UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2023
or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File Number 001-38787

CYCLERION THERAPEUTICS, INC.

(Exact Name of Registrant as Specified in its Charter)

Massachusetts	**83-1895370**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
245 First Street, 18th Floor, Cambridge, Massachusetts	**02142**
(Address of principal executive offices)	(Zip Code)

(857) 327-8778
Registrant's Telephone Number, Including Area Code

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, no par value	CYCN	The Nasdaq Capital Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐	Accelerated filer ☐
Non-accelerated filer ☒	Smaller reporting company ☒
	Emerging growth company ☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of July 24, 2023, the registrant had 2,410,796 shares of common stock, no par value, outstanding.

CYCLERION PHARMACEUTICALS, INC.
QUARTERLY REPORT ON FORM 10-Q
FOR THE QUARTER ENDED JUNE 30, 2023
TABLE OF CONTENTS

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of the federal securities laws, which statements involve substantial risks and uncertainties. All statements in this report, other than statements of historical facts, including statements about future events, financing plans, financial position, business strategy, budgets, projected costs, plans and objectives of management for future operations, are forward-looking statements that involve certain risks and uncertainties. Use of the words “may,” “might,” “will,” “would,” “could,” “should,” “believes,” “estimates,” “projects,” “potential,” “expects,” “plans,” “seeks,” “intends,” “evaluates,” “pursues,” “anticipates,” “continues,” “designs,” “impacts,” “affects,” “forecasts,” “target,” “outlook,” “initiative,” “objective,” “designed,” “priorities,” “goal” or the negative of those words or other similar expressions may identify forward-looking statements that represent our current judgment about possible future events, but the absence of these words does not necessarily mean that a statement is not forward-looking.

Forward-looking statements are based on our current expectations and assumptions regarding our business, the economy and other future conditions. Because forward-looking statements relate to the future, by their nature, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. As a result, our actual results may differ materially from those contemplated by the forward-looking statements. Important factors that could cause actual results to differ materially from those in the forward-looking statements include regional, national, or global political, economic, business, competitive, market and regulatory conditions and the following:

- there is substantial doubt regarding our ability to continue as a going concern;
- the timing, investment and associated activities involved in developing, obtaining regulatory approval for, launching and commercializing our product candidates;
- we may be deemed an investment company under the Investment Company Act of 1940, as amended, which, if we were required to register thereunder, would have a material adverse effect on us;
- the uncertainty as to any liquidity or monetizable value of our equity interest in Tisento, which faces all the risks of an early-stage pharmaceutical development company;
- our relationships with third parties, collaborators and our employees;
- our ability to execute our strategic priorities;
- our ability to finance our operations and business initiatives;
- the success of collaboration or license agreements of our product candidates;
- our ability to access capital, capabilities, and transactions necessary to advance the development of our assets;
- whether the praliciguat out-license will result in the creation of any therapies;
- whether any development, regulatory, and commercialization milestones or royalty payments provided for in the agreement with Akebia (as defined below in Note 1 to the Condensed Consolidated Financial Statements) will be achieved;
- the impact on our business of workforce and expense reduction initiatives;
- our or our partners' plans with respect to the development, manufacture or sale of our product candidates and the associated timing thereof, including the design and results of pre-clinical and clinical studies;
- the safety profile and related adverse events of our product candidates;
- the efficacy and perceived therapeutic benefits of our product candidates, their potential indications and their market potential;
- U.S. and non-U.S. regulatory requirements for our product candidates, including any post-approval development and regulatory requirements, and the ability of our product candidates to meet such requirements;

- our ability to attract and retain employees needed to execute our business plans and strategies and our ability to manage the impact of any loss of key employees;
- our ability to obtain and maintain intellectual property protection for our product candidates and the strength thereof;
- our future financial performance, revenues, expense levels, payments, cash flows, profitability, tax obligations, capital raising and liquidity sources, real estate needs and concentration of voting control, as well as the timing and drivers thereof, and internal control over financial reporting;
- our ability to compete with other companies that are or may be developing or selling products that are competitive with our product candidates;
- the impact of government regulation in the life sciences industry, particularly with respect to healthcare reform;
- we could be delisted from Nasdaq;
- trends and challenges in the markets for our potential products.

See the "Risk Factors" section in Part I, Item 1A of our Annual Report on Form 10-K for the fiscal year ended December 31, 2022, and elsewhere in this Quarterly Report on Form 10-Q for a further description of these and other factors. We caution you that the risks, uncertainties, and other factors referenced above may not contain all of the risks, uncertainties and other factors that are important to you. In addition, we cannot assure you that we will realize the results, benefits, or developments that we expect or anticipate or, even if substantially realized, that they will result in the consequences or affect us or our business in the way expected. There can be no assurance that (i) we have correctly measured or identified all of the factors affecting our business or the extent of these factors' likely impact, (ii) the available information with respect to these factors on which such analysis is based is complete or accurate, (iii) such analysis is correct or (iv) our strategy, which is based in part on this analysis, will be successful. All forward-looking statements in this report apply only as of the date of this report or as of the date they were made and, except as required by applicable law, we undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future developments or otherwise.

Cyclerion Therapeutics, Inc.
Condensed Consolidated Balance Sheets
(In thousands except share data)
(Unaudited)

	June 30, 2023	December 31, 2022
ASSETS		
Current assets:		
Cash and cash equivalents	$ 5,641	$ 13,382
Accounts receivable	—	96
Prepaid expenses	1,044	805
Other current assets	428	537
Total current assets	7,113	14,820
Operating lease right-of-use asset	1,125	1,218
Other assets	1,859	2,041
Total assets	$ 10,097	$ 18,079
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 1,864	$ 2,970
Accrued research and development costs	620	2,275
Accrued expenses and other current liabilities	2,463	2,382
Total current liabilities	4,947	7,627
Commitments and contingencies (Note 6)	—	—
Stockholders' equity		
Preferred shares, no par value, 500,000 shares authorized and 351,037 series A convertible preferred stock issued and outstanding at June 30, 2023	—	—
Common stock, no par value, 20,000,000 shares authorized and 2,407,796 issued and outstanding at June 30, 2023 and 20,000,000 shares authorized and 2,175,936 issued and outstanding at December 31, 2022 (*)	—	—
Paid-in capital	275,455	269,626
Accumulated deficit	(270,289)	(259,154)
Accumulated other comprehensive loss	(16)	(20)
Total stockholders' equity	5,150	10,452
Total liabilities and stockholders' equity	$ 10,097	$ 18,079

*Adjusted retroactively for reverse stock split - see Note 1

The accompanying notes are an integral part of these condensed consolidated financial statements.

Cyclerion Therapeutics, Inc.
Condensed Consolidated Statements of Operations and Comprehensive Loss
(In thousands except per share data)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Revenues:				
Revenue from development agreement	—	72	—	297
Revenue from grants	—	234	—	720
Total revenues	—	306	—	1,017
Cost and expenses:				
Research and development	886	10,218	4,659	19,961
General and administrative	3,357	3,521	6,626	7,473
Total cost and expenses	4,243	13,739	11,285	27,434
Loss from operations	(4,243)	(13,433)	(11,285)	(26,417)
Interest and other income, net	62	45	150	51
Net loss	$ (4,181)	$ (13,388)	$ (11,135)	$ (26,366)
Net loss per share:				
Basic and diluted net loss per share (*)	$ (1.83)	$ (6.16)	$ (5.00)	$ (12.14)
Weighted average shares used in calculating:				
Basic and diluted net loss per share	2,282	2,173	2,229	2,172
Other comprehensive loss:				
Net loss	$ (4,181)	$ (13,388)	$ (11,135)	$ (26,366)
Other comprehensive loss:				
Foreign currency translation adjustment loss	3	(1)	4	(2)
Comprehensive loss	$ (4,178)	$ (13,389)	$ (11,131)	$ (26,368)

*Adjusted retroactively for reverse stock split - see Note 1

The accompanying notes are an integral part of these condensed consolidated financial statements.

Cyclerion Therapeutics, Inc.
Condensed Consolidated Statements of Stockholders' Equity
(In thousands except share data)
(Unaudited)

	Common Stock		Paid-in capital	Accumulated deficit	Accumulated other comprehensive loss	Total Stockholders' equity
	Shares	Amount				
Balance at December 31, 2021	2,170,509	$ —	$ 263,345	$ (215,076)	$ (23)	$ 48,246
Net loss	—	—	—	(12,978)	—	(12,978)
Issuance of common stock upon exercise of stock options, RSUs and employee stock purchase plan	1,909	—	—	—	—	—
Share-based compensation expense related to issuance of stock options and RSUs to employees and employee stock purchase plan	—	—	1,476	—	—	1,476
Share-based compensation expense related to issuance of stock options to non-employees			291			291
Foreign currency translation adjustment	—	—	—	—	(1)	(1)
Balance at March 31, 2022	2,172,418	$ —	$ 265,112	$ (228,054)	$ (24)	$ 37,034
Net loss	—	—	—	(13,388)	—	(13,388)
Issuance of common stock upon exercise of stock options, RSUs and employee stock purchase plan	1,574	—	17	—	—	17
Share-based compensation expense related to issuance of stock options and RSUs to employees and employee stock purchase plan	—	—	1,410	—	—	1,410
Share-based compensation expense related to issuance of stock options to non-employees			289			289
Foreign currency translation adjustment	—	—	—	—	(1)	(1)
Balance at June 30, 2022	2,173,992	—	266,828	(241,442)	(25)	25,361

Cyclerion Therapeutics, Inc.
Condensed Consolidated Statements of Stockholders' Equity (Deficit)
(In thousands except share data)
(Unaudited)

	Common Stock (*)		Preferred Stock		Paid-in capital	Accumulated deficit	Accumulated other comprehensive loss	Total Stockholders' equity
	Shares	Amount	Shares	Amount				
Balance at December 31, 2022	2,175,936	$ —	—	$ —	$ 269,626	$ (259,154)	$ (20)	$ 10,452
Net loss	—	—	—	—	—	(6,954)	—	(6,954)
Issuance of common stock upon exercise of stock options, RSUs and employee stock purchase plan	309	—	—	—	—	—	—	—
Share-based compensation expense related to issuance of stock options and RSUs to employees and employee stock purchase plan	—	—	—	—	416	—	—	416
Share-based compensation expense related to issuance of stock options to non-employees	—	—	—	—	10	—	—	10
Foreign currency translation adjustment	—	—	—	—	—	—	1	1
Balance at March 31, 2023	2,176,245	$ —	—	$ —	$ 270,052	$ (266,108)	$ (19)	$ 3,925
Net loss	—	—	—	—	—	(4,181)	—	(4,181)
Issuance of common stock	225,000	—	—	—	1,953	—	—	1,953
Issuance of preferred shares	—	—	351,037	—	3,047	—	—	3,047
Issuance of common stock upon exercise of stock options, RSUs and employee stock purchase plan	6,618	—	—	—	24	—	—	24
Share-based compensation expense related to issuance of stock options and RSUs to employees and employee stock purchase plan	—	—	—	—	373	—	—	373
Share-based compensation expense related to issuance of stock options to non-employees	—	—	—	—	6	—	—	6
Foreign currency translation adjustment	—	—	—	—	—	—	3	3
Fractional shares issuance	(67)	—	—	—	—	—	—	—
Balance at June 30, 2023	2,407,796	—	351,037	—	$ 275,455	$ (270,289)	$ (16)	$ 5,150

*Adjusted retroactively for reverse stock split - see Note 1

The accompanying notes are an integral part of these condensed consolidated financial statements.

Cyclerion Therapeutics, Inc.
Condensed Consolidated Statements of Cash Flows
(In thousands)
(Unaudited)

	Six Months Ended June 30,	
	2023	**2022**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (11,135)	$ (26,366)
Adjustments to reconcile net loss to net cash (used in) operating activities:		
Depreciation and amortization	—	65
Share-based compensation expense	805	3,466
Changes in operating assets and liabilities:		
Accounts receivable	96	(127)
Related party accounts receivable	—	—
Prepaid expenses	(239)	281
Other current assets	109	(14)
Operating lease assets	93	92
Other assets	182	183
Accounts payable	(1,106)	939
Accrued research and development costs	(1,655)	(1,594)
Accrued expenses and other current liabilities	81	(578)
Net cash (used in) operating activities	(12,769)	(23,653)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from stock purchase agreement	5,000	—
Proceeds from exercises of stock options and ESPP	24	17
Net cash provided by financing activities	5,024	17
Effect of exchange rate changes on cash and cash equivalents	4	(2)
Net decrease in cash, cash equivalents and restricted cash	(7,741)	(23,638)
Cash, cash equivalents and restricted cash, beginning of period	13,382	53,961
Cash, cash equivalents and restricted cash, end of period	$ 5,641	$ 30,323

The accompanying notes are an integral part of these condensed consolidated financial statements.

1. Nature of Business

Nature of Operations

Cyclerion Therapeutics, Inc. (“Cyclerion”, the “Company” or “we”) is a biopharmaceutical company on a mission to develop treatments for serious diseases. Our portfolio includes novel soluble guanylate cyclase ("sGC") stimulators that modulate a key node in a fundamental signaling network in both the central nervous system ("CNS") and the periphery. The nitric oxide ("NO") soluble guanylate cyclase ("sGC") cyclic guanosine monophosphate ("cGMP") signaling pathway is a fundamental mechanism that precisely controls key aspects of physiology throughout the body. The NO-sGC-cGMP pathway, regulates diverse and critical biological functions and has been successfully targeted with several drugs.

Praliciguat is a systemic sGC stimulator that is licensed to Akebia Therapeutics Inc. ("Akebia") and being advanced in rare kidney disease. Olinciguat is a clinical-stage vascular sGC stimulator that the Company intends to out-license for cardiovascular diseases. Zagociguat is a clinical-stage CNS-penetrant sGC stimulator that has shown rapid improvement in cerebral blood flow, functional brain connectivity, brain response to visual stimulus, cognitive performance, and biomarkers associated mitochondrial function and inflammation in clinical studies. CY3018 is a CNS-targeted sGC stimulator that preferentially localizes to the brain and has a pharmacology profile that suggests its potential for the treatment of neuropsychiatric diseases and disorders. On July 28, 2023, the Company sold Zagociguat and CY3018 to Tisento Therapeutics, Inc. ("Tisento"), a newly formed private company focused on their development, in which Cyclerion currently holds a 10% equity stake received in partial consideration of such sale. See "Asset Purchase Agreement" and "Note 14" below. Cyclerion is actively evaluating other activities aimed at enhancing shareholder value, which may potentially include collaborations, licenses, mergers, acquisitions and/or other targeted investments.

Cyclerion GmbH, a wholly owned subsidiary, was incorporated in Zug, Switzerland on May 3, 2019. The functional currency is the Swiss franc.

Cyclerion Securities Corporation, a wholly owned subsidiary, was incorporated in Massachusetts on November 15, 2019 and was granted securities corporation status in Massachusetts for the 2019 tax year. Cyclerion Securities Corporation has no employees.

Company Overview

The Company’s mission is to develop treatments for serious diseases.

Praliciguat is an orally administered, once-daily systemic sGC stimulator. On June 3, 2021, Cyclerion entered into a license agreement (as defined below) with Akebia relating to the exclusive worldwide license to Akebia of our rights to the development, manufacture, medical affairs and commercialization of pharmaceutical products containing praliciguat and other related products and forms thereof enumerated in such agreement. Cyclerion is eligible to receive up to $585 million in total potential future development, regulatory, and commercialization milestone payments. Cyclerion is also eligible to receive tiered, sales-based royalties ranging from single-digit to high-teen percentages.

Olinciguat is an orally administered, once-daily, vascular sGC stimulator that was evaluated in a Phase 2 study of participants with sickle cell disease. The Company released topline results from this study in October 2020. Cyclerion intends to out-license olinciguat to an entity with strong cardiovascular and/or cardiopulmonary capabilities.

Zagociguat and CY3018 are orally administered CNS-penetrant sGC stimulators. On July 28, 2023, the Company sold zagociguat and CY3018 to Tisento in exchange for $8 million in cash consideration, $2.4 million as reimbursement for certain operating expenses related to zagociguat and CY3018 for the period between signing and closing of the transaction, and 10% of all of Tisento's outstanding equity securities. See "Asset Purchase Agreement" and "Note 14" below.

Cyclerion continues to evaluate other activities aimed at enhancing shareholder value, which may potentially include collaborations, licenses, mergers, acquisitions and/or other targeted investments. No such activities are currently pending.

Stock Purchase Agreement

In March 2023, we entered into a stock purchase agreement with the CEO pursuant to which he invested $5 million in cash for 225,000 shares of common stock and 351,037 shares of Series A Convertible Preferred Stock of the Company at a price of $8.68 per share (after giving effect to the 1-for-20 reverse stock split the Company implemented on May 15, 2023). Such Series A Convertible Preferred Stock is convertible into shares of our common stock on a one-to-one basis. The closing of the equity investment took place on May 19, 2023, and (to comply with Nasdaq listing requirements) our shareholders approved such convertibility on July 19, 2023.

Asset Purchase Agreement

On May 11, 2023, the Company entered into an Asset Purchase Agreement (the "Asset Purchase Agreement") with an investor group that included the Company's Chief Executive Officer (the "CEO"), JW Celtics Investment Corp. (the "Buyer Parent") and JW Cycle Inc. (the "Buyer") which subsequently changed its name to Tisento Therapeutics Inc. ("Tisento"). Upon the closing on July 28, 2023, of the transactions contemplated by the Asset Purchase Agreement, the Company sold to the Buyer specified assets relating to the Company's zagociguat and CY3018 programs and the Buyer assumed certain liabilities relating thereto, including, but not limited to (i) liabilities, costs and expenses arising after the date of the Asset Purchase Agreement relating to the employment of certain Cyclerion employees and the conduct of certain preclinical and clinical trial activities prior to the closing of the transactions contemplated by the Asset Purchase Agreement, and (ii) liabilities relating to such assets to the extent relating to the period after the closing of the transaction. In consideration for such sale and assumption, at such closing the Company received proceeds of $8 million as cash consideration, $2.4 million as reimbursement for certain operating expenses related to such assets for the period between signing and closing of the Asset Purchase Agreement, and shares of common stock of the Tisento comprising 10% of the issued and outstanding equity securities of Tisento immediately following such closing, subject to certain protections against dilution.

Reverse Stock Split

On May 15, 2023, the Company filed Articles of Amendment to the Company's Restated Articles of Organization with the Secretary of Commonwealth of Massachusetts to effect a 1-for-20 reverse stock split of the Company's issued and outstanding shares of common stock. The reverse stock split was reflected on the Nasdaq Capital Market beginning with the opening of trading on May 16, 2023. No fractional shares were issued in connection with the reverse stock split. All share amounts and per share amounts disclosed in this Quarterly Report on Form 10-Q have been adjusted retroactively to reflect the reverse stock split for all periods presented.

At-the-Market Registration

On July 24, 2020, the Company filed a Registration Statement on Form S-3 (the "Shelf") with the Securities and Exchange Commission (the "SEC") in relation to the registration of common stock, preferred stock, debt securities, warrants and units of any combination thereof for an aggregate initial offering price not to exceed $150.0 million. The Shelf was declared effective as of July 31, 2020. On September 3, 2020, the Company entered into a Sales Agreement (the "Sales Agreement") with Jefferies LLC ("Jefferies") with respect to an at-the-market offering (the "ATM Offering") under the Shelf. Under the ATM Offering, the Company may offer and sell, from time to time at its sole discretion, shares of its common stock, having an aggregate offering price of up to $50.0 million through Jefferies as its sales agent. The Company will pay to Jefferies cash commissions of 3.0 percent of the gross proceeds of sales of common stock under the Sales Agreement. The Company has sold 3,353,059 shares of its common stock for net proceeds of $12.5 million under the ATM Offering, since entering into the Sales Agreement. No shares of common stock have been issued or sold under the ATM Offering during the six months ended June 30, 2023 and June 30, 2022.

Basis of Presentation

The condensed consolidated financial statements and the related disclosures are unaudited and have been prepared in accordance with accounting principles generally accepted in the U.S. Additionally, certain information and footnote disclosures normally included in the Company's annual financial statements have been condensed or omitted. Accordingly, these interim condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto contained in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2022, which was filed with the Securities and Exchange Commission on March 22, 2023.

In the opinion of management, the unaudited interim condensed consolidated financial statements reflect all normal recurring adjustments considered necessary for a fair presentation of the Company's financial position and the results of its operations for the interim periods presented. The results of operations for the three and six months ended June 30, 2023 and 2022 are not necessarily indicative of the results that may be expected for the full year or any other subsequent interim period.

The condensed consolidated financial statements include the financial statements of the Company and its wholly owned subsidiaries, Cyclerion GmbH, and Cyclerion Securities Corporation. All significant intercompany accounts and transactions have been eliminated in the preparation of the accompanying condensed consolidated financial statements.

Going Concern

At each reporting period, in accordance with Accounting Standards Codification ("ASC") 205-40, Going Concern, the Company evaluates whether there are conditions or events that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statements are issued. The Company's evaluation entails analyzing prospective operating budgets and forecasts for expectations of the Company's cash needs and comparing those needs to the current cash and cash equivalent balances. The Company is required to make certain additional disclosures if it concludes substantial doubt exists and it is not alleviated by the Company's plans or when its plans alleviate substantial doubt about the Company's ability to continue as a going concern.

This evaluation initially does not take into consideration the potential mitigating effect of management's plans that have not been fully implemented as of the date the financial statements are issued. When substantial doubt exists under this methodology, management evaluates whether the mitigating effect of its plans sufficiently alleviates substantial doubt about the Company's ability to continue as a going concern. The mitigating effect of management's plans, however, is only considered if both (1) it is probable that the plans will be effectively implemented within one year after the date that the financial statements are issued, and (2) it is probable that the plans, when implemented, will mitigate the relevant conditions or events that raise substantial doubt about the entity's ability to continue as a going concern within one year after the date that these consolidated financial statements are issued. In performing its analysis, management excluded certain elements of its operating plan that cannot be considered probable. Under ASC 205-40, the future receipt of potential funding from future partnerships, equity or debt issuances, certain cost reduction measures and the potential milestones from the Akebia agreement cannot be considered probable at this time because these plans are not entirely within the Company's control and/or have not been approved by the Board of Directors as of the date of these consolidated financial statements.

The Company's expectation to generate negative operating cash flows in the future and the need for additional funding to support its planned operations, raise substantial doubt regarding the Company's ability to continue as a going concern for a period of one year after the date that these consolidated financial statements are issued. Management's plans to alleviate the conditions that raise substantial doubt include reduced spending, and the pursuit of additional capital. Management has concluded the likelihood that its plan to successfully obtain sufficient funding from one or more of these sources, or adequately reduce expenditures, while reasonably possible, is less than probable. Accordingly, the Company has concluded that substantial doubt exists about the Company's ability to continue as a going concern for a period of at least 12 months from the date of issuance of these consolidated financial statements.

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and satisfaction of liabilities in the ordinary course of business. The financial statements do

not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might result from the outcome of the uncertainties described above.

2. Summary of Significant Accounting Policies

The accounting policies of the Company are set forth in Note 2. *Summary of Significant Accounting Policies* to the consolidated financial statements contained in the Company's 2022 Annual Report on Form 10-K for the fiscal year ended December 31, 2022.

Use of Estimates

The preparation of consolidated financial statements in accordance with U.S. generally accepted accounting principles ("GAAP") requires the Company's management to make estimates and judgments that may affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the amounts of expenses during the reported periods. On an ongoing basis, the Company's management evaluates its estimates, judgments, and methodologies. Significant estimates and assumptions in the consolidated financial statements include those related to revenue, impairment of long-lived assets, valuation procedures for right-of-use ("ROU") assets and operating lease liabilities, income taxes, including the valuation allowance for deferred tax assets, research and development expenses, contingencies, share-based compensation and going concern. The Company bases its estimates on historical experience and on various other assumptions that are believed to be reasonable, the results of which form the basis for making judgments about the carrying values of assets and liabilities. Actual results may differ materially from these estimates under different assumptions or conditions. Changes in estimates are reflected in reported results in the period in which they become known.

New Accounting Pronouncements

From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board ("FASB") or other standard setting bodies that are adopted by the Company as of the specified effective date. Except as discussed elsewhere in the notes to the consolidated financial statements, the Company did not adopt any new accounting pronouncements during the six months ended June 30, 2023 that had a material effect on its condensed consolidated financial statements.

In June 2016 the FASB issued ASU 2016-13, Financial Instruments-Credit Losses. This standard requires entities to measure all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. As a smaller reporting company, ASU 2016-13 will become effective for the Company for fiscal years beginning after December 15, 2022, and early adoption is permitted. The Company adopted ASU 2016-13 in the first quarter of 2023, and the adoption of this standard did not have any impact on the Company's financial position or results of operations.

No other accounting standards known by the Company to be applicable to it that have been issued by the FASB or other standard-setting bodies and that do not require adoption until a future date are expected to have a material impact on the Company's condensed consolidated financial statements upon adoption.

3. Fair Value of Financial Instruments

The Company's cash equivalents are generally classified within Level 1 of the fair value hierarchy. The following tables present information about the Company's financial assets measured at fair value on a recurring basis and indicate the level of the fair value hierarchy used to determine such fair values as of June 30, 2023, and December 31, 2022 (in thousands):

	Fair Value Measurements as of June 30, 2023:			
	Level 1	Level 2	Level 3	Total
Cash equivalents:				
Money market funds	$ 4,771	$ —	$ —	$ 4,771
Cash equivalents	$ 4,771	$ —	$ —	$ 4,771

	Fair Value Measurements as of December 31, 2022:			
	Level 1	Level 2	Level 3	Total
Cash equivalents:				
Money market funds	$ 12,357	$ —	$ —	$ 12,357
Cash equivalents	$ 12,357	$ —	$ —	$ 12,357

During the six months ended June 30, 2023 and 2022, there were no transfers between levels. The fair value of the Company's cash equivalents, consisting of money market funds, is based on quoted market prices in active markets with no valuation adjustment.

The Company believes the carrying amounts of its prepaid expenses and other current assets, restricted cash, accounts receivable, accounts payable, and accrued expenses approximate their fair value due to the short-term nature of these amounts.

4. Property and Equipment

Property and equipment, net consisted of the following (in thousands):

	June 30, 2023	December 31, 2022
Software	2,168	$ 2,174
Computer equipment	—	7
Leasehold improvements	—	—
Property and equipment, gross	2,168	2,181
Less: accumulated depreciation and amortization	(2,168)	(2,181)
Property and equipment, net	$ —	$ —

As of June 30, 2023, and December 31, 2022, the Company's property and equipment was primarily located in Boston, Massachusetts.

During the six months ended June 30, 2023. the Company did not record depreciation and amortization expenses. The company recorded approximately $0.1 million of depreciation and amortization expenses for the six months ended June 30, 2022.

5. Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consisted of the following (in thousands):

	June 30, 2023	December 31, 2022
Accrued incentive compensation	$ 210	$ 238
Salaries	136	246
Accrued vacation	179	186
Professional fees	684	835
Accrued severance and benefit costs	144	809
Zagociguat/CY3018 Reimbursement	935	—
Other	175	68
Accrued expenses and other current liabilities	$ 2,463	$ 2,382

6. Commitments and Contingencies

Other Funding Commitments

In the normal course of business, the Company enters into contracts with clinical research organizations and other third parties for clinical and preclinical research studies and other services and products for operating purposes. These contracts are generally cancellable, with notice, at the Company's option and do not have any significant cancellation penalties.

Guarantees

On September 6, 2018, Cyclerion was incorporated in Massachusetts and its officers and directors are indemnified for certain events or occurrences while they are serving in such capacity.

The Company enters into certain agreements with other parties in the ordinary course of business that contain indemnification provisions. These typically include agreements with directors and officers, business partners, contractors, clinical sites and customers. Under these provisions, the Company generally indemnifies and holds harmless the indemnified party for losses suffered or incurred by the indemnified party as a result of the Company's activities. These indemnification provisions generally survive termination of the underlying agreements. The maximum potential amount of future payments the Company could be required to make under these indemnification provisions is unlimited. However, to date the Company has not incurred material costs to defend lawsuits or settle claims related to these indemnification provisions. As a result, the estimated fair value of these obligations is minimal. Accordingly, the Company did not have any liabilities recorded for these obligations as of June 30, 2023 and December 31, 2022.

7. Leases

In May 2021 the Company signed a 12-month membership agreement to lease space with WeWork at 501 Boylston Street, Boston, Massachusetts, commencing on August 1, 2021. The agreement was extended for six months on August 1, 2022. The 12-month agreements and 6-month extension are accounted for as short-term leases. The Company recorded a de minimis amount of lease expense associated with the membership agreement during the three and six months ended June 30, 2023, respectively.

On September 15, 2020, the Company entered into a Sublease Termination Agreement (the "Sublease Termination Agreement") to terminate its sublease of 15,700 rentable square feet, of its leased premises under the Head Lease. Under the terms of the Sublease Termination Agreement, the subtenant was relieved of its obligation to provide future cash rental payments to the Company. The agreements requiring the former subtenant to provide licensed rooms and services to the Company free of charge through the original sublease term survived the sublease termination. The Company gained access to the licensed rooms and services beginning in the third quarter of 2021. The letter of credit security deposit related to the sublease was released.

The Company determined that the Sublease Termination Agreement constituted a non-monetary exchange under ASC 845 Nonmonetary Transactions ("ASC 845") where, in return for the free rooms and the services, the Company agreed to terminate its rights and obligations under the sublease agreement. In accordance with ASC 845, the Company determined that the accounting for the transaction should be based on the fair value of assets or services involved. The Company estimated the fair value of the rooms and services to be approximately $1.5 million and $2.9 million, respectively.

The Company determined that the licensed rooms represent a lease under ASC Topic 842 Leases. The Company obtained control of the rooms in the third quarter of 2021 and the prepaid rooms balance of approximately $1.4 million was reclassified from other assets to a ROU asset. The related lease expense is recognized on a straight-line basis over the lease term of 8.88 years. The Company recorded a de minimis amount, and $0.1 million of lease expense during the three and six months ended June 30, 2023 and June 30, 2022, respectively. The Company determined that the licensed services represent a non-lease component, which is recognized separately from the lease component for this asset class. The expense related to the licensed services is recognized on a straight-line basis over the period the services are received. The Company recorded a $0.1 million and $0.2 million for the three and six months ended June 30, 2023 and June 30, 2022, respectively. Both the lease expense and services expense are recognized as a component of research and development costs in the condensed consolidated statements of operations and comprehensive loss.

8. Share-based Compensation Plans

In 2019, Cyclerion adopted share-based compensation plans. Specifically, Cyclerion adopted the 2019 Employee Stock Purchase Plan ("2019 ESPP") and the 2019 Equity Incentive Plan ("2019 Equity Plan"). Under the 2019 ESPP, eligible employees may use payroll deductions to purchase shares of stock in offerings under the plan,

and thereby acquire an interest in the future of the Company. The 2019 Equity Plan provides for stock options and restricted stock units (“RSUs”).

Cyclerion mirrored two of Ironwood Pharmaceuticals, Inc's. ("Ironwood") existing plans, the Amended and Restated 2005 Stock Incentive Plan (“2005 Equity Plan”) and the Amended and Restated 2010 Employee, Director and Consultant Equity Incentive Plan (“2010 Equity Plan"). These mirror plans were adopted to facilitate the exchange of Ironwood equity awards for Cyclerion equity awards upon the tax-free spin-off of Ironwood's sGC business (" the Separation") as part of the equity conversion. As a result of the Separation and in accordance with the Employee Matters Agreement between Ironwood and Cyclerion entered into as part of the Separation, employees of both companies retained their existing Ironwood vested options and received a pro-rata share of Cyclerion options, regardless of which company employed them post-Separation. For employees that were ultimately employed by Cyclerion, unvested Ironwood options and RSUs were converted to unvested Cyclerion options and RSUs.

The following table provides share-based compensation reflected in the Company’s condensed consolidated statements of operations and comprehensive loss for the three and six months ended June 30, 2023 and 2022 (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Research and development	$ 181	$ 793	$ 410	$ 1,623
General and administrative	198	906	395	1,843
	$ 379	$ 1,699	$ 805	$ 3,466

A summary of stock option activity for the six months ended June 30, 2023, is as follows:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (Years)	Average Intrinsic Value (in thousands)
Outstanding as of December 31, 2022	365,216	$ 184.45	5.8	20
Granted	4,000	3.82		
Exercised	—	0.00		
Cancelled or forfeited	(34,860)	251.45		
Outstanding as of June 30, 2023	334,356	$ 175.30	5.6	$ 1.20
Exercisable at June 30, 2023	257,214	$ 214.89	4.9	$ —

As of June 30, 2023, the unrecognized share-based compensation expense, net of estimated forfeitures, related to all unvested time-based stock options held by the Company’s employees is $1.5 million and the weighted average period over which that expense is expected to be recognized is 3.2 years.

A summary of RSU activity for the six months ended June 30, 2023 is as follows:

	Number of Shares	Weighted Average Grant Date Fair Value
Unvested as of December 31, 2022	40,772	$ 15.30
Granted	—	—
Vested	(3,375)	41.72
Forfeited	(3,035)	13.73
Unvested as of June 30, 2023	34,362	$ 12.84

As of June 30, 2023, the unrecognized share-based compensation expense, net of estimated forfeitures, related to all unvested restricted stock units by the Company’s employees is $0.1 million and the weighted-average period over which that expense is expected to be recognized is 0.3 years.

The Company has granted to certain employees stock options containing market conditions that vest upon the achievement of specified price targets of the Company's share price for a period through December 31, 2024. Vesting is measured based upon the average closing price of the Company's share price for any thirty consecutive trading days, subject to certain service requirements. Stock compensation cost is expensed on a straight-line basis over the derived service period for each stock price target within the award, ranging from approximately 4.0 to 4.6 years. The Company accelerates expense when a stock price target is achieved prior to the derived service period. As of June 30, 2023, there were 15,000 outstanding stock options containing market conditions with a weighted average exercise price of $40.20. As of June 30, 2023, there was a de minimis amount of unrecognized compensation costs related to stock options containing market conditions, which is expected to be recognized over a weighted-average period of 0.77 years.

9. Loss per share

Basic and diluted net loss per common share is computed by dividing net loss by the weighted average number of common shares outstanding during the period as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Numerator:				
Net loss (in thousands)	$ (4,181)	$ (13,388)	$ (11,135)	$ (26,366)
Denominator:				
Weighted average shares used in calculating net loss per share — basic and diluted (in thousands)	2,282	2,173	2,229	2,172
Net loss per share — basic and diluted	$ (1.83)	$ (6.16)	$ (5.00)	$ (12.14)

We exclude shares of common stock related to stock options and RSUs from the calculation of diluted net loss per share since the inclusion of such shares would be anti-dilutive. The following table sets forth potential shares that were considered anti-dilutive for the three and six months ended June 30, 2023 and 2022:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Stock Options	$ 334,356	420,666	$ 334,356	$ 420,666
RSUs	34,362	2,624	34,362	2,624
	$ 368,718	$ 423,290	$ 368,718	$ 423,290

10. Defined Contribution Plan

Subsequent to the Separation, the Company adopted a defined contribution 401(k) Savings Plan similar to the plan in place at Ironwood. The plan assets under the Ironwood defined contribution 401(k) Savings Plan were transferred to the Company's Plan.

Subject to certain IRS limits, eligible employees may elect to contribute from 1% to 100% of their compensation. The Company's contributions to the plan are at the sole discretion of the board of directors. Currently, the Company provides a matching contribution of 75% of the employee's contributions, up to $6,000 annually.

Included in compensation expense is a de minimis amount and approximately $0.1 million related to the defined contribution 401(k) Savings Plan for the three and six months ended June 30, 2023, respectively, and a de minimis amount, and approximately $0.2 million for the three and six months ended June 30, 2022, respectively.

11. Workforce Reduction

On October 6, 2022, the Company began a reduction of its current workforce by thirteen (13) full-time employees to align its resources with its current priorities of focusing on a mitochondrial disease-focused strategy. The workforce reduction was completed in the fourth quarter of 2022.

The Company recorded total costs related to the 2022 Workforce Reduction of approximately $1.3 million, including a de minimis amount of stock-based compensation from the modification of certain share-based equity awards.

The following table summarizes the accrued liabilities activity recorded in connection with the reduction in workforce for the six months ended June 30, 2023 (in thousands):

	Amounts accrued at December 31, 2022	Charges	Amount paid	Adjustments	Amounts accrued at June 30, 2023
Workforce reduction	$ (809)	$ (127)	$ 791	$ —	$ (144)
Total	$ (809)	$ (127)	$ 791	$ —	$ (144)

12. License Agreement

Akebia License Agreement

On June 3, 2021, the Company and Akebia entered into a License Agreement (the “Akebia License Agreement”) relating to the exclusive worldwide license by the Company to Akebia of our rights to the development, manufacture, medical affairs and commercialization of pharmaceutical products containing the pharmaceutical compound known as praliciguat and other related products and forms thereof enumerated in the License Agreement (collectively, the “Products”). Pursuant to the Akebia License Agreement, Akebia will be responsible for all future research, development, regulatory, and commercialization activities for the Products.

Akebia paid a $3.0 million up-front payment to the Company upon signing of the Akebia License Agreement and the Company is eligible to receive additional milestone cash payments of up to $12.0 million upon initiation of a Phase 2 clinical trial. Further milestone cash payments by Akebia are scheduled in the Akebia License Agreement based on the initiation of Phase 3 clinical trials in the U.S. for Products for first and second indication, for FDA approvals, for approvals in certain other major markets, and for certain sales milestones. In addition to these cash milestone payments, Akebia will pay the Company tiered royalty payments on net sales in certain major markets at percentages ranging from the mid-single digits to the high-teens, subject to certain reductions and offsets.

Pursuant to the Akebia License Agreement, the Company determined the Akebia License Agreement represents a service arrangement under the scope of ASC 606. Given the reversion of the rights under the Akebia License Agreement represents a penalty in substance for a termination by Akebia, the contract term would be the stated term of the Akebia License Agreement.

The Company determined that the grant of license to our patents and trademarks, know how transfer, the assignment of regulatory submissions and trademarks and additional knowledge transfer assistance obligations represent a single promise and performance obligation to be transferred to Akebia over time due to the nature of the promises in the contract. The provision of development materials on hand was identified as a separate performance obligation. However, it is immaterial in the context of the contract as the development materials are low value and do not have an alternative use to the Company.

The consideration related to sales-based milestone payments, including royalties, will be recognized when the related sales occur as these amounts have been determined to relate predominantly to the license. The Company will re-evaluate the probability of achievement of the milestones and any related constraints each reporting period.

Akebia Supply Agreement

On August 3, 2021, the Company and Akebia entered into a Supply Agreement (the “Supply Agreement”) relating to the manufacturing by the Company of the Initial Supply of the Drug Product and placebo ("Initial

Supply") for Akebia's use pursuant to the Akebia License Agreement. Akebia will pay the Company for the manufacturing costs at mutually agreed upon rates.

The Company determined the Supply Agreement has stand-alone value under the scope of ASC 606 and should not be combined with the Akebia License Agreement. Given that the Supply Agreement can be terminated at any time without cause with 30 days' notice, the Company deemed the Supply Agreement to be a month-to-month contract. The manufacturing of the Initial Supply by the Company represents a single performance obligation and consideration related to the manufacturing costs will be recognized over time as costs are incurred. The Company recorded approximately $0.1 million, and $0.3 million as revenue from the Supply Agreement in the three and six months ended June 30, 2022, respectively. There was no revenue recognized as part of the Supply Agreement in the six months ended June 30, 2023.

13. Grant Revenue

In August 2021, the Company was approved to receive funding from the PTC Grant for the Phase 2 study of CNS sGC stimulation in AD with vascular features. The granting period was July 1, 2021, to December 31, 2022, and the Company receive an award of $2 million. The Company determined that this transaction is non-reciprocal as there is not considered to be a commensurate value exchanged with the Alzheimer's Association as the funding provider. Where commensurate value is not exchanged for goods and services provided, a recipient assesses whether the grant is conditional or unconditional. The Company considered all conditions and barriers associated with this grant and determined the grant is conditional and revenue will be recognized upon achieving certain milestones and incurring internal costs specifically covered by this grant. Under ASC 958-605, revenues will be recognized as the Company incurs expenses related to the PTC Grant.

The Company incurred no costs associated with the grant for the three and six months ended June 30, 2023, compared to approximately $0.7 million of expenses associated with the grant for the six months ended June 30, 2022.

14. Subsequent Events

On July 19, 2023, the Company received authorization and approval by its shareholders on the Asset Purchase Agreement.

On July 28, 2023, the Company closed the transactions contemplated by the Asset Purchase Agreement receiving proceeds of $8 million as cash consideration, approximately $2.4 million as reimbursement for certain operating expenses related to zagociguat and CY3018 programs for the period between signing and closing of the transaction, and 10% of all of Tisento Therapeutics Holdings Inc. outstanding equity securities.

Item 2. ***Management's Discussion and Analysis of Financial Condition and Results of Operations***

Forward-Looking Information

The following discussion of our financial condition and results of operations should be read in conjunction with the unaudited condensed consolidated financial statements and the corresponding notes included in this Quarterly Report on Form 10-Q, as well as the audited condensed consolidated financial statements and notes thereto included in our Annual Report on Form 10-K, for the fiscal year ended December 31, 2022. This discussion contains forward-looking statements that involve significant risks and uncertainties. As a result of many factors, such as those referenced or set forth under "Cautionary Note Regarding Forward-Looking Statements" and "Risk Factors" in Part II, Item 1A of this Quarterly Report on Form 10-Q, our actual results may differ materially from those anticipated in these forward-looking statements.

Overview

We are a biopharmaceutical company on a mission to develop treatments for serious diseases. Our portfolio includes novel soluble guanylate cyclase ("sGC") stimulators that modulate a key node in a fundamental signaling network in both the central nervous system ("CNS") and the periphery. The nitric oxide ("NO") soluble guanylate cyclase ("sGC") cyclic guanosine monophosphate ("cGMP") signaling pathway is a fundamental mechanism that precisely controls key aspects of physiology throughout the body. The NO-sGC-cGMP. pathway regulates diverse and critical biological functions and has been successfully targeted with several drugs.

We operate in one reportable business segment—human therapeutics.

Financial Overview

Research and Development Expense. Research and development expenses are incurred in connection with the discovery and development of our product candidates. These expenses consist primarily of the following costs: compensation, benefits and other employee-related expenses, research and development related facilities, third-party contracts relating to nonclinical study and clinical trial activities. All research and development expenses are charged to operations as incurred.

Praliciguat is an orally administered, once-daily systemic sGC stimulator. On June 3, 2021, we entered into a license agreement with Akebia relating to the exclusive worldwide license to Akebia of our rights to the development, manufacture, medical affairs and commercialization of pharmaceutical products containing praliciguat and other related products and forms thereof enumerated in such agreement. Cyclerion is eligible to receive up to $585 million in total potential future development, regulatory, and commercialization milestone payments. Cyclerion is also eligible to receive tiered, sales-based royalties ranging from single-digit to high-teen percentages.

Olinciguat is an orally administered, once-daily, vascular sGC stimulator that was evaluated in a Phase 2 study of participants with sickle cell disease. We released topline results from this study in October 2020. We intend to out-license olinciguat to an entity with strong cardiovascular and/or cardiopulmonary capabilities.

Zagociguat and CY3018 are orally administered CNS-penetrant sGC stimulators. On July 28, 2023, Tisento purchased zagociguat and CY3018 in exchange for $8 million in cash consideration, $2.4 million as reimbursement for certain operating expenses related to zagociguat and CY3018 for the period between signing and closing of the transaction, and 10% of all of Tisento's outstanding equity securities.

Cyclerion continues to evaluate other activities aimed at enhancing shareholder value, which may potentially include collaborations, licenses, mergers, acquisitions, and/or other targeted investments. No such activities are currently pending.

The following table summarizes our research and development expenses, employee and facility related costs allocated to research and development expense, and discovery and pre-clinical phase programs, for the three

and six months ended June 30, 2023 and 2022. The product pipeline expenses relate primarily to external costs associated with nonclinical studies and clinical trial costs, which are presented by development candidates.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
	(in thousands)		(in thousands)	
Product pipeline external costs:				
Zagociguat	(51)	5,047	2,243	9,532
CY3018	(116)	1,463	(58)	2,396
Discovery research	—	220	30	366
Total product pipeline external costs	(167)	6,730	2,215	12,294
Personnel and related internal costs	795	2,703	1,868	5,987
Facilities and other	258	785	576	1,680
Total research and development expenses	$ 886	$ 10,218	$ 4,659	$ 19,961

Securing regulatory approvals for new drugs is a lengthy and costly process. Any failure by us or our partners to obtain, or any delay in obtaining, regulatory approvals would materially adversely affect our product candidate development efforts and our business overall.

Given the inherent uncertainties of pharmaceutical product development, we cannot estimate with any degree of certainty how our programs will evolve, and therefore the amount of time or money that would be required to obtain regulatory approval to market them. As a result of these uncertainties surrounding the timing and outcome of any approvals, we are currently unable to estimate precisely when, if ever, our discovery and development candidates will be approved.

The successful development of our product candidates is highly uncertain and subject to a number of risks including, but not limited to:

- There is substantial doubt regarding our ability to continue as a going concern. We will need to raise additional funding, which may not be available on acceptable terms, or if at all. Failure to obtain necessary capital may force us to delay, limit or terminate our development efforts or other operations.
- The duration of clinical trials may vary substantially according to the type and complexity of the product candidate and may take longer than expected.
- The United States FDA and comparable agencies outside the United States. impose substantial and varying requirements on the introduction of therapeutic pharmaceutical products, which typically require lengthy and detailed laboratory and clinical testing procedures, sampling activities and other costly and time-consuming procedures.
- Data obtained from nonclinical and clinical activities at any step in the testing process may be adverse and lead to discontinuation or redirection of development activity. Data obtained from these activities also are susceptible to varying interpretations, which could delay, limit or prevent regulatory approval.
- The duration and cost of discovery, nonclinical studies and clinical trials may vary significantly over the life of a product candidate and are difficult to predict.
- The costs, timing and outcome of regulatory review of a product candidate may not be favorable, and, even if approved, a product may face post-approval development and regulatory requirements.
- The emergence of competing technologies and products and other adverse market developments may reduce or eliminate the potential value of our pipeline.

As a result of the factors listed in the “Risk Factors” section in Part I, Item 1A of our Annual Report on Form 10-K for the fiscal year ended December 31, 2022, and elsewhere in this Quarterly Report on Form 10-Q, we are unable to determine the duration and costs to complete current or future nonclinical and clinical stages of our product candidates, including as licensed to third parties, or when, or to what extent, we may generate revenues from the commercialization and sale of our product candidates. Development timelines, probability of success and development costs vary widely. We anticipate that we will make determinations as to which additional programs to

pursue and how much funding to direct to each program on an ongoing basis in response to the data from the studies of each product candidate, the competitive landscape and ongoing assessments of such product candidate's commercial potential.

General and Administrative Expense. General and administrative expenses consists primarily of compensation, benefits and other employee-related expenses for personnel in our administrative, finance, legal, information technology, business development, and human resource functions. Other costs include the legal costs of pursuing patent protection of our intellectual property, general and administrative related facility costs, insurance costs and professional fees for accounting and legal services. We record all general and administrative expenses as incurred.

Critical Accounting Policies and Estimates

Our discussion and analysis of our financial condition and results of operations is based upon our consolidated financial statements prepared in accordance with GAAP. The preparation of these financial statements requires us to make certain estimates and assumptions that may affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the amounts of expenses during the reported periods. We base our estimates on our historical experience and on various other assumptions that are believed to be reasonable, the results of which form the basis for making judgments about the carrying values of assets and liabilities. Actual results may differ materially from our estimates under different assumptions or conditions. Changes in estimates are reflected in reported results in the period in which they become known.

We believe that our application of accounting policies requires significant judgments and estimates on the part of management and is the most critical to aid in fully understanding and evaluating our reported financial results. Our significant accounting policies are more fully described in Note 2, *Summary of Significant Accounting Policies*, of the consolidated financial statements elsewhere in this Quarterly Report on Form 10-Q.

All research and development expenses are expensed as incurred. We defer and capitalize nonrefundable advance payments we make for research and development activities until the related goods are received or the related services are performed. A discussion of our critical accounting policies and estimates may be found in our Annual Report on Form 10-K for the fiscal year ended December 31, 2022, in Item 7. *Management's Discussion and Analysis of Financial Condition and Results of Operations* under the heading *Critical Accounting Policies and Estimates.*

Results of Operations

The revenue and expenses reflected in the consolidated financial statements may not be indicative of revenue and expenses that will be incurred by us in the future. The following discussion summarizes the key factors we believe are necessary for an understanding of our consolidated financial statements.

Revenues and Expenses

	Three Months Ended June 30,		Change		Six Months Ended June 30,		Change	
	2023	2022	$	%	2023	2022	$	%
	(dollars in thousands)				(dollars in thousands)			
Revenues:								
Revenue from development agreement	—	72	(72)	(100)%	—	297	(297)	100%
Revenue from grants	—	234	(234)	(100)%	—	720	(720)	(100)%
Total revenues	—	306	(306)	(100)%	—	1,017	(1,017)	(100)%
Cost and expenses:								
Research and development	886	10,218	(9,332)	(91)%	4,659	19,961	(15,302)	(77)%
General and administrative	3,357	3,521	(164)	(5)%	6,626	7,473	(847)	(11)%
Total cost and expenses	4,243	13,739	(9,496)	(69)%	11,285	27,434	(16,149)	(59)%
Loss from operations	(4,243)	(13,433)	9,190	(68)%	(11,285)	(26,417)	15,132	(57)%
Interest and other income, net	62	45	17	38%	150	51	99	194%
Net loss	$ (4,181)	$ (13,388)	$ 9,207	(69)%	$ (11,135)	$ (26,366)	$ 15,231	(58)%

Revenues. The decrease in revenue of approximately $0.3 million for the three months ended June 30, 2023, compared to the three months ended June 30, 2022, can be attributed primarily to approximately $0.2 million received from the PTC Grant and approximately $0.1 million of revenue generated from the Akebia Supply Agreement in the three months ended June 30, 2022.

The decrease in revenue of approximately $1.0 million for the six months ended June 30, 2023 compared to the six months ended June 30, 2022 can be attributed to approximately $0.7 million received from the PTC Grant and approximately $0.3 million of revenue generated from the Akebia Supply Agreement in the six months ended June 30, 2022.

Research and development expense. The decrease in research and development expense of approximately $9.3 million for the three months ended June 30, 2023 compared to the three months ended June 30, 2022 was driven by decreases of approximately $1.3 million in salaries and other employee-related expenses, approximately $0.6 million in non-cash stock-based compensation, approximately $0.5 million in professional services, and approximately $6.9 million in external research costs. The decrease in external research cost was driven by decreases of approximately $5.1 million associated with the zagociguat clinical trials, approximately $1.6 million for CY3018 costs, and approximately $0.2 million in discovery research.

The decrease in research and development expense of approximately $15.3 million for the six months ended June 30, 2023 compared to the six months ended June 30, 2022 was driven by decreases of approximately $3.0 million in salaries and other employee-related expenses, approximately $1.2 million in non-cash stock-based compensation, approximately $1.0 million in professional services, and approximately $10.1 million in external research costs. The decrease in external research cost was driven by decreases of approximately $7.3 million associated with the zagociguat clinical trials, approximately $2.5 million for CY3018 costs, and approximately $0.3 million in discovery research.

General and administrative expense. The decrease in general and administrative expenses of approximately $0.2 million for the three months ended June 30, 2023 compared to the three months ended June 30, 2022 was primarily driven by decreases of approximately $0.7 million in stock-based compensation, approximately $0.7 million in professional services, and approximately $0.3 million in salary expense, partially offset by an increase of approximately $1.5 million in legal fees associated with corporate strategic initiatives.

The decrease in general and administrative expenses of approximately $0.8 million for the six months ended June 30, 2023 compared to the six months ended June 30, 2022 was primarily driven by decreases of approximately $1.4 million in non-cash stock-based compensation, approximately $0.6 million in salaries and other employee-related costs, approximately $0.6 million in professional services, partially offset by an increase of $1.7 million in legal fees associated with corporate strategic initiatives.

Interest and other income increased by approximately $0.1 million for the six months ended June 30, 2023 compared to the six months ended June 30, 2022 due to an increase of approximately $0.1 million in interest income driven by higher interest rates.

Liquidity and Capital Resources

On September 3, 2020, the Company entered into the Sales Agreement with Jefferies with respect to the ATM Offering under the Shelf. Under the ATM Offering, the Company may offer and sell, from time to time at its sole discretion, shares of its common stock, having an aggregate offering price of up to $50.0 million through Jefferies as its sales agent. The Company will pay to Jefferies cash commissions of 3.0 percent of the gross proceeds of sales of common stock under the Sales Agreement. The Company has sold 3,353,059 shares of its common stock for net proceeds of $12.5 million under the ATM Offering since entering into the Sales Agreement, with no shares of common stock issued or sold under the ATM Offering during the six months ended June 30, 2023.

On May 19, 2023, we sold 225,000 shares of our common stock, pursuant to a Common Stock Purchase Agreement, and 351,037 shares of Series A Preferred Stock, to our CEO, for total gross proceeds of approximately $5 million. There were no material fees or commissions related to the transaction.

On July 28, 2023, the Company closed the Asset Purchase Agreement receiving proceeds of $8 million as cash consideration, approximately $2.4 million as reimbursement for certain operating expenses related to zagociguat and CY3018 programs for the period between signing and closing of the transaction, and 10% of all of Buyer Parent's outstanding equity securities.

Our ability to continue to fund our operations and meet capital needs will depend on our ability to generate cash from operations and access to capital markets and other sources of capital, as further described below. We anticipate that our principal uses of cash in the future will be primarily to fund our operations, working capital needs, capital expenditures and other general corporate purposes.

On June 30, 2023, we had approximately $5.6 million of unrestricted cash and cash equivalents. Our cash equivalents include amounts held in U.S. government money market funds. We invest cash in excess of immediate requirements in accordance with our investment policy, which requires all investments held by us to be at least “AAA” rated or equivalent, with a remaining final maturity when purchased of less than twelve months, so as to primarily achieve liquidity and capital preservation.

Going Concern

The Company evaluated whether there are conditions and events, considered in the aggregate, that raise substantial doubt about its ability to continue as a going concern within one year after the date that these consolidated financial statements are issued. This evaluation initially does not take into consideration the potential mitigating effect of management’s plans that have not been fully implemented as of the date the financial statements are issued. When substantial doubt exists under this methodology, management evaluates whether the mitigating effect of its plans sufficiently alleviates substantial doubt about the Company’s ability to continue as a going concern. The mitigating effect of management’s plans, however, is only considered if both (1) it is probable that the plans will be effectively implemented within one year after the date that the financial statements are issued, and (2) it is probable that the plans, when implemented, will mitigate the relevant conditions or events that raise substantial doubt about the entity’s ability to continue as a going concern within one year after the date that these consolidated financial statements are issued. In performing its analysis, management excluded certain elements of its operating plan that cannot be considered probable. Under ASC 205-40, the future receipt of potential funding from future partnerships, equity or debt issuances, and the potential milestones from the Akebia agreement cannot be considered probable at this time because these plans are not entirely within the Company’s control and/or have not been approved by the Board of Directors as of the date of these consolidated financial statements.

The Company has incurred recurring losses since its inception, including a net loss of $11.1 million for the six months ended June 30,2023. In addition, as of June 30, 2023, the Company had an accumulated deficit of $270.3 million. The Company expects to continue to generate operating losses for the foreseeable future. The Company expects that its cash, cash equivalents and marketable securities as of June 30, 2023, will not be sufficient to fund operations for at least the next twelve months from the date of issuance of these consolidated financial statements and the Company will need to obtain additional funding. Accordingly, the Company has concluded that substantial doubt exists about the Company’s ability to continue as a going concern for a period of at least 12 months from the date of issuance of these consolidated financial statements.

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and satisfaction of liabilities in the ordinary course of business. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might result from the outcome of the uncertainties described above.

Reverse Stock Split

On May 15, 2023, the Company filed Articles of Amendment to the Company's Restated Articles of Organization with the Secretary of Commonwealth of Massachusetts to effect a 1-for-20 reverse stock split of the Company's issued and outstanding shares of common stock. The reverse stock split was reflected on the Nasdaq Capital Market beginning with the opening of trading on May 16, 2023. No fractional shares were issued in

connection with the reverse stock split. All share amounts and per share amounts disclosed in this Quarterly Report on Form 10-Q have been adjusted retroactively to reflect the reverse stock split for all periods presented.

Cash Flows

The following is a summary of cash flows for the years ended June 30, 2023 and 2022:

	Six Months Ended June 30,		Change	
	2023	2022	$	%
	(dollars in thousands)			
Net cash used in operating activities	$ (12,769)	$ (23,653)	$ 10,884	(46)%
Net cash provided by financing activities	$ 5,024	$ 17	$ 5,007	100%

Cash Flows from Operating Activities

Net cash used in operating activities was $12.8 million for the six months ended June 30, 2023 compared to $23.7 million for the six months ended June 30, 2022. The decrease in net cash used in operations of $10.9 million primarily relates to a decrease in our net loss of 15.2 million, partially offset by a decrease of approximately $2.7 million in stock-based compensation, and an increase of approximately $1.6 million in working capital accounts.

Cash Flows from Financing Activities

Net cash provided by financing activities for the six months ended June 30, 2023 of $5.0 million was due to cash received from the May 2023 stock purchase agreement of $5 million. There was a de minimis amount of financing activity in the six months ended June 30, 2022.

Funding Requirements

We expect our expenses to fluctuate as we continue to maintain out-license opportunities and seek to broaden our portfolio through in-licensing of complementary CNS assets. Based on our cash and cash equivalents position as of June 30, 2023 and our planned operating expenses and capital expenditure requirements there is substantial doubt regarding our ability to continue as a going concern for a period of one year after the date of this Quarterly Report on Form 10-Q. We will need to raise additional capital in upcoming periods, which may not be available on acceptable terms, if at all. Failure to obtain necessary capital when needed may delay development of our product candidates, halt new development phases, or other operations.

Because of the many risks and uncertainties associated with research, development and commercialization of product candidates, we are unable to estimate the exact amount of our working capital requirements. Our expenses will fluctuate, and our future funding requirements will depend on, and could increase or decrease significantly as a result of many factors, including the:

- scope, progress, results and costs of researching and developing our current and future product candidates, and conducting preclinical studies and clinical trials;
- costs, timing and outcome of regulatory review of our product candidates;
- costs of future activities, including medical affairs, manufacturing and distribution, for any of our product candidates for which we receive marketing approval;
- cost and timing of necessary actions to support our strategic objectives;
- costs of preparing, filing and prosecuting patent applications, maintaining and enforcing our intellectual property rights and defending intellectual property-related claims; and
- timing, receipt and amount of sales of, or milestone payments related to or royalties on, our current or future product candidates, if any.

A change in any of these or other variables with respect to the development of any of our product candidates could significantly change the costs and timing of the development of that product candidate.

Until such time, if ever, as we can generate substantial product revenue, we expect to finance our cash needs through a combination of public or private equity offerings, debt financings, collaborations, strategic alliances or licensing arrangements with third parties. To the extent that we raise additional capital through the sale of equity or convertible debt securities, outstanding equity ownership may be materially diluted, and the terms of securities sold in such transactions could include liquidation or other preferences that adversely affect the rights of holders of common stock. Debt financing and preferred equity financing, if available, may involve agreements that include restrictive covenants that limit our ability to take specified actions, such as incurring additional debt, making capital expenditures or declaring dividends. In addition, debt financing would result in increased fixed payment obligations.

If we raise funds through collaborations, strategic alliances or licensing arrangements with third parties, we may have to relinquish valuable rights to our technologies, future revenue streams, research programs or product candidates or grant licenses on terms that may not be favorable to us.

If we are unable to raise additional funds when needed, we may be required to delay, reduce or eliminate our product development or future commercialization efforts, or grant rights to develop and market product candidates that we would otherwise prefer to develop and market ourselves.

Contractual Commitments and Obligations

Tax-related Obligations

We exclude assets, liabilities or obligations pertaining to uncertain tax positions from our summary of contractual commitments and obligations as we cannot make a reliable estimate of the period of cash settlement with the respective taxing authorities. As of June 30, 2023, we had no uncertain tax positions.

Other Funding Commitments

As of June 30, 2023, we had, and continue to have, several ongoing studies. Our most significant clinical trial spending is with clinical research organizations, or CROs. The contracts with CROs generally are cancellable, with notice, at our option and do not have any significant cancellation penalties.

Off-Balance Sheet Arrangements

We do not have any relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structured finance or special purpose entities, that would have been established for the purpose of facilitating off-balance sheet arrangements (as that term is defined in Item 303(a)(4)(ii) of Regulation S-K) or other contractually narrow or limited purposes. As such, we are not exposed to any financing, liquidity, market or credit risk that could arise if we had engaged in those types of relationships. We enter into guarantees in the ordinary course of business related to the guarantee of our own performance.

New Accounting Pronouncements

For a discussion of new accounting pronouncements see Note 2, *Summary of Significant Accounting Policies*, of the consolidated financial statements appearing elsewhere in this Quarterly Report on Form 10-Q.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

We are a smaller reporting company as defined by Rule 12b-2 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) and are not required to provide the information required under this item.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

The term “disclosure controls and procedures,” as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act refers to controls and procedures that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a

company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. Because there are inherent limitations in all control systems, a control system, no matter how well conceived and operated, can provide only reasonable, as opposed to absolute, assurance that the objectives of the control system are met. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the control. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Our management, with the participation of our chief executive officer and chief financial officer, evaluated the effectiveness of our disclosure controls and procedures as of the end of the period covered by this report. Based on that evaluation, our chief executive officer and chief financial officer concluded that our disclosure controls and procedures were effective, at the reasonable assurance level, as of the end of the period covered by this report. However, our management does not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent all errors and all fraud.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the period covered by this Quarterly Report on Form 10-Q which have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II

Item 1. ***Legal Proceedings***

We are not a party to any material legal proceedings at this time. From time to time we may be subject to various legal proceedings and claims, which may have a material adverse effect on our financial position or results of operations.

Item 1A. ***Risk Factors***

You should carefully review and consider the information regarding certain factors which could materially affect our business, financial condition or future results set forth under the heading "Risk Factors" in Part I, Item 1A of our Annual Report on Form 10-K for the fiscal year ended December 31, 2022. There have been no material changes from the risk factors previously disclosed therein, except as set forth below;

We will have a risk of inadvertently being deemed to be an investment company that is required to register under the Investment Company Act of 1940, which would have a material adverse effect on the Company.

As a result of the transactions pursuant to the Asset Purchase Agreement, we have a risk of inadvertently being deemed to be an investment company that is required to register under the Investment Company Act of 1940 (the "Investment Company Act") because a significant portion of our assets will consist of our ownership shares in Tisento, which will constitute less than a majority ownership of Tisento. If we are deemed to be an inadvertent investment company, we may seek to rely on a safe harbor under the Investment Company Act that would provide us a one-year grace period to take steps to avoid being deemed to be an investment company. Any actions taken to avoid being deemed an investment company could have a material adverse effect on our results of operations and financial condition, and there can be no assurance we would succeed in avoiding such status. If we were unsuccessful, then we would have to register as an investment company, and we would be subject to burdensome and perhaps unsustainable statutory provisions and regulations. If we were deemed to be an investment company and did not, or could not register, or could not comply as an investment company when required to do so, we would be materially adversely affected.

Item 5. ***Other Information***

On July 28, 2023, the transactions contemplated by the Asset Purchase Agreement were consummated. Upon the closing, the Company sold to the Buyer specified assets relating to the Company's zagociguat and CY3018 programs and the Buyer assumed certain liabilities relating thereto, including, but not limited to (i) liabilities, costs and expenses arising after the date of the Asset Purchase Agreement relating to the employment of certain Cyclerion employees and the conduct of certain preclinical and clinical trial activities prior to the closing of the transactions contemplated by the Asset Purchase Agreement, and (ii) liabilities relating to such assets to the extent relating to the period after the closing of the transaction. In consideration for such sale and assumption, at such closing the Company received proceeds of $8 million as cash consideration, reimbursement for certain operating expenses related to such assets for the period between signing and closing of the Asset Purchase Agreement, and shares of common stock of the Tisento comprising 10% of the issued and outstanding equity securities of Tisento immediately following such closing, subject to certain protections against dilution.

The foregoing summary is qualified entirely by reference to the Asset Purchase Agreement, a copy of which is incorporated by reference herein as Exhibit 10.3, which is filed as Exhibit 2.1 to the Current Report on Form 8-K filed on May 11, 2023 (File No. 001-38787).

Information about the Asset Purchase Agreement is being disclosed under this Part II, Item 5 in lieu of separate disclosure under Item 2.01 of Form 8-K.

Item 6. ***Exhibits***

See the Exhibit Index on the following page of this Quarterly Report on Form 10-Q.

EXHIBIT INDEX

Exhibit No.	Description
10.1	Separation Agreement, effective June 26, 2023, by and between Cyclerion Therapeutics, Inc. and Cheryl Gault
10.2	Articles of Amendment to the Restated Articles of Organization of Cyclerion Therapeutics, Inc. (incorporated by reference to Exhibit 3.1 to Current Report on Form 8-K filed on May 15, 2023 (File No. 001-38787)
10.3	Asset Purchase Agreement, dated as of May 11, 2023, among Cyclerion Therapeutics, Inc. and JW Celtics Investment Corp. and JW Cycle Inc. (incorporated by reference to Exhibit 2.1 to Current Report on Form 8-K filed on May 11, 2023 (File No. 001-38787)
31.1	Certificate of Chief Executive Officer (Principal Executive Officer) pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certificate of Chief Financial Officer (Principal Financial Officer) pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certificate of Chief Executive Officer (Principal Executive Officer) pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certificate of Chief Financial Officer (Principal Financial Officer) pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	Inline XBRL Instance Document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document.
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CYCLERION THERAPEUTICS, INC.

By:	/s/ Peter M. Hecht
Name:	Peter M. Hecht
Title:	*Chief Executive Officer (Principal Executive Officer)*

By:	/s/ Anjeza Gjino
Name:	Anjeza Gjino
Title:	*Chief Financial Officer (Principal Financial and Accounting Officer)*

Date: July 28, 2023

Exhibit 10.1
June 26, 2023

Cheryl Gault
[Address on file with Cyclerion's payroll]

Dear Cheryl:

This letter summarizes the terms of the transition package that Cyclerion Therapeutics, Inc. ("Cyclerion") is providing to you in connection with your separation from employment. Please read this letter agreement (the "Letter Agreement"), which includes a general release, carefully. If you are willing to agree to its terms, please sign in the space provided below and return a complete signed scanned copy to Ole Isacson, M.D., Ph.D., Chair of the Compensation Committee of Cyclerion.

1.You understand and acknowledge that your employment with Cyclerion will terminate as of the date of consummation of the transaction contemplated by the Asset Purchase Agreement, dated as of May 11, 2023, by and among Cyclerion, JW Celtics Corp. and JW Cycle, Inc. (the "Separation Date"), provided that you comply with Cyclerion rules and policies through the Separation Date. You will be paid a lump sum payment in cash, as soon as practicable but no later than ten (10) business days after the Separation Date, in an amount equal to the sum of: (i) any of your accrued but previously unpaid annual base salary through the Separation Date, (ii) reimbursement of any reasonable business expenses incurred by you in accordance with the Cyclerion's applicable business expense policy but not yet paid prior to the Separation Date, provided, that you submit proper receipts for such expenses within five (5) days after the Separation Date and (iii), if applicable, any unused and accrued vacation time carried over from your prior employment at Ironwood Pharmaceuticals, Inc. You will also remain eligible to receive the recognition bonus (in the amount of $75,000) as provided under the terms of the Recognition Bonus Agreement, dated April 3, 2023, between you and Cyclerion (the "Recognition Bonus Agreement"), subject to the terms and conditions as contained in the Recognition Bonus Agreement.

2.After the Separation Date, except as provided below, you will not be entitled to receive any benefits paid by, or participate in any benefit programs offered by, Cyclerion to its employees. You will receive, under separate cover, information concerning your right to continue your health insurance benefits after the Separation Date in accordance with COBRA.

3.On the Separation Date, you shall execute the Separation Date Release attached hereto as **Exhibit I** (the "Separation Date Release"). In consideration for (i) your timely signing this Letter Agreement and complying with the promises made herein, and (ii) your timely signing, not revoking, and complying with the Separation Date Release, Cyclerion agrees to provide you with the following separation benefits (the "Severance Benefits"), provided that you comply with the terms of this Letter Agreement and the Separation Date Release:

a. an amount equal to six (6) months of your current base salary, less lawful deductions. This will be made as salary continuation payments, consistent with Cyclerion's regularly scheduled payroll procedures following the expiration of the revocation period set forth in Paragraph 7 of the Separation Date Release;

b. provided that you properly and timely elect to continue your health insurance coverage under COBRA, to contribute towards the cost of such COBRA coverage in the same amount as if you were actively employed, plus any COBRA administration fees, until the earlier of (i) the six month anniversary of your Separation Date, (ii) the date you become eligible for coverage under the group health plan of another employer, (iii) the date you become eligible for Medicare benefits, and (iv) the date that the employer no longer has an obligation to provide COBRA coverage (the "COBRA Contribution Period"). During this COBRA Contribution Period, you will be required to contribute towards the cost of the COBRA premium in the same amount as if you were actively employed, which contribution you must pay directly to Benefit Strategies. After the COBRA Contribution

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Period, you will be responsible for the full cost of any such COBRA premiums. You agree to promptly notify Cyclerion if you become eligible under the group health plan of another employer or if you become eligible for Medicare benefits during the period in which Cyclerion is subsidizing your COBRA premium; and

c. to extend the period in which you may exercise eligible outstanding unexercised stock options granted pursuant to Cyclerion's equity incentive plans that have vested as of the Separation Date to the twenty-four (24) month anniversary of the Separation Date, provided if the original termination date of a stock option is an earlier date, such original termination date shall continue to apply. You understand and agree that you will cease vesting in any of your outstanding options granted under Cyclerion's equity incentive plans as of the Separation Date. If you have any vested "incentive stock options", please carefully read and comply with **Exhibit 2** regarding treatment of your "incentive stock options", which is a part of this Letter Agreement. **You have no longer than 29 days following the date of this Letter Agreement to make the election set forth in Exhibit 2.**

You understand, acknowledge and agree that the benefits detailed in this Paragraph 3 exceed what you are otherwise entitled to receive on separation from employment, and that these additional benefits are given as consideration in exchange for executing this Letter Agreement and the Separation Date Release. You further acknowledge that you are not entitled to any additional payments or consideration not specifically referenced in this Letter Agreement, including without limitation any payments or benefits under Cyclerion's Executive Severance Plan, as amended and restated (the "Executive Severance Plan").

4.You understand and agree that you will not receive and are not entitled to the Severance Benefits specified in Paragraph 3 above, except for your execution of this Letter Agreement and the fulfillment of the promises contained in this Letter Agreement, including, without limitation, the confidentiality undertakings set forth in Paragraph 5 below, and your execution and non-revocation of the Separation Date Release. In signing this Letter Agreement, you agree to perform the following as a condition to your receipt of the Severance Benefits set forth in Paragraph 3 above: (a) promptly returning all Cyclerion-provided technology in its original condition (subject to normal wear and tear), (b) promptly returning any other Cyclerion property in your possession without damage or loss, (c) performing any other transitional or other tasks asked of you by any Cyclerion employee, including your manager, in an orderly and timely manner, and (d) refraining from acts that are intended to cause, or that do cause, damage to Cyclerion, its property (tangible and intangible) and/or its employees.

5.Except as permitted in Paragraph 6, you agree not to disclose to anyone, either directly or indirectly, any information whatsoever regarding the existence or substance of this Letter Agreement or the Separation Date Release, except your immediate family, attorneys, financial advisors, accountants, and tax preparation professionals, provided that they agree to keep such information strictly confidential. The foregoing prohibition includes, but is not limited to, present or former employees of Cyclerion and other members of the public. You further agree, subject to Paragraph 6, not to make or publish any written or oral disparaging or defamatory statements, including online or in social media, regarding Cyclerion or its subsidiaries or affiliates, and each of their current and former employees, officers, directors and agents. You understand and agree that your obligations under this paragraph are material terms of this Letter Agreement, and that Cyclerion shall have the right, in addition to any other damages, to seek and obtain the return of the consideration paid hereunder (without impacting the validity or enforceability of the Separation Date Release) in the event you breach any of your obligations under this paragraph.

6.Nothing in this Letter Agreement shall prohibit or restrict you from lawfully (A) initiating communications directly with, cooperating with, providing information to, causing information to be provided to, or otherwise assisting in an investigation by any governmental or regulatory agency, entity, or official(s) (collectively, "Governmental Authorities") regarding a possible violation of any law; (B) responding to any inquiry or legal process directed to you individually (and not directed to Cyclerion and/or its subsidiaries) from any such Governmental Authorities; (C) testifying, participating or otherwise assisting

in an action or proceeding by any such Governmental Authorities relating to a possible violation of law; or (D) making any other disclosures that are protected under the whistleblower provisions of any applicable law. Additionally, pursuant to the federal Defend Trade Secrets Act of 2016, you shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that: (a) is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (b) is made to your attorney in relation to a lawsuit for retaliation against you for reporting a suspected violation of law; or (c) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Nor does this Letter Agreement require you to obtain prior authorization from Cyclerion before engaging in any conduct described in this paragraph, or to notify Cyclerion that you have engaged in any such conduct.

7.Subject to Paragraph 6, you hereby acknowledge and reaffirm the validity of the agreement(s) between you and Cyclerion regarding your use and non-disclosure of Cyclerion confidential information, and regarding non-competition, non-solicitation and ownership of intellectual property (as applicable), the terms and conditions of which are incorporated herein by reference and remain in full force and effect for the full term stated therein. Subject to Paragraph 6, you further agree that you shall abide by any and all common-law and statutory obligations relating to protection and non-disclosure of trade secrets and confidential and proprietary documents and information. You understand that Cyclerion would not provide you with the Severance Benefits under this Letter Agreement but for your reaffirmation of these obligations. You further understand and agree that your obligations under this paragraph are material terms of this Letter Agreement, and that Cyclerion shall have the right, in addition to any other damages, to seek and obtain the return of the consideration paid hereunder (without impacting the validity or enforceability of the Separation Date Release) in the event you breach any of your obligations under this paragraph.

8.You agree that upon Cyclerion’s reasonable notice to you, you shall cooperate with Cyclerion and its counsel (including, if necessary, preparation for and appearance at depositions, hearings, trials or other proceedings) with regard to any past, present or future legal or regulatory matters that relate to or arise out of matters you have knowledge about or have been involved with during your employment with Cyclerion. In the event that such cooperation is required, you will be reimbursed for reasonable expenses incurred in connection therewith.

9.You agree that if you fail to execute and return the Separation Date Release to Cyclerion on the Separation Date (or you revoke your agreement thereto), the promises and agreements made by Cyclerion herein, including but not limited to those contained in Paragraph 3, will be revoked.

10.You understand and agree that neither the execution of this Letter Agreement or the Separation Date Release, nor the terms of the Letter Agreement or the Separation Date Release, constitute an admission of liability to you by Cyclerion or the Releasees (as such term is defined in the Separation Date Release), and such liability is expressly denied.

11.In the event of your breach or threatened breach of this Letter Agreement, you hereby consent and agree that money damages would not afford an adequate remedy and that Cyclerion shall be entitled to seek a temporary or permanent injunction or other equitable relief against such breach or threatened breach from any court of competent jurisdiction, without the necessity of showing actual damages and without the necessity of posting any bond or other security. Any equitable relief shall be in addition to, not in lieu of, legal remedies, monetary damages, or other available relief. In the event you fail to comply with any of the terms of this Letter Agreement or post-employment obligations contained in it, Cyclerion may, in addition to any other available remedies, claim any amounts paid to you under the provisions of this Letter Agreement and terminate any benefits or payments that are later due under this Letter Agreement, without waiving the Separation Date Release.

12.This Letter Agreement, which will be construed under Massachusetts law, may not be modified, altered, or changed except upon express written consent of both parties wherein specific reference is made to this Letter Agreement.

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13.This Letter Agreement, including all exhibits, represents the complete agreement between you and Cyclerion, and fully supersedes any prior agreements or understandings between the parties, other than the agreement(s) referred to in Paragraph 7. You acknowledge that you have not relied on any representations, promises, or agreements of any kind made to you in connection with your decision to sign this Letter Agreement, except those set forth herein.

14.Should any provision of this Letter Agreement, including any exhibits, be held to be void or unenforceable, the remaining provisions shall remain in full force and effect, to be read and construed as if the void or unenforceable provisions were originally deleted.

15.This Letter Agreement may not be modified or amended, except upon the express written consent of both you and Cyclerion.

16.A waiver by either party hereto of a breach of any term or provision of the Letter Agreement, including all exhibits, shall not be construed as a waiver of any subsequent breach.

17.This Letter Agreement, may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement. Execution of a scanned copy will have the same force and effect as execution of an original, and a scanned signature will be deemed an original and valid signature.

18.To the extent applicable, this Letter Agreement, is intended to comply with Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), including the exceptions thereto, and will be interpreted accordingly. Any payments under this Letter Agreement that may be excluded from Section 409A either as separation pay due to an involuntary separation from service or as short-term deferral shall be excluded from Section 409A to the maximum extent possible. References under this Letter Agreement to your Separation Date will be deemed to refer to the date upon which you experienced a "separation from service" within the meaning of Section 409A of the Code. Notwithstanding anything in this Letter Agreement to the contrary, if required by Section 409A of the Code, if you are considered a "specified employee" for purposes of Section 409A of the Code and if payment of any amounts under this Letter Agreement is required to be delayed for a period of six months after separation from service pursuant to Section 409A of the Code, payment of such amounts shall be delayed as required by Section 409A of the Code, and the accumulated amounts shall be paid in a lump sum payment within ten days after the end of the six-month period. To the extent any reimbursements or in-kind benefits due to you under this Letter Agreement constitute "deferred compensation" under Section 409A of the Code, any such reimbursements or in-kind benefits will be paid to you in a manner consistent with Treasury Regulation Section 1.409A-3(i)(1)(iv). For purposes of Section 409A of the Code, to the extent applicable, each payment made under this Letter Agreement will be designated as a "separate payment" within the meaning of Section 409A of the Code. Notwithstanding the foregoing, Cyclerion makes no representations that the payments and benefits provided under this Letter Agreement comply with Section 409A and in no event shall Cyclerion be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by you on account of non-compliance with Section 409A.

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Cyclerion would like to extend its appreciation to you for your past service, and its sincere hope for success in your future endeavors.

Very truly yours,

/s/ Ole Isacson

Ole Isacson, M.D., Ph.D
Chair of the Compensation Committee
Cyclerion Therapeutics, Inc.

Agreed and Accepted:

/s/ Cheryl Gault
Cheryl Gault

Exhibit 1

Separation Date Release

1.In consideration of the payments and benefits provided by Cyclerion Therapeutics, Inc. (the "Cyclerion") in Section 3 of the Letter Agreement between me and Cyclerion (the "Letter Agreement"), which I acknowledge are substantial and exceed what I am otherwise entitled to, I voluntarily and of my own free will agree to release, forever discharge and hold harmless Cyclerion, its subsidiaries, divisions and affiliates, and each of Cyclerion's, its subsidiaries', its divisions' and its affiliates' respective present or former officers, directors, trustees, employees, agents, insurers, or successors or assigns (the "Releasees") from any and all claims, causes of action, attorneys' fees, costs, damages, or any right to any monetary recovery or any other personal relief legally capable of being waived, whether known or unknown, in law or in equity, which I now have, ever have had, or may hereafter have, based upon or arising from any fact or set of facts, whether known or unknown to me, arising at any time until the date of execution of this Separation Date Release, relating in any way to, or arising in any way from, my employment relationship with Cyclerion (including the terms and conditions of employment) or the Releasees or any other associations with Cyclerion or the Releasees or the termination thereof, including without limitation any claims under Cyclerion's Executive Severance Plan, as amended and restated. Without limiting the generality of the foregoing, this waiver, release, and discharge includes any claim or right, to the extent legally capable of being waived, based upon or arising under any federal, state or local fair employment practices or equal opportunity laws, including, but not limited to, the National Labor Relations Act, as amended; Title VII of the Civil Rights Act of 1964, as amended; Sections 1981 through 1988 of Title 42 of the United States Code, as amended; the Age Discrimination in Employment Act of 1967, as amended; the Older Workers Benefit Protection Act; the Immigration Reform Control Act, as amended; the Employee Retirement Income Security Act of 1974, 29 U.S.C. § 1001, et seq.; the Occupational Safety and Health Act, as amended; the Civil Rights Act of 1866, 29 U.S.C. § 1981, et seq.; the Rehabilitation Act of 1973, 29 U.S.C. § 701, et seq.; the Americans With Disabilities Act of 1990, as amended; the Civil Rights Act of 1991; the Family and Medical Leave Act; the Equal Pay Act; the Genetic Information Nondiscrimination Act of 2008; the Workers Adjustment and Retraining Notification Act; the Massachusetts Law Against Discrimination, G.L. c. 151B; the Massachusetts Wage Payment Statutes, G.L. c. 149, §§ 148, 148A, 148B, 148C, 149, 150, 150A-150C, 151, 152, 152A, et seq.; the Massachusetts Wage and Hour Laws, G.L. c. 151§1A et seq.; the Massachusetts Privacy Statute, G.L. c. 214, § 1B; the Massachusetts Wage Payment Statute, G.L. c. 149, § 148 et seq.; the Massachusetts Sexual Harassment Statute, G.L. c. 214 § 1C; the Massachusetts Civil Rights Act, G.L. c. 12, § 11H, the Massachusetts Equal Rights Act, G.L. c. 93, § 102; the Massachusetts Equal Pay Act, G.L. c. 149, §§ 105A et seq.; the Massachusetts Sick Leave Statute, G.L. c. 149, § 148C; amendments to those laws; or any other federal or state law, regulation, or ordinance; any public policy, contract, tort, or common law; any claim for compensatory or punitive damages, or any other claim for damages or injury of any kind whatsoever; or any claim for costs, fees, disbursements or other expenses including attorneys' fees incurred in any matters. The identification and inclusion of specific statutes and laws in this paragraph is for purposes of example only. The omission of any specific statute or law shall not limit the scope of this general release in any manner.

2.By signing this Separation Date Release, I acknowledge that this waiver includes any claims against Cyclerion and the Releasees under Mass. Gen. Laws c. 149, § 148, et seq., - the Massachusetts Wage Act. These claims include, but are not limited to, claims for failure to pay earned wages, failure to pay overtime, failure to pay earned commissions, failure to timely pay wages, failure to pay accrued vacation or holiday pay, failure to furnish appropriate pay stubs, improper wage deductions, and failure to provide proper check-cashing facilities.

3.I also agree to waive any right to bring, maintain, or participate in a class action, collective action, or representative action against Cyclerion and/or the Releasees to the fullest extent permitted by law. I agree that I may not serve as a representative of a class action, collective action, or representative action, may not participate as a member of a class action, collective action, or representative action, and may not recover any relief from a class action, collective action, or representative action. I further agree that if I am included within a class action, collective action, or representative action, I will take all steps necessary to opt-out of the action or refrain from opting in, as the case may be. I am not waiving any right to challenge the validity of this paragraph on any grounds that may exist in law and equity. However, Cyclerion and the Releasees

reserve the right to attempt to enforce this Separation Date Release, including this paragraph, in any appropriate forum.

4.Notwithstanding the generality of the foregoing, nothing herein constitutes a release or waiver by me of, or prevents me from making or asserting: (i) any claim or right I may have under COBRA; (ii) any claim or right I may have for unemployment insurance or workers' compensation benefits; (iii) any claim to vested benefits under the written terms of a qualified employee pension benefit plan; (iv) any medical claim incurred during my employment that is payable under applicable employer-sponsored group medical plans or an employer-insured liability plan; (v) any claim or right that may arise after the execution of this Separation Date Release; (vi) any claim or right I may have under the Letter Agreement; or (vii) any claim that is not otherwise waivable under applicable law. In addition, nothing herein shall prevent me from filing a charge or complaint with the Equal Employment Opportunity Commission ("EEOC") or similar federal or state agency or my ability to participate in any investigation or proceeding conducted by such agency; provided, however, that pursuant to Paragraph 1 of this Separation Date Release, and to the maximum extent permitted by applicable law, I am waiving any right to recover monetary damages or any other form of personal relief in connection with any such charge, complaint, investigation or proceeding. As and to the maximum extent permitted by applicable law, in the event I receive any personal or monetary relief in connection with any such charge, complaint, investigation or proceeding, Cyclerion will be entitled to an offset for the payments made pursuant to Paragraph 3 of the Letter Agreement.

5.I affirm that I have been paid and have received all leave (paid or unpaid), compensation, wages, bonuses, commissions, benefits, reimbursements and/or monies to which I may be entitled and that no other leave (paid or unpaid), compensation, wages, bonuses, commissions, benefits, reimbursements and/or monies are due to me, except as provided in the Letter Agreement. I further affirm that I have no known workplace injuries or occupational diseases and have been provided and/or have not been denied any leave requested under the Family and Medical Leave Act (to the extent applicable). I also affirm that I have not been retaliated against for reporting any allegations of wrongdoing by Cyclerion or its officers, including any allegations of corporate fraud. In addition, I affirm that all decisions regarding my pay and benefits through the date of my execution of this Separation Date Release were not discriminatory based on age, disability, race, color, sex, religion, national origin or any other classification protected by law.

6.I understand and agree that neither the execution of the Letter Agreement or this Separation Date Release, nor the terms of the Letter Agreement or this Separation Date Release, constitute an admission of liability to me by Cyclerion or the Releasees, and such liability is expressly denied.

7.I hereby acknowledge that:

a) I have read this Separation Date Release in its entirety and understand all of its terms;

b) I have been advised, and I hereby am advised, to consult with an attorney before executing this Separation Date Release. I have obtained independent legal advice from an attorney of my own choice with respect to this Separation Date Release, or I have knowingly and voluntarily chosen not to do so;

c) I freely, voluntarily and knowingly entered into this Separation Date Release after due consideration;

d) I am not waiving or releasing rights or claims that may arise after I sign this Separation Date Release;

e) I understand that the waiver and release in this Separation Date Release is being requested in connection with my separation from employment with Cyclerion;

f) I have had a minimum of twenty-one (21) days to review and consider this Separation Date Release; and consult with an attorney of my choice;

g) I have a right to revoke this Separation Date Release by notifying Cyclerion in writing, via hand delivery, facsimile or electronic mail, within seven (7) days of my execution of this Separation Date Release;

h) In exchange for my waivers, releases and commitments set forth herein, including my waiver and release of all claims arising under the Age Discrimination in Employment Act, the payments, benefits and other considerations that I am receiving pursuant to the Letter Agreement exceed any payment, benefit or other thing of value to which I would otherwise be entitled, and are just and sufficient consideration for the waivers, releases and commitments set forth herein; and

i) No promise or inducement has been offered to me, except as expressly set forth herein, and I am not relying upon any such promise or inducement in entering into this Separation Date Release.

8.This Separation Date Release shall become immediately effective upon the expiration of the seven (7) day revocation period described in Paragraph 7(g) of this Separation Date Release above, provided I have not exercised my right to revoke. In the event that I have exercised my right to revoke this Separation Date Release during the seven (7) days revocation period described in Paragraph 7(g) of this Separation Date Release above, the obligation of Cyclerion to provide the Severance Benefits in Section 3 of the Letter Agreement, shall be deemed automatically null and void.

[Signature page follows]

IN WITNESS WHEREOF, intending to the legally bound, I have executed this Separation Date Release.

_____
Cheryl Gault

Date: _____, 2023*

* To be signed no earlier than the Separation Date

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Peter M. Hecht, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Cyclerion Therapeutics, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 28, 2023

By: /s/ Peter M. Hecht
Name: Peter M. Hecht
Title: Chief Executive Officer (Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Anjeza Gjino, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Cyclerion Therapeutics, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 28, 2023

By: /s/ Anjeza Gjino
Name: Anjeza Gjino
Title: Chief Financial Officer (Principal Financial and Accounting Officer)

Exhibit 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Peter M. Hecht, certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge, the Quarterly Report on Form 10-Q of Cyclerion Therapeutics, Inc. for the period ended June 30, 2023 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and the information contained in such Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of Cyclerion Therapeutics, Inc.

Date: July 28, 2023

By:	/s/ Peter M. Hecht
Name:	Peter M. Hecht
Title:	Chief Executive Officer (Principal Executive Officer)

Exhibit 32.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Peter M. Hecht, certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge, the Quarterly Report on Form 10-Q of Cyclerion Therapeutics, Inc. for the period ended June 30, 2023 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and the information contained in such Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of Cyclerion Therapeutics, Inc.

Date: July 28, 2023

By: /s/ Anjeza Gjino
Name: Anjeza Gjino
Title: Chief Financial Officer (Principal Financial and Accounting Officer)