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 March 31, 2022
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 (State or other jurisdiction of incorporation or organization)	**83-1895370** (I.R.S. Employer Identification No.)
245 First Street, 18th Floor, Cambridge, Massachusetts (Address of principal executive offices)	**02142** (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 Stock Market LLC (Nasdaq Global Select Market)

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 May 2, 2022, the registrant had 43,448,360 shares of common stock, no par value, outstanding.

CYCLERION PHARMACEUTICALS, INC.
QUARTERLY REPORT ON FORM 10-Q
FOR THE QUARTER ENDED MARCH 31, 2022
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:

- the timing, investment and associated activities involved in developing, obtaining regulatory approval for, launching and commercializing our product candidates, including CY6463;
- the coronavirus ("COVID-19") pandemic and related constraints on supply chains and human resource availability affecting our clinical trials and other operating activities;
- 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;
- 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) will be achieved;
- the impact on our business of workforce and expense reduction initiatives;
- our 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; and
- 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, 2021, 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 and per share data)
(Unaudited)

	March 31, 2022	December 31, 2021
ASSETS		
Current assets:		
Cash and cash equivalents	$ 41,125	$ 53,961
Accounts receivable	227	100
Prepaid expenses	1,007	928
Other current assets	477	468
Total current assets	42,836	55,457
Property and equipment, net	17	65
Operating lease right-of-use asset	1,356	1,402
Other assets	2,316	2,407
Total assets	$ 46,525	$ 59,331
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 2,519	$ 1,828
Accrued research and development costs	4,538	6,353
Accrued expenses and other current liabilities	2,434	2,904
Total current liabilities	9,491	11,085
Commitments and contingencies (Note 6)	—	—
Stockholders' equity		
Common stock, no par value, 400,000,000 shares authorized and 43,448,360 issued and outstanding at March 31, 2022 and 400,000,000 shares authorized and 43,410,185 issued and outstanding at December 31, 2021	—	—
Accumulated deficit	(228,054)	(215,076)
Paid-in capital	265,112	263,345
Accumulated other comprehensive loss	(24)	(23)
Total stockholders' equity	37,034	48,246
Total liabilities and stockholders' equity	$ 46,525	$ 59,331

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 March 31,	
	2022	**2021**
Revenues:		
Revenue from development agreement	225	62
Revenue from grants	486	—
Total revenues	711	62
Cost and expenses:		
Research and development	9,743	8,092
General and administrative	3,952	5,365
Total cost and expenses	13,695	13,457
Loss from operations	(12,984)	(13,395)
Interest and other income (expenses), net	6	(4)
Net loss	$ (12,978)	$ (13,399)
Net loss per share:		
Basic and diluted net loss per share	$ (0.30)	$ (0.39)
Weighted average shares used in calculating:		
Basic and diluted net loss per share	43,425	34,081
Other comprehensive loss:		
Net loss	$ (12,978)	$ (13,399)
Comprehensive loss	$ (12,978)	$ (13,399)

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, 2020	34,047,300	$ —	$ 222,949	$ (163,429)	$ (27)	$ 59,493
Net loss	—	—	—	(13,399)	—	(13,399)
Issuance of common stock upon exercise of stock options, RSUs and employee stock purchase plan	82,625	—	27	—	—	27
Share-based compensation expense related to issuance of stock options and RSUs to employees and employee stock purchase plan	—	—	1,921	—	—	1,921
Foreign currency translation adjustment	—	—	391	—	—	391
Balance at March 31, 2021	34,129,925	$ —	$ 225,288	$ (176,828)	$ (27)	$ 48,433

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	43,410,185	$ —	$ 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	38,175	—	—	—	—	—
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	43,448,360	$ —	$ 265,112	$ (228,054)	$ (24)	$ 37,034

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)

	Three Months Ended March 31,	
	2022	**2021**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (12,978)	$ (13,399)
Adjustments to reconcile net loss to net cash (used in) operating activities:		
Depreciation and amortization	48	258
Net loss on disposal of property and equipment	—	(12)
Share-based compensation expense	1,767	2,312
Changes in operating assets and liabilities:		
Accounts receivable	(127)	—
Related party accounts receivable	—	127
Prepaid expenses	(79)	(396)
Other current assets	(9)	(92)
Operating lease assets	46	1,006
Other assets	91	91
Accounts payable	691	(54)
Related party accounts payable	—	(286)
Accrued research and development costs	(1,815)	199
Operating lease liabilities	—	(774)
Accrued expenses and other current liabilities	(470)	(3,435)
Net cash (used in) operating activities	(12,835)	(14,455)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of property and equipment	—	1,462
Net cash provided by investing activities	—	1,462
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from exercises of stock options and ESPP	—	27
Net cash provided by financing activities	—	27
Effect of exchange rate changes on cash and cash equivalents	(1)	—
Net decrease in cash, cash equivalents and restricted cash	(12,836)	(12,966)
Cash, cash equivalents and restricted cash, beginning of period	53,961	58,232
Cash, cash equivalents and restricted cash, end of period	$ 41,125	$ 45,266
Supplemental cash flow disclosure:		
Cash and cash equivalents	$ 41,125	$ 41,429
Restricted Cash	$ —	$ 3,837
Total cash, cash equivalents and restricted cash	$ 41,125	$ 45,266

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 clinical-stage biopharmaceutical company on a mission to develop treatments that restore cognitive function. Our lead asset, CY6463, is a pioneering, central nervous system ("CNS") penetrant, soluble guanylate cyclase ("sGC") stimulator that is currently in clinical development for Alzheimer’s disease with vascular pathology ("ADv"), cognitive impairment associated with schizophrenia ("CIAS"), and Mitochondrial Encephalomyopathy, Lactic Acidosis and Stroke-like episodes ("MELAS"). sGC stimulators are small molecules that act synergistically with nitric oxide ("NO") as positive allosteric modulators of sGC to boost production of cyclic guanosine monophosphate ("cGMP"). cGMP is a key second messenger that, when produced by sGC, regulates diverse and critical biological functions in the CNS including neuronal function, neuroinflammation, cellular bioenergetics, and vascular function.

Cyclerion GmbH, a wholly owned subsidiary, was incorporated in Zug, Switzerland on May 3, 2019. Cyclerion GmbH is an operational entity with one employee who is the Company’s Chief Scientific Officer. 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 that restore cognitive function. Its priorities are advancing its ongoing CY6463 clinical programs and next generation compound, CY3018.

CNS assets. CY6463 is an orally administered CNS-penetrant sGC stimulator that is being developed as a symptomatic and potentially disease modifying therapy for serious CNS diseases. NO-sGC-cGMP is a fundamental signaling network that is widely used in the nervous system. CY6463 enhances the brain’s natural ability to produce cGMP, an important second messenger in the CNS, by stimulating sGC, a key node in the NO-sGC-cGMP pathway. This pathway is critical to basic CNS functions and deficient NO-sGC-cGMP signaling is believed to play an important role in the pathogenesis of many neurodegenerative diseases. Agents that stimulate sGC to produce cGMP may compensate for deficient NO signaling.

On January 13, 2020, we announced positive results from our Phase 1 first-in-human study that provided the foundation for continued development of CY6463. The results from this study indicate that CY6463 was well tolerated. Pharmacokinetic ("PK") data, obtained from both blood and cerebral spinal fluid ("CSF"), support once-daily dosing, with or without food, and demonstrated CY6463 penetration of the blood-brain-barrier with CSF concentrations expected to be pharmacologically active.

On October 14, 2020, we announced positive topline results from our CY6463 Phase 1 translational pharmacology study in healthy elderly participants. Treatment with CY6463 for 15-days in this 24-subject study confirmed and extended results seen in the earlier first-in-human Phase 1 study: once daily oral treatment demonstrated blood-brain-barrier penetration with expected CNS exposure and target engagement. Results also showed significant improvements in neurophysiological and objective performance measures as well as in inflammatory biomarkers associated with aging and neurodegenerative diseases. CY6463 was safe and generally well tolerated in this study. Significant effects on cerebral blood flow and markers of bioenergetics were not observed in this study of healthy elderly participants. We believe that these results, together with nonclinical data, support continued development of CY6463 as a potential new medicine for serious CNS diseases.

We have initiated exploratory clinical trials with CY6463 in ADv, CIAS, and MELAS. The ADv study is supported in part by a grant from the Alzheimer's Association's Part the Cloud-Gates Partnership Grant Program (the "PTC Grant"), which provides Cyclerion with $2 million of funding over two years.

Our next generation CNS asset, CY3018, is a differentiated CNS-penetrant sGC stimulator with greater CSF-to-plasma exposure relative to CY6463. CY3018 is intended to expand the potential of sGC stimulation for the treatment of disorders of the CNS.

Non-CNS assets. We have other assets that are outside of our current strategic focus. These non-core assets are not being internally developed at this time. Praliciguat is an orally administered, once-daily systemic sGC stimulator. On June 3, 2021, we entered into the License Agreement (as defined below) with Akebia Therapeutics, Inc. ("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. 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. Olinciguat is available for licensing to a third party partner.

The Separation

On April 1, 2019, Ironwood Pharmaceuticals, Inc. ("Ironwood") completed the separation of its sGC business, and certain other assets and liabilities, into a separate, independent publicly traded company by way of a pro-rata distribution of all of the outstanding shares of common stock of Cyclerion Therapeutics, Inc. through a dividend distribution of one share of the Company's common stock, with no par value per share, for every 10 shares of Ironwood common stock held by Ironwood stockholders as of the close of business on March 19, 2019, the record date for the Distribution (the entire transaction being the "Separation"). As a result of the Separation, the Company became an independent public company and commenced trading under the symbol "CYCN" on the Nasdaq Global Select Market on April 2, 2019.

2020 Equity Private Placement

On July 29, 2020, the Company entered into a Common Stock Purchase Agreement (the "2020 Equity Private Placement") for the private placement of 6,062,500 shares of the Company's common stock, for total gross proceeds of approximately $24.3 million. The closing of the 2020 Equity Private Placement occurred on July 29, 2020. The Company did not utilize the services of a placement agent or broker and accordingly incurred no material related transaction fees or commissions.

2021 Equity Private Placement

On June 3, 2021, the Company entered into a Common Stock Purchase Agreement (the "2021 Equity Private Placement") for the private placement of 5,735,988 shares of the Company's common stock, for total gross proceeds of approximately $18 million. The closing of the 2021 Equity Private Placement occurred on June 7, 2021. The Company did not utilize the services of a placement agent or broker and accordingly incurred no material related transaction fees or commissions.

At-the-Market Offering

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, with no shares of common stock issued or sold under the ATM Offering during the three months ended March 31, 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 condensed consolidated financial statements and notes thereto contained in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2021, which was filed with the Securities and Exchange Commission on February 24, 2022.

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 months ended March 31, 2022 and 2021 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, 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.

The Company has experienced negative operating cash flows for all historical periods presented and the Company expects these losses to continue into the foreseeable future as the Company continues the development and clinical testing of its product candidates CY6463, CY3018 and its discovery research programs. Through March 31, 2022, the Company had raised an aggregate of $219.8 million (in net proceeds) from equity private placements and the ATM Offering.

After considering the Company's current research and development plans and the timing expectations related to the progress of its programs, and after considering its existing cash and cash equivalents of $41.1 million as of March 31, 2022, the Company did not identify conditions or events that would raise substantial doubt about the Company's ability to continue as a going concern within one year from the date these financial statements were issued.

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 Annual Report on Form 10-K for the fiscal year ended December 31, 2021.

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 three months ended March 31, 2022 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 is currently evaluating the impact that ASU 2016-13 will have on its financial statements and related disclosures.

In May 2021 the FASB issued Accounting Standards Update No. 2021-04, Earnings Per Share ("Topic 260"), Debt-Modifications and Extinguishments ("Subtopic 470-50"), Compensation-Stock Compensation ("Topic 718"), and Derivatives and Hedging-Contracts in Entity’s Own Equity ("Subtopic 815-40"): Issuer’s Accounting for Certain Modifications or Exchanges of Freestanding Equity-Classified Written Call Options, a consensus of the Emerging Issues Task Force ("EITF") , which amends the FASB Accounting Standards Codification ("ASC" or the “Codification”) to provide explicit guidance, and, thus, reduce diversity in practice, on accounting by issuers for modifications or exchanges of freestanding equity-classified written call options that remain equity classified after the modification or exchange. This amendment provides that for an entity that presents earnings per share ("EPS") in accordance with Topic 260, the effects of a modification or an exchange of a freestanding equity-classified written call option that is recognized as a dividend should be an adjustment to net income (or net loss) in the basic EPS calculation. The amended guidance is effective for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years, and should be applied prospectively to modifications or exchanges occurring on or after the effective date. The Company adopted ASU 2021-04 in the first quarter of 2022, and the adoption of this standard did not have a material 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 March 31, 2022 and December 31, 2021 (in thousands):

	Fair Value Measurements as of March 31, 2022:			
	Level 1	Level 2	Level 3	Total
Cash equivalents:				
Money market funds	$ 40,072	$ —	$ —	$ 40,072
Cash equivalents	$ 40,072	$ —	$ —	$ 40,072

	Fair Value Measurements as of December 31, 2021:			
	Level 1	Level 2	Level 3	Total
Cash equivalents:				
Money market funds	$ 52,917	$ —	$ —	$ 52,917
Cash equivalents	$ 52,917	$ —	$ —	$ 52,917

During the three months ended March 31, 2022 and 2021, 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 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):

	March 31, 2022	December 31, 2021
Software	2,214	$ 2,214
Computer equipment	51	51
Property and equipment, gross	2,265	2,265
Less: accumulated depreciation and amortization	(2,248)	(2,200)
Property and equipment, net	$ 17	$ 65

As of March 31, 2022, and December 31, 2021, the Company's property and equipment was primarily located in Cambridge, Massachusetts.

Depreciation and amortization expense of the Company's property and equipment was a de minimis amount and approximately $0.3 million for the three months ended March 31, 2022 and 2021, respectively.

5. Accrued Expenses and Other Current Liabilities

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

	March 31, 2022	December 31, 2021
Accrued incentive compensation	$ 520	$ 1,369
Salaries	455	266
Accrued vacation	363	345
Professional fees	710	398
Accrued severance and benefit costs	—	28
Other	386	498
Accrued expenses and other current liabilities	$ 2,434	$ 2,904

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 March 31, 2022 and December 31, 2021.

7. Leases

On April 30, 2021, the Company entered into a Termination Agreement (the "Termination Agreement") for its Head Lease (the "Head Lease") for the Company's former headquarters located at 301 Binney Street, Cambridge, MA, as initially amended on February 28, 2020, and further amended on September 15, 2020. Pursuant to the Termination Agreement, the Company surrendered the leased space of approximately 57,000 square feet to the building's landlord. The Company did not pay any termination fees in connection with the Termination Agreement. As a result of the termination of the Head Lease, the related right-of-use asset was written off, the lease liability was derecognized, and the $3.8 million security deposit was returned to the Company and recorded as part of our cash balance.

Lease cost was recognized on a straight-line basis over the lease term. For the three months ended March 31, 2021, the Company recognized a total of approximately $1.6 million of total lease costs and $0.5 million of variable lease costs, related to the Head Lease. The Company did not record any lease costs related to the Head Lease during the three months ended March 31, 2022. For the three months ended March 31, 2021, the Company paid $1.4 million related to its lease liability.

In May 2021, the Company signed a membership agreement to lease space with WeWork at 501 Boylston Street, Boston, Massachusetts. The lease commenced on August 1, 2021 and was accounted for as a short term lease. The Company recorded $0.1 million lease expense associated with the membership agreement during the three months ended March 31, 2022.

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 of lease expense during the

three months ended March 31, 2022. 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 $0.1 million for the three months ended March 31, 2022. 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 also mirrored two of Ironwood's 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 Separation as part of the equity conversion. As a result of the Separation and in accordance with the EMA, 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 months ended March 31, 2022 and 2021 (in thousands):

	Three Months Ended March 31,	
	2022	2021
Research and development	$ 830	$ 982
General and administrative	937	1,330
	$ 1,767	$ 2,312

A summary of stock option activity for the three months ended March 31, 2022, 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, 2021	7,080,426	$ 10.73	6.9	—
Granted	1,437,950	1.25		
Exercised	—	0.00		
Cancelled or forfeited	(247,978)	(13.30)		
Outstanding as of March 31, 2022	8,270,398	$ 9.01	7.4	$ 0
Exercisable at March 31, 2022	4,618,482	$ 13.05	6.1	$ 0

As of March 31, 2022, 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 $7.9 million and the weighted average period over which that expense is expected to be recognized is 3.4 years.

A summary of RSU activity for the three months ended March 31, 2022 is as follows:

	Number of Shares	Weighted Average Grant Date Fair Value
Unvested as of December 31, 2021	92,804	$ 13.70
Granted	—	—
Vested	(38,175)	15.01
Forfeited	—	—
Unvested as of March 31, 2022	54,629	$ 12.78

As of March 31, 2022, the unrecognized share-based compensation expense, net of estimated forfeitures, related to all unvested restricted stock units by the Company's employees is $0.5 million and the weighted-average period over which that expense is expected to be recognized is 1.1 years.

The Company has granted to certain employees performance-based options to purchase shares of common stock. These options are subject to performance-based milestone vesting. During the three months ended March 31, 2022 and 2021 there were no shares that vested as a result of performance milestone achievements. The Company recorded no share-based compensation expense related to these performance-based options for the three months ended March 31, 2022 and 2021.

The Company also 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 March 31, 2022, there were 450,000 outstanding stock options containing market conditions with a weighted average exercise price of $2.01. As of March 31, 2022 there was $0.2 million of unrecognized compensation costs related to stock options containing market conditions, which is expected to be recognized over a weighted-average period of 1.93 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 March 31,	
	2022	2021
Numerator:		
Net loss (in thousands)	$ (12,978)	$ (13,399)
Denominator:		
Weighted average shares used in calculating net loss per share — basic and diluted (in thousands)	43,425	34,081
Net loss per share — basic and diluted	$ (0.30)	$ (0.39)

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 months ended March 31, 2022 and 2021:

	Three Months Ended March 31,	
	2022	2021
Stock Options	$ 8,270,398	$ 7,346,250
RSUs	54,629	131,020
	$ 8,325,027	$ 7,477,270

10. Defined Contribution Plan

Subsequent to the Separation, Cyclerion 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 Cyclerion plan.

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

Included in compensation expense is approximately $0.1 million and $0.2 million related to the defined contribution 401(k) Savings Plan for the three months ended March 31, 2022 and 2021, respectively.

11. Workforce Reduction

2020 Workforce Reduction

On November 5, 2020, the Company began a reduction of its current workforce by forty-eight (48) full-time employees to align its resources with its current priorities of focusing on the MELAS study, the planned ADv study and further characterization of CY6463 novel pharmacology. The workforce reduction was completed by the end of the first quarter of 2021.

The following table summarizes the accrued liabilities activity recorded in connection with the reduction in workforce for the three months ended March 31, 2022 (in thousands):

	Amounts accrued at December 31, 2021	Charges	Amount paid	Adjustments	Amounts accrued at March 31, 2022
2020 workforce reduction	$ 28	$ 0	$ 26	$ 2	$ —
Total	$ 28	$ —	$ 26	$ 2	$ —

12. License Agreement

Akebia License Agreement

On June 3, 2021, the Company and Akebia entered into a License Agreement (the "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 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 License Agreement and the Company is eligible to receive additional milestone cash payments of up to $12.0 million in the next 18 months. Further milestone cash payments by Akebia are scheduled in the 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 License Agreement, the Company determined the License Agreement represents a service arrangement under the scope of ASC 606. Given the reversion of the rights under the License Agreement represents a penalty in substance for a termination by Akebia, the contract term would be the stated term of the 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 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 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, based on an input method. The Company recorded $0.2 million as revenue from the Supply Agreement in the three months ended March 31, 2022.

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 is July 1, 2021, to December 31, 2022, and the Company will receive an award of up to $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 approximately $0.5 million of allowable expenses and recognized a corresponding amount of grant revenue for the three months ended March 31, 2022. The Company had a deferred revenue balance of approximately $0.3 million related to advance billings as of March 31, 2022.

14. Subsequent Events

The Company has evaluated all events and transactions that occurred after the balance sheet date through the date the condensed consolidated financial statements were issued and determined that there were no such events requiring recognition or disclosure in the condensed consolidated financial statements.

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, 2021. 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 clinical-stage biopharmaceutical company focused on discovering, developing and commercializing innovative medicines for people with serious diseases of the CNS, including cognitive and neurodegenerative disorders. Our current lead asset, CY6463, is a pioneering CNS-penetrant sGC stimulator in clinical development for ADv, CIAS and MELAS. sGC stimulators are small molecules that act synergistically with NO on sGC to boost production of cyclic guanosine monophosphate, or cGMP. cGMP is a key second messenger that, when produced by sGC, regulates diverse and critical biological functions in the CNS including blood flow and vascular dynamics, inflammatory and fibrotic processes, bioenergetics, metabolism and neuronal function.

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.

CNS assets. The core of our portfolio is CY6463, an orally administered CNS-penetrant sGC stimulator that is being developed as a symptomatic and potentially disease-modifying therapy for CNS diseases associated with cognitive impairment. NO-sGC-cGMP is a fundamental signaling network, that is widely used in the nervous system. CY6463 enhances the brain's natural ability to produce cGMP, an important second messenger in the CNS, by stimulating sGC, a key node in the NO-sGC-cGMP pathway. This pathway is critical to basic CNS functions, and deficient NO-sGC-cGMP signaling is believed to play an important role in the pathogenesis of many CNS diseases. Agents that stimulate sGC to produce cGMP may compensate for deficient NO signaling.

In January 2020, we announced positive results from our Phase 1 first-in-human study that provided the foundation for continued development of CY6463. The results from this study indicate that CY6463 was well tolerated. Pharmacokinetic data, obtained from both blood and cerebral spinal fluid, support once-daily dosing with or without food and demonstrated CY6463 penetration of the blood-brain-barrier with CSF concentrations expected to be pharmacologically active.

In October 2020, we announced positive topline results from our CY6463 Phase 1 translational pharmacology study in healthy elderly participants. Treatment with CY6463 for 15 days in this 24-subject study confirmed and extended results seen in the earlier first-in-human Phase 1 study: once-daily oral treatment demonstrated blood-brain-barrier penetration with expected CNS exposure and target engagement. Results also showed significant improvements in neurophysiological and objective performance measures as well as in inflammatory biomarkers associated with aging and neurodegenerative diseases. CY6463 was safe and generally well tolerated in this study. Significant effects on cerebral blood flow and markers of bioenergetics were not observed in this study of healthy elderly participants. We believe that these results, together with nonclinical data, support continued development of CY6463 as a potential new medicine for serious CNS diseases.

We have initiated exploratory clinical trials with CY6463 ADv, CIAS, and MELAS. The ADv study will be supported in part by a grant from the Alzheimer's Association's Part the Cloud-Gates Partnership Grant Program, which provides Cyclerion with $2 million of funding over two years.

Our next-generation CNS asset, CY3018, is a differentiated CNS-penetrant sGC stimulator with greater CSF-to-plasma exposure relative to CY6463 based on nonclinical studies. CY3018 is intended to expand the potential of sGC stimulation for the treatment of disorders of the CNS.

Non-CNS assets. We have other assets that are outside of our current strategic focus. These non-core assets are not being internally developed at this time. *Praliciguat* is an orally administered, once-daily systemic sGC stimulator. On June 3, 2021, we entered into the 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 the pharmaceutical compound praliciguat and other related products and forms thereof enumerated in such agreement. *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. Olinciguat is available for licensing to a third party partner.

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 months ended March 31, 2022 and 2021. The product pipeline expenses relate primarily to external costs associated with nonclinical studies and clinical trial costs, which are presented by development candidate.

	Three Months Ended March 31,	
	2022	2021
	(in thousands)	
Product pipeline external costs:		
CY6463	4,452	1,166
CY3018	933	—
Olinciguat	20	166
Praliciguat	12	(468)
Discovery research	146	700
Total product pipeline external costs	5,563	1,564
Personnel and related internal costs	3,284	3,824
Facilities and other	896	2,704
Total research and development expenses	$ 9,743	$ 8,092

Securing regulatory approvals for new drugs is a lengthy and costly process. Any failure by us to obtain, or any delay in obtaining, regulatory approvals would materially adversely affect our product 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. We invest carefully in our pipeline, and the commitment of funding for each subsequent stage of our development programs is dependent upon the receipt of clear, supportive data.

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

- The full impact of COVID-19 pandemic continues to develop and could continue to adversely affect our programs and operations, including our clinical trials, corporate development, and other activities.
- Cyclerion works closely with its clinical trial sites and investigators to deliver trials in a manner consistent with the safety of study participants and healthcare professionals.
- 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, 2021, 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 or when, or to what extent, we will 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 expense 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, 2021 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 March 31,		Change	
	2022	2021	$	%
	(dollars in thousands)			
Revenues:				
Revenue from development agreement	225	62	163	263 %
Revenue from grants	486	—	486	100 %
Total revenues	711	62	649	1047 %
Cost and expenses:				
Research and development	9,743	8,092	1,651	20 %
General and administrative	3,952	5,365	(1,413)	(26)%
Total cost and expenses	13,695	13,457	238	2 %
Loss from operations	(12,984)	(13,395)	411	(3)%
Interest and other income (expenses), net	6	(4)	10	(250)%
Net loss	$ (12,978)	$ (13,399)	$ 421	(3)%

Revenues. The increase in revenue of approximately $0.6 million for the three months ended March 31, 2022, compared to the three months ended March 31, 2021, can be attributed primarily to the revenue from the PTC Grant, which was approved in August 2021, and revenue generated from the Akebia Supply Agreement, offset by a decrease in revenue generated from services performed under the development agreement (the "Development Agreement") with Ironwood, which ended on March 31, 2021.

Research and development expense. The increase in research and development expense of approximately $1.7 million for the three months ended March 31, 2022 compared to the three months ended March 31, 2021 was driven by an increase of approximately $3.3 million in external research costs related to CY6463 clinical trials in CIAS, ADv, and MELAS, and approximately $0.9 million for CY3018 costs, and a refund of approximately $0.5 million received in 2021 related to praliciguat clinical trial, offset by a decrease of approximately $0.7 million in discovery research, a decrease of approximately $0.6 million in other employee-related expenses primarily due to the workforce reduction in November 2020, and a decrease of approximately $1.7 million in facilities and operating costs allocated to research and development primarily due to the reduction in the Company’s total leased premises.

General and administrative expense. The decrease in general and administrative expenses of approximately $1.4 million for the three months ended March 31, 2022 compared to the three months ended March 31, 2021 was primarily driven by a decrease of approximately $0.9 million in salaries, stock-based compensation and other employee-related expenses due to lower average headcount, and a decrease of approximately $0.5 million in facilities and operating costs.

Liquidity and Capital Resources

After the Separation on April 1, 2019, we raised approximately $165 million net of direct financing expenses with the closing of the 2019 Equity Private Placement on April 2, 2019.

On July 29, 2020, we closed on a private placement of 6,062,500 shares of our common stock, pursuant to a Common Stock Purchase Agreement, for total gross proceeds of approximately $24.3 million. There were no material fees or commissions related to the transaction. The Company intends to use the proceeds to fund working capital and other general corporate purposes.

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 three months ended March 31, 2022.

On June 7, 2021, we closed on a private placement of 5,735,988 shares of our common stock, pursuant to a Common Stock Purchase Agreement, for total gross proceeds of approximately $18 million. There were no material fees or commissions related to the transaction. The Company intends to use the proceeds to fund working capital and other general corporate purposes.

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 March 31, 2022, we had approximately $41.1 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

Based on the timing expectations of our research and development plans, including our clinical trials, we expect that our existing cash and cash equivalents as of March 31, 2022 will be sufficient to fund our planned operating expenses and capital expenditure requirements at least through the next 12 months following the date of this Quarterly Report on Form 10-Q. We have based this estimate on assumptions that may prove to be wrong, particularly as the process of testing drug candidates in clinical trials is costly and the timing of progress in these trials is uncertain.

Cash Flows

The following is a summary of cash flows for the three months ended March 31, 2022 and 2021:

	Three Months Ended March 31,		Change	
	2022	2021	$	%
	(dollars in thousands)			
Net cash used in operating activities	$ (12,835)	$ (14,455)	$ 1,620	(11)%
Net cash provided by (used in) investing activities	$ —	$ 1,462	$ (1,462)	(100)%
Net cash provided by financing activities	$ —	$ 27	$ (27)	(100)%

Cash Flows from Operating Activities

Net cash used in operating activities was $12.8 million for the three months ended March 31, 2022 compared to $14.5 million for the three months ended March 31, 2021. The decrease in net cash used in operations of $1.6 million primarily relates to a decrease in our net loss of $0.4 million, a decrease in working capital accounts of $1.9 million, partially offset by a decrease of stock-based compensation and other non-cash items of $0.7 million.

Cash Flows from Investing Activities

Net cash provided by investing activities was de minimis for the three months ended March 31, 2022 compared to net cash used in investing activities of $1.5 million for the three months ended March 31, 2021. The decrease in net cash provided by investing activities of $1.5 million was primarily from an increase in cash received from sale of lab equipment in 2021.

Cash Flows from Financing Activities

Net cash provided by financing activities for the three months ended March 31, 2022 was de minimis.

Net cash provided by financing activities for the three months ended March 31, 2021 was de minimis.

Debt – Paycheck Protection Program

On April 21, 2020, we received loan proceeds in the amount of approximately $3.5 million pursuant to a promissory note agreement (the "Promissory Note") with a bank under the Paycheck Protection Program ("PPP"), of which certain key terms were adjusted by the Paycheck Protection Program Flexibility Act ("PPPFA"). The Promissory Note had an initial loan maturity of April 20, 2022, a stated interest rate of 1.0% per annum, and had payments of principal and interest that were due monthly after an initial deferral period where interest accrued, but no payments were due. Under the PPPFA, the initial deferral may be extended from six up to ten months and the loan maturity may be extended from two to five years. The Promissory Note provided for customary events of default, including, among others, those relating to failure to make payment when due and breaches of representations. The loan is subject to all the terms and conditions applicable under the PPPFA and is subject to review by the Small Business Association ("SBA") for compliance with program requirements.

In August 2021, the Company applied with the SBA for forgiveness of the PPP loan and was notified on November 4, 2021 that the SBA has approved our application to forgive the entire amount of the loan and accrued interest. In November 2021, the Company recorded a gain on extinguishment of debt of $3.6 million representing the principal and accrued interest for the PPP Loan.

Funding Requirements

We expect our expenses to fluctuate as we advance the preclinical activities and clinical trials of our product candidates.

We believe that our existing cash and cash equivalents as of March 31, 2022 will enable us to fund our planned operating expenses and capital expenditure requirements at least through the next 12 months following the date of this Quarterly Report on Form 10-Q, excluding net cash flows from potential business development activities. We based this estimate on assumptions that may prove to be wrong, and we could exhaust our available capital resources sooner than we expect.

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 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. Further, our operating plans may change in the future, and we may need additional funds to meet operational needs and capital requirements associated with such operating plans.

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 March 31, 2022, we had no uncertain tax positions.

Other Funding Commitments

As of March 31, 2022, we had, and continue to have, several ongoing studies in various clinical trial stages. 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, 2021.

Item 5. ***Other Information***

Not applicable.

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	Offer Letter, effective April 1, 2019, by and between Cyclerion Therapeutics, Inc. and Cheryl Gault
10.2	Employment Agreement, effective April 29, 2019, by and between Cyclerion GmbH and Andreas Busch
10.3	Form of Stock Option Agreement under the Cyclerion Therapeutics, Inc. 2019 Equity Incentive Plan (incorporated by reference to Exhibit 10.10 for Form 10 filed on March 4, 2019 (File No. 001-38787)
10.4	Form of Non-Employee Director Restricted Stock Agreement under the Cyclerion Therapeutics, Inc. 2019 Equity Incentive Plan (incorporated by reference to Exhibit 10.11 to Form 10 filed on March 4, 2019 (File No. 001-38787)
10.5	Form of Restricted Stock Unit Award Agreement under the Cyclerion Therapeutics, Inc. 2019 Equity Incentive Plan (incorporated by reference to Exhibit 10.12 for Form 10 filed on March 4, 2019 (File No. 001-38787)
10.6	Non-Employee Director Compensation Plan (amended and restated as of December 17, 2021)
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: May 4, 2022

Exhibit 10.1

3/11/19

Re: Offer of Transfer to Cyclerion

Dear Cheryl:

On behalf of all my colleagues at Cyclerion, I am pleased to provide you with the terms and conditions of your anticipated employment by Cyclerion Therapeutics, Inc., a Massachusetts corporation (the "Company"). As you are aware, the Company intends to separate from Ironwood Pharmaceuticals, Inc. This offer is contingent on the completion of the separation. This offer, if accepted, sets forth the terms of your employment with the Company after the separation. If you accept this offer, it will take effect upon the separation.

1. Position. Your position will be that of Head of Strategy, reporting to Mark Currie. In addition to performing duties and responsibilities associated with such position, from time to time the Company may assign you other duties and responsibilities. As a full-time employee of the Company, you will be expected to devote your full business time and energies to the business and affairs of the Company.

2. Starting Date/Nature of Relationship. It is expected that your employment will start on the separation, anticipated to be 4/1/19. No provision of this offer letter shall be construed to create an express or implied employment contract for a specific period of time. Either you or the Company may terminate the employment relationship at any time and for any reason.

3. Compensation.

    a. Your initial base salary for this exempt position will be paid bi-weekly, equal to $324,600 per year.

    b. You will be eligible for a target bonus of 30% of your base salary, based on achievement of mutually acceptable goals developed by you and your manager, and the Company's achievement of its corporate goals. These goals, and the terms of the target bonus, will be communicated to you at a later date.

4. Benefits.

    a. The benefits in which you are enrolled at Ironwood will transfer with you to Cyclerion. The Company retains the right to change, add or cease any particular benefit. Current benefits include: medical, dental, and vision insurance, disability and life insurance, 401k plan, flexible spending plan, paid time off, and holidays. Details about your Cyclerion benefits, including the impact of payments made toward Ironwood deductibles and out-of-pocket maximums, if applicable, will be provided under separate cover.

    b. As an employee of the Company, you will be entitled to unlimited paid time off (PTO), to be taken pursuant to the Company's PTO policy. By accepting this offer of employment, you agree that your Ironwood accrued vacation balance will be transferred and credited to your employee record at the Company and will be paid out to you upon termination of your employment with the Company.

    c. Your original hire date at Ironwood Pharmaceuticals, Inc of 2/28/11 will be incorporated into your Cyclerion record as your service date.

5. Confidentiality. The Company considers the protection of its confidential information and proprietary materials to be very important. Therefore, as a condition of your employment, you and the Company will become parties to an agreement regarding non-competition, non-solicitation and ownership of intellectual property (as applicable), which has been provided to you herewith.

6. General.

    a. The agreement 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) will constitute our entire agreement as to the terms of your employment by the Company and will supersede any prior agreements or understanding, whether in the writing or oral.

    b. As required by law, this offer is subject to satisfactory proof of right to work in the United States.

    c. This letter shall be governed by the laws of the Commonwealth of Massachusetts, without application of its principles of conflict laws.

In addition, by accepting this offer, you represent and warrant to the Company that from and after your start date of employment, you will not be subject to any noncompetition or other agreement prohibiting you from performing services for the Company to the full extent contemplated by this letter. In addition, should you become legally prohibited from performing services for the Company to the full extent contemplated by this letter, or should the Company reasonably believe that you are legally prohibited

from performing services to the full extent contemplated by this letter, the Company shall have the right to rescind your offer and/or immediately terminate your employment.

This offer of transition will expire on 3/28/2019 unless accepted by you prior to such date.

We are very excited to build Cyclerion into a great entrepreneurial biopharmaceutical company with you!

Sincerely,

CYCLERION THERAPEUTICS, INC.

/s/ Bill Huyett
Bill Huyett
President (future CFO)

Accepted this 27 day of March 2019
/s/ Cheryl Gault
Employee Name

Employment Agreement between Cyclerion GmbH (in formation) [hereinafter: Company] and Andreas Busch [hereinafter: Employee]

The Company and the Employee are also referred to as **"Party" or "Parties".**

1. Beginning of Employment

The employment relationship **("Employment")** of the Employee starts on April 29, 2019, or as soon as reasonably practicable thereafter (the **"Commencement Date").**

2. Full Time Employment

The Employment shall be full time (100%)

3. Position

a. Function

The Employee shall assume the function as Chief Innovation Officer, Head of the Innovation Center.

b. Duties and Responsibilities

It is understood that the duties and responsibilities arising out of the above function includes all tasks customarily or reasonably incidental to such function as determined by the Company (e.g. in a job description as updated from time to time) and those expressly mentioned in this Employment Agreement.

The Company may assign to the Employee any additional or new duties or responsibilities as deemed reasonable or appropriate by the Company in the course and fulfillment of its business.

The Employee undertakes to use the entire working ability to fulfill the contractual obligations and to loyally safeguard and foster the business and the interests of the Company. The Employee shall carefully perform all work assigned to the Employee.

The Employee shall avoid any conflict of interests.

c. Company Policies

The Employee will at all times comply with the Company's policies, as implemented, amended and/or restated from time to time insofar as they are compliant with Swiss Law. Such policies include, inter alia, a Code of Conduct, health and safety requirements, market research, conduct, drug use, internet and e-mail use, working time, etc.

d. Side Activities

Other than with respect to the scientific advisory boards, supervisory boards, and similar positions (collectively, each an "engagement" and collectively, the "engagements", all as set forth on Exhibit A, as well as future engagements that are approved in advance and in writing by the Company, the Employee shall devote his full working capacity to the Company. In addition to future engagements, the Employee is not entitled to work for any other third party or engage in any other gainful employment without the prior written approval of the Company.

Any non-remunerated side activities need the approval of the Company as well. Such approval shall only be withheld if the activity limits the working capability of the Employee or is against the interests of the Company or any Group Company.

4. Group Structure

The Employee acknowledged that the Company is part of a group of companies ("Group Companies") ultimately controlled by Cyclerion Therapeutics, Inc., a Massachusetts (USA) company. The Employee acknowledges that the Employee will need to work with and/or report to other employees and/or officers of other Group Companies.

5. Place of Work

The Employee's principal place of work shall initially be his home office in Switzerland. The Employee confirms that his home office complies with all applicable health and safety standards pursuant to Swiss legislation.

The Employee understands and agrees that he may, in the course of the Employment and where reasonably requested by the Company, be required to travel to and work, on an interim basis, in other places and countries in order to perform his obligations and duties under the Employment Agreement. The Company has the express right to change the place of work to an office in Switzerland if the Company decides to set up such an office.

6. Compensation

a. Base Salary

The Employee shall receive an annual base salary of CHF 450,000 gross (the **"Base Salary"**), payable in twelve monthly installments at the end of the month.

b. Variable Compensation

The Employee will be eligible for a target bonus of 40% of his Base Salary, based on achievement of certain individual goals and the Company's achievement of its corporate goals. For his first year of employment, this bonus will be pro-rated based upon the Commencement Date. The goals applicable for a specific time period will be determined by the Company at its full discretion and communicated to the Employee separately.

c. Option

The Employee will be granted an option to purchase 300,000 shares of Common Stock of Cyclerion Therapeutics Inc. ("Shares") pursuant to the terms and conditions of Cyclerion Therapeutics Inc's standard form of option agreement (the "Option"). The exercise price of the Option shall be the fair market value of Cyclerion Therapeutics Inc's Common Stock at the time of grant of the Option. The Option will be subject to vesting based on the Employee's continued employment by the Company on each vest date: 25% shall vest one year from the Start Date, with the balance vesting equally on a monthly basis over the subsequent three years.

d. Expenses

The Employee shall be entitled to reimbursement for approved travel and out of pocket expenses reasonably incurred by the Employee during the Employment in the performance of the Employee's duties under this Employment Agreement. However, the reimbursement is subject to (i) the submission of relevant vouchers and receipts and (ii) the compliance with the reimbursement policies of the Company possibly established and amended from time to time.

e. No Other Compensation

The Employee acknowledges and agrees that the Employee shall not be entitled to receive any other compensation or benefit of any nature from the Company except as expressly provided for in this Employment Agreement.

7. Social Security

From the salary (as defined by the applicable laws and regulations, which may include bonuses, allowances, participation and other benefits in addition to the Base Salary) any portions of Employee's social security contributions (AHV (Old-age and surviving dependents insurance)/IV (Disability insurance)/EO (Wage compensation), ALV (Unemployment insurance), UV(Accidence insurance), premiums to pension schemes (cp. regulations of the pension fund) and withholding taxes, if any, will be deducted and withheld by the Company from the payments made to the Employee.

8. Illness and Accident

a. Salary Continuation in case of Illness

If the Employee is prevented from performing the Employee's duties arising out of or relating to the Employment due to illness, then the Company will continue to pay the compensation pursuant to Art 324a Swiss Code of Obligations and the applicable "Zurich Scale".

b. Salary in case of Accident

If the Employee is prevented from performing the Employee's duties arising out of or relating to the Employment due to accident (not due to any negligence or intent of the Employee), then the Company will instead of the statutory salary continuation continue to pay the compensation pursuant to the collective salary continuation

insurance *(Unfalltagge/dversicherung)* of the Company, provided that the conditions of the insurance are being met and that the Employee complies with the conditions of the insurance and with the directives of the Company. In principle, the insurance provides for the following coverage:

80% of the Base Salary until the earlier of recovery or permanent disability days after a waiting period of 30 days. The maximum insured salary is CHF 450,000.

During the waiting period 100% of the compensation according to Section 6 will be paid to the Employee. After the waiting period, all entitlements to compensation pursuant to Section 6 cease.

The insurance premiums for the salary continuation insurance for occupational accidents is paid by the Company while the premiums for non-occupational accidents is borne by the Employee.

9. Pension

The Employee will participate in the Company's Swiss pension scheme pursuant to the applicable pension plans and regulations, as implemented, amended and/or restated from time to time.

10. Probation Period and Termination

a. Probation Period

The parties waive any probation period.

b. Termination

Unless otherwise stated, either Party may terminate the employment with the Company in writing by giving 6 months' notice.

Upon observance of the notice period, termination shall be effective as of the end of any calendar day.

The Employment is being terminated automatically at the end of the month in which the Employee reaches the retirement age according to the federal law of old-age and surviving dependents insurance (AHVG). In case of permanent disability to work the same applies. In case of a partial permanent disability the Employment ends to the same extent as the Employee is declared disabled.

c. Termination for Valid Reasons

The Employment Agreement may be terminated by either Party for valid reasons pursuant to Article 337 of the Swiss Code of Obligations at any time.

11. Company Material

Upon termination of this Employment Agreement for any reason, the Employee shall return to the Company everything produced in the course of the work for the Company, everything which was given to the Employee throughout the course of this Employment and everything which fell into the Employee's possession. The obligation to surrender includes in particular but is not limited to keys, mobile phones, laptops, badges as well as data carriers and records of any kind, including copies. Any potential retention right of the Employee is explicitly waived.

12. Working Time

The Employee will devote his full work capacity to the Company. The Employee shall work extra hours (like overtime, etc.), if required and to the extent such work can reasonably be expected in good faith.

The Employee qualifies as a "leading employee" within the meaning of Art. 3d of the Swiss Labour Act and is henceforth not subject to the Working Act.

The Base Salary includes any and all remuneration for extra hours (like overtime, night work and work on Sundays and public holidays) and the Employee shall have no entitlement to additional compensation for such extra hours, whether in cash or in free time. The Company has the right to set off any compensation days and any payments made in addition to the Base Salary against any claim for compensation of such extra hours.

13. Vacation

The Employee is entitled to 20 business days of vacation per calendar year.

In addition, the Employee is granted 5 compensation days as compensation for potential extra hours worked.

Upon termination of Employment, the Company shall be entitled to deduct any payments for vacation taken in excess of the actual pro rata entitlement of the Employee.

The Company has the right to determine when the Employee shall take vacation. However, the Company shall take the Employees requests in due consideration. If the Employee requests to take vacation the Employee shall reasonably prior to the intended vacation inform the responsible executive. In any event the Employee shall provide for suitable internal representation and shall care for the ongoing service of important affairs during vacation.

The vacation entitlement is based on one complete calendar year. For the year in which the Employment relationship begins or ends, the vacation entitlement is calculated pro rata temporis.

14. Intellectual Property Rights

The Company is entitled to all work results and intellectual property (including, but not limited to patents, designs and copyrights) created by the Employee in the course of the Employment and in performance of the Employee's contractual obligations (notwithstanding whether individually or with the assistance of any other individual or entity). All such intellectual property and work results irrevocably in the Company. The transfer of these intellectual property rights includes, amongst others, especially the copyrights on the works created by the Employee and therewith all rights mentioned in the articles 9 until 11 of the Swiss Copyright Act. This transfer and assignment of work results and intellectual property is worldwide, unlimited in time, unrestricted in scope and encompasses all rights and exploitations, whether currently known or arising in the future.

If intellectual property and related rights are not transferred by law, the Employee is obliged to transfer and assign them upon first request by the Company. To the extent certain jurisdictions do not provide for the assignability of work results or intellectual property and related rights, the Employee grants to the Company an exclusive, worldwide, transferable, unlimited, irrevocable, sublicensable, royalty-free and unrestricted license to use, modify, develop and exploit such work results, intellectual property and related rights. Compensation for the transfer of these intellectual property rights or their licensing, respectively, is included in the Base Salary. The transfer of rights and the granting of rights of use also comprises work results and intellectual property rights that will be created in the future and concerns also future and not yet known rights of use. The Company especially acquires the right the change, revise or translate. The Employee especially waives the right to be mentioned as inventor or originator or to object to any change, revision, or translation.

If any intellectual property right is created in the course or in connection with the Employment, but not when performing a contractual duty, the Employee shall promptly inform the Company in writing of it. The Company shall compensate the Employee adequately for such intellectual property right if it wants to use it. If the Company expressly renounces, in its discretion, title to or the exercise or exploitation of such intellectual property right, then the Employee shall own all rights, title and interest in and to such intellectual property right.

15. Data Protection and Data Transfer

The Company will comply with the Swiss Data Protection Act. The Company will only collect personal data of the Employee insofar as necessary for the execution and performance of the Employment and the obligations resulting therefrom or if required to do so by law.

The Employee herewith agrees that personal data may be transferred to Group Companies and further third parties within and outside of Switzerland if such transfer is required in connection with the Employment, the execution of the Employment Agreement, the performance of any obligations resulting from the Employment, the work organization of the Company or otherwise required by Swiss law or the laws of any other relevant jurisdiction. The Company shall ensure that personal data will be secured against unauthorized access if a transfer is contemplated.

16. Non-Competition and Non-Solicitation

During the period of the Employment by the Company, the Employee shall devote his full time and best efforts to the business of the Company and he shall neither pursue any business opportunity outside the Company (including without limitation on behalf of a business or proprietorship of which he is the sole or part owner) nor take any position with any organization other than the Company without the express prior written consent of the Company. Further, during the period of the Employment by the Company and for one (1) year thereafter, he shall not, directly or indirectly, alone or as a partner, office, director, employee, stockholder or in any other position on behalf of any entity.

(a) engage in any business activity anywhere in the world, which is in competition with the products or services being developed, manufactured, promoted, marketed, or sold by the Company, that he worked on and/or learned confidential information about during his employment with the Company,

(b) solicit, accept business from, or transact business with, any customer of the Company, in each case related to any products or services in competition with the products or services being developed, manufactured, promoted, marketed, or sold by the Company, that he worked on and/or learned confidential information about during his employment with the Company, or

(c) employ, or knowingly permit any company or business organization by which he is employed or which is directly or indirectly controlled by him to employ, any person, who, at any time during his employment or during the period of one (1) year thereafter, is employed by the Company, or to solicit or induce any such person to leave his or her employment with the Company, or to assist in the recruitment or hiring of any such person. The prohibitions in the preceding sentence shall extend to individuals who worked with the Company as agency employees, temporary employees and consultants.

For purposes of clauses (a) and (b) of this section as it relates to the one year period following the termination of his employment by the Company, an entity which neither sells, directly or indirectly, its products or services to at least one of the existing customers of the Company or the customers being actively developed or solicited by the Company nor develops or proposes to develop products or services for sale, directly or indirectly, to any such customer or potential customer, shall not be deemed to be in competition with the Company. For purposes of this Section 16, without limiting the generality of the foregoing, a healthcare professional with whom a Company employee discusses, markets or promotes a Company product shall be considered a "customer" of the Company.

In the event the Employee breaches any of the obligation pursuant to this Section 16, a penalty of six months Base Salary (as applicable then) shall be owned by the Employee to the Company for any such breach. In case of any continuous breach, an additional penalty of one month Base Salary shall be owned to the Company for any full or partially calendar month the breach is continuing.

The payment of the penalty does not release the Employee from further complying with the respective obligation. In addition, the Company reserves the right to claim compensation for damages (in addition to the penalty) as well as the right to remedy of specific performance.

17. Confidentiality

The Company operates a very strict policy with regard to confidential information. The Employee appreciates that the nature of the business of the Company is such that its continued success is dependent upon information remaining confidential and any disclosure of such information may be harmful to the Company's and each Group Company's business.

In this Agreement, Confidential Information means any information that is secret or confidential to the Employer, any Group Company or any of the clients or potential clients or suppliers of the Employer or any Group Company, including without limitation, data; research information; formulas; drawings; diagrams; specifications; processes; products; designs; equipment; techniques; development; know-how; methodologies; algorithms; methods of analysis; data modelling procedures; business; client lists; financial; promotional; development or manpower plans.

The Employee shall not during the continuance of the Employment or at any time after its termination disclose to any person any Confidential Information and the Employee shall keep all Confidential Information very secret and shall not use or attempt to use any such Confidential Information, except that which may be in or become part of the public domain other than as a result of any act or default of the Employee.

The termination of the Employment will not operate to terminate the provision of this Section which, after termination, will remain in full force and effect and binding on the Employee.

18. Severance

Employee shall be entitled to enter into a severance agreement with the Employer, substantially in the Form of the Cyclerion Therapeutics, Inc. Executive Severance Agreement **("agreement")** filed with the U.S. Securities and Exchange Commission on January 28, 2019, that entitles him to receive certain benefits in the event of an involuntary termination without "cause" or a "constructive termination," including in the event of a "change of control termination" (each as defined in the agreement). The agreement will apply to any termination without cause, constructive termination or change of control termination occurring between the effective date of such severance agreement and October 1, 2019.

19. Miscellaneous

a. Entire Agreement

This Employment Agreement constitutes the complete Employment Agreement between the Parties regarding its subject matter and supersedes all prior oral and/or written agreements, representations and/or communications, concerning the subject matter hereof.

b. Amendments

Any amendments or supplementation of this Employment Agreement shall require written form. The written form may be dispensed on in writing.

c. Governing Law and Jurisdiction

This Employment Agreement shall be constructed in accordance with and governed by Swiss law (without giving effect to the principles of conflicts of law).

Any dispute, controversy or claim arising out of or in connection with this Employment Agreement, including the validity, invalidity, breach or termination thereof, and including tort claims, shall be exclusively submitted to and determined by the ordinary courts at the domicile of the defendant party or where the Employee normally performs his duties.

Signatures

/s/ Peter Hecht
Name: Peter Hecht
Title: Managing Director

/s/ William Huyett
Name: William Huyett
Title: Managing Director

The Employee:
Place, date: Cambridge 4/29/19
Andreas Busch: /s/ Andreas Busch

Exhibit A:

Advisory Board Commitments

Max-Delbrueck Center Berlin * (6)**
Berlin Institute of Health * (6)
VI Partners (6)
BerlinCures (6)
Takeda (12)

Supervisory Board Commitments

Omeicos (12)
Centogene (6)
Acceleron (12)

*until end of 2019
** (numbers reflect hours per year). Total: 66 h p.a. in 2019 (54 in 2020)

Amended and Restated Non-Employee Director Compensation Policy

Compensation Policy

CYCLERION THERAPEUTICS, INC.
NON-EMPLOYEE DIRECTOR COMPENSATION POLICY

(Amended and Restated as of December 17, 2021)

The purpose of this Non-Employee Director Compensation Policy (this "Policy") of Cyclerion Therapeutics, Inc. (the "Company") is to set forth the total compensation payable to non-employee directors of the Company for their service as members of the Company's Board of Directors (the "Board"). In furtherance of this purpose, all non-employee directors shall be entitled to receive the compensation described in, and subject to the terms and conditions of, this Policy.

General Compensation Limit

The aggregate value of all compensation granted or paid to any non-employee director with respect to any calendar year for his or her services as a director, including awards under the Company's 2019 Equity Incentive Plan (the "2019 Equity Plan"), for his or her services as a director during such calendar year may not exceed $400,000, with the value of any awards under the 2019 Equity Plan calculated based on the grant date fair value and assuming maximum payout.

Non-Employee Director Compensation

Each non-employee director shall be entitled to receive the compensation described below while serving as a director of the Company. The form of equity compensation and amounts of equity compensation and cash compensation described below may be modified for years after 2019 by the Board in its discretion.

Equity Compensation

Initial Stock Option Grant. On the date a non-employee director commences service as such on the Board, such director will be granted an equity award in the form of a Stock Option to purchase 40,000 shares of the Company's common stock, no par value (the "Common Stock"), under the 2019 Equity Plan, having an exercise price per share equal to the closing price of the Common Stock on the date of grant.

Annual Stock Option Grant. On the date of each annual meeting of stockholders of the Company, each non-employee director shall be granted an equity award in the form of a Stock Option to purchase 20,000 shares of the Company's Common Stock, under the 2019 Equity Plan, having an exercise price per share equal to the closing price of the Common Stock on the date of grant. If a non-employee director commences service on the Board at a time other than on the date of the annual meeting, the number of shares subject to the Stock Option will be pro-rated based on the number of days the director is expected to serve on the Board before the next annual meeting.

Vesting. Each Initial Stock Option award to non-employee directors shall vest in 36 equal monthly installments over a three-year period following the date of grant with each 1/36 installment vesting on the monthly anniversary of the date of grant, and each Annual Stock Option award to non-employee directors shall vest in full on the first anniversary of the grant date. All Stock Option awards shall be subject to the terms and conditions of the 2019 Equity Plan and the Stock Option Award Agreement entered into with each director in connection with such awards. Upon the termination of a non-employee director's service on the Board, all of such director's unvested Stock Options will be forfeited and canceled upon such termination (unless otherwise provided by the Board in its discretion).

Cash Compensation

The cash fees to be paid to non-employee directors for service on the Board, for service on each committee of the Board on which the non-employee director is then a member and for service in such additional Board positions shall be as follows:

1. Annual Board Service Retainer:
   a. Non-Employee Directors, other than the Chairperson: $35,000
   b. Chairperson: $65,000

2. Annual Committee Chair Service Retainer:
   a. Chairperson of the Audit Committee: $15,000
   b. Chairperson of the Compensation Committee: $10,000
   c. Chairperson of the Nominating and Corporate Governance Committee: $8,000
   d. Chairperson of the Science Committee: $10,000

3. Annual Committee Member Service Retainer:
   a. Member of the Audit Committee: $7,500
   b. Member of the Compensation Committee: $5,000
   c. Member of the Nominating and Corporate Governance Committee: $4,000
   d. Member of the Science Committee: $5,000

The foregoing fees are payable in arrears in quarterly installments, with such installments to be paid for any quarter during which the director served on the Board, on such committee or in such position. If a non-employee director commences service or terminates service on the Board or a committee of the Board at a time other than the annual meeting date, each annual retainer set forth above will be pro-rated based on days served in the applicable quarter, with the pro-rated amount paid for the first quarter in which the non-employee director provides the service and regular full quarterly payments thereafter. All annual cash fees are vested upon payment.

Expenses

The Company will reimburse non-employee directors for reasonable out-of-pocket expenses incurred in connection with their service as members of the Board or any committee of the Board; provided, that non-employee directors timely submit to the Company appropriate documentation substantiating such expenses in accordance with the Company's expense reimbursement policy, as in effect from time to time. The amount of such reimbursed expenses shall not apply toward or otherwise be subject to the compensation limits set forth in this Policy under the heading "General Compensation Limit."

Additional Compensation

The Company will not provide additional compensation to non-employee directors, directly or indirectly, other than as disclosed in this Policy or the Company's filings with the U.S. Securities and Exchange Commission.

Amendments; Termination

This Policy may be amended or terminated upon the adoption of a resolution of the Board.

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: May 4, 2022

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: May 4, 2022

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 March 31, 2022 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: May 4, 2022

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, Anjeza Gjino, 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 March 31, 2022 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: May 4, 2022

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