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, 2023

OR

o **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.)
427 Park St., Charlottesville, Virginia	22902
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (434) 297-1000

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 o

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 o

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	o	Accelerated filer	o
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. o

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

As of November 9, 2023, the registrant had 57,910,461 shares of common stock, $0.0001 par value per share, outstanding.

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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 ACU193, subject to necessary regulatory approvals;
- the ability of our clinical trials to demonstrate the safety and efficacy of ACU193, and other positive results;
- the therapeutic potential of ACU193, including its potential for improved safety and efficacy, as compared to other monoclonal antibodies approved and/or in development;
- the success, cost and timing of our development activities, nonclinical studies and clinical trials;
- the timing and focus of our future clinical trials, and the reporting of data from those trials, including our plans to initiate the Phase 2 portion of a Phase 2/3 clinical trial of ACU193;
- our plans relating to commercializing ACU193, 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 ACU193, and for the manufacture of ACU193 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 ACU193 and technology;
- 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 ACU193, and any related restrictions, limitations and/or warnings in the label of any approved product candidate;
- our plans relating to the further development and manufacturing of ACU193, including additional therapeutic indications which 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 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 Factors” in our Annual Report on Form 10-K for the fiscal year ended December 31, 2022, filed with the Securities and Exchange Commission, or the SEC, on March 27, 2023 (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). 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, 2023 (unaudited)	December 31, 2022
ASSETS		
Current assets		
Cash and cash equivalents	$ 94,917	$ 130,101
Marketable securities, short-term	120,517	47,504
Prepaid expenses and other current assets	3,164	2,724
Total current assets	218,598	180,329
Marketable securities, long-term	67,270	15,837
Restricted cash	189	—
Property and equipment, net	123	165
Right-of-use asset	2	105
Other assets	189	151
Total assets	$ 286,371	$ 196,587
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	$ 1,362	$ 1,640
Accrued clinical trial expenses	1,566	2,717
Accrued expenses and other current liabilities	3,168	3,350
Operating lease liability	2	105
Total current liabilities	6,098	7,812
Total liabilities	6,098	7,812
Commitments and contingencies (Note 6)		
Stockholders' equity		
Preferred stock, $0.0001 par value; 10,000,000 shares authorized and no shares issued and outstanding as of September 30, 2023 and December 31, 2022	—	—
Common stock, $0.0001 par value; 300,000,000 shares authorized as of September 30, 2023 and December 31, 2022; 57,910,461 and 41,025,062 shares issued and outstanding as of September 30, 2023 and December 31, 2022, respectively	6	4
Additional paid-in capital	487,077	359,949
Accumulated deficit	(206,301)	(170,427)
Accumulated other comprehensive loss	(509)	(751)
Total stockholders' equity	280,273	188,775
Total liabilities and stockholders' equity	$ 286,371	$ 196,587

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,	
	2023	2022	2023	2022
Operating expenses				
Research and development	$ 11,179	$ 8,309	$ 29,025	$ 21,615
General and administrative	4,860	3,062	13,627	9,374
Total operating expenses	16,039	11,371	42,652	30,989
Loss from operations	(16,039)	(11,371)	(42,652)	(30,989)
Other income (expense)				
Interest income, net	3,124	663	6,840	1,000
Other expense, net	(42)	(2)	(62)	(1)
Total other income	3,082	661	6,778	999
Net loss	(12,957)	(10,710)	(35,874)	(29,990)
Other comprehensive gain (loss)				
Unrealized gain (loss) on marketable securities	137	—	242	(734)
Comprehensive loss	$ (12,820)	$ (10,710)	$ (35,632)	$ (30,724)
Net loss per common share, basic and diluted	$ (0.24)	$ (0.26)	$ (0.79)	$ (0.74)
Weighted-average shares outstanding, basic and diluted	54,229,630	40,502,860	45,474,953	40,491,181

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, 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

For the Three Months Ended September 30, 2022

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
	Shares	Amount				
Balance as of June 30, 2022	40,501,258	$ 4	$ 354,331	$ (146,851)	$ (965)	$ 206,519
Stock options exercised for cash	1,866	—	2	—	—	2
Stock-based compensation	—	—	840	—	—	840
Net loss	—	—	—	(10,710)	—	(10,710)
Balance as of September 30, 2022	40,503,124	$ 4	$ 355,173	$ (157,561)	$ (965)	$ 196,651

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, 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

For the Nine Months Ended September 30, 2022

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
	Shares	Amount				
Balance as of December 31, 2021	40,473,270	$ 4	$ 352,981	$ (127,571)	$ (231)	$ 225,183
Unrealized loss on marketable securities	—	—	—	—	(734)	(734)
Stock options exercised for cash	25,108	—	19	—	—	19
Cashless stock options exercise	4,746	—	—	—	—	—
Stock-based compensation	—	—	2,173	—	—	2,173
Net loss	—	—	—	(29,990)	—	(29,990)
Balance as of September 30, 2022	40,503,124	$ 4	$ 355,173	$ (157,561)	$ (965)	$ 196,651

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,	
	2023	2022
Cash flows from operating activities		
Net loss	$ (35,874)	$ (29,990)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	42	20
Stock-based compensation expense	4,511	2,173
Amortization of premiums and accretion of discounts on marketable securities, net	(1,344)	575
Amortization of right-of-use asset	103	100
Changes in operating assets and liabilities:		
Prepaid expenses and other current assets	(436)	2,058
Other assets	(38)	(78)
Accounts payable	(278)	996
Accrued clinical trial expenses	(1,151)	1,358
Operating lease liability	(103)	(100)
Accrued expenses and other current liabilities	(182)	(1,062)
Net cash used in operating activities	(34,750)	(23,950)
Cash flows from investing activities		
Purchases of marketable securities	(178,857)	(12,129)
Proceeds from maturities and sales of marketable securities	55,997	71,860
Proceeds from sale of property and equipment	3	—
Purchases of property and equipment	(7)	(126)
Net cash provided by (used in) investing activities	(122,864)	59,605
Cash flows from financing activities		
Proceeds from issuance of common stock, net of issuance costs	122,294	—
Proceeds from exercise of stock options	325	19
Payments for deferred offering costs	—	(296)
Net cash provided by (used in) financing activities	122,619	(277)
Net change in cash and cash equivalents and restricted cash	(34,995)	35,378
Cash and cash equivalents and restricted cash at the beginning of the period	130,101	122,162
Cash and cash equivalents and restricted cash at the end of the period	$ 95,106	$ 157,540
Supplemental disclosure of noncash investing and financing activities		
Proceeds from sale of property and equipment in other current assets	$ 4	$ —
Right-of-use assets obtained in exchange for operating lease liabilities	$ —	$ 233
Deferred offering costs in accrued expenses and other current liabilities	$ —	$ 41
Reconciliation of cash, cash equivalents and restricted cash to the condensed balance sheets		
Cash and cash equivalents	$ 94,917	$ 157,540
Restricted cash	189	—
Total cash, cash equivalents and restricted cash	$ 95,106	$ 157,540

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 ("AßOs"), which are globular assemblies of the amyloid-beta ("Aß") peptide that are distinct from Aß monomers and amyloid plaques. Based on decades of research and supporting evidence, AßOs have gained increasing scientific acceptance as primary toxins involved in the initiation and propagation of AD pathology. The Company is currently focused on advancing a targeted immunotherapy drug candidate, ACU193, through clinical development following Phase 1 results in "early AD" patients (patients with mild cognitive impairment or mild dementia due to Alzheimer's pathology) that were announced in July 2023. ACU193 is a recombinant humanized immunoglobulin gamma 2 ("IgG2") monoclonal antibody ("mAb") that was designed to selectively target AßOs, has demonstrated functional and protective effects in in vitro assays, and has demonstrated in vivo safety and pharmacologic activity in multiple animal species, including transgenic mouse models for AD.

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

Public Offering

On July 21, 2023, the Company issued 16,774,193 shares of its common stock, $0.0001 par value per share ("Common Stock"), in a public offering (the "Offering") at a price to the public of $7.75 per share. The aggregate net proceeds from the Offering, after underwriting discounts and commissions and other offering expenses, were $122.3 million.

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, 2023 and December 31, 2022, the Company had an accumulated deficit of $206.3 million and $170.4 million, respectively, and working capital of $212.5 million and $172.5 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. 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, 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 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 of 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 initiated a Phase 1 clinical trial of ACU193 in the second quarter of 2021, which the Company named "INTERCEPT-AD." This trial enrolled 65 patients with "early AD." 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. Topline results were announced in July 2023. The Company plans to initiate a Phase 2 portion of a Phase 2/3 clinical trial of ACU193 in the first half of 2024.

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

NOTE 2. BASIS OF PRESENTATION, SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND RECENT ACCOUNTING PRONOUNCEMENTS

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 for the fair statement of the balances and results 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. Other than as described below, 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.

Reclassifications

Certain prior year amounts have been reclassified for consistency with the current period presentation. Accrued clinical trial expenses are presented as a separate line on the statements of cash flows, whereas these accrued expenses were previously included in accrued expenses and other current liabilities. This reclassification had no effect on the reported results of operations.

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 $94.6 million and $129.1 million in cash equivalents as of September 30, 2023 and December 31, 2022, respectively.

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

Stock-based Compensation

The Company expenses stock-based compensation to employees, non-employees and board members over the requisite service period based on the estimated grant date fair value of the awards and actual forfeitures. The Company estimates the fair value of stock option grants using the Black-Scholes option pricing model, which requires the use of a number of complex assumptions including the fair value of the Common Stock, expected volatility, risk-free interest rate, expected dividends, and the expected term of the option. The fair value of restricted stock units is the closing market price of the Common Stock on the date of the grant. The assumptions used in calculating the fair value of stock-based awards represent management's best estimates and involve inherent uncertainties and the application of management's judgment. Stock-

based awards with graded-vesting schedules are recognized on a straight-line basis over the requisite service period for the last separately vesting portion of the award. All stock-based compensation costs are recorded in research and development expense or general and administrative expense in the statements of operations and comprehensive loss based upon the respective employee's or non-employee's role within the Company. Forfeitures are recorded as they occur. See also *Note 8. Stock-based Compensation* below.

Recently Adopted Accounting Pronouncements

In June 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update 2016-13, *Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which was codified with its subsequent amendments as Accounting Standards Codification ("ASC") 326. ASC 326 seeks to provide financial statement users with more decision-useful information about the expected credit losses on financial instruments, including trade receivables, and other commitments to extend credit held by a reporting entity at each reporting date. The amendments require an entity to replace the incurred loss impairment methodology in current U.S. GAAP with a methodology that reflects current expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. The updated guidance was effective for the Company on January 1, 2023. The Company's marketable securities portfolio consists entirely of available-for-sale debt securities and, as such, the adoption of this guidance did not have a material impact on its financial statements and disclosures upon adoption, but it did require the Company to provide additional disclosures related to its available-for-sale debt securities in a continuous unrealized loss position.

NOTE 3. MARKETABLE SECURITIES

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

	September 30, 2023			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Available-for-sale securities, short-term				
Corporate debt securities	$ 88,459	$ 14	$ (239)	$ 88,234
Government and agency - U.S.	32,302	2	(21)	32,283
Total available-for-sale securities, short-term	120,761	16	(260)	120,517
Available-for-sale securities, long-term				
Corporate debt securities	52,605	7	(258)	52,354
Government and agency - U.S.	14,934	—	(18)	14,916
Total available-for-sale securities, long-term	67,539	7	(276)	67,270
Total available-for-sale securities	$ 188,300	$ 23	$ (536)	$ 187,787

	December 31, 2022			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Available-for-sale securities, short-term				
Corporate debt securities	$ 30,174	$ —	$ (249)	$ 29,925
Asset-backed securities	3,006	—	(102)	2,904
Government and agency - U.S.	15,032	—	(357)	14,675
Total available-for-sale securities, short-term	48,212	—	(708)	47,504
Available-for-sale securities, long-term				
Corporate debt securities	15,880	—	(43)	15,837
Total available-for-sale securities, long-term	15,880	—	(43)	15,837
Total available-for-sale securities	$ 64,092	$ —	$ (751)	$ 63,341

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

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.

	September 30, 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	$ 119,250	$ (497)	$ —	$ —	$ 119,250	$ (497)
Government and agency - U.S.	27,393	(39)	—	—	27,393	(39)
Total	$ 146,643	$ (536)	$ —	$ —	$ 146,643	$ (536)

	December 31, 2022					
	Less than 12 Months		Greater than 12 Months		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Corporate debt securities	$ 29,515	$ (58)	$ 16,247	$ (234)	$ 45,762	$ (292)
Asset-backed securities	—	—	2,904	(102)	2,904	(102)
Government and agency - U.S.	3,026	(7)	11,649	(350)	14,675	(357)
Total	$ 32,541	$ (65)	$ 30,800	$ (686)	$ 63,341	$ (751)

As of September 30, 2023, 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 less than two years. As noted in the table above, none of the Company's available-for-sale marketable securities as of September 30, 2023 have been in an unrealized loss position for more than 12 months. No credit losses were recognized on the Company's available-for-sale securities during the three and nine months ended September 30, 2023. There were no realized gains or losses for the three and nine months ended September 30, 2023 and 2022. 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.

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, 2023
Assets included in:				
Cash and cash equivalents				
Money market securities	$ 64,760	$ —	$ —	$ 64,760
Government and agency - U.S.	—	29,877	—	29,877
Marketable securities				
Corporate debt securities	—	140,588	—	140,588
Government and agency - U.S.	—	47,199	—	47,199
Total fair value	$ 64,760	$ 217,664	$ —	$ 282,424

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

	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, 2022
Assets included in:				
Cash and cash equivalents				
Money market securities	$ 129,100	$ —	$ —	$ 129,100
Marketable securities				
Corporate debt securities	—	45,762	—	45,762
Asset-backed securities	—	2,904	—	2,904
Government and agency - U.S.	—	14,675	—	14,675
Total fair value	$ 129,100	$ 63,341	$ —	$ 192,441

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

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.

NOTE 5. SUPPLEMENTAL FINANCIAL INFORMATION

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

	September 30, 2023	December 31, 2022
Research and development service agreements	$ 1,534	$ 1,077
Prepaid insurance	1,216	1,106
Dues and subscriptions	166	105
Prepaid raw materials	67	199
Other	181	237
Total prepaid expenses and other current assets	$ 3,164	$ 2,724

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

	September 30, 2023	December 31, 2022
Compensation and other employee liabilities	$ 2,054	$ 2,008
Research and development	1,015	1,211
Legal	18	—
Other	81	131
Total accrued expenses and other current liabilities	$ 3,168	$ 3,350

NOTE 6. 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 2022, the Company entered into a License Agreement ("Agreement") with Lonza Sales AG ("Lonza") for a worldwide non-exclusive license to use certain Lonza technology in its research and development and drug manufacturing activities. Under the terms of the Agreement, in consideration of the licenses and consents granted to the Company, the Company is required to make an annual payment to Lonza (i) in Swiss Francs in the low six-digits where the Company manufactures ACU193 and (ii) in Swiss Francs in the mid six-digits per sublicense upon the anniversary date of the Agreement where a third party manufactures ACU193. In addition, if the Company generates Net Sales, as defined in the Agreement, of ACU193, the Company will be obligated to pay Lonza a royalty of low single digits based upon what entity manufactures ACU193 at that time.

NOTE 7. STOCKHOLDERS' EQUITY

Authorized Shares

As of September 30, 2023, 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, and 300,000,000 shares designated as Common Stock. Each share of Common Stock is entitled to one voting right.

Shelf Registration and Equity Offerings

On July 1, 2022, the Company filed a shelf registration statement on Form S-3 (the "Registration Statement"). Pursuant to the Registration Statement, the Company may offer and sell securities having an aggregate public offering price of up to $200.0 million. In connection with the filing of the 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 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 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 proceeds from the sale of any shares of Common Stock. The Company is not obligated to make any sales of shares of Common Stock under the ATM. The Company did not sell any shares of its Common Stock under the ATM during the nine months ended September 30, 2023.

On July 21, 2023, the Company issued 16,774,193 shares of Common Stock in the Offering for net proceeds of $122.3 million. See *Note 1. Description of Organization and Business Operations*.

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"). 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, 2023, there were 3,231,274 options outstanding under the 2013 Plan.

Initially, the maximum number of shares of Common Stock that may be issued under the 2021 Plan was 7,698,282 shares, which is the sum of (1) 3,550,000 new shares, plus (2) 667,104 shares that remained available for issuance under the

Company's 2013 Plan at the time the 2021 Plan became effective, plus (3) any shares subject to outstanding stock options or other stock awards that were granted under the 2013 Plan that, on or after the 2021 Plan became effective, terminate or expire prior to exercise or settlement, are settled in cash, are forfeited or repurchased because of the failure to vest, or are reacquired or withheld to satisfy a tax withholding obligation or the purchase or exercise price in accordance with the terms of the 2013 Plan. In addition, the number of shares of Common Stock reserved for issuance under the 2021 Plan will automatically increase on January 1 of each calendar year, starting on January 1, 2022 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, 2023, the Board increased the number of shares of Common Stock reserved for issuance under the 2021 Plan by 2,051,253 shares.

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. As of September 30, 2023, 11,773,198 shares were authorized for issuance under the 2021 Plan and 3,798,530 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,	
	2023	2022	2023	2022
General and administrative	$ 1,127	$ 563	$ 3,143	$ 1,525
Research and development	473	277	1,368	648
Total stock-based compensation	$ 1,600	$ 840	$ 4,511	$ 2,173

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, 2023 and 2022 with the following weighted average assumptions:

	Nine Months Ended September 30,	
	2023	2022
Risk-free interest rate	3.47% - 4.43%	1.71% - 4.17%
Expected term (in years)	5.5 - 6.1	5.8 - 6.1
Expected volatility	90% - 98%	90%
Expected dividend yield	0%	0%

The weighted average grant date fair value of options granted during the nine months ended September 30, 2023 and 2022, was $4.53 per share and $3.77 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. During the nine months ended September 30, 2023, the Company also issued 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 became publicly traded in July 2021 and lacks sufficient company-specific historical and implied volatility information. Therefore, it 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.

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Notes to Condensed Financial Statements
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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 at January 1, 2023	5,610,893	$ 3.36		
Granted	1,921,200	$ 5.96		
Exercised	(111,206)	$ 2.92		
Forfeited	(14,489)	$ 2.88		
Expired	(6,251)	$ 8.33		
Outstanding at September 30, 2023	7,400,147	$ 4.04	7.9	$ 9,907
Vested and exercisable at September 30, 2023	3,621,345	$ 3.02	7.2	$ 7,432

As of September 30, 2023, total unrecognized compensation costs related to unvested stock option awards was approximately $13.5 million, which the Company expects to recognize over a weighted-average period of approximately 2.4 years.

Restricted Stock Units

In January 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 January 1, 2023	—	$ —
Granted	328,500	$ 6.11
Unvested at September 30, 2023	328,500	$ 6.11

As of September 30, 2023, total unrecognized compensation costs related to unvested RSUs was approximately $1.5 million, which the Company expects to recognize over a weighted-average period of approximately 2.3 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. A total of 375,000 shares of Common Stock were initially reserved for sale under the ESPP. The number of shares of Common Stock reserved for issuance will automatically increase on January 1 of each calendar year, beginning on January 1, 2023 and 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 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, 2023, the Board increased the number of shares of Common Stock reserved for issuance under the ESPP by 410,251 shares. As of September 30, 2023, there are a total of 1,189,983 shares authorized for issuance under the ESPP and there have been no purchases of shares under the ESPP.

NOTE 9. NET LOSS PER SHARE

The Company computes net loss per common share using the two-class method required for participating securities. 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, include shares issuable upon the exercise of stock options and unvested RSUs as follows:

	Nine Months Ended September 30,	
	2023	2022
Shares issuable upon exercise of stock options	7,400,147	5,655,948
Unvested RSUs	328,500	—
Total	7,728,647	5,655,948

NOTE 10. SUBSEQUENT EVENTS

On November 5, 2023, the Company entered into a Non-exclusive Collaboration and License Agreement (the "Halozyme License Agreement") with Halozyme, Inc. ("Halozyme").

Under the terms of the Halozyme License Agreement, Halozyme granted the Company a non-exclusive license to Halozyme's ENHANZE® drug delivery technology for the development of a subcutaneous formulation of ACU193 (such combination, the "Product"). Halozyme will also be the Company's exclusive supplier of clinical and commercial supplies of the API for Halozyme's PH20 product.

The Company will make a seven figure upfront payment for the license to Halozyme's technology. Additionally, the Company will make milestone payments tied to achievement of certain development and commercialization milestone events with respect to the Product, as well as milestone payments based on achievement of certain net sales levels of the Product. The Company will also make single-digit royalty payments based on worldwide net sales of the Product.

On November 10, 2023 (the "Closing Date"), the Company entered into a Loan and Security Agreement (the "Loan Agreement") with the lenders referred to therein (the "Lenders"), K2 HealthVentures LLC ("K2HV"), as administrative agent for the Lenders, and Ankura Trust Company, LLC, as collateral agent for the Lenders. The Loan Agreement provides up to $50.0 million principal in term loans (the "Term Loan") consisting of a first tranche of $30.0 million funded on the Closing Date and a subsequent second tranche of up to $20.0 million upon the Company's request, subject to review by the Lenders of certain information from the Company and discretionary approval by the Lenders. The Term Loan matures on November 1, 2027, provided, that the maturity date may be extended to November 1, 2028 if the Company achieves certain other financing milestones.

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.

The Term Loan bears a variable interest rate equal to the greater of (i) 9.65% and (ii) the sum of (a) the Prime Rate as reported in the Wall Street Journal plus (b) 1.15%. The Company may prepay, at its option, all, or a portion of the Term Loan then outstanding plus the accrued and unpaid interest on the portion of principal so repaid, subject to a prepayment premium to which the Lenders are entitled and certain notice requirements.

The Lenders may elect at any time following the Closing Date and prior to the full repayment of the Term Loan to convert any portion of the principal amount of the term loans then outstanding, up to an aggregate of $2.5 million in principal amount, into shares of the Company's common stock (the "Conversion Shares"), at a conversion price of $2.53 per share, subject to certain beneficial ownership limitations.

In addition, under the Loan Agreement, the Company issued to K2HV a warrant to purchase up to 730,769 shares of the Company's common stock at an exercise price of $1.95 per share.

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, 2022 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 AßOs, which are globular assemblies of the amyloid-beta, or Aß, peptide that are distinct from Aß monomers and amyloid plaques. Based on decades of research and supporting evidence, AßOs have gained increasing scientific acceptance as primary toxins involved in the initiation and propagation of AD pathology. We are currently focused on advancing a targeted immunotherapy drug candidate, ACU193. ACU193 is a recombinant humanized immunoglobulin gamma 2, or IgG2, monoclonal antibody, or mAb, that was designed to selectively target AßOs, has demonstrated functional and protective effects in in vitro assays, and has demonstrated in vivo safety and pharmacologic activity in multiple animal species, including transgenic mouse models for AD.

We initiated a Phase 1 clinical trial of ACU193 in the second quarter of 2021, which we named "INTERCEPT-AD." This trial enrolled 65 participants with "early AD." INTERCEPT-AD was a U.S.-based, multi-center, randomized, double-blind, placebo-controlled clinical trial with overlapping single ascending dose, or SAD, and multiple ascending dose, or MAD, cohorts evaluating patients with early AD. The overall objective of the trial was to evaluate the safety and tolerability of ACU193 and to establish clinical proof of mechanism of ACU193 administered intravenously. The primary trial endpoints were focused on safety and immunogenicity. An important safety measure was the use of magnetic resonance imaging, or MRI, to assess the presence or absence of amyloid-related imaging abnormalities, or ARIA. Secondary endpoints included pharmacokinetics in plasma and cerebrospinal fluid, or CSF, and target engagement as evidenced by detection of ACU193 bound to AßOs in CSF. Clinical scales typically used in AD trials as well as computerized cognitive testing and arterial spin labelling with MRI scans (which can be used to assess cerebral blood flow) were included as exploratory measures.

In July 2023, we announced topline results from INTERCEPT-AD, which demonstrated that ACU193 met the primary and secondary objectives of this study in 60 participants with early Alzheimer's disease. Dose levels were 2, 10, 25 and 60 mg/kg for one to three doses administered intravenously.

- An analysis of change in amyloid plaque load, as measured by positron emission tomography, PET, SUVr, demonstrated a rapid, dose-related mean decrease at the higher dose levels studied. ACU193 (60 mg/kg every 4 weeks [Q4W] and 25 mg/kg every 2 weeks [Q2W]) showed a statistically significant reduction in amyloid plaque load as determined by amyloid PET after 6-12 weeks (from baseline to endpoint within cohorts ($p = 0.01$)). This finding provides evidence that ACU193 is active in the brain.
- ACU193 was well-tolerated throughout the SAD and MAD dose cohorts. Three treatment-emergent serious adverse events were observed after administration of ACU193; all were deemed not related or unlikely related to ACU193. The most common treatment-emergent adverse events from all dose groups combined were ARIA-E (10.4%), ARIA-H (hemorrhage) (8.3%), COVID-19 (6.3%), hypersensitivity (6.3%), bronchitis (4.2%), headache (4.2%), fall (4.2%) and post LP syndrome (4.2%). The overall rate of ARIA-E was 10.4%, which included one case of symptomatic ARIA-E (2.1%). Of note, no apolipoprotein E, or APOE4, homozygote patients exhibited ARIA-E (n=6 treated).
- Pharmacokinetic, or PK, results in CSF demonstrated statistically significant dose proportionality. Serum PK was dose-related without drug accumulation, and CSF PK was dose- and dose-regimen proportional. Levels of ACU193 detected in CSF in all cohorts were in excess of endogenous levels of AßOs reported in CSF. Evidence

of treatment emergent immunogenicity was observed; anti-drug antibodies were consistently low titer and preliminary assessment revealed no apparent effect on serum PK. These data support monthly dosing of ACU193.

- Statistically significant, dose-related central target engagement was observed as measured by ACU193-AßO complex, establishing the first target engagement assay developed that is specific to an AßO-targeting antibody. An exposure response relationship (Emax) model revealed near maximal target engagement with repeated dosing at 25 mg/kg and 60 mg/kg.
- Exploratory measures of potential acute drug effects including assessment of cognition, as determined by a computerized cognitive battery, and changes in cerebral blood flow, as determined by arterial spin labelling with magnetic resonance imaging (Siemens MRI), did not show discernible effects from the immediate administration of ACU193. This was not unexpected due to the short duration and small sample size of INTERCEPT-AD.
- Additional biofluids for assessment of biomarkers of downstream neurodegeneration were collected during the study. Analyses of plasma biomarker samples are in progress. CSF biomarker data shows an observed dose dependent trend in the multiple ascending dose cohorts toward drug effect in CSF levels that ACU193 had on p-tau181, total tau, neurogranin and the Aß-42/40 ratio. At the 60 mg/kg Q4W dose of ACU193, nominally statistically significant improvements in neurogranin and p-tau181 were observed as compared to the placebo group (p=0.037 and p=0.049, respectively). Nominally significant correlation was also observed between target engagement of AßOs and change in CSF neurogranin across all doses, and a trend was seen for change in target engagement versus CSF p-tau181.

Additional data from the INTERCEPT-AD study were presented at the 2023 Clinical Trials on Alzheimer's Disease and have been submitted for publication in a peer-reviewed clinical journal.

Additionally, we interacted with the U.S. Food and Drug Administration, or FDA, in the fourth quarter of 2023 to assess the next steps for the clinical development of ACU193, and determine the feasibility of and timeline for progressing to a Phase 2/3 clinical study. The FDA had no objection to Acumen progressing to a Phase 2/3 clinical study, and we plan to initiate the Phase 2 portion of the study in the first half of 2024. In alignment with the guidance from the FDA, and as a means to avoid bias and protect the study's integrity, the timing of and data from the interim readouts of Phase 2 will not be publicly disclosed.

Earlier this year, we completed drug formulation studies to confirm that we can concentrate ACU193 to a level that enables subcutaneous administration. On November 5, 2023, we entered into a Non-exclusive Collaboration and License Agreement, or the Halozyme License Agreement, with Halozyme, Inc., or Halozyme. Under the terms of the Halozyme License Agreement, Halozyme granted us a non-exclusive license to Halozyme's ENHANZE® drug delivery technology for the development of a subcutaneous formulation of ACU193. Halozyme will also be our exclusive supplier of clinical and commercial supplies of the API for Halozyme's PH20 product.

We have incurred net losses and negative cash flows from operations since our inception. Our net losses were $35.9 million and $30.0 million for the nine months ended September 30, 2023 and 2022, respectively. As of September 30, 2023, we had an accumulated deficit of $206.3 million and working capital of $212.5 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 ACU193 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, late stage clinical development and commercialization of ACU193 or any other product candidate that is approved for marketing. Should we seek to commercialize our products at our own expense, this would require us to incur significant additional expenses 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. In addition, if we obtain regulatory approval for our product candidates and do not enter into a third-party commercialization partnership, we expect to incur significant expenses related to developing our commercialization capability to support product sales, marketing, manufacturing and distribution activities.

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. However, global economic conditions have been worsening, with disruptions to, and volatility in, the credit and financial markets in the U.S. and worldwide, rising inflation and supply disruptions resulting from the effects of COVID-19, the ongoing conflict between Russia and Ukraine 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, 2023, we had cash and cash equivalents and marketable securities totaling $282.7 million. On November 10, 2023, we received the first tranche of $30.0 million under our Loan and Security Agreement with K2 HealthVentures LLC, or the Loan Agreement. Based on our current operating plan, we expect that our existing cash and cash equivalents and marketable securities, inclusive of the funds received pursuant to the Loan Agreement, will be sufficient to enable us to fund our operating expenses and capital expenditure requirements into the second half of 2026. 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, ACU193, 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 22% of our total research and development expenses. Our research and development expenses increased substantially since initiating the clinical trial for our ACU193 program in 2021. We expect that our research and development expenses will increase substantially in connection with our clinical development activities for our ACU193 program.

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, tax and patent services, investor and public relations, board of directors' expenses, information technology, franchise taxes, rent, travel expenses and dues and subscriptions.

We expect that our general and administrative expenses will increase as our organization and headcount needed in the future grows to support continued research and development activities and potential commercialization of our product candidates. 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 increased 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, net and other expense, net. Following both our initial public offering, or IPO, and the public offering we completed on July 21, 2023, or the Offering, we made investments in marketable securities and the interest income earned, as well as the amortization and accretion of premiums and discounts are recorded in interest income, net. Other expense, net generally consists of fees incurred on our investments in marketable securities partially offset by sublease income.

Results of Operations

Comparison of the Three Months Ended September 30, 2023 and 2022

The following table summarizes our results of operations for the three months ended September 30, 2023 and 2022 (in thousands):

	Three Months Ended September 30,		Change	
	2023	2022	$	%
Operating expenses				
Research and development	$ 11,179	$ 8,309	$ 2,870	35 %
General and administrative	4,860	3,062	1,798	59 %
Total operating expenses	16,039	11,371	4,668	41 %
Loss from operations	(16,039)	(11,371)	(4,668)	(41)%
Other income (expense)				
Interest income, net	3,124	663	2,461	*
Other expense, net	(42)	(2)	(40)	*
Total other income	3,082	661	2,421	*
Net loss	$ (12,957)	$ (10,710)	$ (2,247)	(21)%

* Not meaningful

Research and Development Expenses

Research and development expenses were $11.2 million and $8.3 million for the three months ended September 30, 2023 and 2022, respectively. The $2.9 million increase was primarily due to increases of $1.8 million for materials, $1.0 million for consulting costs, $0.6 million in additional personnel expense, including a $0.2 million increase for non-cash stock compensation expense, $0.2 million for storage, shipping and packaging costs and $0.2 million for other miscellaneous, net; all of which were partially offset by decreases of $0.6 million for CRO costs and $0.3 million for other clinical trial expenses. The decrease in CRO costs was primarily driven by the completion of our Phase 1 trial, resulting in lower expenses that were only partially offset by the costs incurred during the current planning phase for our upcoming Phase 2 clinical trial, which is expected to begin in the first half of 2024.

General and Administrative Expenses

General and administrative expenses were $4.9 million and $3.1 million for the three months ended September 30, 2023 and 2022, respectively. The $1.8 million increase was primarily due to increases of $1.1 million in personnel expenses, including a $0.6 million increase for non-cash stock compensation expenses, $0.4 million in consulting expenses mainly related to business development and financial consultants, $0.4 million for professional fees associated with legal expenses

and patent services, and $0.1 million for audit fees; all of which were partially offset by a decrease of $0.2 million for insurance expense.

Other Income (Expense)

Other income was $3.1 million and $0.7 million for the three months ended September 30, 2023 and 2022, which was primarily related to net interest income on our portfolio of marketable securities. The $2.5 million increase in interest income was mainly due to higher interest rates, but our increased investment in marketable securities following the Offering also contributed. Other expense, net increased as a result of both higher fees on our marketable securities investments and a reduction in sublease income during the three months ended September 30, 2023.

Results of Operations

Comparison of the Nine Months Ended September 30, 2023 and 2022

The following table summarizes our results of operations for the nine months ended September 30, 2023 and 2022 (in thousands):

	Nine Months Ended September 30,		Change	
	2023	2022	$	%
Operating expenses				
Research and development	$ 29,025	$ 21,615	$ 7,410	34 %
General and administrative	13,627	9,374	4,253	45 %
Total operating expenses	42,652	30,989	11,663	38 %
Loss from operations	(42,652)	(30,989)	(11,663)	(38)%
Other income (expense)				
Interest income, net	6,840	1,000	5,840	*
Other expense, net	(62)	(1)	(61)	*
Total other income	6,778	999	5,779	*
Net loss	$ (35,874)	$ (29,990)	$ (5,884)	(20)%

* Not meaningful

Research and Development Expenses

Research and development expenses were $29.0 million and $21.6 million for the nine months ended September 30, 2023 and 2022, respectively. The $7.4 million increase in research and development expenses was primarily due to $2.6 million for higher personnel costs, which included a $0.7 million increase for non-cash stock compensation expenses, a $2.2 million increase related to services provided by research and development contractors and consultants, increases of $1.4 million for CRO costs, as well as $0.7 million for materials, $0.5 million for storage, shipping and packaging, and $0.4 million for license agreement costs; all of which were partially offset by a decrease of $0.4 million for other clinical trial expenses. The increase in CRO costs of $1.4 million was primarily due to $2.3 million of costs incurred associated with planning for our anticipated Phase 2 clinical trial, which we expect to begin in the first half of 2024, and such expenses were partially offset by a $0.9 million decrease in CRO costs associated with our Phase 1 clinical trial, which was initiated in 2021 and for which topline results were announced in July 2023.

General and Administrative Expenses

General and administrative expenses were $13.6 million and $9.4 million for the nine months ended September 30, 2023 and 2022, respectively. The $4.3 million increase was primarily due to increases of $3.5 million in personnel costs, including a $1.6 million increase for non-cash stock compensation expenses, $0.7 million for consulting expenses mainly related to business development, human resources and marketing, $0.5 million for professional fees associated with patent services, audit and tax, legal expenses and public relations costs and $0.1 million for computer hardware and software licenses and $0.1 million for travel; all of which were partially offset by a decrease of $0.6 million for insurance expense.

Other Income (Expense)

Other income was $6.8 million and $1.0 million for the nine months ended September 30, 2023 and 2022, respectively; which was primarily related to net interest income on our portfolio of marketable securities. The $5.8 million increase in interest income was primarily due to higher interest rates, but our increased investment in marketable securities following the Offering also contributed. Other expense, net increased as a result of both higher fees on our marketable securities investments and a reduction in sublease income during the nine months ended September 30, 2023.

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, net proceeds from our IPO, the issuance of notes, grant revenue and, during our collaboration with Merck & Co., Inc. which was in place from 2003 to 2011, certain payments received under our collaboration agreement.

On July 1, 2022, we filed a shelf registration statement on Form S-3, or the Registration Statement. Pursuant to the Registration Statement, we may offer and sell securities having an aggregate public offering price of up to $200.0 million. In connection with the filing of the Registration Statement, we also entered into a sales agreement, or the Sales Agreement, with BofA Securities, Inc. and Stifel, Nicolaus & Company, Incorporated, 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 may be offered pursuant to the Registration Statement. On April 23, 2023, we entered into an amendment to the Sales Agreement, or, as amended, the Amended Sales Agreement, to add BTIG, LLC as a sales agent under the Amended Sales Agreement. Pursuant to the Amended 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. We did not sell any shares of our common stock under the ATM during the nine months ended September 30, 2023.

On July 21, 2023, we issued 16,774,193 shares of our common stock in the Offering at a price to the public of $7.75 per share. The net proceeds from the Offering, after underwriting discounts and commissions and other offering expenses, were $122.3 million.

As of September 30, 2023, we had cash and cash equivalents and marketable securities totaling $282.7 million. On November 10, 2023, we received the first tranche of $30.0 million under the Loan Agreement. Our available-for-sale marketable securities mature over the next 2 years. Based on our current operating plan, we expect that our existing cash and cash equivalents and marketable securities, inclusive of the funds received pursuant to the Loan Agreement, will be sufficient to enable us to fund our operating expenses and capital expenditure requirements into the second half of 2026. 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,	
	2023	2022
Net cash used in operating activities	$ (34,750)	$ (23,950)
Net cash provided by (used in) investing activities	(122,864)	59,605
Net cash provided by (used in) financing activities	122,619	(277)
Net change in cash and cash equivalents	$ (34,995)	$ 35,378

Operating Activities

Net cash used in operating activities increased by $10.8 million to $34.8 million for the nine months ended September 30, 2023 from $24.0 million for the nine months ended September 30, 2022. Increased net loss for the nine months ended September 30, 2023, adjusted for non-cash expenses such as stock-based compensation and amortization and accretion on marketable securities, was responsible for $5.4 million of the increase in cash used as compared to the prior period. Working capital changes, including increases in cash used for prepaid expenses and other current assets of $2.5 million, related primarily to advances for research and development, accrued clinical trial expenses of $2.5 million and accounts payable of $1.3 million, were partially offset by increases in cash provided by accrued expenses and other current liabilities of $0.9 million.

Investing Activities

Cash used in investing activities increased by $182.5 million to $122.9 million for the nine months ended September 30, 2023 from cash provided by investing activities of $59.6 million for the nine months ended September 30, 2022, and was primarily due to an increase in purchases of marketable securities of $166.7 million and a decrease in maturities of marketable securities of $15.9 million; partially offset by a decrease of $0.1 million for purchases of property and equipment.

Financing Activities

Cash provided by financing activities increased $122.9 million primarily due to net proceeds of $122.3 million from the Offering.

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. Furthermore, we have and expect to incur additional costs associated with operating as a public company. It is likely that we will seek third-party collaborators for the future, late stage clinical development and commercialization of ACU193 or any other product candidate that is approved for marketing. Should we seek to commercialize our products at our own expense, this would require us to 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 expect that our existing cash and cash equivalents and marketable securities, inclusive of the funds received pursuant to the Loan Agreement, will be sufficient to enable us to fund our operating expenses and capital expenditure requirements into the second half of 2026. 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. Our future capital requirements will depend on many factors, including:

- the scope, progress, results and costs of discovery, nonclinical development, laboratory testing and clinical trials for other potential product candidates we may develop, if any;
- the costs, timing and outcome of regulatory review of ACU193 or any future product candidates;
- our ability to establish and maintain collaborations on favorable terms, if at all;
- the achievement of milestones or occurrence of other developments that trigger payments under any collaboration agreements we might have at such time;
- the costs and timing of future commercialization activities, including product sales, marketing, manufacturing and distribution, for ACU193 or any future product candidates for which we receive marketing approval;
- the amount of revenue, if any, received from commercial sales of ACU193 or any future product candidates, should any of our product candidates receive marketing approval;
- the costs of preparing, filing and prosecuting patent applications, obtaining, maintaining and enforcing our intellectual property rights and defending intellectual property-related claims;

- our headcount growth and associated costs as we expand our business operations and our research and development activities; and
- the costs of operating as a public company.

Until such time, if ever, as we can generate substantial product revenue, we expect to finance our longer-term cash needs through a combination of equity offerings, debt financings, collaborations, strategic alliances and licensing arrangements. To the extent that we raise additional capital through the sale of equity or convertible debt securities, ownership interests may be diluted, and the terms of these securities may include liquidation or other preferences that could adversely affect the rights of our common stockholders. Any debt financing, if available, may involve agreements that include restrictive covenants that limit our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends, that could adversely impact our ability to conduct our business.

If we raise funds through collaborations, strategic alliances or licensing arrangements with third parties, we may have to relinquish valuable rights to our technologies, future revenue streams, research programs or product candidates or to grant licenses on terms that may not be favorable to us. If we are unable to raise additional funds through equity or debt financings when needed, we may be required to delay, limit, reduce or terminate our product development or future commercialization efforts or grant rights to develop and market product candidates that we would otherwise prefer to develop and market ourselves.

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 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. Please read the unaudited condensed financial statements in conjunction with our audited financial statements and accompanying notes in our Annual Report.

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.

Recent Accounting Pronouncements

Information regarding recent accounting pronouncements applicable to us, adopted and not yet adopted as of the date of this report, is included in Note 2 to our unaudited condensed financial statements located in “Part I – Financial Information, Item 1. Financial Statements” in this Quarterly Report on Form 10-Q.

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 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, 2025, (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.

As a "smaller reporting company" as defined by Item 10 of Regulation S-K, we are not required to provide the information required by this item.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

We maintain "disclosure controls and procedures," as defined in Rule 13a-15(e) and Rule 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, 2023. Based on the evaluation of our disclosure controls and procedures, our management concluded that, as of September 30, 2023, 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 have been no changes in our internal control over financial reporting, as such term is defined in Rules 13a-15(f) and 15d-15(f) promulgated under the Securities Exchange Act of 1934, as amended, that occurred during the fiscal quarter

ended September 30, 2023 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, 2022. 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, 2022.

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 IPO, pursuant to which we sold an aggregate of 11,499,998 shares of our common stock, including the full exercise of the underwriters’ option to purchase additional shares, at a price to the public of $16.00 per share. BofA Securities, Inc, Credit Suisse Securities (USA) LLC, and Stifel, Nicolaus & Company, Incorporated acted as joint lead book-running managers and UBS Securities LLC also acted as a book-running manager for the offering.

The IPO closed on July 6, 2021 with respect to 9,999,999 shares of common stock. On July 8, 2021, the offering closed with respect to an additional 1,499,999 shares purchased by the underwriters pursuant to the underwriters’ option to purchase additional shares. The aggregate net proceeds from our IPO, after underwriting discounts and commissions, and other offering expenses of $15.4 million, were $168.6 million. In connection with our IPO, no payments were made by us to directors, officers or persons owning ten percent or more of our common stock or to their associates or to our affiliates. 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.

On November 10, 2023 (the “Closing Date”), we entered into a Loan and Security Agreement (the “Loan Agreement”) with the lenders referred to therein (the “Lenders”), K2 HealthVentures LLC (“K2HV”), as administrative agent for the Lenders, and Ankura Trust Company, LLC, as collateral agent for the Lenders. The Loan Agreement provides up to $50.0 million principal in term loans (the “Term Loan”) consisting of a first tranche of $30.0 million funded on the Closing Date and a subsequent second tranche of up to $20.0 million upon our request, subject to review by the Lenders of certain

information from us and discretionary approval by the Lenders. The Term Loan matures on November 1, 2027; provided, that the maturity date may be extended to November 1, 2028 if we achieve certain other financing milestones.

Our obligations under the Loan Agreement are secured by substantially all of our assets, excluding our intellectual property.

The Term Loan bears a variable interest rate equal to the greater of (i) 9.65% and (ii) the sum of (a) the Prime Rate as reported in the Wall Street Journal plus (b) 1.15%. We may prepay, at our option, all, or a portion of the Term Loan then outstanding plus the accrued and unpaid interest on the portion of principal so repaid, subject to a prepayment premium to which the Lenders are entitled and certain notice requirements.

The Lenders may elect at any time following the Closing Date and prior to the full repayment of the Term Loan to convert any portion of the principal amount of the term loans then outstanding, up to an aggregate of $2.5 million in principal amount, into shares of the Company's common stock (the "Conversion Shares"), at a conversion price of $2.53 per share, subject to certain beneficial ownership limitations.

The proceeds of borrowings under the Loan Agreement are expected to be used for working capital and general corporate requirements.

The Loan Agreement contains customary representations and warranties and affirmative and negative covenants, including covenants that limit or restrict our ability and the ability of our subsidiaries to, among other things, dispose of assets, make changes to their business, management, ownership or business locations, merge or consolidate, incur additional indebtedness, pay dividends or other distributions or repurchase equity, make investments, and enter into certain transactions with affiliates, in each case subject to certain exceptions.

The Loan Agreement contains customary events of default, including a change in control. Upon the occurrence and continuation of an event of default, all amounts due under the Loan Agreement become (in the case of a bankruptcy event), or may become (in the case of all other events of default and at the option of the Administrative Agent), immediately due and payable.

In addition, under 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 (the "Warrant").

The Loan Agreement and the Warrant each provide the Lenders with certain piggyback registration rights with respect to the Conversion Shares and the shares issuable upon exercise of the Warrant.

The foregoing descriptions of the Loan Agreement and the Warrant do not purport to be complete and are qualified in their entirety by reference to the complete text of the Loan Agreement and the Warrant, copies of which the Company expects to include as exhibits to a future periodic report to be filed with the SEC.

Item 6. Exhibits.

Exhibit Number	Description of Exhibit
3.1	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).
3.2	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).
31.1*	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.
31.2*	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.
32.1#	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.
32.2#	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.
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 Incline 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 13, 2023

By: /s/ Daniel O'Connell

Daniel O'Connell
President and Chief Executive Officer
(Principal Executive Officer)

Date: November 13, 2023

By: /s/ Matthew Zuga

Matthew Zuga
Chief Financial Officer and Chief Business Officer
(Principal Financial and Accounting Officer)

Exhibit 31.1

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

I, Daniel O'Connell, 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 13, 2023

By: /s/ Daniel O'Connell

Daniel O'Connell

President and Chief Executive Officer

(Principal Executive Officer)

Exhibit 31.2

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 13, 2023

By: /s/ Matthew Zuga

Matthew Zuga

Chief Financial Officer and Chief Business Officer

(Principal Financial Officer and Principal Accounting Officer)

Exhibit 32.1

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, 2023 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 13, 2023

By: /s/ Daniel O'Connell

Daniel O'Connell

President and Chief Executive Officer

(Principal Executive Officer)

Exhibit 32.2

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, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Matthew Zuga, Chief Financial Officer and Chief Business 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 13, 2023

By: /s/ Matthew Zuga

Matthew Zuga

Chief Financial Officer and Chief Business Officer

(Principal Financial Officer and Principal Accounting Officer)