



## San Antonio biotech's Minnesota merger called off

San Antonio-based [CytoBioscience](#) and [Skyline](#) Medical Inc. have ended merger negotiations. While the decision means CytoBioscience will not enter into a formal alliance with the publicly traded company, the two organizations have kept open the door to potential collaboration at some point. CytoBioscience, which moved its headquarters from Germany to San Antonio in 2015, was nearing a deal to align itself with Skyline Medical, which bases its operations out of Minnesota's Twin Cities area. In August, I reported that the two organizations had entered into a definitive agreement to merge operations, which CytoBioscience CEO [James Garvin](#) said would make "both companies stronger."

But several weeks later, CytoBioscience and Skyline Medical have instead decided to call off the deal. "Sometimes, even with best of intentions, things just don't come together," Garvin told me on Wednesday.

CytoBioscience develops and manufactures devices used in human cell research. It also conducts contract research focused on new therapeutic drug development.

One of the factors that made CytoBioscience an attractive partner with Skyline is its current backlog of work, primarily in contract research activity. Those orders represent about \$6 million in new business. Executives with Skyline Medical — which produces a fully automated waste fluid disposal system eliminating most exposure to blood, irrigation fluid and other potentially infectious fluids — also took note of the fact that CytoBioscience has nearly a dozen technologies patented in the U.S. and abroad.

"We could expand our footprint. They could hopefully tap our NASDAQ exposure," Skyline Medical CEO [Carl Schwartz](#) said before the planned merger was called off. "We could be much stronger as their contacts would help us and our contacts would help them."

The two companies have not ruled out collaborative opportunities that could still benefit both organizations.

"We'll work together in a strategic way going forward to see what we can do that is helpful to us as well as them," Garvin said.

There have been some unexpected gains as a result of CytoBioscience's discussions with Skyline Medical that could pay off handsomely down the line. Among them, according to Garvin, is "a far greater awareness in the capital markets about who we are, what we're about and what the future looks like for us."

Source: <https://www.bizjournals.com/sanantonio/news/2017/11/08/san-antonio-biotech-s-minnesota-merger-called-off.html?s=print>

November 8th 2017

