

NEWS RELEASE

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COGNITION THERAPEUTICS CLOSES SERIES A FINANCING TO ADVANCE DRUG CANDIDATES FOR ALZHEIMER'S DISEASE

*Start-up company continues momentum with selection of
disease-modifying small molecule drug leads for behavioral testing*

Pittsburgh, PA – July 15, 2009 – Cognition Therapeutics Inc., a Pittsburgh-based drug discovery company developing small molecule disease-modifying treatments for Alzheimer's, has closed on a \$1.21M Series A financing. The round was led by Ogden CAP, LLC of New York City and includes M5Invest Partners of Villanova, PA, the Pittsburgh Life Sciences Greenhouse, Innovation Works (Pittsburgh), and several individual investors. The round included both new investments and the conversion of existing convertible notes.

"This investment facilitates the advancement of our existing lead molecules towards a major milestone," said Cognition Therapeutics President and CEO Hank Safferstein, Ph.D., J.D. "Our combination of novel, small molecule drug candidates and biologically-relevant screening methods is unique in the pharmaceutical industry. We're pleased to have Ogden CAP and M5Invest join our other investors in supporting our pioneering approach to treat or prevent Alzheimer's disease by targeting the proteins that cause the earliest stages of this disease".

"As early investors, we are impressed by Cognition Therapeutics' combination of cutting-edge technology, influential and experienced leadership, and large clinical and commercial potential," said Robert Gailus, senior advisor to Ogden CAP. "Alzheimer's disease is a major health epidemic that places increasing strains on the world's healthcare systems as the population ages. The drug candidates being developed by Cognition have the potential to significantly impact this devastating disease," Gailus continued. Alzheimer's disease affects an estimated four and a half million people in the United States today. That number is expected to exceed 12 million people by 2050.

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Funds raised in this round will support advancement of Cognition Therapeutics' pioneering lead molecules that block the activity of the toxic oligomeric form of Abeta protein that interferes with normal learning and memory. Studies from the world's leading academic laboratories indicate that the memory deficits caused by the oligomeric protein are among the earliest changes seen in Alzheimer's disease 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 will use these funds to test its most promising lead molecules in behavioral models of Alzheimer's disease. "The advancement of the company's lead compounds into behavioral testing represents a significant milestone for the company," says Dr. Franz Hefti, Chairman of the Board. "Cognition's scientific approach is unique among the approaches being taken by the pharmaceutical industry today. Cognition has a novel Alzheimer's disease model for the critical molecular step that causes memory loss. In addition, the company's proprietary chemistry is based on natural molecular scaffolds which brought us effective drugs like aspirin, lidocaine and taxol. We anticipate new disease-modifying drugs for Alzheimer's disease will result from this unique combination," Dr. Hefti 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. 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 that ensures novel, high quality small-molecule drug candidates for the treatment of these diseases.

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 products into low molecular weight chemically stable druglike molecules, and is thus a source of novel pharmacophores and valuable drug candidates. These two technology platforms harken back to the origins of the pharmaceutical industry, when phenotypic responses were the sole screening method and natural product derivatives formed the starting materials for successful drug discovery.

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Cognition Therapeutics was founded on small molecule chemical libraries licensed from co-founder Dr. Gilbert Rishton at California State University Channel Islands and proprietary screening strategies established by co-founder and Chief Science Officer Dr. Susan Catalano. After initial investment and relocation to Pittsburgh, the company secured Dr. Hank Safferstein as President and CEO, bringing with him more than 15 years of leadership experience in drug development, commercialization and marketing for a number of public and private companies. www.cogrx.com.

About Ogden CAP, LLC

Ogden CAP, LLC is a New York company that has investments in a wide variety of asset classes, including venture capital. Over the past two years Ogden CAP, LLC has invested in 10 early stage companies. Besides its investment in Cognition, Ogden CAP, LLC has two other investments in the Pittsburgh area: FASTTAC, a document control and management company for the construction industry, and TSG, Inc. an energy company that converts coal to fuels.

About the Pittsburgh Life Sciences Greenhouse (PLSG)

The Pittsburgh Life Sciences Greenhouse (PLSG) provides capital investments and customized company formation and business growth services to western Pennsylvania's life sciences enterprises. The PLSG supports biosciences companies with promising innovations in the following concentrations: Biotechnology Tools, Diagnostics, Healthcare IT, Medical Devices and Therapeutics. The PLSG is propelling the sustainable growth of the region's life sciences economy by accelerating research and technology commercialization with seed and early-stage companies; connecting investors with their Investment Portfolio companies; expanding established life sciences ventures and relocating biomedical companies to Pennsylvania.

www.plsg.com

About Innovation Works (IW)

Innovation Works provides risk capital and business expertise to the most promising early-stage technology companies in Southwestern PA to help them grow and succeed. Innovation Works is one of the most active seed-stage investors in the country, having invested in more than 120 emerging technology companies since beginning their seed fund in 1999. Those companies have gone on to raise over \$600 million in additional capital from a diverse set of VCs, private investors, strategic partners and other sources of capital.

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