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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**FORM 8-K**

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**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 31, 2022**

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**CATALYST BIOSCIENCES, INC.**

(Exact name of registrant as specified in its charter)

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**Delaware**  
(State or other jurisdiction  
of incorporation)

**000-51173**  
(Commission  
File Number)

**56-2020050**  
(IRS Employer  
Identification No.)

**611 Gateway Blvd, Suite 710, South San Francisco, CA 94080**  
(Address of principal executive offices)

**(650) 871-0761**  
(Registrant's telephone number, including area code)

**Not Applicable**  
(Former name or former address, if changed since last report.)

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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))

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

| Title of each class | Trading<br>Symbol(s) | Name of each exchange<br>on which registered |
|---------------------|----------------------|--|
| Common Stock        | CBIO                 | Nasdaq                                       |

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.

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**Item 2.02 Results of Operations and Financial Condition.**

On March 31, 2022, Catalyst Biosciences, Inc., (the “Company”) issued a press release announcing its financial results for the quarter ended December 31, 2021. The full text of the press release issued in connection with the announcement is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

*The information set forth in this Item 2.02 (including Exhibit 99.1) is being furnished and 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 (the “Securities Act”), or the Exchange Act, regardless of any general incorporation language in such filing, except as expressly set forth by specific reference in such a filing.*

**Item 2.05 Costs Associated with Exit or Disposal Activities**

On March 31, 2022, the Company announced that it is implementing expense reduction measures, including additional headcount reductions of approximately 19 employees, or approximately 70%.

As a result of the reduction in headcount, the Company estimates that it will incur up to approximately \$0.8 million in costs related to one-time severance costs and related expenses, which will all be incurred in the second quarter of 2022. The reduction in force is expected to be substantially completed by April 30, 2022. The estimates of costs that the Company expects to incur and the timing thereof are subject to a number of assumptions and actual results may differ. The Company may also incur other charges or cash expenditures not currently contemplated due to events that may occur as a result of, or associated with, the decision to pivot from hemophilia to complement therapeutics and protease medicines platform.

*Forward-Looking Statements*

This item 2.05 contains forward-looking statements that are intended to be covered by the safe harbor for “forward-looking statements” provided by the Private Securities Litigation Reform Act of 1995, as amended. Forward looking statements are statements that are not historical facts. Words such as “expects,” “believes,” “will,” “may,” “anticipates” and similar expressions are intended to identify forward-looking statements. These statements include, but are not limited to, statements regarding the anticipated benefits of the change in corporate strategy, the anticipated timing and details of the reduction in workforce and expected charges and costs associated with the reduction in workforce that the Company expects to incur. These statements are based on current expectations, estimates and projections about the Company’s business based, in part, on assumptions made by management, and are subject to a number of risks and uncertainties. Factors that could cause actual results to differ materially from current expectations include possible changes in the expected costs and charges associated with the reduction in force, and risks associated with the Company’s ability to achieve the expected benefits of the reduction in force and realignment of its resources. Additionally, these forward-looking statements should be considered in conjunction with the cautionary statements and risk factors described in the Company’s Annual Report on Form 10-K for the year ended December 31, 2021, and its other filings filed from time to time with the Securities and Exchange Commission. The Company does not assume any obligation to update any forward-looking statement, except as required by law.

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

On March 29, 2022, the Company amended its employment agreement with Seline Miller, the Company’s Senior Vice President of Finance and interim Chief Financial Officer, to provide that if Mrs. Miller’s employment is terminated without “cause” (as defined in the Employment Agreement) or as a result of “constructive termination” (as defined in the Employment Agreement), in each case outside of the “change in control protection period” (as defined in the Employment Agreement), Mrs. Miller would be eligible to receive, subject to certain conditions described in the Employment Agreement, her continued base salary for nine (9) months after the termination.

In addition, if Mrs. Miller's employment is terminated without "cause" or as a result of "constructive termination," in each case during the change in control protection period, Mrs. Miller would be eligible to receive, subject to certain conditions described in the Employment Agreement, severance payments, equal to the sum of (a) 100% of Mrs. Miller's annual base salary and (b) 100% of Mrs. Miller's maximum annual performance-based bonus, paid in equal installments for twelve (12) months after the termination.

The preceding description of the Employment Agreement is a summary and is qualified in its entirety by reference to the Original Employment Agreement and the Amendment to Original Employment Agreement, copies of which are filed as Exhibits 10.1 and 10.2, respectively, to this Current Report and incorporated herein by reference.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits

| <u>Exhibit No.</u> | <u>Description</u>   |
|--------------------|--|
| 10.1               | <a href="#">Original Employment Agreement between Seline Miller and Catalyst Biosciences, Inc., dated November 4, 2021.</a>                      |
| 10.2               | <a href="#">Amendment to Original Employment Agreement between Seline Miller and Catalyst Biosciences, Inc., effective as of March 29, 2022.</a> |
| 99.1               | <a href="#">Press Release dated March 31, 2022.</a>  |
| 104                | Cover Page Interactive Data File (formatted as 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.

Date: April 4, 2022

**CATALYST BIOSCIENCES, INC.**

/s/ Nassim Usman

\_\_\_\_\_  
Nassim Usman, Ph.D.

President and Chief Executive Officer



CATALYST BIOSCIENCES, INC.  
611 Gateway Blvd., Suite 710,  
South San Francisco, CA 94080  
P 650.871.0761  
W catalystbiosciences.com  
NASDAQ: C BIO

4 November 2021

Seline Miller  
16050 Harwood Road  
Los Gatos, CA 95032

Dear Ms. Miller:

We are pleased to confirm your promotion to the title of SVP, Finance of Catalyst Biosciences, Inc. (the “**Company**”) effective as of October 13, 2021 (the “**Effective Date**”). In this role, you will report directly to Nassim Usman, President & Chief Executive Officer. As of the Effective Date, this letter agreement shall govern the terms of your continued employment with the Company.

While employed by the Company, you agree to perform your duties faithfully and to the best of your abilities and to devote your full business efforts and time to the Company. Except upon the prior written consent of the President & CEO, you will not, during your employment with the Company, (i) accept any other employment, or (ii) engage, directly or indirectly, in any other business activity (whether or not pursued for pecuniary advantage) that might interfere with your duties and responsibilities as SVP, Finance or create a conflict of interest with the Company. This consent will not be unduly withheld by the President & CEO.

Effective as of the Effective Date, your base compensation will be \$25,000 per month (\$300,000, annualized), paid periodically in accordance with normal Company payroll practices and subject to the usual, required withholding. You will be eligible for a review of your salary in connection with the regular review of executive salaries in 2022.

Effective as of the Effective Date, you will also have the opportunity to earn an annual performance-based bonus up to 30% of your annual salary. To receive your bonus, you must be employed by the Company at the time the bonus is paid.

During your employment with the Company, you will continue to be eligible to participate in the Company’s employee benefit plans including, but not limited to, Life, Disability, Medical, Dental and Vision Insurance, 401(k), Section 125 Flexible Spending Accounts. The Company reserves the right to cancel or change the benefit plans and programs it offers to its employees at any time.

As a full-time employee, you will continue to be eligible for paid-time-off benefits, for such things as sick leave, vacation time or time for personal needs, in accordance with our policies for similarly situated employees.

You will be eligible to receive stock options or other equity compensation as determined from time to time by the Compensation Committee of the Board of Directors.

In the event your employment with us is terminated for any reason other than death or Disability (as defined in the relevant equity award documentation), you will have three months following the termination of employment to exercise the vested portion of any option grant. In the event your employment with us is terminated due to your death or Disability, the vested portion of any option grant may be exercised within the one-year period following the termination of your employment. In no event may any option grant be exercised after the expiration of its ten-year term. You should be aware that your employment with the Company is for no specified period and constitutes "at will" employment. As a result, you are free to terminate your employment at any time, for any reason or for no reason. Similarly, the Company is free to terminate your employment at any time, for any reason or for no reason. The at-will employment policy can only be changed by a written document approved by the Board and signed on behalf of the Board.

Should your employment with the Company be terminated without Cause or as a result of Constructive Termination (each as defined below), in each case outside of the Change in Control Protection Period (as defined below), you shall be eligible to receive (i) severance payments, equal to the rate of base salary which you were receiving at the time of such termination, during the period from the date of your termination until the date that is six (6) months after the effective date of the termination (the "**Severance Period**"), which payments shall be paid during the Severance Period (or applicable shorter period) in accordance with the Company's standard payroll practice following the effective date of the release described below and which shall be subject to applicable withholding taxes, (ii) accelerated vesting as of the time of such termination with respect to the unvested options held by you that would have vested during the Severance Period, and (iii) if you elect to continue your Company health insurance coverage under the Consolidated Omnibus Budget Reconciliation Act ("**COBRA**") following such termination, payment by the Company of the same portion of your monthly premium under COBRA as it pays for active employees until the earliest of (a) the close of the Severance Period, (b) the expiration of your continuation coverage under COBRA or (c) the date when you become eligible for substantially equivalent health insurance coverage in connection with new employment or self-employment.

Should your employment with the Company be terminated without Cause (as defined below) or as a result of Constructive Termination, in each case during the six (6) month period prior to or the eighteen (18) month period following a Change in Control (as defined in the Company's 2018 Omnibus Incentive Plan, as amended from time to time) (the "**Change in Control Protection Period**"), you shall be eligible to receive (i) severance payments, equal to the sum of (a) 75% of your annual base salary determined at the rate at which you were receiving your base salary at the time of such termination and (b) 75% of your maximum annual performance-based bonus at the time of such termination, paid in equal installments during the period from the date of the termination until the date that is nine (9) months after the effective date of the termination (the "**Post-COC Severance Period**"), which payments shall be paid during the Post-COC Severance Period (or applicable shorter period) in accordance with the Company's standard payroll practice following the effective date of the release described below and which shall be subject to applicable withholding taxes, (ii) 100% percent of any unvested options held by you will vest as of the time of such termination, and (iii) if you elect to continue your Company health insurance coverage under COBRA following such termination, payment by the Company of the same portion of your monthly premium under COBRA as it pays for active employees until the earliest of (a) the close of the Post-COC Severance Period, (b) the expiration of your continuation coverage under COBRA or (c) the date when you become eligible for substantially equivalent health insurance coverage in connection with new employment or self-employment.

Any severance benefits under this letter agreement are conditioned upon your execution of a release of claims in a form provided by the Company, and any severance payments shall commence on the 60th day following your separation, so long as you have signed a release that has become irrevocable during such period, with the initial payment including payments that otherwise would have been made during the sixty day period.

Notwithstanding anything to the contrary in this letter agreement, any payment or benefit due to you under this letter agreement or otherwise will not be paid or provided during the six (6) month period following your termination of employment if (i) the Company determines, in its good faith judgment, that you are a "specified" employee under Section 409A of the Internal Revenue Code and any treasury regulations and internal revenue service guidance thereunder ("**Section 409A**") and (ii) such payments or benefits are "nonqualified deferred compensation" for purposes of Section 409A . If the payment of any amounts are delayed as a result of the previous sentence, any cash severance payments due to you pursuant to this letter agreement or otherwise during the first six (6) months after your termination will accrue during such six month period and will become payable in a lump sum payment on the date six (6) months and one (1) day following the date of your termination. Thereafter, payments will resume in accordance with the applicable

schedule set forth in this letter agreement. You agree to work in good faith with the Company to consider amendments to this letter agreement which are necessary or appropriate to avoid imposition of any additional tax or income recognition under Section 409A prior to the actual payment to you of payments or benefits under this letter agreement. Notwithstanding the foregoing, this letter agreement will be deemed amended, without any consent required from you, to the extent necessary to avoid imposition of any additional tax or income recognition pursuant to Section 409A prior to actual payments to you under this letter agreement. You and the Company agree to cooperate with each other and to take reasonably necessary steps in this regard.

This letter agreement is intended to comply with the requirements of Section 409A, including the exceptions thereto, and shall be construed and administered in accordance with such intent. Notwithstanding any other provision of this letter agreement, payments provided under this letter agreement may only be made upon an event and in a manner that complies with Section 409A or an applicable exemption. Any payments under this letter agreement that may be excluded from Section 409A either as separation pay due to an involuntary separation from service or as a short-term deferral shall be excluded from Section 409A to the maximum extent possible. For purposes of Section 409A, each installment payment provided under this letter agreement shall be treated as a separate payment. Any payments to be made under this letter agreement in connection with a termination of employment shall only be made if such termination of employment constitutes a "separation from service" under Section 409A. To the extent that reimbursements or other in-kind benefits under this letter agreement constitute "nonqualified deferred compensation" for purposes of Section 409A, (i) such expenses or other reimbursements hereunder shall be made on or prior to the last day of the taxable year following the taxable year in which such expenses were incurred, (ii) no right to such reimbursement or in-kind benefits shall be subject to liquidation or exchange for another benefit, and (iii) no such reimbursement, expenses eligible for reimbursement, or in-kind benefits provided in any taxable year shall in any way affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year. Notwithstanding the foregoing, the Company makes no representations that the payments and benefits provided under this letter agreement comply with Section 409A and in no event shall the Company, any Company affiliates, or their respective employees, officers, directors, agents and representatives (including, without limitation, legal counsel) be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by you on account of non-compliance with Section 409A.



“Cause” shall mean (i) your failure to perform your assigned duties or responsibilities as an employee of the Company after notice thereof from the Company describing your failure to perform such duties or responsibilities, (ii) your engaging in any act of dishonesty, fraud or misrepresentation, (iii) your violation of any federal or state law or regulation applicable to the Company’s business, (iv) your breach of any confidentiality agreement or invention assignment agreement between you and the Company, or (v) your being convicted of or entering a plea of *nolo contendere* to, any crime or committing any act of moral turpitude. The determination as to whether you are being terminated for Cause will be made in good faith by the Company and will be final and binding on you.

“Constructive Termination” shall be deemed to occur if, without your written consent, within 90 days following any of the conditions below, you terminate your employment in accordance with this provision: (A) the Company’s material breach of this letter agreement resulting from the failure of the Company to require any successor to the Company upon a Change in Control to assume the Company’s obligations under this letter agreement, (B) a material reduction in your job duties or responsibilities inconsistent with your position with the Company and prior duties or responsibilities, provided that neither (a) the loss of an “interim” position and your reassignment to a position substantially similar to your role prior to such interim position, whether before or after a Change in Control or (b) a mere change in title alone nor reassignment following a Change in Control to a position that is substantially similar to the position held prior to the Change in Control in terms of job duties or responsibilities shall constitute a material reduction in job responsibilities, or (C) the request by the Company or its successor to relocate the principal place for performance of your Company duties to a location more than thirty (30) miles from your then-current principal business location; provided that (i) you have provided written notice of your intent to terminate employment on the basis of a Constructive Termination within sixty (60) days after the Constructive Termination condition first occurs, and (ii) the Company fails to correct the Constructive Termination within thirty (30) days after receipt of your written notice.

In the event that the severance and other payments or benefits provided for in this letter agreement or otherwise payable to you (i) constitute “parachute payments” within the meaning, of Section 280G of the Code, and (ii) but for this paragraph would be subject to the excise tax imposed by Section 4999 of the Code (the “Excise Tax”), then your benefits under this letter agreement shall be either

- A. delivered in full, or
- B. delivered as to such lesser extent which would result in no portion of such benefits being subject to the Excise Tax,

whichever of the foregoing amounts, taking into account the applicable federal, state and local income taxes and the Excise Tax, results in the receipt by you on an after-tax basis, of the greatest amount of benefits, notwithstanding that all or some portion of such benefits may be taxable under Section 4999 of the Code. If a reduction is

required and no parachute payments constitute nonqualified deferred compensation under Section 409A, you shall be able to select which payments and/or benefits are reduced and the order of reduction. If a reduction is required and any parachute payments constitute nonqualified deferred compensation under Section 409A, the reduction shall occur in the following order: (i) options whose exercise price exceeds the fair market value of the optioned equity, (ii) Full Credit Payments (as defined below) that are payable in cash, (iii) non-cash Full Credit Payments that are taxable, (iv) non-cash Full Credit Payments that are not taxable (v) Partial Credit Payments (as defined below) and (vi) non-cash employee welfare benefits. In each case, reductions shall be made in reverse chronological order such that the payment or benefit owed on the latest date following the occurrence of the event triggering the excise tax will be the first payment or benefit to be reduced (with reductions made pro-rata in the event payments or benefits are owed at the same time). The term "Full Credit Payment" means a payment or benefit that if reduced in value by one dollar reduces the amount of the parachute payment (as defined in Section 280G of the Code) by one dollar. "Partial Credit Payment" means any payment or benefit that is not a Full Credit Payment.

You understand and agree that by accepting terms of this letter agreement, you represent to the Company that your performance will not breach any other agreement to which you are a party and that you have not, and will not during the term of your employment with the Company, enter into any oral or written agreement in conflict with any of the provisions of this letter or the Company's policies. You are not to bring with you to the Company, or use or disclose to any person associated with the Company, any confidential or proprietary information belonging to any former employer or other person or entity with respect to which you owe an obligation of confidentiality under any agreement or otherwise. The Company does not need and will not use such information. Also, we expect you to abide by any obligations to refrain from soliciting any person employed by or otherwise associated with any former employer.

This letter agreement and the confidential information and/or inventions assignment agreement between you and the Company represent the entire agreement and understanding between you and the Company concerning your employment relationship with the Company and supersede in their entirety any and all prior agreements and understandings concerning your employment relationship with the Company, whether written or oral. Except as specifically provided in this letter agreement, this letter agreement can only be amended in a writing approved by the Board and signed by you and a duly authorized officer of the Company. Any waiver of a right under this letter agreement must be in writing. The Company will require any successor to all or substantially all of its assets or businesses to assume this letter agreement and perform the Company's obligations hereunder. This letter agreement will be governed by California law.

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Seline, we appreciate your valuable contributions to Catalyst and look forward to your continued participation in the Company's future success!

Sincerely,

/s/ Nassim Usman  
Nassim Usman, Ph.D.  
President & Chief Executive Officer

Accepted and agreed to this

Nov 7, 2021

/s/ Seline Miller  
\_\_\_\_\_  
Seline Miller

**AMENDMENT TO EMPLOYMENT AGREEMENT**

THIS AMENDMENT TO THE EMPLOYMENT AGREEMENT (this “*Amendment*”) is made effective as of March 29, 2022 (the “*Effective Date*”) between Catalyst Biosciences, Inc., a Delaware corporation (the “*Company*”), and Seline Miller (“*Employee*”).

**RECITALS**

**WHEREAS**, Employee and the Company previously entered into an Employment Agreement dated November 4, 2021 (the “*Employment Agreement*”);

**WHEREAS**, the Company desires to amend the terms of the Employment Agreement to modify the terms of Employee’s severance benefits (collectively, the “*Modifications*”); and

**WHEREAS**, Employee has agreed to the Modifications.

**NOW, THEREFORE**, in consideration of the promises and mutual covenants contained herein, and intending to be legally bound hereby, the parties agree that the Employment Agreement is amended as follows:

**1. Base Compensation and Bonus Adjustment.** The third and fourth paragraphs of the Employment Agreement are hereby deleted in their entirety and replaced with the following:

“Effective as of January 1, 2022, your base compensation will be \$27,083.33 per month (\$325,000 annualized), paid periodically in accordance with normal Company payroll practices and subject to the usual, required withholding. You will be eligible for a review of your salary in connection with regular review of executive salaries in 2023.

Beginning with respect to the Company’s 2022 fiscal year, you will also have the opportunity to earn an annual performance-based bonus up to 40% of your annual salary. To receive your bonus, you must be employed by the Company at the time the bonus is paid.”

**2. Severance Period and Post-COC Severance Period Adjustments.** The ninth paragraph of the Employment Agreement is hereby deleted in its entirety and replaced with the following:

“Should your employment with the Company be terminated without Cause or as a result of Constructive Termination (each as defined below), in each case outside of the Change in Control Protection Period (as defined below), you shall be eligible to receive (i) severance payments, equal to the rate of base salary which you were receiving at the time of such termination, during the period from the date of your termination until the date that is nine (9) months after the effective date of the termination (the “**Severance Period**”), which payments shall be paid during the Severance Period (or applicable shorter period) in accordance with the Company’s standard payroll practice following the effective date of the release described below and which shall be subject to applicable withholding taxes, (ii) accelerated vesting as of the time of such termination with respect to the unvested options held by you that would have vested during the Severance Period, and (iii) if you elect to continue your Company health insurance coverage under the Consolidated Omnibus Budget Reconciliation Act

("COBRA") following such termination, payment by the Company of the same portion of your monthly premium under COBRA as it pays for active employees until the earliest of (a) the close of the Severance Period, (b) the expiration of your continuation coverage under COBRA or (c) the date when you become eligible for substantially equivalent health insurance coverage in connection with new employment or self-employment."

**3. Post-COC Severance Adjustment.** The tenth paragraph of the Employment Agreement is hereby deleted in its entirety and replaced with the following:

"Should your employment with the Company be terminated without Cause (as defined below) or as a result of Constructive Termination, in each case during the six (6) month period prior to or the eighteen (18) month period following a Change in Control (as defined in the Company's 2018 Omnibus Incentive Plan, as amended from time to time) (the "**Change in Control Protection Period**"), you shall be eligible to receive (i) severance payments, equal to the sum of (a) 100% of your annual base salary determined at the rate at which you were receiving your base salary at the time of such termination and (b) 100% of your maximum annual performance-based bonus at the time of such termination, paid in equal installments during the period from the date of the termination until the date that is twelve (12) months after the effective date of the termination (the "**Post-COC Severance Period**"), which payments shall be paid during the Post-COC Severance Period (or applicable shorter period) in accordance with the Company's standard payroll practice following the effective date of the release described below and which shall be subject to applicable withholding taxes, (ii) 100% percent of any unvested options held by you will vest as of the time of such termination, and (iii) if you elect to continue your Company health insurance coverage under COBRA following such termination, payment by the Company of the same portion of your monthly premium under COBRA as it pays for active employees until the earliest of (a) the close of the Post-COC Severance Period, (b) the expiration of your continuation coverage under COBRA or (c) the date when you become eligible for substantially equivalent health insurance coverage in connection with new employment or self-employment."

**4. No Other Modification.** Except as provided herein, the provisions of the Employment Agreement shall remain in full force and effect following the adoption of this Amendment and this Amendment shall not constitute a modification or waiver of any provision of the Employment Agreement except as provided herein.

**5. Governing Law.** This Amendment shall be construed under and be governed by California law without giving effect to California conflict of laws principles.

*[Signature Page Follows]*

IN WITNESS WHEREOF, the parties hereto have duly executed this Amendment as of the date first above written.

**CATALYST BIOSCIENCES, INC.**

/s/ Nassim Usman

By: Nassim Usman, Ph.D.

Title: President & Chief Executive Officer

**EMPLOYEE**

/s/ Seline Miller

Seline Miller

*[Signature Pages to Amendment]*



## Catalyst Biosciences Reports Fourth Quarter and Year-end 2021 Operating & Financial Results and Provides a Corporate Update

**SOUTH SAN FRANCISCO, Calif. – March 31, 2022** – Catalyst Biosciences, Inc. (NASDAQ: CBIO) today announced its operating and financial results for the fourth quarter and year ended December 31, 2021 and provided a corporate update.

“In late 2021 we announced a strategic change in corporate strategy, pivoting from hemophilia to a highly promising complement therapeutics and protease medicines platform,” said Nassim Usman, Ph.D., president and chief executive officer of Catalyst. “This month, we re-acquired the full rights to CB 2782-PEG adding to our promising portfolio, which includes CB 4332 our enhanced CFI development candidate. Having the full rights to these two potentially best-in-class candidates in dry AMD provides another opportunity in our exploration of strategic alternatives that was announced in February. We are also implementing expense reduction measures, including headcount, while we continue this process.”

### Recent Milestones

- Regained the rights to CB 2782-PEG for the treatment of Dry AMD, expanding the Company’s complement portfolio in ophthalmology. With the full rights to CB 2782-PEG back under the company’s control, Catalyst now has two wholly owned, potentially best-in-class development candidates. Dry AMD is a leading cause of blindness in its severe form for which there are no currently approved drugs. The potential dry AMD market is estimated to be over \$10 billion.
- Received Rare Pediatric Disease Designation for CB 4332 for the treatment of CFI Deficiency. Under the FDA’s rare pediatric disease designation program, the FDA may grant a priority review voucher to a sponsor that received product approval for a rare pediatric disease. A rare pediatric disease is defined as a serious or life-threatening condition that affects less than 200,000 individuals in the U.S. per year and who are primarily less than 18 years of age.
- Announced plans to explore strategic alternatives for the company.
- Implemented further personnel and cost reductions, including additional headcount reductions of approximately 19 employees, or 70%, that are expected to be completed by April 30, 2022.

### Fourth Quarter and Year-End 2021 Results and Financial Highlights

- Cash, cash equivalents, and investments, as of December 31, 2021, were \$46.9 million.
- Research and development expense for the three months and year ended December 31, 2021 was \$16.1 million and \$68.9 million respectively, compared with \$14.6 million and \$53.0 million for the prior year periods, respectively. The increase was due primarily to an increase in MarZAA clinical and manufacturing costs, preclinical research costs, personnel-related costs including one-time severance costs associated with our restructuring, and an increase in facilities costs.
- General and administrative expense for the three months and year ended December 31, 2021 was \$4.2 million and \$19.0 million, respectively, compared with \$4.3 million and \$16.2 million, for the prior year periods, respectively. This increase was due primarily to an increase in personnel-related costs and an increase in professional services.

- Interest and other income (expense), net for the three months and year ended December 31, 2021 was \$(16,000) and \$(39,000) respectively, compared with \$(0.1) million and \$1.1 million, for the prior year periods, respectively. The \$1.2 million decrease was primarily due to a decrease in interest income and due to the payment received in the first quarter of 2020 under an agreement associated with neuronal nicotinic receptor asset sold in 2016.
- Net loss attributable to common stockholders for the three months and year ended December 31, 2021 was \$20.3 million, or (\$0.65) per basic and diluted share, and \$87.9 million, or (\$2.87) per basic and diluted share, respectively, compared with \$18.9 million, or (\$0.86) per basic and diluted share, and \$56.2 million, or (\$2.93) per basic and diluted share, for the prior year periods, respectively.
- As of December 31, 2021, the Company had 31,409,707 shares of common stock outstanding.

#### **About Catalyst Biosciences, the Protease Medicines company**

Catalyst is a research and clinical development biopharmaceutical company focused on developing protease therapeutics to address unmet medical needs in disorders of the complement system. Proteases are natural regulators of this biological system. We engineer proteases to create improved or novel molecules to treat diseases that result from dysregulation of the complement cascade. Our complement pipeline consists of several proteases that regulate the complement cascade including CB 2782-PEG, a C3 degrader for the potential treatment of dry age-related macular degeneration (dAMD), improved Complement Factor I protease CB 4332 for patients with deficiencies in CFI including dAMD, and proteases from our ProTUNE™ C3b/C4b degrader and ImmunoTUNE™ C3a/C5a degrader platforms designed to target other disorders of the complement or inflammatory pathways.

#### **Forward-Looking Statements**

This press release contains forward-looking statements that involve substantial risks and uncertainties. Forward-looking statements include, without limitation, those regarding potential strategic alternatives, potential markets for CB 2782-PEG and CB 4332, plans for clinical development of CB 2782-PEG and CB 4332 in dry AMD, and the continued generation of candidates to treat diseases that result from dysregulation of the complement cascade, as well as statements about the benefits of our protease engineering platform. Actual results or events could differ materially from the plans, intentions, expectations, and projections disclosed in the forward-looking statements. Various important factors could cause actual results or events to differ materially, including, but not limited to, the risk that we will not identify or execute any strategic alternatives, that clinical trials and preclinical studies may be delayed as a result of COVID-19, competitive products, and other factors, that CB 2782-PEG, CB 4332 and the Company's complement degraders are not yet in human clinical trials and will require clinical additional testing, including multiple clinical trials, before being approved, that the Company will need to raise additional capital, and other risks described in the "Risk Factors" section of the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission (the "SEC") on March 31, 2022, the Quarterly Report on Form 10-Q filed with the SEC on November 12, 2021, and in other filings filed from time to time with the SEC. The Company does not assume any obligation to update any forward-looking statements, except as required by law.

#### **Contact:**

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**Catalyst Biosciences, Inc.**  
**Condensed Consolidated Balance Sheets**  
(In thousands, except share and per share amounts)

|   | <u>December 31, 2021</u> | <u>December 31, 2020</u> |
|---|--------------------------|--------------------------|
| <b>Assets</b>   |                          |                          |
| Current assets:   |                          |                          |
| Cash and cash equivalents   | \$ 44,347                | \$ 30,360                |
| Short-term investments  | 2,504                    | 48,994                   |
| Accounts receivable   | 1,818                    | 3,313                    |
| Prepaid and other current assets  | 2,807                    | 6,843                    |
| Total current assets  | <u>51,476</u>            | <u>89,510</u>            |
| Long-term investments   | —                        | 2,543                    |
| Other assets, noncurrent  | 472                      | 528                      |
| Right-of-use assets   | 2,744                    | 1,832                    |
| Property and equipment, net   | 970                      | 433                      |
| <b>Total assets</b>   | <u>\$ 55,662</u>         | <u>\$ 94,846</u>         |
| <b>Liabilities and stockholders' equity</b>   |                          |                          |
| Current liabilities:  |                          |                          |
| Accounts payable  | \$ 6,419                 | \$ 5,931                 |
| Accrued compensation  | 1,467                    | 2,476                    |
| Deferred revenue  | 230                      | 1,983                    |
| Other accrued liabilities   | 4,072                    | 6,743                    |
| Operating lease liability   | 1,977                    | 663                      |
| Total current liabilities   | <u>14,165</u>            | <u>17,796</u>            |
| Operating lease liability, noncurrent   | 408                      | 981                      |
| <b>Total liabilities</b>  | <u>14,573</u>            | <u>18,777</u>            |
| Stockholders' equity:   |                          |                          |
| Preferred stock, \$0.001 par value, 5,000,000 shares authorized; zero shares issued and outstanding   | —                        | —                        |
| Common stock, \$0.001 par value, 100,000,000 shares authorized; 31,409,707 and 22,097,820 shares issued and outstanding at December 31, 2021 and 2020, respectively | 31                       | 22                       |
| Additional paid-in capital  | 443,752                  | 390,803                  |
| Accumulated other comprehensive income  | —                        | 5                        |
| Accumulated deficit   | (402,694)                | (314,761)                |
| Total stockholders' equity  | <u>41,089</u>            | <u>76,069</u>            |
| <b>Total liabilities and stockholders' equity</b>   | <u>\$ 55,662</u>         | <u>\$ 94,846</u>         |



**Catalyst Biosciences, Inc.**  
**Condensed Consolidated Statements of Operations**  
(In thousands, except share and per share amounts)

|  | <b>Year Ended December 31,</b> |                    |
|--|--------------------------------|--------------------|
|  | <b>2021</b>                    | <b>2020</b>        |
| <b>Revenue:</b>  |                                |                    |
| License  | \$ —                           | \$ 15,100          |
| Collaboration  | 7,338                          | 5,848              |
| License and collaboration revenue  | <u>7,338</u>                   | <u>20,948</u>      |
| <b>Operating expenses:</b>   |                                |                    |
| Cost of license  | —                              | 3,102              |
| Cost of collaboration  | 7,380                          | 6,061              |
| Research and development   | 68,889                         | 52,975             |
| General and administrative   | 18,963                         | 16,180             |
| Total operating expenses   | <u>95,232</u>                  | <u>78,318</u>      |
| Loss from operations   | (87,894)                       | (57,370)           |
| Interest and other income (expense), net   | (39)                           | 1,129              |
| Net loss   | <u>\$ (87,933)</u>             | <u>\$ (56,241)</u> |
| Net loss per share attributable to common stockholders, basic and diluted                        | <u>\$ (2.87)</u>               | <u>\$ (2.93)</u>   |
| Shares used to compute net loss per share attributable to common stockholders, basic and diluted | <u>30,640,977</u>              | <u>19,179,299</u>  |