
THE WALL STREET TRANSCRIPT

67 Wall Street, New York, NY 10005

VOICE: (212) 952-7400 FAX: (212) 668-9842; (212) 668-9858

Copyright 2003 WALL STREET TRANSCRIPT CORPORATION

All Rights Reserved

Website: <http://www.twst.com>

E-mail: transcript@twst.com

TWST: Give us an overview of the products that Acumen produces?

Mr. Summa: Acumen Pharmaceuticals is a pre-clinical drug company working on therapeutic cures for Alzheimer's disease and other memory-related disorders.

TWST: You focus primarily on Alzheimer's, therapeutic, and antibodies of therapeutic form, is that right?

Mr. Summa: That's right. Antibodies are one of the possible forms that the drug may take.

TWST: Now, what was the entry point there? Was it discovery or authentication?

Mr. Summa: In 1996, the founders of our company discovered what we now believe is the cause of Alzheimer's disease. This is a protein we call ADDLs. ADDLs occur in brains of humans and have one unfortunate goal – to interrupt the learning and memory recall process. This was a very different mechanism than previously thought to cause Alzheimer's disease.

TWST: How long does it take to complete the validation?

Mr. Summa: It took about six years to validate that the disease mechanism. It will take another 3 to 5 years to confirm the drug's benefits and safety in humans.

TWST: What do you think about the core of sustainable assets of Acumen Pharmaceuticals? Do you have proprietary technology, proprietary IP or does that suggest that you are further ahead with what you are doing?

Mr. Summa: Acumen's core assets are primarily the intellectual property of the company. Anybody who develops a therapeutic drug that stops ADDLs from forming or stops their toxic activity requires a license from Acumen. It gives us a pretty substantial blocking position in the Alzheimer's area. In addition, we are developing intellectual property around our therapeutic drugs. So, Acumen has a very strong intellectual property estate. Within a year, we hope to add a very attractive drug candidate to our core assets. We are conducting preclinical tests now, and look forward to these results.

TWST: How big this drug has to be in terms of annual sales for Big Pharma to get excited?

Mr. Summa: I think Big Pharma will get excited by a drug that would prevent Alzheimer's from progressing. They will get even more excited by a drug that prevents Alzheimer's onset. And a drug that actually restores cognitive function in those who have been afflicted with AD, well, that would be a real prize. It is a very, very large market opportunity. If you take a pencil and do some quick math you can get to annual sales that would be one of the very largest drugs on the market – ever. There are a little over 4.5 million Americans afflicted by Alzheimer's, and that number is growing very rapidly per year. Each year, the patients spend an average of about \$30,000 in health care. Once afflicted, a patient has it for about 10 years and they will have it until their death. Alzheimer's is the third most expensive disease in America causing patients \$100 billion a year in healthcare.

TWST: Let's talk about manufacturing for a moment. I assume you never thought about manufacturing yourself or I could be wrong about that?

Mr. Summa: Manufacturing is several years off at this point, so we have not focused on this.

TWST: My next question will be about marketing, distribution, and pricing. How would you tackle those issues?

Mr. Summa: Acumen is a pre-clinical company. We are about 24 months human trials. Human trials very often will take 5-10 years before they are completed. One way we do have to have those drugs manufactured and we will use a partner to be our manufacturing agent for purposes of making clinical materials. We believe that once we complete Phase II clinical trials successfully that we will have a drug that will probably be partnered or acquired by the largest pharmaceutical companies. Whether it is acquired or whether it is partnered, that would bring the significant access to sales, marketing, and distribution capabilities of the finest pharmaceutical companies in the world

TWST: I understand that you joined Acumen as the CEO in the fall of 2002. Could you tell us a little about your background and perhaps something about your team members?

Mr. Summa: Certainly. The company was formed in '96 and was run by the founders through 2002. At that time, Grant Krafft who is the Chairman of the company, and has since assumed Chief Science Officer responsibilities, relinquished his CEO responsibilities to me. I have experience in the business development and in raising cash in the private equity markets, and I have operating experience for running organizations for about 15 years. My prior experience was with Mendel Biotechnology, a terrific functional genomics company; Monsanto & Co. in St. Louis; McKinsey & Co., Inc. in Chicago; and Procter & Gamble in Cincinnati. I started in R&D after I graduated college in the '80s and understand how to manage and bring products to market. Grant Krafft is our Chief Science Officer. He left Northwestern University faculty to found the company, is with the company full-time. Grant is a terrific researcher. He has terrific insights, confirms them rapidly, and moves to execution. He also has missionary zeal when it comes to finding a cure. Gavin Clark is our VP of Business Development. He is working hard to find a pharmaceutical licensing partner at present. Gavin has over 15

years' experience at some of the largest pharmaceutical companies in the world in their business development organizations. So he adds a lot to our team.

TWST: Looking at marketing and distribution partnerships, are you guys looking for an umbrella arrangement to cover your pipeline?

Mr. Summa: We intend to “slice” the field of use of our patents into about five pieces. We are currently negotiating an exclusive license to antibodies against ADDLs, that's one of the five slices. We will retain the remaining slices for our own programs and our own proprietary investment. So, we will have a little bit of both: partnered and proprietary programs. It's a prudent thing to have a great partner who can help us avoid mistakes.

TWST: Who in your side will be negotiating those deals?

Mr. Summa: Gavin Clark, our Business Development Vice President.

TWST: Is there anything you would like to add?

Mr. Summa: Acumen has been a quiet company. The first six years of the company's existence has been spent taking a fairly unconventional view of the cause of Alzheimer's disease and validating it. That validation is largely complete and the number of scientific articles, the number of patents that have been issued, and the keen interest the pharmaceutical companies have, all point to a change in the collective thinking about how Alzheimer's occurs and how to treat it. It's no longer about relieving symptoms; it's about preventing the disease onset and progression.

This is very exciting. We have demonstrated in animals that we can stop the disease from progressing; we even believe we can actually restore lost cognitive function. I think that's probably one of the most hopeful stories in a long time.

TWST: Thank you for your time today, and I will wish you the best for continued success.

Mr. Summa: Thank you.