



Ironwood Announces Filing of Form 10 Registration Statement in Connection with Planned Business Separation

January 28, 2019

– Important step toward launching two independent, publicly-traded companies –

– Separation on track for first half 2019 –

CAMBRIDGE, Mass.--(BUSINESS WIRE)--Jan. 28, 2019-- [Ironwood Pharmaceuticals, Inc.](#) (NASDAQ:IRWD) today announced the filing by Cyclerion Therapeutics, Inc. (Cyclerion) of a Form 10 Registration Statement with the U.S. Securities and Exchange Commission (SEC). The Form 10 reflects Ironwood's plan for a tax-free spin-off of Cyclerion as a publicly-traded company, which is on track to be completed in the first half of 2019.

This press release features multimedia. View the full release here: <https://www.businesswire.com/news/home/20190128005343/en/>

"Today's filing is a critical step toward creating two differentiated, innovative and productive companies, each with promising foundational assets and the opportunity to build industry-leading businesses," said Peter Hecht, chief executive officer of Ironwood and future chief executive officer of Cyclerion following completion of the planned separation. "With strong competitive positions and flexibility to pursue their distinct growth opportunities, we believe both Ironwood and Cyclerion are positioned well to enhance value for patients and shareholders."

Cyclerion expects to be a clinical-stage biopharmaceutical company harnessing the power of sGC pharmacology to discover, develop and commercialize breakthrough treatments for serious and orphan diseases. The company plans to advance five differentiated sGC stimulator programs that are designed to target tissues of greatest relevance to the diseases they are intended to treat: olinciguat (Phase 2) for sickle cell disease, pralinciguat (Phase 2) for heart failure with preserved ejection fraction (HFpEF) and for diabetic nephropathy, IW-6463 (Phase 1) for serious and orphan central nervous system diseases, and two late-stage tissue-targeted discovery programs targeting serious liver and lung diseases.

Dr. Hecht continued, "Cyclerion intends to advance breakthrough treatments for serious and orphan diseases. We believe Cyclerion will have an experienced team with a track record of discovering, developing and commercializing important therapies, and we look forward to working to unlock the full therapeutic potential of its sGC development pipeline."

Following the planned separation, Ironwood expects to build a leading gastrointestinal (GI)-focused healthcare franchise, leveraging its commercial success to-date with LINZESS® (linaclotide) and advancing its late-stage, first-in-category development candidates for persistent gastroesophageal reflux disease (GERD) and abdominal pain toward the market. Ironwood plans to focus on driving further innovation within the GI market and delivering differentiated therapies to patients through its robust portfolio of GI assets and its strong global network of partnerships.

Ironwood plans to distribute 100% of the outstanding shares of Cyclerion common stock to Ironwood's stockholders on a pro-rata basis and, immediately following the distribution, Cyclerion is expected to close a private placement in which certain investors will make a cash investment in Cyclerion in exchange for newly issued shares of Cyclerion common stock. The Form 10 filing provides important information on the business strategy and historical financial data relating to Cyclerion and will be updated with additional information in subsequent amendments in conjunction with the SEC review process. For more information, the full Form 10 can be viewed at <http://www.sec.gov> and Ironwood's Investor Relations site at <http://investor.ironwoodpharma.com/>.

Ironwood is on track to complete the planned separation in the first half of 2019, subject to customary conditions, including effectiveness of the Form 10, a favorable opinion with respect to the tax-free nature of the transaction, and final approval of Ironwood's Board of Directors.

About Cyclerion Therapeutics

Cyclerion Therapeutics expects to be a clinical-stage biopharmaceutical company harnessing the power of sGC pharmacology to discover, develop and commercialize breakthrough treatments for serious and orphan diseases. Cyclerion plans to advance its portfolio of five differentiated sGC stimulator programs with distinct pharmacologic and biodistribution properties that are designed to target tissues of greatest relevance to the diseases they are intended to treat. These programs, each of which are expected to have important milestones in 2019, include olinciguat in Phase 2 development for sickle cell disease, pralinciguat in Phase 2 trials for heart failure with preserved ejection fraction (HFpEF) and for diabetic nephropathy, IW-6463 in Phase 1 development for serious and orphan central nervous system diseases, and two late-stage discovery programs targeting serious liver and lung diseases, respectively.

About Ironwood Pharmaceuticals

Ironwood Pharmaceuticals (Nasdaq:IRWD) is a commercial biotechnology company focused on creating medicines that make a difference for patients, building value for our fellow shareholders, and empowering our passionate team. We discovered, developed and are commercializing linaclotide, the U.S. branded prescription market leader for adults with irritable bowel syndrome with constipation (IBS-C) or chronic idiopathic constipation (CIC). Our pipeline priorities for linaclotide include a Phase IIIb trial evaluating its efficacy and safety on multiple abdominal symptoms, including abdominal bloating, pain, and discomfort in adult patients with IBS-C, as well as research into a formulation of linaclotide designed to relieve abdominal pain associated with IBS.

We are also advancing a pipeline of innovative product candidates in areas of significant unmet need, including persistent gastroesophageal reflux disease, and the product candidates that Cyclerion expects to advance following completion of the planned separation of Ironwood and Cyclerion into two independent, publicly-traded companies. The separation is expected to be completed in the first half of 2019. Ironwood was founded in 1998 and

is headquartered in Cambridge, Mass. For more information, please visit www.ironwoodpharma.com or www.twitter.com/ironwoodpharma; information that may be important to investors will be routinely posted in both these locations.

Forward-Looking Statements

This press release contains forward-looking statements. Investors are cautioned not to place undue reliance on these forward-looking statements, including statements about the proposed separation of our operations into two independent, publicly traded companies, including the status, structure, completion and timing of the separation; the business and operations of Ironwood and Cycleron and any benefits or costs of the separation, including the tax treatment; the business and operations of each company and the benefits of a potential separation, including with respect to Ironwood's and Cycleron's competitive position, attractiveness to investors and enhanced operational, commercial and scientific effectiveness; and Cycleron's leadership following the separation, the strength and value thereof, and the leadership's anticipated impact on Cycleron's businesses, growth, business strategies, pipeline advancement and productivity. Each forward-looking statement is subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied in such statement. Applicable risks and uncertainties include those related to the possibility that we may not complete the separation on the terms or timeline currently contemplated, if at all, that neither Ironwood nor Cycleron may achieve the expected benefits of a separation, and that a separation could harm the business, results of operations and financial condition of Ironwood and Cycleron; the risk that we may be unable to make, on a timely or cost-effective basis, the changes necessary to operate as independent companies; Cycleron's lack of independent operating history and the risk that its accounting and other management systems may not be prepared to meet the financial reporting and other requirements of operating as an independent public company; the risk that a separation may adversely impact Ironwood's and Cycleron's ability to attract or retain key personnel; the risk that the management of the Ironwood and Cycleron will be different than currently contemplated; the risks listed under the heading "Risk Factors" and elsewhere in Ironwood's Quarterly Report on Form 10-Q for the quarter ended September 30, 2018, and in Ironwood's subsequent SEC filings; and the risks listed under the heading "Risk Factors" and elsewhere in Cycleron's Registration Statement on Form 10 filed on January 28, 2019, and in Cycleron's subsequent SEC filings, including SEC filings related to the proposed separation. These forward-looking statements (except as otherwise noted) speak only as of the date of this press release, and Ironwood and Cycleron undertake no obligation to update these forward-looking statements.



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