



Tisento Launches with \$81 Million From Top-Tier Investor Syndicate and Promising Cyclerion Assets

July 31, 2023

– Asset Purchase Agreement Closed; Cyclerion Received Equity Ownership in Tisento and Upfront Cash Payment –

– Tisento Developing Zagociguat in MELAS, a Rare Primary Mitochondrial Disease with No Approved Therapies, Leveraging Extensive Preclinical and Clinical Data Generated by Cyclerion –*

CAMBRIDGE, Mass., July 31, 2023 (GLOBE NEWSWIRE) -- Cyclerion Therapeutics, Inc. (Nasdaq: CYCN) and Tisento Therapeutics, Inc. today announced the closing of the previously disclosed asset purchase agreement. Tisento is launching with an \$81 million Series A financing to support its development of the Phase 2 soluble guanylate cyclase (sGC) stimulator zagociguat in MELAS and other genetic mitochondrial diseases, as well as the company's advancement of additional assets for serious diseases with unmet need.

Zagociguat is a first-in-class, brain-penetrant sGC stimulator that modulates the nitric oxide-cyclic guanosine monophosphate (cGMP) pathway, a fundamental cell-signaling pathway, and has shown potential to treat both central nervous system (CNS) and peripheral symptoms of mitochondrial diseases. Phase 2a clinical data, generated by Cyclerion, showed rapid improvements in disease-associated biomarkers in patients with MELAS who received zagociguat for 28 days. In the study, zagociguat exhibited an excellent safety profile, exposure in the CNS and throughout the body consistent with once-daily oral dosing, and improvements across key domains of the disease pathophysiology including neuronal function, mitochondrial function, cerebrovascular hemodynamics, and inflammatory processes.

"Tisento is launching with a Phase 2b-ready asset, compelling clinical data, an experienced team led by CEO Peter Hecht, committed investors, and an established network of healthcare providers and patient advocates. We have significant momentum and a strong sense of urgency to deliver on behalf of patients who currently have no treatment options," said Bryan Roberts, PhD, Chair of the Board at Tisento and partner at Venrock. "The nitric oxide-cyclic GMP pathway has yielded a number of meaningful approved therapies. We are excited to extend the potential of this mechanism into the central nervous system by advancing the first brain-penetrant sGC stimulators. We are laser-focused on executing on our Phase 2b study of zagociguat in MELAS in order to build on the promising Phase 2a clinical data and deliver a potential new option for patients as quickly as possible."

Major Cyclerion shareholders participated in Tisento's Series A financing, including Invus, Peter Hecht, Polaris, and others. They are joined in the Tisento investor syndicate by Sanofi Ventures, Venrock, J. Wood Capital, and others.

In the transaction, Tisento acquired from Cyclerion zagociguat and CY3018, a CNS-targeted sGC stimulator in IND-enabling studies. Cyclerion received 10 percent equity ownership in Tisento with anti-dilution protection through \$100 million in post-money valuation, as well as the right to purchase additional Tisento equity in the future. The Tisento equity ownership provides Cyclerion shareholders with the opportunity to benefit from future Tisento value creation without further financial or operational obligations for the Tisento assets. In addition, Cyclerion received a \$10.4 million cash payment, consisting of an \$8 million upfront payment and reimbursement for certain employee and development expenses related to zagociguat and CY3018 for the period between the signing and closing of the transaction. In conjunction with the asset sale, Peter Hecht invested \$5 million in Cyclerion.

"We are very pleased to have found a good solution to advance our promising brain-penetrant sGC development programs on behalf of patients with significant unmet medical needs," said Errol De Souza, Chair of the Board at Cyclerion. "In the midst of this extremely challenging financing climate for the biotech industry, we're honored to partner with an excellent syndicate of investors. The launch of Tisento supports the optimal advancement of zagociguat and CY3018 while providing Cyclerion with near-term capital and potential future value for our shareholders. With cash runway now extended into 2025, Cyclerion will continue to seek to create value via a highly efficient, externalized business model, initially targeting later-staged, de-risked, quick-to-advance CNS assets and, in parallel, explore mechanisms to further advance its systemic sGC stimulators."

* MELAS (Mitochondrial Encephalomyopathy, Lactic Acidosis, and Stroke-like episodes)

About Cyclerion Therapeutics

Cyclerion Therapeutics is a clinical-stage biopharmaceutical company on a mission to develop treatments for serious diseases. Cyclerion acquired 10 percent equity ownership in Tisento Therapeutics as part of an asset purchase agreement in which Tisento acquired the brain-penetrant sGC stimulators zagociguat and CY3018. Cyclerion's current portfolio includes novel sGC stimulators, namely pralicyguat and olinciguat, as well as multiple research stage molecules. Pralicyguat is a systemic sGC stimulator that is exclusively licensed to Akebia and is being advanced in rare kidney disease. Olinciguat is a vascular sGC stimulator that Cyclerion intends to develop itself or out-license for cardiovascular diseases. Concurrently, Cyclerion is also evaluating other activities aimed at enhancing shareholder value, which potentially include collaborations, licenses, mergers, acquisitions and/or other targeted investments.

About Tisento Therapeutics

Tisento Therapeutics is developing novel medicines to treat diseases with significant unmet medical needs. Tisento's lead candidate is zagociguat, a Phase 2, first-in-class, brain-penetrant sGC stimulator, which is advancing in MELAS and other genetic mitochondrial diseases. Zagociguat is ideally suited to treat mitochondrial diseases with both CNS and peripheral symptoms, such as cognitive impairment, fatigue, and muscle weakness.

Forward Looking Statement

Certain matters discussed in this press release are "forward-looking statements". We may, in some cases, use terms such as "predicts," "believes," "potential," "continue," "estimates," "anticipates," "expects," "plans," "intends," "may," "could," "might," "will," "should", "positive" or other words that convey uncertainty of future events or outcomes to identify these forward-looking statements. In particular, the Company's statements regarding the potential of zagociguat for the treatment of MELAS and other mitochondrial diseases, any future value creation to the Company from the sale, and

other trends and potential future results are examples of such forward-looking statements. The forward-looking statements include risks and uncertainties, including, but not limited to, the risks that the referenced transactions may not be successful in generating future value for Cycleron shareholders; that zagociguat and CY3018 may not demonstrate the desired safety and efficacy in ongoing and future clinical trials; the ability of Tisento to successfully develop and/or commercialize zagociguat and CY3018; the receipt of regulatory approvals and adequate financing for Tisento to develop or commercialize any of its products, the risk that the Company may be deemed an investment company and required to register as such; and other risks described in the Company's Form 10-K for the fiscal year ended December 31, 2022. The factors discussed herein could cause actual results and developments to be materially different from those expressed in or implied by such statements. The forward-looking statements are made only as of the date of this press release and the Company undertakes no obligation to publicly update such forward-looking statements to reflect subsequent events or circumstances.

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