

MYnd Analytics, Emmaus Life Sciences announce merger and spin-off transaction

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Emmaus' commercial lead product Endari (L-glutamine oral powder) is FDA approved to reduce the acute complications of sickle cell disease.



MYnd Analytics, a predictive analytics company aimed at improving the delivery of mental health services through the combination of telemedicine and data analytics has announced that it has entered into a definitive stock-for-stock merger agreement with Emmaus Life Sciences, a leader in sickle cell disease treatment.

Pursuant to the merger agreement, Emmaus will become a wholly owned subsidiary of MYnd Analytics in exchange for MYnd Analytics' issuance of common stock to Emmaus shareholders and other equity holders. The exchange ratio will result in Emmaus security holders owning approximately 94% of the MYnd Analytics' common stock on a fully diluted basis after the merger. The company expects to meet all applicable requirements for initial listing upon completion of the merger and, therefore, expects to continue to be listed on The Nasdaq Capital Market. The completion of the merger is subject to customary closing conditions, including receipt of approval from the shareholders of each company and Nasdaq approval. A.G.P./Alliance Global Partners is acting as a financial advisor to Emmaus in connection with this transaction.

In connection with the transaction, MYnd Analytics intends to transfer all of its assets (including cash and its equity interest in Arcadian Telepsychiatry Services, LLC) and liabilities into its wholly-owned subsidiary, MYnd Analytics California, and to distribute the shares of MYnd Analytics California to MYnd Analytics' shareholders as of a record date prior to the merger, which will be set prior to the merger effective time. MYnd Analytics expects that the MYnd Analytics California subsidiary, following the spinoff, will commence trading as an independent company at a date to be announced. Under the leadership of its new CEO, Patrick Herguth, the MYnd Analytics California spin off intends to continue operating, integrating and growing its technology-enabled telepsychiatry and teletherapy businesses in order to provide enhanced access to behavioral health services, improve patient outcomes and help lower the costs associated with behavioral health issues. MYnd-Arcadian customers include major health plans, health systems, and community-based organizations. The parties do not expect there to be any disruption to the existing business or customers.

Emmaus is a commercial stage biopharmaceutical company engaged in the discovery, development, marketing and sale of innovative treatments and therapies, including those in the rare and orphan disease categories. Its lead prescription product, Endari, demonstrated positive clinical results in a completed Phase 3 clinical trial for sickle cell disease and received FDA approval in July 2017.

Yutaka Niihara, MD, MPH, CEO and Chairman of Emmaus, stated, “The merger with MYnd Analytics, and concurrent Nasdaq listing, will be a major milestone for the company, and builds on our recent progress, including the FDA approval of Endari, the publication of our Phase 3 results in The New England Journal of Medicine, Medicaid coverage, the addition of major pharmaceutical distributors, and a presentation at the American Society of Hematology (ASH) 2018 Annual Meeting. Just as important as these accomplishments was the launch and market acceptance of Endari – the first medication (FDA approved) for sickle cell disease in almost 20 years. Endari addresses a \$3 billion global market. In addition to the treatment of sickle cell disease, we believe our platform technology has the potential to address other clinical indications such as diverticulosis. Through this merger, we believe we can maximize value for shareholders and we are grateful to MYnd for this opportunity.”

Robin Smith, Chairman of MYnd Analytics, commented, “We are excited to announce this definitive merger agreement with Emmaus, whereby the MYnd shareholders will own equity in Emmaus, and upon our expected spin-off, will continue to own 100% of the predictive analytics and telemedicine business, which we expect to begin operations as a new standalone public company. We are quite encouraged by the outlook for the business and look forward to further integrating and accelerating the growth of our offerings under Patrick Herguth’s leadership. We plan to provide further details on the new operational direction, branding, and growth strategy in the coming weeks and months.”