the cell s normal function. We believe that the R5 strains of HIV currently represent approximately 70% of all HIV infections in the U.S. As a result, we believe PRO 140 represents a distinct class of CCR5 inhibitors with advantageous virological and immunological properties and may provide a unique tool to treat HIV infected patients.

We believe leronlimab (PRO 140) is uniquely positioned to address a growing HIV market as an alternative or in addition to current therapies, which are failing primarily due to compliance, which causes drug resistance. In seven clinical trials previously conducted, leronlimab was generally well tolerated, and no drug-related serious adverse events or dose-proportional adverse events related to leronlimab were reported. In addition, there were no dose-limiting toxicities or patterns of drug-related toxicities observed during these trials. The results of these studies established that leronlimab s antiviral activity was potent, rapid, prolonged, dose-dependent, and statistically significant following a single dose. Because leronlimab s mechanism of action (for a monoclonal antibody use in HIV) is a relatively new therapeutic approach, it provides a very useful method of suppressing the virus in treatment-experienced patients who have failed a prior HIV regimen and need new treatment options.

In addition to HIV indications, we are currently expanding the clinical focus of leronlimab to include the evaluation of certain cancer and immunological indications where CCR5 antagonism has shown initial promise. In the setting of cancer, research has shown that CCR5 plays a central role in tumor invasion and metastasis and that increased CCR5 expression is an indicator of disease status in breast cancer. Moreover, research has shown that drugs that block CCR5 can block tumor metastases in laboratory and animal models of aggressive breast and prostate cancer. We are conducting additional research with leronlimab in the cancer setting, and we have initiated a Phase 1b/2 human clinical trial with leronlimab in metastatic triple-negative breast cancer, for which the investigational new drug application was approved by the U.S. Food and Drug Administration in 2018.

In addition, we believe that the CCR5 receptor also plays a central role in modulating immune cell trafficking to sites of inflammation and it is crucial for the development of acute graft-versus-host disease (GvHD) and other inflammatory conditions. Clinical studies by others have shown that blocking CCR5 using a chemical inhibitor can reduce the clinical impact of acute GvHD without significantly affecting the engraftment of transplanted bone marrow stem cells. We are currently conducting a Phase 2 clinical study with leronlimab to further support the concept that the CCR5 receptor on engrafted cells is critical for the development of acute GvHD and that blocking this receptor from recognizing certain immune signaling molecules is a viable approach to mitigating acute GvHD. The FDA has granted orphan drug designation to leronlimab for the prevention of graft-versus-host disease (GvHD).

Corporate Information

CytoDyn Inc. is a Delaware corporation with its principal business office at 1111 Main Street, Suite 660, Vancouver, Washington 98660. Our website can be found at www.cytodyn.com. We do not intend to incorporate any contents from our website into this prospectus. Effective August 27, 2015, we completed a reincorporation from Colorado to Delaware. Effective November 16, 2018, we implemented a holding company reorganization, as a result of which, we became the successor issuer and reporting company to the former CytoDyn Inc. (now our wholly owned subsidiary, CytoDyn Operations Inc.).

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THE OFFERING

Issuer	CytoDyn Inc.
Securities offered by us	3,522,000 shares of common stock and 1,761,000 warrants each to purchase one share of our common stock. Each share of common stock and one-half of one warrant are being sold at a combined price of $0.50. The shares of common stock and warrants are immediately separable and will be issued separately. This prospectus supplement also registers the shares of common stock issuable upon the exercise of the warrants being offered.
Common stock outstanding immediately prior to this offering(1)	299,054,499 shares.
Common stock to be outstanding immediately after this offering(2)	302,576,499 shares.
Warrants we are offering	We are offering warrants to purchase up to 1,761,000 shares of common stock that will be exercisable for five years from the date of issuance at an exercise price of $0.50 per share, subject to adjustment. This prospectus supplement also relates to the offering of the shares of common stock issuable upon exercise of the warrants. There is presently no public market for the warrants we are offering by means of this prospectus supplement. It is not anticipated that a public market for the warrants will develop in the future.
Use of proceeds	We estimate that the net proceeds from this offering will be approximately $1.6 million after deducting estimated placement agent commissions and estimated offering expenses payable by us. We intend to use the net proceeds from this offering primarily to fund clinical trials of our product candidate and for general corporate purposes, which may include the reduction of indebtedness. See Use of Proceeds.
Risk factors	Investing in our common stock and warrants involves a high degree of risk, and the purchasers of our common stock and warrants may lose all or part of their investment. Before deciding to invest in our securities, please carefully read the section entitled Risk Factors, including the risks incorporated therein from our most recent Annual Report on Form 10-K

	supplemented and updated by subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K that we have filed or will file with the Securities and Exchange Commission (the SEC), and in other documents which are incorporated by reference into this prospectus and the Risk Factors in the accompanying prospectus.
OTCQB trading symbol	CYDY

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(1) This number is based on 299,054,499 shares outstanding as of February 7, 2019, which excludes (i) 46,498,267 shares of common stock reserved for the conversion of convertible notes, (ii) 921,000 shares of common stock issuable upon conversion of outstanding Series B Preferred Stock, and 418,566 shares of common stock that would be issuable at our election in lieu of cash as accrued dividends, if declared thereunder, (iii) 156,774,986 shares that may be issued upon the exercise of outstanding warrants, with a weighted average exercise price of $0.73 per share, (iv) 15,316,417 shares that may be issued upon the exercise of outstanding options, with a weighted average exercise price of $0.76 per share, (v) 153,048 shares reserved for future issuance under the 2012 Equity Incentive Plan and (vi) 2,620,000 shares earned by, but not yet issued to, our investment bank for advisory services in connection with our recent acquisition transaction with ProstaGene, LLC and other advisory services.

(2) This number is based on 302,576,499 shares outstanding as of February 7, 2019, which excludes (i) 46,498,267 shares of common stock reserved for the conversion of convertible notes, (ii) 921,000 shares of common stock issuable upon conversion of outstanding Series B Preferred Stock, and 418,566 shares of common stock that would be issuable at our election in lieu of cash as accrued dividends, if declared thereunder, (iii) 156,774,986 shares that may be issued upon the exercise of outstanding warrants, with a weighted average exercise price of $0.73 per share, (iv) 15,316,417 shares that may be issued upon the exercise of outstanding options, with a weighted average exercise price of $0.76 per share, (v) 153,048 shares reserved for future issuance under the 2012 Equity Incentive Plan, (vi) 2,620,000 shares earned by, but not yet issued to, our investment bank for advisory services in connection with our recent acquisition transaction with ProstaGene, LLC and other advisory services, (vii) 1,761,000 shares of common stock issuable upon exercise of warrants sold in this offering and (viii) 316,980 shares of common stock issuable upon exercise of warrants to be issued to the placement agent as described in the Plan of Distribution.

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RISK FACTORS

Investing in our securities involves a high degree of risk. Before deciding whether to invest in our securities, you should consider carefully the risks and uncertainties described below. You should also consider the risks, uncertainties and assumptions discussed under the heading Risk Factors included in our most recent annual report on Form 10-K which is on file with the SEC and is incorporated herein by reference, and which may be amended, supplemented or superseded from time to time by other reports we file with the SEC in the future. There may be other unknown or unpredictable economic, business, competitive, regulatory or other factors that could have material adverse effects on our future results. If any of these risks actually occurs, our business, business prospects, financial condition or results of operations could be seriously harmed. This could cause the trading price of our common stock to decline, resulting in a loss of all or part of your investment. Please also read carefully the section above titled Forward-Looking Statements.

Risks Related to this Offering

Management will have broad discretion as to the use of the proceeds from this offering, and we may not use the proceeds effectively.

We currently intend to use the net proceeds from this offering to fund clinical trials for our product candidate and for general corporate purposes, which may include the reduction of indebtedness. We have not allocated specific amounts of the net proceeds from this offering for any specific purposes. Accordingly, our management will have broad discretion in the application of the net proceeds from this offering and could spend the proceeds in ways that do not improve our results of operations or enhance the value of our common stock. You will be relying on the judgment of our management with regard to the use of these net proceeds, and you will not have the opportunity, as part of your investment decision, to assess whether the net proceeds are being used appropriately. It is possible that the net proceeds will be invested in a way that does not yield a favorable, or any, return for us. Our failure to apply these funds effectively could have a material adverse effect on our business and cause the price of our common stock to decline.

You will experience immediate and substantial dilution in the net tangible book value of the common stock you purchase in this offering.

Since the public offering price of the securities offered pursuant to this prospectus supplement and the accompanying prospectus is higher than the net tangible book value per share of our common stock, you will incur substantial dilution in the net tangible book value of the common stock you purchase in this offering. After giving effect to the sale of 3,522,000 shares of common stock together with warrants to purchase 1,761,000 shares of common stock, and after deducting estimated placement agent commissions and estimated offering expenses payable by us, if you purchase securities in this offering, you will incur immediate and substantial dilution of approximately $0.58 per share in the net tangible book value of the common stock you acquire based on our net tangible book value as of November 30, 2018, as described under Dilution on page S-11. In the event that any of the warrants sold in this offering are exercised, you will experience additional dilution to the extent that the exercise price of those warrants is higher than the net tangible book value of our common stock at the time of exercise.

A substantial number of shares of our common stock may be sold in this offering, which could cause the price of our common stock to decline.

In addition to the shares of common stock to be sold in this offering, the investors in this offering will receive warrants to purchase one-half of the number of shares such investors purchased in this offering and the placement agent will receive unregistered warrants to purchase an aggregate of up to 9% of the aggregate number of shares of common stock sold in this offering. This sale and any future sales of a substantial number of shares of our common stock in the public market, or the perception that such sales may occur, could adversely affect the price of our common stock on the OTCQB marketplace. We cannot predict the effect, if any, that market sales of those shares of common stock or the availability of those shares of common stock for sale will have on the market price of our common stock.

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The investors in this offering may be diluted by exercises of outstanding options and warrants.

As of February 7, 2019, we had outstanding options to purchase an aggregate of 15,316,417 shares of our common stock at a weighted average exercise price of $0.76 per share and warrants to purchase an aggregate of 156,774,986 shares of our common stock at a weighted average exercise price of $0.73 per share. In this offering, we will be issuing to the purchasers in this offering an additional 1,761,000 warrants with an exercise price of $0.50 per share and we will be issuing to the placement agent additional 316,980 warrants with an exercise price of $0.50 per share. The exercise of such outstanding options and warrants will result in dilution of the value of our shares.

There is no public market for the warrants being offered, and we do not anticipate such a market ever developing in the future.

There is no established public trading market for the warrants being offered by us in this offering and we do not intend to have the warrants listed on a national securities exchange or any other recognized trading system in the future. Without an active market, the liquidity of the warrants will be limited.

The warrants being offered may not have value.

The warrants being offered by us in this offering have an exercise price of $0.50 per share and expire five years from the date of issuance. In the event that the market price of our common stock does not exceed the exercise price of the warrants during the period when the warrants are exercisable, the warrants may not have any value.

Holders of our warrants will have no rights as shareholders until they acquire shares of our common stock, if ever.

If you acquire warrants to purchase shares of our common stock in this offering, you will have no rights with respect to our common stock until you acquire shares of such common stock upon exercise of your warrants. Upon exercise of your warrants, you will be entitled to exercise the rights of a common shareholder only as to matters for which the record date occurs after the exercise date.

The price of our common stock has been and could remain volatile, and the market price of our common stock may decrease.

The market price of our common stock has historically experienced and may continue to experience significant volatility. From June 1, 2015 through November 30, 2018, the market price of our common stock has fluctuated from a high of $1.57 per share in the quarter ended May 31, 2016, to a low of $0.40 per share in the quarter ended August 31, 2018. The volatile nature of our common share price may cause investment losses for our stockholders. In addition, the market price of stock in small capitalization biotech companies is often driven by investor sentiment, expectation and perception, all of which may be independent of fundamental valuation metrics or traditional financial performance metrics, thereby exacerbating volatility. In addition, our common stock is quoted on the OTCQB of the OTC Markets marketplace, which may increase price quotation volatility and could limit liquidity, all of which may adversely affect the market price of our shares.

Our common stock is classified as penny stock and trading of our shares may be restricted by the SEC s penny stock regulations.

Rules 15g-1 through 15g-9 promulgated under the Securities Exchange Act of 1934, as amended (the Exchange Act), impose sales practice and disclosure requirements on certain brokers-dealers who engage in transactions involving a penny stock. The SEC has adopted regulations which generally define penny stock to be any equity security that has a market price of less than $5.00 per share or an exercise price of less than $5.00 per share, subject to certain exceptions. Our common stock is covered by the penny stock rules, which impose additional sales practice requirements on broker-dealers who sell to persons other than established customers and accredited investors. The penny stock rules require a broker-dealer, prior to a transaction in a penny stock not otherwise exempt from the

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rules, to deliver a standardized risk disclosure document in a form prepared by the SEC which provides information about penny stocks and the nature and level of risks in the penny stock market. The broker-dealer also must provide the customer with current bid and offer quotations for the penny stock, the compensation of the broker-dealer and its salesperson in the transaction, and monthly account statements showing the market value of each penny stock held in the customer s account. In addition, the penny stock rules require that, prior to a transaction in a penny stock that is not otherwise exempt, the broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser s written agreement to the transaction. These disclosure requirements may have the effect of reducing the level of trading activity in the secondary market for stock that is subject to these penny stock rules. Consequently, these penny stock rules may affect the ability of broker-dealers to trade our securities. We believe that the penny stock rules may discourage investor interest in and limit the marketability of our common stock.

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DIVIDEND POLICY

Holders of our common stock are entitled to receive dividends as may be declared from time to time by our Board. We have not paid any cash dividends since inception on our common stock and do not anticipate paying any in the foreseeable future. The Company s current policy is to retain earnings, if any, for use in our operations.

Holders of 92,100 shares of Series B Preferred Stock are entitled to receive, in preference to the common stock, annual cumulative dividends equal to $0.25 per share per annum from the date of issuance, which shall accrue, whether or not declared. At the time shares of Series B Preferred Stock are converted into common shares, accrued and unpaid dividends will be paid in cash or with common shares. In the event we elect to pay dividends with common shares, the shares issued will be valued at $0.50 per share. As of February 7, 2019, if we declared a dividend and elected to pay such dividend in the form of common stock, approximately 418,566 shares of common stock would be issued in the form of dividend.

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USE OF PROCEEDS

We estimate that the net proceeds to us from this offering, after deducting placement agent fees and estimated offering expenses, will be approximately $1.6 million assuming all offered shares and warrants are sold at a combined public offering price of $0.50 per share of our common stock and one-half of one warrant to purchase a share of our common stock, and excluding proceeds to us from subsequent exercise, if any, of the warrants.

We intend to use the net proceeds from this offering primarily to fund clinical trials for our product candidate and for general corporate purposes.

We have not determined the amounts we plan to spend on any specific purpose or the timing of these expenditures. As a result, our management will have broad discretion to allocate the net proceeds from this offering. Pending application of the net proceeds as described above, we may invest the net proceeds to us from this offering in a variety of capital preservation investments, including short-term, investment-grade and interest-bearing instruments.

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DILUTION

The net tangible book value of our common stock on November 30, 2018 was approximately negative $24.5 million or approximately negative $0.08 per share, based on 290,649,949 shares of our common stock outstanding as of November 30, 2018. We calculate net tangible book value per share by subtracting our total liabilities from our total tangible assets and dividing the difference by the number of outstanding shares of our common stock. Dilution in net tangible book value per share to the new investors represents the difference between the amount per share paid by purchasers of shares of our common stock in this offering and the net tangible book value per share of our common stock immediately afterwards.

The investors participating in this offering will incur immediate and significant dilution. After giving effect to the issuance and sale of shares of our common stock and warrants in this offering at a public offering price of $0.50 per share of our common stock and one-half of one warrant to purchase a share of common stock, after deducting the placement agent fees and estimated offering expenses payable by us, our as-adjusted net tangible book value as of November 30, 2018 would have been approximately negative $22.9 million, or approximately negative $0.08 per share of our common stock.

This represents an immaterial change in net tangible book value to existing stockholders and immediate dilution in net tangible book value of $0.58 per share to the new investors purchasing our common stock in this offering at the public offering price.

The following table illustrates this per share dilution:

Public offering price per share of common stock and warrant		$ 0.50
Net tangible book value per share as of November 30, 2018(1)	$ (0.08)	
Increase in net tangible book value per share attributable to this offering	$	
Pro forma net tangible book value per share as of November 30, 2018 after giving effect to this offering(1)		$ (0.08)
Dilution per share to the new investors in this offering		$ 0.58

(1) Does not account for (i) any net loss since November 30, 2018, (ii) any financing transactions since November 30, 2018, including (a) the private placement of an aggregate of 2,018,000 shares of Common Stock (and warrants to purchase an aggregate of up to 1,009,000 shares of Common Stock) for net cash proceeds of approximately $0.9 million, (b) the private placement of approximately $10.91 million in aggregate principal amount of convertible promissory notes for net cash proceeds of $9.6 million and (c) the public offering of an aggregate of 5,886,480 shares of Common Stock (and warrants to purchase an aggregate of up to 2,943,240 shares of Common Stock) for net cash proceeds of approximately $2.6 million. For additional information regarding these transactions, see the current reports on Form 8-K filed on December 18, 2018, January 3, 2019, January 10, 2019, January 18, 2019, January 30, 2019 and January 31, 2019.

The total number of shares of our common stock reflected in the discussion and the table above is based on 290,649,949 shares of our common stock outstanding as of November 30, 2018 and excludes as of November 30, 2018:

- 16,230,306 shares of common stock reserved for the conversion of convertible notes;

- 921,000 shares of common stock issuable upon conversion of outstanding Series B Preferred Stock, and 408,861 shares of common stock that would be issuable at our election in lieu of cash as accrued dividends, if declared thereunder;

- 14,877,513 shares issuable upon exercise of outstanding stock options at a weighted-average exercise price of $0.77 per share;

- 140,959,163 shares issuable upon exercise of outstanding warrants at a weighted-average exercise price of $0.77 per share;

- an aggregate of 553,048 shares available for future grants under our 2012 Equity Incentive Plan;

- 2,620,000 shares earned by, but not yet issued to, our investment bank for advisory services in connection with our recent acquisition transaction with ProstaGene, LLC and other advisory services;

- 1,761,000 shares of common stock issuable upon exercise of warrants sold in this offering; and

- 316,980 shares of common stock issuable upon exercise of warrants to be issued to the placement agent as described in Plan of Distribution.

To the extent that outstanding options or warrants are exercised, the investors purchasing our common stock in this offering will experience further dilution. In addition, we may choose to raise additional capital due to market conditions or strategic considerations even if we believe we have sufficient funds for our current or future operating plans. To the extent that additional capital is raised through the sale of securities, the issuance of these securities could result in further dilution to our stockholders.

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DESCRIPTION OF THE SECURITIES WE ARE OFFERING

Common Stock

Each outstanding share of common stock entitles the holder to one vote, either in person or by proxy, on all matters submitted to a vote of stockholders, including the election of directors. There is no cumulative voting in the election of directors. All actions required or permitted to be taken by stockholders at an annual or special meeting of the stockholders must be effected at a duly called meeting, with a quorum present of a majority in voting power of the shares entitled to vote thereon. Special meetings of the stockholders may only be called by our Board of Directors acting pursuant to a resolution approved by the affirmative majority of the entire Board of Directors. Stockholders may not take action by written consent. As more fully described in our Certificate of Incorporation, holders of our common stock are not entitled to vote on certain amendments to the Certificate of Incorporation related solely to our preferred stock.

Subject to preferences which may be applicable to any outstanding shares of preferred stock from time to time, holders of our common stock have equal ratable rights to such dividends as may be declared from time to time by our Board of Directors out of funds legally available therefor. In the event of any liquidation, dissolution or winding-up of our affairs, holders of common stock will be entitled to share ratably in our remaining assets after provision for payment of amounts owed to creditors and preferences applicable to any outstanding shares of preferred stock. All outstanding shares of common stock are fully paid and non-assessable. Holders of common stock do not have preemptive rights.

The rights, preferences and privileges of holders of common stock are subject to the rights of the holders of any outstanding shares of preferred stock.

Warrants

Form. The warrants will be issued as individual warrant agreements to the investors. The material terms and provisions of the warrants offered hereby are summarized below. The following description is subject to, and qualified in its entirety by, the form of warrant, which was filed as an exhibit to a Current Report on Form 8-K to be filed by us with the SEC in connection with this offering. You should review a copy of the form of warrant for a complete description of the terms and conditions applicable to the warrants.

Exercisability. The warrants are exercisable beginning on the date of issuance, and at any time up to five (5) years from the date of issuance. The warrants will be exercisable, at the option of each holder, in whole or in part by delivering to us a duly executed exercise notice accompanied by payment in full for the number of shares of our common stock purchased upon such exercise (except in the case of a cashless exercise as discussed below). No fractional shares of common stock will be issued in connection with the exercise of a warrant. In lieu of fractional shares, we will, at our option, either (i) pay the holder an amount in cash equal to the fractional amount multiplied by the market value of a share of common stock or (ii) round up to the next whole share. The holder will not have the right to exercise any portion of the warrant if the holder (together with its affiliates) would beneficially own in excess of 4.99% or 9.99% of the number of shares of our common stock outstanding immediately after giving effect to the exercise, as such percentage ownership is determined in accordance with the terms of the warrants.

Cashless Exercise. If, at any time during the term of the warrants, the issuance of shares of our common stock upon exercise of the warrants is not covered by an effective registration statement, the holder is permitted to effect a cashless exercise of the warrants (in whole or in part) by having the holder deliver to us a duly executed exercise notice, canceling a portion of the warrant in payment of the purchase price payable in respect of the number of shares of our common stock purchased upon such exercise.

Failure to Timely Deliver Shares. If we fail to deliver to the investor a certificate representing shares issuable upon exercise of a warrant by the third trading day after the exercise date as required by the warrant, and if the investor purchases the shares of our common stock after that third trading day to deliver in satisfaction of a sale by the investor of the underlying warrant shares that the investor anticipated receiving from us, then, within three trading days of receipt of the investor s request, we, at the investor s option, will either (i) pay cash to the investor in an amount equal to the investor s total purchase price (including brokerage commissions, if any) for the shares of common stock purchased less the exercise price (as described below), or the buy-in price, at which point our obligation to deliver the warrant (and to issue the underlying common stock) will terminate, (ii) reinstate the portion of the warrant and equivalent number of warrant shares for which such exercise was not honored (in which case such exercise shall be deemed rescinded) or (iii) promptly honor our obligation to deliver to the investor a certificate or certificates representing the underlying common stock and pay cash to the investor in an amount equal to the excess (if any) of the buy-in price over the product of (A) the number of shares of common stock, times (B) the per share closing price of our common stock on the date of the event giving rise to our obligation to deliver the certificate.

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Exercise Price. Each warrant represents the right to purchase a share of common stock at an exercise price equal to $0.50 per share, subject to adjustment as described below. The exercise price is subject to appropriate adjustment in the event of certain stock dividends and distributions, stock splits, stock combinations, reclassifications or similar events affecting our common stock and also upon any distributions of assets, including cash, stock or other property to our stockholders.

Transferability. Subject to applicable laws, the warrants may be offered for sale, sold, transferred or assigned without our consent.

Exchange Listing. There is no public trading market for the warrants, and we do not expect a market to develop. In addition, we do not intend to apply for listing of the warrants on any securities exchange or other trading system.

Rights as a Stockholder. Except as otherwise provided in the warrants or by virtue of such holder s ownership of shares of our common stock, the holder of a warrant does not have the rights or privileges of a holder of our common stock, including any voting rights, until the holder exercises the warrant.

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PLAN OF DISTRIBUTION

Pursuant to an engagement agreement dated as of December 31, 2018, as amended, we have engaged Paulson Investment Company, LLC, or the placement agent, to act as our placement agent in connection with this offering of our shares of common stock pursuant to this prospectus supplement and accompanying prospectus. Under the terms of the engagement agreement with the placement agent, the placement agent has agreed to be our exclusive placement agent, on a reasonable best efforts basis, in connection with the issuance and sale by us of our shares of common stock and warrants to purchase shares of our common stock in this takedown from our shelf registration statement. The terms of this offering were subject to market conditions and negotiations between us, the placement agent and prospective investors. The engagement agreement does not give rise to any commitment by the placement agent to purchase any of our shares of common stock or warrants, and the placement agent will have no authority to bind us by virtue of the engagement agreement. Further, the placement agent does not guarantee that it will be able to raise new capital in any prospective offering. The placement agent may engage sub-agents or selected dealers to assist with the offering.

We will enter into subscription agreements directly with investors in connection with this offering, and we will only sell to investors who have entered into subscription agreements.

The placement agent may be deemed to be an underwriter within the meaning of Section 2(a)(11) of the Securities Act, and any commissions received by it and any profit realized on the resale of the securities sold by it while acting as principal might be deemed to be underwriting discounts or commissions under the Securities Act. As an underwriter, the placement agent would be required to comply with the requirements of the Securities Act and the Exchange Act, including, without limitation, Rule 415(a)(4) under the Securities Act and Rule 10b-5 and Regulation M under the Exchange Act. These rules and regulations may limit the timing of purchases and sales of shares of common stock and warrants by the placement agent acting as principal. Under these rules and regulations, the placement agent:

- may not engage in any stabilization activity in connection with our securities; and
- may not bid for or purchase any of our securities or attempt to induce any person to purchase any of our securities, other than as permitted under the Exchange Act, until it has completed its participation in the distribution.

Upon receipt of investor funds for the purchase of the shares of our common stock offered pursuant to this prospectus supplement, we will deliver the shares of common stock being issued to the investors electronically and will deliver physical certificates representing the warrants being issued to the investors. We expect to deliver the shares of our common stock being offered pursuant to this prospectus supplement on or about February 7, 2019.

Commissions and Offering Expenses

The following table shows the public offering price, placement agent commissions and proceeds, before expenses, to us.

	Total

	Per Share of Common Stock and Warrant	
Public offering price	$ 0.50	$ 1,761,000
Placement agent commissions to be paid by us(1)(3)	$ 0.045	$ 158,490
Proceeds, before expenses, to us(2)(3)	$ 0.455	$ 1,602,510

(1) We have also agreed to issue to the placement agent warrants to purchase an aggregate of shares of common stock equal to 9% of the shares of common stock issued to investors in this offering, as described below, as well as a one-time non-accountable expense fee of $35,000 for aggregate expenses incurred in this offering (which was previously paid in connection with a prior closing).

(2) The amount of the offering proceeds to us presented in this table does not give effect to any exercise of the warrants being issued in this offering.

(3) The placement agent commissions reflect a 9% fee on the combined purchase price of $0.50 per share of common stock and related warrants issued to investors.

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In addition to the placement agent commissions, we have agreed to pay the placement agent a one-time non-accountable expense fee of $35,000 for aggregate expenses incurred collectively in this offering (which was previously paid in connection with a prior closing). We estimate our total expenses associated with the offering, excluding placement agent commissions and non-accountable expense fee, will be approximately $30,000.

Placement Agent Warrants

We have agreed to issue to the placement agent warrants to purchase up to 9% of the aggregate number of shares of common stock sold to investors in this offering. The placement agent warrants will have substantially the same terms as the warrants being sold in this offering with an exercise price of $0.50 per share. The placement agent warrants provide for cashless exercise. Pursuant to FINRA Rule 5110(g), the placement agent warrants and any shares issued upon exercise of the placement agent warrants shall not be sold, transferred, assigned, pledged, or hypothecated, or be the subject of any hedging, short sale, derivative, put or call transaction that would result in the effective economic disposition of the securities by any person for a period of 180 days immediately following the date of effectiveness or commencement of sales of this offering, except the transfer of any security: (i) by operation of law or by reason of our reorganization; (ii) to any FINRA member firm participating in the offering and the officers or partners thereof, if all securities so transferred remain subject to the lock-up restriction set forth above for the remainder of the time period; (iii) if the aggregate amount of our securities held by the placement agent or related persons do not exceed 1% of the securities being offered; (iv) that is beneficially owned on a pro-rata basis by all equity owners of an investment fund, provided that no participating member manages or otherwise directs investments by the fund and the participating members in the aggregate do not own more than 9.9% of the equity in the fund; or (v) the exercise or conversion of any security, if all securities remain subject to the lock-up restriction set forth above for the remainder of the time period.

Indemnification

We have agreed to indemnify the placement agent and specified other persons against some civil liabilities, including liabilities under the Securities Act, and the Exchange Act.

Exchange Listing

Our common stock is presently quoted on the OTCQB of the OTC Markets marketplace under the trading symbol CYDY.

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LEGAL MATTERS

The validity of the issuance of the securities offered hereby will be passed upon for us by Lowenstein Sandler LLP, New York, New York. The placement agent has been represented in connection with this offering by Mallon & Johnson, Chicago, Illinois.

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EXPERTS

The consolidated financial statements incorporated in this prospectus by reference from our Annual Report on Form 10-K and 10-K/A and the effectiveness of our internal control over financial reporting have been audited by Warren Averett, LLC, an independent registered public accounting firm, as stated in their reports, which are incorporated herein by reference. Such financial statements have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

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WHERE YOU CAN FIND MORE INFORMATION

We are subject to the information requirements of the Exchange Act and, in accordance therewith, file annual, quarterly and special reports, proxy statements and other information with the SEC. These documents also may be accessed through the SEC s electronic data gathering, analysis and retrieval system, or EDGAR, via electronic means, including the SEC s home page on the Internet (*www.sec.gov*).

This prospectus supplement and the accompanying prospectus are only part of a registration statement on Form S-3 that we have filed with the SEC under the Securities Act and therefore omits certain information contained in the registration statement. We have also filed exhibits and schedules with the registration statement that are excluded from this prospectus supplement and the accompanying prospectus, and you should refer to the applicable exhibit or schedule for a complete description of any statement referring to any contract or other document. You may inspect a copy of the registration statement, including the exhibits and schedules, without charge, at the public reference room or obtain a copy from the SEC upon payment of the fees prescribed by the SEC.

We also maintain a website at *http://www.cytodyn.com*, through which you can access our SEC filings. The information contained on our website is not incorporated by reference into, and does not form any part of, this prospectus supplement or the accompanying prospectus. We have included our website address as a factual reference and do not intend it to be an active link to our website.

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INFORMATION INCORPORATED BY REFERENCE

The SEC allows us to incorporate by reference the information and reports we file with it, which means that we can disclose important information to you by referring you to these documents. The information incorporated by reference is an important part of this prospectus supplement, and information that we file later with the SEC will automatically update and supersede the information already incorporated by reference. We are incorporating by reference the documents listed below, which we have already filed with the SEC, and any future filings we make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act, except as to any portion of any future report or document that is not deemed filed under such provisions, until we sell all of the securities:

Our Annual Report on Form 10-K for the fiscal year ended May 31, 2018 filed with the SEC on July 27, 2018, as amended on September 28, 2018;

Our Quarterly Report on Form 10-Q for the fiscal period ended August 31, 2018 filed with the SEC on October 9, 2018, and our Quarterly Report on Form 10-Q for the quarter ended November 30, 2018, filed with the SEC on January 9, 2019;

Our Definitive Proxy Statement on Schedule 14A filed with the SEC on October 15, 2018;

Our Current Reports on Form 8-K filed with the SEC on August 13, 2018, August 23, 2018, August 28, 2018, August 31, 2018 (as amended), September 4, 2018, September 12, 2018, September 20, 2018, October 4, 2018, October 12, 2018, October 18, 2018, November 5, 2018, November 9, 2018, November 23, 2018, December 18, 2018, December 26, 2018, January 3, 2018 , January 10, 2019, January 18, 2019, January 30, 2019 and January 31, 2019;

Our Form 8-K12G3 filed with the SEC on November 19, 2018; and

The description of our common stock contained in our Registration Statement on Form 10-SB, filed on July 11, 2002, including any amendments thereto or reports filed for the purposes of updating this description (including Exhibit 99.1 to the Form 8-K filed with the SEC on September 1, 2015).

Upon request, we will provide, without charge, to each person, including any beneficial owner, to whom a copy of this prospectus is delivered a copy of the documents incorporated by reference into this prospectus supplement. You may request a copy of these filings, and any exhibits we have specifically incorporated by reference as an exhibit in this prospectus supplement, at no cost by writing or telephoning us at the following address:

CytoDyn Inc.

1111 Main Street, Suite 660

Vancouver, Washington 98660

(360) 980-8524

Attention: Corporate Secretary

This prospectus supplement is part of a registration statement we filed with the SEC. We have incorporated exhibits into this registration statement. You should read the exhibits carefully for provisions that may be important to you.

You should rely only on the information incorporated by reference or provided in this prospectus or any prospectus supplement. We have not authorized anyone to provide you with different information. We are not making an offer of these securities in any state where the offer is not permitted. You should not assume that the information in this prospectus or in the documents incorporated by reference is accurate as of any date other than the date on the front of this prospectus or those documents.

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$200,000,000

Common Stock

Preferred Stock

Warrants

Overallotment Purchase Rights

Debt Securities

Rights

Units

We may offer, issue and sell from time to time together or separately, in one or more offerings, any combination of (i) our common stock, (ii) our preferred stock, which we may issue in one or more series, (iii) warrants, (iv) overallotment purchase rights, (v) senior or subordinated debt securities, (vi) rights and (vii) units. The debt securities may consist of debentures, notes, or other types of debt. The debt securities, preferred stock, warrants and overallotment purchase rights may be convertible into, or exercisable or exchangeable for, common or preferred stock or other securities of ours. The units may consist of any combination of the securities listed above.

The aggregate public offering price of the securities that we are offering will not exceed $200,000,000. We will offer the securities in an amount and on terms that market conditions will determine at the time of the offering. Our common stock is currently quoted on the OTCQB of the OTC Markets under the symbol CYDY. On March 6, 2018, the closing price of our common stock was $0.75 per share. You are urged to obtain current market quotations of our common stock. We have no preferred stock, warrants, overallotment purchase rights, debt securities or units listed on any market. Each prospectus supplement will indicate if the securities offered thereby will be listed on any securities exchange.

Investing in our securities involves risk. You should carefully consider the risks that we have d