Public Statement Regarding Recent Allegations Against Cassava Sciences, Inc.

September 3, 2021

Please refer to the Forward-Looking Statements at the end of this document.

(Transcript of recorded session).

Good morning, everyone. My name is Remi Barbier, Chairman of the Board, President & CEO of Cassava Sciences. Today I'd like to discuss allegations that were recently made against our Company and what we're doing about it. We'll end the discussion with an overview of Cassava Sciences' progress in Alzheimer's disease.

As most people know, last Tuesday, August 24th, a law firm in NY made allegations against us. Let me be very clear: I think these allegations are false. This NY law firm claims our science is improbable, unexpected and unique to Cassava Sciences, and therefore it's all an elaborate fraud. By these criteria, all drug innovations are fraudulent. The NY law firm also filed a Citizen's Petition with FDA, essentially using the same allegations to demand a regulatory halt to our clinical progress in Alzheimer's disease. Two days after issuing their report, the law firm disclosed that they represent clients who have a short position in Cassava stock.

It's been about a week since these allegations were posted on-line. In that short period of time, our market valuation declined by over $2 billion dollars. You heard right: $2 billion dollars of valuation, wiped out in one week by on-line allegations.

When I first read the allegations, I felt dazed and confused. After all, we've been working slowly, carefully, patiently for over ten years on the science, and always in collaboration with a wide range of stakeholders, including academic advisors, non-clinical sites, clinical sites, the NIH, the FDA, peer-reviewed journal publications, and of course, you, the investing public. After ten plus years of effort, we're finally on the verge of initiating a pivotal Phase 3 program. And now this.

So let me tell you what I think of these allegations, and I won't hold back. These allegations are not only false, I also think they are misleading. As a science organization, we conduct experiments that generate data. We do not invent stuff out of thin air. Needless to say, we intend to vigorously defend ourselves and our stakeholders against false and misleading allegations.

There is an enormous profit motive at work. As previously noted, after the allegations were made public, which is to say after the damage was done, the law firm issued a press release admitting its anonymous clients "*hold short positions in Cassava stock*." (For those who don't follow Wall St, a short position allows an investor to make a financial profit from a drop in a Company's stock price). So here we have a situation where there's a significant financial motive

to drive down our stock price. When done correctly, short selling is legal. But there are some short sellers who make outlandish allegations, then make a killing when the stock price declines. In fact, this practice has a name. It's called "short and distort". Look it up.

Let me be clear: biotech is and will always be a high-risk, high-reward activity. Most drug candidates fail, that's a fact. Simufilam, which is our drug candidate for Alzheimer's disease, still needs to undergo Phase 3 testing and FDA approval before we can declare victory. In this regard, it's normal for some investors to bet for, and some to bet against, a biotech company, especially around the release of important clinical datasets. After all, every trade needs a buyer and a seller. And that's fine. That's the way a healthy market works.

But I think what we're currently seeing is no ordinary short seller betting our data will disappoint. To me, the short attack against Cassava Sciences feels unprecedented in its boldness, its scope, its immediacy and its intensity. It feels highly organized and well-funded. It feels like whoever is behind this effort wants to make a lot of money quickly, at the expense of our science. And, of course, by hiring a law firm to spread allegations on-line, the holders of a short position don't have to do the dirty work. That's done by the law firm. In other words, by distancing the monkey from the organ grinder, those behind this scheme are hard to detect.

Now I'll say a few words about the allegations themselves. When we first heard of the allegations, we stayed up for a good part of the night crafting a press release. It's hard to respond to 40+ pages of inflammatory accusations overnight, but we did, and the next day,

Wednesday, August 25th, we issued a press release stating we believe the allegations regarding our scientific integrity are false and misleading. I think what we did is good governance and standard corporate behavior. But it may not be enough. As I said, this attack is unprecedented in scope and intensity, and it requires us to be forceful in our response.

Let's turn our attention to the Citizen's Petition. This may be a short discussion. In brief, I think the Citizen's Petition is meaningless. An FDA Citizen's Petition is exactly what it sounds like. Any citizen can write to the FDA and complain about a drug. I don't think there are any special requirements that a Citizen's Petition be accurate, or even truthful. Pretty much anything goes. There is a lot of literature around abuse of the Citizen's Petition privilege, but that's a topic for another day. To my knowledge, a Citizen's Petition is typically filed against an approved drug or a drug candidate that is up for FDA approval. Our drug candidate in Alzheimer's disease fits neither of those two categories. Personally, I've never heard of a Citizen's Petition against a drug candidate that has not yet entered Phase 3 and that has demonstrated a clean safety profile in an elderly frail population. In any event, FDA has up to 150 days to take final action on a Citizen's Petition. As I said, I think the Citizen's Petition is meaningless and I hope FDA responds sooner rather than later.

For the record, we are not on clinical hold, nor has FDA contacted us regarding the Citizen's Petition or any allegations. In fact, we recently reached agreement with FDA for two Special Protocol Assessments for our Phase 3 program. We remain full-speed-ahead with our clinical program in Alzheimer's disease.

Some of the allegations focus on peoples' perceptions of our Western blots. Western blot is a highly technical area of science and it's a discussion that resists quick summary. For those who are unfamiliar, a Western blot is a standard lab technique used by researchers to specifically detect a protein. Now, I have no expertise in this technique, but I do know that the final product is a photograph. The photo can have light, or no light, or some other visual markings. I am aware that the allegations have caused a storm of opinions and counter-opinions on the internet around the fine visual features of photograph of certain Western blots. We all know that once a photograph is on the internet, the pixels that make up that photograph can easily be Photoshopped, cropped or otherwise distorted to mean anything you want it to mean. Furthermore, internet photos are resolution dependent. This means an internet photo can quickly lose quality and look blurry or pixelated, or whatever. I don't trust the authenticity of photos on the internet, and neither should you.

One way to settle the discourse around Western blots might be to go back to the original films and images. As a reminder, Cassava Sciences does not have its own laboratory facilities. We use other people's labs. For this reason, we don't have the original films or images for the Western blots in question. Those were generated by our science collaborator at CUNY, who is Prof. Wang. For this reason, I have respectfully requested that CUNY inquire thoroughly but expeditiously into the allegations targeting Prof. Wang. I have also asked CUNY that its conclusionary findings be made available to the public.

I would like to provide my thoughts around Prof. Wang, our scientific collaborator. He is a tenured professor at CUNY School of Medicine. Prof. Wang is at the tail end of his academic career. He has a long and outstanding record of scholarly achievements in Alzheimer's and other disease areas. His work has been published in many peer-reviewed journals. He has collaborated with a wide range of science partners, both in academia and industry.

Prof. Wang has also been a scientific collaborator to Cassava Sciences for about 15 years on the Alzheimer's program. Over 15 years, you get to know someone very well. Based on our long-term scientific relationship with Prof. Wang, we support his scientific integrity and ethics in the strongest possible terms. Prof. Wang has always embodied a commitment of intellectual honestly, rigor and transparency in the conduct of his scientific research. To me, it is not credible or fair to accuse Prof. Wang of a long-term, widespread pattern of scientific fraud, as the NY law firm alleges. I am not aware of any basis for them to do so.

On a more general note, I'm also concerned that credible scientists who have a lifelong record of scholarly achievements, such as Prof. Wang, can be instantly squelched by on-line allegations that go far beyond scientific debate. And of course, once they're out there on the internet, allegations take on a life of their own. There are legitimate forums to host scientific debate and make scholarly inquiries, and Twitter isn't one of them. Twitter storms can be entertaining to read, but entertainment is not evidence against the accused.

Let me also say that we are humans, and we do make honest mistakes from time to time. We have no shame in owning what we create. Folks on the internet have pointed out two errors. These are not material errors. There may be more to come, I just don't know given that our Alzheimer's program spans about 15 years of research, but right now I am specifically aware of visual errors in one publication and one poster presentation. Let me be clear: these are only visual errors. They should have been caught in proofing but were not. In all cases, the data analysis is correct; the visual display of the data is not correct. It's worth repeating: the data analysis is correct; the visual display of the data is not correct.

In 2017, we published in *Neurobiology of Aging*, a peer-reviewed publication. In that paper, Figure 12 contains an image showing 12 control bands. It should show 13. That's it. This is a visual error that was not caught in proofing. The data analysis was based on all 13 control bands.

In July 2021, we made a poster presentation at a conference in Denver on SavaDx, one of our product candidates. Figure 5 of that poster presentation shows what's called a spaghetti plot. A spaghetti plot is a visual representation of individual data, and consists of many lines displayed together, which I suppose, really can look like a plate of spaghettis. In any event, Figure 5 for the placebo group shows 18 lines; it should show 20. To be clear, the lines that were visually left out of this spaghetti plot are included in the data analysis. Figure 5 for the 100 mg group shows 18 lines; it should show 17. (The 18th line represents data for an outlier

that has been consistently removed from analysis). Again, these visual errors were not caught in proofing. A corrected Figure 5 is in the Appendix.

Finally, and this is the last thing I'll say today about the allegations, investors sometimes ask us why we don't respond to internet trolls. My rule is this: we do not engage on social media platforms. We won't take the bait; we won't go there. It's not what we do. We're not an entertainment company; we're a science shop. Our currency is data. That's how we plan to win. And of course, the big win may come later, as we generate clinical data with our drug candidate, simufilam, in Alzheimer's disease. That's our gameplan.

This is a good transition to provide an overview of our progress in Alzheimer's disease. As you know, we have a Phase 3 program in the works for our drug candidate, simufilam, in people with Alzheimer's disease.

I'm happy with the progress of this Phase 3 program. It's a lot of work and overall, it's going well. To recap our progress, we had a good end-of-phase 2 meeting with FDA earlier this year. We raised capital from investors to fund the Phase 3 program. We're working with Evonik for large-scale, Phase 3 drug supply. That effort is intense, and it's going well, again, thanks to a highly dedicated group of people in our Technical Operations team and at Evonik. Building a good team is very important for getting things done the right way. In clinical operations we've hired what I would describe as the-best-of-the-best. People with deep, hands-on experience

managing large, complex clinical studies. We're working with Premier Research, one of the top clinical research organizations for neuroscience trials.

Last week, we announced that we had reached agreement with FDA for Special Protocol Assessments for both of our upcoming Phase 3 studies. These SPA agreements document that FDA has reviewed and agreed upon the key design features of our Phase 3 study protocols of simufilam for the treatment of patients with Alzheimer's disease.

This week, we received notification from the Institutional Review Board, or IRB, that our two Phase 3 study protocols are now fully approved. All this to say, I think we're on-track to initiate our Phase 3 program shortly.

The on-going open-label study is going well. I expect our next public disclosure for this study will be interim results of a pre-planned analysis on the first 50 patients who've completed 12 months of open-label treatment with simufilam. We don't have all that data in-hand, so we can't disclose just yet. Stay tuned.

In closing, I want to say both thank you and to apologize to all the people who have reached out to us in the past week. The thank you is for showing support. The apology is for not being able to return everyone's phone call or email inquiry. We've simply been overwhelmed by the volume of inquiries from investors. We'll try to do better as things calm down.

I truly believe Cassava Sciences is one clinical program away from greatness. We must be ambitious, and we must be persevering in achieving that goal. Distractions may distract, but they will not lead us astray. Ultimately, we're here to serve people with Alzheimer's disease. You have my commitment that we will honor those people with hard work, perseverance and an unwavering commitment to develop a treatment for Alzheimer's disease. That is our goal. That is our journey.

Respectfully,

Remi Barbier
Chairman of the Board
President & CEO

APPENDIX

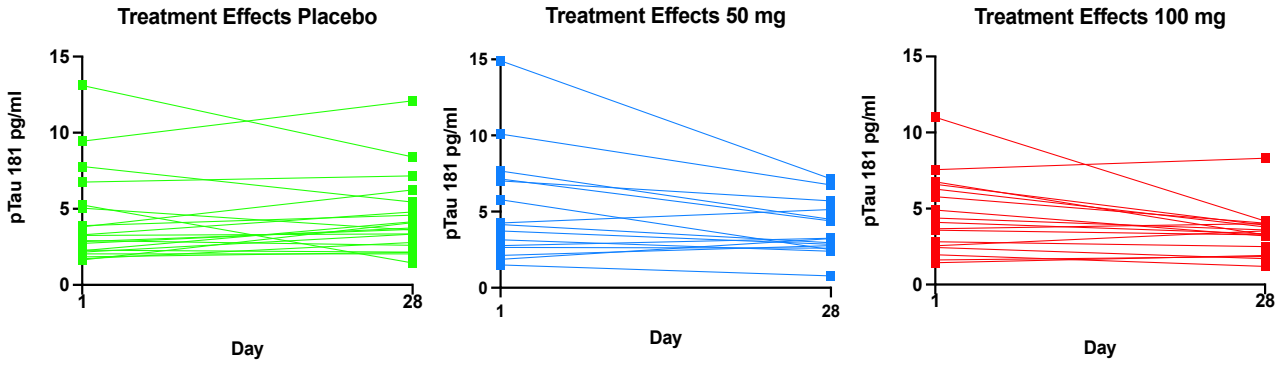
Erratum to a poster presentation titled "*SavaDx, a Novel Plasma Biomarker to Detect Alzheimer's Disease, Confirms Mechanism of Action of Simufilam*". The data and data analysis are correct; certain visual displays that were not caught in proofing are incorrect, as follows.

a) Figure 5, spaghetti plot for the placebo group, originally showed 18 lines; it should show 20 lines. Data for the two missing lines are properly included in the analysis.

b) Figure 5, spaghetti plot for the 100 mg group originally showed 18 lines; it should show 17. (The 18th line represents data for an outlier that is consistently removed from analysis).

Corrected Figure 5 appears below.

Figure 5. Spaghetti plots show individual changes in plasma P-tau181 in pg/ml.



Cautionary Note Regarding Forward-Looking Statements:

This Public Statement includes forward looking statements including but not limited to those regarding the timing of the initiation and subsequent progress of our pivotal Phase 3 trial and its likelihood of success, the timing of announcement of the results of our open label study, the FDA response to the Citizen's Petition, the initiation and progression of the CUNY scientific inquiry and the publication of its results, and the restoration of scientific reputations.

Drug development involves a high degree of risk, and historically only a small number of research and development programs result in commercialization of a product. Clinical results from our earlier-stage clinical trials may not be indicative of full results or results from later-stage or larger scale clinical trials and do not ensure regulatory approval. You should not place undue reliance on these statements or any scientific data we present or publish. Such statements are based largely on our current expectations and projections about future events.

Such statements speak only as of the date of this public statement and are subject to a number of risks, uncertainties and assumptions, including, but not limited to, those risks relating to the ability to conduct or complete clinical studies on expected timelines, to demonstrate the specificity, safety, efficacy or potential health benefits of our product candidates, the severity and duration of health care precautions given the COVID-19 pandemic, any unanticipated impacts of the pandemic on our business operations, and including those described in the section entitled "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2020 and future reports to be filed with the SEC. The foregoing sets forth many, but not all, of the factors that could cause actual results to differ from expectations in any forward-looking statement. In light of these risks, uncertainties and assumptions, the forward-looking statements and events discussed in this public statement are inherently uncertain and may not occur, and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements. Accordingly, you should not rely upon forward-looking statements as predictions of future events. Except as required by law, we disclaim any intention or responsibility for updating or revising any forward-looking statements contained in this news release.

For further information regarding these and other risks related to our business, investors should consult our filings with the SEC, which are available on the SEC's website at www.sec.gov.

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