

UNITED STATES  
 SECURITIES AND EXCHANGE COMMISSION  
 WASHINGTON, DC 20549

FORM 10-Q

(Mark One)  
 X **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**  
 For the quarterly period ended September 30, 2024  
 OR  
 0 **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: 001-40551

Acumen Pharmaceuticals, Inc.  
 (Exact Name of Registrant as Specified in its Charter)

Delaware	36-4108129
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
1210-1220 Washington Street, Suite 210, Newton, Massachusetts	02465
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (617) 344-4190

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

Title of each class	Trading symbol	Name of each exchange on which registered
Common stock, par value \$0.0001 per share	ABOS	The Nasdaq Global Select Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No 0

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes x No 0

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	0	Accelerated filer	0
Non-accelerated filer	x	Smaller reporting company	x
		Emerging growth company	x

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. 0

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of November 7, 2024, the registrant had 60,079,778 shares of common stock, \$0.0001 par value per share, outstanding.

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Table of Contents

	<u>Page</u>
<b>PART I.</b>	
<b><a href="#">FINANCIAL INFORMATION</a></b>	4
Item 1.	
<a href="#">Financial Statements (Unaudited)</a>	4
<a href="#">Condensed Balance Sheets</a>	4
<a href="#">Condensed Statements of Operations and Comprehensive Loss</a>	5
<a href="#">Condensed Statements of Changes in Stockholders' Equity</a>	7
<a href="#">Condensed Statements of Cash Flows</a>	8
<a href="#">Notes to Condensed Financial Statements</a>	9
Item 2.	
<a href="#">Management's Discussion and Analysis of Financial Condition and Results of Operations</a>	21
Item 3.	
<a href="#">Quantitative and Qualitative Disclosures About Market Risk</a>	29
Item 4.	
<a href="#">Controls and Procedures</a>	29
<b>PART II.</b>	
<b><a href="#">OTHER INFORMATION</a></b>	31
Item 1.	
<a href="#">Legal Proceedings</a>	31
Item 1A.	
<a href="#">Risk Factors</a>	31
Item 2.	
<a href="#">Unregistered Sales of Equity Securities, Use of Proceeds and Issuer Purchases of Equity Securities</a>	31
Item 3.	
<a href="#">Defaults Upon Senior Securities</a>	31
Item 4.	
<a href="#">Mine Safety Disclosures</a>	31
Item 5.	
<a href="#">Other Information</a>	31
Item 6.	
<a href="#">Exhibits</a>	32
<a href="#">Signatures</a>	34

## SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995, about us and our industry that involve substantial risks and uncertainties. All statements other than statements of historical facts contained in this Quarterly Report on Form 10-Q, including statements regarding our future results of operations or financial condition, business strategy and plans and objectives of management for future operations, are forward-looking statements. In some cases, you can identify forward-looking statements because they contain words such as “anticipate,” “believe,” “contemplate,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “plan,” “potential,” “predict,” “project,” “should,” “target,” “will” or “would” or the negative of these words or other similar terms or expressions. These forward-looking statements include, but are not limited to, statements concerning the following:

- the sufficiency of our existing cash and cash equivalents and marketable securities to fund our future operating expenses and capital expenditure requirements;
- our ability to obtain funding for our operations, including funding necessary to develop and commercialize sabirnetug, subject to obtaining necessary regulatory approvals;
- the ability of our clinical trials to demonstrate the safety and efficacy of sabirnetug, and other positive results;
- the therapeutic potential of sabirnetug, including its potential for improved safety and efficacy as compared to other monoclonal antibodies approved and/or in development, as well as our expectations concerning the INTERCEPT-AD and ALTITUDE-AD clinical trials;
- the success, cost and timing of our development activities, nonclinical studies and clinical trials;
- the structure, timing and focus of our future clinical trials, and the reporting of data from those trials, including the amendment of the ALTITUDE-AD clinical trial protocol from a Phase 2/3 study to a Phase 2 standalone study, and our plans with respect to our ALTITUDE-AD clinical trial of sabirnetug;
- our plans relating to commercializing sabirnetug, subject to obtaining necessary regulatory approvals;
- our ability to attract and retain key scientific and clinical personnel;
- our ability to contract with third-party suppliers and manufacturers and their ability to perform adequately;
- our reliance on third parties to conduct clinical trials of sabirnetug and manufacture sabirnetug for nonclinical studies and clinical trials;
- the success of competing therapies that are or may become available;
- our plans and ability to obtain or protect our intellectual property rights, including extensions of existing patent terms where available or the use of data market exclusivity to provide protection from generic or biosimilar versions of our product;
- the scope of protection we are able to establish and maintain for intellectual property rights covering sabirnetug;
- potential claims relating to our intellectual property;
- existing regulations and regulatory developments in the United States and other jurisdictions;
- our ability to obtain and maintain regulatory approval of sabirnetug, and any related restrictions, limitations and/or warnings in the label of any approved product candidate;
- our plans relating to the further development and manufacture of sabirnetug, including additional therapeutic indications we may pursue;
- our ability to develop and maintain our corporate infrastructure, including our ability to design and maintain an effective system of internal controls;
- our financial performance; and
- our expectations regarding the time period during which we will be an emerging growth company under the Jumpstart Our Business Startups Act of 2012 (“JOBS Act”).

You should not rely on forward-looking statements as predictions of future events. The outcome of the events described in these forward-looking statements is subject to risks, uncertainties and other factors described under the header “Risk

[Table of Contents](#)

Factors” in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023, filed with the Securities and Exchange Commission (the “SEC”) on March 26, 2024 (the “Annual Report”), and in our other filings with the SEC. Moreover, we operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible for us to predict all risks and uncertainties that could have an impact on the forward-looking statements contained herein. The results, events and circumstances reflected in the forward-looking statements may not be achieved or occur, and actual results, events or circumstances could differ materially from those described in the forward-looking statements.

The forward-looking statements made in this Quarterly Report on Form 10-Q relate only to events as of the date on which the statements are made, and we undertake no obligation to update them to reflect events or circumstances after the date of this Quarterly Report on Form 10-Q or to reflect new information or the occurrence of unanticipated events, except as required by law.

Unless the context otherwise indicates, references in this report to the terms “Acumen,” “the Company,” “we,” “our” and “us” refer to Acumen Pharmaceuticals, Inc.

We may announce material business and financial information to our investors using our investor relations website ([www.investors.acumenpharm.com](http://www.investors.acumenpharm.com)). We therefore encourage investors and others interested in Acumen to review the information that we make available on our website, in addition to following our filings with the SEC, webcasts, press releases and conference calls. Our website and information included in or linked to our website are not part of this Quarterly Report on Form 10-Q.

# PART I—FINANCIAL INFORMATION

## Item 1. Financial Statements.

### Acumen Pharmaceuticals, Inc. Condensed Balance Sheets (in thousands, except share and per share data)

	September 30, 2024	December 31, 2023
	(unaudited)	
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 33,184	\$ 66,886
Marketable securities, short-term	167,159	176,636
Prepaid expenses and other current assets	7,289	3,093
Total current assets	207,632	246,615
Marketable securities, long-term	58,552	62,553
Right-of-use asset	296	381
Restricted cash	236	233
Property and equipment, net	89	122
Other assets	170	221
Total assets	\$ 266,975	\$ 310,125
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities		
Accounts payable	\$ 2,342	\$ 1,379
Accrued clinical trial expenses	12,517	4,387
Accrued expenses and other current liabilities	4,926	6,339
Finance lease liability, short-term	—	756
Operating lease liability, short-term	129	110
Total current liabilities	19,914	12,971
Operating lease liability, long-term	185	284
Debt, long-term	29,674	29,897
Total liabilities	49,773	43,152
Commitments and contingencies (Note 10)		
Stockholders' equity		
Preferred stock, \$0.0001 par value; 10,000,000 shares authorized and no shares issued and outstanding as of September 30, 2024 and December 31, 2023	—	—
Common stock, \$0.0001 par value; 300,000,000 shares authorized as of September 30, 2024 and December 31, 2023; 60,079,778 and 57,910,461 shares issued and outstanding as of September 30, 2024 and December 31, 2023, respectively	6	6
Additional paid-in capital	504,651	489,453
Accumulated deficit	(287,973)	(222,798)
Accumulated other comprehensive income	518	312
Total stockholders' equity	217,202	266,973
Total liabilities and stockholders' equity	\$ 266,975	\$ 310,125

*The accompanying notes are an integral part of these unaudited condensed financial statements.*

**Acumen Pharmaceuticals, Inc.**  
**Condensed Statements of Operations and Comprehensive Loss**  
**(in thousands, except share and per share data)**  
**(unaudited)**

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Operating expenses				
Research and development	\$ 27,247	\$ 11,179	\$ 59,229	\$ 29,025
General and administrative	5,018	4,860	15,191	13,627
Total operating expenses	32,265	16,039	74,420	42,652
Loss from operations	(32,265)	(16,039)	(74,420)	(42,652)
Other income (expense)				
Interest income	3,504	3,124	11,325	6,840
Interest expense	(1,027)	—	(3,031)	—
Change in fair value of embedded derivatives	(10)	—	1,040	—
Other income (expense), net	33	(42)	(89)	(62)
Total other income	2,500	3,082	9,245	6,778
Net loss	(29,765)	(12,957)	(65,175)	(35,874)
Other comprehensive gain (loss)				
Unrealized gain on marketable securities	682	137	206	242
Comprehensive loss	\$ (29,083)	\$ (12,820)	\$ (64,969)	\$ (35,632)
Net loss per common share, basic and diluted	\$ (0.50)	\$ (0.24)	\$ (1.09)	\$ (0.79)
Weighted-average shares outstanding, basic and diluted	60,079,778	54,229,630	59,990,844	45,474,953

*The accompanying notes are an integral part of these unaudited condensed financial statements.*

**Acumen Pharmaceuticals, Inc.**  
**Condensed Statements of Changes in Stockholders' Equity**  
(in thousands, except share data)  
(unaudited)

**For the Three Months Ended September 30, 2024**

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
	Shares	Amount				
Balance as of June 30, 2024	60,079,778	\$ 6	\$ 502,313	\$ (258,208)	\$ (164)	\$ 243,947
Unrealized gain on marketable securities	—	—	—	—	682	682
Stock-based compensation	—	—	2,338	—	—	2,338
Net loss	—	—	—	(29,765)	—	(29,765)
Balance as of September 30, 2024	60,079,778	\$ 6	\$ 504,651	\$ (287,973)	\$ 518	\$ 217,202

**For the Three Months Ended September 30, 2023**

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
	Shares	Amount				
Balance as of June 30, 2023	41,025,062	\$ 4	\$ 362,860	\$ (193,344)	\$ (646)	\$ 168,874
Issuance of common stock for cash, net of issuance costs of \$7,706	16,774,193	2	122,292	—	—	122,294
Stock options exercised for cash	111,206	—	325	—	—	325
Unrealized gain on marketable securities	—	—	—	—	137	137
Stock-based compensation	—	—	1,600	—	—	1,600
Net loss	—	—	—	(12,957)	—	(12,957)
Balance as of September 30, 2023	57,910,461	\$ 6	\$ 487,077	\$ (206,301)	\$ (509)	\$ 280,273

*The accompanying notes are an integral part of these unaudited condensed financial statements.*



**Acumen Pharmaceuticals, Inc.**  
**Condensed Statements of Changes in Stockholders' Equity**  
(in thousands, except share data)  
(unaudited)

**For the Nine Months Ended September 30, 2024**

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income	Total Stockholders' Equity
	Shares	Amount				
Balance as of December 31, 2023	57,910,461	\$ 6	\$ 489,453	\$ (222,798)	\$ 312	\$ 266,973
Issuance of common stock for cash, net of issuance costs of \$87	2,068,246	—	7,938	—	—	7,938
Issuance of common stock for restricted stock units, net of shares withheld for taxes	101,071	—	(32)	—	—	(32)
Unrealized gain on marketable securities	—	—	—	—	206	206
Stock-based compensation	—	—	7,292	—	—	7,292
Net loss	—	—	—	(65,175)	—	(65,175)
Balance as of September 30, 2024	60,079,778	\$ 6	\$ 504,651	\$ (287,973)	\$ 518	\$ 217,202

**For the Nine Months Ended September 30, 2023**

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
	Shares	Amount				
Balance as of December 31, 2022	41,025,062	\$ 4	\$ 359,949	\$ (170,427)	\$ (751)	\$ 188,775
Issuance of common stock for cash, net of issuance costs of \$7,706	16,774,193	2	122,292	—	—	122,294
Stock options exercised for cash	111,206	—	325	—	—	325
Unrealized gain on marketable securities	—	—	—	—	242	242
Stock-based compensation	—	—	4,511	—	—	4,511
Net loss	—	—	—	(35,874)	—	(35,874)
Balance as of September 30, 2023	57,910,461	\$ 6	\$ 487,077	\$ (206,301)	\$ (509)	\$ 280,273

*The accompanying notes are an integral part of these unaudited condensed financial statements.*

**Acumen Pharmaceuticals, Inc.**  
**Condensed Statements of Cash Flows**  
(in thousands)  
(unaudited)

	Nine Months Ended September 30,	
	2024	2023
<b>Cash flows from operating activities</b>		
Net loss	\$ (65,175)	\$ (35,874)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	49	42
Stock-based compensation expense	7,292	4,511
Amortization of premiums and accretion of discounts on marketable securities, net	(4,599)	(1,344)
Change in fair value of embedded derivatives	(1,040)	—
Amortization of right-of-use asset	85	103
Realized gains on marketable securities	(97)	—
Non-cash interest expense	823	—
Other non-cash expense	230	—
Changes in operating assets and liabilities:		
Prepaid expenses and other current assets	(4,196)	(436)
Other assets	51	(38)
Accounts payable	963	(278)
Accrued clinical trial expenses	8,130	(1,151)
Accrued expenses and other current liabilities	(1,413)	(182)
Finance lease liability	(23)	—
Operating lease liability	(80)	(103)
Net cash used in operating activities	(59,000)	(34,750)
<b>Cash flows from investing activities</b>		
Purchases of marketable securities	(155,631)	(178,857)
Proceeds from maturities and sales of marketable securities	174,011	55,997
Proceeds from sale of property and equipment	—	3
Purchases of property and equipment	(16)	(7)
Net cash provided by (used in) investing activities	18,364	(122,864)
<b>Cash flows from financing activities</b>		
Proceeds from issuance of common stock, net of issuance costs	7,938	122,294
Payment for financing lease	(739)	—
Payments for deferred offering costs	(230)	—
Repurchase of common shares to pay employee withholding taxes	(32)	—
Proceeds from exercise of stock options	—	325
Net cash provided by financing activities	6,937	122,619
Net change in cash and cash equivalents and restricted cash	(33,699)	(34,995)
Cash and cash equivalents and restricted cash at the beginning of the period	67,119	130,101
Cash and cash equivalents and restricted cash at the end of the period	\$ 33,420	\$ 95,106
<b>Supplemental disclosure of cash flow information</b>		
Cash paid for income taxes	\$ —	\$ —
Cash paid for interest	\$ 2,235	\$ —
<b>Supplemental disclosure of noncash investing and financing activities</b>		
Proceeds from sale of property and equipment in other current assets	\$ —	\$ 4

*The accompanying notes are an integral part of these unaudited condensed financial statements.*

**Acumen Pharmaceuticals, Inc.**  
**Notes to Condensed Financial Statements**  
**(unaudited)**

**NOTE 1. DESCRIPTION OF ORGANIZATION AND BUSINESS OPERATIONS**

Acumen Pharmaceuticals, Inc. ("Acumen" or the "Company") was incorporated in 1996 in the state of Delaware. Acumen is a clinical-stage biopharmaceutical company developing a novel disease-modifying approach to target what the Company believes to be a key underlying cause of Alzheimer's disease ("AD"). Alzheimer's disease is a progressive neurodegenerative disease of the brain that leads to loss of memory and cognitive functions and ultimately results in death. The Company's scientific founders pioneered research on soluble amyloid-beta oligomers ("A $\beta$ Os"), which are globular assemblies of the amyloid-beta ("A $\beta$ ") peptide that are distinct from A $\beta$  monomers and amyloid plaques. Based on decades of research and supporting evidence, A $\beta$ Os have gained increasing scientific acceptance as a primary toxin involved in the initiation and propagation of AD pathology. The Company is currently focused on advancing a targeted immunotherapy drug candidate, sabirnetug, in its Phase 2 ALTITUDE-AD clinical trial following the results of INTERCEPT-AD, its Phase 1 clinical trial of sabirnetug in "early AD" patients (patients with mild cognitive impairment or mild dementia due to Alzheimer's disease), which were first reported in July 2023. Sabirnetug is a recombinant humanized immunoglobulin gamma 2 ("IgG2") monoclonal antibody ("mAb") that was designed to selectively target A $\beta$ Os, has demonstrated functional and protective effects in in vitro assays, and has previously demonstrated in vivo safety and pharmacologic activity in multiple animal species, including transgenic mouse models for AD. The Company has amended the ALTITUDE-AD clinical trial protocol from a Phase 2/3 study to a Phase 2 standalone study.

The Company is subject to the uncertainty of whether its intellectual property will develop into successful commercial products.

***Liquidity and Capital Resources***

The Company has incurred operating losses since inception and expects to continue to incur significant operating losses for the foreseeable future and may never become profitable. As of September 30, 2024 and December 31, 2023, the Company had an accumulated deficit of \$288.0 million and \$222.8 million, respectively, and working capital of \$187.7 million and \$233.6 million, respectively. Management believes that the Company has sufficient cash to continue operating activities for beyond 12 months from issuance of these condensed financial statements.

Future capital requirements will depend upon many factors, including the timing and extent of spending on research and development and market acceptance of the Company's products, if approved for commercial sale. The Company expects that it will need to obtain additional financing to complete clinical trials and launch and commercialize any product candidates for which it receives regulatory approval. Until such time, if ever, as the Company can generate revenue sufficient to achieve profitability, the Company expects to finance its operations through a combination of equity offerings, debt financings, collaborations, strategic alliances and licensing arrangements. There can be no assurance that any such financing will be available on terms acceptable to the Company, or at all. To the extent that the Company raises additional capital through the sale of equity or convertible debt securities, the ownership interest of its stockholders will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect the rights of common stockholders. Debt financing and preferred equity financing, if available, may involve agreements that include covenants limiting or restricting the Company's ability to take specific actions, such as incurring additional debt, making acquisitions or capital expenditures or declaring dividends. If the Company is unable to maintain sufficient financial resources, its business, financial condition and results of operations will be materially and adversely affected. The Company may be required to delay, limit, reduce or terminate its product discovery and development activities or future commercialization efforts.

The Company completed its INTERCEPT-AD clinical trial in the second quarter of 2023. This trial enrolled 65 patients and 62 participants received at least one dose of study drug. INTERCEPT-AD was a U.S.-based, multi-center, randomized, double-blind, placebo-controlled clinical trial with overlapping single ascending dose and multiple ascending dose cohorts evaluating patients with early AD. In July 2023, the Company announced topline results from INTERCEPT-AD, which demonstrated that sabirnetug met the primary and secondary objectives of this study in 62 participants with early AD.

The Company announced the dosing of the first patient in our Phase 2 ALTITUDE-AD clinical trial in May 2024, and expects to complete enrollment in the first half of 2025.

**Acumen Pharmaceuticals, Inc.**  
**Notes to Condensed Financial Statements**  
**(unaudited)**

**NOTE 2. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*****Basis of Presentation***

The accompanying unaudited condensed financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") for interim financial information, the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and notes required by U.S. GAAP for complete financial statements. In the opinion of management, the unaudited condensed financial statements reflect all adjustments, which include only normal recurring adjustments, necessary to present fairly the Company's financial position and results of its operations and its cash flows for the periods presented. Certain information and note disclosures normally included in the Company's annual financial statements prepared in accordance with U.S. GAAP have been condensed or omitted. These unaudited condensed financial statement results are not necessarily indicative of results to be expected for the full fiscal year or any future period.

A description of the Company's significant accounting policies is included in the Company's Annual Report. There have been no material changes in the Company's significant accounting policies to those previously disclosed in the Company's Annual Report.

***Use of Estimates***

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the unaudited condensed financial statements, as well as the reported amounts of expenses during the reporting periods. These estimates and assumptions are based on the Company's historical experience, and on various other factors that management believes are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the recording of expenses that are not readily apparent from other sources.

Actual results may differ from these estimates under different assumptions or conditions. To the extent there are material differences between the estimates and actual results, the Company's future results of operations will be affected. The more significant estimates and assumptions by management include, among others: the valuation allowance of deferred tax assets resulting from net operating losses, the valuation of stock options and the valuation of embedded derivatives within the Company's long-term debt.

***Cash and Cash Equivalents and Restricted Cash***

The Company considers all highly liquid investments with an original maturity of three months or less at the date of purchase to be cash equivalents. All of the Company's cash equivalents have liquid markets and high credit ratings. The Company had \$32.8 million and \$66.2 million in cash equivalents as of September 30, 2024 and December 31, 2023, respectively.

Restricted cash primarily consists of deposited cash collateral for the Company's credit card program.

The following table provides a reconciliation of cash, cash equivalents and restricted cash from the balance sheets to the statements of cash flows (in thousands):

	September 30, 2024	December 31, 2023
Cash and cash equivalents	\$ 33,184	\$ 66,886
Restricted cash	236	233
Total cash, cash equivalents and restricted cash	<u>\$ 33,420</u>	<u>\$ 67,119</u>

***Recently Issued Accounting Pronouncements***

From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board ("FASB") or other standard setting bodies that the Company adopts as of the specified effective date. Unless otherwise discussed below, the Company does not believe that the adoption of recently issued standards have or may have a material impact on its financial statements and disclosures.

**Acumen Pharmaceuticals, Inc.**  
**Notes to Condensed Financial Statements**  
**(unaudited)**

In November 2023, the FASB issued Accounting Standards Update ("ASU") 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*. The standard is intended to improve financing reporting by requiring disclosure of incremental segment information on an annual and interim basis for all public entities to enable investors to develop more decision-useful financial analyses. The standard is effective for fiscal years beginning after December 31, 2023, and interim periods within fiscal years beginning after December 15, 2024. Upon adoption, the standard should be applied retrospectively to all prior periods presented in the financial statements. The Company is evaluating the potential impact of this adoption on its financial statements and related disclosures.

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*. The standard is intended to enhance the existing income tax disclosures to provide information to better assess how an entity's operations and related tax risks and tax planning and operational opportunities affect its tax rate and prospects for future cash flows. The standard is effective for annual periods beginning after December 15, 2024. Upon adoption, the standard should be applied on a prospective basis, although retrospective application is permitted. Early adoption is also permitted. The Company is evaluating the potential impact of this adoption on the financial statements and related disclosures.

In November 2024, the FASB issued ASU 2024-03, *Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*. The standard is intended to require more detailed disclosures about specified categories of expenses, including employee compensation, depreciation and amortization, included in certain expense captions presented on the face of the income statement. The ASU is effective for fiscal years beginning after December 15, 2026, and for interim periods within fiscal years beginning after December 31, 2027. Early adoption is permitted. The amendments may be applied either (1) prospectively to financial statements issued for reporting periods after the effective date of this ASU or (2) retrospectively to all prior periods presented in the financial statements. The Company is evaluating the potential impact of this adoption on the financial statements and related disclosures.

**NOTE 3. MARKETABLE SECURITIES**

The Company's marketable securities consisted of the following (in thousands):

	September 30, 2024			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Available-for-sale securities, short-term				
Corporate debt securities	\$ 139,840	\$ 300	\$ (18)	\$ 140,122
Government and agency - U.S.	26,979	58	—	27,037
Total available-for-sale securities, short-term	166,819	358	(18)	167,159
Available-for-sale securities, long-term				
Corporate debt securities	58,374	179	(1)	58,552
Total available-for-sale securities, long-term	58,374	179	(1)	58,552
Total available-for-sale securities	\$ 225,193	\$ 537	\$ (19)	\$ 225,711

**Acumen Pharmaceuticals, Inc.**  
**Notes to Condensed Financial Statements**  
**(unaudited)**

December 31, 2023				
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Available-for-sale securities, short-term				
Corporate debt securities	\$ 144,184	\$ 97	\$ (191)	\$ 144,090
Government and agency - U.S.	32,470	82	(6)	32,546
Total available-for-sale securities, short-term	176,654	179	(197)	176,636
Available-for-sale securities, long-term				
Corporate debt securities	57,240	320	(15)	57,545
Government and agency - U.S.	4,985	23	—	5,008
Total available-for-sale securities, long-term	62,225	343	(15)	62,553
Total available-for-sale securities	\$ 238,879	\$ 522	\$ (212)	\$ 239,189

The following tables summarize the amount of unrealized losses, defined as the amount by which the amortized cost exceeds fair value, and the related fair value of available-for-sale marketable securities with unrealized losses, which have been segregated into two categories: those that have been in a continuous unrealized loss position for less than 12 months and those that have been in a continuous unrealized loss position for 12 or more months (in thousands):

September 30, 2024						
	Less than 12 Months		Greater than 12 Months		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Corporate debt securities	\$ 13,351	\$ (6)	\$ 12,336	\$ (13)	\$ 25,687	\$ (19)
Total	\$ 13,351	\$ (6)	\$ 12,336	\$ (13)	\$ 25,687	\$ (19)

December 31, 2023						
	Less than 12 Months		Greater than 12 Months		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Corporate debt securities	\$ 78,995	\$ (152)	\$ 12,074	\$ (54)	\$ 91,069	\$ (206)
Government and agency - U.S.	5,585	(6)	—	—	5,585	(6)
Total	\$ 84,580	\$ (158)	\$ 12,074	\$ (54)	\$ 96,654	\$ (212)

As of September 30, 2024, the Company's available-for-sale securities classified as short-term mature in one year or less and the Company's available-for-sale securities classified as long-term mature within two years. As noted in the table above, although some of the Company's available-for-sale marketable securities as of September 30, 2024 have been in an unrealized loss position for more than 12 months, the Company does not intend to sell these securities and it is not more likely than not that the Company will be required to sell the investments before recovery of their amortized cost bases, which may be at maturity. No credit losses were recognized on the Company's available-for-sale securities during the three and nine months ended September 30, 2024 and 2023. The Company recorded realized gains of \$0.1 million during the three and nine months ended September 30, 2024 and no realized gains or losses during the three and nine months ended September 30, 2023 .

**Acumen Pharmaceuticals, Inc.**  
**Notes to Condensed Financial Statements**  
**(unaudited)**

**NOTE 4. FAIR VALUE MEASUREMENTS**

The Company's financial assets and liabilities subject to fair value measurement on a recurring basis and the level of inputs used for such measurements were as follows (in thousands):

	Fair value measurements at reporting date using				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Fair Value at September 30, 2024	
Assets included in:					
Cash and cash equivalents					
Money market securities	\$ 32,832	\$ —	\$ —	\$	32,832
Marketable securities					
Corporate debt securities	—	198,674	—		198,674
Government and agency - U.S.	—	27,037	—		27,037
Total fair value	<u>\$ 32,832</u>	<u>\$ 225,711</u>	<u>\$ —</u>	<u>\$</u>	<u>258,543</u>
Liabilities included in:					
Debt, long-term					
Embedded derivatives liability	\$ —	\$ —	\$ 1,520	\$	1,520
Total fair value	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 1,520</u>	<u>\$</u>	<u>1,520</u>

	Fair value measurements at reporting date using				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Fair Value at December 31, 2023	
Assets included in:					
Cash and cash equivalents					
Money market securities	\$ 66,207	\$ —	\$ —	\$ 66,207	
Marketable securities					
Corporate debt securities	—	201,635	—	201,635	
Government and agency - U.S.	—	37,554	—	37,554	
Total fair value	<u>\$ 66,207</u>	<u>\$ 239,189</u>	<u>\$ —</u>	<u>\$ 305,396</u>	
Liabilities included in:					
Debt, long-term					
Embedded derivatives liability	\$ —	\$ —	\$ 2,560	\$ 2,560	
Total fair value	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 2,560</u>	<u>\$ 2,560</u>	

The carrying values reported in the Company's condensed balance sheets for cash (excluding cash equivalents, which are recorded at fair value on a recurring basis), restricted cash, accounts payable, accrued clinical trial expenses and accrued expenses and other current liabilities are reasonable estimates of their fair values due to the short-term nature of these items.

The carrying amount of the Company's long-term debt approximates fair value due to its variable market interest rate and management's opinion that current rates and terms that would be available to the Company with the same maturity and security structure would be essentially equivalent to that of the Company's long-term debt. Certain features of the Company's term loan facility (the "Term Loan") were determined to be embedded derivatives requiring separate measurement from the loan host instrument. For additional information regarding the Term Loan, see Note 6. *Debt*.

The fair value of the Company's money market funds is determined using quoted market prices in active markets for identical assets.

**Acumen Pharmaceuticals, Inc.**  
**Notes to Condensed Financial Statements**  
**(unaudited)**

The fair value for the available-for-sale marketable securities is determined based on valuation models using inputs that are observable either directly or indirectly (Level 2 inputs), such as quoted prices for similar assets or liabilities, yield curve, volatility factors, credit spreads, default rates, loss severity, current market and contractual prices for the underlying instruments or debt, broker and dealer quotes, as well as other relevant economic measures.

The following table presents changes in Level 3 liabilities measured at fair value for the nine months ended September 30, 2024 (in thousands):

Balance, December 31, 2023	\$	2,560
Change in fair value of embedded derivatives		(1,040)
Balance, September 30, 2024	\$	1,520

As of September 30, 2024 and December 31, 2023, the fair value of the embedded derivatives in the Term Loan has been estimated using the Monte Carlo model. A summary of the weighted-average significant unobservable inputs (Level 3 inputs) used in measuring the embedded derivatives in the Term Loan as of September 30, 2024 and December 31, 2023 is as follows:

	September 30, 2024	December 31, 2023
Conversion price	\$2.53	\$2.53
Expected term (in years)	4.0	4.7
Expected equity volatility	102.1%	106.7%
Risk-free interest rate	3.6%	3.9%
Discount for lack of marketability	11.0%	11.5%
Expected dividend yield	0%	0%

**NOTE 5. SUPPLEMENTAL FINANCIAL INFORMATION**

Prepaid expenses and other current assets consisted of the following (in thousands):

	September 30, 2024	December 31, 2023
Research and development service agreements	\$ 5,359	\$ 1,680
Prepaid insurance	1,011	807
Other receivables	268	—
Prepaid raw materials	143	98
Interest receivable	51	225
Other	457	283
Total prepaid expenses and other current assets	\$ 7,289	\$ 3,093



**Acumen Pharmaceuticals, Inc.**  
**Notes to Condensed Financial Statements**  
**(unaudited)**

Other assets consisted of the following (in thousands):

	September 30, 2024	December 31, 2023
Research and development	\$ 122	\$ 221
Other	48	—
<b>Total other assets</b>	<b>\$ 170</b>	<b>\$ 221</b>

Accrued expenses and other current liabilities consisted of the following (in thousands):

	September 30, 2024	December 31, 2023
Compensation and other employee liabilities	\$ 2,778	\$ 3,692
Research and development	1,706	2,186
Interest	241	249
Other	201	212
<b>Total accrued expenses and other current liabilities</b>	<b>\$ 4,926</b>	<b>\$ 6,339</b>

**NOTE 6. DEBT**

On November 10, 2023, the Company entered into a Loan and Security Agreement with K2 HealthVentures LLC (the "Loan Agreement"). The Loan Agreement provided the Company with a term loan facility (the "Term Loan") in the aggregate principal amount of \$50 million, of which the Company borrowed \$30 million in the first tranche upon closing. The remaining \$ 20 million is available for borrowing upon the Company's request based on review of certain information and discretionary approval from the lenders. The Loan Agreement bears interest per annum at the greater of (i) 9.65% or (ii) the sum of the prime rate last quoted in The Wall Street Journal plus 1.15% for such interest period and the principal amount of the Term Loan outstanding under the Loan Agreement. The Term Loan matures on November 1, 2027, and can be extended to November 1, 2028 if the Company achieves certain financing milestones. The Loan Agreement provides for a final payment fee of an additional \$1.6 million (the "Final Payment") due upon repayment of the Term Loan.

The principal and interest of the Term Loan are to be repaid in equal monthly installments beginning on July 1, 2026 through the maturity of the Loan Agreement. The Loan Agreement allows prepayment of the entire Term Loan or a portion of the Term Loan of more than \$5.0 million, provided that any partial prepayment will leave outstanding borrowings of at least \$15.0 million.

The lenders can elect to convert up to \$ 2.5 million of the Term Loan (the "Conversion Amount") into the Company's common stock at a conversion price of \$2.53 (the "Conversion Option"). If the lenders elect to convert the Conversion Amount upon the Next Qualified Financing, as defined in the Loan Agreement, whereby the Company receives aggregate gross proceeds of at least \$20 million, the conversion price will equal the lowest effective cash price per share of securities issued in such Qualified Financing (the "Share-Settled Redemption"). The Conversion Option and Share-Settled Redemption within the Loan Agreement are required to be bifurcated as a single compound embedded derivative (the "Embedded Derivatives") at fair value, with subsequent changes in fair value recognized in the statements of operations and comprehensive loss.

In accordance with the Loan Agreement, the Company issued an equity-classified warrant to purchase 730,769 shares of common stock (the "Loan Warrant"), with an initial allocated fair value of \$1.1 million. See additional discussion in *Note 8. Stockholders' Equity*.

The initial recognition of the direct fees of \$ 0.5 million, the Final Payment of \$1.6 million, the initial fair value of the Embedded Derivatives of \$ 1.2 million and the fair value of the Loan Warrant of \$1.1 million for the Loan Agreement resulted in a discount of \$ 4.4 million, which is being amortized to interest expense over the term of the Loan Agreement using the effective interest method.

**Acumen Pharmaceuticals, Inc.**  
**Notes to Condensed Financial Statements**  
**(unaudited)**

Outstanding debt consisted of the following (in thousands):

	September 30, 2024	December 31, 2023
Principal value of Term Loan, including Final Payment of \$ 1,635	\$ 31,635	\$ 31,635
Fair value of bifurcated embedded derivatives	1,520	2,560
Unamortized debt discount	(3,481)	(4,298)
Total debt, long-term	<u>\$ 29,674</u>	<u>\$ 29,897</u>

The following table provides the components of interest expense (in thousands):

	Three Months Ended September 30, 2024	Nine Months Ended September 30, 2024
Interest expense based on the coupon interest rate of the outstanding debt	\$ 739	\$ 2,204
Accretion of debt discount	284	817
Total interest expense related to debt	<u>\$ 1,023</u>	<u>\$ 3,021</u>

For the three and nine months ended September 30, 2024, the effective interest rate for the Term Loan was 13.7% and 13.5%, respectively.

As of September 30, 2024, the aggregate principal payments due for the Term Loan by year are as follows (in thousands):

Year ended December 31, 2026	\$ 10,104
Year ended December 31, 2027	21,531
Total principal payments due for Term Loan	<u>\$ 31,635</u>

The obligations of the Company under the Loan Agreement are secured by substantially all of the assets of the Company, excluding the Company's intellectual property.

## **NOTE 7. STOCKHOLDERS' EQUITY**

### **Authorized Shares**

As of September 30, 2024, the total number of shares of capital stock authorized to be issued per the Company's Amended and Restated Certificate of Incorporation is 310,000,000, with 10,000,000 shares designated as preferred stock with a par value of \$ 0.0001 per share, and 300,000,000 shares designated as common stock with a par value of \$0.0001 per share. Each share of common stock is entitled to one vote.

### **Shelf Registration and Equity Offerings**

On July 1, 2022, the Company filed a shelf registration statement on Form S-3 (the "2022 Registration Statement"). Pursuant to the 2022 Registration Statement, the Company may offer and sell securities having an aggregate public offering price of up to \$200.0 million. On July 21, 2023, the Company issued 16,774,193 shares of common stock at a price of \$ 7.75 per share (the "Offering"). The net proceeds from the Offering, after underwriting discounts and commissions and other offering expenses, were \$121.9 million.

In connection with the filing of the 2022 Registration Statement, the Company also entered into a sales agreement (the "Sales Agreement") with BofA Securities, Inc. ("BofA") and Stifel, Nicolaus & Company, Incorporated ("Stifel") as sales agents, pursuant to which the Company may issue and sell shares of its common stock for an aggregate offering price of up to \$50.0 million under an at-the-market offering program (the "ATM"), which is included in the \$200.0 million of securities that may be offered pursuant to the 2022 Registration Statement. On April 23, 2023, the Company entered into an amendment to the Sales Agreement (as amended, the "Amended Sales Agreement") to add BTIG, LLC ("BTIG") as a sales agent under the Amended Sales Agreement (BTIG, together with BofA and Stifel, the "Sales Agents"). Pursuant to the Amended Sales Agreement, the Company will pay the Sales Agents a commission rate of up to 3.0% of the gross

**Acumen Pharmaceuticals, Inc.**  
**Notes to Condensed Financial Statements**  
**(unaudited)**

proceeds from the sale of any shares of common stock under the ATM. The Company is not obligated to make any sales of shares of its common stock under the ATM.

During the nine months ended September 30, 2024, the Company issued and sold 2,068,246 shares of common stock under the ATM for net proceeds of \$7.9 million, or \$3.84 per share. The Company has issued shares of common stock for aggregate gross proceeds of \$ 12.2 million under the ATM since the program's inception.

On March 27, 2024, the Company filed a shelf registration statement on Form S-3 (the "2024 Registration Statement"). Pursuant to the 2024 Registration Statement, the Company may offer and sell securities having an aggregate public offering price of up to \$200.0 million.

**Common Stock Warrant**

On November 10, 2023, in accordance with the Loan Agreement, the Company issued the Loan Warrant to purchase 730,769 shares of Common Stock at an exercise price of \$1.95 with a 10-year contractual term. This equity-classified warrant is outstanding as of September 30, 2024.

**NOTE 8. STOCK-BASED COMPENSATION**

**2021 Equity Incentive Plan**

The 2021 Equity Incentive Plan (the "2021 Plan"), which provides for the grant of incentive stock options to employees and the grant of nonstatutory stock options, stock appreciation rights, restricted stock awards, restricted stock unit awards, performance awards and other forms of stock awards to employees, directors and consultants, became effective on June 30, 2021. The 2021 Plan is a successor to the Company's Amended and Restated Stock Performance Plan that was adopted by the Company's Board of Directors (the "Board") and stockholders on April 8, 2013 (as amended from time to time, most recently on November 20, 2020, the "2013 Plan"). The maximum number of shares of common stock that may be issued upon the exercise of incentive stock options under the 2021 Plan is 12,000,000 shares. Following the effectiveness of the 2021 Plan, no further grants may be made under the 2013 Plan; however, any outstanding equity awards granted under the 2013 Plan continue to be governed by the terms of the 2013 Plan. As of September 30, 2024, there were 3,227,248 options outstanding under the 2013 Plan.

The number of shares of common stock reserved for issuance under the 2021 Plan automatically increases on January 1 of each calendar year through January 1, 2031, in an amount equal to 5% of the total number of shares of common stock outstanding on December 31 of the fiscal year before the date of each automatic increase, or a lesser number of shares determined by the Board prior to the applicable January 1. On January 1, 2024, the number of shares of common stock reserved for issuance under the 2021 Plan automatically increased by 2,895,523 shares.

As of September 30, 2024, a total of 14,668,721 shares were authorized for issuance under the 2021 Plan and 2,535,928 shares remained available for issuance under the 2021 Plan.

The Company recorded stock-based compensation expense in the following expense categories of its condensed statements of operations for the periods shown (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
General and administrative	\$ 1,436	\$ 1,127	\$ 4,678	\$ 3,143
Research and development	902	473	2,614	1,368
Total stock-based compensation	<u>\$ 2,338</u>	<u>\$ 1,600</u>	<u>\$ 7,292</u>	<u>\$ 4,511</u>

**Acumen Pharmaceuticals, Inc.**  
**Notes to Condensed Financial Statements**  
**(unaudited)**

**Stock Options**

The Black-Scholes option-pricing model was used to estimate the fair value of stock options granted during the nine months ended September 30, 2024 and 2023 with the following weighted average assumptions:

	Nine Months Ended September 30,	
	2024	2023
Risk-free interest rate	3.81% - 5.10%	3.47% - 4.43%
Expected term (in years)	0.9 - 6.1	5.5 - 6.1
Expected volatility	92% - 103%	90% - 98%
Expected dividend yield	0%	0%

The weighted average grant date fair value of options granted during the nine months ended September 30, 2024 and 2023 was \$ 2.93 per share and \$4.53 per share, respectively.

Stock options granted after December 31, 2017 generally vest monthly over a range of 12 to 48 months or vest monthly over a total of 48 months following a one-year cliff and all have a 10-year contractual term. Beginning in 2022, the Company has also issued annual option awards to its Board that vest in full on the first anniversary of the grant date. Stock options granted prior to December 31, 2017 were either fully vested upon grant or generally vested monthly over a range of three to 24 months and also have a 10-year term. The Company's common stock became publicly traded in July 2021 and lacks sufficient company-specific historical and implied volatility information. Therefore, the Company estimates expected stock volatility using a weighted average blend of historical volatility of a publicly traded set of peer companies, as well as its own historical volatility. Due to the lack of historical exercise history, the expected term of the Company's stock options has been determined using the "simplified" method for awards. The risk-free interest rate is determined by reference to the U.S. Treasury yield curve in effect at the time of grant of the award for time periods approximately equal to the expected term of the award. Expected dividend yield is zero based on the fact that the Company has never paid cash dividends and does not expect to pay any cash dividends in the foreseeable future.

The following table reflects summarized stock option activity:

	Stock Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (in years)	Aggregate Intrinsic Value (in thousands)
Outstanding as of December 31, 2023	7,523,947	\$ 4.01		
Granted	2,961,850	\$ 3.71		
Forfeited	(57,871)	\$ 7.36		
Expired	(53,555)	\$ 9.10		
Outstanding as of September 30, 2024	10,374,371	\$ 3.88	7.7	\$ 4,461
Vested and exercisable as of September 30, 2024	5,664,870	\$ 3.48	6.8	\$ 4,186

As of September 30, 2024, total unrecognized compensation costs related to unvested stock option awards were approximately \$ 15.1 million, which the Company expects to recognize over a weighted-average period of approximately 2.5 years.

**Acumen Pharmaceuticals, Inc.**  
**Notes to Condensed Financial Statements**  
**(unaudited)**

**Restricted Stock Units**

In each of January 2024 and 2023, the Company granted a restricted stock unit ("RSU") award to each of its then-current employees. These RSU awards vest in equal annual installments on the first three anniversaries of the grant date.

	Number of Shares	Weighted Average Grant Date Fair Value
Unvested as of December 31, 2023	328,500	\$ 6.11
Granted	1,204,640	\$ 4.15
Vested	(109,493)	\$ 6.11
Forfeited	(12,317)	\$ 4.59
Unvested as of September 30, 2024	1,411,330	\$ 4.45

As of September 30, 2024, total unrecognized compensation costs related to unvested RSUs were approximately \$ 4.6 million, which the Company expects to recognize over a weighted-average period of approximately 2.1 years.

**Employee Stock Purchase Plan**

The 2021 Employee Stock Purchase Plan (the "ESPP"), which permits employees to purchase shares of common stock, became effective on June 30, 2021. The number of shares of common stock reserved for issuance automatically increases on January 1 of each calendar year through January 1, 2031, by the lesser of (1) 1% of the total number of shares of common stock outstanding on the last day of the fiscal year before the date of the automatic increase, and (2) 800,000 shares; provided, however, that before the date of any such increase, the Board may determine that such increase will be less than the amount set forth in clauses (1) and (2). On January 1, 2024, the number of shares of common stock reserved for issuance under the ESPP automatically increased by 579,105 shares. As of September 30, 2024, there are a total of 1,769,088 shares authorized for issuance under the ESPP and there have been no purchases of shares under the ESPP, as the ESPP has not yet been implemented.

**NOTE 9. COMMITMENTS AND CONTINGENCIES**

The Company is not a party to any material legal proceedings and is not aware of any pending or threatened claims. From time to time, the Company may be subject to various legal proceedings and claims that arise in the ordinary course of its business activities.

In November 2023, the Company entered into a Non-exclusive Collaboration and License Agreement (the "Halozyne License Agreement") with Halozyne, Inc. ("Halozyne"). Under the terms of the Halozyne License Agreement, Halozyne granted the Company a non-exclusive license to Halozyne's drug delivery technology for the development of a subcutaneous formulation of sabirnetug (such combination, the "Halozyne Product"). In January 2024, the Company paid a seven-figure upfront license payment for the Halozyne Product, which was included in accrued expenses and other current liabilities as of December 31, 2023. Additionally, the Company will make milestone payments tied to achievement of certain development and commercialization milestone events with respect to the Halozyne Product, as well as milestone payments based on achievement of certain net sales levels of the Halozyne Product. The Company will also make single-digit royalty payments based on worldwide net sales of the Halozyne Product. The upfront license payment and milestones are recorded as in-process research and development expense when incurred.

In November 2022, the Company entered into a License Agreement ("Lonza License Agreement") with Lonza Sales AG ("Lonza"). Under the terms of the Lonza License Agreement, Lonza granted the Company a worldwide non-exclusive license to use Lonza's glutamine synthetase gene expression system to manufacture and commercialize sabirnetug (the "Lonza Product"). Under the terms of the Lonza License Agreement, in consideration of the licenses and consents granted to the Company, the Company paid an upfront fee of 1.0 million Swiss Francs. The Company is also required to pay certain royalties upon commercialization and annual payments on a country-by-country basis in respect of the manufacturing and sale of the Lonza Product, which include (i) a royalty of less than 1% on net sales where Lonza manufactures the Lonza Product, (ii) an annual royalty payment in Swiss Francs in the low six-digits and a royalty of less than 1% on net sales where the Company manufactures the Lonza Product and (iii) an annual payment in Swiss Francs in the mid-six-digits per sublicense and a royalty on net sales in the low single digits where a third party manufactures the

**Acumen Pharmaceuticals, Inc.**  
**Notes to Condensed Financial Statements**  
**(unaudited)**

Lonza Product. These payment obligations expire 10 years from the first commercial sales of the Lonza Product in such country of sale.

**NOTE 10. NET LOSS PER SHARE**

Basic net loss per share of common stock is computed by dividing net loss by the weighted-average number of shares of common stock outstanding during the period. Basic and diluted net loss per share was the same for each period presented as the inclusion of all potential common stock outstanding would have been anti-dilutive. Potentially dilutive securities not included in the calculation of diluted net loss per common share, because to do so would be anti-dilutive, were as follows for the periods presented:

	September 30,	
	2024	2023
Shares issuable upon exercise of stock options	10,374,371	7,400,147
Shares issuable upon conversion election for Term Loan	988,142	—
Shares issuable upon exercise of warrant	730,769	—
Unvested RSUs	1,411,330	328,500
Total	13,504,612	7,728,647

## Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

*The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our unaudited condensed financial statements and related notes included elsewhere in this Quarterly Report on Form 10-Q and in the audited financial statements and notes thereto as of and for the year ended December 31, 2023 and the related Management's Discussion and Analysis of Financial Condition and Results of Operations, included in our Annual Report. This discussion, particularly information with respect to our future results of operations or financial condition, business strategy and plans and objectives of management for future operations, includes forward-looking statements that involve risks and uncertainties as described under the heading "Special Note Regarding Forward-Looking Statements" in this Quarterly Report on Form 10-Q. You should review the disclosure under the heading "Risk Factors" in the Annual Report for a discussion of important factors that could cause our actual results to differ materially from those described in or implied by these forward-looking statements.*

### Overview

We are a clinical-stage biopharmaceutical company developing a novel disease-modifying approach to target what we believe to be a key underlying cause of Alzheimer's disease, or AD. Alzheimer's disease is a progressive neurodegenerative disease of the brain that leads to loss of memory and cognitive functions and ultimately results in death. Our scientific founders pioneered research on soluble amyloid-beta oligomers, or A $\beta$ Os, which are globular assemblies of the amyloid-beta, or A $\beta$ , peptide that are distinct from A $\beta$  monomers and amyloid plaques. Based on decades of research and supporting evidence, A $\beta$ Os have gained increasing scientific acceptance as a primary toxin involved in the initiation and propagation of AD pathology. We are currently focused on advancing a targeted immunotherapy drug candidate, sabirnetug (ACU193), in our Phase 2 ALTITUDE-AD clinical trial following the results of INTERCEPT-AD, our Phase 1 clinical trial of sabirnetug in "early AD" patients (patients with mild cognitive impairment or mild dementia due to Alzheimer's disease), which were first reported in July 2023. Sabirnetug is a recombinant humanized immunoglobulin gamma 2, or IgG2, monoclonal antibody, or mAb, that was designed to selectively target A $\beta$ Os, has demonstrated functional and protective effects in in vitro assays, and has previously demonstrated in vivo safety and pharmacologic activity in multiple animal species, including transgenic mouse models for AD.

In July 2023, we announced topline results from our INTERCEPT-AD clinical trial, which demonstrated that sabirnetug met the primary and secondary objectives of the study in 62 participants with early AD. Sabirnetug was well-tolerated throughout the single ascending dose, or SAD, and multiple ascending dose, or MAD, cohorts, with an overall rate of amyloid-related imaging abnormalities, or ARIA-E, of 10.4%. The incidence of ARIA-E was dose dependent, with a rate of 7% for patients given 10 mg/kg or 25 mg/kg and 21% for patients given 60 mg/kg. An analysis of change in amyloid plaque load, as measured in Centiloids by positron emission tomography, or PET, demonstrated a rapid, dose-related mean decrease at the higher dose levels studied. Statistically significant, dose-related central target engagement was observed as measured by sabirnetug-A $\beta$ O complex, establishing the first target engagement assay developed that is specific to an A $\beta$ O-targeting antibody. The study also demonstrated near maximal target engagement for patients receiving 25 mg/kg every two weeks or 60 mg/kg every four weeks, an important finding for dose selection in the ALTITUDE-AD clinical trial. In November 2023, we announced a number of downstream biomarkers in cerebrospinal fluid, or CSF, specific to amyloid and tau pathology and synaptic injury showed improvement in the INTERCEPT-AD MAD cohorts, further supporting a drug effect of sabirnetug on Alzheimer's pathology. These included effects of sabirnetug on p-tau181, which reflects damage to neurons and is known to be elevated in CSF of patients with AD, and effects of sabirnetug on neurogranin and VAMP2, markers which reflect damage to neuronal synapses and are elevated in CSF of patients with AD.

We announced the dosing of the first patient in our Phase 2 ALTITUDE-AD clinical trial in May 2024, and we expect to complete enrollment in the first half of 2025. ALTITUDE-AD is a randomized, double-blind, placebo-controlled, three-arm study designed to evaluate the clinical efficacy and safety of sabirnetug with approximately 180 participants per arm for a total of approximately 540 participants with mild cognitive impairment or mild dementia due to AD. We intend to use the Integrated Alzheimer's Disease Rating Scale, or iADRS, at 18 months as the primary outcome measure. Our planned doses for ALTITUDE-AD are 35 mg/kg and 50 mg/kg, both dosed every four weeks, or Q4W. These dose levels and frequency were selected based on extensive pharmacokinetic, or PK, and pharmacodynamic, or PD, modeling of our Phase 1 data. Based on regulatory feedback from the European Medicines Agency, or EMA, and to enhance the probability that the EMA will consider ALTITUDE-AD as a registration-eligible study for sabirnetug, we have amended the ALTITUDE-AD clinical trial protocol from a Phase 2/3 study to a Phase 2 standalone study.

We were incorporated in 1996 and were party to an exclusive license and research collaboration with Merck & Co., Inc., or Merck, in 2003. Although we acquired the exclusive rights to sabirnetug from Merck in 2011 following Merck's strategic decision to focus its AD development efforts on a different product candidate, we did not recommence meaningful

operations until we completed our first institutional fundraising in 2018. Since 2018, we have devoted substantially all of our efforts to organizing and staffing our company, business planning, raising capital, conducting discovery, research and development activities, and providing general and administrative support for these operations. We do not have any products approved for sale and have not generated any revenue from product sales. We have funded our operations primarily through the sale of our convertible preferred stock and common stock, the issuance of notes, entry into a term loan facility, grant revenue and, during our collaboration with Merck, certain payments received under our collaboration agreement.

In November 2023, we announced a global collaboration and license agreement with Halozyme, Inc., or Halozyme, to develop a subcutaneous formulation of sabirnetug. In July 2024, we announced that the first subject had been dosed with a subcutaneous formulation of sabirnetug in a Phase 1 PK comparison clinical trial. The clinical trial plans to compare the PK between subcutaneous and intravenous administrations of sabirnetug in healthy volunteers. Topline results from this study are expected in the first quarter of 2025.

In November 2023, we entered into a loan and security agreement, or the Loan Agreement, with K2 HealthVentures LLC, or, together with its affiliates, K2HV. The Loan Agreement provides us with a term loan facility in the aggregate principal amount of up to \$50 million, of which we have borrowed \$30 million in the first tranche and which was funded upon closing. The remaining \$20 million is available for borrowing upon our request, subject to review by the lenders of certain information from us and discretionary approval by the lenders. The term loan facility matures on November 1, 2027 and can be extended to November 1, 2028, subject to our achievement of certain financing milestones. In accordance with the Loan Agreement, we issued to K2HV a warrant to purchase up to 730,769 shares of our common stock at an exercise price of \$1.95 per share.

In January 2024, we issued 2,068,246 shares of our common stock under our at-the-market offering program, or ATM, for net proceeds of \$7.9 million, or \$3.84 per share.

We have incurred net losses and negative cash flows from operations since our inception. Our net losses were \$65.2 million and \$35.9 million for the nine months ended September 30, 2024 and 2023, respectively. Approximately \$59.2 million, or 91%, of the net loss for the nine months ended September 30, 2024 was due to research and development spending. As of September 30, 2024, we had an accumulated deficit of \$288.0 million and working capital of \$187.7 million. Our net losses and cash flows from operations may fluctuate significantly from quarter-to-quarter and year-to-year, depending on the timing of nonclinical studies, clinical trials and our expenditures on other research and development activities. We expect our expenses and operating losses will increase substantially for the foreseeable future as we advance sabirnetug in clinical trials, seek to expand our product candidate portfolio through developing additional product candidates, grow our clinical, regulatory and quality capabilities, and incur additional costs associated with operating as a public company. It is likely that we will seek third-party collaborators for the future commercialization of sabirnetug or any other product candidate that is approved for marketing, sales, manufacturing and distribution. We will not generate revenue from product sales unless and until we successfully complete clinical development and obtain regulatory approval for our product candidates.

As a result, we will need substantial additional funding to support our continuing operations and pursue our growth strategy. Until we can generate significant revenue from product sales, if ever, we expect to finance our operations through a combination of public or private equity offerings and debt financings or other sources, such as potential collaboration agreements, strategic alliances and licensing arrangements. We may be unable to raise additional funds or enter into such other agreements or arrangements when needed on acceptable terms, or at all. In addition, global economic conditions may impact our ability to raise additional funds, and we may be impacted by disruptions to, and volatility in, the credit and financial markets in the United States and worldwide, fluctuations in inflation and supply disruptions, the ongoing conflicts between Russia and Ukraine and Israel and Hamas and related sanctions, and otherwise. If these conditions persist and deepen, we could experience an inability to access additional capital, or our liquidity could otherwise be impacted. If we are unable to raise capital when needed or on attractive terms, we would be forced to delay, reduce or eliminate our research and development programs and/or future commercialization efforts. Our failure to raise capital or enter into such agreements as, and when needed, could have a material adverse effect on our business, results of operations and financial condition.

As of September 30, 2024, we had cash and cash equivalents and marketable securities totaling \$258.9 million, which amount includes the first tranche of \$30.0 million that we received under the Loan Agreement with K2HV. Based on our current operating plan, we expect that our existing cash and cash equivalents and marketable securities will be sufficient to enable us to fund our operating expenses and capital expenditure requirements into the first half of 2027. We have based this estimate on assumptions that may prove to be wrong, and we could exhaust our available capital resources sooner than



we expect, including based on our decision to initiate other clinical trials or programs. See “—Liquidity and Capital Resources.”

## **Components of Results of Operations**

### ***Operating Expenses***

Our operating expenses consist of research and development expenses and general and administrative expenses.

#### *Research and Development Expenses*

Research and development costs primarily consist of direct costs associated with consultants and materials, biologic storage, third-party contract research organization, or CRO, costs and contract manufacturing organization, or CMO, expenses, and salaries and other personnel-related expenses. Research and development costs are expensed as incurred. More specifically, these costs include:

- costs of funding research performed by third parties that conduct research and development and nonclinical and clinical activities on our behalf;
- costs of manufacturing drug supply and drug product;
- costs of conducting nonclinical studies and clinical trials of our product candidates;
- consulting and professional fees related to research and development activities, including stock-based compensation to non-employees;
- costs related to compliance with clinical regulatory requirements; and
- employee-related expenses, including salaries, benefits and stock-based compensation expense for our research and development personnel.

As we currently only have one product candidate, sabirnetug, in development, we do not separately track expenses by program. Further, we have historically relied primarily on consultants for research and development activities; our internal research and development personnel costs currently represent approximately 18% of our total research and development expenses. Our research and development expenses increased substantially since initiating the clinical trial program for sabirnetug in 2021. We expect that our research and development expenses will continue to increase substantially in connection with our continued clinical development activities for sabirnetug.

#### *General and Administrative Expenses*

General and administrative expenses consist primarily of employee-related expenses, including stock-based compensation costs, as well as business insurance, management and business consultants and other related costs. General and administrative expenses also include professional fees for legal, accounting, auditing, taxes, patent services, investor and public relations, board of directors expenses, information technology, franchise taxes, rent, travel expenses and subscriptions.

We expect that our general and administrative expenses will increase as our organization and headcount needed in the future grow to support continued research and development activities and potential commercialization of our product candidate. These increases will likely include increased costs related to the hiring of additional personnel and fees to outside consultants, attorneys and accountants, among other expenses. Additionally, we expect to continue to incur significant expenses associated with being a public company, including costs of additional personnel, accounting, audit, legal, regulatory and tax-related services associated with maintaining compliance with exchange listing and Securities and Exchange Commission, or SEC, requirements, director and officer insurance costs, and investor and public relations costs.

### ***Other Income (Expense)***

Other income (expense) primarily includes interest income, interest expense, change in fair value of embedded derivatives and other income (expense), net. The interest income earned, as well as amortization and accretion of premiums and discounts, related to our investments in marketable securities are recorded in interest income. Interest expense primarily includes interest due under the Loan Agreement, as well as the amortization of the related debt discount. The change in fair value of embedded derivatives relates to the embedded derivatives that were bifurcated from the term loan borrowed under the Loan Agreement, accounted for as a derivative at fair value and remeasured at each reporting period for the term of the

loan. Other income (expense), net, generally consists of fees incurred on our investments in marketable securities and losses on transactions in foreign currencies, partially offset by either realized gains on marketable securities or sublease income.

## Results of Operations

### Comparison of the Three Months Ended September 30, 2024 and 2023

The following table summarizes our results of operations for the three months ended September 30, 2024 and 2023 (in thousands):

	Three Months Ended September 30,		Change	
	2024	2023	\$	%
Operating expenses				
Research and development	\$ 27,247	\$ 11,179	\$ 16,068	144 %
General and administrative	5,018	4,860	158	3 %
Total operating expenses	32,265	16,039	16,226	101 %
Loss from operations	(32,265)	(16,039)	(16,226)	(101)%
Other income (expense)				
Interest income	3,504	3,124	380	12 %
Interest expense	(1,027)	—	(1,027)	100 %
Change in fair value of embedded derivatives	(10)	—	(10)	100 %
Other income (expense), net	33	(42)	75	*
Total other income	2,500	3,082	(582)	(19)%
Net loss	<u>\$ (29,765)</u>	<u>\$ (12,957)</u>	<u>\$ (16,808)</u>	<u>(130)%</u>

\* Not meaningful

### Research and Development Expenses

Research and development expenses were \$27.2 million and \$11.2 million for the three months ended September 30, 2024 and 2023, respectively. The \$16.0 million increase was primarily due to a \$13.4 million increase in costs associated with our Phase 2 ALTITUDE-AD clinical trial, for which we announced the dosing of the first patient in May 2024. Additionally, we incurred a \$3.1 million increase in license expenses, \$1.5 million for higher personnel costs, which included a \$0.4 million increase for non-cash stock compensation expenses, as well as an increase of \$0.4 million for shipping and packaging of our drug products. These increases were partially offset by decreases of \$1.4 million for manufacturing and materials costs and \$1.0 million for other contract research expenses.

### General and Administrative Expenses

General and administrative expenses were \$5.0 million and \$4.9 million for the three months ended September 30, 2024 and 2023, respectively. The \$0.1 million increase was primarily due to an increase of \$0.5 million in personnel expenses, including a \$0.3 million increase for non-cash stock compensation expenses, partially offset by decreases of \$0.2 million for legal expenses and \$0.2 million for consulting expenses.

### Other Income (Expense)

Other income was \$2.5 million and \$3.1 million for the three months ended September 30, 2024 and 2023, respectively. The \$0.6 million decrease was due to an increase in interest expense of \$1.0 million related to our borrowings of \$30.0 million upon the closing of our Loan Agreement in November 2023, which was partially offset by a \$0.4 million increase in interest income due to both higher interest rates and increased investment in marketable securities following our July 2023 underwritten public offering, or the Offering, which raised net proceeds of \$121.9 million.

## Results of Operations

### Comparison of the Nine Months Ended September 30, 2024 and 2023

The following table summarizes our results of operations for the nine months ended September 30, 2024 and 2023 (in thousands):

	Nine Months Ended September 30,		Change	
	2024	2023	\$	%
Operating expenses				
Research and development	\$ 59,229	\$ 29,025	\$ 30,204	104 %
General and administrative	15,191	13,627	1,564	11 %
Total operating expenses	74,420	42,652	31,768	74 %
Loss from operations	(74,420)	(42,652)	(31,768)	(74)%
Other income (expense)				
Interest income	11,325	6,840	4,485	66 %
Interest expense	(3,031)	—	(3,031)	100 %
Change in fair value of embedded derivatives	1,040	—	1,040	100 %
Other expense, net	(89)	(62)	(27)	*
Total other income	9,245	6,778	2,467	36 %
Net loss	\$ (65,175)	\$ (35,874)	\$ (29,301)	(82)%

\* Not meaningful

#### Research and Development Expenses

Research and development expenses were \$59.2 million and \$29.0 million for the nine months ended September 30, 2024 and 2023, respectively. The \$30.2 million increase in research and development expenses was primarily due to a \$20.9 million increase in costs associated with our Phase 2 ALTITUDE-AD clinical trial, for which we announced the dosing of the first patient in May 2024. Additionally, we incurred a \$4.6 million increase in license expenses, \$4.1 million for higher personnel costs, which included a \$1.2 million increase for non-cash stock compensation expenses, as well as increases in the following: \$0.9 million for shipping and packaging of our drug products, \$0.8 million related to services provided by research and development contractors and consultants and \$0.4 million for conferences and travel expenses. These increases were partially offset by decreases of \$1.3 million for manufacturing and materials costs and \$0.2 million for other contract research expenses.

#### General and Administrative Expenses

General and administrative expenses were \$15.2 million and \$13.6 million for the nine months ended September 30, 2024 and 2023, respectively. The \$1.6 million increase was primarily due to an increase of \$2.1 million in personnel costs, including a \$1.5 million increase for non-cash stock compensation expenses, which were partially offset by a decrease of \$0.5 million for consulting expenses.

#### Other Income (Expense)

Other income was \$9.2 million and \$6.8 million for the nine months ended September 30, 2024 and 2023, respectively. The \$2.4 million increase was primarily attributable to a \$4.5 million increase in interest income on our portfolio of marketable securities due to both higher interest rates and increased investment in marketable securities following the completion of the Offering, which raised net proceeds of \$121.9 million, and our borrowings of \$30.0 million upon the closing of our Loan Agreement in November 2023, as well as increased income of \$1.0 million due to a decrease in the fair value of the embedded derivatives that are bifurcated from the term loan under the Loan Agreement. The increased income was partially offset by an increase in interest expense of \$3.0 million related to our Loan Agreement.

## Liquidity and Capital Resources

We have incurred net losses since inception. We have not generated any revenue from product sales or any other sources other than grant revenue and have incurred significant operating losses. We have not yet commercialized any products and we do not expect to generate revenue from sales of any drug candidates for at least several years, if ever.

Our operations have been financed primarily by net proceeds from the sale and issuance of our common stock and convertible preferred stock, the issuance of notes, grant revenue and, during our collaboration with Merck, which was in place from 2003 to 2011, certain payments received under our collaboration agreement.

On March 27, 2024, we filed a shelf registration statement on Form S-3, or the 2024 Registration Statement. Pursuant to the 2024 Registration Statement, we may offer and sell securities having an aggregate public offering price of up to \$200.0 million.

We have a sales agreement, or, as amended, the Sales Agreement, with BofA Securities, Inc., Stifel, Nicolaus & Company, Incorporated and BTIG, LLC as sales agents, pursuant to which we may issue and sell shares of our common stock for an aggregate offering price of up to \$50.0 million under an at-the-market offering program, or ATM, which is included in the \$200.0 million of securities that were registered for sale pursuant to a registration statement on Form S-3 filed in 2022. Pursuant to the Sales Agreement, we will pay the sales agents a commission rate of up to 3.0% of the gross proceeds from the sale of any shares of our common stock. We are not obligated to make any sales of shares of our common stock under the ATM.

In January 2024, we issued 2,068,246 shares of common stock under the ATM for net proceeds of \$7.9 million, or \$3.84 per share.

As of September 30, 2024, we had cash and cash equivalents and marketable securities totaling \$258.9 million, which amount includes the first tranche of \$30.0 million that we received under the Loan Agreement with K2HV. Our available-for-sale marketable securities mature within two years. Based on our current operating plan, we expect that our existing cash and cash equivalents and marketable securities will be sufficient to enable us to fund our operating expenses and capital expenditure requirements into the first half of 2027. We have based this estimate on assumptions that may prove to be wrong, and we could exhaust our available capital resources sooner than we expect, including based on our decision to initiate other clinical trials or programs.

We enter into contracts in the normal course of business with CROs and CMOs for clinical trials, nonclinical research studies and testing, manufacturing and other services and products for operating purposes. These contracts do not contain any minimum purchase commitments and are generally cancellable by us after giving a certain amount of notice. Payments due upon cancellation consist only of payments for services provided and expenses incurred up to the date of cancellation.

## Cash Flows

The following table summarizes our sources and uses of cash (in thousands):

	Nine Months Ended September 30,	
	2024	2023
Net cash used in operating activities	\$ (59,000)	\$ (34,750)
Net cash provided by (used in) investing activities	18,364	(122,864)
Net cash provided by financing activities	6,937	122,619
Net change in cash and cash equivalents	<u>\$ (33,699)</u>	<u>\$ (34,995)</u>

### Operating Activities

Net cash used in operating activities increased by \$24.2 million to \$59.0 million for the nine months ended September 30, 2024 from \$34.8 million for the nine months ended September 30, 2023. The primary reason for this was an increase in net loss of \$29.3 million for the nine months ended September 30, 2024. When adjusted for increases in non-cash expenses including stock-based compensation of \$2.8 million, non-cash interest of \$0.8 million and other non-cash expense of \$0.2 million, which were offset by increases in non-cash income for amortization and accretion on marketable securities of \$3.3 million and change in fair value of embedded derivatives of \$1.0 million, our net loss for the nine months ended September 30, 2024 was responsible for a \$29.8 million increase in cash used as compared to the nine months ended

September 30, 2023. Working capital changes offset the adjusted net loss, providing \$5.6 million of cash for operating activities, which included an increase in cash provided by accrued clinical trial expenses of \$9.3 million due to our Phase 2 ALTITUDE-AD clinical trial, as well as an increase in accounts payable of \$1.3 million. These increases were partially offset by increases in cash used for prepaid expenses and other current assets of \$3.8 million and accrued expenses and other current liabilities of \$1.2 million.

#### *Investing Activities*

Cash provided by investing activities during the nine months ended September 30, 2024 of \$18.4 million increased by \$141.2 million from cash used in investing activities of \$122.9 million during the nine months ended September 30, 2023, primarily due to increases in proceeds from maturities of marketable securities of \$118.0 million, net of purchases of marketable securities of \$23.2 million.

#### *Financing Activities*

Cash provided by financing activities during the nine months ended September 30, 2024 of \$6.9 million decreased by \$115.7 million from cash provided by financing activities of \$122.6 million during the nine months ended September 30, 2023, primarily due to net proceeds of \$122.3 million from the Offering during the nine months ended September 30, 2023 as compared to \$7.9 million of net proceeds from the issuance of common stock under our ATM during the nine months ended September 30, 2024. Additionally, during the nine months ended September 30, 2024, we used cash of \$0.7 million as payment under a finance lease agreement for certain computer equipment for our Phase 2 ALTITUDE-AD clinical trial.

#### **Funding Requirements**

We expect our expenses to increase in connection with our ongoing activities, particularly as we continue our research and development, conduct clinical trials and seek marketing approval for our current and any of our future product candidates. It is likely that we will seek third-party collaborators for the future commercialization of sabirnetug or any other product candidate that is approved for marketing. Should we seek to commercialize our products at our own expense, we would incur significant additional expenses for marketing, sales, manufacturing and distribution, which costs we may seek to offset through entry into collaboration agreements with third parties. As a result, we expect that we will need to obtain substantial additional funding in connection with our future operations. If we are unable to raise capital when needed or on acceptable terms, we could be forced to delay, reduce or eliminate our research and development programs or future commercialization efforts.

Based on our current operating plan, we believe that our existing cash and cash equivalents and marketable securities will be sufficient to enable us to fund our operating expenses and capital expenditure requirements into the first half of 2027. We have based this estimate on assumptions that may prove to be wrong, and we could exhaust our available capital resources sooner than we expect, including based on our decision to initiate other clinical trials or programs. In addition, changing circumstances may cause us to increase our spending significantly faster than we currently anticipate, and we may need to spend more money than currently expected because of circumstances beyond our control. We may need to raise additional funds sooner than anticipated if we choose to expand more rapidly than we presently anticipate.

The amount and timing of our future funding requirements will depend on many factors, some of which are outside of our control, including but not limited to:

- the progress, costs, timing and results of ALTITUDE-AD and other potential clinical trials of sabirnetug, including for potential additional indications that we may pursue beyond AD;
- the requirements of the U.S. Food and Drug Administration, or the FDA, EMA and comparable foreign regulatory authorities for clinical trials and nonclinical studies and other work, for review and approval of sabirnetug for AD;
- the outcome, costs and timing of seeking and obtaining FDA, EMA and any other regulatory approvals;
- the number and characteristics of product candidates that we pursue;
- our ability to obtain sufficient quantities of our product candidates from our third-party manufacturers;
- our need to expand our research and development activities;
- the costs associated with securing and establishing commercialization capabilities if we were to elect to commercialize one or more products on our own;

- the economics and other terms, timing of and success of any collaboration, licensing or other arrangements into which we may enter for the commercialization of our products;
- the costs and other terms, timing and success, of acquiring, in-licensing or investing in businesses, product candidates and technologies;
- our ability to maintain, expand and defend the scope of our intellectual property portfolio, including the amount and timing of any payments we may be required to make, or that we may receive, in connection with the licensing, filing, prosecution, defense and enforcement of any patents or other intellectual property rights;
- our need and ability to retain management and hire scientific and clinical personnel;
- the effect of competing drugs and product candidates and other market developments; and
- our need to implement additional internal systems and infrastructure, including financial and reporting systems.

Additional funding may not be available to us on acceptable terms or at all. Any such funding may result in dilution to stockholders, imposition of debt covenants and repayment obligations or other restrictions that may affect our business. We also could be required to seek funds through arrangements with collaborative partners or otherwise that may require us to relinquish rights to some of our technologies or product candidates or otherwise agree to terms unfavorable to us. Any funds we raise may not be sufficient to enable us to continue to implement our long-term business strategy. Further, our ability to raise additional capital may be adversely impacted by potential worsening global economic conditions and the recent disruptions to and volatility in the credit and financial markets in the United States and worldwide. Additionally, escalation in interest rates, in conjunction with banking failures, may lead to financial institutions being more prudent with capital deployment and tightening lending. If we are unable to raise sufficient additional capital on a timely basis, we could be forced to curtail our planned operations and the pursuit of our business strategy, which would have a material adverse effect on the value of our common stock.

#### **Critical Accounting Policies, Significant Judgments and Use of Estimates**

The preparation of financial statements in conformity with U.S. generally accepted accounting principles, or U.S. GAAP, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the unaudited condensed financial statements and the reported amounts of expenses incurred during the reporting periods. Our estimates and assumptions are based on our historical experience and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

A description of our significant accounting policies is included in our Annual Report on Form 10-K. Please read the unaudited condensed financial statements in conjunction with our audited financial statements and accompanying notes in our Annual Report on Form 10-K.

Our critical accounting policies that require significant judgments and estimates are more fully described under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies, Significant Judgments and Use of Estimates" in our Annual Report and in Note 2 to our audited financial statements contained in our Annual Report. There have been no significant changes to our critical accounting policies that require significant judgments and estimates from those disclosed in our Annual Report.

#### **Emerging Growth Company and Smaller Reporting Company Status**

In April 2012, the Jumpstart Our Business Startups Act of 2012, or JOBS Act, was enacted. Section 107 of the JOBS Act provides that an "emerging growth company" can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act of 1933, as amended, for complying with new or revised accounting standards. Thus, an emerging growth company can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We elected to use the extended transition period for complying with new or revised accounting standards, which delays the adoption of these accounting standards until they would apply to private companies.

In addition, as an emerging growth company, we may take advantage of specified reduced disclosure and other requirements that are otherwise applicable generally to public companies. These provisions include:

- an exception from compliance with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002, as amended;
- reduced disclosure about our executive compensation arrangements in our periodic reports, proxy statements and registration statements;
- exemptions from the requirements of holding non-binding advisory votes on executive compensation or golden parachute arrangements; and
- an exemption from compliance with the requirements of the Public Company Accounting Oversight Board regarding the communication of critical audit matters in the auditor's report on financial statements.

We may take advantage of these provisions until we no longer qualify as an emerging growth company. We will cease to qualify as an emerging growth company on the date that is the earliest of: (i) December 31, 2026, (ii) the last day of the fiscal year in which we have more than \$1.235 billion in total annual gross revenues, (iii) the date on which we are deemed to be a "large accelerated filer" under the rules of the SEC, which means the market value of our common stock that is held by non-affiliates exceeds \$700 million as of the prior June 30th or (iv) the date on which we have issued more than \$1.0 billion of non-convertible debt over the prior three-year period. We may choose to take advantage of some but not all of these reduced reporting burdens. We have taken advantage of certain reduced reporting requirements in this Quarterly Report on Form 10-Q and our other filings with the SEC. Accordingly, the information contained herein may be different than you might obtain from other public companies in which you hold equity interests.

We are also a "smaller reporting company," meaning that the market value of our shares held by non-affiliates is less than \$700 million and our annual revenue was less than \$100 million during the most recently completed fiscal year. We may continue to be a smaller reporting company if either: (i) the market value of our shares held by non-affiliates is less than \$250 million or (ii) our annual revenue was less than \$100 million during the most recently completed fiscal year and the market value of our shares held by non-affiliates is less than \$700 million. If we are a smaller reporting company at the time we cease to be an emerging growth company, we may continue to rely on exemptions from certain disclosure requirements that are available to smaller reporting companies. Specifically, as a smaller reporting company, we may choose to present only the two most recent fiscal years of audited financial statements in our Annual Report on Form 10-K and, similar to emerging growth companies, smaller reporting companies have reduced disclosure obligations regarding executive compensation.

### **Item 3. Quantitative and Qualitative Disclosures About Market Risk.**

Not applicable to a smaller reporting company.

### **Item 4. Controls and Procedures.**

#### ***Evaluation of Disclosure Controls and Procedures***

We maintain "disclosure controls and procedures," as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended, or the Exchange Act, that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to our management, including our principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure.

Our management, with the participation of our principal executive officer and principal financial officer, evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of September 30, 2024. Based on the evaluation of our disclosure controls and procedures, our management concluded that, as of September 30, 2024, our disclosure controls and procedures were effective to provide reasonable assurance that the information required to be disclosed by us in this Quarterly Report on Form 10-Q was: (a) reported within the time periods specified by SEC rules and regulations, and (b) communicated to our management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding any required disclosure.

***Changes in Internal Control Over Financial Reporting***

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the fiscal quarter ended September 30, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

***Inherent Limitations on Effectiveness of Internal Controls***

In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable, not absolute, assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints, and that management is required to apply judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Our management, including our Chief Executive Officer and Chief Financial Officer, believes that our disclosure controls and procedures and internal control over financial reporting are designed to provide reasonable assurance of achieving their objectives and are effective at the reasonable assurance level. However, our management does not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent all errors and all fraud.



## PART II—OTHER INFORMATION

### Item 1. Legal Proceedings.

We are not subject to any material legal proceedings. From time to time, we may be involved in various claims and legal proceedings relating to claims arising out of our operations. We are not currently a party to any legal proceedings that, in the opinion of our management, are likely to have a material adverse effect on our business. Regardless of outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources and other factors.

### Item 1A. Risk Factors.

Our business is subject to risks and events that, if they occur, could adversely affect our financial condition and results of operations and trading price of our securities. In addition to the other information set forth in this Quarterly Report on Form 10-Q, you should carefully consider the factors described in Part I, Item 1A. "Risk Factors" of our Annual Report on Form 10-K for the year ended December 31, 2023. There have been no material changes to the risk factors as described in our Annual Report on Form 10-K for the year ended December 31, 2023.

### Item 2. Unregistered Sales of Equity Securities, Use of Proceeds and Issuer Purchases of Equity Securities.

#### (a) Recent Sales of Unregistered Equity Securities

None.

#### (b) Use of Proceeds

On June 30, 2021, our Registration Statement on Form S-1, as amended (File No. 333-256945), was declared effective in connection with our initial public offering, or IPO. The aggregate net proceeds from our IPO, after underwriting discounts and commissions, and other offering expenses of \$15.4 million, were \$168.6 million. There has been no material change in the planned use of proceeds from our IPO as described in our prospectus filed pursuant to Rule 424(b)(4) under the Securities Act with the SEC on July 2, 2021.

#### (c) Issuer Purchases of Equity Securities

None.

### Item 3. Defaults Upon Senior Securities.

Not applicable.

### Item 4. Mine Safety Disclosures.

Not applicable.

### Item 5. Other Information.

From time to time, our officers (as defined in Rule 16a-1(f)) and directors may enter into Rule 10b5-1 or non-Rule 10b5-1 trading plans (as each such term is defined in Item 408 of Regulation S-K). The trading plans are intended to satisfy the affirmative defense in Rule 10b5-1(c). During the three months ended September 30, 2024, our officers and directors took the following actions with respect to 10b5-1 trading plans:

On August 30, 2024, Matthew Zuga, our Chief Financial Officer and Chief Business Officer, entered into a Rule 10b5-1 trading plan that provides that Mr. Zuga, acting through a broker, may sell the number of shares of common stock sufficient to cover the taxes solely associated with the vesting of up to 128,334 restricted stock unit ("RSU") awards granted to Mr. Zuga as equity compensation, which sales may occur from January 3, 2025 to December 31, 2027. On September 24, 2024, Mr. Zuga entered into a separate 10b5-1 trading plan that provides that Mr. Zuga, acting through a broker, may sell (1) up to 83,110 shares of common stock, which sales may occur from January 23, 2025 through January 16, 2026; (2) 594,663 shares of common stock received upon the exercise of option awards granted to Mr. Zuga as equity incentive compensation, which sales may occur from January 23, 2025 through January 16, 2026; and (3) 46,501 shares of

## [Table of Contents](#)

common stock received upon the vesting of RSU awards granted to Mr. Zuga as equity incentive compensation, which sales may occur from January 23, 2025 to January 16, 2026.

On August 31, 2024, Russell Barton, our Chief Operating Officer, entered into a Rule 10b5-1 trading plan that provides that Mr. Barton, acting through a broker, may sell the number of shares of common stock sufficient to cover the taxes associated with the vesting of up to 90,800 RSU awards granted to Mr. Barton as equity compensation, which sales may occur from January 3, 2025 to December 31, 2027.

On September 3, 2024, Eric Siemers, M.D., our Chief Medical Officer, entered into a Rule 10b5-1 trading plan that provides that Dr. Siemers, acting through a broker, may sell the number of shares of common stock sufficient to cover the taxes associated with the vesting of up to 111,800 RSU awards granted to Dr. Siemers as equity compensation, which sales may occur from January 3, 2025 to December 31, 2027.

### Item 6. Exhibits.

Exhibit Number	Description of Exhibit
3.1	<a href="#">Amended and Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K (File No. 001-40551), filed with the Securities and Exchange Commission on June 8, 2023).</a>
3.2	<a href="#">Amended and Restated Bylaws (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K (File No. 001-40551), filed with the Securities and Exchange Commission on March 15, 2023).</a>
31.1*	<a href="#">Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>
31.2*	<a href="#">Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>
32.1#	<a href="#">Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>
32.2#	<a href="#">Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>
101.INS*	Inline XBRL Instance Document—the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

\* Filed herewith

+ Indicates management contract or compensatory plan.

# These certifications are being furnished solely to accompany this quarterly report pursuant to 18 U.S.C. Section 1350, and are not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and

are not to be incorporated by reference into any filing of the registrant, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

## 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 thereunto duly authorized.

**ACUMEN PHARMACEUTICALS, INC.**

Date: November 12, 2024

By: /s/ Daniel O'Connell  
**Daniel O'Connell**  
**Chief Executive Officer**  
*(Principal Executive Officer)*

Date: November 12, 2024

By: /s/ Matthew Zuga  
**Matthew Zuga**  
**Chief Financial Officer and Chief Business Officer**  
*(Principal Financial and Accounting Officer)*

1. I have reviewed this Form 10-Q of Acumen Pharmaceuticals, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: /s/ Daniel O'Connell  
**Daniel O'Connell**  
**Chief Executive Officer**  
*(Principal Executive Officer)*

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO  
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,  
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Matthew Zuga, certify that:

1. I have reviewed this Form 10-Q of Acumen Pharmaceuticals, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 12, 2024

By: /s/ Matthew Zuga

**Matthew Zuga**

**Chief Financial Officer and Chief Business Officer**  
*(Principal Financial Officer and Principal Accounting Officer)*

**CERTIFICATION OF PERIODIC FINANCIAL REPORTS PURSUANT TO  
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Acumen Pharmaceuticals, Inc. (the "Company") for the period ended September 30, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Daniel O'Connell, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 12, 2024

By:

/s/ Daniel O'Connell

**Daniel O'Connell**

**Chief Executive Officer**  
*(Principal Executive Officer)*

1. The Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ Matthew Zuga  
**Matthew Zuga**  
**Chief Financial Officer and Chief Business Officer**  
*(Principal Financial Officer and Principal Accounting Officer)*