

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of report (Date of earliest event reported): **June 2, 2021**

Catabasis Pharmaceuticals, Inc.

(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-37467
(Commission
File Number)

26-3687168
(IRS Employer
Identification No.)

100 High Street, 28th Floor
Boston, Massachusetts
(Address of Principal Executive Offices)

02110
(Zip Code)

Registrant's telephone number, including area code: **(617) 349-1971**

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.001 per share	CATB	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On June 2, 2021, Catabasis Pharmaceuticals, Inc. (the “Company”) held its Annual Meeting of Stockholders (the “Annual Meeting”). At the Annual Meeting, the Company’s stockholders, upon the recommendation of the Company’s Board of Directors, approved an amendment of the Company’s Amended and Restated 2015 Stock Incentive Plan (the “2015 Plan”), which amendment had been previously approved by the Company’s Board of Directors subject to stockholder approval, to increase the number of shares of the Company’s common stock that may be issued under the 2015 Plan by 6,000,000 shares, increasing the maximum number of shares of common stock issuable under the 2015 Plan from 3,372,248 to 9,372,248.

The description of the 2015 Plan contained in the Company’s proxy statement for the Annual Meeting, filed with the Securities and Exchange Commission on April 16, 2021, under the heading “Proposal No. 4—Approval of Plan Increase Proposal” is incorporated herein by reference. A complete copy of the 2015 Plan, as so amended, is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

Item 5.07. Submission of Matters to a Vote of Security Holders.

The Company held the Annual Meeting on June 2, 2021. The following is a summary of the matters voted on at that meeting.

- a) Proposal 1. The stockholders of the Company elected Gregg Lapointe and Jonathan Violin as Class III directors to the Company’s Board of Directors, each to serve for a three-year term expiring at the annual meeting of stockholders to be held in 2024. The results of the stockholders’ vote with respect to the election of Class III directors were as follows:

Name	Votes For	Votes Withheld	Broker Non-Votes	Votes Abstaining
Gregg Lapointe	7,597,417	807,100	4,947,492	—
Jonathan Violin	7,903,998	500,519	4,947,492	—

- b) Proposal 2. The stockholders of the Company approved the issuance, in accordance with Nasdaq Listing Rule 5635(a), of the Company’s common stock upon conversion of its Series X Preferred Stock issued in January and February 2021 (the “Conversion Proposal”). The results of the stockholders’ vote with respect to this proposal were as follows:

Votes For	Votes Against	Broker Non-Votes	Votes Abstaining
4,755,492	226,431	4,947,492	89,925

The above voting results for Proposal 2 do not include the 3,332,669 shares of Company common stock that were issued in the Company’s acquisition of Quellis Biosciences, Inc. that were not entitled to vote on Proposal 2 for purposes of Nasdaq rules. All of these shares were voted in favor of Proposal 2 for purposes of adopting the proposal under Delaware law. However, to comply with applicable Nasdaq rules, the Company instructed the inspector of elections to conduct a separate tabulation, which is set forth above, that subtracted all of the shares from the total number of shares voted in favor of Proposal 2 for purposes of determining whether the proposal was also adopted under applicable Nasdaq rules.

- c) Proposal 3. The stockholders of the Company approved an amendment to the Company's certificate of incorporation to effect a reverse stock split at a ratio in the range of 1-for-3 to 1-for-6, with the exact ratio to be set within that range at the discretion of the Company's Board of Directors before December 2, 2021 without further approval or authorization of the Company's stockholders and with the Company's Board of Directors able to elect to abandon such proposed amendment and not effect the reverse stock split authorized by stockholders, in its sole discretion. The results of the stockholders' vote with respect to this proposal were as follows:

Votes For	Votes Against	Broker Non-Votes	Votes Abstaining
12,364,530	967,838	—	19,641

- d) Proposal 4. The stockholders of the Company approved the amendment of the 2015 Plan. The results of the stockholders' vote with respect to the approval of the amendment of the 2015 Plan were as follows:

Votes For	Votes Against	Broker Non-Votes	Votes Abstaining
6,712,096	1,654,161	4,947,492	38,260

- e) Proposal 5. The stockholders of the Company ratified the appointment of Ernst & Young LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2021. The results of the stockholders' vote with respect to the ratification of such appointment were as follows:

Votes For	Votes Against	Broker Non-Votes	Votes Abstaining
12,997,135	240,370	—	114,504

- f) Proposal 6. The stockholders of the Company approved, on an advisory basis, the compensation of the Company's named executive officers. The results of the stockholders' vote with respect to the advisory vote on executive compensation were as follows:

Votes For	Votes Against	Broker Non-Votes	Votes Abstaining
7,732,194	535,325	4,947,492	136,998

- g) Proposal 7. The stockholders of the Company approved, by non-binding advisory vote, the frequency of future executive compensation advisory votes. The voting results were as follows:

One Year	Two Years	Three Years	Votes Abstaining
8,174,514	86,692	72,000	71,311

Item 7.01. Regulation FD Disclosure.

The Company has updated its Corporate Presentation that will be available on the Investor Relations page of the Company's website at <https://ir.catabasis.com/events-and-presentation> and will be used at investor and other meetings. A copy of the updated Corporate Presentation is furnished as Exhibit 99.2 to this Current Report on Form 8-K and is incorporated herein by reference. The Company does not undertake to update this presentation.

The information in Item 7.01 of this Current Report on Form 8-K, including Exhibit 99.2 to this Current Report on Form 8-K, is furnished pursuant to Item 7.01 of Form 8-K and shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section. Furthermore, the information in Item 7.01 of this Current Report on Form 8-K, including the presentation attached as Exhibit 99.2 to this Current Report on Form 8-K, shall not be deemed to be incorporated by reference in the filings of Catabasis under the Securities Act of 1933, as amended.

Item 8.01. Other Events.

Following approval of the Conversion Proposal, the Company had approximately 109 million shares of common stock issued and outstanding on a pro forma basis, which gives effect to the full conversion of the Series X Preferred Stock as of the date of the Annual Meeting, without regard to beneficial ownership limitations that may limit the ability of certain holders of Series X Preferred Stock to convert such shares to the Company’s common stock at such time. Each share of Series X Preferred Stock is convertible into 1,000 shares of the Company’s common stock. Based upon existing beneficial ownership limitations, the Company anticipates that approximately 43,286 shares of Series X Preferred Stock will automatically convert into 43,286,314 shares of common stock on June 8, 2021, the fourth business day following stockholder approval of the Conversion Proposal. The remaining approximately 42,791 shares of Series X Preferred Stock (which are convertible into 42,790,686 shares of common stock) will remain convertible at the option of the holder thereof, subject to certain beneficial ownership limitations.

Forward-Looking Statements

Statements in this Current Report on Form 8-K about the anticipated number of shares of Series X Preferred Stock that will convert into shares of common stock constitute forward-looking statements under 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: the impact of certain beneficial ownership limitations applicable to holders of shares of Series X Preferred Stock, and other factors discussed in the “Risk Factors” section of the Company’s annual report on Form 10-K for the year ended December 31, 2020 and subsequent quarterly reports on Form 10-Q, as filed with the Securities and Exchange Commission and other reports on file with the Securities and Exchange Commission. In addition, the forward-looking statements included in this Current Report on Form 8-K represent the Company’s views as of the date hereof. 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 hereof.

Item 9.01. Exhibits.

Exhibits

Number	Description
99.1	Amended and Restated 2015 Stock Incentive Plan
99.2	Corporate Presentation dated June 2021
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CATABASIS PHARMACEUTICALS, INC.

Date: June 2, 2021

By: /s/ Ben Harshbarger
Ben Harshbarger
Senior Vice President, General Counsel

CATABASIS PHARMACEUTICALS, INC.
AMENDED AND RESTATED
2015 STOCK INCENTIVE PLAN⁽¹⁾

1. Purpose

The purpose of this 2015 Stock Incentive Plan (the “**Plan**”) of Catabasis Pharmaceuticals, Inc., a Delaware corporation (the “**Company**”), is to advance the interests of the Company’s stockholders by enhancing the Company’s ability to attract, retain and motivate persons who are expected to make important contributions to the Company and by providing such persons with equity ownership opportunities and performance-based incentives that are intended to better align the interests of such persons with those of the Company’s stockholders. Except where the context otherwise requires, the term “**Company**” shall include any of the Company’s present or future parent or subsidiary corporations as defined in Sections 424(e) or (f) of the Internal Revenue Code of 1986, as amended, and any regulations thereunder (the “**Code**”) and any other business venture (including, without limitation, joint venture or limited liability company) in which the Company has a controlling interest, as determined by the Board of Directors of the Company (the “**Board**”).

2. Eligibility

All of the Company’s employees, officers and directors, as well as consultants and advisors to the Company (as such terms are defined and interpreted for purposes of Form S-8 under the Securities Act of 1933, as amended (the “**Securities Act**”), or any successor form) are eligible to be granted Awards under the Plan. Each person who is granted an Award under the Plan is deemed a “**Participant**.” “**Award**” means Options (as defined in Section 5), SARs (as defined in Section 6), Restricted Stock (as defined in Section 7), Restricted Stock Units (as defined in Section 7) and Other Stock-Based Awards (as defined in Section 8).

3. Administration and Delegation

(a) Administration by Board of Directors. The Plan will be administered by the Board. The Board shall have authority to grant Awards and to adopt, amend and repeal such administrative rules, guidelines and practices relating to the Plan as it shall deem advisable. The Board may construe and interpret the terms of the Plan and any Award agreements entered into under the Plan. The Board may correct any defect, supply any omission or reconcile any inconsistency in the Plan or any Award in the manner and to the extent it shall deem expedient and it shall be the sole and final judge of such expediency. All decisions by the Board shall be made in the Board’s sole discretion and shall be final and binding on all persons having or claiming any interest in the Plan or in any Award.

(b) Appointment of Committees. To the extent permitted by applicable law, the Board may delegate any or all of its powers under the Plan to one or more committees or subcommittees of the Board (a “**Committee**”). All references in the Plan to the “**Board**” shall mean the Board or a Committee of the Board or the officers referred to in Section 3(c) to the extent that the Board’s powers or authority under the Plan have been delegated to such Committee or officers.

(c) Delegation to Officers. To the extent permitted by applicable law, the Board may delegate to one or more officers of the Company the power to grant Options and other Awards that constitute rights under Delaware law (subject to any limitations under the Plan) to employees or officers of the Company and to exercise such other powers under the Plan as the Board may determine, *provided* that the Board shall fix the terms of such Awards to be granted by such officers (including the exercise price of such Awards, which may include a formula by which the exercise price will be determined) and the maximum number of shares subject to such Awards that the officers may grant; *provided further*, however, that no officer shall be authorized to grant such Awards to any “executive officer” of the Company (as defined by Rule 3b-7 under the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”) or to any “officer” of the Company (as defined by Rule 16a-1 under the Exchange Act). The Board may not delegate authority under this Section 3(c) to grant Restricted Stock, unless Delaware law then permits such delegation.

(1) As amended by the Plan Increase.

4. Stock Available for Awards

(a) Number of Shares; Share Counting.

(1) Authorized Number of Shares. Subject to adjustment under Section 9, Awards may be made under the Plan (any or all of which Awards may be in the form of Incentive Stock Options, as defined in Section 5(b)) for up to such number of shares of common stock, \$0.001 par value per share, of the Company (the “**Common Stock**”) as is equal to the sum of:

(A) 9,372,248 shares of Common Stock; plus

(B) such additional number of shares of Common Stock (up to 150,465 shares) as is equal to the sum of (x) the 2,594 shares of Common Stock reserved for issuance under the Company’s 2008 Equity Incentive Plan (the “**Existing Plan**”) that remained available for grant under the Existing Plan immediately prior to the closing of the Company’s initial public offering and (y) the number of shares of Common Stock subject to awards granted under the Existing Plan which awards expire, terminate or are otherwise surrendered, canceled, forfeited or repurchased by the Company at their original issuance price pursuant to a contractual repurchase right (subject, however, in the case of Incentive Stock Options to any limitations of the Code). Shares issued under the Plan may consist in whole or in part of authorized but unissued shares or treasury shares.

(2) Share Counting. For purposes of counting the number of shares available for the grant of Awards under the Plan:

(A) all shares of Common Stock covered by SARs shall be counted against the number of shares available for the grant of Awards under the Plan; *provided, however*, that (i) SARs that may be settled only in cash shall not be so counted and (ii) if the Company grants an SAR in tandem with an Option for the same number of shares of Common Stock and provides that only one such Award may be exercised (a “**Tandem SAR**”), only the shares covered by the Option, and not the shares covered by the Tandem SAR, shall be so counted, and the expiration of one in connection with the other’s exercise will not restore shares to the Plan;

(B) if any Award (i) expires or is terminated, surrendered or canceled without having been fully exercised or is forfeited in whole or in part (including as the result of shares of Common Stock subject to such Award being repurchased by the Company at the original issuance price pursuant to a contractual repurchase right) or (ii) results in any Common Stock not being issued, the unused Common Stock covered by such Award shall again be available for the grant of Awards; *provided, however*, that (1) in the case of Incentive Stock Options, the foregoing shall be subject to any limitations under the Code, (2) in the case of the exercise of an SAR, the number of shares counted against the shares available under the Plan shall be the full number of shares subject to the SAR multiplied by the percentage of the SAR actually exercised, regardless of the number of shares actually used to settle such SAR upon exercise and (3) the shares covered by a Tandem SAR shall not again become available for grant upon the expiration or termination of such Tandem SAR;

(C) shares of Common Stock delivered (by actual delivery, attestation, or net exercise) to the Company by a Participant to (i) purchase shares of Common Stock upon the exercise of an Award or (ii) satisfy tax withholding obligations (including shares retained from the Award creating the tax obligation) shall not be added back to the number of shares available for the future grant of Awards; and

(D) shares of Common Stock repurchased by the Company on the open market using the proceeds from the exercise of an Award shall not increase the number of shares available for future grant of Awards.

(b) Substitute Awards. In connection with a merger or consolidation of an entity with the Company or the acquisition by the Company of property or stock of an entity, the Board may grant Awards in substitution for any options or other stock or stock-based awards granted by such entity or an affiliate thereof. Substitute Awards may be granted on such terms as the Board deems appropriate in the circumstances, notwithstanding any limitations on Awards contained in the Plan. Substitute Awards shall not count against the overall share limit set forth in Section 4(a)(1), except as may be required by reason of Section 422 and related provisions of the Code.

5. Stock Options

(a) General. The Board may grant options to purchase Common Stock (each, an “**Option**”) and determine the number of shares of Common Stock to be covered by each Option, the exercise price of each Option and the conditions and limitations applicable to the exercise of each Option, including conditions relating to applicable federal or state securities laws, as it considers necessary or advisable.

(b) Incentive Stock Options. An Option that the Board intends to be an “incentive stock option” as defined in Section 422 of the Code (an “**Incentive Stock Option**”) shall only be granted to employees of Catabasis Pharmaceuticals, Inc., any of Catabasis Pharmaceuticals, Inc.’s present or future parent or subsidiary corporations as defined in Sections 424(e) or (f) of the Code, and any other entities the employees of which are eligible to receive Incentive Stock Options under the Code, and shall be subject to and shall be construed consistently with the requirements of Section 422 of the Code. An Option that is not intended to be an Incentive Stock Option shall be designated a “**Nonstatutory Stock Option**.” The Company shall have no liability to a Participant, or any other party, if an Option (or any part thereof) that is intended to be an Incentive Stock Option is not an Incentive Stock Option or if the Company converts an Incentive Stock Option to a Nonstatutory Stock Option.

(c) Exercise Price. The Board shall establish the exercise price of each Option and specify the exercise price in the applicable Option agreement. The exercise price shall be not less than 100% of the fair market value per share of Common Stock as determined by (or in a manner approved by) the Board (“**Fair Market Value**”) on the date the Option is granted; *provided* that if the Board approves the grant of an Option with an exercise price to be determined on a future date, the exercise price shall be not less than 100% of the Fair Market Value on such future date.

(d) Duration of Options. Each Option shall be exercisable at such times and subject to such terms and conditions as the Board may specify in the applicable option agreement; *provided, however*, that no Option will be granted with a term in excess of 10 years.

(e) Exercise of Options. Options may be exercised by delivery to the Company of a notice of exercise in a form (which may be electronic) approved by the Company, together with payment in full (in the manner specified in Section 5(f)) of the exercise price for the number of shares for which the Option is exercised. Shares of Common Stock subject to the Option will be delivered by the Company as soon as practicable following exercise.

(f) Payment Upon Exercise. Common Stock purchased upon the exercise of an Option granted under the Plan shall be paid for as follows:

(1) in cash or by check, payable to the order of the Company;

(2) except as may otherwise be provided in the applicable Option agreement or approved by the Board, in its sole discretion, by (i) delivery of an irrevocable and unconditional undertaking by a creditworthy broker to deliver promptly to the Company sufficient funds to pay the exercise price and any required tax withholding or (ii) delivery by the Participant to the Company of a copy of irrevocable and unconditional instructions to a creditworthy broker to deliver promptly to the Company cash or a check sufficient to pay the exercise price and any required tax withholding;

(3) to the extent provided for in the applicable Option agreement or approved by the Board, in its sole discretion, by delivery (either by actual delivery or attestation) of shares of Common Stock owned by the Participant valued at their Fair Market Value, provided (i) such method of payment is then permitted under applicable law, (ii) such Common Stock, if acquired directly from the Company, was owned by the Participant for such minimum period of time, if any, as may be established by the Board in its discretion and (iii) such Common Stock is not subject to any repurchase, forfeiture, unfulfilled vesting or other similar requirements;

(4) to the extent provided for in the applicable Nonstatutory Stock Option agreement or approved by the Board in its sole discretion, by delivery of a notice of “net exercise” to the Company, as a result of which the Participant would receive (i) the number of shares underlying the portion of the Option being exercised, less (ii) such number of shares as is equal to (A) the aggregate exercise price for the portion of the Option being exercised divided by (B) the Fair Market Value on the date of exercise;

(5) to the extent permitted by applicable law and provided for in the applicable Option agreement or approved by the Board, in its sole discretion, by payment of such other lawful consideration as the Board may determine; or

(6) by any combination of the above permitted forms of payment.

(g) Limitation on Repricing. Unless such action is approved by the Company’s stockholders, the Company may not (except as provided for under Section 9): (1) amend any outstanding Option granted under the Plan to provide an exercise price per share that is lower than the then-current exercise price per share of such outstanding Option, (2) cancel any outstanding option (whether or not granted under the Plan) and grant in substitution therefor new Awards under the Plan (other than Awards granted pursuant to Section 4(b)) covering the same or a different number of shares of Common Stock and having an exercise price per share lower than the then-current exercise price per share of the cancelled option, (3) cancel in exchange for a cash payment any outstanding Option with an exercise price per share above the then-current Fair Market Value, or (4) take any other action under the Plan that constitutes a “repricing” within the meaning of the rules of the NASDAQ Stock Market (“*NASDAQ*”).

(h) No Dividend Equivalents. No Option shall provide for the payment or accrual of dividend equivalents.

6. Stock Appreciation Rights

(a) General. The Board may grant Awards consisting of stock appreciation rights (“*SARs*”) entitling the holder, upon exercise, to receive an amount of Common Stock or cash or a combination thereof (such form to be determined by the Board) determined by reference to appreciation, from and after the date of grant, in the Fair Market Value of a share of Common Stock over the measurement price established pursuant to Section 6(b). The date as of which such appreciation is determined shall be the exercise date.

(b) Measurement Price. The Board shall establish the measurement price of each SAR and specify it in the applicable SAR agreement. The measurement price shall not be less than 100% of the Fair Market Value on the date the SAR is granted; *provided* that if the Board approves the grant of an SAR effective as of a future date, the measurement price shall be not less than 100% of the Fair Market Value on such future date.

(c) Duration of SARs. Each SAR shall be exercisable at such times and subject to such terms and conditions as the Board may specify in the applicable SAR agreement; *provided, however*, that no SAR will be granted with a term in excess of 10 years.

(d) Exercise of SARs. SARs may be exercised by delivery to the Company of a notice of exercise in a form (which may be electronic) approved by the Company, together with any other documents required by the Board.

(e) Limitation on Repricing. Unless such action is approved by the Company’s stockholders, the Company may not (except as provided for under Section 9): (1) amend any outstanding SAR granted under the Plan to provide a measurement price per share that is lower than the then-current measurement price per share of such outstanding SAR, (2) cancel any outstanding SAR (whether or not granted under the Plan) and grant in substitution therefor new Awards under the Plan (other than Awards granted pursuant to Section 4(b)) covering the same or a different number of shares of Common Stock and having an exercise or measurement price per share lower than the then-current measurement price per share of the cancelled SAR, (3) cancel in exchange for a cash payment any outstanding SAR with a measurement price per share above the then-current Fair Market Value, or (4) take any other action under the Plan that constitutes a “repricing” within the meaning of the rules of NASDAQ.

(f) No Dividend Equivalents. No SAR shall provide for the payment or accrual of dividend equivalents.

7. Restricted Stock; Restricted Stock Units

(a) General. The Board may grant Awards entitling recipients to acquire shares of Common Stock ("**Restricted Stock**"), subject to the right of the Company to repurchase all or part of such shares at their issue price or other stated or formula price (or to require forfeiture of such shares if issued at no cost) from the recipient in the event that conditions specified by the Board in the applicable Award are not satisfied prior to the end of the applicable restriction period or periods established by the Board for such Award. The Board may also grant Awards entitling the recipient to receive shares of Common Stock or cash to be delivered at the time such Award vests ("**Restricted Stock Units**") (Restricted Stock and Restricted Stock Units are each referred to herein as a "**Restricted Stock Award**").

(b) Terms and Conditions for All Restricted Stock Awards. The Board shall determine the terms and conditions of a Restricted Stock Award, including the conditions for vesting and repurchase (or forfeiture) and the issue price, if any.

(c) Additional Provisions Relating to Restricted Stock.

(1) Dividends. Any dividends (whether paid in cash, stock or property) declared and paid by the Company with respect to shares of Restricted Stock ("**Accrued Dividends**") shall be paid to the Participant only if and when such shares become free from the restrictions on transferability and forfeitability that apply to such shares. Each payment of Accrued Dividends will be made no later than the end of the calendar year in which the dividends are paid to stockholders of that class of stock or, if later, the 15th day of the third month following the lapsing of the restrictions on transferability and the forfeitability provisions applicable to the underlying shares of Restricted Stock.

(2) Stock Certificates. The Company may require that any stock certificates issued in respect of shares of Restricted Stock, as well as dividends or distributions paid on such Restricted Stock, shall be deposited in escrow by the Participant, together with a stock power endorsed in blank, with the Company (or its designee). At the expiration of the applicable restriction periods, the Company (or such designee) shall deliver the certificates no longer subject to such restrictions to the Participant or if the Participant has died, to his or her Designated Beneficiary. "**Designated Beneficiary**" means (i) the beneficiary designated, in a manner determined by the Board, by a Participant to receive amounts due or exercise rights of the Participant in the event of the Participant's death or (ii) in the absence of an effective designation by a Participant, the Participant's estate.

(d) Additional Provisions Relating to Restricted Stock Units.

(1) Settlement. Upon the vesting of and/or lapsing of any other restrictions (i.e., settlement) with respect to each Restricted Stock Unit, the Participant shall be entitled to receive from the Company such number of shares of Common Stock or (if so provided in the applicable Award agreement) an amount of cash equal to the Fair Market Value of such number of shares of Common Stock as are set forth in the applicable Restricted Stock Unit agreement. The Board may, in its discretion, provide that settlement of Restricted Stock Units shall be deferred, on a mandatory basis or at the election of the Participant in a manner that complies with Section 409A of the Code.

(2) Voting Rights. A Participant shall have no voting rights with respect to any Restricted Stock Units.

(3) Dividend Equivalents. The Award agreement for Restricted Stock Units may provide Participants with the right to receive an amount equal to any dividends or other distributions declared and paid on an equal number of outstanding shares of Common Stock ("**Dividend Equivalents**"). Dividend Equivalents may be settled in cash and/or shares of Common Stock and shall be subject to the same restrictions on transfer and forfeitability as, and the payment of such Dividend Equivalents shall be subject to the vesting of, the Restricted Stock Units with respect to which paid.

8. Other Stock-Based Awards

(a) General. Other Awards of shares of Common Stock, and other Awards that are valued in whole or in part by reference to, or are otherwise based on, shares of Common Stock or other property, may be granted hereunder to Participants ("**Other Stock-Based Awards**"). Such Other Stock-Based Awards shall also be available as a form of payment in the settlement of other Awards granted under the Plan or as payment in lieu of compensation to which a Participant is otherwise entitled. Other Stock-Based Awards may be paid in shares of Common Stock or cash, as the Board shall determine. Any Dividend Equivalents awarded with respect to Other Stock-Based Awards shall be subject to the same restrictions on transfer and forfeitability as, and the payment of such Dividend Equivalents shall be subject to the vesting of, the Award with respect to which granted.

(b) Terms and Conditions. Subject to the provisions of the Plan, the Board shall determine the terms and conditions of each Other Stock-Based Award, including any purchase price applicable thereto.

9. Adjustments for Changes in Common Stock and Certain Other Events

(a) Changes in Capitalization. In the event of any stock split, reverse stock split, stock dividend, recapitalization, combination of shares, reclassification of shares, spin-off or other similar change in capitalization or event, or any dividend or distribution to holders of Common Stock other than an ordinary cash dividend, (i) the number and class of securities available under the Plan, (ii) the share counting rules set forth in Section 4(a), (iii) the number and class of securities and exercise price per share of each outstanding Option, (iv) the share and per-share provisions and the measurement price of each outstanding SAR, (v) the number of shares subject to and the repurchase price per share subject to each outstanding Restricted Stock Award and (vi) the share and per-share-related provisions and the purchase price, if any, of each outstanding Other Stock-Based Award, shall be equitably adjusted by the Company (or substituted Awards may be made, if applicable) in the manner determined by the Board. Without limiting the generality of the foregoing, in the event the Company effects a split of the Common Stock by means of a stock dividend and the exercise price of and the number of shares subject to an outstanding Option are adjusted as of the date of the distribution of the dividend (rather than as of the record date for such dividend), then an optionee who exercises an Option between the record date and the distribution date for such stock dividend shall be entitled to receive, on the distribution date, the stock dividend with respect to the shares of Common Stock acquired upon such Option exercise, notwithstanding the fact that such shares were not outstanding as of the close of business on the record date for such stock dividend.

(b) Reorganization Events.

(1) Definition. A "**Reorganization Event**" shall mean: (a) any merger or consolidation of the Company with or into another entity as a result of which all of the Common Stock of the Company is converted into or exchanged for the right to receive cash, securities or other property or is cancelled, (b) any transfer or disposition of all of the Common Stock of the Company for cash, securities or other property pursuant to a share exchange or other transaction or (c) any liquidation or dissolution of the Company.

(2) Consequences of a Reorganization Event on Awards Other than Restricted Stock.

(A) In connection with a Reorganization Event, the Board may take any one or more of the following actions as to all or any (or any portion of) outstanding Awards other than Restricted Stock on such terms as the Board determines (except to the extent specifically provided otherwise in an applicable Award agreement or another agreement between the Company and the Participant): (i) provide that such Awards shall be assumed, or substantially equivalent Awards shall be substituted, by the acquiring or succeeding corporation (or an affiliate thereof), (ii) upon written notice to a Participant, provide that all of the Participant's unexercised Awards will terminate immediately prior to the consummation of such Reorganization Event unless exercised by the Participant (to the extent then exercisable) within a specified period following the date of such notice, (iii) provide that outstanding Awards shall become exercisable, realizable, or deliverable, or restrictions applicable to an Award shall lapse, in whole or in part prior to or upon such Reorganization Event, (iv) in the event of a Reorganization Event under the terms of which holders of Common Stock will receive upon consummation thereof a cash payment for each share surrendered in the Reorganization Event (the "**Acquisition Price**"), make or provide for a cash payment to Participants with respect to each Award held by a Participant equal to (A) the number of shares of Common Stock subject to the vested portion of the Award (after giving effect to any acceleration of vesting that occurs upon or immediately prior to such Reorganization Event) multiplied by (B) the excess, if any, of (I) the Acquisition Price over (II) the exercise, measurement or purchase price of such Award and any applicable tax withholdings, in exchange for the termination of such Award, (v) provide that, in connection with a liquidation or dissolution of the Company, Awards shall convert into the right to receive liquidation proceeds (if applicable, net of the exercise, measurement or purchase price thereof and any applicable tax withholdings) and (vi) any combination of the foregoing. In taking any of the actions permitted under this Section 9(b)(2), the Board shall not be obligated by the Plan to treat all Awards, all Awards held by a Participant, or all Awards of the same type, identically.

(B) Notwithstanding the terms of Section 9(b)(2)(A), in the case of outstanding Restricted Stock Units that are subject to Section 409A of the Code: (i) if the applicable Restricted Stock Unit agreement provides that the Restricted Stock Units shall be settled upon a “change in control event” within the meaning of Treasury Regulation Section 1.409A-3(i)(5)(i), and the Reorganization Event constitutes such a “change in control event”, then no assumption or substitution shall be permitted pursuant to Section 9(b)(2)(A)(i) and the Restricted Stock Units shall instead be settled in accordance with the terms of the applicable Restricted Stock Unit agreement; and (ii) the Board may only undertake the actions set forth in clauses (iii), (iv) or (v) of Section 9(b)(2)(A) if the Reorganization Event constitutes a “change in control event” as defined under Treasury Regulation Section 1.409A-3(i)(5)(i) and such action is permitted or required by Section 409A of the Code; if the Reorganization Event is not a “change in control event” as so defined or such action is not permitted or required by Section 409A of the Code, and the acquiring or succeeding corporation does not assume or substitute the Restricted Stock Units pursuant to clause (i) of Section 9(b)(2)(A), then the unvested Restricted Stock Units shall terminate immediately prior to the consummation of the Reorganization Event without any payment in exchange therefor.

(C) For purposes of Section 9(b)(2)(A)(i), an Award (other than Restricted Stock) shall be considered assumed if, following consummation of the Reorganization Event, such Award confers the right to purchase or receive pursuant to the terms of such Award, for each share of Common Stock subject to the Award immediately prior to the consummation of the Reorganization Event, the consideration (whether cash, securities or other property) received as a result of the Reorganization Event by holders of Common Stock for each share of Common Stock held immediately prior to the consummation of the Reorganization Event (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding shares of Common Stock); *provided, however*, that if the consideration received as a result of the Reorganization Event is not solely common stock of the acquiring or succeeding corporation (or an affiliate thereof), the Company may, with the consent of the acquiring or succeeding corporation, provide for the consideration to be received upon the exercise or settlement of the Award to consist solely of such number of shares of common stock of the acquiring or succeeding corporation (or an affiliate thereof) that the Board determined to be equivalent in value (as of the date of such determination or another date specified by the Board) to the per share consideration received by holders of outstanding shares of Common Stock as a result of the Reorganization Event.

(3) Consequences of a Reorganization Event on Restricted Stock. Upon the occurrence of a Reorganization Event other than a liquidation or dissolution of the Company, the repurchase and other rights of the Company with respect to outstanding Restricted Stock shall inure to the benefit of the Company’s successor and shall, unless the Board determines otherwise, apply to the cash, securities or other property which the Common Stock was converted into or exchanged for pursuant to such Reorganization Event in the same manner and to the same extent as they applied to such Restricted Stock; *provided, however*, that the Board may provide for termination or deemed satisfaction of such repurchase or other rights under the instrument evidencing any Restricted Stock or any other agreement between a Participant and the Company, either initially or by amendment. Upon the occurrence of a Reorganization Event involving the liquidation or dissolution of the Company, except to the extent specifically provided to the contrary in the instrument evidencing any Restricted Stock or any other agreement between a Participant and the Company, all restrictions and conditions on all Restricted Stock then outstanding shall automatically be deemed terminated or satisfied.

10. General Provisions Applicable to Awards

(a) Transferability of Awards. Awards shall not be sold, assigned, transferred, pledged or otherwise encumbered by the person to whom they are granted, either voluntarily or by operation of law, except by will or the laws of descent and distribution or, other than in the case of an Incentive Stock Option, pursuant to a qualified domestic relations order, and, during the life of the Participant, shall be exercisable only by the Participant; *provided, however*, that the Board may permit or provide in an Award for the gratuitous transfer of the Award by the Participant to or for the benefit of any immediate family member, family trust or other entity established for the benefit of the Participant and/or an immediate family member thereof if the Company would be eligible to use a Form S-8 under the Securities Act for the registration of the sale of the Common Stock subject to such Award to such proposed transferee; *provided further*, that the Company shall not be required to recognize any such permitted transfer until such time as such permitted transferee shall, as a condition to such transfer, deliver to the Company a written instrument in form and substance satisfactory to the Company confirming that such transferee shall be bound by all of the terms and conditions of the Award. References to a Participant, to the extent relevant in the context, shall include references to authorized transferees. For the avoidance of doubt, nothing contained in this Section 10(a) shall be deemed to restrict a transfer to the Company.

(b) Documentation. Each Award shall be evidenced in such form (written, electronic or otherwise) as the Board shall determine. Each Award may contain terms and conditions in addition to those set forth in the Plan.

(c) Board Discretion. Except as otherwise provided by the Plan, each Award may be made alone or in addition or in relation to any other Award. The terms of each Award need not be identical, and the Board need not treat Participants uniformly.

(d) Termination of Status. The Board shall determine the effect on an Award of the disability, death, termination or other cessation of employment, authorized leave of absence or other change in the employment or other status of a Participant and the extent to which, and the period during which, the Participant, or the Participant's legal representative, conservator, guardian or Designated Beneficiary, may exercise rights under the Award.

(e) Withholding. The Participant must satisfy all applicable federal, state, and local or other income and employment tax withholding obligations before the Company will deliver stock certificates or otherwise recognize ownership of Common Stock under an Award. The Company may decide to satisfy the withholding obligations through additional withholding on salary or wages. If the Company elects not to or cannot withhold from other compensation, the Participant must pay the Company the full amount, if any, required for withholding or have a broker tender to the Company cash equal to the withholding obligations. Payment of withholding obligations is due before the Company will issue any shares on exercise, vesting or release from forfeiture of an Award or at the same time as payment of the exercise or purchase price, unless the Company determines otherwise. If provided for in an Award or approved by the Board in its sole discretion, a Participant may satisfy such tax obligations in whole or in part by delivery (either by actual delivery or attestation) of shares of Common Stock, including shares retained from the Award creating the tax obligation, valued at their Fair Market Value; *provided, however*, except as otherwise provided by the Board, that the total tax withholding where stock is being used to satisfy such tax obligations cannot exceed the Company's minimum statutory withholding obligations (based on minimum statutory withholding rates for federal and state tax purposes, including payroll taxes, that are applicable to such supplemental taxable income). Shares used to satisfy tax withholding requirements cannot be subject to any repurchase, forfeiture, unfulfilled vesting or other similar requirements.

(f) Amendment of Award. Except as otherwise provided in Sections 5(g) and 6(e) with respect to repricings and Section 11(d) with respect to actions requiring stockholder approval, the Board may amend, modify or terminate any outstanding Award, including but not limited to, substituting therefor another Award of the same or a different type, changing the date of exercise or realization, and converting an Incentive Stock Option to a Nonstatutory Stock Option. The Participant's consent to such action shall be required unless (i) the Board determines that the action, taking into account any related action, does not materially and adversely affect the Participant's rights under the Plan or (ii) the change is permitted under Section 9.

(g) Conditions on Delivery of Stock. The Company will not be obligated to deliver any shares of Common Stock pursuant to the Plan or to remove restrictions from shares previously issued or delivered under the Plan until (i) all conditions of the Award have been met or removed to the satisfaction of the Company, (ii) in the opinion of the Company's counsel, all other legal matters in connection with the issuance and delivery of such shares have been satisfied, including any applicable securities laws and regulations and any applicable stock exchange or stock market rules and regulations, and (iii) the Participant has executed and delivered to the Company such representations or agreements as the Company may consider appropriate to satisfy the requirements of any applicable laws, rules or regulations.

(h) Acceleration. The Board may at any time provide that any Award shall become immediately exercisable in whole or in part, free of some or all restrictions or conditions, or otherwise realizable in whole or in part, as the case may be.

11. Miscellaneous

(a) No Right To Employment or Other Status. No person shall have any claim or right to be granted an Award by virtue of the adoption of the Plan, and the grant of an Award shall not be construed as giving a Participant the right to continued employment or any other relationship with the Company. The Company expressly reserves the right at any time to dismiss or otherwise terminate its relationship with a Participant free from any liability or claim under the Plan, except as expressly provided in the applicable Award.

(b) No Rights As Stockholder. Subject to the provisions of the applicable Award, no Participant or Designated Beneficiary shall have any rights as a stockholder with respect to any shares of Common Stock to be distributed with respect to an Award until becoming the record holder of such shares.

(c) Effective Date and Term of Plan. The Plan shall become effective immediately prior to the effectiveness of the Company's initial public offering (the "**Effective Date**"). No Awards shall be granted under the Plan after the expiration of 10 years from the Effective Date, but Awards previously granted may extend beyond that date.

(d) Amendment of Plan. The Board may amend, suspend or terminate the Plan or any portion thereof at any time provided that (i) to the extent required by Section 162(m) of the Code, no Award granted to a Participant that is intended to comply with Section 162(m) of the Code after the date of such amendment shall become exercisable, realizable or vested, as applicable to such Award, unless and until the Company's stockholders approve such amendment in the manner required by Section 162(m) of the Code; and (ii) no amendment that would require stockholder approval under the rules of NASDAQ may be made effective unless and until the Company's stockholders approve such amendment;. In addition, if at any time the approval of the Company's stockholders is required as to any other modification or amendment under Section 422 of the Code or any successor provision with respect to Incentive Stock Options, the Board may not effect such modification or amendment without such approval. Unless otherwise specified in the amendment, any amendment to the Plan adopted in accordance with this Section 11(d) shall apply to, and be binding on the holders of, all Awards outstanding under the Plan at the time the amendment is adopted, provided the Board determines that such amendment, taking into account any related action, does not materially and adversely affect the rights of Participants under the Plan. No Award shall be made that is conditioned upon stockholder approval of any amendment to the Plan unless the Award provides that (i) it will terminate or be forfeited if stockholder approval of such amendment is not obtained within no more than 12 months from the date of grant and (2) it may not be exercised or settled (or otherwise result in the issuance of Common Stock) prior to such stockholder approval.

(e) Authorization of Sub-Plans (including for Grants to non-U.S. Employees). The Board may from time to time establish one or more sub-plans under the Plan for purposes of satisfying applicable securities, tax or other laws of various jurisdictions. The Board shall establish such sub-plans by adopting supplements to the Plan containing (i) such limitations on the Board's discretion under the Plan as the Board deems necessary or desirable or (ii) such additional terms and conditions not otherwise inconsistent with the Plan as the Board shall deem necessary or desirable. All supplements adopted by the Board shall be deemed to be part of the Plan, but each supplement shall apply only to Participants within the affected jurisdiction and the Company shall not be required to provide copies of any supplement to Participants in any jurisdiction which is not the subject of such supplement.

(f) Compliance with Section 409A of the Code. Except as provided in individual Award agreements initially or by amendment, if and to the extent (i) any portion of any payment, compensation or other benefit provided to a Participant pursuant to the Plan in connection with his or her employment termination constitutes “nonqualified deferred compensation” within the meaning of Section 409A of the Code and (ii) the Participant is a specified employee as defined in Section 409A(a)(2)(B)(i) of the Code, in each case as determined by the Company in accordance with its procedures, by which determinations the Participant (through accepting the Award) agrees that he or she is bound, such portion of the payment, compensation or other benefit shall not be paid before the day that is six months plus one day after the date of “separation from service” (as determined under Section 409A of the Code) (the “**New Payment Date**”), except as Section 409A of the Code may then permit. The aggregate of any payments that otherwise would have been paid to the Participant during the period between the date of separation from service and the New Payment Date shall be paid to the Participant in a lump sum on such New Payment Date, and any remaining payments will be paid on their original schedule.

The Company makes no representations or warranty and shall have no liability to the Participant or any other person if any provisions of or payments, compensation or other benefits under the Plan are determined to constitute nonqualified deferred compensation subject to Section 409A of the Code but do not to satisfy the conditions of that section.

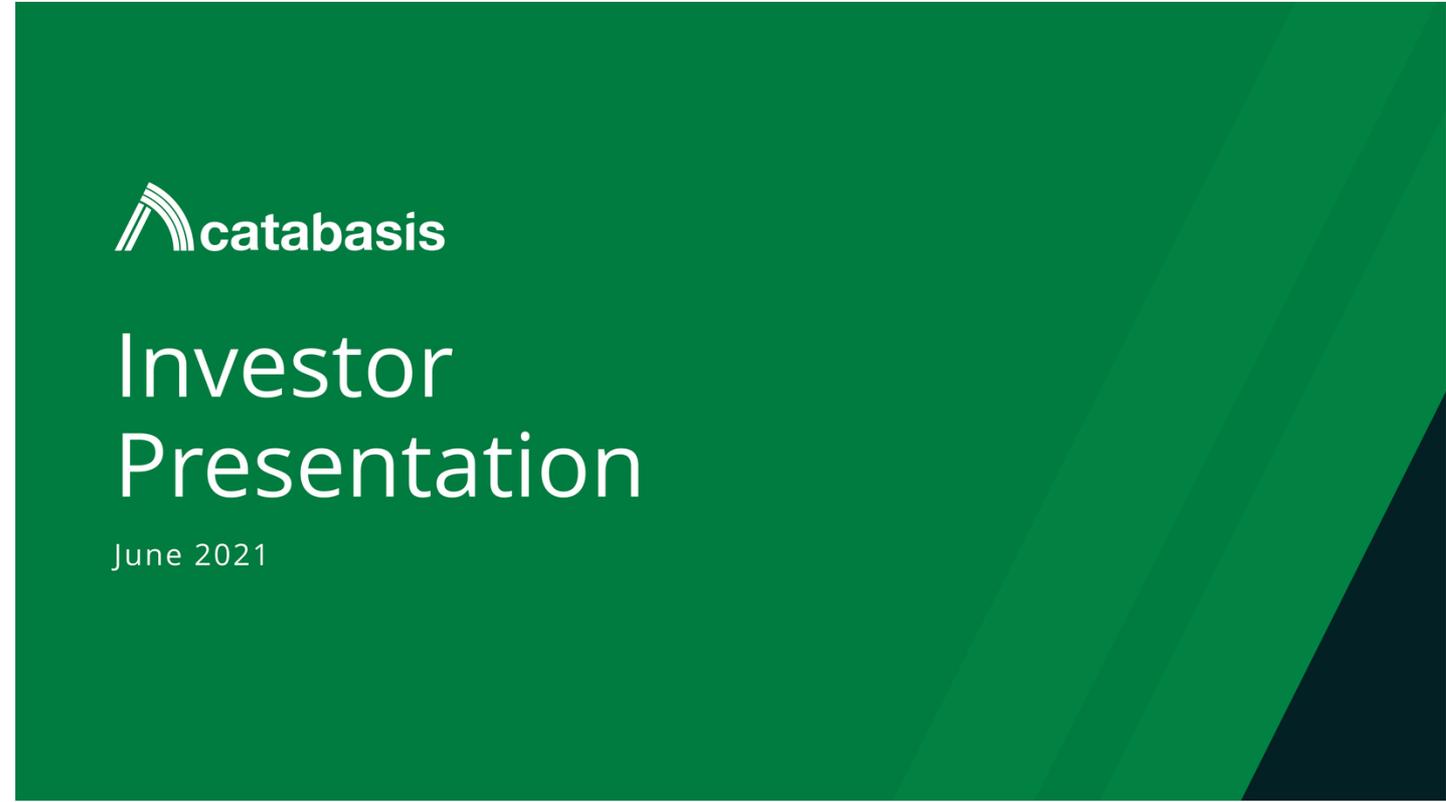
(g) Limitations on Liability. Notwithstanding any other provisions of the Plan, no individual acting as a director, officer, employee or agent of the Company will be liable to any Participant, former Participant, spouse, beneficiary, or any other person for any claim, loss, liability, or expense incurred in connection with the Plan, nor will such individual be personally liable with respect to the Plan because of any contract or other instrument he or she executes in his or her capacity as a director, officer, employee or agent of the Company. The Company will indemnify and hold harmless each director, officer, employee or agent of the Company to whom any duty or power relating to the administration or interpretation of the Plan has been or will be delegated, against any cost or expense (including attorneys’ fees) or liability (including any sum paid in settlement of a claim with the Board’s approval) arising out of any act or omission to act concerning the Plan unless arising out of such person’s own fraud or bad faith.

(h) Governing Law. The provisions of the Plan and all Awards made hereunder shall be governed by and interpreted in accordance with the laws of the State of Delaware, excluding choice-of-law principles of the law of such state that would require the application of the laws of a jurisdiction other than the State of Delaware.



Investor Presentation

June 2021



Forward Looking Statements

This presentation and various remarks we make during this presentation contain forward-looking statements of Catabasis Pharmaceuticals, Inc. ("Catabasis," the "Company," "we," "our" or "us") within the meaning of applicable securities laws and regulations, including statements with respect to: our future expectations, plans and prospects for Quellis Biosciences Inc. ("Quellis") and the combined company following the merger transaction between the Company and Quellis Biosciences, Inc. (the "Merger"); the potential benefits of the Merger and the anticipated milestones of the Company and for QLS-215; our cash runway; the estimated number of shares of common stock outstanding after the automatic conversion of our Series X preferred stock; the potential timing for the filing of an IND for QLS-215; the status and anticipated plans and timelines for the early stage clinical trials for QLS-215, including the anticipated timeline to achieve clinical proof of concept; the potential for QLS-215 being a best in class agent; the potential commercial opportunity for QLS-215; filing a BLA for QLS-215; and advancing a second program. We use words such as "anticipate," "believe," "estimate," "expect," "hope," "intend," "may," "plan," "predict," "project," "target," "potential," "would," "can," "could," "should," "continue," and other words and terms of similar meaning to help identify forward-looking statements, although not all forward-looking statements contain these identifying words. 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 our ability to recognize the anticipated benefits of the Merger, the outcome of any legal proceedings that may be instituted against the Company or Quellis following the announcement of the Merger and related transactions; changes in applicable laws or regulations; the possibility that we may be adversely affected by other economic, business, and/or competitive factors, including the COVID-19 pandemic; risks inherent in pharmaceutical research and development, such as: adverse results in our drug discovery, preclinical and clinical development activities, the risk that the results of pre-clinical studies may not be replicated in clinical studies, the risk that we may not be able to enroll sufficient patients in our clinical trials on a timely basis, and the risk that any of our clinical trials may not commence, continue or be completed on time, or at all; decisions made by the U.S. FDA and other regulatory authorities, investigational review boards at clinical trial sites and other review bodies with respect to QLS-215 and any other future development candidates; our ability to manufacture sufficient quantities of drug substance and drug product for QLS-215 and any other future product candidates on a cost-effective and timely basis; our ability to obtain, maintain and enforce intellectual property rights for QLS-215 and any other future product candidates; our potential dependence on collaboration partners; competition with respect to QLS-215 or any of our other future product candidates; our ability to manage our cash usage and the possibility of unexpected cash expenditures; our ability to obtain necessary financing to conduct our planned activities and to manage unplanned cash requirements; our estimate of the number of shares of Series X preferred stock that will convert automatically into shares of common stock after stockholder approval of the conversion proposal, which conversion is subject to ownership blockers applicable to each holder; the risks and uncertainties related to our ability to recognize the benefits of any additional acquisitions, licenses or similar transactions; and general economic and market conditions; as well as the risks and uncertainties discussed in the "Risk Factors" section of our Annual Report on Form 10-K for the period ended December 31, 2020, subsequent Quarterly Reports on Form 10-Q, and in other filings that we may make with the Securities and Exchange Commission. These forward-looking statements should not be relied upon as representing our view as of any date subsequent to the date of this presentation, and we expressly disclaim any obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

This presentation contains estimates and other statistical data made by independent parties and by us relating to market size and other data about our industry. This data involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such data and estimates. In addition, projections, assumptions and estimates of our future performance and the future performance of the markets in which we operate are necessarily subject to a high degree of uncertainty and risk.

Overview



Our Mission

To bring hope with life-changing therapies to patients and families affected by rare and niche diseases



Our Lead Asset

QLS-215, a potential best-in-class chronic treatment for hereditary angioedema to prevent debilitating and sometimes life-threatening attacks



Our Approach

Engineered a differentiated high affinity, long plasma half-life, humanized monoclonal antibody inhibitor of plasma kallikrein



Our Near-term Value Drivers

Opportunity for clinical proof of concept for differentiated product in Phase 1 with initial results anticipated by year end 2022

Catabasis Well-Positioned for the Future

Summary of Transactions

- Catabasis Pharmaceuticals (Nasdaq: CATB) acquired Quellis Biosciences, Inc. in January 2021
- Concurrent PIPE financing of \$110M
- Shareholders include Perceptive Advisors, Fairmount Funds, RA Capital Management, Cormorant Asset Management, Venrock Healthcare Capital Partners, Logos Capital, Boxer Capital, Acorn Bioventures, Commodore Capital, Surveyor Capital (a Citadel company), Acuta Capital Partners, Sphera Healthcare, and Serrado Capital LLC

Strong Financial Foundation

- Following the transactions, the Company had ~\$150 million in cash, cash equivalents and short-term investments (\$146.9M as of 3/31/2021)
 - Expected to fund IND-enabling studies, Phase 1a, and Phase 1b/2 clinical trials for QLS-215 in HAE
 - Expected to support runway through 2023

Capitalization Structure

Company Capitalization Structure As of June 8, 2021, after automatic conversion of Series X preferred stock (estimated)	Converted Common Shares
Common stock outstanding	66,703,320
Common stock underlying outstanding Series X Preferred Stock	42,790,686
Adjusted Common stock outstanding (1)	109,494,006

Key Management and Board

- Combined company led by Chief Executive Officer, Jill C. Milne, Ph.D.
- 6 Directors from Catabasis: Ken Bate (Chairperson), Joanne T. Beck, Ph.D., Hugh M. Cole, Michael D. Kishbauch, Gregg Lapointe and Jill Milne, Ph.D. and 2 Directors from Quellis: Jonathan Violin, Ph.D., a Quellis co-founder, and Fred Callori, a former Quellis Director



(1) Assumes 100% conversion of all outstanding Series X Preferred Stock.

Hereditary Angioedema: A Rare, Potentially Life-Threatening Disease

 Disease Description	<ul style="list-style-type: none">• Hereditary angioedema (HAE) is a rare, autosomal dominant genetic disorder¹• HAE is characterized by recurrent, unpredictable, debilitating and potentially life-threatening edema:<ul style="list-style-type: none">○ Skin (hands, feet and face)○ Abdomen○ Throat/Airway²
 Disease Pathways	<ul style="list-style-type: none">• Types I & II comprise the majority of HAE cases and are caused by defects in the C1 inhibitor gene¹• While rare, other mutations, including in the F12 gene, can cause HAE• In HAE there is an overproduction of bradykinin, a key mediator of vasodilation and angioedema
 Patient Demographics	<ul style="list-style-type: none">• 1 in 10,000-50,000 people; <8,000 people in the US^{1,3}• Typically diagnosed ~20 years of age by allergist/ Immunologist• Average age of onset 11 years⁴; estimated more than 8 years until definitive diagnosis⁵

1. Busse PJ, et al. J Allergy Clin Immunol Pract 2021; 9(1):132-150.e3.
2. Zuraw BL. Hereditary angioedema. N Engl J Med. 2008;359:1027-36.
3. Lumry WR. Front. Med., 16 Feb 2018. doi:10.3389/fmed.2018.00022.
4. Bork K, et al. Am J Med. 2006;119;267-274.
5. Zuraw B et al. B. J. Haem. 2016.173(6):831-843.

High Patient Burden: HAE Attacks are Unpredictable, Debilitating and Potentially Life-Threatening

Patient journey

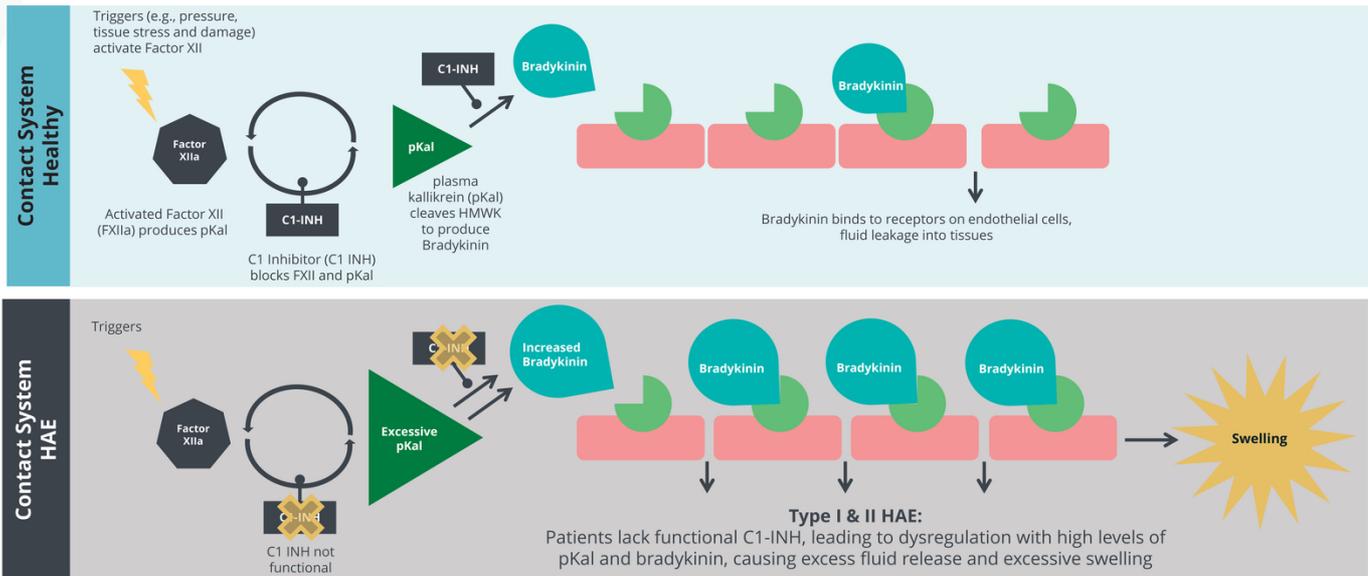
- Patients typically present with symptoms to PCP or ER
- Low disease awareness among ER physicians and PCPs, although improving, limits referrals to allergists and HAE specialists for diagnosis
- Once diagnosed, most patients are prescribed treatment

Common triggers include:

- Physical activity with repeated pressure, excessive exposure to sun, cold, water
- Illness, emotional stress, hormonal fluctuations
- Medical/dental work
- Certain medications, food sensitivities



Dysregulation of the Plasma Contact System Mediates Excessive Swelling Underlying HAE Symptoms



Treatment Landscape Has Advanced but Unmet Need Remains

Global market estimated to be >\$6.5B by 2025¹

On-Demand treatments to limit severity and duration of attacks as they occur

Prophylactic treatments to prevent attacks

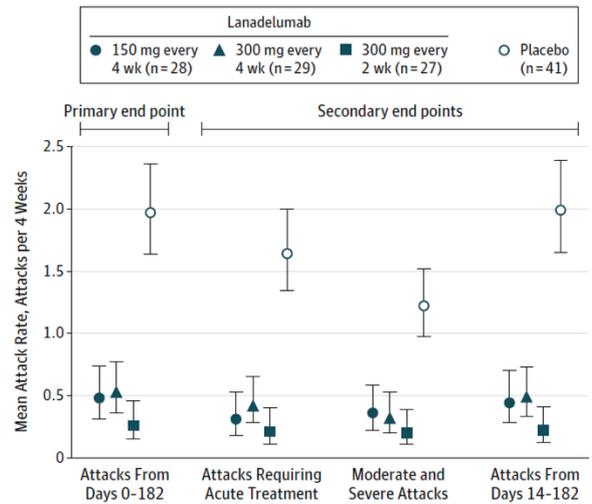
	Brand	Company	Mechanism of Action	Admin.	Dosing
On-Demand	 BERINERT C1 Esterase Inhibitor Human	 CSL Behring Biotologues for Life	Plasma derived C1 esterase inhibitor (pdC1-INH)		As needed
	 firazyr (Icatibant injection)	 Takeda	B2 bradykinin receptor antagonist (synthetic peptide)		As needed
	 RUCONEST (Cinacalcin oral solution)	 Pharming	Recombinant C1 esterase inhibitor (rhC1-INH)		As needed
	 KALBITOR ecallantide	 Takeda	Plasma kallikrein inhibitor		As needed (by HCP)
Prophylaxis	 CINRYZE C1 esterase inhibitor Purine	 Takeda	pdC1-INH		2x/week
	 HAEGARDA C1 Esterase Inhibitor	 CSL Behring Biotologues for Life	pdC1-INH		2x/week
	 TAKHZYRO Ecallantide-lysine prodrug	 Takeda	Plasma kallikrein inhibitor (monoclonal antibody)		2x/month
	 orladeyo Ibuprofen oral capsules 50 mg	 biocryst	Plasma kallikrein inhibitor		1x/day

Unmet need for prophylaxis that is more effective, less frequent, easier to administer

TAKHZYRO® (lanadelumab-flyo) Injection Studies Have Established Plasma Kallikrein mAb as an Important Therapy for HAE

Monoclonal antibody targeting pKal

- Prophylaxis to prevent HAE attacks in patients 12 years and older
- SC injection every 2 weeks. Dosing every 4 weeks may be considered in some patients.
- Most common AE in Phase 3 was injection site reaction (overall 52%)
- Shire acquired Dyax for \$5.9B after Phase 1b with lead program TAKHZYRO



Banerji, A., M.A. Riedl, et al. (2018) Effect of Lanadelumab Compared With Placebo on Prevention of Hereditary Angioedema Attacks: A Randomized Clinical Trial. JAMA 320(20):2108-2121.

<https://www.takhzyro.com/>

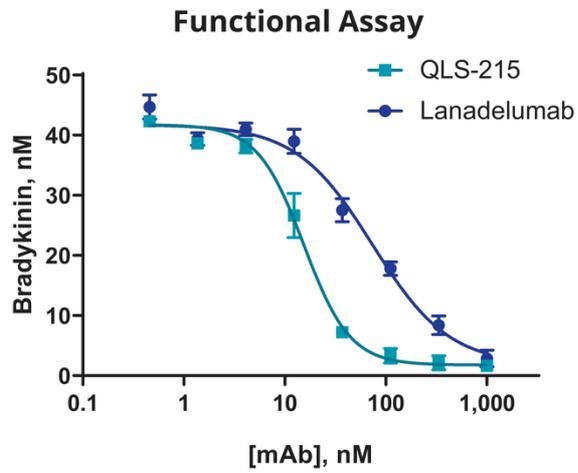
<https://www.prnewswire.com/news-releases/shire-to-acquire-dyax-corp-expanding-and-extending-industry-leading-hereditary-angioedema-hae-portfolio-539278541.html>

QLS-215 mAb: Opportunity for Best-in-Class Agent

Goal: Make the best possible pKal antibody to treat HAE with infrequent dosing and sustained blood levels

QLS-215 Goals	Potential Benefits
High potency for pKal	<ul style="list-style-type: none">• Long duration without breakthrough attacks• Small injection volume
Extended plasma half-life	<ul style="list-style-type: none">• Infrequent dosing• Long duration without breakthrough attacks
Clinical proof of concept	<ul style="list-style-type: none">• Early in development, establish differentiated product profile
Differentiated, best-in-class new therapy for HAE prophylaxis	<ul style="list-style-type: none">• Trusted modality to provide patients with improved outcomes and quality of life

In an *in vitro* Functional Assay QLS-215 Was More Potent than Lanadelumab in Inhibiting Bradykinin Production

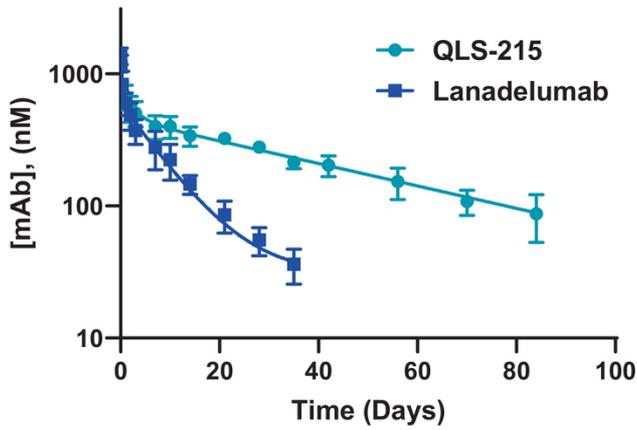


- ~90% inhibition of pKal is estimated to be required to optimally reduce HAE attack rate and maximize attack free duration
- IC_{90} determined by bradykinin ELISA to detect cleavage of high molecular weight kininogen (600 nM) by pKal (30 nM)
- QLS-215 is ~10-fold more potent than lanadelumab at IC_{90}

pKal levels 30-110nM estimated in HAE plasma (Kenniston et al JBC 2014)
Mean +/- s.e.m.
n=3

QLS-215 Has Shown Substantially Prolonged Plasma Half-Life Compared to Lanadelumab in Non-Human Primates

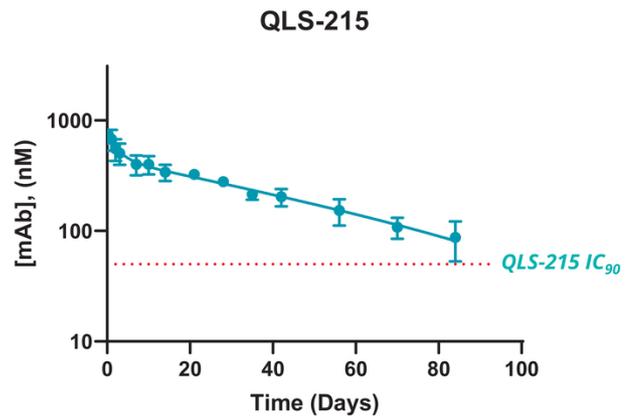
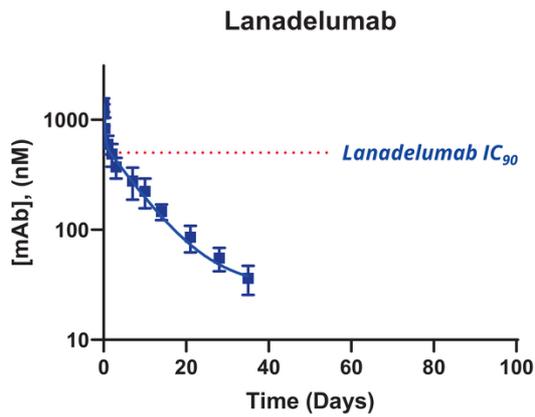
PK in Non-Human Primates



	Lanadelumab	QLS-215
Mean half-life ($t_{1/2}$) (SD)	10.5 (1.6)	33.6 (8.3)

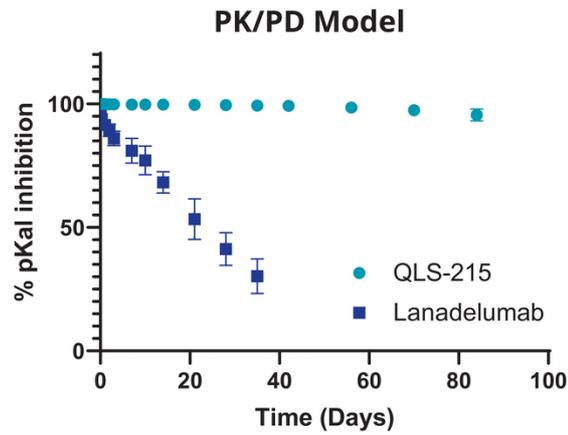
- FDA review documents: Lanadelumab $t_{1/2}$ 9.5-11.5 days in cynomolgus monkeys

The *in vitro* Potency and NHP PK Data for QLS-215 Predict a Substantially Longer Duration of Action than Lanadelumab



- Lanadelumab plasma levels fall below predicted minimum therapeutic concentration (IC₉₀) by approximately **day 10**
- QLS-215 remains above predicted minimum therapeutic concentration (IC₉₀) for > **84 days**

PK/PD Model from Preclinical Studies Predicts Longer Duration of Action for QLS-215



- Model based on plasma concentrations from cynomolgus PK studies and pKal inhibition determined in *in vitro* functional assay

QLS-215 mAb Developed with the Desired Characteristics

Goal: Make the best possible pKal antibody to treat HAE with infrequent dosing and sustained blood levels

QLS-215 Goals	Status
High potency for pKal	✓
Extended plasma half-life in NHP	✓
Clinical proof of concept	
New therapy for HAE prophylaxis	

Opportunity for Proof of Concept in First Clinical Trial

Clinical Trial Design

- **Subjects:** Adult healthy volunteers
- **Objectives:** Assess safety, pharmacokinetics and pharmacodynamics to demonstrate plasma kallikrein inhibition

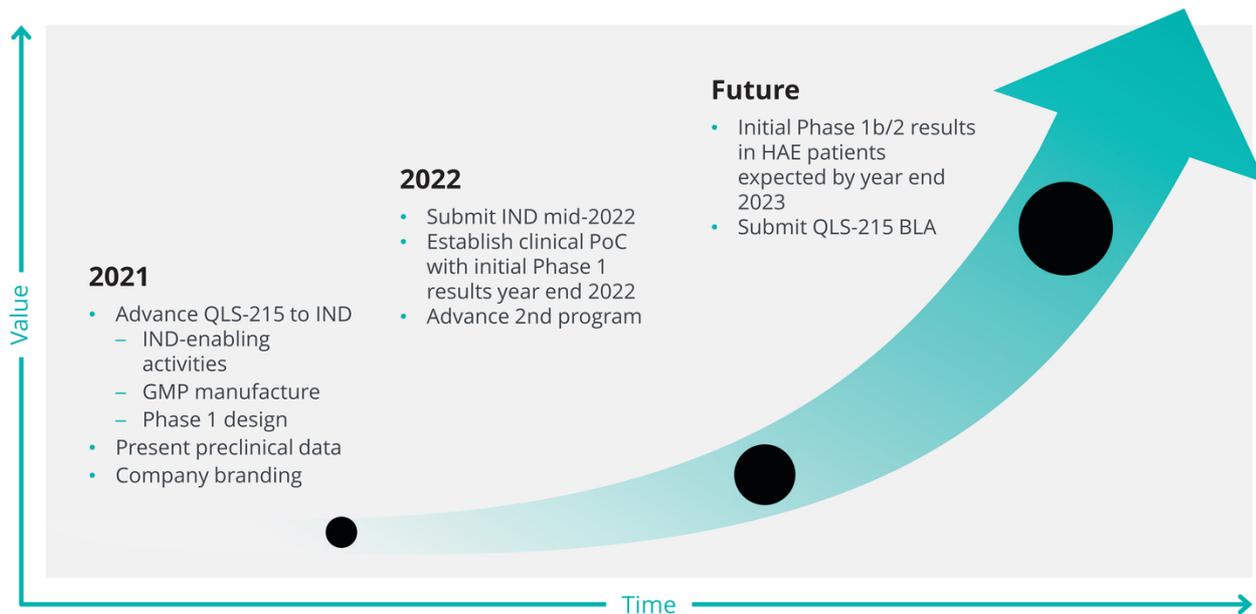
Goals

- Demonstrate safety
- Establish prolonged half-life as proof of concept in humans
- Determine activity with an *ex vivo* functional PD assay
- Refine dose and dosing regimen for HAE patients

QLS-215 potential value inflection point: demonstrate extended antibody half-life and pharmacodynamic activity for differentiated profile

- Initial Phase 1 results expected by year end 2022
- Target and modality already validated in HAE patients

Vision for Catabasis



QLS-215 Opportunity



Treatment for rare, genetic disease with established clinical and regulatory path



Targeting a clinically validated mechanism with a trusted modality



Potential for best-in-class agent that provides greater efficacy and ease of use



Candidate with differentiated preclinical profile in predictive models



Opportunity for clinical proof of concept with Phase 1 with initial results anticipated by YE 2022



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