



Catabasis Pharmaceuticals Reports Third Quarter 2020 Financial Results and Provides a Corporate Update

-- Cash and Cash Equivalents Totaled \$52.9 Million as of September 30, 2020 --

BOSTON, Mass., November 12, 2020 – [Catabasis Pharmaceuticals, Inc.](#) (NASDAQ:CATB), a biopharmaceutical company, today reported financial results for the third quarter ended September 30, 2020 and provided a corporate update.

As previously reported, the Phase 3 PolarisDMD trial of edasalonexent in Duchenne muscular dystrophy (DMD) did not meet the primary endpoint, change from baseline in the North Star Ambulatory Assessment, over one year of treatment compared to placebo. The secondary endpoint timed function tests also did not show statistically significant improvements. Edasalonexent was observed to be generally safe and well-tolerated in this trial, consistent with the safety profile seen to date. As previously announced, Catabasis is stopping activities related to the development of edasalonexent, including the ongoing GalaxyDMD open-label extension trial.

Catabasis has engaged Ladenburg Thalmann & Co. Inc. to act as its strategic financial advisor for the previously announced plan to explore and evaluate strategic options. Potential strategic options that may be evaluated include a merger, business combination, in-licensing, out-licensing or other strategic transaction. There can be no assurance that this process will result in any such transaction. We do not intend to discuss or disclose further developments during this process unless and until our Board of Directors has approved a specific action or otherwise determined that further disclosure is appropriate.

Third Quarter 2020 Financial Results

Cash Position: As of September 30, 2020, Catabasis had cash, cash equivalents and short-term investments of \$52.9 million, compared to \$53.9 million as of June 30, 2020. Based on the Company's current operating plan, Catabasis expects that it has sufficient cash to fund operations for at least the next 12 months. Net cash used in operating activities for the three months ended September 30, 2020 was \$10.0 million, compared to \$6.5 million for the three months ended September 30, 2019.

R&D Expenses: Research and development expenses were \$7.8 million for the three months ended September 30, 2020, compared to \$4.7 million for the three months ended September 30, 2019.

G&A Expenses: General and administrative expenses were \$3.1 million for the three months ended September 30, 2020, compared to \$2.0 million for the three months ended September 30, 2019.

Operating Loss: Loss from operations was \$10.9 million for the three months ended September 30, 2020, compared to \$6.7 million for the three months ended September 30, 2019.

Net Loss: Net loss was \$10.9 million, or \$0.56 per share, for the three months ended September 30, 2020, compared to a net loss of \$6.5 million, or \$0.56 per share, for the three months ended September 30, 2019.

About Catabasis

Catabasis Pharmaceuticals is a biopharmaceutical company. Our mission is to bring hope with life-changing therapies to patients and families.

Forward Looking Statements

Any statements in this press release about future expectations, plans and prospects for the Company, including statements about its exploration and evaluation of strategic options, the termination of activities related to the edasalonexent program, including the ongoing GalaxyDMD open-label extension trial, and cash to fund operations, and other statements containing the words “believes,” “anticipates,” “plans,” “hopes,” “expects,” and similar expressions, constitute forward-looking statements within the meaning of applicable securities laws and regulations. Actual results may differ materially from those indicated by such forward-looking statements as a result of various important factors, including risks and uncertainties related to: the impact of the COVID-19 pandemic and the effectiveness of the steps we have implemented to address the pandemic; the availability of funding sufficient for the Company’s foreseeable and unforeseeable operating expenses and capital expenditure requirements; unexpected costs or expenses, including any that arise during the termination of activities related to the edasalonexent program; risks inherent in the Company’s exploration, evaluation and implementation of its review of strategic options; and general market and economic conditions; and other factors discussed in the “Risk Factors” section of the Company’s Quarterly Report on Form 10-Q for the period ended September 30, 2020, which is on file with the Securities and Exchange Commission, and in other filings that the Company may make with the Securities and Exchange Commission in the future. In addition, the forward-looking statements included in this press release represent the Company’s views as of the date of this press release. The Company anticipates that subsequent events and developments will cause the Company’s views to change. However, while the Company may elect to update these forward-looking statements at some point in the future, the Company specifically disclaims any obligation to do so. These forward-looking statements should not be relied upon as representing the Company’s views as of any date subsequent to the date of this release.

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Catabasis Pharmaceuticals, Inc.
Consolidated Statements of Operations
(In thousands, except share and per share data)
(Unaudited)

| | <u>Three Months Ended September 30,</u> | | <u>Nine Months Ended September 30,</u> | |
|-------------------------------------------------------------------------------------------|-----------------------------------------|-------------------|----------------------------------------|-------------------|
| | <u>2020</u> | <u>2019</u> | <u>2020</u> | <u>2019</u> |
| Operating expenses: | | | | |
| Research and development | \$ 7,806 | \$ 4,697 | \$ 19,845 | \$ 14,054 |
| General and administrative | 3,057 | 1,985 | 8,612 | 6,287 |
| Total operating expenses | <u>10,863</u> | <u>6,682</u> | <u>28,457</u> | <u>20,341</u> |
| Loss from operations | (10,863) | (6,682) | (28,457) | (20,341) |
| Other income (expense): | | | | |
| Interest and investment income | 4 | 214 | 231 | 697 |
| Other expense, net | (3) | (46) | (96) | (39) |
| Total other income, net | <u>1</u> | <u>168</u> | <u>135</u> | <u>658</u> |
| Net loss | \$ (10,862) | \$ (6,514) | \$ (28,322) | \$ (19,683) |
| Net loss per share - basic and diluted | <u>\$ (0.56)</u> | <u>\$ (0.56)</u> | <u>\$ (1.59)</u> | <u>\$ (1.80)</u> |
| Weighted-average common shares outstanding used in net loss per share - basic and diluted | <u>19,424,866</u> | <u>11,624,232</u> | <u>17,769,738</u> | <u>10,945,765</u> |

Catabasis Pharmaceuticals, Inc.
Selected Consolidated Balance Sheets Data
(In thousands)
(Unaudited)

| | <u>September 30,</u> | <u>December 31,</u> |
|--------------------------------------------------|----------------------|---------------------|
| | <u>2020</u> | <u>2019</u> |
| Assets | | |
| Cash and cash equivalents | \$ 52,856 | \$ 9,899 |
| Short-term investments | - | 26,345 |
| Right-of-use asset | 1,178 | 2,349 |
| Other current and long-term assets | <u>2,816</u> | <u>3,187</u> |
| Total assets | 56,850 | 41,780 |
| Liabilities and stockholders' equity | | |
| Current portion of operating lease liabilities | 648 | 1,225 |
| Long-term portion of operating lease liabilities | 559 | 1,028 |
| Other current and long-term liabilities | <u>6,332</u> | <u>3,807</u> |
| Total liabilities | 7,539 | 6,060 |
| Total stockholders' equity | \$ 49,311 | \$ 35,720 |

Catabasis Pharmaceuticals, Inc.
Selected Consolidated Statements of Cash Flows Data
(In thousands)
(Unaudited)

| | Nine Months Ended September 30, | |
|------------------------------------------------------------|----------------------------------------|-----------------|
| | 2020 | 2019 |
| Net cash used in operating activities | \$ (24,424) | \$ (18,799) |
| Net cash provided by (used) in investing activities | 26,310 | (578) |
| Net cash provided by financing activities | 40,829 | 21,848 |
| Net increase in cash, cash equivalents and restricted cash | <u>\$ 42,715</u> | <u>\$ 2,471</u> |