Cassava Sciences is an US clinical-stage biotechnology company with a market capitalization of nearly 1.5B USD and approximately $210mio. in cash and cash equivalents. The company detects and treats neurodegenerative diseases such as alzheimer’s.

Cassava Sciences (NASDAQ: $SAVA) has only one potential drug (Simufilam) candidate in its pipeline, making the success of the company largely (if not completely) dependent on the clinical results of the upcoming Phase III study, as there is nothing else held by the company as $4.3 cash per share (as of Q224). Unlike the overall positive analyst consensus and recent stock price hike (due to a new CEO) I remain extremely bearish (meaning the company will fail) on the future of $SAVA.

About Simufilam: Simufilam targets the misfolding of the protein filamin A (FLNA). By correcting this misfolding its supposed to interrup the toxic signaling of amyloid beta (AB42), a protein responsible for neurologic degeneration (can also be found in healthy bodies but gets cleared away). This MOA could reduce the degeneration of nerve cells. Research on Simufilam has shown that there are major flaws of the drug blocking the a7nAChR receptor against AB42 (Wang HY et. Al 2012). Potentially leading to desensitizing one of the most important resceptors for neurological interaction. Adding the fact that the former Scientific Advisor Hoau-Yan Wang whose first paper on Simufilam is cited above now faces several legal acusations by the Department of Justice (DOJ) and already insisted that there might be flaws regarding the drug in his 2012 paper

It is becomes ironic when considering the fact that SAVAs former Scientific Advisor Hoau-Yan Wang, who is cited above, is facing 31 legal accusations by the Department of Justice (DOJ) for manipulating data surrounding SAVAs research. As of Sep 26, 2024 SAVA agreed to pay a monetary penalty of $40 million to the SEC as a settlement for charges opposed by the SEC. The SEC has also fined two former executives.

The drug opposes both major problems regarding the clinical trials and their outcomes as well as the molecules Mechanism of Action (MOA). Briefly, SAVA not only used ”cherry picking” methodologies when selecting the candidates for their clinical trials in the past, but also failed to meet their primary endpoints while trying to glorify the statistically not significant data. Even trivial data such as the size of the patients group was comparatively insufficiently sized, looking at past FDA approvals. SAVA also used dubious compounds for their research even while the Supplier of this compounds clearly stated that they are useless for the approach chosen by SAVA. Research from third parties prior and post the publications and studies of SAVA, has shown that there is no such antagonist that could be used for targeting the a7nAChr receptor.

Regarding the CEO change it is just crutial to understand that for $SAVA the chemical side has a much greater importance in the long run. Looking at the background of the company leaving CEO Remi Barbier, his exit implies a deeper research as Mr. Barbier is one of the company’s founders and holds a reputation of seeing things through to the end. By the way, the former scientific advisor Hoau-Yan Wang is facing 31 allegations of research misconduct.

**Catalyst: YE2024 when $SAVA will present its Phase III “RETHINK-ALZ” 52 week data (NCT04994483)**