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COGNITION THERAPEUTICS COMPLETES \$2.5M IN SERIES A1 FINANCING TO ADVANCE ALZHEIMER'S DISEASE DRUG TREATMENT PROGRAM

Pittsburgh, PA – January 20, 2011 – Cognition Therapeutics Inc., a drug discovery company developing novel, small molecule disease-modifying treatments for Alzheimer's, has closed on a \$2.5 million Series A1 financing it will use to bring one or more of its compounds to Investigational New Drug (IND) candidate status. The round was led by Golden Seeds, one of the nation's largest angel investing groups, and was syndicated with Tech Coast Angels.

New investors in the A1 financing include The Breedlove Limited Family Partnership and TMC Investment Company, an investment division of the Tippins family, both located in Pittsburgh. All existing investors participated in the round including Ogden CAP Associates, M5Invest, the Pittsburgh Life Sciences Greenhouse and Innovation Works. The round was comprised of new investment and conversion of convertible debt.

"This financing increases our investor base and further expands our national network to support the critical work we are doing to identify drugs that can treat and potentially prevent the progression of Alzheimer's disease," said Cognition Therapeutics President and CEO Hank Safferstein, Ph.D., J.D. "We're pleased to welcome Golden Seeds, Tech Coast Angels and several western Pennsylvania community leaders in supporting our pioneering approach to drug discovery for Alzheimer's disease and related conditions of the central nervous system. We are also fortunate to have Dr. Nada Jain, Managing Director of Golden Seeds and Mr. Mark Breedlove, President and CEO of Keystone Profiles, joining our existing Board of Directors, providing additional business insight and guidance to the company."

"The drug candidates Cognition Therapeutics is developing represent new approaches that have the potential to make a major impact on the treatment of Alzheimer's disease, and other central nervous system disorders," said Dr. Jain. "The company has received positive peer review and has obtained significant grant funding in its early development, and we are delighted to be the syndication lead in this financing round. Alzheimer's affects 4.5 million people in the United States today, with that number expected to exceed 12 million by 2050."

Funds raised in this round will support preclinical work required for IND candidate selection, and enable Cognition Therapeutics to further exploit novel molecular targets and pathways identified through the company's phenotypic screens.

"Our drug leads selectively block the activity of the toxic oligomeric form of Abeta protein that interferes with normal learning and memory," said Susan Catalano, Ph.D., Cognition Therapeutics Chief Science Officer. "Studies from the world's leading academic laboratories indicate that the memory deficits caused by this oligomeric protein are among the earliest changes seen in Alzheimer's and Mild Cognitive Impairment, the precursor to Alzheimer's. These studies indicate that blocking the effects of this protein may halt or reverse Alzheimer's disease."

Cognition has developed a number of screening strategies to identify small molecules capable of blocking the central toxicity of proteins in Alzheimer's disease and other neurodegenerative diseases. These assays emphasize phenotypic or functional responses of mature primary neurons to the toxic proteins. Cognition's proprietary chemistry platform converts natural product molecular scaffolds into low molecular weight chemically stable drug-like molecules, and is thus a source of novel pharmacophores and valuable drug candidates.

"The registration of the company's proprietary biological screening approach with positive results in an animal model of Alzheimer's disease is a significant achievement," says Dr. Cynthia Lemere, Associate Professor of Neurology at Harvard University's Brigham & Women's Hospital and member of Cognition's Scientific Advisory Board. "Cognition's scientific approach is unique in the industry and has generated exciting results that the Alzheimer's research community is watching closely. Further development of these potentially disease-modifying drugs is very welcome," Dr. Lemere continued

About Cognition

Cognition Therapeutics, Inc. is a leader in the discovery and development of small molecule therapeutics targeting the toxic proteins that cause the cognitive decline associated with Alzheimer's disease and other degenerative diseases of the human brain and CNS. Toxic proteins play a crucial role in a large class of diseases, and there are currently no therapeutics available to prevent or block the destructive effects of toxic oligomeric proteins. Cognition has leveraged its scientific expertise with these difficult targets to pioneer the use of proprietary assays that emphasize functional responses and proprietary medicinal chemistry to ensure novel, high quality small-molecule drug candidates for the treatment of these diseases. www.cogrx.com

About Golden Seeds

Golden Seeds is one of the largest angel investing groups in the country. With locations in New York, Boston, Philadelphia and San Francisco, Golden Seeds' 150 investors assist in all phases of the investment process, providing resources and expertise.

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