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**#53813**

**Date:** December 20, 2023

**Subject:** Cassava Sciences, Inc. - Warrants Distribution  
Option Symbol: SAVA  
New Symbol: SAVA1  
Date: 12/21/2023  
\*\*\* Update \*\*\*

Cassava Sciences, Inc. (SAVA) has declared a warrants distribution to SAVA Common Shareholders, as described below:

**Warrants:** Each warrant will provide the right to purchase one (1) of Common Shares of Cassava Sciences, Inc. (SAVA), plus a Bonus Share, as described in the SAVA Press Release dated December 12, 2023 ("Press Release")

**Price:** \$33.00 per SAVA share

**Distribution Ratio:** 0.40 transferable Warrants per every Cassava Sciences, Inc. (SAVA) Common Share held

**Record Date:** December 22, 2023

**Expiration:** 5:00 p.m. New York City time on November 15, 2024, unless extended

**Agent:** Computershare Trust Company

**Guaranty Period:** Unknown

Cassava Sciences, Inc. Warrants are anticipated to begin trading on NASDAQ under the symbol "SAVAW" on a date to be determined.

\*Note: A Bonus Share Fraction entitles a shareholder to receive an additional 0.5 of SAVA share for each Warrant exercised without payment of any additional exercise price. The right to receive the Bonus Share Fraction will expire at 5:00 p.m. New York City time (the "Bonus Share Expiration Date"), at a date to be determined as described in the Press Release.

**Contract Adjustment**

**Effective Date:** December 21, 2023

Option Symbol:	SAVA becomes SAVA1
Strike Divisor:	1
Contract Multiplier:	1
New Multiplier:	100 (e.g., a premium of 1.50 yields \$150)
New Deliverable Per Contract:	<ol style="list-style-type: none"> <li>1) 100 Cassava Sciences, Inc. (SAVA) Common Shares</li> <li>2) 40 Cassava Sciences, Inc. Warrants (SAVAW) (Subject to delayed settlement until regular way trading commences)</li> </ol>
Settlement Allocation:	<b>SAVA: 95%</b> <b>SAVAW: 5%</b>
CUSIPS:	SAVA: 14817C107 SAVAW: 14817C115

THE ALLOCATION OF THE AGGREGATE STRIKE PRICE AMOUNT IS BEING PROVIDED SOLELY FOR THE PURPOSE OF THE INTERFACE BETWEEN OCC AND THE NATIONAL SECURITIES CLEARING CORPORATION (NSCC), AND IS NOT INTENDED TO BE USED FOR ANY OTHER PURPOSE, TRANSACTION OR CUSTOMER ACCOUNT STATEMENTS.

### **Delayed Settlement**

The SAVA component of the SAVA1 exercise/assignment activity will settle through National Securities Clearing Corporation (NSCC). OCC will delay settlement of the SAVAW component of SAVA1 exercise/assignment activity until regular way trading in SAVAW Warrants commences. Upon commencement of regular way trading, OCC will require Put exercisers and Call assignees to deliver the appropriate number of warrants.

NOTE: It is not yet known if the Warrants will cease trading on NASDAQ prior to their expiration. The Warrants are expected to expire at 5:00 p.m. New York City time on November 15, 2024. The SAVAW component of adjusted option SAVA1 will remain part of the SAVA1 deliverable until the Warrants have expired. Once the expiration of the Warrants has been confirmed, the SAVAW will be removed from the SAVA1 deliverable. This change to the deliverables is expected to be effective on November 18, 2024.

### **Pricing**

The underlying price of SAVA1 will be determined as follows:

$$\text{SAVA1} = \text{SAVA} + 0.4 (\text{SAVAW})$$

### **Further Contract Adjustment**

When the Warrants expire, adjusted SAVA1 options will be further adjusted to no longer call for the delivery of the Warrants. **No adjustment will be made to the adjusted contracts to compensate for any in-the-money value the SAVA Warrants may have at the time of their expiration.**

### **Exercise Considerations**

The Warrants are to be suspended from trading before the opening on a date to be determined and expire at 5:00 p.m. New York City time on November 15, 2024. Call option holders who wish to exercise their

adjusted options to obtain the Warrants for subsequent exercise, sale or other purposes bear sole responsibility for determining when to exercise their options as well as complying with all terms and conditions of the Warrants Distribution applicable to Warrants exercise or delivery.

### **Delivery Settlement and Protect Provisions**

Option contracts which are exercised, and physically-settled security Futures contracts which mature, will require the settlement of all component securities included in the contract deliverable at the time of the option contract exercise, including rights, warrants, or similar instruments. Additional entitlements (such as due bills, eligibility to participate in tender offers, elections, etc.) may also automatically attach to securities deliverable upon option exercise. Conversely, exercised calls and or matured Futures contracts may be unable to realize the benefit of securities or entitlements **not** associated to the contract deliverable at the time of the option exercise or Option contract maturity.

Except in unusual cases, securities deliverable as a result of equity option exercises and or Option contract maturity are settled through National Securities Clearing Corporation (NSCC).

Rights and obligations of Members with respect to securities settling at NSCC as a result of an option exercise/assignment are governed by the rules of NSCC. NSCC has its own rules which enable purchasers of securities to protect themselves for value which may be lost if timely delivery is not made to them of securities subject to specific deadlines, such as the expiration of a tender offer, rights offering, election, or similar event. These rules are generally called protect or liability notice procedures, and are intended to protect purchasers by binding the delivering parties to liability if such value is lost because timely delivery is not effected. Purchasers of securities must observe the rules and procedures of NSCC to avail themselves of such protect provisions of NSCC. Questions regarding these provisions should be addressed to NSCC.

### **Special Risks**

#### **Call Holders/ Put Writers**

As a result of the adjustment described above, the Warrants will be part of the adjusted SAVA1 options deliverable, but only until the Warrants expire, after which time they will be dropped from the deliverable of the option contract. When the Warrants expire and are dropped from the deliverable of the option contract, any value the Warrants may have had will no longer be associated with the option contract. *As a result, holders of in-the-money calls may be disadvantaged unless they exercise in sufficient time to obtain the Warrants. After the Warrants expire and are dropped from the deliverable of the option contract, holders of short put positions who are assigned will be required to purchase SAVA stock whose value may have been substantially diminished by the Warrants distribution.*

#### **Uncovered Short Obligations**

Holders of assigned calls or exercised puts, and holders of short positions in physically-settled security Futures at maturity who do not possess the underlying security at the time of assignment or exercise are subject to special risk. Suspension of trading of the underlying security, inability to borrow the security, or similar events may preclude the possibility of effecting timely delivery, thereby exposing persons with an obligation to deliver to liability if timely delivery is not effected (See Delivery Settlement and Protect Provisions above).

### **Disclaimer**

This Information Memo provides an unofficial summary of the terms of corporate events affecting listed options or futures prepared for the convenience of market participants. OCC accepts no responsibility for the accuracy or completeness of the summary, particularly for information which may be relevant to investment decisions. Option or futures investors should independently ascertain and evaluate all information concerning this corporate event(s).

The determination to adjust options and the nature of any adjustment is made by OCC pursuant to OCC By-Laws, Article VI, Sections 11 and 11A. The determination to adjust futures and the nature of any adjustment is made by OCC pursuant to OCC By-Laws, Article XII, Sections 3, 4, or 4A, as applicable. For both options and futures, each adjustment decision is made on a case by case basis. Adjustment decisions are based on information available at the time and are subject to change as additional information becomes available or if there are material changes to the terms of the corporate event(s) occasioning the adjustment.

ALL CLEARING MEMBERS ARE REQUESTED TO IMMEDIATELY ADVISE ALL BRANCH OFFICES AND CORRESPONDENTS ON THE ABOVE.

For questions regarding this memo, please email the Investor Education team at [options@theocc.com](mailto:options@theocc.com). Clearing Member Firms of OCC may contact Member Services at 1-800-544-6091 or, within Canada, at 1-800-424-7320, or email [memberservices@theocc.com](mailto:memberservices@theocc.com).