



DIVE BRIEF

Histogen plans to wind down operations after failing to find a partner

The San Diego-based drugmaker will delist its shares on the Nasdaq stock exchange and sell its assets.

Published Sept. 19, 2023

By Kristin Jensen

deepblue4you via Getty Images

Dive Brief:

- Histogen intends to close down after an investment bank found no viable options to provide the regenerative medicine company with the money needed to stay operational.
- Directors of the San Diego-based drugmaker approved a liquidation plan that will be up for a shareholder vote in the fourth quarter. In the meantime, Histogen has stopped all clinical work and laid off almost all of its staff. By Sept. 30, only two employees will remain, including Chief Financial Officer Susan Knudson, who will also become CEO, president and principal executive officer.
- As part of [the plan announced Monday](#), Histogen will delist its shares on the Nasdaq stock exchange, seek to sell assets, and distribute any remaining cash to stockholders after paying debts and obligations. The company will also continue looking for buyers for pipeline assets, which may produce more cash for investors.

Dive Insight:

Histogen reaches the end of its road after [hiring Roth Capital Partners](#) in July to explore strategic alternatives. In the end, no possibility existed that would “enhance stockholder value,” Steven Mento, the company’s current CEO, said in a statement.

Mento will lose his position effective Sept. 30, as will the rest of Histogen’s suite of executives, aside from Knudson.

Histogen needed cash to develop an experimental drug called emricasan, for treatment of bacterial skin infections. The company received approval from the Food and Drug Administration in March to start human testing, and [had plans to begin](#) to begin the research in the second half of this year if it could raise the required capital. But that didn’t happen.

Though a total dissolution is unusual in the biotechnology industry, it’s not unheard of. Genoce Biosciences, for example, [found itself in a similar position](#) last year.

Histogen was also working in infectious disease — a field of research that’s [proven difficult](#) to succeed in for many drug developers.

Histogen started out as a private company focused on regenerating tissue in the body. In 2020, its lead drug was meant to be a potential treatment for male pattern baldness. But Histogen would eventually enter a [reverse merger](#) with Conatus Pharmaceuticals, which had developed emricasan and was [reeling from the failure](#) from the failure of a medicine for non-alcoholic steatohepatitis, or NASH.

The new combined company eventually gave up on the baldness drug, researched emricasan as a treatment for COVID-19 and tried at various times to [refocus on a more promising path forward](#). It

also undertook small private placements to raise cash and, in 2022, executed a 1-for-20 [reverse stock split](#).

Histogen has been operating with limited resources for a while; at the end of [December](#), it had only seven full-time employees. Mento, who had cofounded and led Conatus, became president and CEO of the new company in March. He left the board of directors on Monday.