

CATABASIS PHARMACEUTICALS INC  
Form 424B5  
February 06, 2019

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As Filed Pursuant to Rule 424(b)(5)  
Registration No. 333-212382

**PROSPECTUS SUPPLEMENT**  
**(To Prospectus Dated July 19, 2016)**

## **Catabasis Pharmaceuticals, Inc.**

### **4,000,000 Units, Each Consisting of One Share of Common Stock and 0.5 of a Warrant to Purchase One Share of Common Stock**

We are offering 4,000,000 units (each a "Unit"), each Unit consisting of one share of our common stock and 0.5 of a warrant to purchase one share of our common stock at an exercise price of \$6.25 per share (each a "Warrant"). Each Warrant will be exercisable immediately and will expire five years from the date of issuance.

We are also offering the shares of common stock that are issuable from time to time upon exercise of the Warrants being offered by this prospectus.

There is no established public trading market for the Warrants, and we do not expect a market to develop. We do not intend to apply for listing of the Warrants on any securities exchange or other nationally recognized trading system. Without an active trading market, the liquidity of the Warrants will be limited.

Our common stock is listed on the Nasdaq Global Market under the symbol "CATB." On February 5, 2019, the last reported sale price of our common stock on the Nasdaq Global Market was \$6.05 per share.

We are an "emerging growth company" as that term is used in the Jumpstart Our Business Startups Act of 2012 and, as such, have elected to comply with certain reduced public company reporting requirements.

**Investing in our securities involves risks. See "Risk Factors" beginning on page S-7 of this prospectus supplement and the risk factors incorporated by reference into this prospectus supplement and the accompanying prospectus.**

	<b>Per Unit</b>	<b>Total</b>
Public offering price	\$ 5.00	\$ 20,000,000
Underwriting discount(1)	\$ 0.30	\$ 1,200,000
Proceeds to us (before expenses)	\$ 4.70	\$ 18,800,000

(1) See "Underwriting" beginning on page S-24 for additional information regarding the compensation payable to the underwriter.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

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## **Oppenheimer & Co.**

The date of this prospectus supplement is February 6, 2019

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**About this Prospectus Supplement**

This document is in two parts. The first part is the prospectus supplement, including the documents incorporated by reference, which describes the specific terms of this offering. The second part, the accompanying prospectus, including the documents incorporated by reference, provides more general information. Generally, when we refer to this prospectus, we are referring to both parts of this document combined. Before you invest, you should carefully read this prospectus supplement, the accompanying prospectus, all information incorporated by reference herein and therein, as well as the additional information described under "Where You Can Find More Information" on page S-31 of this prospectus supplement. These documents contain information you should consider when making your investment decision. This prospectus supplement may add, update or change information contained in the accompanying prospectus. To the extent there is a conflict between the information contained in this prospectus supplement, on the one hand, and the information contained in the accompanying prospectus or any document incorporated by reference therein filed prior to the date of this prospectus supplement, on the other hand, you should rely on the information in this prospectus supplement. If any statement in one of these documents is inconsistent with a statement in another document having a later date for example, a document filed after the date of this prospectus supplement and incorporated by reference in this prospectus supplement and the accompanying prospectus the statement in the document having the later date modifies or supersedes the earlier statement.

You should rely only on the information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus and in any free writing prospectuses we may provide to you in connection with this offering. We have not, and the underwriter has not, authorized any other person to provide you with any information that is different. If anyone provides you with different or inconsistent information, you should not rely on it. We are offering to sell, and seeking offers to buy, our securities only in jurisdictions where offers and sales are permitted. The distribution of this prospectus supplement and the offering of securities covered hereby in certain jurisdictions may be restricted by law. Persons outside the United States who come into possession of this prospectus supplement must inform themselves about, and observe any restrictions relating to, the offering of securities covered hereby and the distribution of this prospectus supplement outside the United States. This prospectus supplement does not constitute, and may not be used in connection with, an offer to sell, or a solicitation of an offer to buy, any securities offered by this prospectus supplement by any person in any jurisdiction in which it is unlawful for such person to make such an offer or solicitation.

We further note that the representations, warranties and covenants made by us in any agreement that is filed as an exhibit to any document that is incorporated by reference in this prospectus supplement or the accompanying prospectus were made solely for the benefit of the parties to such agreement, including, in some cases, for the purpose of allocating risk among the parties to such agreements, and should not be deemed to be a representation, warranty or covenant to you. Moreover, such representations, warranties or covenants were accurate only as of the date when made. Accordingly, such representations, warranties and covenants should not be relied on as accurately representing the current state of our affairs.

Unless the context otherwise indicates, references in this prospectus to "we," "our" and "us" refer, collectively, to Catabasis Pharmaceuticals, Inc., a Delaware corporation, and its consolidated subsidiary.

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## Prospectus Supplement Summary

*This summary highlights certain information about us, this offering and selected information contained elsewhere in or incorporated by reference into this prospectus supplement, the accompanying prospectus and the information incorporated by reference herein and therein. This summary is not complete and does not contain all of the information that you should consider before deciding whether to invest in our securities. For a more complete understanding of our company and this offering, we encourage you to read and consider carefully the entire prospectus supplement and the accompanying prospectus, including "Risk Factors" beginning on page S-7 of this prospectus supplement, along with our consolidated financial statements and notes to those consolidated financial statements and the other documents incorporated by reference in this prospectus supplement and the accompanying prospectus.*

## Our Company

We are a clinical-stage biopharmaceutical company. Our lead program is edasalonexent, formerly known as CAT-1004, an oral small molecule designed to inhibit NF- $\kappa$ B, or nuclear factor kappa-light-chain-enhancer of activated B cells, in development for the treatment of Duchenne muscular dystrophy, or DMD. We believe edasalonexent has the potential to be a foundational therapy for all patients affected by DMD, regardless of the underlying dystrophin mutation. DMD is an ultimately fatal genetic disorder involving progressive muscle degeneration. The United States Food and Drug Administration, or FDA, has granted orphan drug, fast track and rare pediatric disease designations to edasalonexent for the treatment of DMD. The European Commission has granted orphan medicinal product designation to edasalonexent for the treatment of DMD.

We initiated a global Phase 3 trial for the treatment of DMD in September 2018, which we refer to as the PolarisDMD trial. The PolarisDMD trial is designed to evaluate the efficacy and safety of edasalonexent for registration purpose, with top-line results expected in the second quarter of 2020. PolarisDMD clinical trial sites are open for enrollment across the United States. Clinical trial sites are expected to open in Canada, multiple countries in Europe as well as Australia and Israel in the first quarter of 2019. In total, the PolarisDMD trial is expected to include approximately 40 clinical trial sites globally with enrollment expected to be completed in 2019. The trial design was informed by discussions with the FDA, as well as input from treating physicians, families of boys affected by DMD and patient advocacy organizations.

The PolarisDMD trial is a randomized, double-blind, placebo-controlled trial, and we anticipate enrolling approximately 125 patients between the ages of four and seven (up to eighth birthday), regardless of mutation type, who have not been on steroids for at least six months. Boys may be eligible to enroll in the trial if they are on a stable dose of EXONDYS 51®, also known as eteplirsen, Sarepta Therapeutics, Inc.'s exon skipping therapy and one of two therapies approved for the treatment of DMD in the United States. The primary efficacy endpoint is change in North Star Ambulatory Assessment, or NSAA, score after 12 months of treatment with edasalonexent compared to placebo. Key secondary endpoints are the age-appropriate timed function tests: time to stand, 4-stair climb and 10-meter walk/run. Assessments of growth, cardiac and bone health are also included. Enrolled boys are being randomized in a 2:1 ratio with two boys receiving edasalonexent for every boy that receives placebo, and we expect that after the initial 12-month treatment period all boys will be offered the opportunity to receive edasalonexent in an open-label extension.

Our MoveDMD® Phase 1/2 trial enrolled ambulatory boys four to seven years old with a genetically confirmed diagnosis of DMD who were steroid naive or had not used steroids for at least six months prior to the trial. Boys enrolled in the trial were not limited to any specific dystrophin mutations and the 31 boys in the trial had 26 different dystrophin mutations. The MoveDMD trial was designed to be conducted in three sequential parts, Phase 1 and Phase 2, both of which are completed, and an open-label extension, which is on-going. In Phase 1 of the MoveDMD trial, we assessed the safety,

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tolerability and pharmacokinetics of edasalonexent in 17 patients, following seven days of dosing, and we reported in January 2016 that all three doses of edasalonexent tested were generally well tolerated with no safety signals observed and there were no serious adverse events and no drug discontinuations. In the Phase 2 portion of the trial, we assessed the effects of edasalonexent using magnetic resonance imaging, or MRI, T2 as an early biomarker at 12 weeks, and announced in January 2017 that the primary efficacy endpoint of average change from baseline to week 12 in the MRI T2 composite measure of lower leg muscles for the pooled edasalonexent treatment groups compared to placebo was not met, although we observed directionally positive results in the 100/mg/kg/day edasalonexent treatment group that were not statistically significant.

We have completed key efficacy and safety assessments from the MoveDMD trial. In the open-label extension of the MoveDMD trial through 72 weeks of oral 100 mg/kg/day edasalonexent treatment, we observed preserved muscle function and consistent improvements in all four assessments of muscle function: NSAA score, time to stand, 4-stair climb and 10-meter walk/run, compared to the rates of change in the control period for boys prior to receiving edasalonexent treatment. Additionally, we observed supportive changes in non-effort-based measures of muscle health, supporting the durability of edasalonexent treatment effects. Specifically, we observed statistically significant improvement in the rate of change in lower leg composite MRI T2 through 12, 24, 36 and 48 weeks on 100 mg/kg of edasalonexent treatment compared to the off-treatment control period. MRI T2 is closely associated with functional outcomes in DMD supported by data from ImagingDMD, the largest natural history database of MRI assessments in boys with DMD.

The relative proportion of fat in muscle, which is referred to as fat fraction and is correlated with functional ability, can be determined by magnetic resonance spectroscopy, or MRS. In the open-label extension of the MoveDMD trial, improvements in the MRS fat fraction rate of change through 48 weeks of edasalonexent treatment compared to the off-treatment control period were observed in both soleus and vastus lateralis leg muscles, which are strongly correlated with ambulatory function. Additionally, boys with DMD in the age range enrolled in the trial typically have resting tachycardia, a heart rate that exceeds the normal resting rate, and we observed that the heart rate of the boys treated with edasalonexent significantly decreased toward age-normative values over a year and a half period of edasalonexent treatment. Significant decreases in muscle enzymes through 72 weeks were also seen in boys treated with edasalonexent, which is consistent with a positive impact on muscle health and supportive of a positive impact from the treatment with edasalonexent.

Through 72 weeks of treatment, edasalonexent continued to be well tolerated with no safety signals observed in the MoveDMD trial. Boys treated with edasalonexent continued to follow age-appropriate growth curves with age-appropriate increases in weight and height and overall body mass index trended down to age-normative values.

We also are evaluating edasalonexent for the potential treatment of Becker muscular dystrophy, or BMD, a related disease where edasalonexent therapy may be beneficial. BMD is a rare disease, and patients with BMD express low levels of dystrophin due to mutations in the dystrophin gene. Dystrophin production is reduced through the NF- $\kappa$ B-mediated induction of microRNAs that inhibit dystrophin translation. Inhibition of NF- $\kappa$ B in BMD directly enhances dystrophin production. We are currently investigating potential approaches for clinical trials in BMD.

In November 2018, we announced a collaboration with University of Texas Southwestern, or UT Southwestern, to explore the potential of edasalonexent to improve cardiac function in DMD and BMD. This is a one-year preclinical collaboration with Pradeep Mammen, MD, FACC, FAHA, founder and Medical Director of the Neuromuscular Cardiomyopathy Clinic at UT Southwestern Medical Center as well as Co-Director of the National Institute of Health Sponsored UT Southwestern Senator Paul D. Wellstone Muscular Dystrophy Cooperative Research Center. Cardiomyopathy is the leading cause of mortality in DMD and BMD. Preclinical and clinical data support the potential for cardiac benefits with edasalonexent in DMD and BMD.

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In addition to edasalonexent, we have developed additional product candidates for rare diseases, including CAT-5571, a potential treatment for cystic fibrosis, or CF. CAT-5571 is a small molecule that is designed to activate autophagy, a mechanism for recycling cellular components and digesting pathogens, which is important for host defenses and is depressed in CF. We have completed investigational new drug application-enabling activities for CAT-5571.

**Our Corporate Information**

We were incorporated under the laws of the State of Delaware on June 26, 2008 under the name Catabasis Pharmaceuticals, Inc. Our executive offices are located at One Kendall Square, Bldg. 1400E, Suite B14202, Cambridge, Massachusetts 02139, and our telephone number is (617) 349-1971. Our website address is www.catabasis.com. The information contained on, or that can be accessed through, our website is not a part of this prospectus supplement or the accompanying prospectus. We have included our website address in this prospectus supplement solely as an inactive textual reference.

**Implications of Being an Emerging Growth Company**

We qualify as an "emerging growth company" as defined in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act, and we may remain an emerging growth company until the end of our 2020 fiscal year. However, if certain events occur prior to the end of such period, including if we become a "large accelerated filer," our annual gross revenue exceeds \$1.07 billion, or we issue more than \$1.0 billion of non-convertible debt in any three-year period, we will cease to be an emerging growth company prior to the end of such period. For so long as we remain an emerging growth company, we are permitted and intend to rely on exemptions from certain disclosure and other requirements that are applicable to other public companies that are not emerging growth companies. These exemptions include:

reduced disclosure about our executive compensation arrangements;

exemption from holding non-binding advisory votes on executive compensation, including golden parachute arrangements;  
and

exemption from the auditor attestation requirement in the assessment of our internal controls over financial reporting.

Accordingly, the information contained in this prospectus supplement and the accompanying prospectus, and the information incorporated herein and therein by reference, may be different than the information you receive from other public companies in which you hold stock. However, we have irrevocably elected not to avail ourselves of the extended transition period for complying with new or revised accounting standards, and, therefore, we are subject to the same new or revised accounting standards as other public companies that are not emerging growth companies.

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**The Offering**

Securities offered by us	4,000,000 Units. Each Unit will consist of one share of our common stock and 0.5 of a warrant to purchase one share of our common stock (each a "Warrant"). Each Warrant included in the Units will have an exercise price of \$6.25 per share, will be immediately exercisable and will be exercisable for five years from the date of issuance. This prospectus supplement also relates to the offering of the shares of our common stock issuable upon exercise of the Warrants.
Common stock to be outstanding after this offering	11,141,996 shares, assuming no exercise of the Warrants included in this offering.
Use of proceeds	We intend to use the net proceeds from this offering for clinical trial and other research and development activities; continued growth of our manufacturing capabilities; initial investments in commercial and medical affairs infrastructure to support our transition to a commercial-stage company; and for working capital and other general corporate purposes. See the section entitled "Use of Proceeds" on page S-11 of this prospectus supplement.
Risk factors	See "Risk Factors" beginning on page S-7 of this prospectus supplement, as well as the other information included in or incorporated by reference in this prospectus supplement and the accompanying prospectus, for a discussion of certain factors you should carefully consider before deciding to invest in our securities.
Nasdaq Global Market symbol	Our common stock is listed on the Nasdaq Global Market under the symbol "CATB." There is no established public trading market for the Warrants, and we do not expect a market to develop. We do not intend to apply for listing of the Warrants on any securities exchange or other nationally recognized trading system. Without an active trading market, the liquidity of the Warrants will be limited.
The number of shares of our common stock to be outstanding immediately after this offering is based on 7,141,996 shares of our common stock outstanding as of December 31, 2018 and excludes the following:	

353,746 shares of common stock issued subsequent to December 31, 2018 in connection with our "at-the-market" offering pursuant to a sales agreement dated November 13, 2018, by and between Cowen and Company LLC and us;



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433,389 shares of common stock issuable upon the exercise of stock options outstanding as of December 31, 2018, at a weighted-average exercise price of \$29.05 per share;

877,916 shares of common stock available for future issuance in connection with future grants under our 2015 Stock Incentive Plan as of December 31, 2018;

76,010 shares of common stock available for future issuance under our 2015 Employee Stock Purchase Plan as of December 31, 2018 and 36,470 additional shares of common stock that became available for future issuance under our 2015 Employee Stock Purchase Plan as of January 1, 2019; and

4,202,449 shares of common stock that have been reserved for issuance in connection with warrants outstanding as of December 31, 2018, with a weighted-average exercise price of \$12.06 per share.

Unless otherwise indicated, all information in this prospectus supplement reflects and assumes:

a one-for-ten reverse stock split of our common stock that was effected on December 28, 2018;

no exercise of the outstanding options and warrants described above; and

no exercise of the Warrants included in this offering.

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**Risk Factors**

*An investment in our securities involves a high degree of risk. Before deciding whether to invest in our securities, you should consider carefully the risks and uncertainties described below and under the section captioned "Risk Factors" contained in our most recent Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2018 and other filings we make with the SEC from time to time, which are incorporated by reference herein in their entirety, together with other information in this prospectus supplement, the accompanying prospectus and the information incorporated by reference herein and therein and in any free writing prospectus that we may authorize for use in connection with this offering. If any of these risks actually occurs, our business, financial condition, results of operations or cash flow could suffer materially. In such event, the trading price of our common stock could decline and you might lose all or part of your investment.*

***Risks Related to This Offering***

**There is no public market for the Warrants being offered by us in this offering.**

There is no established public trading market for the Warrants being offered in this offering, and we do not expect a market to develop. In addition, we do not intend to apply to list the Warrants on any national securities exchange or other nationally recognized trading system, including the Nasdaq Global Market. Without an active market, the liquidity of the Warrants will be limited.

**You may experience future dilution as a result of future equity offerings.**

In order to raise additional capital, we may in the future offer additional shares of our common stock or other securities convertible into or exchangeable for our common stock at prices that may not be the same as the public offering price for the Units in this offering. We may sell shares or other securities in any other offering at prices that are less than the price paid by investors in this offering, and investors purchasing shares or other securities in the future could have rights superior to existing stockholders. The prices per share at which we sell additional shares of our common stock, or securities convertible or exchangeable into common stock, in future transactions may be higher or lower than the price paid by investors in this offering.

**We have broad discretion over the use of our cash and cash equivalents, including the net proceeds we receive in this offering, and may not use them effectively.**

Our management has broad discretion to use our cash and cash equivalents, including the net proceeds we receive in this offering, to fund our operations and could spend these funds in ways that do not improve our results of operations or enhance the value of our common stock. The failure by our management to apply these funds effectively could result in financial losses that could have a material adverse effect on our business, cause the price of our common stock to decline and delay the development of our product candidates. Pending their use to fund operations, we may invest our cash and cash equivalents in a manner that does not produce income or that loses value.

**Holders of Warrants purchased in this offering will have no rights as common stockholders until such holders exercise their Warrants and acquire our common stock.**

Until holders of Warrants acquire shares of our common stock upon exercise thereof, such holders will have no rights with respect to the shares of our common stock underlying the Warrants. Upon exercise of the Warrants, the holders will be entitled to exercise the rights of a common stockholder only as to matters for which the record date occurs after the exercise date.

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**The Warrants are speculative in nature.**

The Warrants do not confer any rights of common stock ownership on their holders, such as voting rights or the right to receive dividends, but rather merely represent the right to acquire shares of common stock at a fixed price for a limited period of time. Specifically, commencing on the date of issuance, holders of the Warrants may exercise their right to acquire the common stock and pay an exercise price of \$6.25 per share, subject to certain adjustments, prior to five years from the date of issuance, after which date any unexercised Warrants will expire and have no further value. Moreover, following this offering, the market value of the Warrants, if any, is uncertain and there can be no assurance that the market value of the Warrants will equal or exceed their imputed offering price. The Warrants will not be listed or quoted for trading on any market or exchange. There can be no assurance that the market price of the common stock will ever equal or exceed the exercise price of the Warrants, and consequently, it may not ever be profitable for holders of the Warrants to exercise the Warrants.

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**Forward-Looking Statements**

This prospectus supplement, the accompanying prospectus and the information incorporated by reference herein and therein include "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Exchange Act. These statements are based on expectations, estimates, forecasts and projections about the industry in which we operate and the beliefs and assumptions of our management. The words "anticipate," "believe," "goals," "seek," "estimate," "expect," "hypothesize," "intend," "may," "might," "plan," "predict," "project," "target," "potential," "will," "would," "could," "should," "continue" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words.

The forward-looking statements in this prospectus supplement, the accompanying prospectus and the information incorporated by reference herein and therein include, among other things, statements about:

our expectations regarding our ability to successfully conduct the PolarisDMD trial, and our expectations regarding the timing, design and results of such trial, including reporting top-line results of this trial in the second quarter of 2020 and the potential consistency of data produced by this trial with prior results from our MoveDMD® trial, as well as any new data and analyses relating to the safety profile and potential clinical benefits of edasalonexent;

our plans to identify, develop and commercialize novel therapeutics based on our SMART Linker<sup>SM</sup> drug discovery platform;

ongoing and planned clinical trials for edasalonexent and other product candidates, whether conducted by us or by any future collaborators, including the timing of initiation of these trials and of the anticipated results;

our plans to enter into collaborations for the development and commercialization of product candidates;

the potential benefits of any future collaboration;

our ability to receive research and development funding and achieve anticipated milestones under any future collaborations;

the timing of and our ability to obtain and maintain regulatory approvals for our product candidates;

the rate and degree of market acceptance and clinical utility of any products for which we receive marketing approval;

our commercialization, marketing and manufacturing capabilities and strategy;

our intellectual property position and strategy;

our ability to identify additional products or product candidates with significant commercial potential;

our expectations related to the use of proceeds from this offering;

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our estimates regarding expenses, future revenue, capital requirements and needs for additional financing;

developments relating to our competitors and our industry; and

the impact of government laws and regulations.

You are cautioned that these forward-looking statements are only predictions and are subject to risks, uncertainties and assumptions that are referenced in the section of this prospectus supplement

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entitled "Risk Factors" and in the other documents we file from time to time with the SEC, specifically our most recent Annual Report on Form 10-K, our Quarterly Reports on Form 10-Q and our Current Reports on Form 8-K. Except as required by law, we do not undertake or plan to update or revise any such forward-looking statements to reflect actual results, changes in plans, assumptions, estimates or projections or other circumstances affecting such forward-looking statements occurring after the date of this prospectus supplement, even if such results, changes or circumstances make it clear that any forward-looking information will not be realized. Any public statements or disclosures by us following this prospectus supplement which modify or impact any of the forward-looking statements contained in this prospectus supplement will be deemed to modify or supersede such statements in this prospectus supplement.

We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements. Actual results or events could differ materially from the plans, intentions and expectations disclosed in the forward-looking statements we make. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, collaborations, joint ventures or investments that we may make or enter into.

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**Use of Proceeds**

We estimate that the net proceeds from this offering will be approximately \$18.5 million after deducting the underwriting discount and estimated offering expenses payable by us. This estimate excludes the proceeds, if any, from exercise of the Warrants sold in this offering. If all of the Warrants sold in this offering were to be exercised in cash at the exercise price of \$6.25 per share, we would receive additional net proceeds of approximately \$12.5 million. We cannot predict when or if these Warrants will be exercised. It is possible that these Warrants may expire and may never be exercised.

We intend to use the net proceeds from this offering for clinical trial and other research and development activities; continued growth of our manufacturing capabilities; initial investments in commercial and medical affairs infrastructure to support our transition to a commercial-stage company; and for working capital and other general corporate purposes. We have not determined the amount of net proceeds to be used specifically for any such purposes. As a result, management will retain broad discretion over the allocation of the net proceeds. Pending the uses described above, we intend to invest the net proceeds from this offering in short-term, investment-grade interest-bearing securities such as money market accounts, certificates of deposit, commercial paper, and guaranteed obligations of the U.S. government, as well as reverse repurchase agreements which are collateralized by deposits in the form of U.S. government securities and obligations for an amount no less than 102% of their value.

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**Dividend Policy**

We have never declared or paid any cash dividends on our capital stock. We currently intend to retain earnings, if any, to finance the growth and development of our business. We do not intend to pay cash dividends in respect of our common stock in the foreseeable future. Payment of future dividends, if any, will be at the discretion of our board of directors and will depend on our financial condition, results of operations, capital requirements, restrictions contained in current or future financing instruments, provisions of applicable law and other factors the board deems relevant.

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The following table sets forth our cash and cash equivalents and capitalization as of September 30, 2018, as follows:

on a pro forma basis giving effect to the one-for-ten reverse stock split of our common stock that was effected on December 28, 2018; and

on a pro forma as adjusted basis to reflect the issuance and sale in this offering of 4,000,000 Units at the public offering price of \$5.00 per Unit, after deducting the underwriting discount and estimated offering expenses payable by us, and assuming no exercise of the Warrants offered hereby, no value is attributed to such Warrants and such Warrants are classified and accounted for as equity.

You should read this table together with the section of this prospectus supplement entitled "Use of Proceeds" and with the financial statements and related notes and the other information that we incorporated by reference into this prospectus supplement and the accompanying prospectus, including our most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q that we file from time to time.

	(in thousands)	As of September 30, 2018	
		Pro Forma	Pro Forma As Adjusted
Cash and cash equivalents		\$ 19,876	\$ 38,356
Common stock, \$0.001 par value, 150,000,000 shares authorized; 7,103,826 shares issued and outstanding at September 30, 2018, actual, and 11,103,826 shares issued and outstanding at September 30, 2018, as adjusted, respectively		7	11
Additional paid-in capital		231,761	250,237
Accumulated other comprehensive loss		(5)	(5)
Accumulated deficit		(191,244)	(191,244)
Total stockholders' equity		40,519	58,999
Total capitalization		\$ 40,519	\$ 58,999

The table above is based on 7,103,826 shares of our common stock outstanding as of September 30, 2018, and excludes the following:

391,916 shares of common stock issued subsequent to September 30, 2018 in connection with our "at-the-market" offering pursuant to a sales agreement dated November 13, 2018, by and between Cowen and Company LLC and us;

447,663 shares of common stock issuable upon the exercise of stock options outstanding as of September 30, 2018, at a weighted-average exercise price of \$30.24 per share;

13,642 shares of common stock available for future issuance in connection with future grants under our 2015 Stock Incentive Plan as of September 30, 2018 and 850,000 additional shares of common stock that became available for future issuance under our 2015 Stock Incentive Plan as of December 12, 2018;

76,010 shares of common stock available for future issuance under our 2015 Employee Stock Purchase Plan as of September 30, 2018 and 36,470 additional shares of common stock that became available for future issuance under our 2015

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Employee Stock Purchase Plan as of January 1, 2019; and

4,202,449 shares of common stock that have been reserved for issuance in connection with warrants outstanding as of September 30, 2018, with a weighted-average exercise price of \$12.06 per share.

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**Description of Securities We Are Offering**

We are offering Units, each Unit consisting of one share of our common stock and 0.5 of a Warrant to purchase one share of our common stock. The shares of common stock and the Warrants included in the Units can only be purchased together in this offering, but the securities contained in the Units will be issued separately and will be immediately separable upon issuance. We are also registering the shares of common stock included in the Units and the shares of common stock issuable from time to time upon exercise of Warrants included in the Units offered hereby.

**Common Stock**

Our authorized capital stock consists of 150,000,000 shares of common stock, \$0.001 par value per share, and 5,000,000 shares of preferred stock, \$0.001 par value per share. As of December 31, 2018, 7,141,996 shares of our common stock were outstanding.

*Voting Rights*

Holders of our common stock are entitled to one vote for each share held on all matters submitted to a vote of stockholders, except that unless otherwise required by law, holders of our common stock are not entitled to vote on any amendment to the certificate of incorporation that relates solely to the terms of one or more outstanding series of preferred stock, if the holders of such affected series are entitled, either separately or together as a class with the holders of one or more such other series, to vote thereon pursuant to the certificate of incorporation. Holders of our common stock do not have cumulative voting rights.

An election of directors will be decided by a plurality of the votes cast by the stockholders entitled to vote on the election at a duly held stockholders' meeting at which a quorum is present. All other questions will be decided by a majority of the votes cast by stockholders entitled to vote thereon at a duly held meeting of stockholders at which a quorum is present, except when a different vote is required by law, our certificate of incorporation or by-laws.

*Dividends*

Holders of common stock are entitled to receive proportionately any dividends as may be declared by our board of directors, subject to any preferential dividend or other rights of any series of preferred stock that we may designate and issue in the future.

*Liquidation and Dissolution*

In the event of our liquidation or dissolution, the holders of common stock are entitled to receive proportionately our net assets available for distribution to stockholders after the payment of all debts and other liabilities and subject to the prior rights of any outstanding preferred stock.

*Other Rights*

Holders of common stock have no preemptive, subscription, redemption or conversion rights. The rights, preferences and privileges of holders of common stock are subject to and may be adversely affected by the rights of the holders of shares of any series of preferred stock that we may designate and issue in the future.

*Transfer Agent and Registrar*

The transfer agent and registrar for our common stock is American Stock Transfer & Trust Company, LLC.

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*Listing on The NASDAQ Global Market*

Our common stock is listed on The NASDAQ Global Market under the symbol "CATB."

Additional information regarding our capital stock, including a description of certain terms of our certificate of incorporation and bylaws, is set forth under the caption "Description of Capital Stock" starting on page 8 of the accompanying prospectus.

**Warrants**

The following summary of certain terms and provisions of the Warrants is not complete and is subject to, and qualified in its entirety by, the provisions of the Warrants. Prospective investors should carefully review the terms and provisions of the form of Warrant for a complete description of the terms and conditions of the Warrants.

*Duration and Exercise Price*

Each Warrant will have an initial exercise price of \$6.25 per share. The Warrants will be immediately exercisable and will expire on the fifth anniversary the original issuance date. The exercise price and number of shares of common stock issuable upon exercise is subject to appropriate adjustment in the event of stock dividends, stock splits, reorganizations or similar events affecting our common stock and the exercise price. The Warrants will be issued separately from the common stock included in the Units. 0.5 of a Warrant to purchase one share of our common stock will be included in each Unit purchased in this offering.

*Cashless Exercise*

If, at the time a holder exercises its Warrants, a registration statement registering the issuance of the shares of common stock underlying the Warrants under the Securities Act is not then effective or available for the issuance of such shares, then in lieu of making the cash payment otherwise contemplated to be made to us upon such exercise in payment of the aggregate exercise price, the holder may elect instead to receive upon such exercise (either in whole or in part) the net number of shares of common stock determined according to a formula set forth in the Warrants.

*Exercisability*

The Warrants will be exercisable, at the option of each holder, in whole or in part, by delivering to us a duly executed exercise notice accompanied by payment in full for the number of shares of our common stock purchased upon such exercise (except in the case of a cashless exercise as discussed above). A holder (together with its affiliates) may not exercise any portion of a Warrant to the extent that the holder would own more than 4.99% of the outstanding common stock immediately after exercise, except that upon at least 61 days' prior notice from the holder to us, the holder may increase the amount of ownership of outstanding stock after exercising the holder's Warrants up to 9.99% of the number of shares of our common stock outstanding immediately after giving effect to the exercise, as such percentage ownership is determined in accordance with the terms of the Warrants. Purchasers of Warrants in this offering may also elect prior to the issuance of Warrants to have the initial exercise limitation set at 9.99% of our outstanding common stock.

*Fractional Shares*

No fractional shares of common stock will be issued upon the exercise of the Warrants. Rather, the number of shares of common stock to be issued will be rounded to the nearest whole number.

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*Transferability*

Subject to applicable laws, a Warrant may be transferred at the option of the holder upon surrender of the Warrant to us together with the appropriate instruments of transfer.

*Exchange Listing*

We do not intend to list the Warrants on any securities exchange or nationally recognized trading system. The common stock issuable upon exercise of the Warrants is currently listed on the Nasdaq Global Market.

*Right as a Stockholder*

Except as otherwise provided in the Warrants or by virtue of such holder's ownership of shares of our common stock, the holders of the Warrants do not have the rights or privileges of holders of our common stock, including any voting rights, until they exercise their Warrants.

*Fundamental Transaction*

In the event of a fundamental transaction, as described in the Warrants and generally including any reorganization, recapitalization or reclassification of our common stock, the sale, transfer or other disposition of all or substantially all of our properties or assets, our consolidation or merger with or into another person, the acquisition of at least 50% of our outstanding common stock, or any person or group becoming the beneficial owner of at least 50% of the voting power represented by our outstanding common stock, the holders of the Warrants will be entitled to receive upon exercise of the Warrants the kind and amount of securities, cash or other property that the holders would have received had they exercised the Warrants immediately prior to such fundamental transaction. In addition, in the event of a fundamental transaction which is approved by our Board, the holders of the Warrants have the right to require us or a successor entity to redeem the Warrants for cash in the amount of the Black-Scholes value of the unexercised portion of the Warrants on the date of the consummation of the fundamental transaction. In the event of a fundamental transaction which is not approved by our Board, the holders of the Warrants have the right to require us or a successor entity to redeem the Warrants for the consideration paid in the fundamental transaction in the amount of the Black Scholes value of the unexercised portion of the Warrants on the date of the consummation of the fundamental transaction payable at our option in either shares of our common stock (or, in certain cases, in the securities of the successor entity) or cash.

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**Material U.S. Federal Tax Considerations for Holders of Our Common Stock and Warrants**

The following discussion describes the material U.S. federal income tax consequences of the acquisition, ownership and disposition of our common stock and Warrants acquired in this offering. This discussion is based on the current provisions of the Internal Revenue Code of 1986, as amended, referred to as the Code, existing and proposed U.S. Treasury regulations promulgated thereunder, and administrative rulings and court decisions in effect as of the date hereof, all of which are subject to change at any time, possibly with retroactive effect. No ruling has been or will be sought from the Internal Revenue Service, or IRS, with respect to the matters discussed below, and there can be no assurance the IRS will not take a contrary position regarding the tax consequences of the acquisition, ownership or disposition of our common stock or Warrants, or that any such contrary position would not be sustained by a court.

We assume in this discussion that the shares of our common stock and Warrants will be held as capital assets (generally, property held for investment). This discussion does not address all aspects of U.S. federal income taxes, does not discuss the potential application of the Medicare contribution tax or the alternative minimum tax and does not address state or local taxes, U.S. federal gift and estate tax laws, except as specifically provided below with respect to non-U.S. holders, or any non-U.S. tax consequences that may be relevant to holders in light of their particular circumstances. This discussion also does not address the special tax rules applicable to particular holders, such as:

financial institutions;

brokers or dealers in securities;

tax-exempt organizations;

pension plans;

regulated investment companies;

owners that hold our common stock or Warrants as part of a straddle, hedge, conversion transaction, synthetic security or other integrated investment;

insurance companies;

controlled foreign corporations, passive foreign investment companies, or corporations that accumulate earnings to avoid U.S. federal income tax; and

certain U.S. expatriates.

In addition, this discussion does not address the tax treatment of partnerships or other pass-through entities or persons who hold our common stock or Warrants through partnerships or other entities which are pass-through entities for U.S. federal income tax purposes. A partner in a partnership or other pass-through entity that will hold our common stock or Warrants should consult his, her or its own tax advisor regarding the tax consequences of the ownership and disposition of our common stock or Warrants through a partnership or other pass-through entity, as applicable.

**This discussion of U.S. federal income tax considerations is for general information purposes only and is not tax advice. Prospective investors should consult their own tax advisors regarding the U.S. federal, state, local and non-U.S. income and other tax considerations of acquiring, holding and disposing of our common stock and Warrants.**

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For the purposes of this discussion, a "U.S. Holder" means a beneficial owner of our common stock or Warrants that is for U.S. federal income tax purposes (a) an individual citizen or resident of the United States, (b) a corporation (or other entity taxable as a corporation for U.S. federal income tax purposes), created or organized in or under the laws of the United States, any state thereof or the District of Columbia, (c) an estate the income of which is subject to U.S. federal income taxation

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regardless of its source, or (d) a trust if it (1) is subject to the primary supervision of a court within the United States and one or more U.S. persons (within the meaning of Section 7701(a)(30) of the Code) have the authority to control all substantial decisions of the trust or (2) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person. A "Non-U.S. Holder" is, for U.S. federal income tax purposes, a beneficial owner of common stock or Warrants that is not a U.S. Holder or a partnership for U.S. federal income tax purposes.

**Tax Cuts and Jobs Act**

Under tax legislation signed into law in December 2017 commonly known as the Tax Cuts and Jobs Act of 2017, U.S. Holders that use an accrual method of accounting for tax purposes and have certain financial statements generally will be required to include certain amounts in income no later than the time such amounts are taken into account as revenue in such financial statements. The application of this rule thus may require the accrual of income earlier than would be the case under the general tax rules described below, although the precise application of this rule is unclear at this time. This rule generally will be effective for taxable years beginning after December 31, 2017. U.S. Holders that use an accrual method of accounting should consult with their tax advisors regarding the potential applicability of this legislation to their particular situation.

**Allocation of Purchase Price of Unit**

For U.S. federal income tax purposes, each Unit will be treated as an "investment unit" consisting of one share of common stock and 0.5 of a warrant to acquire one share of our common stock. The purchase price for each investment unit will be allocated between these two components in proportion to their relative fair market values at the time the unit is purchased by the holder. This allocation of the purchase price for each unit will establish the holder's initial tax basis for U.S. federal income tax purposes in the share of common stock and the Warrant included in each unit. The separation of the share of common stock and the Warrant included in each unit should not be a taxable event for U.S. federal income tax purposes. Each holder should consult his, her or its own tax advisor regarding the allocation of the purchase price for a Unit.

**Tax Considerations Applicable to U.S. Holders**

*Exercise and Expiration of Warrants*

In general, a U.S. Holder will not recognize gain or loss for U.S. federal income tax purposes upon exercise of a Warrant. The U.S. Holder will take a tax basis in the shares acquired on the exercise of a Warrant equal to the exercise price of the Warrant, increased by the U.S. Holder's adjusted tax basis in the Warrant exercised (as determined pursuant to the rules discussed above). The U.S. Holder's holding period in the shares of our common stock acquired on exercise of the Warrant will begin on the date of exercise of the Warrant, and will not include any period for which the U.S. Holder held the Warrant.

In certain limited circumstances, a U.S. Holder may be permitted to undertake a cashless exercise of Warrants into our common stock. The U.S. federal income tax treatment of a cashless exercise of Warrants into our common stock is unclear, and the tax consequences of a cashless exercise could differ from the consequences upon the exercise of a Warrant described in the preceding paragraph. U.S. Holders should consult their own tax advisors regarding the U.S. federal income tax consequences of a cashless exercise of Warrants.

The lapse or expiration of a Warrant will be treated as if the U.S. Holder sold or exchanged the Warrant and recognized a capital loss equal to the U.S. Holder's tax basis in the Warrant. The deductibility of capital losses is subject to limitations.



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*Certain Adjustments to and Distributions on Warrants*

Under Section 305 of the Code, an adjustment to the number of shares of common stock issued on the exercise of the Warrants, or an adjustment to the exercise price of the Warrants, may be treated as a constructive distribution to a U.S. Holder of the Warrants if, and to the extent that, such adjustment has the effect of increasing such U.S. Holder's proportionate interest in our "earnings and profits" or assets, depending on the circumstances of such adjustment (for example, if such adjustment is to compensate for a distribution of cash or other property to our shareholders). An adjustment made pursuant to a bona fide reasonable adjustment formula that has the effect of preventing dilution should generally not be considered to result in a constructive distribution. Any such constructive distribution would be taxable whether or not there is an actual distribution of cash or other property to the holders of Warrants. In certain circumstances, if we were to make a distribution in cash or other property with respect to our common stock after the issuance of the Warrants, then we may make a corresponding distribution to a Warrant holder. The taxation of a distribution received with respect to a Warrant is unclear. It is possible such a distribution would be treated as a distribution (or constructive distribution), although other treatments are possible. For more information regarding the tax considerations related to distributions, see the discussion below regarding "Distributions." U.S. Holders should consult their tax advisors regarding the proper treatment of any adjustments to the Warrants and any distributions with respect to the Warrants.

*Distributions*

As discussed above, we currently anticipate that we will retain future earnings, if any, to finance the growth and development of our business and do not intend to pay cash dividends in respect of our common stock in the foreseeable future. In the event that we do make distributions on our common stock to a U.S. Holder, those distributions generally will constitute dividends for U.S. tax purposes to the extent paid out of our current or accumulated earnings and profits (as determined under U.S. federal income tax principles). Distributions in excess of our current and accumulated earnings and profits will constitute a return of capital that is applied against and reduces, but not below zero, a U.S. Holder's adjusted tax basis in our common stock. Any remaining excess will be treated as gain realized on the sale or exchange of our common stock as described below under the section titled "Disposition of Our Common Stock or Warrants."

*Disposition of Our Common Stock or Warrants*

Upon a sale or other taxable disposition of our common stock or Warrants, a U.S. Holder generally will recognize capital gain or loss in an amount equal to the difference between the amount realized and the U.S. Holder's adjusted tax basis in the common stock or Warrants. Capital gain or loss will constitute long-term capital gain or loss if the U.S. Holder's holding period for the common stock or Warrants exceeds one year. The deductibility of capital losses is subject to certain limitations. U.S. Holders who recognize losses with respect to a disposition of our common stock or Warrants should consult their own tax advisors regarding the tax treatment of such losses.

*Information Reporting and Backup Reporting*

Information reporting requirements generally will appl