

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 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): March 11, 2020

CONATUS PHARMACEUTICALS INC.

(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction of Incorporation)

001-36003
(Commission File Number)

20-3183915
(I.R.S. Employer Identification Number)

16745 West Bernardo Drive, Suite 250, San Diego, California 92127
(Address of Principal Executive Offices) (Zip Code)

(858) 376-2600
(Registrant's telephone number, including area code)

(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:

- 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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

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.

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

| <u>Title of each class:</u> | <u>Trading symbol:</u> | <u>Name of each exchange on which registered:</u> |
|--|------------------------|---|
| Common Stock, par value \$0.0001 per share | CNAT | The Nasdaq Capital Market |

Item 2.02. Results of Operations and Financial Condition.

On March 11, 2020, Conatus Pharmaceuticals Inc. issued a press release announcing its financial results for the quarter and full year ended December 31, 2019. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

In accordance with General Instruction B.2. of Form 8-K, the information in this Item 2.02, including Exhibit 99.1, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that Section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such a filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit No. Description

99.1 [Press release issued on March 11, 2020](#)

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.

CONATUS PHARMACEUTICALS INC.

Date: March 11, 2020

By: /s/ Keith W. Marshall, Ph.D.

Keith W. Marshall, Ph.D.

Executive Vice President, Chief Operating Officer and Chief Financial Officer

Conatus Pharmaceuticals Reports 2019 Financial Results and Strategic Process Update

SAN DIEGO, March 11, 2020 (GLOBE NEWSWIRE) -- Conatus Pharmaceuticals Inc. (Nasdaq:CNAT) today announced financial results for the fourth quarter and full year ended December 31, 2019, and provided an update on its strategic process.

Recent Developments

In January 2020, Conatus announced that it had entered into a definitive agreement with Histogen Inc., a privately-held regenerative medicine company focused on developing patented, innovative technologies that replace and regenerate tissues in the body for aesthetic and therapeutic markets, pursuant to which Histogen will merge with a wholly-owned subsidiary of Conatus in an all-stock transaction. The combined company will operate under the name Histogen Inc., is expected to trade on the Nasdaq Capital Market under the ticker symbol HSTO and will focus on advancement of its regenerative tissue technology for dermatological and orthopedic indications.

The merger agreement has been unanimously approved by the board of directors of each company, who have also recommended to their respective company's stockholders that they approve the merger agreement, the merger and, with respect to Conatus's stockholders, a reverse stock split. The transaction is expected to close by the end of the second quarter of 2020, subject to approvals by the stockholders of Histogen and Conatus, a reverse stock split being implemented by Conatus, the continued listing of the combined company on Nasdaq and other customary closing conditions. As a result, based on the exchange ratio set forth in the merger agreement, current Conatus stockholders will collectively own approximately 26%, and Histogen stockholders will collectively own approximately 74%, of the combined company on a fully-diluted basis, after taking into account Histogen's and Conatus' outstanding options and warrants at the time of closing, irrespective of the exercise prices of such options and warrants, with such ratio subject to adjustment based on each company's net cash balance at closing and changes in capitalization prior to the closing of the merger.

Financial Results

The net loss for the fourth quarter of 2019 was \$2.7 million compared with \$3.9 million for the fourth quarter of 2018. The net loss for the full year 2019 was \$11.4 million compared with \$18.0 million for the full year 2018.

Total revenues were \$0.5 million for the fourth quarter of 2019 compared with \$7.4 million for the fourth quarter of 2018, and \$21.7 million for the full year 2019 compared with \$33.6 million for the full year 2018. Total revenues consisted of collaboration revenues related to the Novartis agreement. The decreases in revenues for both periods were primarily due to lower emricasan-related research and development expenses resulting in corresponding lower revenues related to the Novartis agreement.

Research and development expenses were \$0.8 million for the fourth quarter of 2019 compared with \$8.9 million for the fourth quarter of 2018. Research and development expenses were \$23.5 million for the full year 2019 compared with \$41.4 million for the full year 2018. The decreases in both periods were primarily due to lower costs related to the ENCORE clinical trials as well as lower costs related to new product candidate development.

General and administrative expenses were \$2.5 million for both the fourth quarter of 2019 and 2018. General and administrative expenses were \$10.2 million for the full year 2019 compared with \$10.5 million for the full year 2018. The decreases in both periods were primarily due to lower personnel costs in 2019 compared to the corresponding periods in 2018.

Cash, cash equivalents and marketable securities were \$20.7 million at December 31, 2019, compared with \$40.7 million at December 31, 2018.

Forward-Looking Statements

Certain statements herein constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and are intended to be covered by the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such statements may be identified by words such as "believes," "will," "would," "expects," "project," "may," "could," "developments," "launching," "opportunities," "anticipates," "estimates," "intends," "plans," "targets" and similar expressions. These forward-looking statements include, but are not limited to, statements concerning: the expected structure, timing and completion of the proposed merger; the expected ownership of the combined company based on the exchange ratio set forth in the merger agreement; future product development plans and projected timelines for the initiation and completion of preclinical and clinical trials; any statements regarding the combined company's future financial performance, results of operations or sufficiency of capital resources to fund operating requirements; any statements relating to future Nasdaq listing; and any other statements that are not statements of historical fact. These statements are based upon the current beliefs and expectations of each company's management and are subject to significant risks and uncertainties.

Actual results may differ materially from those set forth in the forward-looking statements as a result of numerous factors. The following factors, among others, could cause actual results to differ materially from the anticipated results expressed in the forward-looking statements: the risk that the conditions to the closing of the proposed merger are not satisfied, including the failure to timely obtain stockholder approval for the transaction, if at all; uncertainties as to the timing of the consummation of the proposed merger; risks related to each company's ability to manage its operating expenses and its expenses associated with the proposed merger pending closing; the risk that as a result of adjustments to the exchange ratio, Conatus stockholders and Histogen stockholders could own more or less of the combined company than is currently anticipated; risks related to the market price of Conatus' common stock relative to the exchange ratio; the businesses of Histogen and Conatus may not be combined successfully, or such combination may take longer than expected; the combined company's need for, and the availability of, substantial capital in the future to fund its operations and research and development activities; the combined company's ability to continue to successfully progress research and development efforts and to create effective, commercially-viable products; and the success of the

combined company's product candidates in completing pre-clinical or clinical testing and being granted regulatory approval to be sold and marketed in the United States or elsewhere. Additional factors that could cause actual results to differ materially from those expressed in the forward-looking statements are discussed in Conatus' reports (such as the Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K) filed with the Securities and Exchange Commission (SEC) and available at the SEC's Internet website (www.sec.gov). All subsequent written and oral forward-looking statements concerning the proposed transaction or other matters attributable to Histogen or Conatus or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements above. Except as required by law, neither Conatus nor Histogen undertakes any obligation to update any forward-looking statement to reflect circumstances or events that occur after the date the forward-looking statement is made.

Additional Information and Where to Find It

This communication is not intended to and does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval. This communication may be deemed to be solicitation material in respect of the proposed merger. In connection with the merger, Conatus has filed a registration statement on Form S-4 with the SEC that includes a proxy statement of Conatus and that also constitutes a prospectus of Conatus, but the Form S-4 has not yet become effective. Once the Form S-4 has become effective, the proxy statement/prospectus will be mailed or otherwise disseminated to Conatus stockholders when it becomes effective. Conatus also plans to file other relevant documents with the SEC regarding the proposed merger transaction. **INVESTORS ARE URGED TO READ THE PROXY STATEMENT/PROSPECTUS AND OTHER RELEVANT DOCUMENTS FILED WITH THE SEC IF AND WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED MERGER TRANSACTION.**

In addition to receiving the proxy statement by mail, stockholders also will be able to obtain these documents, as well as other filings containing information about Conatus, the proposed merger and related matters, without charge, from the SEC's website at <http://www.sec.gov>. In addition, these documents can be obtained, without charge, by sending an e-mail to info@conatuspharma.com, along with complete contact details and a mailing address or by contacting Conatus at (858) 376-2600.

Participants in Solicitation

Conatus and certain of its directors, executive officers and other members of management and employees may, under SEC rules, be deemed to be participants in the solicitation of proxies from stockholders with respect to the merger. Information regarding the persons or entities who may be considered participants in the solicitation of proxies is set forth in the proxy statement and Form S-4 relating to the merger filed with the SEC. Information regarding the directors and executive officers of Conatus is set forth in the Conatus Annual Report on Form 10-K for the year ended December 31, 2019, which was filed with the SEC on March 11, 2020. Additional information regarding the interests of such potential participants are included in the proxy statement and Form S-4 referenced above.

Conatus Pharmaceuticals Inc.
Selected Condensed Financial Information
(In thousands, except per share data)
(Unaudited)

| Statements of Operations | Three Months Ended December 31, | | Years Ended December 31, | |
|---|------------------------------------|------------|------------------------------|------------------------------|
| | 2019 | 2018 | 2019 | 2018 |
| Revenues: | | | | |
| Collaboration revenue | \$ 526 | \$ 7,409 | \$ 21,717 | \$ 33,586 |
| Operating expenses: | | | | |
| Research and development | 833 | 8,886 | 23,527 | 41,368 |
| General and administrative | 2,538 | 2,528 | 10,196 | 10,495 |
| Total operating expenses | 3,371 | 11,414 | 33,723 | 51,863 |
| Loss from operations | (2,845) | (4,005) | (12,006) | (18,277) |
| Other income/expense | 116 | 99 | 621 | 267 |
| Net loss | \$ (2,729) | \$ (3,906) | \$ (11,385) | \$ (18,010) |
| Net loss per share, basic and diluted | \$ (0.08) | \$ (0.13) | \$ (0.34) | \$ (0.59) |
| Weighted average shares outstanding used in computing net loss per share, basic and diluted | 33,170 | 31,118 | 33,169 | 30,370 |
| Balance Sheets | | | December 31, 2019 | December 31, 2018 |

Assets

Current assets:

| | | |
|--|------------------|------------------|
| Cash, cash equivalents and marketable securities | \$ 20,703 | \$ 40,692 |
| Collaboration receivables | 122 | 3,677 |
| Prepaid and other current assets | 781 | 3,057 |
| Total current assets | 21,606 | 47,426 |
| Property and equipment, net | - | 154 |
| Other assets | 221 | 1,223 |
| Total assets | <u>\$ 21,827</u> | <u>\$ 48,803</u> |

Liabilities and stockholders' equity

Current liabilities:

| | | |
|--|------------------|------------------|
| Accounts payable and other current liabilities | \$ 1,640 | \$ 8,446 |
| Current portion of deferred revenue | - | 10,075 |
| Total current liabilities | 1,640 | 18,521 |
| Deferred revenue, less current portion | - | 2,815 |
| Other long-term liabilities | - | 68 |
| Stockholders' equity | 20,187 | 27,399 |
| Total liabilities and stockholders' equity | <u>\$ 21,827</u> | <u>\$ 48,803</u> |