

CytoDyn Inc.  
Form 424B5  
May 22, 2018  
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**Filed Pursuant to Rule 424(b)(5)  
Registration No. 333-223195**

**PROSPECTUS SUPPLEMENT**

**(To the Prospectus Dated March 7, 2018)**

**4,640,000 Shares of Common Stock**

**Warrants to Purchase up to 4,640,000 Shares of Common Stock**

We are offering an aggregate of 4,640,000 shares of common stock, \$0.001 par value per share, and warrants to purchase up to 4,640,000 shares of common stock. Each share of common stock is being sold together with one 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 \$0.75 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 May 21, 2018, the closing price of our common stock was \$0.50 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 May 22, 2018.

**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.**

	<b>Per Share of Common Stock and Warrant</b>	<b>Total</b>
Public offering price	\$ 0.50	\$ 2,320,000
Placement agent commissions to be paid by us(1)(3)	\$ 0.045	\$ 177,300
Proceeds, before expenses, to us(2)(3)	\$ 0.455	\$ 2,142,700

- (1) We have also agreed to issue to the placement agent warrants to purchase an aggregate of up to 8% of the aggregate number of shares of common stock initially issued to qualified investors in this offering as well as a one-time non-accountable expense fee of \$25,000 for aggregate expenses incurred in this offering. 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 qualified investors. Commissions were not paid (and are excluded from the right-hand column) with respect to 700,000 shares and related warrants issued to investors not first introduced to us by the placement agent, which are not qualified investors and for which the placement agent is not entitled to any compensation.

**Paulson Investment Company, LLC**

**The date of this prospectus supplement is May 22, 2018.**

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**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, including statements regarding our current and proposed trials and studies and their enrollment, results, costs and completion. Words and expressions reflecting optimism, satisfaction or disappointment with current prospects, as well as words such as believes, hopes, intends, estimates, expects, projects, plans, anticipate, variations thereof, 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 differ materially from those contained in or expressed by such statements. In evaluating all such statements, 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.

Our forward-looking statements reflect our current views with respect to future events and are based on currently available financial, economic, scientific, and competitive data and information on current business plans. You should not place undue reliance on our forward-looking statements, which are subject to risks and uncertainties relating to, among other things: (i) the sufficiency of our cash position and our ongoing ability to raise additional capital to fund our operations, (ii) our ability to complete our Phase 2b/3 pivotal combination therapy trial for PRO 140 (CD02) and to meet the FDA's requirements with respect to safety and efficacy to support the filing of a Biologics License Application, (iii) our ability to meet our debt obligations, if any, (iv) our ability to identify patients to enroll in our clinical trials in a timely fashion, (v) our ability to achieve approval of a marketable product, (vi) design, implementation and conduct of clinical trials, (vii) the results of our clinical trials, including the possibility of unfavorable clinical trial results, (viii) the market for, and marketability of, any product that is approved, (ix) the existence or development of vaccines, drugs, or other treatments for infection with the Human Immunodeficiency Virus that are viewed by medical professionals or patients as superior to our products, (x) regulatory initiatives, compliance with governmental regulations and the regulatory approval process, (xi) general economic and business conditions, (xii) changes in foreign, political, and social conditions, and (xiii) various other matters, many of which are beyond our control. Should one or more of these risks or uncertainties develop, or should underlying assumptions prove to be incorrect, actual results may vary materially and adversely from those anticipated, believed, estimated, or otherwise indicated by our forward-looking statements.

We intend that all forward-looking statements made in this prospectus will be subject to the safe harbor protection of the federal securities laws pursuant to Section 27A of the Securities Act of 1933, as amended (the Securities Act), to the extent applicable. Except as required by law, we do not undertake any responsibility to update these forward-looking statements to take into account events or circumstances that occur after the date of this prospectus. Additionally, we do not undertake any responsibility to update you upon the occurrence of any unanticipated events which may cause actual results to differ from those expressed or implied by these forward-looking statements.

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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, 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.

We believe the 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 PRO 140 antibody belongs to a class of HIV therapies known as entry inhibitors that block HIV from entering into and infecting certain cells. PRO 140 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.

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, PRO 140 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 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, PRO 140 was generally well tolerated, and no drug-related serious adverse events or dose-proportional adverse events related to PRO 140 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 PRO 140 s antiviral activity was potent, rapid, prolonged, dose-dependent, and statistically significant following a single dose. Because PRO 140 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.



**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](http://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.

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<b>Issuer</b>	CytoDyn Inc.
<b>Securities offered by us</b>	4,640,000 shares of common stock and 4,640,000 warrants each to purchase one share of our common stock. Each share of common stock and 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.
<b>Common stock outstanding immediately prior to this offering(1)</b>	212,082,779 shares.
<b>Common stock to be outstanding immediately after this offering(2)</b>	216,722,779 shares.
<b>Warrants we are offering</b>	We are offering warrants to purchase up to 4,640,000 shares of common stock that will be exercisable for five years from the date of issuance at an exercise price of \$0.75 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.
<b>Use of proceeds</b>	<p>We estimate that the net proceeds from this offering will be approximately \$2.1 million after deducting estimated placement agent commissions and estimated offering expenses payable by us.</p> <p>We intend to use the net proceeds from this offering primarily to fund clinical trials of our product candidates and for general corporate purposes, which may include the reduction of indebtedness. See Use of Proceeds.</p>
<b>Risk factors</b>	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 and our other periodic reports filed with the SEC and incorporated by reference herein and the Risk Factors in the accompanying prospectus.
<b>OTCQB trading symbol</b>	CYDY

(1)

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This number is based on 212,082,779 shares outstanding as of April 30, 2018, which excludes (i) 921,000 shares of common stock issuable upon conversion of outstanding Series B Preferred Stock, and 382,862 shares of common stock that would be issuable at our election in lieu of cash as accrued dividends, if declared thereunder, (ii) 116,678,378 shares that may be issued upon the exercise of outstanding warrants, with a weighted average exercise price of \$0.78 per share, (iii) 10,751,691 shares that may be issued upon the exercise of outstanding options, with a weighted average exercise price of \$0.87 per share, and (iv) 4,558,870 shares reserved for future issuance under the 2012 Equity Incentive Plan.

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- (2) This number is based on 212,082,779 shares outstanding as of April 30, 2018, which excludes (i) 921,000 shares of common stock issuable upon conversion of outstanding Series B Preferred Stock, and 382,862 shares of common stock that would be issuable at our election in lieu of cash as accrued dividends, if declared thereunder, (ii) 116,678,378 shares that may be issued upon the exercise of outstanding warrants, with a weighted average exercise price of \$0.78 per share, (iii) 10,751,691 shares that may be issued upon the exercise of outstanding options, with a weighted average exercise price of \$0.87 per share, (iv) 4,558,870 shares reserved for future issuance under the 2012 Equity Incentive Plan, (v) 4,640,000 shares of common stock issuable upon exercise of warrants sold in this offering and (vi) 315,200 shares of common stock issuable upon exercise of warrants to be issued to the placement agent as described in the Plan of Distribution.

Unless otherwise indicated herein, all information in this prospectus supplement, including the number of shares that will be outstanding after this offering, reflects and assumes no exercise of outstanding options or warrants after April 30, 2018, including the warrants issued in this offering.

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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 candidates 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 4,640,000 shares of common stock together with warrants to purchase 4,640,000 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 \$0.53 per share in the net tangible book value of the common stock you acquire based on our net tangible book value as of February 28, 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 the equivalent number of shares such investors purchased in this offering and the placement

agent will receive unregistered warrants to purchase an aggregate of up to 8% 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 28, 2018, we had outstanding options to purchase an aggregate of 10,751,691 shares of our common stock at a weighted average exercise price of \$0.87 per share and warrants to purchase an aggregate of 119,705,641 shares of our common stock at a weighted average exercise price of \$0.78 per share. In this offering, we will be issuing to the purchasers in this offering an additional 4,640,000 warrants with an exercise price of \$0.75 per share and we will be issuing to the placement agent additional 315,200 warrants with an exercise price of \$0.55 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 \$0.75 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 February 28, 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 \$0.46 per share in the quarter ended May 31, 2017. 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 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

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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 April 30, 2018, if we declared a dividend and elected to pay such dividend in the form of common stock, approximately 382,862 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 \$2.1 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 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 candidates 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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The net tangible book value of our common stock on February 28, 2018 was approximately negative \$9.2 million or approximately negative \$0.04 per share, based on 208,904,000 shares of our common stock outstanding as of February 28, 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 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 February 28, 2018 would have been approximately negative \$7.2 million, or approximately negative \$0.03 per share of our common stock.

This represents an immediate increase in net tangible book value of approximately \$0.01 per share to existing stockholders and immediate dilution in net tangible book value of \$0.53 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 February 28, 2018 (1)	\$ (0.04)
Increase in net tangible book value per share attributable to this offering	\$ 0.01
Pro forma net tangible book value per share as of February 28, 2018 after giving effect to this offering (1)	\$ (0.03)
Dilution per share to the new investors in this offering	\$ 0.53

- (1) Does not account for (i) any net loss since February 28, 2018 or (ii) the issuance of an aggregate of 3,027,263 shares of common stock in connection with the closing of the warrant tender offer on March 23, 2018, nor the receipt of approximately \$1.5 million from the closing of the warrant tender offer, or (iii) the issuance of 151,516 shares of common stock to satisfy our payment obligations with respect to executive bonuses from the prior fiscal year. For additional information regarding these transactions, see the current report on Form 8-K filed on March 26, 2018 and Form 4s filed on March 20, 2018.

The total number of shares of our common stock reflected in the discussion and the table above is based on 208,904,000 shares of our common stock outstanding as of February 28, 2018 and excludes as of February 28, 2018:

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921,000 shares of common stock issuable upon conversion of outstanding Series B Preferred Stock, and 375,166 shares of common stock that would be issuable at our election in lieu of cash as accrued dividends, if declared thereunder;

10,751,691 shares issuable upon exercise of outstanding stock options at a weighted-average exercise price of \$0.87 per share;

119,705,641 shares issuable upon exercise of outstanding warrants at a weighted-average exercise price of \$0.78 per share;

an aggregate of 4,558,870 shares available for future grants under our 2012 Equity Incentive Plan;

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4,640,000 shares of common stock issuable upon exercise of warrants sold in this offering; and

315,200 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

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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.

*Exercise Price.* Each warrant represents the right to purchase a share of common stock at an exercise price equal to \$0.75 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 May 4, 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 May 22, 2018.

**Commissions and Offering Expenses**

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

	<b>Per Share of Common</b>	<b>Total</b>
--	--------------------------------	--------------

	<b>Stock and Warrant</b>	
Public offering price	\$ 0.50	\$ 2,320,000
Placement agent commissions to be paid by us (1)(3)	\$ 0.045	\$ 177,300
Proceeds, before expenses, to us (2)(3)	\$ 0.455	\$ 2,142,700

- (1) We have also agreed to issue to the placement agent warrants to purchase an aggregate of shares of common stock equal to 8% of the shares of common stock initially issued to qualified investors in this offering, as described below, as well as a one-time non-accountable expense fee of \$25,000 for aggregate expenses incurred in this offering.

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- (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 qualified investors. Commissions were not paid (and are excluded from the right-hand column) with respect to 700,000 shares and related warrants issued to investors not first introduced to us by the placement agent, which are not qualified investors and for which the placement agent is not entitled to any compensation.

In addition to the placement agent commissions, we have agreed to pay the placement agent a one-time non-accountable expense fee of \$25,000 for aggregate expenses incurred collectively in this offering. 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 8% of the aggregate number of shares of common stock sold to qualified 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 110% of the price of the common stock sold in this offering, or \$0.55 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 as of and for the year ended May 31, 2017, incorporated in this prospectus by reference from the Company's Annual Report on Form 10-K for the year ended May 31, 2017 filed with the SEC on July 20, 2017, have been audited by Warren Averett, LLC, an independent registered public accounting firm, as stated in their report, which is incorporated herein by reference. Such consolidated financial statements have been so incorporated in reliance upon the report 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. You may read and copy any document we file at the SEC's Public Reference Room at 100 F Street, Washington, D.C. 20549. You may call the SEC at 1-800-SEC-0330 for further information on the operation of the Public Reference Room. 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](http://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, as amended, for the fiscal year ended May 31, 2017, filed with the SEC on July 20, 2017, as amended on July 27, 2017;

our Quarterly Report on Form 10-Q for the quarter ended August 31, 2017, November 30, 2017 and February 28, 2018, filed with the SEC on October 10, 2017, January 8, 2018 and April 9, 2018, respectively;

our Proxy Statements on Schedule 14A filed with the SEC on July 24, 2017, October 2, 2017, and May 8, 2018;

Current Reports on Form 8-K filed with the SEC on June 2, 2017, June 22, 2017, July 7, 2017, July 14, 2017, July 31, 2017, August 9, 2017 (except as to any portion deemed furnished and not filed), August 21, 2017 (except as to any portion deemed furnished and not filed), August 25, 2017, September 6, 2017, September 8, 2017, October 5, 2017 (except as to any portion deemed furnished and not filed), October 11, 2017, October 13, 2017 (except as to any portion deemed furnished and not filed), November 2, 2017, November 8, 2017, November 27, 2017, December 6, 2017, December 7, 2017 (except as to any portion deemed furnished and not filed), December 21, 2017, December 29, 2017, January 10, 2018, January 23, 2018, January 31, 2018, February 7, 2018, February 13, 2018, February 20, 2018 (except as to any portion deemed furnished and not filed), March 14, 2018 (except as to any portion deemed furnished and not filed), March 20, 2018, March 26, 2018, April 11, 2018 and May 22, 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 the Form 8-K filed with the SEC on September 1, 2015, including Exhibit 99.1 thereto).

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



Edgar Filing: CytoDyn Inc. - Form 424B5

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 described under the section captioned Risk Factors in this prospectus on page 4 before buying our Securities.**

Should we offer any of the securities described in this prospectus, we will provide you with the specific terms of the particular securities being offered in supplements to this prospectus. You should read this prospectus and any supplement, together with additional information described under the headings Additional Information and Incorporation of Certain Information by Reference, carefully before you invest. This prospectus may not be used to sell securities unless accompanied by a prospectus supplement.

We may sell these securities directly to our stockholders or to purchasers or through agents on our behalf or through underwriters or dealers as designated from time to time. If any agents or underwriters are involved in the sale of any of these securities, the applicable prospectus supplement will provide the names of the agents or underwriters and any applicable fees, commissions or discounts.

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

**The date of this prospectus is March 7, 2018**

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