POLARITYTE, INC.
Form 424B5
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Registration No. 333-219202

The information in this preliminary prospectus supplement is not complete and may be changed. A registration statement relating to these securities has been filed with the Securities and Exchange Commission and is effective. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities and they are not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to completion, dated June 4, 2018

PRELIMINARY PROSPECTUS SUPPLEMENT

(To Prospectus Dated March 28, 2018)

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PolarityTE, Inc.

Common Stock

We are offering shares of our common stock with an aggregate offering price of $ million.

Our common stock is listed on the Nasdaq Capital Market under the symbol "COOL." On June 1, 2018, the last reported sale price of our common stock on the Nasdaq Capital Market was $27.32 per share.

The underwriter has agreed to purchase the common stock from us at a price of $ per share, which will result in approximately $ of proceeds to us, before offering expenses, and assuming no exercise by the underwriters of the option described below. The underwriters propose to offer the shares of common stock from time to time for sale in one or more transactions on The NASDAQ Capital Market, the existing trading market for our common stock, in negotiated transactions or otherwise at market prices prevailing at the time of sale, at prices related to prevailing market prices or at negotiated prices, subject to receipt and acceptance by it and subject to its right to reject any order in whole or in part. See "Underwriting."

Our business and an investment in our securities involve a high degree of risk. See "Risk Factors" beginning on page S-4 of this prospectus supplement, in the accompanying prospectus and in the other documents that are incorporated by reference herein for a discussion of information that you should consider before investing in our securities.

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

We have granted the underwriter an option for a period of 30 days to purchase from us up to an additional shares of our common stock at the public offering price, less underwriting discounts and commissions. If the underwriter exercises its option in full, the total proceeds to us, before expenses, will be $ ..

Delivery of the shares of common stock is expected to be made on or about June , 2018.

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The date of this prospectus supplement is June , 2018.

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You should rely only on the information contained in or incorporated by reference in this prospectus supplement and the accompanying prospectus. We have not, and the underwriter has not, authorized anyone to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriter is not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus supplement, the accompanying prospectus, and the documents incorporated by reference in this prospectus supplement and the accompanying prospectus, is accurate only as of the date of those respective documents. Our business, financial condition, results of operations and prospects may have changed since those dates. You should read this prospectus supplement, the accompanying prospectus, and the documents incorporated by reference in this prospectus supplement and the accompanying prospectus, in their entirety before making an investment decision. You should also read and consider the information in the documents to which we have referred you in the sections of this prospectus supplement entitled "Where You Can Find More Information" and "Incorporation of Certain Documents by Reference."

About This Prospectus Supplement

This prospectus supplement and the accompanying prospectus relate to a registration statement (No. 333-219202) that we filed with the Securities and Exchange Commission (the "SEC") using a "shelf" registration process. Under this shelf registration process, we may, from time to time, in one or more offerings sell any combination of common stock, preferred stock, warrants or units, such combination not to exceed $100,000,000 in the aggregate.

This prospectus supplement and the accompanying prospectus provide specific information about the offering by us of our securities under the shelf registration statement. This document is in two parts. The first part is this prospectus supplement, which describes the terms of this offering and also adds to and updates information contained in the accompanying prospectus and the documents incorporated by reference into this prospectus supplement and the accompanying prospectus. The second part, the accompanying prospectus dated March 28, 2018, including the documents incorporated by reference therein, provides more general information. Generally, when we refer to this prospectus, we are referring to both parts of this document combined. To the extent there is a conflict between the information contained in this prospectus supplement, on the one hand, and the information contained in the accompanying prospectus or in any document incorporated by reference that was filed with the SEC before the date of this prospectus supplement, on the other hand, you should rely on the information in this prospectus supplement. If any statement in one of these documents is inconsistent with a statement in another document having a later date—for example, a document incorporated by reference in the accompanying prospectus—the statement in the document having the later date modifies or supersedes the earlier statement.

Unless otherwise mentioned or unless the context requires otherwise, all references in this prospectus supplement to "PolarityTE," "the Company," "our company," "we," "us," "our" or similar references mean collectively PolarityTE, Inc. and i subsidiaries.

This prospectus supplement, the accompanying prospectus and the information incorporated herein and therein by reference include trademarks, service marks and trade names owned by us or other companies. All trademarks, service marks and trade names included or incorporated by reference into this prospectus supplement or the accompanying prospectus are the property of their respective owners.

PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights information contained elsewhere in this prospectus supplement and the accompanying prospectus or incorporated by reference herein or therein. Because it is a summary, it does not contain all the information you should consider before investing in our common stock. You should carefully read this entire prospectus supplement and the accompanying prospectus, including the "Risk Factors" section beginning on page S-4 of this prospectus supplement, along with our consolidated financial statements and notes to those consolidated financial statements and the other information incorporated by reference in this prospectus supplement and the accompanying prospectus, before making an investment decision.

Overview

We are a commercial-stage biotechnology and regenerative biomaterials company focused on transforming the lives of patients by discovering, designing and developing a range of regenerative tissue products and biomaterials for the fields of medicine, biomedical engineering and material sciences. We believe that our PolarityTE platform technology is a new approach to pragmatic and functional tissue regeneration that has the potential to address many of the challenges currently facing the regenerative medicine and cell therapy markets to date. Recognizing the natural complexity of human tissue, our core "TE" platform begins with a small piece of the patient's own, or autologous, healthy tissue, rather than artificially manipulated individual cells. From this small piece of healthy autologous tissue, we create an easily deployable, dynamic and self-propagating product, which is designed to enhance and stimulate the patient's own cells to regenerate the target tissues. Rather than manufacturing with synthetic and foreign materials within artificially engineered environments, we believe our proprietary method promotes and accelerates the patient's tissues to undergo a form of effective regenerative healing, and uses the patient's own body to support the regenerative process to create the same tissue from which they were derived.

We believe our core "TE" platform has applications across many different indications, including, but not limited to, the regrowth of skin, bone, cartilage, fat, muscle, blood vessels and neural elements as well as solid and hollow organ composite tissue systems. Our first product, SkinTE™, is registered with the United States Food and Drug Administration ("FDA") pursuant to the regulatory pathway for human cells, tissues, and cellular and tissue-based products ("HCT/Ps") regulated solely under Section 361 of the Public Health Service Act ("361 HCT/Ps"), which permits qualifying products to be marketed without first obtaining FDA marketing authorization or approval, and is commercially available for the repair, reconstruction, replacement and regeneration of skin (i.e., homologous uses) for patients who have suffered from wounds, burns or injuries that require skin coverage over both small and large areas of their body.

To date, SkinTE has been used in a limited number of patients suffering from replacement of prior skin grafts, acute surgical reconstruction, acute wound treatment, chronic wound treatment, acute burn treatment, post-burn reconstruction, scar and contracture revision, keloid and hypertrophic scar revision, subacute burn and wound reconstruction, coverage and/or replacement of skin substitutes, failed skin graft replacement, failed flaps coverage and soft tissue coverage in previously infected defects. The results we have observed from the ongoing early stages of the human clinical application of SkinTE continue to be correlative with our preclinical observations.

Recent Developments

Asset Acquisition

On March 2, 2018, PolarityTE, along with its wholly owned subsidiary, Utah CRO Services, Inc., a Nevada corporation ("Acquisition Co."), entered into an asset purchase agreement (the "APA") with Ibex Group, L.L.C., a Utah limited liability company, and Ibex Preclinical Research, Inc., a Utah corporation (collectively the "Seller"). The transaction closed on May 3, 2018.

Under the APA the Company purchased from Seller the assets and rights to its preclinical research and veterinary sciences business and related real estate (as more fully described below). The business consists of a "*good laboratory practices*" (GLP) compliant preclinical research facility, including vivarium, operating rooms, preparation rooms, storage facilities, and surgical and imaging equipment.

The purchase price was $1.6 million of which $266,667 in cash was paid at closing and the balance by delivery of a promissory note to Seller for $1,333,333 payable in five equal installments beginning on the six month anniversary of issuance and continuing on each six-month anniversary thereafter with interest at the rate of 3.5% per annum.

Concurrently with the execution and delivery of the APA, on March 2, 2018, the Company entered into a purchase and sale agreement (the “PSA”) with Seller to purchase two parcels of real property in Cache County, Utah, consisting of approximately 1.75 combined gross acres of land, together with the buildings, structures, fixtures, and personal property located on the real property. The transaction also closed on May 3, 2018. The purchase price for the property was $2.0 million, which was paid in cash at closing.

Preferred Stock Exchange and Conversion

On February 6, 2018, 15,756 Series B Preferred Shares were converted into 262,606 shares of common stock.

On March 6, 2018, we entered into separate exchange agreements with holders of 100% of our outstanding Series F Preferred Stock, and warrants to purchase shares of our common stock issued in connection with the Series F Preferred Stock (such warrants and Series F Preferred Stock collectively referred to as the “Exchange Securities”) to exchange the Exchange Securities and unpaid dividends on the Series F Preferred Stock, for common stock (the “Exchange”).

The Exchange resulted in the following issuances: (A) all outstanding shares of Series F Preferred Stock were exchanged into 972,067 shares of restricted common stock at an effective conversion price of $18.26 per share of common stock (the closing price of our common stock on the Nasdaq Capital Market on February 26, 2018); (B) the right to receive 6% dividends underlying Series F Preferred Stock was terminated and in exchange 31,324 shares of restricted common stock were issued; and (C) 322,727 warrants to purchase common stock were exchanged for 151,872 shares of restricted common stock.

As part of the Exchange, the holders relinquished any and all rights related to the Exchange Securities, the respective governing and other related agreements and certificates of designation, including any related dividends, adjustment of conversion or exercise prices and repayment options. The registration rights agreement with the holders of the Series F Preferred Stock was terminated and the holders of the Series F Preferred Stock waived the Company’s obligation to register the shares of common stock issuable upon conversion of Series F Preferred Stock or upon exercise of the warrants, and waived any damages, penalties and defaults related to the Company failing to file or have declared effective a registration statement covering those shares.

On March 6, 2018, we received conversion notices from holders of 100% of the then outstanding shares of Series A Preferred Stock, Series B Preferred Stock and Series E Preferred Stock and issued an aggregate of 7,949,252 shares of common stock to such holders (the "Conversions").

The shares of Series E Preferred Stock were held by Dr. Denver Lough, our Chief Executive Officer. On March 6, 2018, we entered into a registration rights agreement with Dr. Denver Lough, pursuant to which we agreed to file a registration statement to register the resale of 7,050,000 shares of common stock issued upon conversion of the Series E Preferred Stock within six months and to cause such registration statement to be declared effective by the SEC as promptly as possible following its filing. Any sales of shares under the registration statement are subject to certain limitations as specified with more particularity in the registration rights agreement. In connection with the Exchange, certain of the holders of Exchange Securities granted Dr. Lough an irrevocable proxy to vote an aggregate of 797,296 shares of common stock held by such holders at any vote of our stockholders. Following the Exchange, Dr. Lough is entitled to vote a total of 7,847,296 shares of common stock (inclusive of all shares which he beneficially owns and holds as of the date of this prospectus), plus any shares he acquires pursuant to the exercise of vested options, on any matter for which a vote of our stockholders is sought or required. In connection with this offering, Dr. Lough entered into a lock-up agreement with the underwriter that prevents him from selling any shares of our common stock during the period from the date of the underwriting agreement for this offering through October 9, 2018.

On March 7, 2018, we filed a Certificate of Elimination with the Secretary of State of the State of Delaware terminating our Series A, Series B, Series C, Series D, Series E and Series F Preferred Stock and thereafter no shares of our preferred stock remained so designated.

April 2018 Public Offering

On April 12, 2018, PolarityTE entered into an underwriting agreement with Cantor Fitzgerald & Co., as underwriter, relating to the issuance and sale of 2,335,937 shares (including the over-allotment option) of the Company's common stock at a public offering price of $16.00 per share (the "Previous Offering"). The Previous Offering closed on April 16, 2018. The net proceeds to the Company from the Previous Offering was $34,594,865, after deducting underwriting discounts and commissions and offering expenses paid by the Company.

Corporate Information

We were incorporated in 2004 in the state of Delaware. Effective January 11, 2017, we changed our name to PolarityTE, Inc. from "Majesco Entertainment Company."

Our principal executive offices are located at 1960 S 4250 W, Salt Lake City, UT 84104 and our telephone number is (385) 237-2279. Our web site address is www.PolarityTE.com. Information contained on, or that can be accessed through, our website does not constitute a part of this prospectus and is not incorporated by reference herein.

THE OFFERING

Common Stock Offered By Us	shares of our common stock, par value $0.001 per share.
Common Stock Outstanding After this Offering	shares of our common stock.
Option to Purchase Additional Shares	We have granted the underwriter an option for a period of up to 30 days from the date of this prospectus supplement to purchase up to an aggregate of additional shares of our common stock at the public offering price, less the underwriting discounts and commissions.
Use of Proceeds	We intend to use the net proceeds from this offering, after deducting underwriting discounts and commissions and estimated offering expenses, for research and development of our products and product candidates, efforts toward commercialization and required registration or approval of our products and product candidates with applicable regulatory authorities and for general corporate purposes. See “Use of Proceeds.”
Risk Factors	See “Risk Factors” beginning on page S-4 of this prospectus supplement and the “Risk Factors” sections of our Annual Report on Form 10-K for the year ended October 30, 2017 and our Quarterly Report on Form 10-Q for the three months ended January 31, 2018 for a discussion of factors that you should read and consider before investing in our securities.
Nasdaq Capital Market Symbol	COOL

The number of shares of common stock to be outstanding after this offering as reflected above is based on the actual number of shares outstanding at April 30, 2018, which was 18,843,488 and does not include, as of that date:

4,593,068 shares of common stock issuable upon the exercise of outstanding options, with a weighted average exercise price of $10.55 per share; and

1,995,780 shares of common stock reserved for future issuance under our equity incentive plans.

Except as otherwise indicated, all information in this prospectus supplement assumes:

no exercise by the underwriter of its option to purchase up to an additional shares of our common stock; and

no exercise of the outstanding stock options described above.

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RISK FACTORS

An investment in our securities involves a high degree of risk. Before deciding whether to invest in our securities, you should consider carefully the risks described below and discussed under the section captioned "Risk Factors" beginning on page 6 of the accompanying prospectus, together with other information in this prospectus supplement, the accompanying prospectus, and the documents incorporated by reference in this prospectus supplement and the accompanying prospectus. If any of these risks actually occurs, our business, financial condition or results of operations could be seriously harmed. This could cause the trading price of our common stock to decline, resulting in a loss of all or part of your investment.

Risks Related to This Offering

Our management will have broad discretion as to the use of the proceeds of this offering.

We have not designated the amount of net proceeds we will receive from this offering for any particular purpose. Accordingly, our management will have broad discretion as to the application of these net proceeds. You will be relying on the judgment of our management with regard to the use of these net proceeds, and you will not have the opportunity, as part of your investment decision, to assess whether the proceeds are being used appropriately. It is possible that, pending their use, we may invest the net proceeds in a way that does not yield a favorable, or any, return for the Company.

You will experience immediate and substantial dilution in the net tangible book value per share of the stock you purchase.

The public offering price of our common stock being offered is substantially higher than the net tangible book value per share of our common stock outstanding prior to this offering. Therefore, if you purchase our common stock in this offering, you will incur immediate substantial dilution of   per share, representing the difference between our pro forma as adjusted net tangible book value as of January 31, 2018, after giving effect to the Exchange, Conversion, Previous Offering, and this offering, and the public offering price. If outstanding options or warrants to purchase our common stock are exercised, you will experience additional dilution. For a further description of the dilution that you will experience immediately after this offering, see "Dilution."

You may experience future dilution as a result of future equity offerings or other equity issuances.

To raise additional capital, we may in the future offer additional shares of our common stock, preferred stock or other securities convertible into or exchangeable for our common stock. We cannot assure you that we will be able to sell shares or other securities in any other offering at a price per share that is equal to or greater than the price per share paid by investors in this offering. The price per share at which we sell additional shares of our common stock or other securities convertible into or exchangeable for our common stock in future transactions may be higher or lower than the price per share in this offering.

Our stock price is likely to be volatile and the market price of our common stock after this offering may drop below the price you pay.

You should consider an investment in our common stock as risky and invest only if you can withstand a significant loss and wide fluctuations in the market value of your investment. You may be unable to sell your shares of common stock at or above the public offering price due to fluctuations in the market price of our common stock arising from changes in our operating performance or prospects. In addition, the stock market has recently experienced significant volatility, particularly with respect to life sciences company stocks. The volatility of life sciences company stocks often does not relate to the operating performance of the companies represented by the stock. Some of the factors that may cause the market price of our common stock to fluctuate or decrease below the price paid in this offering include:

- our ability to develop and commercialize our lead product candidate, SkinTE;

- results and timing of our clinical trials;

failure or discontinuation of any of our development programs;

issues in manufacturing our product candidates or future approved products;

issues in designing or constructing our commercial manufacturing facilities;

regulatory developments or enforcement in the United States and foreign countries with respect to our product candidates or our competitors' products;

competition from existing products or new products that may emerge;

developments or disputes concerning patents or other proprietary rights;

introduction of technological innovations or new commercial products by us or our competitors;

announcements by us, our collaborators or our competitors of significant acquisitions, strategic partnerships, joint ventures, collaborations or capital commitments;

changes in estimates or recommendations by securities analysts, if any, who cover our common stock;

fluctuations in the valuation of companies perceived by investors to be comparable to us;

public concern over our product candidates or any future approved products;

threatened or actual litigation;

- future or anticipated sales of our common stock;
- share price and volume fluctuations attributable to inconsistent trading volume levels of our shares;
- additions or departures of key personnel;
- changes in the structure of health care payment systems in the United States or overseas;
- failure of any of our product candidates to achieve commercial success;
- economic and other external factors or other disasters or crises;
- period-to-period fluctuations in our financial condition and results of operations;
- general market conditions and market conditions for biopharmaceutical stocks; and
- overall fluctuations in U.S. equity markets.

In addition, in the past, when the market price of a stock has been volatile, holders of that stock have instituted securities class action litigation against the company that issued the stock. If any of our stockholders brought a lawsuit against us, we could incur substantial costs defending the lawsuit and divert the time and attention of our management, which could seriously harm our business.

Because we do not expect to declare cash dividends on our common stock in the foreseeable future, stockholders must rely on appreciation of the value of our common stock for any return on their investment.

While we have in the past declared and paid cash dividends on our capital stock, we currently anticipate that we will retain future earnings for the development, operation and expansion of our business and do not expect to declare or pay any additional cash dividends in the foreseeable future. As a result, only appreciation of the price of our common stock, if any, will provide a return to investors in this offering.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein include “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). All statements other than statements of historical fact are “forward-looking statements” for purposes of this prospectus, the accompanying prospectus and the documents incorporated by reference herein and therein. In some cases, you can identify forward-looking statements by terminology such as “may,” “could,” “will,” “would,” “should,” “expect “plan,” “anticipate,” “believe,” “estimate,” “intend,” “predict,” “seek,” “contemplate,” “project,” “continue,” “potential,” “ong negative of these terms or other comparable terminology. These forward-looking statements include, but are not limited to, statements about:

our ability to develop and commercialize our lead product candidate, SkinTE;

how long we expect to maintain liquidity to fund our planned level of operations and our ability to obtain additional funds for our operations, including our estimates regarding expenses, future revenue, capital requirements and needs for additional financing;

the initiation, timing, progress and results of our research and development programs, preclinical studies, any clinical trials, or other regulatory submissions, including registration of our facilities and those of our contractors and/or listing of our product candidates with the United States Food and Drug Administration pursuant to the regulatory pathway for human cells, tissues, and cellular and tissue-based products (HCT/Ps) regulated solely under Section 361 of the Public Health Service Act (361 HCT/Ps), which permits qualifying products to be marketed without first obtaining FDA marketing authorization or approval;

our ability to identify and develop additional product candidates, including but not limited to OsteoTE™;

our or a potential collaborator’s need or ability to obtain and maintain regulatory registration, listing or approval of any of our product candidates;

the rate and degree of market acceptance of any product candidates;

the commercialization of any product candidates;

our ability to establish and maintain collaborations and retain commercial rights for our product candidates in the collaborations;

the implementation of our business model and strategic plans for our business, technologies and product candidates;

our estimates of our expenses, ongoing losses, future revenue and capital requirements;

our ability to obtain and maintain intellectual property protection for our technologies and product candidates and our ability to operate our business without infringing the intellectual property rights of others;

our reliance on third parties to conduct any preclinical studies or clinical trials;

our reliance on third-party suppliers and manufacturers to supply the materials and components for, and manufacture, our research and development, preclinical trial, and commercialization supplies;

our ability to attract and retain qualified key management and technical personnel;

our financial performance;

developments relating to our competitors or our industry;

- costs of compliance and our failure to comply with new and existing governmental regulations;
- loss or retirement of key members of management;
- failure to successfully execute our growth strategy, including any delays in our planned future growth;
- our failure to maintain effective internal controls; and
- our expected use of proceeds from this offering.

These statements relate to future events or to our future financial performance and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. Factors that may cause actual results to differ materially from current expectations include, among other things, those set forth in the section titled "Risk Factors" beginning on page S-4 of this prospectus supplement and in the accompanying prospectus and the documents incorporated by reference herein and therein. Any forward-looking statement in this prospectus, the accompanying prospectus and the documents incorporated by reference herein and therein reflects our current view with respect to future events and is subject to these and other risks, uncertainties and assumptions relating to our operations, results of operations, industry and future growth. Given these uncertainties, you should not place undue reliance on these forward-looking statements. Except as required by law, we assume no obligation to update or revise these forward-looking statements for any reason, even if new information becomes available in the future.

This prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein also contain estimates, projections and other information concerning our industry, our business and the markets for certain products, including data regarding the estimated size of those markets, their projected growth rates and the incidence of certain medical conditions. Information that is based on estimates, forecasts, projections or similar methodologies is inherently subject to uncertainties and actual events or circumstances may differ materially from events and circumstances reflected in this information. Unless otherwise expressly stated, we obtained these industry, business, market and other data from reports, research surveys, studies and similar data prepared by third parties, industry, medical and general publications, government data and similar sources. In some cases, we do not expressly refer to the sources from which these data are derived.

USE OF PROCEEDS

We estimate that the net proceeds from this offering will be approximately $ million, or approximately $ million if the underwriter exercises in full its option to purchase additional shares of common stock, in each case after deducting underwriting discounts and commissions and estimated offering costs payable by us.

We intend to use the net proceeds from this offering for research and development of our products and product candidates, efforts toward commercialization and required registration or approval of our products and product candidates with applicable regulatory authorities and for general corporate purposes.

We have not determined the amounts we plan to spend or the timing of expenditures. As a result, our management will have broad discretion to allocate the net proceeds from the sale of the common stock that we may offer under this prospectus supplement and the accompanying prospectus.

Pending their ultimate use, we intend to invest the net proceeds in a variety of securities, including commercial paper, government and non-government debt securities and/or money market funds that invest in such securities.