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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

☒ **QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended February 29, 2024

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES ACT OF 1933**

For the transition period from _____ to _____

Commission File Number: 000-49908

CYTODYN INC.

(Exact name of registrant as specified in its charter)

Delaware	**83-1887078**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer or Identification No.)
1111 Main Street, Suite 660 **Vancouver, Washington**	**98660**
(Address of principal executive offices)	(Zip Code)

(360) 980-8524
(Registrant's telephone number, including area code)

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

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
None	**None**	**None**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (Section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	☐	Accelerated Filer	☐
Non-accelerated Filer	☒	Smaller Reporting Company	☒
		Emerging Growth Company	☐

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

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

On March 31, 2024, there were 993,366 thousand shares outstanding of the registrant's $0.001 par value common stock.

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PART I. Financial Information

Item 1. Consolidated Financial Statements

CytoDyn Inc.
Consolidated Balance Sheets
(Unaudited, in thousands, except par value)

	February 29, 2024	May 31, 2023
Assets		
Current assets:		
Cash	$ 1,404	$ 2,541
Restricted cash	6,619	6,507
Prepaid expenses	1,349	1,167
Prepaid service fees	538	590
Total current assets	9,910	10,805
Other non-current assets	360	487
Total assets	$ 10,270	$ 11,292
Liabilities and Stockholders' Deficit		
Current liabilities:		
Accounts payable	$ 62,078	$ 62,725
Accrued liabilities and compensation	10,559	6,669
Accrued interest on convertible notes	14,080	10,598
Accrued dividends on convertible preferred stock	6,418	5,308
Convertible notes payable, net	30,169	34,417
Derivative liability - equity instruments	3,493	79
Private placement of shares and warrants	2,679	—
Total current liabilities	129,476	119,796
Notes payable, net	—	714
Operating leases	176	283
Total liabilities	129,652	120,793
Commitments and Contingencies (Note 8)		
Stockholders' deficit:		
Preferred stock, $0.001 par value; 5,000 shares authorized:		
Series B convertible preferred stock, $0.001 par value; 400 authorized; 19 issued and outstanding at February 29, 2024 and May 31, 2023	—	—
Series C convertible preferred stock, $0.001 par value; 8 authorized; 6 issued and outstanding at February 29, 2024 and May 31, 2023	—	—
Series D convertible preferred stock, $0.001 par value; 12 authorized; 9 issued and outstanding at February 29, 2024 and May 31, 2023	—	—
Common stock, $0.001 par value; 1,750,000 shares authorized; 990,368 and 919,053 issued, and 989,925 and 918,610 outstanding at February 29, 2024 and May 31, 2023, respectively	990	919
Treasury stock, $0.001 par value; 443 shares at February 29, 2024 and May 31, 2023	—	—
Additional paid-in capital	754,372	731,270
Accumulated deficit	(874,744)	(841,690)
Total stockholders' deficit	(119,382)	(109,501)
Total liabilities and stockholders' deficit	$ 10,270	$ 11,292

See accompanying notes to consolidated financial statements.

CytoDyn Inc.
Consolidated Statements of Operations
(Unaudited, in thousands, except per share data)

	Three months ended February 29,		Nine months ended February 29,	
	2024	2023	2024	2023
Operating expenses:				
General and administrative	$ 2,757	$ 2,971	$ 7,756	$ 14,347
Research and development	650	938	3,643	1,651
Amortization and depreciation	7	12	25	165
Inventory charge	—	—	—	20,633
Total operating expenses	3,414	3,921	11,424	36,796
Operating loss	(3,414)	(3,921)	(11,424)	(36,796)
Interest and other expenses:				
Interest on convertible notes	(1,151)	(1,142)	(3,512)	(3,447)
Amortization of discount on convertible notes	(409)	(565)	(951)	(1,721)
Amortization of debt issuance costs	(203)	(17)	(572)	(51)
Issuance costs for private placement of shares and warrants through placement agent (Note 5)	—	—	(906)	—
Loss on induced conversion	(3,353)	(2,018)	(5,993)	(2,656)
Finance charges	(882)	(5,884)	(2,685)	(7,761)
Loss on note extinguishment	(1,550)	—	(6,040)	—
Loss on derivatives	(958)	(155)	(971)	(8,756)
Total interest and other expenses	(8,506)	(9,781)	(21,630)	(24,392)
Loss before income taxes	(11,920)	(13,702)	(33,054)	(61,188)
Income tax benefit	—	—	—	—
Net loss	$ (11,920)	$ (13,702)	$ (33,054)	$ (61,188)
Basic and diluted:				
Weighted average common shares outstanding	982,209	832,215	954,814	810,986
Loss per share	$ (0.01)	$ (0.02)	$ (0.04)	$ (0.08)

See accompanying notes to consolidated financial statements.

CytoDyn Inc.
Consolidated Statement of Changes in Stockholders' Deficit
(Unaudited, in thousands)

	Preferred stock		Common stock		Treasury stock		Additional paid-in capital	Accumulated deficit	Total stockholders' deficit
	Shares	Amount	Shares	Amount	Shares	Amount			
Balance at May 31, 2023	34	$ —	919,053	$ 919	443	$ —	$ 731,270	$ (841,690)	$ (109,501)
Issuance of stock for convertible note repayment	—	—	8,661	8	—	—	1,492	—	1,500
Loss on induced conversion	—	—	—	—	—	—	2,004	—	2,004
Warrants issued in note offering	—	—	—	—	—	—	170	—	170
Stock issued for compensation	—	—	686	1	—	—	154	—	155
Warrant exercises	—	—	3,000	3	—	—	297	—	300
Dividends accrued on Series C and D convertible preferred stock	—	—	—	—	—	—	(373)	—	(373)
Reclassification of warrants from liability to equity classified	—	—	—	—	—	—	79	—	79
Stock-based compensation	—	—	—	—	—	—	348	—	348
Net loss	—	—	—	—	—	—	—	(11,571)	(11,571)
Balance at August 31, 2023	34	—	931,400	931	443	—	735,441	(853,261)	(116,889)
Issuance of stock for convertible note repayment	—	—	3,535	4	—	—	496	—	500
Loss on induced conversion	—	—	—	—	—	—	636	—	636
Warrants issued in note offering	—	—	—	—	—	—	10	—	10
Note conversion	—	—	14,339	14	—	—	4,379	—	4,393
Stock issued for compensation	—	—	559	1	—	—	97	—	98
Stock issued for private offering	—	—	21,453	21	—	—	6,307	—	6,328
Dividends accrued on Series C and D convertible preferred stock	—	—	—	—	—	—	(368)	—	(368)
Stock-based compensation	—	—	—	—	—	—	474	—	474
Net loss	—	—	—	—	—	—	—	(9,563)	(9,563)
Balance at November 30, 2023	34	—	971,286	971	443	—	747,472	(862,824)	(114,381)
Issuance of stock for convertible note repayment	—	—	18,674	19	—	—	2,731	—	2,750
Loss on induced conversion	—	—	—	—	—	—	3,353	—	3,353
Warrants issued in note offering	—	—	—	—	—	—	179	—	179
Discount related to private offering modification	—	—	—	—	—	—	137	—	137
Stock issued for compensation	—	—	408	—	—	—	75	—	75
Dividends accrued on Series C and D preferred stock	—	—	—	—	—	—	(369)	—	(369)
Stock-based compensation	—	—	—	—	—	—	794	—	794
Net loss	—	—	—	—	—	—	—	(11,920)	(11,920)
Balance at February 29, 2024	34	$ —	990,368	$ 990	443	$ —	$ 754,372	$ (874,744)	$ (119,382)

CytoDyn Inc.
Consolidated Statement of Changes in Stockholders' Deficit
(Unaudited, in thousands)

	Preferred stock		Common stock		Treasury stock		Additional paid-in capital	Accumulated deficit	Total stockholders' deficit
	Shares	Amount	Shares	Amount	Shares	Amount			
Balance at May 31, 2022	35	$ —	720,028	$ 720	443	$ —	$ 671,013	$ (766,131)	$ (94,398)
Stock issued for compensation	—	—	879	1	—	—	344	—	345
Stock issued for private offerings	—	—	85,378	85	—	—	17,459	—	17,544
Issuance costs related to stock issued for private offerings	—	—	—	—	—	—	(6,289)	—	(6,289)
Conversion of Series C convertible preferred stock to common stock	(1)	—	1,136	1	—	—	(1)	—	—
Warrant exercises	—	—	657	1	—	—	263	—	264
Deemed dividend paid in common stock due to down round provision, recorded in additional paid-in capital	—	—	4,620	5	—	—	(5)	—	—
Accrued preferred stock dividends	—	—	—	—	—	—	(384)	—	(384)
Reclassification of warrants from liability to equity classified	—	—	—	—	—	—	8,601	—	8,601
Stock-based compensation	—	—	—	—	—	—	996	—	996
Reclassification of prior period preferred stock dividends	—	—	—	—	—	—	(4,265)	4,265	—
Net loss	—	—	—	—	—	—	—	(20,991)	(20,991)
Balance at August 31, 2022	34	—	812,698	813	443	—	687,732	(782,857)	(94,312)
Issuance of stock for convertible note repayment	—	—	1,822	2	—	—	498	—	500
Loss on induced conversion	—	—	—	—	—	—	638	—	638
Stock issued for compensation	—	—	765	—	—	—	310	—	310
Exercise of warrants, net of issuance costs	—	—	9,652	10	—	—	2,123	—	2,133
Make-whole shares related to private warrant exchange	—	—	23	—	—	—	—	—	—
Dividend paid in common stock upon conversion of Series C convertible preferred stock ($0.50 per share)	—	—	319	—	—	—	159	—	159
Dividends accrued on Series C and D convertible preferred stock	—	—	—	—	—	—	(369)	—	(369)
Stock-based compensation	—	—	—	—	—	—	1,467	—	1,467
Net loss	—	—	—	—	—	—	—	(26,495)	(26,495)
Balance at November 30, 2022	34	—	825,279	825	443	—	692,558	(809,352)	(115,969)
Issuance of stock for convertible note repayment	—	—	7,150	7	—	—	1,493	—	1,500
Loss on induced conversion	—	—	—	—	—	—	2,018	—	2,018
Stock issued for compensation	—	—	626	1	—	—	181	—	182
Stock to be issued for private offerings	—	—	—	—	—	—	18,045	—	18,045
Issuance costs related to stock issued for private offerings	—	—	—	—	—	—	(4,699)	—	(4,699)
Exercise of warrants, net of issuance costs	—	—	3,442	3	—	—	679	—	682
Deemed dividend paid in common stock due to down round provision, recorded in additional paid-in capital	—	—	534	1	—	—	(1)	—	—
Dividends accrued on Series C and D convertible preferred stock	—	—	—	—	—	—	(364)	—	(364)
Reclassification of warrants from liability to equity classified	—	—	—	—	—	—	155	—	155
Finance charges related to warrant issuance for surety bond backstop agreement	—	—	—	—	—	—	4,885	—	4,885
Stock-based compensation	—	—	—	—	—	—	257	—	257
Net loss	—	—	—	—	—	—	—	(13,702)	(13,702)
Balance at February 28, 2023	34	$ —	837,031	$ 837	443	$ —	$ 715,207	$ (823,054)	$ (107,010)

See accompanying notes to consolidated financial statements.

CytoDyn Inc.
Consolidated Statements of Cash Flows
(Unaudited, in thousands)

	Nine months ended February 29,	
	2024	**2023**
Cash flows from operating activities:		
Net loss	$ (33,054)	$ (61,188)
Adjustments to reconcile net loss to net cash used in operating activities:		
Amortization and depreciation	25	165
Amortization of debt issuance costs	572	51
Issuance costs for private placement of shares and warrants through placement agent	906	—
Amortization of discount on convertible notes	951	1,721
Loss on derivatives	971	8,756
Loss on induced conversion	5,993	2,656
Non-cash finance charges	—	4,885
Loss on note extinguishment	6,040	—
Inventory charge	—	20,633
Stock-based compensation	1,944	3,557
Changes in operating assets and liabilities:		
(Increase) decrease in prepaid expenses and other assets	(28)	624
(Decrease) increase in accounts payable and accrued expenses	6,348	(3,558)
Net cash used in operating activities	(9,332)	(21,698)
Cash flows from investing activities:		
Net cash Provided by/used in investing activities	—	—
Cash flows from financing activities:		
Proceeds from warrant transactions, net of offering costs	—	2,815
Proceeds from sale of common stock and warrants, net of issuance costs	5,696	24,601
Proceeds from warrant exercises	300	264
Proceeds held in trust	300	897
Proceeds from convertible note and warrant issuances, net of issuance costs	2,011	—
Net cash provided by financing activities	8,307	28,577
Net change in cash and restricted cash	(1,025)	6,879
Cash and restricted cash at beginning of period	9,048	4,231
Cash and restricted cash at end of period	$ 8,023	$ 11,110
Cash and restricted cash consisted of the following:		
Cash	$ 1,404	$ 5,112
Restricted cash	6,619	5,998
Total cash and restricted cash	$ 8,023	$ 11,110
Supplemental disclosure:		
Cash paid for interest	$ 44	$ —
Non-cash investing and financing transactions:		
Derivative liability associated with warrants	$ 102	$ 8,756
Issuance of common stock for principal of convertible notes	$ 4,750	$ 2,000
Accrued dividends on Series C and D convertible preferred stock	$ 1,110	$ 1,117
Dividend paid in common stock on Series B and C convertible preferred stock conversions	$ —	$ 159
Warrants issued to placement agent	$ 413	$ 7,380
Warrants issued for surety bond backstop agreement	$ —	$ 4,885
Deemed dividend on common stock issued due to down round provision, recorded in additional paid-in capital	$ —	$ 5,417
Note conversion to common stock and warrants	$ 3,302	$ —

See accompanying notes to consolidated financial statements.

CYTODYN INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS OF FEBRUARY 29, 2024
(Unaudited)

Note 1. Organization

CytoDyn Inc. (together with its wholly owned subsidiaries, the "Company") was originally incorporated under the laws of Colorado on May 2, 2002, under the name RexRay Corporation and, effective August 27, 2015, reincorporated under the laws of Delaware. The Company is a clinical-stage biotechnology company focused on the clinical development of innovative treatments for multiple therapeutic indications based on its product candidate, leronlimab, a novel humanized monoclonal antibody targeting the C-C chemokine receptor type 5 ("CCR5").

The Company is currently working to further establish leronlimab via clinical development of its effects on chronic inflammation, oncology, and a number of other potential exploratory indications. Historically, the Company has investigated leronlimab as a viral entry inhibitor for treatment of human immunodeficiency virus ("HIV"), believed to competitively bind to the N-terminus and second extracellular loop of the CCR5 receptor. For immunology, the CCR5 receptor is believed to be implicated in immune-mediated illnesses such as Metabolic dysfunction-associated steatohepatitis ("MASH"), replacement for the term nonalcoholic steatohepatitis ("NASH"). Leronlimab is being or has been studied in MASH, solid tumors in oncology, Covid, Long-Covid, and HIV indications where CCR5 is believed to play an integral role in the pathogenesis of disease.

Note 2. Summary of Significant Accounting Policies

Basis of presentation

The unaudited interim consolidated financial statements include the accounts of CytoDyn Inc. and its wholly owned subsidiary, CytoDyn Operations Inc. All intercompany transactions and balances are eliminated in consolidation. The consolidated financial statements reflect all normal recurring adjustments which are, in the opinion of management, necessary for a fair statement of the results of operations for the interim financial statements. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP" or "GAAP") have been omitted in accordance with the rules and regulations of the United States Securities and Exchange Commission ("SEC"). The interim financial information and notes thereto should be read in conjunction with the Company's latest Annual Report on Form 10-K for the fiscal year ended May 31, 2023 (the "2023 Form 10-K"). The results of operations for the periods presented are not necessarily indicative of results to be expected for the entire fiscal year or for any other future annual or interim period.

Reclassifications

Certain prior year and prior quarter amounts shown in the accompanying consolidated financial statements have been reclassified to conform to the current period presentation. Such reclassifications did not have a material effect on the Company's previously reported financial position, results of operations, stockholders' deficit, or net cash provided by operating activities.

Going concern

The accompanying consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. As presented in the accompanying consolidated financial statements, the Company had losses for all periods presented. The Company incurred a net loss of approximately $33.1 million for the nine months ended February 29, 2024, and has an accumulated deficit of approximately $874.7 million as of February 29, 2024. These factors, among others, including the various matters discussed in Note 8, *Commitments and Contingencies*, raise substantial doubt about the Company's ability to continue as a going concern. The consolidated financial statements do not include any adjustments relating to the

recoverability of assets and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

The Company's continuance as a going concern is dependent upon its ability to obtain additional operating capital, complete the development of its product candidate, leronlimab, obtain approval to commercialize leronlimab from regulatory agencies, continue to outsource manufacturing of leronlimab, and ultimately generate revenues and attain profitability. The Company plans to continue to engage in research and development activities related to leronlimab and a new or modified longer-acting therapeutic for multiple indications and expects to incur significant research and development expenses in the future, primarily related to its regulatory compliance, including performing additional pre-clinical and clinical studies in various indications, and seeking regulatory approval for its product candidate for commercialization. These research and development activities are subject to significant risks and uncertainties. The Company intends to finance its future development activities and its working capital needs primarily from the sale of equity and debt securities, combined with additional funding from other sources. However, there can be no assurance that the Company will be successful in these endeavors.

Use of estimates

The unaudited interim consolidated financial statements have been prepared in accordance with GAAP which requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, and the disclosure of contingent assets and liabilities at the date of consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period. Estimates are assessed each period and updated to reflect current information, such as the status of our analysis of the results of our clinical trials and/or discussions with the U.S. Food and Drug Administration ("FDA") which could have an impact on the Company's significant accounting estimates and assumptions. The Company's estimates are based on historical experience and on various market and other relevant, appropriate assumptions. Significant estimates include, but are not limited to, those relating to capitalization and write-off of pre-launch inventories, charges for excess and obsolete inventories, research and development expenses, commitments and contingencies, stock-based compensation, and the assumptions used to value warrants and warrant modifications. Actual results could differ from these estimates.

Restricted cash

As of February 29, 2024, the Company had recorded approximately $6.6 million of restricted cash. The restricted cash is related to cash that is being held as collateral in connection with a surety bond that was posted as required in the Amarex litigation and will remain as restricted cash until the litigation is resolved.

Recent Accounting Pronouncements

In July 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-03, *"Presentation of Financial Statements (Topic 205), Income Statement - Reporting Comprehensive Income (Topic 220), Distinguishing Liabilities from Equity (Topic 480), Equity (Topic 505), and Compensation - Stock Compensation (Topic 718): Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 120, SEC Staff Announcement at the March 24, 2022 EITF Meeting, and Staff Accounting Bulletin Topic 6.B, Accounting Series Release 280 - General Revision of Regulation S-X: Income or Loss Applicable to Common Stock"* ("ASU 2023-03"). This ASU amends various paragraphs in the accounting codification pursuant to the issuance of Commission Staff Bulletin ("SAB") number 120. ASU 2023-03 does not provide any new guidance and is immediately effective. ASU 2023-03 did not have a material impact on the consolidated financial statements.

In October 2023, the FASB issued ASU 2023-06, *Disclosure Improvements – Codification Amendments in Response to the SEC's Disclosure Update and Simplification Initiative.* The amendments clarify or improve disclosure and presentation requirements on various disclosure areas, including the statement of cash flows, earnings per share, debt, equity, and derivatives. The amendments will align the requirements in the FASB ASC with the SEC's regulations. The amendments in this ASU will be effective on the date the related disclosures are removed from Regulation S-X or Regulation S-K by the SEC, and will not be effective if the SEC has not removed the applicable disclosure requirement

by June 30, 2027. Early adoption is prohibited. The Company is currently evaluating the impact of the amendments on its financial statement disclosures.

On December 14, 2023, the FASB issued ASU No. 2023-09, Improvements to Income Tax Disclosures, which requires disclosure of disaggregated income taxes paid, prescribes standard categories for the components of the effective tax rate reconciliation, and modifies other income tax-related disclosures. The ASU is effective for annual periods beginning after December 15, 2024, and allows for adoption on a prospective basis, with a retrospective option. The Company is currently evaluating the effect of this update on its consolidated financial statements and related disclosures.

Note 3. Accounts Payable and Accrued Liabilities and Compensation

As of February 29, 2024, and May 31, 2023, the accounts payable balance was approximately $62.1 million and $62.7 million, respectively, with two vendors accounting for 71% and 72% of the total balance of accounts payable at the respective dates.

The components of accrued liabilities and compensation are as follows (in thousands):

	February 29, 2024	May 31, 2023
Compensation and related expense	$ 186	$ 335
Legal fees and settlement	112	168
Clinical expense	355	187
Accrued inventory charges and expenses	7,899	4,978
License fees	1,565	862
Lease payable	142	139
Investor proceeds held in escrow	300	—
Total accrued liabilities	$ 10,559	$ 6,669

Note 4. Convertible Instruments and Accrued Interest

Convertible preferred stock

The following table presents the number of potentially issuable shares of common stock, should shares of preferred stock and amounts of undeclared and accrued preferred dividends be converted to common stock.

	February 29, 2024			May 31, 2023		
(in thousands except conversion rate)	Series B	Series C	Series D	Series B	Series C	Series D
Shares of preferred stock outstanding	19	6	9	19	6	9
Common stock conversion rate	10:1	2,000:1	1,250:1	10:1	2,000:1	1,250:1
Total shares of common stock if converted	190	12,670	10,565	190	12,670	10,565
Undeclared dividends	$ 18	$ —	$ —	$ 15	$ —	$ —
Accrued dividends	$ —	$ 2,976	$ 3,442	$ —	$ 2,500	$ 2,808
Total shares of common stock if dividends converted	36	5,952	6,884	30	5,000	5,616

Under the Company's Amended and Restated Certificate of Incorporation, as amended (the "Certificate of Incorporation"), dividends on its outstanding shares of Series B Convertible Preferred Stock (the "Series B preferred stock") may be paid in cash or shares of the Company's common stock at the option of the Company. Dividends on outstanding shares of Series C Convertible Preferred Stock (the "Series C preferred stock") and Series D Convertible Preferred Stock (the "Series D preferred stock") are payable in cash or shares of common stock at the election of the holder. The preferred stockholders have the right to dividends only when and if declared by the Company's Board of Directors. Under Section 170 of the Delaware General Corporation Law, the Company is permitted to pay dividends only out of capital surplus or, if none, out of net profits for the fiscal year in which the dividend is declared or net profits from the preceding fiscal year.

Series B preferred stock provides for a liquidation preference over the common shares of $5.00 per share, plus any accrued and unpaid dividends. In the event of liquidation, holders of Series C and Series D preferred stock will be entitled to receive, on a pari passu basis, and in preference of any payment or distribution to holders of the Series B preferred stock and common stock, an amount per share equal to $1,000 per share plus any accrued and unpaid dividends.

Convertible notes and accrued interest

	February 29, 2024			May 31, 2023			
(in thousands)	April 2, 2021 Note	April 23, 2021 Note	Total	April 2, 2021 Note	April 23, 2021 Note	Placement Agent Notes	Total
Convertible notes payable outstanding principal	$ 2,831	$ 27,869	$ 30,700	$ 6,081	$ 29,369	$ 1,000	$ 36,450
Less: Unamortized debt discount and issuance costs	(58)	(473)	(531)	(211)	(822)	(286)	(1,319)
Convertible notes payable, net	2,773	27,396	30,169	5,870	28,547	714	35,131
Accrued interest on convertible notes	4,446	9,634	14,080	3,804	6,789	5	10,598
Outstanding convertible notes payable, net and accrued interest	$ 7,219	$ 37,030	$ 44,249	$ 9,674	$ 35,336	$ 719	$ 45,729

Reconciliation of changes to the outstanding balance of convertible notes, including accrued interest, were as follows:

(in thousands)	April 2, 2021 Note	April 23, 2021 Note	Placement Agent Notes	Short-Term Notes	Total
Outstanding balance at May 31, 2023	$ 9,674	$ 35,336	$ 719	$ —	$ 45,729
Consideration received	—	—	975	698	1,673
Amortization of issuance discount and costs	153	349	583	302	1,387
Interest expense	642	2,845	18	7	3,512
Fair market value of shares and warrants exchanged for repayment	(4,737)	(1,826)	(4,379)	(2,558)	(13,500)
Difference between market value of common shares and reduction of principal	1,487	326	2,084	1,551	5,448
Outstanding balance at February 29, 2024	$ 7,219	$ 37,030	$ —	$ —	$ 44,249

April 2, 2021 & April 23, 2021 Notes

Key terms of the outstanding convertible notes are as follows:

	February 29, 2024	
	April 2, 2021 Note	April 23, 2021 Note
Interest rate per annum	10 %	10 %
Conversion price per share upon five trading days' notice	$ 10.00	$ 10.00
Party that controls the conversion rights	Investor	Investor
Maturity date	April 5, 2025	April 23, 2025
Security interest	All Company assets excluding intellectual property	

In addition to standard anti-dilution adjustments, the conversion price of the April 2, 2021 Note and April 23, 2021 Note is subject to full-ratchet anti-dilution protection, pursuant to which the conversion price will be automatically reduced to equal the effective price per share in any new offering by the Company of equity securities that have registration rights, are registered, or become registered under the Securities Act of 1933, as amended (the "Securities Act"). The April 2, 2021 Note and April 23, 2021 Note provide for liquidated damages upon failure to deliver common

stock within specified timeframes and require the Company to maintain a share reservation of 6.0 million shares of common stock for each Note.

During the nine months ended February 29, 2024, in satisfaction of redemptions, the Company and the April 2, 2021 and April 23, 2021 Noteholders entered into exchange agreements, pursuant to which the April 2, 2021 Note and April 23, 2021 Note were partitioned into new notes (the "Partitioned Notes") with an aggregate principal amount of $4.8 million, which was exchanged concurrently with the issuance of approximately 30.9 million shares of common stock. The outstanding balances of the April 2, 2021 and April 23, 2021 Notes were reduced by the Partitioned Notes to a principal amount of $2.8 million and $27.9 million, respectively. The Company accounted for the Partitioned Notes and exchange settlements as induced conversions, and, accordingly, recorded a non-cash loss on convertible debt induced conversion of $6.0 million for the nine months ended February 29, 2024.

As of March 31, 2024, the holders of the April 2 and April 23 Notes waived all provisions in the convertible notes that, based on the occurrence of various events through that date, could have triggered the imposition of a default interest rate, a downward adjustment of the conversion price, or specified other provisions relating to default, breach or imposition of a penalty. Accordingly, the Company was not in default under the Notes on March 31, 2024.

Please refer to Note 6, *Convertible Instruments and Accrued Interest*, in the Company's 2023 Form 10-K for additional information.

Placement Agent Notes

During the period April through June 2023, the Company entered into securities purchase agreements pursuant to which the Company issued secured promissory notes bearing interest at a rate of 6.0% and with an 18-month term to accredited investors through a placement agent ("Placement Agent Notes") for a total principal amount of $2.3 million, of which $1.3 million was sold in June 2023. The Placement Agent Notes were secured by the net cash recovery, if any, by the Company in its dispute with Amarex and provided the investors with a right to convert the unpaid principal and accrued but unpaid interest into shares of common stock upon the occurrence of an event of default. The Placement Agent Notes had maturity dates during the fiscal year ending May 31, 2025.

In connection with the sale in June 2023, the Company issued warrants to investors to purchase approximately 1.3 million shares of common stock with a three-year term and an exercise price of $0.50 per share. The net proceeds from the sale of the Placement Agent Notes in June of approximately $1.1 million reflect issuance costs of approximately $0.2 million. The Company also issued warrants to purchase approximately 0.4 million shares of common stock to the placement agent with a ten-year term and an exercise price of $0.26 per share, which the Company accounted for as additional issuance costs related to the sale of Placement Agent Notes in June 2023. The Company allocated the proceeds between the liability-classified Placement Agent Notes and the equity-classified warrants based on their relative fair values.

During June 2023, an amendment was entered into with the investors of the Placement Agent Notes, which stated that the principal amount and accrued but unpaid interest on the notes would be converted into shares of common stock and warrants as of the first closing of a subsequent private placement of common stock and warrants through a placement agent. The deemed purchase price of a unit of one share plus one warrant was fixed at 90% of the lower of the intraday volume weighted average price ("VWAP") on the date of the first closing and last closing of the private placement, while the exercise price of the warrants was set at $0.306 per share, compared to $0.50 per share in the original private placement.

In July 2023, the first closing of the subsequent private placement of common stock and warrants through a placement agent occurred. Therefore, the Placement Agent Notes were converted into units with the same pricing as the private placement described below in Note 5, *Equity Awards and Warrants – Private placements of common stock and warrants through placement agent*. The $2.1 million difference in fair value between the shares and warrants and the principal amount of the Placement Agent Notes was accounted for as a loss on note extinguishment. See Note 5, *Equity Awards and Warrants – Liability-classified equity instruments* for additional information.

Short-term Notes

During November and December 2023, the Company issued unsecured promissory notes bearing interest at a rate of 10% to accredited investors under a securities purchase agreement through a placement agent ("Short-term Notes") for a total principal amount of $1.0 million. The Short-term Notes' maturity date was June 7, 2024. The Company also agreed to issue warrants at the final closing of the sale of Short-term Notes to purchase one share of common stock for each dollar of principal amount of Short-term Notes sold. The warrants have a five-year term and an exercise price of $0.35 per share. The net proceeds from the sale of the Short-term Notes of $0.9 million reflect issuance costs of approximately $0.1 million. The Company allocated the proceeds between the liability-classified Short-term Notes and the equity-classified warrants based on their relative fair values.

The Company also agreed to issue warrants to purchase shares of common stock to the placement agent with a ten-year term, with the number of warrants and the exercise price of the warrants to be determined by the share price on the final closing date of the sale of Short-term Notes. The Company accounted for the warrants to be issued to the placement agent as additional issuance costs. See Note 5, *Equity Awards and Warrants – Liability-classified equity instruments* for additional information.

In December 2023, the principal amount and accrued but unpaid interest on the notes were converted into units consisting of shares of common stock and warrants as of the first closing of a private placement of common stock and warrants through a placement agent, with a conversion based on an amount equal to a 20% discount to the price at which the units are sold in the private placement. The $1.6 million difference in fair value between the shares and warrants and the principal amount of the Short-term Notes was accounted for as a loss on note extinguishment. See Note 5, *Equity Awards and Warrants – Liability-classified equity instruments* for additional information.

Note 5. Equity Awards and Warrants

Liability-classified equity instruments

During April and May 2023, the Company sold Placement Agent Notes through a placement agent. See Note 4, *Convertible Instruments and Accrued Interest – Placement Agent Notes*. The Company agreed to issue warrants to the placement agent as part of the issuance costs with an exercise price that was not determined until the final closing date. As the exercise price of the warrants was to be fixed based on the final terms of the offering, the Company accounted for the warrants as a liability-classified warrant beginning on the initial closing date until the final closing date. The value of the warrants at May 31, 2023, was recorded as a derivative liability on the balance sheet, and the change in the fair value of the warrants was recorded as a gain or loss on derivatives. On June 23, 2023, the final closing of the Placement Agent Notes occurred, and the fair value of the warrants became equity classified.

On July 31, 2023, the Placement Agent Notes were converted into units that had similar terms to units being offered in a private placement of shares and warrants through a placement agent that commenced in July 2023. See *Private placement of common stock and warrants through placement agent* below. As the unit price was not determinable until the final closing date of the subsequent private placement, the units related to the conversion of the Placement Agent Notes were recorded as a liability and at fair value. On October 23, 2023, the private placement was concluded, which finalized the unit purchase price at $0.16, and the fair value of the units became equity-classified.

During November 2023, in connection with the issuance of the Short-term Notes described in Note 4, *Convertible Instruments and Accrued Interest – Short-term Notes*, the Company agreed to issue warrants to the placement agent as part of the issuance costs, with the ultimate number of warrants and exercise price to be determined as of the final closing date. The value of the warrants was recorded as a derivative liability on the balance sheet until the final closing date in December 2023, and the change in the fair value of the warrants was recorded as a gain or loss on derivatives.

On December 29, 2023, the Short-term Notes were converted into units that had similar terms to units being offered in a private placement of shares and warrants through a placement agent. See *Private placement of common stock and warrants through placement agent* below. As the unit price was not determinable until the final closing date of the subsequent private placement, the units related to the conversion of the Placement Agent Notes were recorded as a liability and at fair value. The change in the fair value of the units is recorded as a gain or loss on derivatives.

In accordance with the prescribed accounting guidance, the Company measured fair value of liability-classified equity instruments using fair value hierarchy which include:

Level 1. Quoted prices in active markets for identical assets or liabilities.

Level 2. Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets with insufficient volume or infrequent transactions (less active markets), or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data for substantially the full term of the assets or liabilities. Level 2 inputs also include non-binding market consensus prices that can be corroborated with observable market data, as well as quoted prices that were adjusted for security-specific restrictions.

Level 3. Unobservable inputs to the valuation methodology are significant to the measurement of the fair value of assets or liabilities. These Level 3 inputs also include non-binding market consensus prices or non-binding broker quotes that the Company was unable to corroborate with observable market data.

The table below presents a reconciliation of the beginning and ending balances for liabilities measured at fair value as of May 31, 2023, and February 29, 2024:

(in thousands)		**Derivative liability**
Balance at May 31, 2023	$	79
Value upon notes converted to units in the private offering		4,379
Warrants classified as equity during quarter		(79)
Gain on derivative due to change in fair market value		(4)
Balance at August 31, 2023	$	4,375
Value upon liability-classified equity instruments reclassified to equity		(4,393)
Warrants classified as a liability during quarter		34
Loss on derivative due to change in fair market value		17
Balance at November 30, 2023	$	33
Classified as liability due to variable settlement term		2,558
Warrants classified as equity during quarter		(56)
Loss on derivative due to change in fair market value		958
Balance at February 29, 2024	$	3,493

The Company used a Black-Scholes valuation model to estimate the value of the liability-classified warrants using assumptions presented in the table below. The Black-Scholes valuation model was used because management believes it reflects all the assumptions that market participants would likely consider in negotiating the transfer of the warrant. The Company's derivative liability is classified within Level 3.

The valuation assumptions for liability-classified warrants at the period-end dates are as follows:

	April Placement Agent warrants at May 31, 2023	**July Note conversion warrants at August 31, 2023**	**November Placement Agent warrants at November 30, 2023**	**December Note conversion warrants at February 29, 2024**
Fair value of underlying stock	$ 0.26	$ 0.21	$ 0.17	$ 0.26
Risk free rate	3.64%	4.23%	4.37%	4.26%
Expected term (in years)	10.00	5.00	10.00	5.00
Stock price volatility	97.90%	124.06%	95.82%	124.04%
Expected dividend yield	0.00%	0.00%	0.00%	0.00%

The valuation assumptions for liability-classified warrants on their respective liability-classification date are as follows:

	July Note conversion warrants on conversion date	November Placement Agent warrants at issuance	December Note conversion warrants on conversion date
Fair value of underlying stock	$ 0.21	$ 0.18	$ 0.20
Risk free rate	4.18%	4.42%	3.84%
Expected term (in years)	5.00	10.00	5.00
Stock price volatility	124.55%	95.82%	124.25%
Expected dividend yield	0.00%	0.00%	0.00%

The valuation assumptions for liability-classified warrants on their respective equity-classification date are as follows:

	April Placement Placement warrants at equity classification	July Note conversion warrants at equity classification	November Placement Agent warrants at equity classification
Fair value of underlying stock	$ 0.27	$ 0.17	$ 0.30
Risk free rate	3.74%	4.81%	4.14%
Expected term (in years)	10.00	5.00	10.00
Stock price volatility	97.45%	124.70%	96.18%
Expected dividend yield	0.00%	0.00%	0.00%

Equity Incentive Plan ("EIP")

As of February 29, 2024, the Company had one active stock-based equity plan, the *CytoDyn Inc. Amended and Restated 2012 Equity Incentive Plan* (the "EIP"). As of February 29, 2024 and May 31, 2023, the EIP covered a total of 56.3 million shares of common stock. The Board also made a determination to waive the "evergreen provision" that would have automatically increased the number of shares of common stock subject to the EIP by an amount equal to 1% of the total outstanding shares on June 1, 2023. The EIP provides for awards of stock options to purchase shares of common stock, restricted and unrestricted shares of common stock, restricted stock units ("RSUs"), and performance share units ("PSUs").

The Company recognizes the compensation cost of employee and director services received in exchange for equity awards based on the grant date estimated fair value of the awards. The Company estimates the fair value of RSUs and PSUs using the value of the Company's stock on the date of grant. Share-based compensation cost is recognized over the period during which the employee or director is required to provide service in exchange for the award and, as forfeitures occur, the associated compensation cost recognized to date is reversed. For awards with performance-based payout conditions, the Company recognizes compensation cost based on the probability of achieving the performance conditions, with changes in expectations recognized as an adjustment to earnings in the period of change. Any recognized compensation cost is reversed if the conditions ultimately are not met.

Stock-based compensation for the three months ended February 29, 2024 and 2023 was $0.9 million and $0.4 million, respectively, and for the nine months ended February 29, 2024 and 2023 was $1.9 million and $3.5 million, respectively. Stock-based compensation is recorded in general and administrative costs.

Stock options

Stock option activity is presented in the table below:

(in thousands, except per share data and years)	Number of shares	Weighted average exercise price	Weighted average remaining contractual life in years	Aggregate intrinsic value
Options outstanding at May 31, 2023	19,823	$ 0.99	7.87	$ —
Granted	11,251	$ 0.21		
Exercised	—	$ —		
Forfeited, expired, and cancelled	(8,124)	$ 0.88		
Options outstanding at February 29, 2024	22,950	$ 0.65	7.77	$ 504
Options outstanding and exercisable at February 29, 2024	18,376	$ 0.74	7.37	$ 335

During the nine months ended February 29, 2024 and 2023, stock options for approximately 11.3 million shares and 12.4 million shares, respectively, were granted. Of the current year options, approximately 0.5 million options vest when performance conditions are completed, approximately 2.7 million vest over four years, approximately 4.0 million vest over one year, and approximately 4.1 million were cancelled and new options were granted with the same vesting schedule and expiration dates as the original cancelled options. Of the prior year options, 10.9 million options vest over four years, 1.1 million vested over one year, and 0.4 million vested immediately. The Company records compensation expense based on the Black-Scholes fair value per share of the awards on the grant date. The weighted average fair value per share was $0.17 and $0.34 for the nine months ended February 29, 2024 and 2023, respectively.

RSUs and PSUs

The EIP provides for equity instruments, such as RSUs and PSUs, which grant the right to receive a specified number of shares over a specified period of time. RSUs and PSUs are service-based awards that vest according to the terms of the grant. PSUs have performance-based payout conditions.

The following table summarizes the Company's RSU and PSU activity:

(shares in thousands)	Number of RSUs and PSUs (1)	Weighted average grant date fair value	Weighted average remaining contractual life in years
Unvested RSUs and PSUs at May 31, 2023	1,293	$ 0.58	0.81
RSUs and PSUs granted	—	—	
RSUs and PSUs forfeited	(1,293)	0.58	
RSUs and PSUs vested	—	—	
Unvested RSUs and PSUs at February 29, 2024	—	$ —	—

(1) The number of PSUs disclosed in this table are at the target level of 100%.

Issuance of shares to consultants and employees

The Board has approved the issuance under the EIP of shares of common stock to consultants as payment for services provided. During the nine months ended February 29, 2024 and 2023, a total of 1,499,951 and 1,136,805 shares of common stock, respectively, were issued pursuant to the respective award agreements with the consultants.

In order to preserve cash resources, the Board has approved the issuance under the EIP of shares of common stock as severance payments to former employees. During the nine months ended February 29, 2024 and 2023, a total of 153,027 and 522,382 shares of common stock, respectively, were issued as severance.

Private placements of common stock and warrants through placement agent

In July 2023, the Company commenced a private placement of units consisting of common stock and warrants to accredited investors through a placement agent. Each unit sold included a fixed combination of one share of common stock and one warrant to purchase one share of common stock. The purchase price per unit was $0.16, equal to 90% of the intraday VWAP of the common stock as of the last closing on September 27, 2023. From July through September 2023, the Company sold a total of approximately 21.5 million units for a total of approximately $3.0 million of proceeds, net of issuance costs. The Company classified the securities issued in the private placement as a liability until the final close, when it was reclassified as equity. As part of the offering, the Company issued approximately 21.5 million warrants to investors, with each such warrant having a five-year term and an exercise price of $0.50 per share. The warrants were immediately exercisable. In connection with the above, the Company paid the placement agent a total cash fee of approximately $0.4 million, equal to 12% of the gross proceeds of the offering, as well as a one-time fee for expenses of $5,000, and issued to the placement agent and its designees a total of approximately 3.2 million warrants with an exercise price of $0.16 per share and a ten-year term, representing 15% of the total number of shares of common stock sold in the offering.

Based on contractual payment terms, the private placement transactions above are considered convertible debt instruments prior to final settlement, and the option to enter a final closing that would lower the purchase price is considered a share-settled redemption feature. Therefore, the approximately $0.9 million of cash and non-cash issuance costs associated with such issuances were capitalized and subsequently recognized through the statement of operations as interest expense on the final closing date. As the VWAP of the final closing was lower than the VWAP on the initial closing, the share-settled redemption feature was triggered, and the Company recorded a $2.4 million non-cash loss on note extinguishment.

In addition, approximately $2.3 million of principal and interest of the Placement Agent Notes were converted into approximately 14.3 million units with the same terms as described above except for a warrant exercise price of $0.306. See Note 4, *Convertible Instruments and Accrued Interest – Placement Agent Notes*, and *Liability-classified equity instruments* above for additional information.

In December 2023, the Company commenced a private placement of units consisting of common stock and warrants to accredited investors through a placement agent. Each unit sold included a fixed combination of one share of common stock and one warrant to purchase one share of common stock. The purchase price per unit will be equal to 90% of the lower of the (i) intraday VWAP of the common stock as of the first closing on December 29, 2023, which was approximately $0.19 per share, and (ii) the intraday VWAP on the date of the final closing, which has not yet occurred. During December 2023 through February 2024, the Company sold a total of approximately 18.2 million units for a total of approximately $2.7 million of proceeds, net of issuance costs, based on an estimated share price of $0.17 per unit. The Company classified the securities to be issued in the private placement as a liability until the final close when they will be reclassified as equity. As part of the offering, the Company will issue approximately 18.2 million warrants to investors, with each such warrant having a five-year term and an exercise price of $0.21 per share. The warrants will be immediately exercisable when issued on the final closing date. In connection with the above, the Company paid the placement agent a total cash fee of approximately $0.4 million, equal to 13% of the gross proceeds of the offering, as well as a one-time fee for expenses of $5,000, and will issue to the placement agent and its designees, a total of approximately 2.5 million warrants with an exercise price of $0.17 per share and a ten-year term, representing 15% of the total number of shares of common stock sold in the offering. The Company received an additional $2.5 million of proceeds net of issuance costs in March and April 2024. See Note 9, *Subsequent events* for additional information.

Based on contractual payment terms, the private placement transactions above are considered convertible debt instruments prior to final settlement, and the issuance costs associated with such issuances are capitalized and subsequently recognized through the statement of operations as interest expense on the final closing date. The exercise price for the warrants included in the private placement was lowered from $0.35 per share to $0.21 per share during the

quarter ended February 29, 2024. The exercise price modification resulted in the Company recognizing a $0.1 million non-cash discount on convertible notes.

In addition, approximately $1.0 million principal and interest of the Placement Agent Notes were converted into approximately 7.2 million units with the same terms as discussed above. See Note 4, *Convertible Instruments and Accrued Interest – Short-term Notes*, and *Liability-classified equity instruments* above for additional information.

Warrants

Warrant activity is presented in the table below:

(in thousands, except for share data and years)	Number of shares	Weighted average exercise price	Weighted average remaining contractual life in years	Aggregate intrinsic value
Warrants outstanding at May 31, 2023	259,910	$ 0.37	4.57	$ 7,276
Granted	43,448	$ 0.40		
Exercised	(3,000)	$ 0.10		
Forfeited, expired, and cancelled	(7,499)	$ 0.69		
Warrants outstanding at February 29, 2024	292,859	$ 0.37	4.10	$ 7,301
Warrants outstanding and exercisable at February 29, 2024	292,859	$ 0.37	4.10	$ 7,301

Warrant exercises

During the nine months ended February 29, 2024, the Company issued approximately 3.0 million shares of common stock in connection with the exercise of an equal number of warrants. The stated exercise price was $0.10 per share, which resulted in aggregate gross proceeds of approximately $0.3 million.

Note 6. Loss per Common Share

Basic loss per share is computed by dividing the net loss adjusted for preferred stock dividends by the weighted average number of common shares outstanding during the period. Diluted loss per share includes the weighted average common shares outstanding and potentially dilutive common stock equivalents. Because of the net losses for all periods presented, the basic and diluted weighted average shares outstanding are the same since including the additional shares would have an anti-dilutive effect on loss per share. The reconciliation of the numerators and denominators of the basic and diluted net loss per share computations are as follows:

	Three months ended February 29,		Nine months ended February 29,	
(in thousands, except per share amounts)	2024	2023	2024	2023
Net loss	$ (11,920)	$ (13,702)	$ (33,054)	$ (61,188)
Less: Deemed dividends	—	(123)	—	(5,417)
Less: Accrued preferred stock dividends	(369)	(366)	(1,110)	(1,121)
Net loss applicable to common stockholders	$ (12,289)	$ (14,191)	$ (34,164)	$ (67,726)
Basic and diluted:				
Weighted average common shares outstanding	982,209	832,215	954,814	810,986
Loss per share	$ (0.01)	$ (0.02)	$ (0.04)	$ (0.08)

The table below shows the approximate number of shares of common stock issuable upon the exercise, vesting, or conversion of outstanding options, warrants, unvested RSUs and PSUs, convertible notes, and convertible preferred stock (including undeclared dividends) that were not included in the computation of basic and diluted weighted average number of shares of common stock outstanding for the periods presented:

	Three and nine months ended February 29,	
(in thousands)	2024	2023
Stock options, warrants, and unvested restricted stock units	315,808	203,274
Convertible notes	12,000	12,000
Convertible preferred stock	36,298	33,323

Note 7. Income Taxes

The Company calculates its quarterly taxes under the effective tax rate method based on applying an anticipated annual effective rate to its year-to-date income, except for discrete items. Income taxes for discrete items are computed and recorded in the period that the specific transaction occurs. The Company's net tax expense for the three and nine months ended February 29, 2024 and 2023 was zero. The Company does not consider it more likely than not that the benefits from the net deferred tax assets will be realized; therefore, the Company maintains a full valuation allowance as of February 29, 2024 and May 31, 2023, thus creating a difference between the effective tax rate of 0% and the statutory rate of 21%.

Note 8. Commitments and Contingencies

Commitments with Samsung BioLogics Co., Ltd. ("Samsung")

In April 2019, the Company entered into several agreements with Samsung, pursuant to which Samsung agreed to perform technology transfer, process validation, manufacturing, pre-approval inspection, and supply services for the commercial supply of leronlimab bulk drug substance. In 2020, the Company entered into an additional agreement,

pursuant to which Samsung agreed to perform technology transfer, process validation, vial filling, and storage services for clinical, pre-approval inspection, and commercial supply of leronlimab drug product.

On January 6, 2022, Samsung provided written notice to the Company alleging that the Company had materially breached the parties' Master Services and Project Specific Agreements (the "Samsung Agreements") for failure to pay an outstanding balance due on December 31, 2021.

On November 21, 2023, Samsung informed the Company of Samsung's intent to terminate the Samsung Agreements, effective January 5, 2024. Thereafter, the parties continued the negotiations that were already in progress in relation to the outstanding issues under the agreements and potential options moving forward.

On April 3, 2024, the Company and Samsung executed a side letter agreement (the "Side Letter"), wherein the parties reached agreement for an orderly process for winding down services and a restructuring of the amount payable by the Company to Samsung (the "Total Balance"). The Total Balance due to Samsung, as restructured under the Side Letter, is now approximately $43.8 million. Except for a single $250,000 payment due on or before December 31, 2024, the entirety of the Total Balance is contingent, and will only be due and payable, upon the Company achieving a qualifying "Revenue" event, as defined in the Side Letter. Under the Side Letter, the Company has agreed to pay 20% of its qualifying Revenue generated in each calendar year, if any, with such payments to be applied to reduce the Total Balance until it is repaid in full. Interest will not accrue on the Total Balance throughout the prospective repayment period. Revenue is defined in the Side Letter as:

> "…the gross revenue generated by Client and its Affiliates, less the following items (if not previously deducted from the amount invoiced): (a) reasonable and customary trade, quantity, and cash discounts actually granted and legally permitted wholesaler chargebacks actually paid or credited by Client and its Affiliates to wholesalers of products; (b) reasonable, customary, and legally permitted rebates and retroactive price reductions actually granted; (c) freight charges for the delivery of products; (d) the portion of the administrative fees paid during the relevant time period to group purchasing organizations, pharmaceutical benefit managers and/or government-mandated Medicare or Medicaid Prescription Drug Plans relating specifically to the product; and (e) sales, use or excise taxes imposed and actually paid in connection with the sale of products (but excluding any value added taxes or taxes based on income or gross receipts)."

Operating lease commitments

We lease our principal office location in Vancouver, Washington (the "Vancouver Lease"). The Vancouver Lease expires on April 30, 2026. Consistent with the guidance in ASC 842, Leases, we have recorded this lease in our consolidated balance sheet as an operating lease. For the purpose of determining the right of use asset and associated lease liability, we determined that the renewal of the Vancouver lease was not reasonably probable. The lease does not include any restrictions or covenants requiring special treatment under ASC 842, Leases. Operating lease costs for the three months ended February 29, 2024 and 2023 were $32.0 thousand and $46.4 thousand, respectively, and for the nine months ended February 29, 2024 and 2023 were approximately $0.1 million and $0.1 million, respectively. Operating lease right-of-use assets are included in other non-current assets and the current portion of operating lease liabilities are included in accrued liabilities and compensation on the consolidated balance sheets. The long-term operating lease liabilities are presented separately as operating lease on the consolidated balance sheets. The following table summarizes the operating lease balances:

(in thousands)	**February 29, 2024**	**May 31, 2023**
Assets		
Right-of-use asset	$ 298	$ 400
Liabilities		
Current operating lease liability	$ 142	$ 139
Non-current operating lease liability	176	283
Total operating lease liability	$ 318	$ 422

The minimum (base rental) lease payments are expected to be as follows as of February 29, 2024 (in thousands):

Fiscal Year	Amount
2024 (3 months remaining)	$ 46
2025	185
2026	169
Thereafter	—
Total operating lease payments	400
Less: imputed interest	(82)
Present value of operating lease liabilities	$ 318

Supplemental information related to operating leases was as follows:

	February 29, 2024
Weighted average remaining lease term	2.1 years
Weighted average discount rate	10.0 %

Distribution and licensing commitments

Refer to Note 10, *Commitments and Contingencies*, in the 2023 Form 10-K for additional information.

Legal proceedings

As of February 29, 2024, the Company did not record any accruals related to the outcomes of the legal matters described below. It may not be possible to determine the outcome of these proceedings, including the defense and other litigation-related costs and expenses that may be incurred by the Company, as the outcomes of legal proceedings are inherently uncertain. Therefore, it is possible that the ultimate outcome of any proceeding, if in excess of a recognized accrual, if any, could be material to the Company's consolidated financial statements.

Securities Class Action Lawsuits

On March 17, 2021, a stockholder filed a putative class-action lawsuit (the "March 17, 2021 lawsuit") in the U.S. District Court for the Western District of Washington against the Company and certain former officers. The complaint generally alleges the defendants made false and misleading statements regarding the viability of leronlimab as a potential treatment for COVID-19. On April 9, 2021, a second stockholder filed a similar putative class action lawsuit in the same court, which the plaintiff voluntarily dismissed without prejudice on July 23, 2021. On August 9, 2021, the court appointed lead plaintiffs for the March 17, 2021 lawsuit. On December 21, 2021, lead plaintiffs filed an amended complaint, which is brought on behalf of an alleged class of those who purchased the Company's common stock between March 27, 2020 and May 17, 2021. The amended complaint generally alleges that the defendants violated Sections 10(b) and/or 20(a) of the Securities Exchange Act of 1934 ("the Exchange Act") and Rule 10b-5 promulgated thereunder by making purportedly false or misleading statements concerning, among other things, the safety and efficacy of leronlimab as a potential treatment for COVID-19, the Company's CD10 and CD12 clinical trials, and its HIV Biologic License Application ("BLA"). The amended complaint also alleges that the individual defendants violated Section 20A of the Exchange Act by selling shares of the Company's common stock purportedly while in possession of material nonpublic information. The amended complaint seeks, among other relief, a ruling that the case may proceed as a class action and unspecified damages and attorneys' fees and costs. On February 25, 2022, the defendants filed a motion to dismiss the amended complaint. On June 24, 2022, lead plaintiffs filed a second amended complaint. The second amended complaint is brought on behalf of an alleged class of those who purchased the Company's common stock between March 27, 2020 and March 30, 2022, makes similar allegations, names the same defendants, and asserts the same claims as the prior complaint, adds a claim for alleged violation of Section 10(b) of the Exchange Act and Rule 10b-5(a) and (c) promulgated thereunder, and seeks the same relief as the prior complaint. All defendants have filed motions to dismiss the second amended complaint in whole or in part. The Company and the individual defendants deny all allegations of wrongdoing in the complaint and intend to vigorously defend the matter. Since this case is in an early stage where the number of plaintiffs is not known, and the claims do not specify an amount of damages, the Company is

unable to predict the ultimate outcome of the lawsuit and cannot reasonably estimate the potential loss or range of loss the Company may incur.

Shareholder Derivative Lawsuits

On June 4, 2021, a stockholder filed a purported derivative lawsuit against certain of the Company's former officers and directors, and the Company as a nominal defendant, in the U.S. District Court for the Western District of Washington. Two additional shareholder derivative lawsuits were filed against the same defendants in the same court on June 25, 2021 and August 18, 2021, respectively. The court has consolidated these three lawsuits for all purposes ("Consolidated Derivative Suit"). On January 20, 2022, the plaintiffs filed a consolidated complaint. The consolidated complaint generally alleges that the director defendants breached their fiduciary duties by allowing the Company to make false and misleading statements regarding, among other things, the safety and efficacy of leronlimab as a potential treatment for COVID-19, the Company's CD10 and CD12 clinical trials and its HIV BLA, and by failing to maintain an adequate system of oversight and controls. The consolidated complaint also asserts claims against one or more individual defendants for waste of corporate assets, unjust enrichment, contribution for alleged violations of the federal securities laws, and for breach of fiduciary duty arising from alleged insider trading. The consolidated complaint seeks declaratory and equitable relief, an unspecified amount of damages, and attorneys' fees and costs.

On January 29, 2024, two purported stockholders filed a purported derivative lawsuit against certain of the Company's former officers, certain current and former directors, and the Company as a nominal defendant, in the Delaware Court of Chancery. The complaint generally makes allegations similar to those set forth in the Consolidated Derivative Suit and asserts that the individual defendants breached their fiduciary duties by allowing the Company to make false and misleading statements and by failing to maintain an adequate system of oversight and controls. The complaint also asserts claims against certain individual defendants for breach of fiduciary duty arising from alleged insider trading.

The Company and the individual defendants deny all allegations of wrongdoing in the complaints and intend to vigorously defend the litigation. In light of the fact that the suit(s) is/are in an early stage and the claims do not specify an amount of damages, the Company cannot predict the ultimate outcome of the matter(s) and cannot reasonably estimate the potential loss or range of loss the Company may incur.

Securities and Exchange Commission and Department of Justice Investigations

The Company has received subpoenas from the SEC and the United States Department of Justice ("DOJ") requesting documents and information concerning, among other matters, leronlimab, the Company's public statements regarding the use of leronlimab as a potential treatment for COVID-19, HIV, and triple-negative breast cancer, related communications with the FDA, investors, and others, litigation involving former employees, the Company's retention of investor relations consultants, and trading in the Company's securities. Certain former Company executives and directors have received subpoenas concerning similar issues and have been interviewed by the DOJ and SEC, including the Company's former CEO, Nader Z. Pourhassan.

On January 24, 2022, Mr. Pourhassan was terminated and removed from the Board of Directors and has had no role at the Company since. On December 20, 2022, the DOJ announced the unsealing of a criminal indictment charging both Mr. Pourhassan, and Kazem Kazempour, CEO of Amarex, a subsidiary of NSF International, Inc., and which had formerly served as the Company's contract research organization ("CRO"). Mr. Pourhassan was charged with one count of conspiracy, four counts of securities fraud, three counts of wire fraud, and three counts of insider trading. Mr. Kazempour was charged with one count of conspiracy, three counts of securities fraud, two counts of wire fraud, and one count of making a false statement. That same day, the SEC announced charges against both Mr. Pourhassan and Mr. Kazempour for alleged violations of federal securities laws.

The Company is committed to cooperating fully with the DOJ and SEC investigations, which are ongoing, and which the Company's counsel frequently engages with them on. Further, the Company has made voluminous productions of information and made witnesses available for voluntary interviews. The Company will continue to comply with the requests of the SEC and DOJ. The Company cannot predict the ultimate outcome of the DOJ and SEC

investigations or the case against Mr. Pourhassan, nor can it predict whether any other governmental authorities will initiate separate investigations or litigation. The investigations and any related legal and administrative proceedings could include a wide variety of outcomes, including the institution of administrative, civil injunctive, or criminal proceedings involving the Company and/or former executives and/or former directors in addition to Mr. Pourhassan, the imposition of fines and other penalties, remedies and/or sanctions, modifications to business practices and compliance programs, and/or referral to other governmental agencies for other appropriate actions. It is not possible to accurately predict at this time when matters relating to the investigations will be completed, the final outcome of the investigations, what additional actions, if any, may be taken by the DOJ or SEC or by other governmental agencies, or the effect that such actions may have on our business, prospects, operating results, and financial condition, which could be material.

The DOJ and SEC investigations, including any matters identified in the investigations and indictments, could also result in (1) third-party claims against the Company, which may include the assertion of claims for monetary damages, including but not limited to interest, fees, and expenses, (2) damage to the Company's business or reputation, (3) loss of, or adverse effect on, cash flow, assets, results of operations, business, prospects, profits, or business value, including the possibility of certain of the Company's existing contracts being cancelled, (4) adverse consequences on the Company's ability to obtain or continue financing for current or future projects, and/or (5) claims by directors, officers, employees, affiliates, advisors, attorneys, agents, debt holders or other interest holders, or constituents of the Company or its subsidiaries, any of which could have a material adverse effect on the Company's business, prospects, operating results, and financial condition. Further, to the extent that these investigations and any resulting third-party claims yield adverse results over time, such results could jeopardize the Company's operations, exhaust its cash reserves, and could cause stockholders to lose their entire investment.

Amarex Dispute

On October 4, 2021, the Company filed a complaint for declaratory and injunctive relief and a motion for a preliminary injunction against NSF International, Inc. and its subsidiary Amarex, the Company’s former CRO. Over the past eight years, Amarex provided clinical trial management services to the Company and managed numerous clinical studies of the Company’s drug product candidate, leronlimab. On December 16, 2021, the U.S. District Court for the District of Maryland issued a preliminary injunction requiring Amarex to provide the Company with access to all of its materials in the possession of Amarex. The court also granted CytoDyn the right to conduct an audit of Amarex’s work for CytoDyn. That case has been administratively closed. The Company simultaneously filed a demand for arbitration with the American Arbitration Association. In response, Amarex filed a counterclaim alleging that CytoDyn has failed to pay certain invoices due under the contract between the parties.

On July 10, 2023, the Company filed a Statement of Particulars and requested a final hearing date be set in the proceeding against Amarex. The Statement of Particulars alleges that Amarex failed to perform services to an acceptable professional standard and failed to perform certain services required by the parties’ agreements. Further, the Statement of Particulars alleges that Amarex billed the Company for services it did not perform. The Company contends that, due to Amarex’s failures, it has suffered avoidable delays in obtaining regulatory approval of leronlimab and has paid for services not performed, among other damages. As the formal arbitration process is still at an early stage, the Company cannot predict the ultimate outcome of the lawsuit and cannot reasonably estimate any potential gain or loss that the Company may incur.

The final arbitration hearing was recently rescheduled, and is now ordered to commence on November 11, 2024. The parties are in the discovery phase of the litigation, and will also be participating in structured settlement discussions over the next several months.

Note 9. Subsequent Events

Private placement of common stock and warrants through placement agent

During March and April 2024, approximately 16.9 million additional units were sold in the private placement conducted by the Company through a placement agent, for gross proceeds of approximately $2.8 million and net proceeds of approximately $2.5 million based on an estimated price of $0.17 per unit. Each unit comprised a fixed

combination of one share of common stock and one warrant to purchase one share of common stock. The purchase price per unit will be equal to 90% of the lower of (i) the VWAP of the common stock as of the first closing on December 29, 2023, and (ii) the intraday VWAP on the date of the final closing which has not yet occurred. The additional warrants to be issued to investors in the private placement, which covered a total of approximately 16.9 million shares, have a five-year term and an exercise price of $0.21 per share, and will be immediately exercisable when issued. Refer to Note 5, *Equity Awards and Warrants – Private Placements of Common Stock and Warrants through Placement Agent* for additional information.

Induced note conversions

During March 2024, in satisfaction of redemptions, the Company and the April 23, 2021 Noteholder entered into an exchange agreement, pursuant to which a portion of the April 23, 2021 Note was partitioned into a new note with an aggregate principal amount of $0.5 million, which was exchanged concurrently with the issuance of approximately 3.4 million shares of common stock.

Resolution of contractual dispute with Samsung

On April 3, 2024, the Company and Samsung executed a side letter agreement (the "Side Letter"), wherein the parties reached agreement for an orderly process for winding down services and a restructuring of the amount payable by the Company to Samsung (the "Total Balance"). The Total Balance due to Samsung, as restructured under the Side Letter, is now approximately $43.8 million. Except for a single $250,000 payment due on or before December 31, 2024, the entirety of the Total Balance is contingent, and will only be due and payable, upon the Company achieving a qualifying "Revenue" event, as defined in the Side Letter. Under the Side Letter, the Company has agreed to pay 20% of its qualifying Revenue generated in each calendar year, if any, with such payments to be applied to reduce the Total Balance until it is repaid in full. Interest will not accrue on the Total Balance throughout the prospective repayment period.

As part of the wind down process under the Side Letter, at the discretion of the Company, Samsung will arrange for the shipment of specified drug product, substance and reference standards previously manufactured and/or utilized by Samsung to a storage facility selected by the Company. Any vials and/or batches of drug substance and drug product the Company elects not to ship and store at an alternate vendor will be destroyed.

Under the original Agreement between the parties, Samsung performed non-exclusive services relating to technology transfer, process validation, manufacturing, pre-approval inspection, vial filling, and supply and storage services for leronlimab bulk drug substance and drug product. Samsung was one of several companies the Company engaged for such services. The Company believes it currently has enough drug product and substance to complete its contemplated clinical activity and will be transitioning the aforementioned services to one, or several, of its current service providers.

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

Certain information included in this quarterly report on Form 10-Q contains, or incorporates by reference, forward-looking statements within the meaning of Section 21E of the Exchange Act. Words and expressions reflecting optimism, satisfaction or disappointment with current prospects, as well as words such as "believes," "intends," "estimates," "expects," "plans," "anticipates" and 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 vary materially from those contained in or expressed by such statements. In evaluating all such statements, we urge you to specifically consider various risks identified in Part II, Item 1A and elsewhere in this quarterly report, and those set forth in Item 1A. *Risk Factors* in our Annual Report on Form 10-K for the fiscal year ended May 31, 2023 (the "2023 Form 10-K"), 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 about current business plans. Forward-looking statements include, among others, statements about leronlimab, its ability to have positive health outcomes, and information regarding future operations and clinical studies and trials, future operating and capital expenditures, and future availability of capital. You should not place undue reliance on our forward-looking statements, which are subject to risks and uncertainties relating to, among other things: the regulatory determinations of leronlimab's safety and effectiveness by the FDA and various drug regulatory agencies in other countries; the Company's ability to raise additional capital to fund its operations; the Company's ability to meet its debt and other payment obligations; the Company's ability to enter into or maintain partnership or licensing arrangements with third parties; the Company's ability to recruit and retain key employees; the timely and sufficient development, through internal resources or third-party consultants, of analyses of the data generated from the Company's clinical trials required by the FDA or other regulatory agencies in connection with the Company's regulatory submissions or applications for approval of the Company's drug product; the Company's ability to achieve approval of a marketable product; the design, implementation and conduct of clinical trials; the results of any such clinical trials, including the possibility of unfavorable clinical trial results; the market for, and marketability of, any product that is approved; the existence or development of vaccines, drugs, or other treatments that are viewed by medical professionals or patients as superior to the Company's products; regulatory initiatives, compliance with governmental regulations and the regulatory approval process; the Company's ability to resolve its disputes with Amarex and Samsung; other legal proceedings, investigations or inquiries affecting the Company or its products; stockholder actions or proposals with regard to the Company, its management, or its Board of Directors; and various other matters, many of which are beyond the Company's 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. Except as required by law, we do not undertake any responsibility to update these forward-looking statements to address events or circumstances that occur after the date of this quarterly report. Additionally, we do not undertake any responsibility to update you on the occurrence of any unanticipated events that may cause actual results to differ from those expressed or implied by these forward-looking statements.

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our 2023 Form 10-K, and the other sections of this Form 10-Q, including our consolidated financial statements and related notes set forth in Part I, Item 1. This discussion and analysis contain forward-looking statements, including information about possible or assumed results of our financial condition, operations, plans, objectives and performance that involve risks, uncertainties and assumptions. The actual results may differ materially from those anticipated and set forth in such forward-looking statements.

Overview

The Company is a clinical stage biotechnology company focused on the clinical development and potential commercialization of its product candidate, leronlimab, which is being studied for MASH, solid tumors in oncology, and HIV indications. The Company's focus is on implementing a therapeutic development and commercialization pathway for leronlimab through an approach that is opportunistic and minimizes the amount of Company capital needed for the creation of value by identifying strategies that are time- and cost-effective and support the creation of non-dilutive

financing opportunities, such as license agreements and co-development or strategic partnerships. Our current business strategy, following the February 2024 removal of the clinical hold imposed by the FDA in December 2023, as described in more detail below, is to proceed toward conducting a Phase II study evaluating the effects of leronlimab on chronic inflammation; evaluating opportunities in solid tumors in oncology; pursuing research and development of longer-acting molecules; evaluating whether to conduct a combination pre-clinical study or monotherapy Phase 2b/3 clinical trial in MASH; publishing data from previously conducted studies; and resolving legal, regulatory, and financial matters.

Third Quarter Overview

Removal of Clinical Hold on HIV program

In March 2022, the FDA notified the Company that it had placed a partial clinical hold on the Company's HIV program. The FDA's hold letter requested that the Company provide the agency with an aggregate analysis of cardiovascular events across all leronlimab clinical programs, a Safety Surveillance Plan, an aggregate safety data analysis, an updated Investigator's Brochure, annual reports, a benefit-risk assessment, and a general investigational plan. In November 2023, the Company submitted a response to the FDA's clinical hold letter addressing comments received through previous incomplete response communications and an informal meeting with the agency primarily related to the benefit-risk assessment for the intended HIV population and a proposed new HIV clinical trial protocol.

The Company received a letter from the FDA in December 2023 notifying the Company that: (i) the "partial hold" implemented by the FDA in March 2022 had been lifted; and (ii) a new "full hold" had been applied as it relates to the newly proposed clinical trial protocol submitted in November 2023 alongside the Company's complete response to the partial clinical hold. The Company submitted its revised protocol to the FDA in January 2024.

On February 27, 2024, the Company received confirmation from the FDA that its clinical hold on leronlimab has been lifted. The Company now intends to pursue its plan for the further development of leronlimab as a therapy that provides clinical benefit by modulating chronic inflammation. The Company believes its proposed inflammation study will allow the Company to further establish leronlimab's mechanism of action in a cost-effective manner.

Long-acting CCR5 antagonist developments

In March 2023, the Company entered into a joint development agreement with a third-party generative artificial intelligence ("AI") drug discovery and development company to develop one or more longer-acting molecules. The Company believes working with a partner with AI capabilities will result in the expedited development of a modified, longer-acting therapeutic, and could lead to greater acceptance by patients due to the requirement for less frequent injections. The services provided by the third party may yield extended intellectual property protection, thereby increasing the value of the Company's patent portfolio. In December 2023, the Company received various iterations of potential long-acting therapeutics, on which the Company will be performing assays to determine the suitability and feasibility of the long-acting therapeutic candidates for further development.

Cancer program developments

In December 2023, the Company entered into a partnership with Albert Einstein College of Medicine and Montefiore Medical Center, located in New York. The Company is providing leronlimab to support a pre-clinical study evaluating the efficacy of leronlimab independently and in combination with temozolomide in treating glioblastoma multiforme, also known as grade IV astrocytoma ("GBM"), in infected humanized mice. The study will involve three groups of humanized mice: one control group, one group that will receive only leronlimab, and another group that will receive a combination of leronlimab and temozolomide. The primary objective of this study is to evaluate the effect of leronlimab on the primary tumor growth and occurrence of metastases on CCR5+ and CCR5- cells in humanized mice. Upon completion of the study, the academic institutions will provide the Company with a research report outlining the study results, and they will have the right to publish and present the study results. GBM is the most common type of primary malignant brain tumor and is aggressive and fast-growing. This study is expected to take place in the 2024 calendar year.

The Company continues to identify additional next steps in the clinical development of leronlimab and is exploring potential business opportunities to continue the investigation of leronlimab for solid tumors in oncology based on data generated to date by the Company.

MASH program developments

The Company continues to evaluate whether to perform a pre-clinical study in MASH that would be significantly less capital-intensive than a human clinical trial and could generate potentially valuable data leading to partnerships or other potential non-dilutive financing opportunities.

Corporate developments

As of late February 2024, leronlimab is no longer on FDA hold. On February 27, 2024, the Company received confirmation from the FDA that its clinical hold on leronlimab has been lifted. For additional information on the history and removal of the clinical hold, please see *Removal of Clinical Hold on HIV program* above.

During the quarter ended February 29, 2024, the Company concluded a sale of unsecured promissory notes resulting in net proceeds of approximately $0.9 million, including approximately $0.7 million during the quarter, and commenced a private offering through a placement agent, resulting in aggregate net proceeds of approximately $2.7 million.

On April 3, 2024, the Company and Samsung executed a side letter agreement (the "Side Letter"), wherein the parties reached agreement for an orderly process for winding down services and a restructuring of the amount payable by the Company to Samsung (the "Total Balance"). The Total Balance due to Samsung, as restructured under the Side Letter, is now approximately $43.8 million. Except for a single $250,000 payment due on or before December 31, 2024, the entirety of the Total Balance is contingent, and will only be due and payable, upon the Company achieving a qualifying "Revenue" event, as that term is defined in the Side Letter. Under the Side Letter, the Company has agreed to pay 20% of its qualifying Revenue generated in each calendar year, if any, with such payments to be applied to reduce the Total Balance until it is repaid in full. Interest will not accrue on the Total Balance throughout the prospective repayment period.

Results of Operations

Fluctuations in operating results

The Company's operating results may fluctuate significantly depending on the outcomes, number and timing of pre-clinical and clinical studies, patient enrollment and/or completion rates in the studies, and their related effect on research and development expenses, regulatory and compliance activities, activities related to seeking removal of the clinical hold and FDA approval of our drug product, general and administrative expenses, professional fees, and legal and regulatory proceedings and related consequences. We require a significant amount of capital to continue to operate; therefore, we regularly conduct financing offerings to raise capital, which may result in various forms of non-cash interest expense or other expenses. Additionally, we periodically seek to negotiate settlement of debt payment obligations in exchange for equity securities of the Company and enter into warrant exchanges or modifications that may result in non-cash charges. Our ability to continue to fund operations will depend on our ability to raise additional funds. See the *Liquidity and Capital Resources* and *Going Concern* sections in this Item 2 of Part I and Part II, Item 1A Risk Factors included in this quarterly report and Item 1A. *Risk Factors* in our 2023 Form 10-K.

The results of operations were as follows for the periods presented:

(in thousands, except for per share data)	Three months ended February 29, 2024	Three months ended February 29, 2023	Change $	Change %	Nine months ended February 29, 2024	Nine months ended February 29, 2023	Change $	Change %
Operating expenses:								
General and administrative	$ 2,757	$ 2,971	$ (214)	(7)%	$ 7,756	$ 14,347	$ (6,591)	(46)%
Research and development	650	938	(288)	(31)	3,643	1,651	1,992	121
Amortization and depreciation	7	12	(5)	(42)	25	165	(140)	(85)
Inventory charge	—	—	—	—	—	20,633	(20,633)	(100)
Total operating expenses	3,414	3,921	(507)	(13)	11,424	36,796	(25,372)	(69)
Operating loss	(3,414)	(3,921)	507	13	(11,424)	(36,796)	25,372	69
Interest and other expenses:								
Interest on convertible notes	(1,151)	(1,142)	(9)	(1)	(3,512)	(3,447)	(65)	(2)
Amortization of discount on convertible notes	(409)	(565)	156	28	(951)	(1,721)	770	45
Amortization of debt issuance costs	(203)	(17)	(186)	(1,094)	(572)	(51)	(521)	(1,022)
Issuance costs for private placement of shares and warrants through placement agent	—	—	—	—	(906)	—	(906)	(100)
Loss on induced conversion	(3,353)	(2,018)	(1,335)	(66)	(5,993)	(2,656)	(3,337)	(126)
Finance charges	(882)	(5,884)	5,002	85	(2,685)	(7,761)	5,076	65
Loss on note extinguishment	(1,550)	—	(1,550)	(100)	(6,040)	—	(6,040)	(100)
Loss on derivatives	(958)	(155)	(803)	(518)	(971)	(8,756)	7,785	89
Total interest and other expenses	(8,506)	(9,781)	1,275	13	(21,630)	(24,392)	2,762	11
Loss before income taxes	(11,920)	(13,702)	1,782	13	(33,054)	(61,188)	28,134	46
Income tax benefit	—	—	—	—	—	—	—	—
Net loss	$ (11,920)	$ (13,702)	$ 1,782	13 %	$ (33,054)	$ (61,188)	$ 28,134	46 %
Basic and diluted:								
Weighted average common shares outstanding	982,209	832,215	149,994	18	954,814	810,986	143,828	18
Loss per share	$ (0.01)	$ (0.02)	$ 0.01	50 %	$ (0.04)	$ (0.08)	$ 0.04	50 %

General and administrative ("G&A") expenses

G&A expenses consisted of the following:

(in thousands)	Three months ended February 29, 2024	Three months ended February 29, 2023	Change $	Change %	Nine months ended February 29, 2024	Nine months ended February 29, 2023	Change $	Change %
Salaries, benefits, and other compensation	$ 725	$ 918	$ (193)	(21)%	$ 1,828	$ 3,175	$ (1,347)	(42)%
Stock-based compensation	869	419	450	107	1,944	3,537	(1,593)	(45)
Legal fees	326	255	71	28	1,119	2,752	(1,633)	(59)
Insurance	456	646	(190)	(29)	1,393	2,017	(624)	(31)
Other	381	733	(352)	(48)	1,472	2,866	(1,394)	(49)
Total general and administrative	$ 2,757	$ 2,971	$ (214)	(7)%	$ 7,756	$ 14,347	$ (6,591)	(46)%

The decrease in G&A expenses for the three-month period ended February 29, 2024, compared to the same period in the prior year, was primarily due to a reduction in other, and salaries, benefits, and other compensation offset by an increase in stock-based compensation. The decrease in other was primarily due to a reduction in audit-related fees. The decrease in salaries, benefits, and other compensation was primarily related to headcount reductions. The increase in stock-based compensation was due to stock options granted during the current period.

The decrease in G&A expenses for the nine-month period ended February 29, 2024, compared to the same period in the prior year, was primarily due to a reduction in legal fees, other, stock-based compensation, and salaries, benefits, and other compensation. The decrease in legal fees was primarily due to decreased fees related to the SEC and DOJ investigations, offset by less fees covered by the Company's insurance carrier(s) and increased fees related to the Amarex litigation. The decrease in other expenses was primarily the result of a reduction in audit-related fees. The decreases in stock-based compensation and salaries, benefits, and other compensation were primarily related to headcount reductions in an effort by the Company to preserve cash and align resources with corporate priorities.

Research and development ("R&D") expenses

R&D expenses consisted of the following:

	Three months ended February 29,		Change		Nine months ended February 29,		Change	
(in thousands)	2024	2023	$	%	2024	2023	$	%
Clinical	$ 116	$ 486	$ (370)	(76)%	$ 1,643	$ (145)	$ 1,788	(1,233)%
Non-clinical	4	4	—	-	491	31	460	1,484
CMC	286	203	83	41	774	1,122	(348)	(31)
License and patent fees	244	245	(1)	(0)	735	643	92	14
Total research and development	$ 650	$ 938	$ (288)	(31)%	$ 3,643	$ 1,651	$ 1,992	121 %

The decrease in R&D expense in the three-month period ended February 29, 2024, compared to the same period in the prior year, was primarily due to a reduction in clinical expenses related to fees for clinical hold consulting.

The increase in R&D expense in the nine-month period ended February 29, 2024, compared to the same period in the prior year, was primarily related to an increase in clinical and non-clinical expenses, partially offset by a decrease in CMC. The increase in clinical expenses was primarily related to a credit balance in the prior year due to a reduction in CRO costs for the Brazilian COVID-19 trials, resulting in vendor credits, and Brazilian COVID-19 CRO close-out costs incurred in the current period, offset by decreases in costs related to the HIV program partial clinical hold and studies completed, paused, or closed in the prior year. The increase in non-clinical expenses was primarily driven by activities related to the discovery and development of a long-acting modified therapeutic. The decrease in CMC expenses was primarily driven by the reduction in necessary stability testing of previously manufactured leronlimab.

The future trend of our R&D expenses is dependent on the costs of any future clinical trials, our decision-making and timing of which indications on which to focus our future efforts toward the development and study of leronlimab, which may include pre-clinical and clinical studies for oncology, MASH and HIV related indications, as well as efforts to develop a long-acting new or modified therapeutic, the timing and outcomes of such efforts, and the timing of the final close-out of closed studies.

Inventory charge

The decrease in the inventory charge for the nine-month period ended February 29, 2024, compared to the same period in the prior year was attributable to the full inventory write-off in the prior year because the pre-launch inventories no longer qualified for inventory capitalization following the withdrawal of the Company's BLA submission to the FDA. See Note 3, *Inventories, net*, in the 2023 Form 10-K for additional information.

Interest and other expense

Interest and other expense consisted of the following:

	Three months ended February 29,		Change		Nine months ended February 29,		Change	
(in thousands)	2024	2023	$	%	2024	2023	$	%
Interest on convertible notes payable	$ (1,151)	$ (1,142)	$ (9)	(1) %	$ (3,512)	$ (3,447)	$ (65)	2 %
Amortization of discount on convertible notes	(409)	(565)	156	28	(951)	(1,721)	770	(45)
Amortization of debt issuance costs	(203)	(17)	(186)	(1,094)	(572)	(51)	(521)	1,022
Issuance costs for private placement of shares and warrants through placement agent	—	—	—	-	(906)	—	(906)	(100)
Loss on induced conversion	(3,353)	(2,018)	(1,335)	(66)	(5,993)	(2,656)	(3,337)	126
Finance charges	(882)	(5,884)	5,002	85	(2,685)	(7,761)	5,076	(65)
Loss on note extinguishment	(1,550)	—	(1,550)	(100)	(6,040)	—	(6,040)	(100)
Loss on derivatives	(958)	(155)	(803)	(518)	(971)	(8,756)	7,785	(89)
Total interest and other expenses	$ (8,506)	$ (9,781)	$ 1,275	(13)%	$ (21,630)	$ (24,392)	$ 2,762	(11)%

The decrease in interest and other expenses for the three-month period ended February 29, 2024, compared with the same period in the prior year, was primarily due to the decrease in finance charges due to financing the Surety Bond backstop agreement through the issuance of warrants in the prior period. The decrease in interest and other expenses was offset by increases in loss on induced conversions and note extinguishments resulted from additional note payments made in shares of common stock and warrants during the current period.

The decrease in interest and other expenses for the nine-month period ended February 29, 2024, compared to the same period in the prior year, was primarily due to a decrease in non-cash loss on derivatives and finance charges, partially offset by increases in loss on induced conversion and loss on note extinguishment. The decrease in loss on derivatives in the current nine-month period compared to the same period in the prior year is due to the issuance of fewer liability-classified warrants in the current period. The increase in loss on note extinguishment resulted from the Company retiring outstanding convertible debt by converting notes outstanding to common stock and warrants, and due to the final closing price of the related private placement being lower than the initial closing price. The increase in loss on induced conversion for the current nine-month period compared to the prior period resulted from the Company settling a larger balance of the outstanding convertible debt with common stock in the current period.

Liquidity and Capital Resources

As of February 29, 2024, we had a total of approximately $1.4 million in cash and $6.6 million in restricted cash and approximately $129.5 million in short-term liabilities. We expect to continue to incur operating losses and require a significant amount of capital in the future as we continue to develop and seek approval to commercialize leronlimab. There can be no assurance that future funding will be available to us when needed on terms that are acceptable to us, or at all. We sell securities and incur debt when the terms of such arrangements are deemed acceptable to both parties under then current circumstances and as necessary to fund our current and projected cash needs. As of March 31, 2024, we have approximately 298.7 million shares of common stock available for issuance in new financing transactions.

Since inception, the Company has financed its activities principally from the public and private sale of equity securities as well as with proceeds from issuance of convertible notes and related party notes payable. The Company intends to finance its future operating activities and its working capital needs largely from the sale of equity and debt securities. The sale of equity and convertible debt securities to raise additional capital is likely to result in dilution to stockholders and those securities may have rights senior to those of common shares. If the Company raises funds through the issuance of additional preferred stock, convertible debt securities or other debt or equity financing, the related transaction documents may contain covenants restricting its operations.

During the 2021 fiscal year, the Company entered into long-term convertible notes that are secured by all of our assets (excluding our intellectual property), and include certain restrictive provisions, including limitations on incurring additional indebtedness and future dilutive issuances of securities, any of which could impair our ability to raise additional capital on acceptable terms.

Future third-party funding arrangements may also require the Company to relinquish valuable rights. Additional capital, if available, may not be available on reasonable or non-dilutive terms.

Cash

The Company's cash and restricted cash position of approximately $1.4 million and $6.6 million, respectively, as of February 29, 2024, decreased by approximately $1.1 million and increased by approximately $0.1 million, respectively, when compared to the balance of $2.5 million and $6.5 million, respectively, as of May 31, 2023. This decrease was primarily the result of approximately $9.3 million in cash used in our operating activities, offset by approximately $8.3 million in cash provided by financing activities during the nine months ended February 29, 2024. Refer to Item 1, Note 2, *Summary of Significant Accounting Policies – Going Concern*, and the *Going Concern* discussion below for information regarding concerns about the Company's ability to continue to fund its operations and satisfy its payment obligations and commitments. A summary of cash flows and changes between the periods presented is as follows:

(in thousands)	Nine months ended February 29,		Change
	2024	2023	$
Net cash (used in) provided by:			
Net cash used in operating activities	$ (9,332)	$ (21,698)	$ 12,366
Net cash provided by/ used in investing activities	$ —	$ —	$ —
Net cash provided by financing activities	$ 8,307	$ 28,577	$ (20,270)

Cash used in operating activities

Net cash used in operating activities totaled approximately $9.3 million during the nine months ended February 29, 2024, representing an improvement of approximately $12.4 million compared to the nine months ended February 28, 2023. The decrease in the net amount of cash used was due primarily to a decrease in our net loss, primarily attributable to decreased G&A expense, and working capital fluctuations, all of which are highly variable. Refer to *General and Administrative Expenses* section for further discussion.

Cash provided by financing activities

Net cash provided by financing activities totaled approximately $8.3 million during the nine months ended February 29, 2024, a decrease of approximately $20.3 million compared to the nine months ended February 28, 2023. The decrease in net cash provided was primarily the result of raising less funds from private placements of common stock and warrants, partially offset by an increase in funds from the issuance of convertible notes.

Pre-launch inventories

The Company previously capitalized pre-launch inventories which were subsequently charged-off in October 2022 for GAAP accounting purposes due to no longer qualifying for pre-launch inventory capitalization. Work-in-progress and finished drug product inventories continue to be physically maintained, can be used for clinical trials, and can be sold commercially upon regulatory approval if the shelf-lives can be extended as a result of the performance of on-going stability tests. For additional information, refer to Note 3, *Inventories, net*, in the 2023 Form 10-K.

Convertible debt

April 2, 2021 Convertible Note

On April 2, 2021, we issued a convertible note with a principal amount of $28.5 million resulting in net cash proceeds of $25.0 million, after $3.4 million of debt discount and $0.1 million of offering costs. The note accrues interest daily at a rate of 10% per annum, contains a stated conversion price of $10.00 per share, and matures in April 2025. The April 2, 2021 Note required monthly debt reduction payments of $7.5 million for the six months beginning in May 2021, which could also be satisfied by payments on other notes held by the noteholder or its affiliates. Beginning six months after the issuance date, the noteholder may request monthly redemptions of up to $3.5 million. As of February 29, 2024, the outstanding balance of the April 2, 2021 Note, including accrued interest, was approximately $7.3 million.

April 23, 2021 Convertible Note

On April 23, 2021, we issued a convertible note with a principal amount of $28.5 million resulting in net cash proceeds of $25.0 million, after $3.4 million of debt discount and $0.1 million of offering costs. The note accrues interest daily at a rate of 10% per annum, contains a stated conversion price of $10.00 per share, and matures in April 2025. Beginning six months after the issuance date, the noteholder may request monthly redemptions of up to $7.0 million. As of February 29, 2024, the outstanding balance of the April 23, 2021 Note, including accrued interest, was approximately $37.5 million.

Common stock

We have 1,750.0 million authorized shares of common stock. The table below summarizes intended uses of common stock.

(in millions)	As of February 29, 2024
Issuable upon:	
Warrant exercises	292.9
Convertible preferred stock and undeclared dividends conversion	36.3
Outstanding stock option exercises	22.9
Reserved for issuance pursuant to future stock-based awards under equity incentive plan	16.4
Reserved and issuable upon conversion of outstanding convertible notes	12.0
Reserved for private placement of common stock and warrants through a placement agent	43.3
Reserved for issuance of common stock and warrants related to note conversion	14.4
Total shares reserved for future uses	438.2
Common stock outstanding	989.9

As of February 29, 2024, we had approximately 321.9 million unreserved authorized shares of common stock available for issuance. Our ability to continue to fund our operations depends on our ability to raise capital. The funding necessary for our operations may not be available on acceptable terms, or at all. If we deplete our cash reserves, we may be forced to file for bankruptcy protection, discontinue operations, or liquidate our assets.

Off-Balance Sheet Arrangements

As of February 29, 2024, we did not have any off-balance sheet arrangements that have, or are reasonably likely to have, a material effect on our current or future financial condition, results of operations, liquidity, capital expenditures or capital resources.

Contractual Obligations

Refer to Note 3, *Accounts Payable and Accrued Liabilities and Compensation*, Note 4, *Convertible Instruments and Accrued Interest*, and Note 8*, Commitments and Contingencies* included in Part I, Item 1 of this Form 10-Q, and Notes 6 and 10 in Part II, Item 8 in the 2023 Form 10-K.

Legal Proceedings

The Company is a party to various legal proceedings described in Part I, Item 1, Note 8, *Commitments and Contingencies – Legal Proceedings* of this Form 10-Q. We are unable to predict the outcome of these proceedings, including the defense and other litigation-related costs and expenses that may be incurred by the Company, as the outcomes of legal proceedings are inherently uncertain. Therefore, it is possible that the ultimate outcome of any proceeding, if in excess of a recognized accrual, if any, could be material to the Company's consolidated financial statements. As of February 29, 2024, the Company had not recorded any accruals related to the outcomes of the legal matters discussed in this Form 10-Q.

Going Concern

The accompanying consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. As presented in the accompanying consolidated financial statements, the Company had losses for all periods presented. The Company incurred a net loss of approximately $33.1 million in the nine months ended February 29, 2024, and has an accumulated deficit of approximately $874.7 million as of February 29, 2024. These factors, among several others, including the various matters discussed in Note 8, *Commitments and Contingencies*, raise substantial doubt about our ability to continue as a going concern. The consolidated financial statements do not include any adjustments relating to the recoverability and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

The Company's continuance as a going concern is dependent upon its ability to obtain additional operating capital, complete the development of its product candidate, leronlimab, obtain approval to commercialize leronlimab from regulatory agencies, continue to outsource manufacturing of leronlimab, and ultimately achieve revenues and attain profitability. The Company plans to continue to engage in research and development activities related to leronlimab and a new or modified longer-acting therapeutic for multiple indications and expects to incur significant research and development expenses in the future, primarily related to its regulatory compliance, including performing additional clinical trials and seeking regulatory approval of its product candidate for commercialization. These research and development activities are subject to significant risks and uncertainties. The Company intends to finance its future development activities and its working capital needs primarily from the sale of equity and debt securities, combined with additional funding from other sources. However, there can be no assurance that the Company will be successful in these endeavors. See also *Liquidity and Capital Resources* above.

New Accounting Pronouncements

Refer to Part I, Note 2, *Summary of Significant Accounting Policies* – Recent Accounting Pronouncements in this Form 10-Q for the discussion.

Critical Accounting Policies and Estimates

This discussion and analysis of the Company's financial condition and results of operations is based on our consolidated financial statements, which have been prepared in accordance with GAAP. The preparation of our financial statements and related disclosures requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period. The Company's critical accounting policies are described under the heading *Management's Discussion and Analysis of Financial Condition and Results of Operations — Critical Accounting Policies and Estimates* in our 2023 Form 10-K.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

There have been no material changes from the information previously reported in Part II, Item 7A of the 2023 Form 10-K.

Item 4. Controls and Procedures

We maintain disclosure controls and procedures that are designed to provide reasonable assurance that information required to be disclosed in the reports that we file or submit under the Exchange Act, is (1) recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and (2) accumulated and communicated to our management, including our Chief Executive Officer and Interim Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Our management, with the participation of our Chief Executive Officer and Interim Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as of February 29, 2024 (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Our management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives, and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Our Chief Executive Officer and Interim Chief Financial Officer concluded, based upon the evaluation described above, that as of February 29, 2024, our disclosure controls and procedures were effective at the reasonable assurance level.

During the quarter ended February 29, 2024, there have been no changes in our internal control over financial reporting, as such term is defined in Rules 13a-15(f) and 15(d)-15(f) promulgated under the Exchange Act, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – Other Information

Item 1. Legal Proceedings

For a description of pending material legal proceedings, please see Note 8, *Commitments and Contingencies–Legal Proceedings*, of the Notes to Consolidated Financial Statements included in Part I, Item 1 of this Form 10-Q.

Item 1A. Risk Factors

We are subject to various risks, including risk factors identified in our 2023 Form 10-K. You should carefully consider those risk factors in addition to the risk factors set forth below and other information in this Form 10-Q.

Our cash balances are extremely low, requiring that we obtain substantial additional financing to satisfy our current payment obligations and to fund our operations, which continues to be difficult in light of the low trading price of our common stock.

As of March 31, 2024, we had an unrestricted cash balance of approximately $3.0 million and a reserved cash balance of approximately $6.6 million. We must continue to raise substantial additional funds in the near term to meet our payment obligations and fund our operations. Additional funding may not be available on acceptable terms or at all. In addition, as of March 31, 2024, we had approximately 298.7 million shares of common stock unreserved for other purposes and available for issuance in new financing transactions. We will need to use some of the additional authorized shares (or funds raised through the sale of such shares) to satisfy a portion of our outstanding accounts payable and accrued liabilities, which totaled approximately $72.6 million on February 29, 2024. If we are not able to raise additional funds on a timely basis, we may be forced to delay, reduce the scope of, or eliminate one or more of our planned operating activities, including: conducting a Phase II study evaluating the effects of leronlimab on chronic immune activation and inflammation; pursuing research and development of longer-acting molecules, including for the treatment and/or prevention of HIV; evaluating whether to conduct a combination pre-clinical study or monotherapy Phase 2b/3 clinical trial in MASH; and evaluating opportunities for pre-clinical and clinical studies in solid tumors in oncology and publishing data from previously conducted studies. Any delay or inability to pursue our planned activities likely will adversely affect our business, financial condition, and stock price. The continued low trading price of our common stock (with a closing price of $0.16 per share on April 12, 2024) presents a significant challenge to our ability to raise additional funds. If we deplete our cash reserves, we may have to discontinue our operations and liquidate our assets.

The class-action litigation filed against us could harm our business, and existing insurance coverage may not be sufficient to cover all related costs and damages.

The securities class action lawsuits filed against the Company in March 2021 have exhausted certain coverage allowances under the Company's D&O insurance applicable to the relevant time period. This litigation, whether or not successful, may require us to incur substantial costs, which could harm our business and financial condition. During the course of litigation, negative public announcements regarding the results of hearings, motions, or other interim proceedings or developments may occur, which could have a further negative effect on the market price of our common stock. Refer to Note 8, *Commitments and Contingencies – Securities Class Action Lawsuits* for further information.

Our Chief Financial Officer is currently serving in an interim role. The loss, temporary loss, or transition of members of our senior management team or any other key employees may adversely affect our business.

During the past 24 months, we have experienced significant turnover among our senior executives, and currently have only three executive officers. Mitchell Cohen, the Company's current Interim Chief Financial Officer, was appointed effective February 1, 2024. The Company's Board of Directors intends to initiate a search for a long-term Chief Financial Officer at some point in the coming months, in collaboration with Mr. Cohen. If we are successful in

recruiting one or more individuals to executive positions, the complexity inherent in integrating a new key member of the senior management team with existing senior management may limit the effectiveness of any such successor or otherwise adversely affect our business. Leadership transitions and any disruptions that result are inherently difficult to manage and may cause uncertainty or a disruption to our business or increase the likelihood of turnover of other key officers and employees. Further, we may incur significant expenses related to any executive transition costs. Finding suitable replacements for senior management and other key employees can be difficult, and there is no assurance we will be successful in attracting or retaining qualified personnel.

Our success depends significantly on the individual and collective contributions of our senior management team and key employees. The individual and collective efforts of these employees are important as we continue our efforts to develop leronlimab. The loss of the services of a member of our senior management team or the inability to hire and retain key management personnel likely would have a material adverse effect on our business and operations.

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

Private Placements of Common Stock and Warrants through Placement Agent

In March and April 2024, the Company continued a private placement to accredited investors of units through a placement agent. Each unit consisted of one share of common stock and one warrant to purchase one share of common stock. The purchase price per unit will be equal to 90% of the lower of (i) the intraday volume weighted average price ("VWAP") of the common stock as of the first closing on December 29, 2023, which was approximately $0.19 per share, and (ii) the intraday VWAP on the date of the final closing, which has not yet occurred. From March 23, 2024 through March 28, 2024, the Company received binding subscription agreements to purchase an estimated total of approximately 4.1 million units at a total purchase price of approximately $0.7 million, based on a price of $0.17 per unit.

The warrants to be issued to investors in the offering will be fully exercisable and will have a five-year term and an exercise price of $0.21 per share. The warrants will be exercisable in full when issued. Other than as described above, the terms of the warrants will be substantially similar to the form of warrant filed as Exhibit 4.1 to the Company's Current Report on Form 8-K filed with the SEC on September 7, 2021.

As a fee to the placement agent in the offering, the Company has agreed to pay a cash fee equal to 13% of the gross proceeds received from qualified investors. The Company has also agreed to issue to the placement agent or its designees warrants with a 10-year term to purchase 15% of the total number of shares of common stock sold to qualified investors in the offering.

The Company has agreed to use commercially reasonable efforts to prepare and file with the SEC, and cause the SEC to declare effective, a registration statement under the Securities Act covering the resale of the shares and shares covered by warrants to purchase shares of common stock issued in the private placements described above.

The Company relied on the exemption provided by Section 4(a)(2) of the Securities Act and Rule 506 of Regulation D thereunder in the sale and issuance of shares and warrants in the foregoing offerings.

Issuances of Shares in Convertible Note Exchange Transactions

In March 2024, the Company and the holder of its April 23, 2021 Note, in partial satisfaction of the holder's redemption rights, entered into an exchange agreement pursuant to which a portion of the original note was partitioned into a new note with an aggregate principal amount of $0.5 million. The new note was exchanged concurrently with issuance of a total of approximately 3.4 million shares of common stock. The Company relied on the exemption provided by Section 3(a)(9) of the Securities Act in connection with the exchange transactions.

Item 6. Exhibits

(a) Exhibits:

Exhibit No	Description	Filed Herewith	Incorporated by Reference		
			Form	Exhibit No.	Filing Date
10.1	Consulting Agreement between the Company and Rapid Deployment LLC.	X			
10.2	Employment Agreement between the Company and Jacob P. Lalezari, M.D., dated January 26, 2024.		8-K	10.1	1/29/2024
31.1	Rule 13a-14(a) Certification by Principal Executive Officer of the Registrant.	X			
31.2	Rule 13a-14(a) Certification by Principal Financial Officer of the Registrant.	X			
32	Certification of Principal Executive Officer and Principal Financial Officer pursuant to 18 U.S.C. Section 1350.*	X			
101.INS	Inline XBRL Instance Document.	X			
101.SCH	Inline XBRL Taxonomy Extension Schema Document.	X			
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.	X			
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.	X			
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.	X			
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.	X			
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).	X			

*Furnished, not filed.

SIGNATURES

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

CYTODYN INC.
(Registrant)

Dated: April 15, 2024

/s/ Jacob Lalezari
Jacob Lalezari
Chief Executive Officer
(Principal Executive Officer)

Dated: April 15, 2024

/s/ Mitchell Cohen
Mitchell Cohen
Interim Chief Financial Officer
(Principal Financial and Accounting Officer)

EXHIBIT 10.1

INTERIM EXECUTIVE ADVISORY AGREEMENT

This Interim Executive Advisory Agreement (this "Agreement"), dated as of January 10, 2024, is entered by and between Rapid Deployment LLC ("RD"), located at 515 N. State Street, 14th Floor, Chicago IL 60654, and CytoDyn Inc. ("CD"), located at 1111 Main Street, Suite 660, Vancouver, Washington 98660. For purposes of this Agreement, all references to "CD" shall be deemed to include CytoDyn Inc. and its Affiliates (defined below) and their respective successors and assigns.

Recitals

A. RD serves as a private advisor to companies to assist with locating, assessing, recommending and engaging interim executives, fractional or project executives, advisors, consultants and board members (any such person introduced to CD by RD, a "Candidate", and the Candidate once engaged by CD pursuant to this Agreement, the "Interim Executive").

B. CD and RD have had discussions regarding CD's need for an interim executive, and RD identified and introduced an Interim Executive to CD for engagement by CD upon the terms and conditions contained in this Agreement.

C. CD has interviewed the Interim Executive and determined that it wishes to engage the Interim Executive through RD to provide services and functions consistent with those described in **Exhibit A**. The term "Interim Executive" shall apply to the one executive as described in **Exhibit A**.

NOW, THEREFORE, in consideration of the mutual promises and covenants hereinafter set forth, the parties hereto agree as follows:

1. Search and Engagement.

1.1. Methodology. Based on CD's requirements disclosed to RD, RD has identified the Interim Executive as a person with interest in the applicable CD position, presented credentials, and coordinated and conducted interview(s) with the Interim Executive.

1.2. Non-Circumvention. CD shall not directly or indirectly contact any Candidate introduced by RD other than through RD or otherwise circumvent RD or this Agreement. Without limiting the foregoing, CD shall not directly or indirectly (a) contact, deal with, negotiate, or participate in any employment, consulting or other relationship with any Candidate first identified or introduced to CD by RD or (b) submit proposals to or solicit any Candidate first identified or introduced to CD by RD other than through RD and in accordance with this Agreement.

1.3. Statement of Work. The parties have agreed to a Statement of Work ("SOW") defining the services that the Interim Executive shall perform (attached as **Exhibit A**). The parties may agree to additional SOWs to be attached to this Agreement.

2. Fees and Payment.

2.1. Billing Rates, Fees, Performance Incentives, Equity or Project Costs. The monthly, hourly, daily or project billing rates ("Billing Rates") for each Interim Executive shall vary depending on the Interim Executive and the scope of services to be provided to CD. CD acknowledges and agrees that all Billing Rates presented to CD shall include additional fees which shall be retained by RD based upon arrangements agreed upon by RD and the applicable Interim Executive. The Billing Rates and other payment amounts, and the method of payment by CD to RD, shall be set forth in **Exhibit B**. All Billing Rates and other amounts to be paid by CD for the services of the Interim Executive as set forth in **Exhibit**

B shall be directly paid to RD by wire transfer. CD shall not pay any Billing Rates or other amounts to the Interim Executive. CD shall pay all such amounts in advance as provided in the SOW.

2.2. Payment by CD to RD. CD shall pay to RD in advance by wire transfer as invoiced from time to time (and RD shall thereafter pay to the applicable Interim Executive) for the services to be provided by the Interim Executive during such corresponding period and as described in **Exhibit B**. Other than the case in which the Interim Executive voluntarily ceases to render services to CD, such payments shall be nonrefundable.

2.3. Expenses. CD shall reimburse RD for all the Ongoing Expenses (defined below) that have been incurred by RD or the Interim Executive and which have received prior approval from CD. For purposes of this Agreement, "Ongoing Expenses" shall include expenses related to any Interim Executive's provision of services to CD, including hotel, airfare (business class if international), car rental, and other expenses invoiced at actual cost. At the request of RD from time to time, CD shall pay to RD an advance of such Ongoing Expenses on a monthly basis. Whenever possible, CD shall directly book airfare and hotel for the Interim Executive.

2.4. Billing and Payment. RD and CD agree that all billings for an Interim Executive pursuant to this Agreement shall be made solely by RD and that CD shall pay all Billing Rates and other amounts due under this Agreement directly to RD and that RD shall exclusively handle all such billings. CD agrees that it shall not discuss, whether directly or indirectly, any such billing or payment matters with any Interim Executive at any time during the term of this Agreement without the written consent of RD. All payments to be made pursuant to this Agreement by CD shall be deemed earned when paid and shall be deemed to come from CD's general operating expenses. CD agrees that RD shall be paid on an advanced prepaid basis in order to complete work under this Agreement. Further, CD agrees that RD shall not be, or become, a creditor of CD but instead shall be paid in advance for its services on an operating basis.

2.5. Delinquent Payments; Interest on Unpaid Fees. RD reserves the right to charge interest on late payments at the annual rate of 5% plus the applicable prime lending rate for the time period beginning on the due date and ending on the date paid. RD shall have the right to assign to any Interim Executive the right, whether in full or in part, to collect payment from CD for any amounts due by CD hereunder. Neither RD nor any Interim Executive shall have any obligation to provide services to CD if and for so long as any payment due hereunder by CD is delinquent.

3. Communication with Interim Executives and Candidates.

3.1. Contact Through RD. Other than the Interview, CD shall not contact, directly or indirectly, Candidate prior to the execution of a SOW as to Candidate without RD's written consent. In the event, notwithstanding the immediately prior sentence, CD so contacts a Candidate or an Interim Executive without RD's consent, CD shall be deemed to have agreed to and ratified all the provisions of this Agreement, including any and all Billing Rates for the Interim Executives as determined by RD.

3.2. Continuing Obligations. Any services to be provided to CD at any time during the term of this Agreement and for a period of 36 months after the date of termination of this Agreement by any Candidate first introduced or presented to CD by RD shall be governed by this Agreement and handled exclusively through RD. If CD desires to refer any Candidate to any Person (defined in Section 10.1), such referral shall be exclusively made through RD. If CD desires that any Candidate recommend any other Candidate, such recommendations shall be exclusively made through RD.

4. Qualification of Interim Executives. RD does not make any representation, warranty or guarantee that it shall be able to identify or introduce to CD an interim executive who meets CD's needs or requirements. RD is not responsible for qualifying any Candidate selected by CD. CD shall be solely responsible for reviewing any Candidate's qualifications in order to determine that such Candidate is qualified and

suitable in all respects for CD's needs. RD shall not be responsible for the Interim Executive's performance of any services for or on behalf of CD or for the actions, omissions or negligence of the Interim Executive. CD shall be solely responsible for the performance of the Interim Executive's services to CD. The Interim Executive providing services to CD may withdraw from the engagement for any reason at any time without liability by providing CD written or verbal notice. CD is solely responsible to confirm that any Interim Executive selected has no conflicts of interest. CD affirms that it is not engaging any Interim Executive as an investment banker or broker-dealer.

5. **Buyout of this Agreement**. If CD desires to hire, employ or otherwise engage any Interim Executive on a full-time, permanent, part-time or other basis not specifically contemplated under this Agreement, CD shall pay RD a fee equal to 30% of the forward-looking 12-month total gross compensation to be paid by CD to such Interim Executive, including all cash, equity and performance-based compensation (all of which, for purposes of calculating such fee, shall be deemed earned) (the "Buyout Fee"). If the CD and Interim Executive further agree to assumption of any liabilities or acquisition of assets owned by the Interim Executive, CD shall pay to RD 3% of the value of assets or liabilities assumed or purchased in addition to the Buyout Fee. The Buyout Fee shall be paid by CD to RD upon the earlier of (a) the first day of such employment or engagement of the Interim Executive or (b) the date of execution of an agreement between CD and the Interim Executive. RD shall have the right to inspect and audit the terms of such arrangement for purposes of determining the amount of the Buyout Fee owed to RD.

6. **Term and Termination.** This Agreement shall commence on the date of this Agreement **Exhibit A** and shall automatically renew on a month-to-month basis unless terminated on the earlier of: (a) thirty days from the date CD notifies RD in writing that no additional services of the Interim Executive are desired or (b) thirty days from the date RD notifies CD in writing that this Agreement is terminated. Upon termination of this Agreement, CD shall pay any outstanding amounts due RD and any unused portion of any expenses advanced to RD shall be returned to CD. Without limiting the foregoing, RD shall have the right to suspend, and cause the Interim Executive to suspend, all services to be provided by RD or the Interim Executive in connection with this Agreement or the SOW to the extent any amount payable by CD pursuant to this Agreement is not paid when due.

7. **Control of Workplace**. CD acknowledges and agrees that RD does not control the workplace in which the Interim Executive is to perform services for CD. CD shall be solely responsible for all decisions related to strategic, operational or other matters concerning CD's business and the services of the Interim Executive, including the supervision and scheduling of any Interim Executive.

8. **D&O Insurance**. If the Interim Executive shall provide services to CD as a director or officer of CD, then CD shall maintain during the period that the Interim Executive holds such position as officer or director (and for a tail period of not less than six years thereafter), directors and officers liability insurance against acts, errors or omissions of the Interim Executive. CD shall maintain such directors and officers insurance in the amount of not less than $5,000,000 and shall cause Interim Executive to be named as an "additional insured" party. CD shall deliver a certificate of such insurance as of the date hereof and upon any subsequent request of RD.

9. **Compliance with Laws, Rules and Regulations**. CD shall comply with all federal, state, provincial and local laws, rules and regulations that govern or relate to the Interim Executive providing services to CD, including those relating to the workplace or its employees.

10. **Indemnification; Limited Liability.**

10.1. **CD Indemnification.** CD shall defend, indemnify and hold harmless RD and its Affiliates and their respective officers, directors, employees, representatives and agents, and any Interim Executive providing services to CD, from and against any claim, liability, loss, cost or expense (including reasonable

attorneys' fees) arising out of or resulting from (i) CD's breach of this Agreement or (ii) any act, omission, decision, statement, negotiation, representation, or other work of CD in connection with this Agreement or its engagement with any Interim Executive or any proceeding in which the Interim Executive or RD is named a party, or required to participate by subpoena or otherwise, relating to activities outside the term hereof or otherwise relating to actions not taken by the Interim Executive. For purposes of this Agreement, "Affiliates" means, with respect to any individual, corporation, insurance company, partnership, joint venture, limited liability company, association, joint-stock company, trust, unincorporated organization or governmental body (each a "Person"), any other Person which directly or indirectly controls, is controlled by or is under common control with such Person.

10.2. Limitation of RD Liability. Notwithstanding anything contained in this Agreement, CD agrees that RD's liability shall be limited solely to the gross negligence or willful misconduct on the part of RD in connection with the services provided under this Agreement. In such case, RD's liability shall in no event exceed the fees paid to RD under the related SOW for the base pay paid to the Interim Executive for the most recent 30 day period (specifically excluding all bonuses and other additional compensation paid to the Interim Executive in such 30 day period). Each monthly payment made by CD to RD under this Agreement shall be deemed approved by CD of all services provided by RD or the Interim Executive as of the date of such payment.

10.3. CYTODYN INC. AGREES THAT RAPID DEPLOYMENT LLC SHALL HAVE NO LIABILITY TO CYTODYN INC. UNDER THIS AGREEMENT OR ANY SOW FOR ANY SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS) EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

11. Resolution of Disputes.

11.1. ANY DISPUTE WHATSOEVER RELATING TO THE INTERPRETATION, VALIDITY OR PERFORMANCE OF THIS AGREEMENT AND ANY OTHER DISPUTE ARISING OUT OF THIS AGREEMENT WHICH CANNOT BE RESOLVED BY THE PARTIES SHALL, UPON 30 DAYS WRITTEN NOTICE BY EITHER PARTY, BE SETTLED UPON APPLICATION OF ANY SUCH PARTY BY ARBITRATION IN THE CITY OF CHICAGO, ILLINOIS, IN ACCORDANCE WITH THE RULES THEN PREVAILING OF THE AMERICAN ARBITRATION ASSOCIATION (AAA), AND JUDGMENT UPON THE AWARD RENDERED BY THE ARBITRATORS MAY BE ENTERED IN ANY COURT OF COMPETENT JURISDICTION.

11.2. The arbitrators, if they deem that the matter requires it, are authorized to award to the party whose contention is sustained such amounts as they or a majority of them shall deem proper to compensate it for the time and expense incident to the proceedings, and, if the arbitration was demanded without reasonable cause, then they may also award damages caused by such action. The arbitrators shall determine their own reasonable compensation in accordance with the AAA Rules, unless otherwise provided by agreement, and shall assess the cost and charges of the proceedings upon either or both parties.

11.3. This Agreement shall be deemed made in Illinois and shall be governed by the laws of the State of Illinois. Each party irrevocably consents to the exclusive jurisdiction of the State of Illinois.

11.4. To the extent any representative of RD or any Interim Executive shall be requested by CD or required by government regulation, subpoena, or other legal process to participate in any arbitration, litigation or similar proceeding in connection with this Agreement initiated by a third party against CD or by CD against a third party, CD shall, so long as RD did not initiate such proceeding, compensate such representative or Interim Executive for all time spent in connection with such proceeding at their then respective hourly rates.

12. **Attorneys' Fees, Costs and Expenses**. The prevailing party shall be entitled to reimbursement by the other party for all attorneys' fees, costs and other expenses incurred by the prevailing party in enforcing its rights under this Agreement. This liability shall be in addition to any other remedy which may be available to such party. The obligations under this Section 12 shall survive the termination of this Agreement.

13. **Confidentiality**. RD shall hold as confidential and not disclose to any person or entity any confidential or proprietary information regarding CD which RD receives, other than to any Candidate or any employee, representative or agent of RD. RD shall not use such confidential or proprietary information for any purpose other than in connection with providing services in connection with this Agreement and providing services to CD. Notwithstanding the foregoing, RD may disclose any such information as may be required by law. Upon successful completion of services, RD may solicit testimonials from CD officers or board members, and if approved by CD, may publish testimonials in marketing materials.

14. **Media Release.** With prior approval from CD, RD may, at its own expense, create, promote and publish testimonials or other announcements describing its services and the services of the interim executive in connection with services provided to CD at the conclusion of the engagement, which may include written statements, video or photograph.

15. **Miscellaneous**.

15.1. This Agreement, and any rights or obligations arising hereunder, may not be assigned or delegated by CD without first obtaining, in advance, the written consent of RD. This Agreement may be assigned by RD in connection with any merger, sale or transfer of its assets or operations provided the successors agrees to perform its obligations hereunder.

15.2. If any provision of this Agreement is declared void or unenforceable, such provision shall first be subject to reformation to the extent necessary to be brought into compliance, and the remaining provisions of this Agreement shall otherwise remain in full force and effect.

15.3. The provisions of this Agreement which by their nature are intended to continue beyond the termination of this Agreement or the completion of any services, including Section 1.2, Section 2.5, Section 3, Section 5, Section 8, Section 10, Section 11, Section 12 and Section 13 shall survive the expiration or the termination of this Agreement by any party.

15.4. Any notices which may be required under this Agreement shall be in writing, shall be effective when received and shall be given by personal service, by overnight mail or by certified or registered mail, return receipt requested, to the address set forth above, or to such other addresses which may be specified in writing to the respective parties.

15.5. The section headings are for reference only and shall not act to limit, define or control the meaning or effect of any provision, each of which shall be construed and enforced according to its own particular terms.

15.6. No amendment or modification of this Agreement shall be binding unless agreed in writing by the parties. By signing this Agreement, the signing party represents that he or she has unconditional authority to enter into this Agreement.

IN WITNESS WHEREOF, the parties, through their duly authorized officers, have executed this Agreement as of the day and year written above.

CYTODYN INC

By: _____
Name
Title:_____

RAPID DEPLOYMENT LLC

By: _____
Olivia Wagner
President

Exhibit 31.1

Certification of Principal Executive Officer

I, Jacob Lalezari, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of CytoDyn Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
    a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
    b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report, based on such evaluation; and
    d. disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the registrant's most-recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):
    a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
    b. any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: April 15, 2024

/s/ Jacob Lalezari
Jacob Lalezari
Chief Executive Officer

Exhibit 31.2

Certification of Chief Financial Officer

I, Mitchell Cohen, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of CytoDyn Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
    a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
    b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report, based on such evaluation; and
    d. disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the registrant's most-recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):
    a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
    b. any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: April 15, 2024

/s/ Mitchell Cohen
Mitchell Cohen
Interim Chief Financial Officer

Exhibit 32

CERTIFICATION PURSUANT TO

18 U.S.C. SECTION 1350

In connection with the Quarterly Report of CytoDyn Inc. (the "Company") on Form 10-Q for the fiscal quarter ended February 29, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned certify, pursuant to 18 U.S.C. Section 1350, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Jacob Lalezari	/s/ Mitchell Cohen
Jacob Lalezari	Mitchell Cohen
Chief Executive Officer	Interim Chief Financial Officer
Date: April 15, 2024	Date: April 15, 2024

A signed original of this written statement required by Section 906 has been provided to CytoDyn Inc. and will be retained by CytoDyn Inc. and furnished to the Securities and Exchange Commission or its staff upon request.