

Santa Maria Petroleum and Kalytera Therapeutics Announce Signing of Merger Agreement and Closing of Concurrent Subscription Receipt Financing

04.11.2016 | [Marketwired](#)

TORONTO, Nov. 4, 2016 - Further to its press release dated October 6, 2016, [Santa Maria Petroleum Inc.](#) ("Santa Maria", or the "Company") (TSX VENTURE:SMQ.H) and Kalytera Therapeutics, Inc. ("Kalytera"), a company incorporated in the state of Delaware, are pleased to announce the execution on November 1, 2016 of a definitive merger agreement (the "Merger Agreement") among Kalytera, the Company and Kalytera Acquisition, Inc., a wholly-owned subsidiary of the Company incorporated in the state of Delaware ("Subco") which, subject to certain conditions and applicable shareholder, director and TSX Venture Exchange ("TSXV") approval, will result in a reverse takeover of Santa Maria by Kalytera (the "Proposed Transaction") pursuant to the policies of the TSXV. The resulting issuer from the Proposed Transaction (the "Resulting Issuer") will operate as a pharmaceutical company continuing the business of Kalytera and expects to list on the TSXV as a tier 2 Life Sciences Issuer.

Concurrent with the signing of the Merger Agreement, Kalytera completed a brokered private placement offering of subscription receipts (the "Offering") led by Clarus Securities Inc., as lead agent, together with Haywood Securities Inc., for gross proceeds of C\$7,000,000. An investor syndicate comprised of both new investors, including institutional investors, and existing shareholders participated in the Offering.

The Delavaco Group, a lead and strategic investor in Aphria, Inc. (TSX:APH) ("Aphria"), a Health Canada Licensed Producer of medical cannabis products, secured Aphria's interest, and financial participation in the Offering as a strategic and lead investor. The Delavaco Group also participated in the Offering as a lead and strategic investor.

"We believe that merging with Santa Maria will provide a strong financial foundation and a platform for continued growth that will further Kalytera's mission of becoming a leading developer of cannabinoid and endocannabinoid-like medicines," said David Stefansky, Co-Founder and Chairman of Kalytera's Board of Directors. "This transaction achieves the principal goals and objectives of our strategic review process, and we look forward to its consummation."

"This merger represents an opportunity to create value for our shareholders. We look forward to completing the transaction," said Mike Dai, Chief Financial Officer of Santa Maria.

The Merger Agreement

Under the terms of the Merger Agreement, the Proposed Transaction will be completed by way of a three cornered amalgamation (reverse triangular merger) under the laws of Delaware, whereby Subco will merge with and into Kalytera, with Kalytera surviving as a wholly-owned subsidiary of Santa Maria. Concurrently with closing of the Proposed Transaction, Santa Maria is expected to change its name to "Kalytera Therapeutics, Inc." (the "Name Change"), and following completion of the Proposed Transaction, the Resulting Issuer will conduct its business under the Kalytera name.

The Merger Agreement includes non-solicitation covenants (subject to the fiduciary obligations of the board of directors or managers, as applicable, of each party) and contains a number of conditions, including but not limited to, closing conditions customary to transactions of the nature of the Proposed Transaction, completion or waiver of sponsorship, requisite shareholder approvals including the approval of the holders of common stock of Kalytera for the Proposed Transaction, approvals of all regulatory bodies having jurisdiction in connection with the Proposed Transaction and approval of the TSXV including the satisfaction of its initial listing requirements. There can be no assurance that the Proposed Transaction will be completed as proposed or at all.

Pursuant to the terms of the Merger Agreement:

a. each issued and outstanding common share in the capital stock of Kalytera (the "Kalytera Shares") will be

exchanged for 1.56391 common shares in the capital of the Resulting Issuer ("Resulting Issuer Share"). In aggregate, 21,098,883 Kalytera Shares will be exchanged for 32,996,752 Resulting Issuer Shares at a deemed price of C\$0.40 per Resulting Issuer Share for aggregate deemed consideration of C\$13.20 million;

b. each issued and outstanding warrant of Kalytera ("Kalytera Warrants") will be exchanged for 1.56391 Resulting Issuer Shares. In aggregate, 5,024,471 Kalytera Warrants will be exchanged for 7,857,819 Resulting Issuer Shares at a deemed price of C\$0.40 per Resulting Issuer Share for aggregate deemed consideration of C\$3.14 million; and

c. all Kalytera stock options issuable pursuant to the stock option plan of Kalytera ("Kalytera Options") will be exchanged for options to purchase Resulting Issuer Shares pursuant to the stock option plan of the Resulting Issuer, which will be a continuation of the current Santa Maria stock option plan (the "Resulting Issuer Option Plan"). In aggregate, 4,568,952 Kalytera Options will be exchanged for 7,145,429 Resulting Issuer Options. Exercise prices will be determined by dividing the exercise price per share at which such Kalytera Option was exercisable immediately prior to the Merger, by 1.56391.

Prior to the completion of the Proposed Transaction, Santa Maria will, subject to applicable shareholder and TSXV approval, consolidate its issued and outstanding common shares (of which 35,006,364 are currently outstanding) such that upon completion of the consolidation there will be 15,220,161 common shares issued and outstanding.

In connection with the completion of the Proposed Transaction, and subject to TSXV approval, Santa Maria will: (i) issue 1,875,000 Resulting Issuer Shares ("Finder's Fee") to South Florida Biotech Ventures LLC as payment of a finder's due under the terms of an agreement dated September 23, 2016, and (ii) settle C\$300,000 of existing amounts owing to certain directors of Santa Maria through the issuance of 1,000,000 Resulting Issuer Shares ("Debt Conversion").

Upon completion of the Proposed Transaction, and assuming completion of the Subsequent Offering (hereinafter defined), payment of the Finder's Fee and completion of the Debt Conversion, an aggregate of approximately 79,783,065 Resulting Issuer Shares will be issued and outstanding. It is expected that, immediately following completion of the Proposed Transaction: (i) the current Santa Maria shareholders will hold 18,095,161 Resulting Issuer Shares, representing approximately 22.68% of the outstanding Resulting Issuer Shares; and (ii) the current Kalytera shareholders will hold 40,854,571 Resulting Issuer Shares, representing 51.21% of the outstanding Resulting Issuer Shares and subscribers to the Offering and Second Tranche Offering will hold 20,833,333 Resulting Issuer Shares, representing 26.11% of the outstanding Resulting Issuer Shares. Additionally, 1,458,334 Resulting Issuer Broker Warrants and 7,149,052 Resulting Issuer Options will be issued.

The Merger Agreement also provides that a sum of C\$1,000,000, representing Aphria's subscription in the Offering, shall be advanced to Kalytera by November 8, 2016 to enable Kalytera to advance its current business objectives (the "Aphria Subscription").

As a condition to the completion of the Proposed Transaction, Kalytera is required to obtain from each of its current shareholders, including current directors, officers and insiders of Kalytera, lockup agreements restricting trading by such persons of their shares of the Resulting Issuer for a period ending 12 months following the completion of the Proposed Transaction.

The Proposed Transaction is an "Arm's Length Transaction" as defined under TSXV policies. Sponsorship of the Proposed Transaction may be required by the TSXV unless an exemption or waiver from this requirement can be obtained in accordance with the policies of the TSXV. Santa Maria intends to apply for a waiver of the sponsorship requirement. There is no assurance that a waiver from this requirement can or will be obtained.

The Proposed Transaction is expected to close in the fourth quarter of 2016.

Financing

In connection with the Proposed Transaction and concurrent with the execution of the Merger Agreement, Kalytera completed the Offering of subscription receipts ("Subscription Receipts") pursuant to an agency agreement (the "Agency Agreement") with Clarus Securities Inc. (the "Lead Agent"), together with Haywood Securities Inc. (the "Agents").

Under the terms of the Offering, Kalytera issued 17,500,000 Subscription Receipts at a price of C\$0.40 per Subscription Receipt (the "Offering Price") for gross proceeds of C\$7,000,000. Each Subscription Receipt

entitles the holder to receive, upon satisfaction of the escrow release conditions and without payment of additional consideration, one Resulting Issuer Share.

The proceeds from the Offering (the "Proceeds"), net of the Agents' commission and expenses incurred up to and including the closing of the Offering (the "Escrowed Funds"), are being held in escrow pursuant to the terms of a Subscription Receipt Agreement as may be amended from time to time, dated November 1, 2016 between Santa Maria, Kalytera, the Lead Agent and TSX Trust Company, as registrar and transfer agent for the subscription receipts and as escrow agent for the Escrowed Funds (the "Subscription Receipt Agreement"). Upon satisfaction of the Escrow Release Conditions (as defined in the Subscription Receipt Agreement), including all conditions precedent to the Proposed Transaction being satisfied, each Subscription Receipt will automatically convert without any further action on the part of the holder into one Resulting Issuer Share, and the Escrowed Funds, together with any interest earned thereon, will be distributed in accordance with the Subscription Receipt Agreement, except in respect of the Aphria Subscription which shall have been previously released from escrow as described above. Should the Escrow Release Conditions not be satisfied, the Subscription Receipts will be cancelled and all Proceeds from the sale of Subscription Receipts, including the Aphria Subscription, will be returned to subscribers together with any interest earned thereon (a "Refund Event"). To the extent there is any shortfall between the Proceeds returnable to subscribers upon the occurrence of a Refund Event and the Escrowed Funds, Kalytera will provide sufficient funds to offset any such difference.

As compensation for the services provided in connection with the Offering, the Agents have received a cash commission equal to 7% of the gross proceeds raised in connection with the Offering and special broker warrants ("Special Broker Warrants") equal to 7% of the Subscription Receipts sold under the Offering. Upon satisfaction of the Escrow Release Conditions, each Special Broker Warrant will automatically convert without any further action on the part of the holder into one broker warrant of the Resulting Issuer ("Resulting Issuer Broker Warrants"). Each Resulting Issuer Broker Warrant will entitle the holder to purchase one Resulting Issuer Share at the Offering Price, exercisable for 24 months from the date of issuance.

Upon completion of the Proposed Transaction, the proceeds of the Offering will be used to further develop the business of the Resulting Issuer and for general working capital purposes.

Consummation of the Proposed Transaction is also conditional upon the completion, by Kalytera, of an additional private placement of subscription receipts for gross proceeds of C\$1,333,333 (the "Subsequent Offering") before November 30, 2016. The Subsequent Offering is expected to be completed at a price per Subscription Receipt equal to the Offering Price, on substantially the same terms as the Offering. It is expected that the Agents will be engaged by Kalytera as agents in respect the Subsequent Offering and will be entitled to receive a cash commission equal to 7% of the gross proceeds raised and Special Broker Warrants equal to 7% of the Subscription Receipts sold under the Subsequent Offering.

About Kalytera Therapeutics

Kalytera is advancing a portfolio of non-psychoactive cannabinoid and endocannabinoid-like medicines. Preclinical studies support the continued investigation of Kalytera drug candidates in a range of important unmet market needs, including bone fracture healing, osteogenesis imperfecta, osteoporosis, and osteoporosis in Prader-Willi syndrome.

Kalytera drug candidates include cannabidiol ("CBD"), a natural non-psychoactive cannabis constituent which Kalytera plans to deliver using novel methods; KAL436/439, proprietary synthetic derivatives of CBD that have been structurally modified to improve potency; and KAL671, a proprietary form of the free fatty acid oleoyl-alphamethyl-serine.

Kalytera is advancing its drug candidates through a research partnership with Yisum Research Development Company of the Hebrew University of Jerusalem Ltd. ("Yisum") and with Ramot at Tel Aviv University ("Ramot"), with multiple preclinical studies underway or planned. Kalytera believes that the research being undertaken by Yisum and Ramot may enable it to file Investigational New Drug applications with the U.S. Food and Drug Administration.

Kalytera's leadership includes Dr. Raphael Mechoulam, a pioneer in the field of cannabis research and the discoverer of the endocannabinoid system, and Dr. Robert S. Langer, a prolific biotechnologist, engineer, and inventor who is widely recognized in biotechnology, especially in the field of drug delivery systems. Kalytera is a corporation organized under the laws of the State of Delaware, U.S. with its headquarters in Manhattan Beach, California. For additional information, visit: <https://kalytera.co>.

Additional Information

The common shares of Santa Maria are currently halted from trading pending completion of the Proposed Transaction.

A comprehensive press release in respect of the Proposed Transaction, together with a filing statement, will be prepared and filed in accordance with the policies of the TSXV.

All information contained in this press release with respect to Kalytera and Santa Maria was supplied by the parties respectively, for inclusion herein, and each party and its directors and officers have relied on the other party for any information concerning the other party.

The common shares of Santa Maria have not been and will not be registered under the United States Securities Act of 1933, as amended and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirement. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

Cautionary Note

Completion of the Proposed Transaction is subject to a number of conditions including, but not limited to, completion of the Subsequent Offering and TSXV acceptance. Where applicable, the Proposed Transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the Proposed Transaction will be completed as proposed, or at all.

Investors are cautioned that, except as disclosed in the filing statement to be prepared in connection with the Proposed Transaction, any information released or received with respect to the Proposed Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of Santa Maria should be considered highly speculative.

Neither the TSXV nor its Regulation Services Provider (as that term is defined in the policies of the TSXV) has in any way passed upon the merits of the Proposed Transaction and associated transactions and neither of the foregoing entities has in any way approved or disapproved of the contents of this press release.

Forward-Looking Statements

This news release contains "forward-looking information" within the meaning of applicable securities laws for each of the Company and Kalytera, relating to the proposal to complete the Proposed Transaction, the Name Change, completion of the Subsequent Offering, completion of the Debt Conversion, issuance of the Finder's Fee, satisfaction of the Escrow Release Conditions and associated transactions, including statements regarding the terms and conditions of the Merger Agreement, the Proposed Transaction, the Name Change, and the Offering. Readers are cautioned to not place undue reliance on forward-looking information. Actual results and developments may differ materially from those contemplated by these statements depending on, among other things, the risks that the parties will not proceed with the Proposed Transaction, the Subsequent Offering, completion of the Debt Conversion, issuance of the Finder's Fee, the Name Change and associated transactions, that the Escrow Release Conditions will not be satisfied, that the ultimate terms of the Proposed Transaction, the Subsequent Offering, completion of the Debt Conversion, issuance of the Finder's Fee, the Name Change and associated transactions will differ from those that currently are contemplated, and that the Proposed Transaction, the Subsequent Offering, completion of the Debt Conversion, issuance of the Finder's Fee, the Name Change and associated transactions will not be successfully completed for any reason (including the failure to obtain the required approvals or clearances from regulatory authorities). The statements in this press release are made as of the date of this release.

NOT FOR DISTRIBUTION TO U.S. NEWswire SERVICES OR FOR DISSEMINATION IN THE UNITED STATES. ANY FAILURE TO COMPLY WITH THIS RESTRICTION MAY CONSTITUTE A VIOLATION OF U.S. SECURITIES LAWS.

Contact

Kalytera Contact
Robert Farrell, President and CFO
(888) 861-2008
info@kalytera.co

Santa Maria Contact
Lisa-Marie Iannitelli, Investor Relations
(416) 362-4441

Dieser Artikel stammt von [Rohstoff-Welt.de](#)

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/247512--Santa-Maria-Petroleum-and-Kalytera-Therapeutics-Announce-Signing-of-Merger-Agreement-and-Closing-of-Concu>

Für den Inhalt des Beitrages ist allein der Autor verantwortlich bzw. die aufgeführte Quelle. Bild- oder Filmrechte liegen beim Autor/Quelle bzw. bei der vom ihm benannten Quelle. Bei Übersetzungen können Fehler nicht ausgeschlossen werden. Der vertretene Standpunkt eines Autors spiegelt generell nicht die Meinung des Webseiten-Betreibers wieder. Mittels der Veröffentlichung will dieser lediglich ein pluralistisches Meinungsbild darstellen. Direkte oder indirekte Aussagen in einem Beitrag stellen keinerlei Aufforderung zum Kauf-/Verkauf von Wertpapieren dar. Wir wehren uns gegen jede Form von Hass, Diskriminierung und Verletzung der Menschenwürde. Beachten Sie bitte auch unsere [AGB/Disclaimer!](#)

Die Reproduktion, Modifikation oder Verwendung der Inhalte ganz oder teilweise ohne schriftliche Genehmigung ist untersagt!
Alle Angaben ohne Gewähr! Copyright © by Rohstoff-Welt.de -1999-2025. Es gelten unsere [AGB](#) und [Datenschutzrichtlinien](#).