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

FORM 10-K

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

For the fiscal year ended December 31, 2023

OR

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

For the transition period from _____ **to** _____

Commission file number: **001-38787**

CYCLERION THERAPEUTICS, INC.

(Exact name of registrant as specified in its charter)

Massachusetts (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 Capital Market LLC**

Securities registered pursuant to Section 12(g) of the Act:
None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

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

The aggregate market value of the common stock held by non-affiliates of the registrant, as of June 30, 2023, the last business day of the registrant's most recently completed second fiscal quarter, was approximately $7.1 million, computed using the closing price on that day of $4.12.

As of February 29, 2024, there were 2,710,096 shares of common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive Proxy Statement, to be filed pursuant to Regulation 14A under the Securities Exchange Act of 1934, for its 2024 Annual Meeting of Stockholders are incorporated by reference in Part III of this Form 10-K.

TABLE OF CONTENTS

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K, or this Annual Report, contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act, that involve substantial risks and uncertainties. The forward-looking statements are contained principally in Part I, Item 1. "Business," Part I, Item 1A. "Risk Factors," and Part II, Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations," but are also contained elsewhere in this Annual Report. In some cases, you can identify forward-looking statements by 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:

- our plans with respect to the development, manufacture or sale of our current product candidates and potential future product candidates we may acquire or license and associated timing thereof, including the design and results of pre-clinical and clinical studies;
- there is substantial doubt regarding our ability to continue as a going concern;
- the timing, investment and associated activities involved in developing, obtaining regulatory approval for, launching and commercializing our current and potential future product candidates;
- the risks in our investment in Tisento tied to Tisento developing, obtaining regulatory approval for, launching and commercializing their product candidates;
- the uncertainty as to any liquidity or monetizable value of our equity interest in Tisento, which faces all the risks of an early-stage pharmaceutical development company;
- our relationships with third parties, collaborators and our employees;
- our ability to execute our strategic priorities;
- our ability to finance our operations and business initiatives;
- maintaining our Nasdaq listing;
- our ability to enter into collaboration or license agreements of our current product candidates and potential future product candidates;
- our ability to access capital, capabilities, and transactions necessary to advance the development of our current product candidates and potential future product candidates;
- whether any development, regulatory, and commercialization milestones or royalty payments provided for in the agreement with Akebia will be achieved;
- the impact on our business of workforce and expense reduction initiatives;
- the safety profile and related adverse events of our current and potential future product candidates;
- the efficacy and perceived therapeutic benefits of our current and potential future product candidates, their potential indications and their market potential;

- U.S. and non-U.S. regulatory requirements, including any post-approval development and regulatory requirements, and the ability of our current and potential future product candidates to meet such requirements;
- Our ability to obtain reimbursement from the U.S. government and third-party payors for our current and potential future product candidates if and when commercialized;
- 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 current and potential future product candidates and the strength thereof;
- the risk that third parties may allege we infringe their intellectual property rights;
- 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;
- the coronavirus ("COVID-19") pandemic may continue to disrupt our business, including our development activities;
- trends and challenges in the markets for our potential products;
- a determination that we constitute an investment company under the Investment Company Act of 1940, as amended, and if we are required to register thereunder, would have a material adverse effect on us;
- our ability to compete with other companies that are or may be developing or selling products that are competitive with any current or potential future product candidates; and
- the impact of government regulation in the life sciences industry, particularly with respect to healthcare reform.

You should refer to "Item 1A. Risk Factors" in this Annual Report on Form 10-K for a discussion of important factors that may cause our actual results to differ materially from those expressed or implied by our forward-looking statements. As a result of these factors, we cannot assure you that the forward-looking statements in this Annual Report will prove to be accurate. Furthermore, if our forward-looking statements prove to be inaccurate, the inaccuracy may be material. In light of the significant uncertainties in these forward-looking statements, you should not regard these statements as a representation or warranty by us or any other person that we will achieve our objectives and plans in any specified time frame, or at all. The forward-looking statements in this Annual Report represent our views as of the date of this Annual Report. We anticipate that subsequent events and developments may cause our views to change. However, while we may elect to update these forward-looking statements at some point in the future, we undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future developments or otherwise, except as required by law. You should, therefore, not rely on these forward-looking statements as representing our views as of any date following the date of this Annual Report.

You should read this report and the documents that we reference in this report, completely and with the understanding that our actual future results may be materially different from what we expect. We qualify all of our forward-looking statements by these cautionary statements.

Unless the context requires otherwise, references in this report to "Cyclerion," the "Company," "we," "us," and "our" refer to Cyclerion Therapeutics, Inc. and, where appropriate, our consolidated subsidiaries.

PART I

Item 1. Business

Overview

Cyclerion Therapeutics, Inc. (“Cyclerion”, the “Company” or “we”) is a biopharmaceutical company on a mission to develop treatments for serious diseases.

Cyclerion became an independent public company on April 1, 2019 after Ironwood Pharmaceuticals, Inc., or Ironwood, completed a tax-free spin-off of its sGC business, which we refer to herein as the “Separation”. 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.

At inception, Cyclerion was a biopharmaceutical company focused on the treatment of serious diseases with novel soluble guanylate cyclase ("sGC") stimulators in both the central nervous system (“CNS”) and the periphery. The nitric oxide (“NO”) sGC cyclic guanosine monophosphate (“cGMP”) signaling pathway is a fundamental mechanism that precisely controls key aspects of physiology throughout the body. The NO-sGC-cGMP pathway regulates diverse and critical biological functions in both the CNS and the periphery and has been successfully targeted with several drugs.

On July 28, 2023, the Company sold two of its CNS-penetrant sGC stimulator assets, - zagociguat and CY3018 – (the “Transferred Assets”) to Tisento in exchange for $8.0 million in cash consideration, $2.4 million as reimbursement for certain operating expenses related to the Transferred Assets for the period between signing and closing of the transaction, and 10% of all of Tisento’s parent’s outstanding equity securities at the time of the closing. See “Tisento Asset Purchase Agreement” below. Prior to the sale of the Transferred Assets, Cyclerion’s portfolio included novel sGC stimulators that modulate signaling networks in both the CNS and the periphery.

The following table is a high-level summary of Cyclerion’s portfolio assets prior to the sale:

Program	Indication(s)	Description	Status
Zagociguat (CNS-penetrant)	MELAS syndrome (mitochondrial encephalopathy, lactic acidosis, and stroke-like episodes syndrome), cognitive impairment associated with schizophrenia, and Alzheimer's Disease with Vascular Pathology (ADV)	Zagociguat is a CNS-penetrant sGC stimulator that has shown rapid improvements across a range of endpoints reflecting multiple domains of disease activity, including mitochondrial disease-associated biomarkers.	Sold to Tisento as part of the Asset Purchase Agreement.
CY3018 (CNS-penetrant)	Neuropsychiatric	CY3018 is a CNS-penetrant sGC stimulator in preclinical development that has potential for the treatment of neuropsychiatric diseases and disorders.	Sold to Tisento as part of the Asset Purchase Agreement
Olinciguat (peripheral)	Cardiovascular	Olinciguat is a vascular sGC stimulator that the Company	Management plans to seek to out-license olinciguat

		intends to out-license for cardiovascular diseases.	
Praliciguat (peripheral)	Focal Segmental Glomerulosclerosis (FSGS)	Praliciguat is a systemic sGC stimulator that is licensed to Akebia for the treatment of rare kidney disease.	Out-licensed to Akebia

Although all assets that were within Cyclerion's portfolio were sGC stimulators, the Transferred Assets sold to Tisento are uniquely different from the assets retained by Cyclerion (olinciguat and praliciguat). The Transferred Assets have high exposure to the CNS (i.e., CNS-penetrant sGC stimulators) and the Cyclerion retained assets are peripheral sGC stimulators. The retained assets are therefore not interchangeable with the Transferred Assets and do not provide the same benefit in CNS and correspondingly the Transferred Assets do not provide the same potential benefit for systemic/vascular diseases.

Cyclerion assets which have been retained are either currently out-licensed (praliciguat) or management is seeking to out-license (olinciguat). The Company's prior strategy to conduct research and development on sGC stimulators for CNS has been discontinued subsequent to the sale of the Transferred Assets. Cyclerion does not intend to internally pursue research and development or commercialization with any type of sGC assets. Cyclerion intends to utilize royalties and milestones from olinciguat and praliciguat out-licensing to build a new portfolio and advance the development of those new assets.

Research and Development Programs

The following table presents the status of our retained sGC stimulator assets:

In addition to activities related to the retained assets, Cyclerion continues to evaluate other activities to enhance shareholder value, which include potentially acquiring new assets which Cyclerion believes may have promise, as well as potential collaborations, licenses, mergers, acquisitions and/or other targeted investments.

Cyclerion GmbH, a wholly owned subsidiary, was incorporated in Zug, Switzerland on May 3, 2019. The functional currency is the Swiss franc. The liquidation process for Cyclerion GmbH has been concluded and the subsidiary is pending deregistration from the commercial registry.

Akebia License Agreement

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

Akebia paid a $3.0 million up-front payment to the Company upon signing of the Akebia License Agreement and the Company is eligible to receive additional milestone cash payments of up to $585 million in total potential future development, regulatory, and commercialization milestone payments for Praliciguat. 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.

Unless earlier terminated, the Akebia License Agreement will expire on a product-by-product and country-by-country basis upon the expiration of the last royalty term, which ends upon the longest of (i) the expiration of the patents licensed under the Akebia License Agreement, (ii) the expiration of regulatory exclusivity for such product, and (iii) 10 years from first commercial sale of such product. Akebia may terminate the Akebia License Agreement in its entirety or only with respect to a particular licensed compound or product upon 180 days' prior written notice to Cyclerion, subject to certain obligations to license back to Cyclerion licensed compounds and candidates and related assets. The parties also have customary termination rights, subject to a cure period, in the event of the other party's material breach of the Akebia License Agreement or in the event of certain additional circumstances.

Tisento Asset Purchase Agreement

On May 11, 2023, the Company entered into an Asset Purchase Agreement (the "Asset Purchase Agreement") with an investor group that included Peter Hecht (our former CEO), JW Celtics Investment Corp and JW Cycle Inc. which subsequently changed their names to Tisento Therapeutics Holdings Inc. ("Tisento Parent") and Tisento Therapeutics Inc. ("Tisento"). Upon the closing on July 28, 2023 following receipt of approval by the Cyclerion stockholders of the transactions contemplated by the Asset Purchase Agreement, the Company sold to Tisento the Transferred Assets and Tisento assumed certain liabilities relating thereto, including, but not limited to (i) liabilities, costs and expenses arising after the date of the Asset Purchase Agreement relating to the employment of certain Cyclerion employees and the conduct of certain preclinical and clinical trial activities prior to the closing of the transactions contemplated by the Asset Purchase Agreement, and (ii) liabilities relating to such assets to the extent relating to the period after the closing of the transaction. In consideration for such sale and assumption, at the closing the Company received proceeds of $8.0 million as cash consideration, $2.4 million as reimbursement for certain operating expenses related to such assets for the period between signing and closing of the Asset Purchase Agreement, and shares of common stock of Tisento Parent comprising 10% of the then issued and outstanding equity securities of Tisento Parent immediately following such closing, subject to certain protections against dilution.

Under the terms of the Asset Purchase Agreement, Cyclerion has agreed not to compete with Tisento from July 28, 2023 through the July, 2028 either alone or directly or indirectly with or through any affiliate or third party, initiate IND-enabling preclinical development, develop, commercially manufacture, commercialize, or otherwise exploit any compound or product that is (A) a CNS-penetrant sGC stimulator, (B) developed for the treatment of a program indication, and (C) reasonably expected to compete with any compound or product in a purchased program for the treatment of a program indication (any such compound or product, a "Cyclerion Competing Product") anywhere in the world, or (ii) license, convey, grant, or otherwise transfer any rights to any third party to initiate IND-enabling preclinical development, develop, commercially manufacture, commercialize, or otherwise exploit a Cyclerion Competing Product anywhere in the world.

Our Strategy

Although the Company has shifted its strategy to build a new portfolio of non-sGC stimulator assets within the CNS therapeutic area, our mission remains to advance treatments for serious diseases. If the Company identifies suitable new assets outside of the sGC stimulator space, the Company will seek to raise funds and build an organization suitable to advance these assets. The Company's goal is to find the best combination of capital, capabilities, and transactions that will enable the advancement of current and any future assets the Company may acquire for patients in a way that maximizes shareholder value.

Intellectual Property

We protect the intellectual property and proprietary technology that we believe is important to our business, including by pursuing and maintaining U.S. and foreign patents that cover our product candidates and compositions,

their methods of use and the processes for their preparation, as well as any other relevant inventions and improvements that are commercially important to the development of our business. We also rely on trade secrets to protect aspects of our business that are not amenable to, or that we do not consider appropriate for, patent protection.

Our commercial success depends in part on our ability to obtain and maintain patent and other proprietary protection for commercially important technology, inventions, improvements and know-how related to our business, defend and enforce our patents, preserve the confidentiality of our trade secrets and operate without infringing the valid and enforceable patents and proprietary rights of third parties.

We have nineteen issued U.S. patents, nine pending U.S. patents applications and numerous foreign patents and pending patent applications. Patent families are filed either as utility U.S. patents or under an international patent law treaty (PCT) that provides a unified procedure for filing a single initial patent application to seek patent protection for an invention simultaneously in each of the 157 contracting states, followed by the process of entering national phase, which requires a separate application in each of the member states in which national patent protection is sought.

The technology underlying our sGC patents and pending patent applications has been developed by us and was not acquired from any in-licensing agreement. We own all of the issued patents and pending applications.

The intellectual property portfolios for our most advanced product candidates (praliciguat and olinciguat) are summarized below.

Praliciguat Patent Portfolio

Our praliciguat patent portfolio includes 13 U.S. issued patents, five pending U.S. patent applications, and numerous patents and pending patent applications in foreign jurisdiction.

One of the U.S. patents, US 9,481,689, which will expire in 2034, is directed to praliciguat and pharmaceutical compositions thereof. The term of this U.S. patent may be eligible for patent term extension as described below. Three other U.S. patents, US 8,748,442, US 9,139,564, and 10,189,809, expire in 2031, and provide generic coverage of praliciguat and intermediates used in the preparation of praliciguat, as well as compounds related to praliciguat, respectively. A fifth U.S. patent, US 10,183,021 will expire in 2034 and is directed to the treatment of resistant hypertension with praliciguat or combinations of praliciguat and known anti-hypertensives. A sixth U.S. patent, US 209,639,308 will expire in 2034 and is directed to the treatment of diabetic nephropathy with praliciguat or combinations of praliciguat with other agents. The seventh U.S. patent, US 10,927,136 covers phosphorus prodrugs of praliciguat and will expire in 2037. The eighth U.S. Patent, US 11,389,449, is directed to the treatment of metabolic syndrome with praliciguat and will expire in 2038. The ninth U.S. Patent, US 11,357,777, is directed to the treatment of NASH with praliciguat and other compounds and will expire in 2039. The tenth to thirteen, U.S. Patents, US 11,319,308 (expiring in 2039), US 11,773,089 (expiring in 2037), US 11,274,096 (expiring in 2039) and US 11,708,361 (expiring in 2039) are directed to the syntheses of praliciguat or of intermediates useful in the manufacture of praliciguat.

Two pending U.S. patent applications that, if issued, will expire in 2031 and 2034, respectively, provide generic coverage for praliciguat. One additional U.S. patent application that, if issued, will expire in 2037 provides coverage for methods of large-scale preparation of praliciguat. We also have a pending U.S. application directed to a praliciguat formulation, that, if issued, will expire in 2036.

Another of the U.S. pending applications is directed to methods of treating diabetic nephropathy with praliciguat, and if issued, will expire in 2040 or later.

Furthermore, we have eight granted European patents, one expiring in 2031, another one in 2032, a third one in 2034, a fourth one in 2036, a fifth to seventh ones in 2037, and the eighth one in 2039, each of them validated in multiple countries or registered in multiple countries as an European Unitary Patent; nine granted Japanese patents, one expiring in 2031, another in 2034, two in 2036, four others in 2037 and one in 2039; seven granted Chinese patents, two expiring in 2031, one in 2032, three in 2034, and one expiring in 2037; and a large number of

issued patents in foreign jurisdictions expiring between 2031 and 2039. Some of these patents may be eligible for patent term extension depending on the jurisdiction. We also have numerous patent applications pending in foreign jurisdictions.

Olinciguat Patent Portfolio

Our olinciguat patent portfolio includes thirteen U.S. issued patents, five pending U.S. patent applications and numerous patents and pending applications in foreign jurisdictions.

One of the U.S. patents, US 9,586,937, which will expire in 2034, is directed to olinciguat and pharmaceutical compositions thereof. The term of this U.S. patent may be eligible for patent term extension as described below. Three other U.S. patents, US 8,748,442, US 9,139,564, and US 10,189,809, expire in 2031, and provide generic coverage of olinciguat, intermediates used in the preparation of olinciguat, and compounds related to olinciguat, respectively. Another U.S. patent, US 10,517,874, which will expire in 2034 is directed to the treatment of SCD using olinciguat alone or in combinations with other therapeutic agents. Two additional U.S. issued patents, US 10,889,577, and US 11,572,358, will expire in 2037 and are directed to polymorphs of olinciguat. The eighth issued patent, US 11,207,323, will expire in 2034 and provides coverage for stereoisomers of olinciguat. Four more U.S. issued patents, US 11,319,308 (expiring in 2039), US 11,773,089 (expiring in 2037), US 11,274,096 (expiring in 2039), and US 11,834,444 (expiring in 2038 or potentially later) are directed to the chiral syntheses of olinciguat or the syntheses of intermediates useful in the manufacture of olinciguat. The last U.S. Patent, US 11,357,777, is directed to the treatment of NASH with olinciguat and other compounds and will expire in 2039.

One pending U.S. patent application, if issued, will expire in 2037 and provides additional coverage for polymorphs of olinciguat. Another pending U.S. patent application, if issued, will expire in 2031, and provides generic coverage for olinciguat. Two pending U.S. patent applications are directed to processes and synthetic intermediates for preparing olinciguat and, if issued, will expire in 2039 and 2037, respectively. A pending US application is directed to the treatment of heart failure with preserved ejection fraction (HFpEF) in post-menopausal women with olinciguat and other sGC stimulators. If issued, the corresponding patent will expire in 2042.

Furthermore, we have nine granted European patents, one expiring in 2031, another in 2032, two in 2034, four in 2037, and one in 2039, each of them validated in multiple countries or registered in multiple countries as Unitary European Patents; eight granted Japanese patents, one expiring in 2031, three others in 2034, three expiring in 2037 and one in 2039; six granted Chinese patents, two expiring in 2031, another one in 2032, two more in 2034 and one in 2037; and a large number of issued patents in other foreign jurisdictions, expiring between 2031 and 2039. We also have numerous pending patent applications in foreign jurisdictions. Some of these patents may be eligible for patent term extension or the foreign jurisdiction equivalent, depending on the jurisdiction.

Patent Term

The term of individual patents depends upon the legal term of the patents in the countries in which they are obtained. In most countries in which we file, the patent term is 20 years from the earliest date of filing a non-provisional patent application, assuming that all applicable maintenance or annuity fees are paid. In the United States, a patent's term may be lengthened by patent term adjustment, which compensates a patentee for administrative delays by the USPTO, in examining and granting a patent, or may be shortened if a patent is terminally disclaimed over an earlier-filed patent. The duration of foreign patents varies in accordance with provisions of applicable local law, but typically is also 20 years from the earliest effective filing date. However, the actual protection afforded by a patent varies on a product-by-product basis, from country to country, and depends upon many factors, including the type of patent, the scope of its coverage, the availability of regulatory-related extensions, the availability of legal remedies in that country, and the validity and enforceability of the patent.

In addition, the term of a U.S. patent that covers an FDA-approved drug may be eligible for patent term extension under the Drug Price Competition and Hatch-Waxman Act, to account for some of the time the drug is under development and regulatory review after the patent is granted. For a drug for which FDA approval is the first permitted marketing of the active ingredient, the Hatch-Waxman Act allows for extension of the term of one U.S. patent that includes at least one claim covering the composition of matter of an FDA-approved drug (drug substance or drug product), an FDA-approved method of treatment using the drug and/or a method of manufacturing the

FDA-approved drug. The extended patent term cannot exceed the shorter of five years beyond the non-extended expiration of the patent or 14 years from the date of the FDA approval of the drug. Some foreign jurisdictions, including Europe and Japan, have similar patent term extension provisions, which allow for extension of the term of a patent that covers a drug approved by the applicable foreign regulatory agency.

Trade Secrets and Proprietary Information

In addition to patents, we rely upon unpatented trade secrets and know-how and continuing technological innovation to develop and maintain our competitive position. We typically rely on trade secrets to protect aspects of our business that are not amenable to, or that we do not consider appropriate for, patent protection. We protect our proprietary information, including trade secrets and know-how, by establishing confidentiality agreements with our commercial partners, collaborators, scientific advisors, employees and consultants and invention assignment agreements with our employees, consultants, scientific advisors and contractors. These agreements generally provide that all confidential information developed or made known during the course of an individual or entities' relationship with us must be kept confidential during and after the relationship. These agreements also typically provide that all inventions resulting from work performed for us or relating to our business and conceived or completed during the period of employment or assignment, as applicable, shall be our exclusive property. These agreements are designed to protect our proprietary information and, in the case of the invention assignment agreements, to grant us ownership of technologies that are developed through a relationship with a third party. However, these agreements may be breached, and we may not have adequate remedies for any breach. We also take other appropriate precautions, such as physical and technological security measures, to guard against misappropriation of our proprietary information by third parties. In addition, our trade secrets may otherwise become known or be independently discovered by competitors. To the extent that our commercial partners, collaborators, employees and consultants use intellectual property owned by others in their work for us, disputes may arise as to the rights in related or resulting know-how and inventions.

Government Regulation

United States Regulation

The FDA regulates medical products, including prescription drugs under the Federal Food, Drug and Cosmetic Act, or FDCA, and its implementing regulations. Products are also subject to other federal, state and local statutes and regulations. The process of obtaining regulatory approvals and the subsequent compliance with applicable federal, state, local and regulations requires the expenditure of substantial time and financial resources. Failure to comply with the applicable U.S. requirements at any time during the product development process, approval process or after approval may subject an applicant and/or sponsor to a variety of administrative or judicial sanctions, including imposition of a clinical hold, refusal by the FDA to approve applications, withdrawal of an approval, import/export delays, issuance of warning letters and other types of enforcement letters, product recalls, product seizures, total or partial suspension of production or distribution, injunctions, fines, refusals of government contracts, restitution, disgorgement of profits, debarment, or civil or criminal investigations and penalties brought by the FDA, the Department of Justice, State Attorneys General, or other governmental entities.

The process required by the FDA before a drug may be approved and marketed in the United States generally involves the following:

- completion of extensive nonclinical laboratory and animal studies conducted in accordance with applicable regulations, including Good Laboratory Practices, or GLP, regulations and applicable requirements for the humane use of laboratory animals;
- submission to the FDA of an IND application for human clinical testing, which must become effective before human clinical trials may commence;
- approval by an independent IRB to proceed with initiating the clinical trial at each corresponding investigational site.

- performance of adequate and well-controlled human clinical trials in accordance with applicable IND regulations, GCPs and other clinical-trial related regulations to establish the safety and efficacy of the product for each proposed indication;
- preparation and submission to the FDA of an NDA;
- satisfactory completion of one or more FDA inspections such as pre-approval inspection(s) of the manufacturing facility or facilities at which the product, or components thereof, are made to assess compliance with current GMP;
- payment of user fees for FDA review of the NDA; and
- FDA acceptance, review and approval of the NDA, which may include an Advisory Committee review.

The development and approval process requires substantial time, effort and financial resources and the receipt and timing of any approval is uncertain.

Nonclinical and Clinical Trials in Support of an NDA

Before testing any drug product candidate in humans, the product candidate must undergo rigorous nonclinical testing. Nonclinical studies include laboratory evaluations of the product candidate, as well as in vitro and animal studies to assess the potential safety and efficacy of the product candidate. The conduct of nonclinical studies that determine the product safety information for administration to humans must comply with federal regulations and requirements, including GLP regulations. The sponsor must submit the results of the nonclinical studies, together with manufacturing information, analytical data, any available clinical data or literature and a proposed clinical study protocol, to the FDA as part of an IND, which must become effective before clinical trials in a given indication may be commenced. The IND will become effective automatically 30 days after receipt by the FDA, unless the FDA raises concerns or questions about the content of the IND or the conduct of the proposed trial(s) as outlined in the IND prior to that time. In such a case, the IND sponsor must resolve any outstanding concerns with the FDA before the clinical trial(s) can proceed.

Clinical trials involve the administration of the product candidate to human subjects under the supervision of qualified investigators in accordance with GCP requirements. Each clinical trial must be reviewed and approved by an IRB for the sites at which the trial will be conducted to ensure that the risks to individuals participating in the clinical trials are minimized and are reasonable in relation to anticipated benefits. The IRB will consider, among other things, ethical factors, the safety of human subjects and the possible liability of the institution. The IRB also approves the informed consent form, including a privacy statement, which must be provided to each clinical trial participant or his or her legal representative, and must monitor the clinical trial until completed.

Clinical trials are typically conducted in three sequential phases prior to approval, which may overlap or be combined:

- *Phase 1.* Phase 1 clinical trials generally involve a small number of healthy participants or disease-affected participants who are initially exposed to a single dose and then multiple doses of the product candidate. The primary purpose of these clinical trials is to assess the metabolism, pharmacokinetics, pharmacologic action, side effect tolerability and safety of the drug.
- *Phase 2.* Phase 2 clinical trials usually involve studies in a limited population of participants with a disease or disorder to evaluate the efficacy of the product candidate for specific indications, determine dosage tolerance and optimal dosage, and identify possible adverse effects and safety risks.
- *Phase 3.* Phase 3 clinical trials generally involve a larger number of participants at multiple sites and are designed to provide the data necessary to demonstrate the effectiveness of the product for its intended use, its safety in use, to establish the overall benefit/risk profile of the product and to provide an adequate basis for product approval by the FDA.

- *Phase 4.* Post-approval trials, sometimes referred to as Phase 4 clinical trials, may be required to be conducted after approval to gain additional experience from the treatment of participants in the intended therapeutic indication and to document a clinical benefit in the case of drugs approved under accelerated approval regulations, or when otherwise requested by the FDA. Failure to conduct the Phase 4 clinical trials per the plan required by the FDA could result in enforcement action or withdrawal of approval.

Progress reports detailing new information and changes such as the results of clinical trials, new nonclinical studies, new product quality data, or changes to manufacturing controls must be submitted at least annually to the FDA and more frequently if serious adverse events occur. The FDA or the sponsor may suspend or terminate a clinical trial at any time, or the FDA may impose other sanctions on various grounds, including a finding that the research participants are being exposed to an unacceptable health risk. Similarly, an IRB can suspend or terminate approval of a clinical trial at its institution if the clinical trial is not being conducted in accordance with the requirements of the IRB or if the drug has been associated with unexpected serious harm to participants. There are also requirements related to registration and reporting of certain clinical trials and completed clinical trial results to public registries.

Submission and Review of an NDA

Assuming successful completion of the required nonclinical and clinical testing, the results of nonclinical studies and clinical trials, together with detailed information on the product's manufacture, composition, quality controls and proposed labeling, among other things, are submitted to the FDA in the form of an NDA, requesting approval to market the product for one or more indications. The application must be accompanied by a significant user fee payment, which typically increases annually, although waivers may be granted in limited cases (e.g., for products that have received an Orphan Designation).

The FDA has substantial discretion in the approval process and may refuse to accept any application or decide that the data is insufficient for approval and may require additional nonclinical or clinical studies, or other information (e.g., product quality data or manufacturing controls) before it accepts the filing. If an NDA has been accepted for filing, which occurs 60 days after submission, the FDA sets a user fee goal date that informs the applicant of the specific date by which the FDA intends to complete its review. Under the goals and policies agreed to by the FDA under the Prescription Drug User Fee Act, or PDUFA, for original NDAs, the FDA has ten months from the filing date in which to complete its review of a standard application, and six months from the filing date for an application with priority review. The FDA does not always meet its PDUFA goal dates, and the review process may be significantly extended by FDA requests for additional information and clinical data or clarification.

The FDA reviews NDAs to determine, among other things, whether the proposed product is safe and effective for its intended use, and whether the product is being manufactured in accordance with current GMP to assure and preserve the product's identity, strength, quality and purity. Before approving an NDA, the FDA typically will inspect the facilities at which the product is manufactured and will not approve the product unless the manufacturing facilities comply with current GMP. Additionally, the FDA will frequently inspect one or more clinical trial sites for compliance with GCPs and integrity of the data supporting safety and efficacy.

During the approval process, the FDA will also prepare an integrated benefit-risk assessment and determine whether a Risk Evaluation and Mitigation Strategy, or REMS, is necessary to ensure that the benefits of the drug outweigh the risks and to assure the safe use of the product. If the FDA concludes a REMS is needed, the sponsor of the application must submit a proposed REMS. A REMS that includes elements to assure safe use, or ETASU, can substantially increase the costs of commercializing a drug. The FDA could also require a special warning, known as a boxed warning, to be included in the product label in order to highlight a particular safety risk. Boxed warnings may limit the type of advertising for a drug. The FDA may also convene an advisory committee of external experts to provide input on certain review issues relating to risk, benefit and interpretation of clinical trial data.

On the basis of the FDA's evaluation of the NDA and accompanying information, including the results of the inspection of the manufacturing facilities, FDA will issue either an approval letter or a Complete Response Letter. An approval letter authorizes commercial marketing of the drug and is accompanied by specific prescribing

information for specific conditions of use. A Complete Response Letter indicates that the review cycle of the application is complete and the application will not be approved in its present form. A Complete Response Letter usually describes all of the specific deficiencies in the submission identified by the FDA and may require additional clinical or other data, additional pivotal Phase 3 clinical trial(s) and/or other significant and time-consuming requirements related to clinical trials, nonclinical studies or manufacturing. If a Complete Response Letter is issued, the applicant may either amend the NDA with data to address the raised concerns, resubmit the NDA addressing all the deficiencies identified in the letter, engage in dispute resolution with the FDA about the identified deficiencies in the CRL, or withdraw the application. Even with submission of this additional information, the FDA may ultimately decide that the re-submitted application does not satisfy the regulatory criteria for approval.

Orphan Drug Designation

Under the Orphan Drug Act, the FDA may grant orphan designation to a drug intended to treat a rare disease or condition affecting fewer than 200,000 individuals in the United States, or in other limited cases. Orphan drug designation must be requested before submitting an NDA. Orphan drug designation does not convey any advantage in, or shorten the duration of, the regulatory review and approval process, though companies developing orphan drugs may be eligible for certain incentives, including tax credits for qualified clinical testing.

Generally, if a product that has orphan drug designation subsequently receives the first FDA approval for the disease or condition for which it has such designation, the product is entitled to orphan drug exclusivity, which means that the FDA may not approve any other applications to market the same active component parts for the same indication for seven years from the date of such approval, except in limited circumstances. Competitors, however, may receive approval of different active component parts for the same indication or obtain approval for the same active component parts for a different indication. If one of our product candidates designated as an orphan drug receives marketing approval for an indication broader than that which is designated, it may not be entitled to orphan drug exclusivity.

Expedited Review and Approval Application Process

The FDA has various programs that are intended to expedite development and approval of drugs intended for the treatment of serious or life-threatening diseases or conditions and that demonstrate the potential to address unmet medical needs.

An application may be eligible for a “fast track” designation for a product that is intended to treat a serious or life-threatening disease or condition and demonstrates the potential to address an unmet medical need. Fast track designation provides opportunities for more frequent interactions with the FDA review team and permits FDA to consider sections of the NDA on a rolling basis before the complete application is submitted.

In addition, a sponsor can request designation of a product candidate as a “breakthrough therapy”. A breakthrough therapy is defined as a drug that is intended, alone or in combination with one or more other drugs, to treat a serious or life-threatening disease or condition, where preliminary clinical evidence indicates that the drug may demonstrate substantial improvement over existing therapies on one or more clinically significant endpoints. The FDA must take certain actions with respect to breakthrough therapies, such as holding timely meetings with and providing advice to the product sponsor.

An application may be eligible for “accelerated approval” where the product candidate is intended to treat a serious or life-threatening illness and provides meaningful therapeutic benefit over existing treatments; applications eligible for accelerated approval may be approved on the basis of adequate and well-controlled clinical trials establishing that the product has an effect on a surrogate endpoint that is reasonably likely to predict clinical benefit, or on a clinical endpoint that can be measured earlier than irreversible morbidity or mortality, or IMM, that is reasonably likely to predict an effect on IMM or other clinical benefit, taking into account the severity, rarity or prevalence of the condition and the availability or lack of alternative treatments. As a condition of approval, the FDA requires a sponsor to conduct confirmatory studies to verify the predicted effect on IMM or another clinical endpoint, and the product may be subject to expedited withdrawal procedures.

Once an NDA is submitted for a product intended to treat a serious condition, the FDA may assign a priority review designation if the FDA determines that the product, if approved, would provide a significant improvement in safety or effectiveness. Under priority review, the FDA must review an application in six months, compared to ten months for a standard review. A product may be eligible for more than one expedited approval program. Even if a product qualifies for one or more of these programs, however, the FDA may later decide that the product no longer meets the conditions for qualification or decide that the time period for FDA review or approval will not be shortened. Furthermore, these expedited review pathways do not change the standards for approval and may not ultimately expedite the development or approval process.

Non-Patent Exclusivity

In addition to patent exclusivity, the holder of the NDA for the listed drug may be entitled to a period of non-patent exclusivity, during which the FDA cannot approve an ANDA for approval of a generic or 505(b)(2) application that relies on the listed drug as protected by regulatory exclusivity.

An NDA for a new chemical entity may receive five years of exclusivity, whereby the FDA will not accept for filing, with limited exceptions, a product seeking to rely upon the FDA's findings of safety or effectiveness for such new chemical entity. An ANDA containing a paragraph IV patent certification can be filed after four years. Alternatively, an NDA may obtain a three-year period of non-patent market exclusivity for a particular condition of approval, or change to a marketed product, such as a new formulation for a previously approved product, if one or more new clinical studies (other than bioavailability or bioequivalence studies) was essential to the approval of the application and was conducted/sponsored by the applicant.

Pediatric Exclusivity

Pediatric exclusivity is another type of non-patent marketing exclusivity in the United States and, if granted, provides for the attachment of an additional six months of marketing protection to the term of any existing regulatory exclusivity for both drugs and biologics, and also unexpired Orange Book listed patents in the case of drugs. This six-month exclusivity may be granted if a sponsor submits pediatric data that fairly respond to a written request from the FDA for such data. The data do not need to show the product to be effective in the pediatric population studied; rather, if the clinical trial is deemed to fairly respond to the FDA's request, the additional protection is granted. We are currently not anticipating acquiring any assets for severe pediatric applications.

Post-Approval Requirements

Following approval of a new product, the manufacturer and the approved product are subject to pervasive and continuing regulation by the FDA, including, among other things, requirements relating to recordkeeping, periodic reporting, product sampling and distribution, advertising and promotion and reporting of adverse experiences with the product. After approval, most changes to the approved product, such as adding new indications or other labeling claims and some manufacturing and supplier changes, are subject to prior FDA review and approval. There also are continuing annual user fee requirements for marketed products and the establishments where such products are manufactured, as well as new application fees for certain supplemental applications. The FDA may impose a number of post-approval requirements as a condition of approval of an NDA, such as Phase 4 clinical trials or a REMS.

In addition, entities involved in the manufacture and distribution of approved drugs are required to register their establishments with the FDA and state agencies and are subject to periodic unannounced inspections by the FDA and such state agencies for compliance with current GMP requirements. Changes to the manufacturing process are strictly regulated and often require prior FDA approval before being implemented. FDA regulations also require investigation and correction of any deviations from current GMP requirements and impose reporting and documentation requirements upon the sponsor and any third-party manufacturers that the sponsor may decide to use. Accordingly, manufacturers must continue to expend time, money and effort in the area of production and quality control to maintain current GMP compliance.

Once an approval is granted, the FDA may issue enforcement letters or withdraw the approval if compliance with regulatory requirements and standards is not maintained or if problems occur after the product reaches the market. Corrective action could delay product distribution and require significant time and financial expenditures. Later discovery of previously unknown safety issues with a product, including adverse events of unanticipated severity or frequency, may result in revisions to the approved labeling to add new safety information; imposition of post-market studies or clinical trials to assess new safety risks; or imposition of distribution or other restrictions under a REMS program. Other potential consequences include:

- restrictions on the marketing or manufacturing of the product, suspension of the approval, complete withdrawal of the product from the market or product recalls;
- fines, warning letters or other enforcement-related letters of clinical holds on post-approval clinical trials;
- refusal of the FDA to approve pending applications or supplements to approved applications, or suspension or revocation of product approvals;
- product seizure or detention, or refusal to permit the import or export of products;
- injunctions or the imposition of civil or criminal penalties; and
- consent decrees, corporate integrity agreements, debarment, or exclusion from federal healthcare programs.

The FDA strictly regulates marketing, labeling, advertising and promotion of products that are placed on the market. Drugs may be promoted only for the approved indications, in accordance with the provisions of the approved label and FDA guidance. The FDA and other agencies actively enforce the laws and regulations prohibiting the promotion of off-label uses, and a company that is found to have improperly promoted off-label uses may be subject to significant liability, including investigation by federal and state authorities. Additionally, all promotional material must be truthful and non-misleading, and present balanced information regarding the risks and benefits of the drug product.

Other Regulatory Requirements

Outside the U.S., our abilities to develop and market a product are contingent upon receiving approval and ultimately marketing authorization from the appropriate regulatory authorities. The requirements governing the conduct of clinical trials, marketing authorization, pricing and reimbursement vary widely from jurisdiction to jurisdiction. At present, foreign marketing authorizations are applied for at a national level, although within the E.U. registration procedures are available to companies wishing to market a product in more than one E.U. member state.

We are subject to U.S. federal and foreign anti-corruption laws. Those laws include the U.S. Foreign Corrupt Practices Act, or FCPA, which prohibits U.S. corporations and their representatives from offering, promising, authorizing, or making payments to any foreign government official, government staff member, political party or political candidate in an attempt to obtain or retain business abroad. The scope of the FCPA encompasses certain healthcare professionals in many countries. We are also subject to similar laws of other countries that have enacted anti-corruption laws and regulations.

Pediatric Development

In the European Union, companies developing a new medicinal product must agree to a Pediatric Investigation Plan, or PIP, with the EMA and must conduct pediatric clinical trials in accordance with that PIP, unless a deferral or waiver applies, (e.g., because the relevant disease or condition occurs only in adults). The MAA for the product must include the results of pediatric clinical trials conducted in accordance with the PIP, unless a waiver applies or a deferral has been granted, in which case the pediatric clinical trials must be completed at a later date. Where the MAA includes the results of all pediatric studies conducted in accordance with the PIP and the results are reflected in the approved summary of product characteristics, the holder of a patent or supplementary protection certificate is entitled to receive a six-month extension of the protection under a supplementary protection certificate or, in the case of orphan medicinal products, the product is eligible for a two-year extension of the orphan

market exclusivity. This pediatric reward is subject to specific conditions and is not automatically available when data in compliance with the PIP are developed and submitted.

In the US, under Pediatric Research Equity Act (PREA), a pediatric development plan is required to accompany an NDA for all drugs, except those receiving non-oncology Orphan Drug Designation. This may include waiver or deferral of pediatric studies. The Best Pharmaceuticals for Children Act (BPCA) also allows for agreement with FDA on a pediatric written request that, if fulfilled, may extend data exclusivity for the molecule for an additional 6 months.

We are currently not seeking to develop any new drug candidates for severe pediatric applications.

Competition

The biopharmaceutical industry is highly competitive within and across therapeutic categories and indications. There are many public and private biopharmaceutical companies, universities, government agencies and other research organizations actively engaged in the research and development of products that may be similar to our product candidates or address similar markets. In addition, the number of companies seeking to develop and commercialize products and therapies competing with our product candidates is likely to increase. However, we seek to build our portfolio with key differentiating attributes to provide a competitive advantage in the markets we target. The success of all of our product candidates, if approved, will likely depend upon their efficacy, safety, convenience, price, the level of generic competition and the availability of reimbursement from government and other third-party payors.

Many of our competitors, including those mentioned below, may have greater financial resources and broader expertise in research and development, manufacturing, nonclinical testing, conducting clinical trials, obtaining regulatory approvals and marketing approved medicines than we do. Mergers and acquisitions in the pharmaceutical, biotechnology and diagnostic industries may result in even more resources being concentrated among a smaller number of our competitors. These competitors also compete with Cyclerion in establishing clinical trial sites and participant registration for clinical trials, as well as in acquiring technologies complementary to, or necessary for, our programs. Smaller or early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies.

Competition can be viewed as through at least two lenses: 1) companies that are developing products with a different mechanism of action to address the same therapeutic need and 2) companies that are developing products that act through the same mechanism of action (i.e., sGC modulators).

Competition within target therapeutic areas.

We believe PTC Therapeutics, Travere Therapeutics, Dimerix Limited, Vertex Pharmaceuticals, Chinook Therapeutics, Boehringer Ingelheim, River 3 Renal Corp, Astellas, Pfizer, Eli Lilly, Novartis, AstraZeneca, Bayer and Merck are our most direct competitors with respect to praliciguat, and olinciguat.

Competition within the sGC mechanism.

There is one major competitor that is actively developing sGC modulators. Bayer and Merck have an active collaboration on sGC stimulators, focused primarily on cardiovascular, pulmonary, and renal indications. They have two approved sGC stimulators, ADEMPAS® (riociguat), indicated for pulmonary arterial hypertension (“PAH) and chronic thromboembolic pulmonary hypertension (“CTEPH”), which is a rare and potentially fatal form of elevated blood pressure in the lungs (known as pulmonary hypertension) and VERQUVO® (vericiguat) for heart failure with reduced ejection fraction (HFrEF). We are not aware of any efforts to develop sGC modulators for treatment of CNS diseases.

Manufacturing

We do not own or operate, and currently have no plans to establish, any manufacturing facilities. We intend to depend on third-party contract manufacturing organizations, or CMOs, for all our requirements of raw materials, drug substance and drug products for clinical trials and nonclinical research. We intend to continue to rely on CMOs for the supply of our retained assets for all stages of clinical development and commercialization, as well as for the supply of any other product candidates that we may identify. We require all our CMOs to conduct manufacturing activities in compliance with current GMP requirements.

Human Capital Resources

As a small, innovative company, if in the future we elect to start growing our internal operations, our success will depend on attracting, retaining and motivating highly skilled and experienced scientific, medical and other personnel. We plan to provide compensation and benefits programs which may include competitive salaries, potential annual discretionary bonuses, stock awards, a 401(k) plan with employer match, healthcare and insurance benefits, health savings and flexible spending accounts, unlimited vacation time, among other benefits. Our employees will be further guided by our code of conduct and our cultural values of seeking to serve patients, acting with integrity, empowering people and innovating for solutions.

Employee Profile

During the year ended December 31, 2023, we initiated major reductions in our workforce in connection with the sale of the Transferred Assets to Tisento and change to the Company's strategy.

As of December 31, 2023, we had one employee and several consultants. We may in the future seek to expand our employee base and also outsource certain functions to other firms.

Corporate Information

We were incorporated in the Commonwealth of Massachusetts on September 6, 2018. Our principal executive offices are located at 245 First Street, Riverview II, 18th Floor, Cambridge, MA 02142. Our telephone number is (857) 327-8778. Our common stock is listed on the Nasdaq Capital Market under the symbol "CYCN."

Available Information

Our internet website address is www.cyclerion.com. In addition to the information contained in this Annual Report, information about us can be found on our website. Our website and information included in or linked to our website are not part of this Annual Report.

Our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, are available free of charge through our website as soon as reasonably practicable after they are electronically filed with or furnished to the Securities and Exchange Commission, or the SEC. The SEC maintains an internet site that contains reports, proxy and information statements and other information. The address of the SEC's website is www.sec.gov.

Item 1A. Risk Factors.

The following information sets forth risk factors that could cause our actual results to differ materially from those contained in forward-looking statements we have made in this Annual Report on Form 10-K and those we may make from time to time. You should carefully consider the risks described below, in addition to the other information contained in this Annual Report on Form 10-K and our other public filings. Our business, financial condition or results of operations could be harmed by any of these risks. The risks and uncertainties described below are not the only ones we face. Additional risks not presently known to us or other factors not perceived by us to present significant risks to our business at this time also may impair our business operations. In this section, we first provide a summary of the more significant risks and uncertainties we face and then provide a full set of risk factors and discuss them in greater detail.

Risk Factors Summary

- We are a biopharmaceutical company with a limited operating history and no products approved for commercial sale.
- We have incurred significant losses and have never generated revenue from product sales; we anticipate that we will continue to incur significant losses for the foreseeable future and may never be profitable.
- There is substantial doubt regarding our ability to continue as a going concern. We will need to raise additional funding, which may not be available on acceptable terms, if at all to continue as a going concern and advance our current and any potential future product candidates. Failure to obtain capital when needed may force us to delay, limit or terminate our product development efforts or other operations. Raising additional capital may dilute our existing shareholders, restrict our operations or cause us to relinquish valuable rights.
- Our approach to the discovery and development of our product candidates may never lead to marketable products.
- We may encounter substantial delays in our activities, or we may fail to demonstrate safety and efficacy to the satisfaction of applicable regulatory authorities in the development of our compounds.
- We could encounter difficulties in enrolling participants in our clinical studies, which could delay or prevent progress of our product candidates.
- We may be unable to obtain regulatory approval for our product candidates and unable to generate product revenue.
- Our product candidates may cause side effects that may result in label restrictions.
- We may have to change our nonclinical or clinical study protocols due to regulatory reasons or unanticipated events, which could result in increased costs to us and could delay our development timeline.
- We may not succeed in our pursuit of capital, capabilities, and transactions for the development and commercialization of our assets.
- The risks in our investment in Tisento tied to Tisento developing, obtaining regulatory approval for, launching and commercializing their product candidates.
- The uncertainty as to any liquidity or monetizable value of our equity interest in Tisento, which faces all the risks of an early-stage pharmaceutical development company.
- Akebia may not be successful in developing and commercializing any therapies through the praliciguat out-license with the Company.
- We may enter into collaboration or license arrangements in the future that ultimately are not successful.

- We rely, and expect that we will continue to rely, on third parties to conduct nonclinical and clinical studies and to manufacture drug supplies for our product candidates. If these third parties do not execute successfully, our business could be substantially harmed.
- We share confidential information with third-party vendors, including trade secrets and know-how, which increases the possibility that our confidential information will be misappropriated or disclosed.
- We may be unable to adequately protect our proprietary technologies or obtain and maintain issued patents that are sufficient to protect our product candidates.
- We may infringe the intellectual property rights of others, which may prevent or delay our product development efforts.
- We may be subject to claims challenging the inventorship or ownership of our patents and other intellectual property.
- We may not seek to protect our intellectual property rights in all jurisdictions throughout the world and we may not be able to adequately enforce our intellectual property rights even in the jurisdictions where we seek protection.
- We may not be able to obtain additional protection under the Drug Price Competition and Patent Term Restoration Act of 1984, or the Hatch-Waxman Act, and similar foreign legislation by extending the patent terms and obtaining data exclusivity for our product candidates.
- We may be subject to damages resulting from claims that we or our employees, consultants or advisors have wrongfully used or disclosed alleged trade secrets of their current or former employers.
- If the market opportunities for our product candidates are smaller than we estimate, our revenue and ability to achieve profitability may be harmed.
- We may fail to comply with healthcare and other regulations and could face substantial penalties.
- Our competitors may achieve regulatory approval before us or develop therapies that are safer, more advanced or more effective than ours.
- The impact of healthcare reform and other governmental and private payor initiatives may harm our business.
- Our prospects for success depend on our ability to attract, retain and motivate qualified personnel.
- We may need to expand our organization and we may experience difficulties in managing growth of our employee base.
- We face potential product liability exposure, and, if claims are brought against us, we may incur substantial liability.
- We could fail to maintain proper and effective internal controls and our ability to produce accurate and timely financial statements could be impaired.
- If our information technology systems or data, or those of third parties upon which we rely, are or were compromised, we could experience adverse impacts resulting from such compromise, including, but not limited to, regulatory investigations or actions; litigation; fines and penalties; interruptions to our commercial operations, clinical trials or other operations; harm to our reputation; loss of revenue or profits; loss of sales and other adverse consequences.
- If we or any contract manufacturers and suppliers we engage fail to comply with environmental, health and safety laws and regulations, we could become subject to fines or penalties or incur.
- We could be adversely affected by violations of the U.S. Foreign Corrupt Practices Act, or the FCPA, and other worldwide anti-bribery laws.
- Any future failure to comply with Nasdaq's continued listing requirements could result in the delisting of our common stock.

- We have limited trading history and a relatively low-volume trading market for our shares and our common stock market price may fluctuate widely.
- We have adopted anti-takeover provisions in our articles of organization and bylaws and are subject to provisions of Massachusetts law that may frustrate any attempt to remove or replace our current board of directors or to effect a change of control or other business combination involving our company.
- The COVID-19 pandemic and future pandemics may disrupt our business, including our development activities.

Risks Related to Our Financial Position and Capital Needs

As we are a biopharmaceutical company with a limited operating history and no products approved for commercial sale, valuing our business and predicting our prospects are challenging.

We are a biopharmaceutical company that was incorporated in 2018. Our business was conducted within Ironwood prior to that time, and we had no history as an independent company prior to the completion of the separation which occurred in 2019. We are developing a pipeline of sGC stimulators, but we have no products approved for commercial sale, and we have never generated revenue from product sales. Our operating activities to date have been limited primarily to organizing and staffing our company, business planning, raising capital, developing our technology, identifying potential product candidates, pursuing partnership opportunities, and conducting early-stage clinical trials for our product candidates.

To date, we have not obtained marketing approval for any of our product candidates; engaged on our own or through a third party, in commercial scale manufacturing or conducted sales and marketing activities necessary for the successful commercialization of our product candidates. Our short operating history offers limited insight into our prospects for success or even viability. We expect our operating performance to fluctuate. We will encounter challenges frequently experienced by early-stage biopharmaceutical companies in rapidly evolving fields and we have not yet demonstrated an ability to successfully navigate such challenges. If we do not successfully address the challenges we face, our business, prospects, financial condition and results of operations will be materially harmed.

Our business has incurred significant losses and we anticipate that we will continue to incur significant losses for the foreseeable future. We have never generated revenue from product sales and may never be profitable.

Our business has incurred operating losses due to costs incurred in connection with our research and development activities and general and administrative expenses associated with our operations. Our net losses for the years ended December 31, 2023 and 2022 were $5.3 million and $44.1 million, respectively. We expect to incur significant losses for at least several years, as we continue our research activities and conduct development of, and seek regulatory approvals for, our product candidates.

Our ability to generate revenue from our current and any potential future product candidates and achieve profitability depends on our ability, alone or with strategic partners, to complete the development of, and obtain the necessary regulatory and essential pricing and reimbursement approvals to commercialize, our product candidates. We do not know when, if ever, we will generate revenues from sales of our product candidates.

Our expenses could increase beyond expectations if we are required by the FDA, the European Medicines Agency (EMA), or other regulatory agencies, domestic or foreign, to perform clinical and other studies in addition to those that we currently anticipate. Even if one or more of the product candidates that we develop is approved for commercial sale, we may never generate revenue in amounts sufficient to achieve and maintain profitability.

There is substantial doubt about our ability to continue as a going concern. We will need to raise additional funding, which may not be available on acceptable terms, if at all to continue as a going concern and advance our product candidates. Failure to obtain capital when needed may force us to delay, limit or terminate our product development efforts or other operations. Raising additional capital may dilute our existing shareholders, restrict our operations or cause us to relinquish valuable rights.

There is substantial doubt regarding our ability to continue as a going concern. As of December 31, 2023, we had unrestricted cash and cash equivalents of approximately $7.6 million. Our management believes that such cash and cash equivalents will not be sufficient to fund our operating expenses and capital requirements for one year after the date the financial statements are issued, whether or not we curtail efforts with respect to certain of our current and future product candidates. We will require significant additional funding to advance any of our product candidates beyond the short term and to sustain our operations.

We intend to seek funds through collaborations, strategic alliances, or licensing arrangements with third parties. Such agreements may adversely impact retained rights to our assets, technologies, future revenue streams and programs, especially those that receive regulatory approval.

We may also seek to raise such capital through public or private equity, royalty financing or debt financing. Raising funds in the current economic environment may be challenging, and such financing may not be available in sufficient amounts or on acceptable terms, if at all. The terms of any financing may harm existing shareholders. The issuance of additional securities, whether equity or debt, or the possibility of such issuance, may cause the market price of our shares to decline. The sale of additional equity or convertible securities may dilute the ownership of existing shareholders. Incurring debt would result in increased fixed payment obligations, and we may agree to restrictive covenants, such as limitations on our ability to incur additional debt or limitations on our ability to acquire, sell or license intellectual property rights that could impede our ability to conduct our business.

Risks Related to our Business and Industry

Our approach to the discovery and development of product candidates for the treatment of serious diseases may never lead to marketable products.

The development of drug therapies presents unique challenges., including an imperfect understanding of the biology, a frequent lack of translatability of nonclinical study results in subsequent clinical trials and dose selection, and the product candidate having an effect that may be too small to be detected using the outcome measures selected in clinical trials or if the outcomes measured do not reach statistical significance. Our future success is highly dependent on the successful development of our technology and our current and any potential future product candidates. The scientific evidence to support the feasibility of developing our current product candidates is both preliminary and limited. If we do not successfully develop and commercialize product candidates, we will not become profitable and the value of our common stock may decline.

Research and development of biopharmaceutical products is inherently risky. We may encounter substantial delays in our activities, including our clinical studies, or we may fail to demonstrate safety and efficacy to the satisfaction of applicable regulatory authorities in the development of products to treat patients with serious diseases.

Our business depends heavily on the successful development, clinical testing, regulatory approvals and commercialization of olinciguat and praliciguat (out-licensed to Akebia), our retained systemic sGC stimulators and any future potential product candidates we may acquire or license as well as both the Transferred Assets product candidates we have sold to Tisento. Any of our current or potential product candidates will require regulatory approval.

Before obtaining regulatory approvals for the commercial sale of any of our product candidates, we must demonstrate through lengthy, complex and expensive nonclinical and clinical studies that our product candidates are both safe and effective for use in each target indication. Each product candidate must demonstrate an adequate benefit-risk profile for its intended use in its intended patient population. In some instances, significant variability in safety or efficacy appear in different clinical studies of the same product candidate due to numerous factors,

including changes in study protocols, differences in the number and characteristics of the enrolled study participants, variations in the dosing regimen and other clinical study parameters or the dropout rate among study participants. Product candidates in later stages of clinical studies often fail to demonstrate adequate safety and efficacy despite promising nonclinical testing and early clinical studies. Companies in the biopharmaceutical industry often suffer significant setbacks in later-stage clinical studies; most product candidates that begin clinical studies are never approved for commercialization by regulatory authorities. Favorable results in earlier stage trials may not be replicated in later stage trials. If we fail to produce positive results in our clinical trials, the development timeline, regulatory approval and commercialization prospects of our assets and, correspondingly, our business and financial prospects, would be materially adversely affected.

In the event of difficulties in enrolling participants in any clinical studies conducted on our product candidates, those clinical trials could be delayed or prevented from proceeding.

Identifying and qualifying participants to participate in any clinical studies of our product candidates would be critical to the success of those clinical trials as well as the product candidates we have out-licensed to Akebia and the Transferred Assets sold to Tisento. The timing of any clinical studies will depend in part on the speed at which participants can be recruited to participate in testing these product candidates. Estimates of the prevalence of target indications may vary considerably. Determining the incidence of these conditions, including in specific geographies or demographic groups, would be challenging. The lower the actual prevalence of these conditions, the more challenges would be encountered enrolling participants in those clinical studies, which could delay development of those product candidates. Clinical trial enrollment may also encounter difficulties for a variety of other reasons. The number of participants eligible for a clinical trial may be substantially limited by stringent eligibility criteria in a study protocol, such as the inclusion of biomarker-driven identification or other highly specific criteria related to stage of disease progression or to specific patient reported outcome measures. The number of participants required to power the statistical analysis of the study's endpoints may be very large leading to an extended enrollment period. Issues such as the proximity of participants to a study site, the complexity of the study design, the ability to recruit investigators with appropriate skill and experience, competing clinical studies for similar therapies or targeting similar participants, perceptions of the benefit-risk profile of the product candidate relative to other available therapies or product candidates, and ability to obtain and maintain institutional review board, or IRB, or ethics committee, or EC, approvals and participant consents all could have a substantial impact on the timing of clinical trial enrollment. If sufficient participants cannot be enrolled in clinical studies in a timely way, obtaining study results would be delayed, which may harm our business, prospects, financial condition and results of operations.

The regulatory approval processes of the FDA and comparable foreign regulatory authorities are lengthy, time-consuming and inherently unpredictable. If we, Akebia and any other future licensees, as applicable, are ultimately unable to obtain regulatory approval for the product candidates, we will be unable to generate product revenue and our business will be substantially harmed.

A product candidate cannot be commercialized until the appropriate regulatory authorities have reviewed and approved the product candidate. The time required to obtain approval by the FDA and comparable foreign regulatory authorities is unpredictable, typically takes many years following the commencement of clinical studies and depends upon numerous factors, including the type and complexity of the product candidates involved. Regulatory authorities have substantial discretion in the approval process and may refuse to accept an application for review or may decide that data are insufficient for approval and require additional nonclinical, clinical, or other information (e.g., product quality data or manufacturing controls). No regulatory approval for any of our product candidates we own, licensed to Akebia or sold to Tisento has been requested or obtained, and it is possible that none of these existing product candidates or any product candidates we or our licensees or Tisento may seek to develop in the future will ever obtain regulatory approval.

Any ongoing clinical studies may not be completed on schedule, and any planned clinical studies may not begin on schedule, if at all. The completion or commencement of clinical studies can be delayed or prevented for a number of reasons, including, among others:

- the FDA or other regulatory bodies may not authorize us or our investigators to commence planned clinical studies, or require that ongoing clinical studies be suspended through imposition of clinical holds;
- negative results from ongoing studies or other industry studies involving product candidates modulating the same or similar mechanism of action;
- delays in reaching or failing to reach agreement on acceptable terms with prospective contract research organizations, or CROs, and clinical study sites, the terms of which can be subject to considerable negotiation and may vary significantly among different CROs and study sites;
- inadequate quantity or quality of a product candidate or other materials necessary to conduct clinical studies, for example delays in the manufacturing of sufficient supply of finished drug product;
- difficulties obtaining EC or IRB approval(s) to conduct a clinical study at a prospective site or sites;
- challenges in recruiting and enrolling participants in clinical studies, the proximity of participants to study sites, eligibility criteria for the clinical study, the nature of the clinical study protocol, the availability of approved effective treatments for the relevant disease and competition from other clinical study programs for similar indications;
- severe or unexpected drug-related side effects experienced by participants in a clinical study;
- the presence of unanticipated metabolites in participants in a clinical study may require considerable nonclinical and clinical assessment;
- we, our licensees or Tisento may decide, or regulatory authorities may require the conduct of additional clinical studies or abandonment of product development programs;
- delays in validating, or inability to validate, any endpoints utilized in a clinical study;
- the FDA or other regulatory bodies may disagree with a clinical study's design and the interpretation of data from clinical studies, or may change the requirements for approval even after it has reviewed and commented on the design for clinical studies;
- reports from nonclinical or clinical testing of other competing candidates that raise safety or efficacy concerns; and
- difficulties retaining participants who have enrolled in a clinical study but may be prone to withdraw due to rigors of the clinical studies, lack of efficacy, side effects, personal issues, or loss of interest.

Clinical studies may also be delayed or terminated as a result of ambiguous or negative interim results. In addition, a clinical study may be suspended or terminated by us, our licensees, Tisento, the FDA or other comparable authorities, the IRBs or ECs overseeing a clinical study, a data and safety monitoring board overseeing the clinical study, or other regulatory authorities due to a number of factors, including, among others:

- failure to conduct the clinical study in accordance with regulatory requirements or clinical protocols;
- inspection of the clinical study operations or study sites by the FDA or other regulatory authorities that reveals deficiencies or violations that require undertaking corrective action, including in response to the imposition of a clinical hold;
- unforeseen safety issues, including any that could be identified in ongoing studies, adverse side effects or lack of effectiveness;
- changes in government regulations or administrative actions;
- problems with clinical supply materials; and
- lack of adequate funding to continue clinical studies.

Our product candidates may cause side effects or adverse events that are presented in the product labeling approved by regulatory authorities. Some may result in label restrictions.

Our current and any potential future product candidates, those licensed to Akebia and those sold to Tisento may cause serious side effects which could cause us, our licensees, Tisento, or regulatory authorities to interrupt, delay or halt clinical studies and could result in restrictive label language or delay or denial of regulatory approval.

Changes in regulatory requirements, FDA guidance or unanticipated events during nonclinical studies and clinical studies of our product candidates, those licensed to Akebia and those sold to Tisento may occur, which may result in changes to nonclinical or clinical study protocols or additional nonclinical or clinical study requirements, which could result in increased costs and could delay development timelines.

Changes in regulatory requirements, FDA guidance or unanticipated events during nonclinical studies and clinical studies may force amendment to nonclinical studies and clinical study protocols or the FDA may impose additional nonclinical studies and clinical study requirements. Amendments or changes to clinical study protocols would require resubmission to the FDA and IRBs for review and approval, which may increase the cost or delay the timing or successful completion of clinical studies. Similarly, amendments to nonclinical studies may increase the cost or delay the timing or successful completion of those nonclinical studies. In the event of delays in completing, or the termination of, any of nonclinical or clinical studies, or if it is required that additional nonclinical or clinical studies be conducted, the commercial prospects for product candidates may be harmed and our ability to generate product revenue will be delayed for those product candidates we retain our out-license or to realize value in our equity position in Tisento.

Obtaining and maintaining regulatory approval of product candidates in one jurisdiction does not mean that there will be success in obtaining regulatory approval of our product candidates in other jurisdictions.

In order to market any product outside of the United States, compliance with the numerous and varying safety, efficacy and other regulatory requirements of other countries is required. Obtaining and maintaining regulatory approval of product candidates in one jurisdiction does not guarantee that obtaining or maintaining regulatory approval in any other jurisdiction will be possible, but a failure or delay in obtaining regulatory approval in one jurisdiction may have a negative effect on the regulatory approval process in others. For example, even if the FDA or other comparable foreign regulatory authority grants marketing approval of a product candidate, comparable regulatory authorities in foreign jurisdictions must also approve the manufacturing, marketing and promotion of the product candidate in those countries. Approval procedures vary among jurisdictions and can involve requirements and administrative review periods different from those in the United States, including additional nonclinical or clinical studies, as studies conducted in one jurisdiction may not be accepted by regulatory authorities in other jurisdictions. The marketing approval processes in other countries may implicate all of the risks detailed above regarding FDA approval in the United States, as well as other risks. In many jurisdictions outside the United States, a product candidate must be approved for reimbursement before it can be approved for sale in that jurisdiction. In some cases, the price intended to be charged for a product candidate is also subject to approval.

Obtaining foreign regulatory approvals and compliance with foreign regulatory requirements could result in significant delays, difficulties and costs and could delay or prevent the introduction of product candidates in certain countries. Failure to obtain marketing approval in other countries or any delay or other setback in obtaining such approval would impair the ability to market product candidates in such countries. Any such impairment would reduce the size of the potential market, which could have a material adverse impact on our business, prospects, financial condition and results of operations.

Data/market exclusivity may be more limited than we expect based upon the competitive landscape and other factors outside of our control that may occur during development or after approval.

There are many types of data/market exclusivity mechanisms that we or our licensees may seek to secure for our product candidates. Many of these have risk of loss of exclusivity if the competitive landscape changes or regulations are revised. If we, our licensees or Tisento seek and are awarded orphan drug designation in the US and/or the EU based upon criteria in effect at the time, this designation may be rescinded if a similar drug or another therapy that confers a significant benefit over these product candidates is subsequently approved. If these product

candidates were to fail to obtain orphan drug status, or lose such status after it is obtained, or the marketing exclusivity that such status provides, our business, prospects, financial condition and results of operations could be materially harmed. There are other types of data/market exclusivity rights granted after approval that may not confer exclusivity anticipated if the competitive landscape changes and our business, prospects, financial condition and results of operations could be materially harmed.

The COVID-19 pandemic and other future pandemics may disrupt our business, including our development activities.

Many nations, including the United States, continue to implement mitigation measures, that have in the past and may in the future limit our ability to access patients and physicians at certain local clinical centers that are participating in any future development activities.

We may face limitations and difficulties enrolling patients in our planned and future clinical trials if the patient populations that are eligible for our clinical trials are affected by the coronavirus and/or the COVID-19 vaccines or other pandemics. Any such restrictions at trial sites could delay any future clinical studies. In addition, if the patients enrolled in any future clinical trials become infected with COVID-19 or other viruses, we may have more adverse events and deaths in our clinical trials as a result. Vulnerable patients may be at a higher risk of contracting COVID-19 and other viruses may experience more severe symptoms from the disease, adversely affecting our chances for regulatory approval or requiring further clinical studies. The adverse effects that may occur from administration of vaccines to patients participating in our future clinical trials could adversely affect clinical trial outcomes or data analysis. Furthermore, the extent to which the COVID-19 pandemic, or future outbreaks of infectious disease, hinders access to facilities, procurement of resources, raw materials or components necessary for research studies or preclinical or clinical development is not fully predictable. Delays and disruptions from the COVID-19 pandemic, or future outbreaks of infectious disease, may increase our capital needs while potentially interfering with our access to capital.

Risks Related to Our Reliance on Third Parties

We may not succeed in our pursuit of capital, capabilities, and transactions for the development and commercialization of our future clinical stage assets, which would affect our financial condition.

We intend in the future to seek capital, capabilities, and transactions to advance the development of product candidates we may acquire rights to in the future. There can be no assurance that this process will result in any effective negotiations toward, reaching terms of, executing agreements relating to, or completing any transaction or that any such transaction will be successful. Failure to complete any of the foregoing efforts would materially adversely affect our business, prospects, financial condition and results of operations.

Akebia may not be successful in developing any therapies through the praliciguat out-license and we may not realize any future revenue from the out-license.

On June 3, 2021, we entered into a license agreement with Akebia relating to the exclusive worldwide license to Akebia of our rights to the development, manufacture, medical affairs and commercialization of pharmaceutical products containing the pharmaceutical compound praliciguat and other related products and forms thereof enumerated in such agreement. Under the agreement, Akebia is responsible for all research, development, regulatory, and commercialization activities for certain products. Cyclerion is eligible to receive up to $12 million upon the initiation of a phase 2 clinical trial. Cyclerion is eligible to receive up to $585 million in total potential future development, regulatory, and commercialization milestone payments. Akebia will pay Cyclerion 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. The agreement may be terminated by either party in the event of a material breach by the other party or by us in the event of certain patent disputes. There can be no assurances that the agreement will result in any therapies or that it will not be terminated prior to the realization by us of any remaining eligible revenues or that Akebia will be able to successfully bring any of the licensed product candidates to market due to financial limitations or other business factors in the future or if Akebia is unable to raise additional capital on favorable terms, if at all. Akebia may at any time terminate the Akebia License Agreement upon 180 days written notice. subject to Akebia’s obligation to grant Cyclerion a non-exclusive, royalty-free license, with the right

to grant multiple tiers of sublicenses, to certain licensed compounds or products as defined in the Akebia License Agreement as well as certain rights to regulatory submissions, product trademarks, contracts with third party suppliers and certain other rights.

Tisento may not be successful in developing any therapies and we may not realize any future value from the Tisento common stock we received under the Asset Purchase Agreement with Tisento.

Our investment in Tisento is subject to all of the risks associated with an earlier stage biotechnology company. The pharmaceutical and biotechnology industries are characterized by rapidly advancing technologies, intense competition and a strong emphasis on proprietary products. While we believe that Tisento's technology, development experience and scientific knowledge provide it with competitive advantages, it may face potential competition from many different sources, including large pharmaceutical and biotechnology companies, academic institutions, government agencies and other public and private research organizations that conduct research, seek patent protection and establish collaborative arrangements for the research, development, manufacturing and commercialization of similar products. Any investigational products that we successfully develop and commercialize will compete with new immunotherapies that may become available in the future. As a result, our investment in Tisento is risky and our equity interest in Tisento could be significantly diluted in the future if Tisento seeks to raise additional capital or is unable to raise additional capital on favorable terms, if at all. If Tisento suffers adverse effects, it may not be able to continue as a going business concern, and we may lose our entire investment.

We lack operational control over Tisento.

Our investment in Tisento represents a minority or passive stake and we may have little to no participation, input or control over the management, policies, and operations of Tisento. Further, we may lack sufficient ownership of voting securities to impact, without the vote of additional equity holders, any matters submitted to stockholders or members of such business for a vote. There is inherent risk in making minority equity investments in companies over which we have little to no control. Without control of the management and decision-making of these businesses, we cannot control their direction, strategy, policies and business plans, and we may be powerless to improve any declines in their performance, operating results and financial condition.

Any collaboration or license arrangements that we enter into in the future may not be successful, which could impede our ability to develop and commercialize our product candidates.

We may seek additional collaboration or license arrangements for the commercialization, and/or potentially for the development, of certain of our product candidates depending on the merits of retaining commercialization rights for ourselves as compared to entering into collaboration or license arrangements. We face significant challenges in seeking appropriate partners. Moreover, collaboration and license arrangements are complex and time-consuming to negotiate, document, implement and maintain. We may not be successful in our efforts to establish and implement such arrangements. The terms of any collaborations, licenses or other arrangements that we may establish may not be favorable to us.

Any future collaboration or license arrangements that we enter into may not be successful. The success of such arrangements will depend heavily on the efforts and activities of our partners. Collaboration and license arrangements are subject to numerous risks, including that:

- partners have significant discretion in determining the efforts and resources that they will apply to collaborations;
- a partner with marketing, manufacturing and distribution rights to one or more products may not commit sufficient resources to or otherwise not perform satisfactorily in carrying out these activities;
- partners may not properly maintain or defend our intellectual property rights or may use our intellectual property or proprietary information in a way that gives rise to actual or threatened litigation that could jeopardize or invalidate our intellectual property or proprietary information or expose us to potential liability;

- collaboration and license arrangements may be terminated, and, if terminated, this may result in a need for additional capital to pursue further development or commercialization of the applicable current or any potential future product candidates;
- partners may own or co-own intellectual property covering products that results from our collaborating with them, and in such cases, we would not have the exclusive right to develop or commercialize such intellectual property;
- disputes may arise with respect to the ownership of any intellectual property developed pursuant to our collaboration or license arrangements; and
- a partner's sales and marketing activities or other operations may not be in compliance with applicable laws resulting in civil or criminal proceedings.

We expect in the future to rely on third parties to conduct any nonclinical or clinical studies for any potential future product candidates. If these third parties do not successfully carry out their contractual duties or meet expected deadlines, necessary regulatory approvals for or commercialization of any potential future product candidates may not be obtainable and our business could be substantially harmed.

We do not have the infrastructure or internal resources and capabilities to independently conduct nonclinical or clinical studies. We expect to rely on contract laboratories, medical institutions, clinical investigators, licensees and other third parties, such as CROs, to conduct nonclinical studies on any future discovery compounds and product candidates and clinical studies on product candidates. We expect to rely heavily on such parties for execution of nonclinical and clinical studies and as a result that we will only be able to control certain aspects of their activities. As a result, we expect we will have limited direct control over the conduct, timing and completion of our nonclinical and clinical studies and the management of data developed through these studies. Communicating with outside parties can also be challenging, potentially leading to mistakes as well as difficulties in coordinating activities. Outside parties may have staffing difficulties, fail to comply with contractual obligations, experience regulatory compliance issues, undergo changes in priorities, become financially distressed or form relationships with other entities, some of which may be our competitors.

These factors may materially impede the willingness or ability of third parties to complete quality nonclinical and clinical studies and may subject us to unexpected cost increases that are beyond our control. Nevertheless, we may be responsible for ensuring that each of any future nonclinical and clinical studies is conducted in accordance with any applicable protocol, legal, regulatory and scientific requirements and standards, and our reliance on CROs and other third parties does not necessarily relieve us of our regulatory responsibilities. We, and any future CROs and other third parties are required to comply with regulations and guidelines, such as good laboratory practices (GLPs), good clinical practices (GCPs), and current Good Manufacturing Practices. These regulations are enforced by the FDA and comparable foreign regulatory authorities for any products in clinical development. The FDA enforces compliance to regulations through periodic inspections of clinical study sponsors, principal investigators, and third parties. If the FDA determines there was a failure to comply with the regulations the clinical data generated in any clinical studies may be deemed unreliable and the FDA or comparable foreign regulatory authorities may require the performance of additional clinical studies before approving any marketing applications. We cannot assure you that, upon inspection, the FDA will determine that any potential future nonclinical studies, clinical studies or product manufacturing will comply with these regulations. Our failure or the failure of our CROs or other third parties to comply with these regulations may require the repeat of those clinical studies, which would delay the regulatory approval process and could also result in enforcement action up to and including civil and criminal penalties.

Although we or our current licensee or any future licensees may design or approve the designs of our product candidate clinical studies, CROs and other third parties conduct those clinical studies. As a result, many important aspects of the execution of the development programs for our product candidates may be outside of our direct control. In addition, the CROs, or other third parties, may not perform all of their obligations under arrangements with us or our licensees or in compliance with regulatory requirements, but we may remain responsible and are subject to enforcement action that may include civil penalties and criminal prosecution for any violations of FDA laws and regulations during the conduct of clinical studies. If the CROs, or our licensees, do not perform clinical studies in a satisfactory manner, breach their obligations to us or fail to comply with regulatory

requirements, the development and commercialization of our product candidates may be delayed, or our development program materially and irreversibly harmed. We may not be able to control the amount and timing of resources these CROs or our licensees devote to our clinical products.

If any relationships with these third-party CROs terminate, arrangements with alternative CROs may not be achievable. If CROs do not successfully carry out their contractual duties or obligations or meet expected deadlines, if they need to be replaced, or if the quality or accuracy of the clinical data they obtain is compromised due to the failure to adhere to required clinical protocols, regulatory requirements or for other reasons, any clinical studies such CROs are associated with may be extended, delayed or terminated, and required regulatory approval for or successfully commercialization of our product candidates may not be obtainable. As a result, we believe that our financial results and the commercial prospects for our product candidates in the approved indication would be harmed, our costs could increase and our ability to generate revenue could be delayed or lost.

Except as out-licensed, we must rely completely on third-party suppliers to manufacture any nonclinical and clinical drug supplies for our product candidates, and we intend to rely on third parties to produce commercial supplies of any product candidates that are approved.

We do not currently have, nor do we plan to acquire, the infrastructure or capability to internally manufacture the drug supply of our current or any potential future product candidates, for use in the conduct of our nonclinical and clinical studies. We lack the internal resources and the capability to manufacture any product candidates on any scale. We expect to depend on third-party contract manufacturing organizations, or CMOs, for all our requirements of raw materials, drug substances and drug product for any future nonclinical studies and clinical trials. We do not have long-term supply agreements in place with any CMO and we expect that any potential future product candidates will be individually contracted under a services agreement on a purchase order basis. We expect to rely on CMOs for the supply of later-stage development and commercialization, as well as for the supply of any other discovery compounds or product candidates that we may identify, and we may not be able to enter into long-term supply agreements with such CMOs on favorable terms. As a further result, we are subject to price fluctuations for any clinical drug supplies. If the prices charged by these CMOs increase, our business, prospects, financial condition and results of operations could be materially harmed. We expect in the future to apply industry risk management practices to minimize the impact to nonclinical and clinical timelines associated with delays to our clinical supplies. However, these delays could still lead to clinical trials delays that could adversely impact our business.

In addition, any facilities which may be used by contract manufacturers to manufacture the active pharmaceutical ingredient and final drug product must complete a pre-approval inspection by the FDA and other comparable foreign regulatory agencies to assess compliance with applicable requirements, including current GMP, after we submit our new drug application, or NDA, or relevant foreign regulatory submission to the applicable regulatory agency. If the FDA or an applicable foreign regulatory agency determines now or in the future that these facilities are noncompliant, we may need to find alternative manufacturing facilities, which would impede our ability to develop, obtain regulatory approval for or market our product candidates.

Our anticipated reliance on third parties requires us to share our confidential information, including trade secrets and know-how, which increases the possibility that our confidential information will be misappropriated or disclosed.

Because we seek to involve third party licensees and collaborators on current and potential future product candidates, we expect we will rely on third parties to manufacture our product candidates, and because we expect to collaborate with various CROs and other third parties to conduct our nonclinical studies and clinical trials, we must, at times, share our trade secrets or know-how with them. We seek to protect our confidential information, including know-how and trade secrets, in part by entering into confidentiality agreements and, if applicable, material transfer agreements, collaborative research agreements, consulting agreements or other similar agreements with our collaborators, advisors and consultants prior to beginning our collaborations or disclosing confidential information to such parties. These agreements typically limit the rights of the third parties to use or disclose our confidential information, such as trade secrets and know-how. Despite these contractual provisions, the need to share our confidential information with third parties increases the risk that confidential information such as trade secrets and know-how becomes known by our competitors, is inadvertently incorporated into the technology of others, or is

disclosed or used in violation of these agreements. Given that our proprietary position is based, in part, on our confidential information including know-how and trade secrets, a competitor's discovery of our confidential information or other unauthorized use or disclosure could impair our competitive position and may have a material adverse effect on our business, prospects, financial condition and results of operations.

Risks Related to Our Intellectual Property Rights

If we or our licensees or Tisento are unable to adequately protect proprietary technologies, or obtain and maintain issued patents that are sufficient to protect our product candidates, others could compete against us, our licensees and Tisento more directly, which would have a material adverse impact on our business, prospects, financial condition and results of operations.

Our success will depend in part on our and our licensees and Tisento's ability to obtain and maintain patent and other proprietary protection in the United States and other countries for commercially important technology, inventions and know-how related to our business, defend and enforce patents, should they issue, preserve the confidentiality of trade secrets and operate without infringing the valid and enforceable patents and proprietary rights of third parties. We strive to protect and enhance the proprietary technologies that we believe are important to our business, including seeking patents intended to cover our product candidates and compositions, their methods of use and any other Inventions that are important to the development of our business.

We have nineteen issued U.S. patents, nine pending U.S. patents applications and numerous foreign patents and pending patent applications. Patent families are filed either as utility US patents or under an international patent law treaty (PCT) that provides a unified procedure for filing a single initial patent application to seek patent protection for an invention simultaneously in each of the 157 contracting states, followed by the process of entering national phase, which requires a separate application in each of the member states in which national patent protection is sought.

See "Business — Intellectual Property." We also rely on trade secrets to protect aspects of our business that are not amenable to, or that we do not consider appropriate for, patent protection.

The patent positions of biotechnology and pharmaceutical companies, including ours, involve complex legal and factual questions, which in recent years have been the subject of much litigation, and, therefore, the issuance, scope, validity, enforceability and commercial value of any patent claims that we may obtain cannot be predicted with certainty. Patent applications may not be granted as issued patents in any particular jurisdiction and, even if they do, these patents may not include claims with a sufficient scope to protect our product candidates or otherwise provide any competitive advantage.

Even if patent applications are issued, competitors and other third parties may infringe, misappropriate or otherwise violate patents and other intellectual property rights. We may not be able to prevent infringement, misappropriation or other violations of intellectual property rights, particularly in countries where the laws may not protect those rights as fully as in the United States. To counter infringement or unauthorized use, filing infringement claims may be required, which can be expensive and time-consuming and divert the attention of management and key personnel from business operations.

Moreover, patents, if issued, may be challenged, deemed unenforceable, invalidated or circumvented in the United States and abroad. U.S. patents and patent applications may also be subject to interference, derivation, ex-parte reexamination, post-grant review, or inter-partes review proceedings, supplemental examination and challenges in district court. Interference proceedings provoked by third parties or brought by us or our licensees may be necessary to determine the priority of inventions with respect to patents or patent applications. An unfavorable outcome could require ceasing the use of the related technology or to attempt to license rights to it from the prevailing party. Our business could be harmed if the prevailing party does not offer a license on commercially reasonable terms. Involvement in litigation or interference proceedings may fail and, even if successful, may result in substantial costs, and distract management and other employees. Furthermore, an adverse decision in an interference or derivation proceeding can result in a third party receiving the sought-out patent right, which in turn could affect the ability to develop, market or otherwise commercialize our product candidates.

Patents may also be subjected to opposition, post-grant review or comparable proceedings lodged in various foreign, both national and regional, patent offices or courts. Such proceedings could result in revocation or amendment of patents in such a way that they no longer cover our product candidates or competitive products. In addition, such proceedings may be costly. Thus, any patents, should they issue, may not provide any protection against competitors.

Furthermore, though a patent, if it were to issue, is presumed valid and enforceable, its issuance is not conclusive as to its validity or its enforceability and it may not provide adequate protection to exclude competitors from making similar products. Even if a patent issues and is held to be valid and enforceable, competitors may be able to design around or circumvent our patents, such as by using pre-existing or newly developed technology or products in a non-infringing manner. If these developments were to occur, they could have a material adverse effect on our business, prospects, financial condition and results of operations.

Any litigation to enforce or defend patent rights, even if successful, would be costly and time-consuming and would divert the attention of management and key personnel from business operations. We may not prevail in any lawsuits that we initiate, and the damages or other remedies awarded if we were to prevail may not be commercially meaningful.

In addition, proceedings to enforce or defend any patents, if and when issued, put those patents at risk of being invalidated, held unenforceable or not infringed, or interpreted narrowly. Such proceedings could also provoke third parties to assert counterclaims, including that some or all of the claims in one or more patents are invalid, not infringed or unenforceable. Grounds for a validity challenge include alleged failures to meet any of several statutory requirements, including lack of novelty, obviousness or non-enablement. Grounds for unenforceability assertions of a patent include allegations that someone connected with prosecution of the patent application that matured into the patent withheld relevant information from the U.S. Patent and Trademark Office, or the USPTO, or made a misleading statement, during prosecution of the patent application. In an infringement proceeding, a court may disagree with allegations and refuse to stop the other party from using the technology at issue on the grounds that patents do not cover the technology in question or may decide that a patent is invalid or unenforceable. An adverse result in any litigation, defense or post-grant proceedings could result in one or more patents being invalidated or interpreted narrowly. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some confidential information could be compromised by disclosure during this type of litigation. There could also be public announcements of the results of hearings, motions or other interim proceedings or developments. If securities analysts or investors perceive these results to be negative, it would have a material adverse effect on the price of our common stock.

The outcome following legal assertions of invalidity and unenforceability is unpredictable. With respect to validity, for example, there cannot be certainty that there is no invalidating prior art, of which we, our licensees and the patent examiner were unaware during prosecution. If a defendant were to prevail on a legal assertion of invalidity and/or unenforceability, at least part, and perhaps all, of the patent protection on our product candidates could be lost.

If any patents, if and when issued, covering our product candidates are invalidated or found not infringed or unenforceable, our business, prospects, financial condition and results of operations could be materially harmed.

We may infringe the intellectual property rights of others, which may prevent or delay our product development efforts and stop us from commercializing or increase the costs of commercializing our product candidates, if approved.

Our success will depend in part on our ability to operate without infringing, misappropriating or otherwise violating the intellectual property and proprietary rights of third parties. Other parties may allege that our product candidates or the use of our technologies infringes or otherwise violates patent claims or other intellectual property rights held by them or that we are employing their proprietary technology without authorization. There may be third-party patents or patent applications with claims to compositions, materials, formulations, methods of manufacture or methods for treatment related to our product candidates. Because patent applications can take many years to issue, third parties may have currently pending patent applications which may later result in issued patents that our product candidates may infringe, or which such third parties claim are infringed by our technologies.

The pharmaceutical industry is characterized by extensive litigation regarding patents and other intellectual property rights. Patent and other types of intellectual property litigation can involve complex factual and legal questions, and their outcome is uncertain and cannot be adequately quantified in advance. The coverage of patents is subject to interpretation by the courts, and the interpretation is not always uniform. If we are sued for patent infringement, we would need to demonstrate that our product candidates, products or methods either does not infringe the patent claims of the relevant patent or that the patent claims are invalid or unenforceable, and we may not be able to do this. Even if we are successful in these proceedings, we may incur substantial costs and the time and attention of our management and scientific personnel could be diverted in pursuing these proceedings, which could have a material adverse effect on our business and operating results. In addition, we may not have sufficient resources to bring these actions to a successful conclusion.

If we are unable to avoid infringing the patent rights of others, we may be required to seek a license, defend an infringement action or challenge the validity of the patents in court, or redesign our product candidates. In addition, if any such claim were successfully asserted against us and we could not obtain such a license, we may be forced to stop or delay developing, manufacturing, selling or otherwise commercializing our product candidates. Any claim relating to intellectual property infringement that is successfully asserted against us may require us to pay substantial damages, including treble damages and attorneys' fees if we are found to be willfully infringing another party's patents, for past use of the asserted intellectual property and royalties and other consideration going forward if we are forced to take a license.

Any of these risks coming to fruition could have a material adverse effect on our business, prospects, financial condition and results of operations.

We may be subject to claims challenging the inventorship or ownership of our patents and other intellectual property.

Our employee, consultants, non-academic outside scientific collaborators and other advisors enter into confidentiality and intellectual property assignment agreements with us or have entered into confidentiality and intellectual property assignment agreements with Ironwood. We seek to have inventions assigned to us by the parties rendering services whenever possible. However, we may not be able to enter into these agreements with all parties (for example with academic collaborators) or these agreements may not be honored and may not effectively assign intellectual property rights to us.

Litigation may be necessary to defend against these and other claims challenging inventorship or ownership. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights, such as exclusive ownership of, or right to use, valuable intellectual property, or we may have to in-license intellectual property owned by another party. Such an outcome could have a material adverse effect on our business. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to management and other employees.

Obtaining and maintaining patent protection depends on compliance with various procedural, document submission, fee payment and other requirements imposed by governmental patent agencies and patent protection could be reduced or eliminated for non-compliance with these requirements.

The USPTO and various foreign governmental patent agencies require compliance with a number of procedural, documentary, fee payment and other similar provisions over the lifetime of owned patents and applications. In some cases, an inadvertent lapse can be cured by payment of a late fee or by other means in accordance with the applicable rules. However, there are situations in which noncompliance can result in abandonment or lapse of the patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. In such an event, competitors or other third parties might be able to enter the market earlier than would otherwise have been the case and this circumstance could have a material adverse effect on our business, prospects, financial condition and results of operations.

We and our licensees and Tisento may not seek to protect our intellectual property rights in all jurisdictions throughout the world and we may not be able to adequately enforce our intellectual property rights even in the jurisdictions where we seek protection.

The statutory deadlines for pursuing patent protection in individual foreign jurisdictions are based on the priority date of each of our patent applications and we may not timely file foreign patent applications. Thus, for each of the patent families that are believed to provide coverage for our product candidates, we, and our licensees, will need to decide whether and where to pursue protection outside the United States. Filing and prosecuting patent applications and defending patents on product candidates in all countries and jurisdictions throughout the world would be prohibitively expensive, and so it is unlikely to pursue and maintain patents in all countries worldwide. As such, competitors may use technologies in jurisdictions where patent protection is not pursued and obtained to develop their own products.

The laws of some foreign countries may not protect intellectual property rights to the same extent as the laws of the United States. Consequently, it may not be possible to prevent third parties from practicing our inventions in all countries outside the United States even if there is a patent in that jurisdiction. Further, a competitor may export otherwise infringing products to territories where patent protection exists, but enforcement is not as strong as that in the United States. These products may compete with our product candidates and patents or other intellectual property rights may not be effective or sufficient to prevent them from competing. Even pursuing and obtaining issued patents in particular jurisdictions, patent claims or other intellectual property rights may not be effective or sufficient to prevent third parties from so competing.

Many companies have encountered significant problems in protecting and defending intellectual property rights in certain foreign jurisdictions. The legal systems of some countries, particularly developing countries, do not favor the enforcement of patents and other intellectual property protection, especially those relating to biotechnology or pharmaceuticals. This could make it difficult to stop the infringement of patents, if obtained, or the misappropriation of or marketing of competing products in violation of other intellectual property rights. For example, many foreign countries have compulsory licensing laws under which a patent owner must grant licenses to third parties. In addition, many countries limit the enforceability of patents against third parties, including government agencies or government contractors. In these countries, patents may provide limited or no benefit. Patent protection must ultimately be sought on a country-by-country basis, which is an expensive and time-consuming process with uncertain outcomes. Accordingly, patent protection might not be sought in certain countries, and there will not be a benefit of patent protection in such countries.

Proceedings to enforce patent rights in foreign jurisdictions could result in substantial costs and divert efforts and attention from other aspects of our business, could put patents at risk of being invalidated or interpreted narrowly, could put patent applications at risk of not issuing, and could provoke third parties to assert claims. We, or our licensees, may not prevail in any lawsuits that we initiate, and the damages or other remedies awarded, if any, may not be commercially meaningful. Accordingly, efforts to enforce intellectual property rights around the world may be inadequate to obtain a significant commercial advantage from the intellectual property that developed or licensed.

If we, or our licensees, do not obtain additional protection under the Drug Price Competition and Patent Term Restoration Act of 1984, or the Hatch-Waxman Act, and similar foreign legislation by extending the patent terms and obtaining data exclusivity for our product candidates, our business, prospects, financial condition and results of operations may be materially harmed.

Depending upon the timing, duration and specifics of FDA marketing approval of our product candidates, one or more of the U.S. patents owned may be eligible for a limited patent term extension under the Hatch-Waxman Act, which permits a patent term extension as compensation for patent term lost during the FDA regulatory review process. A maximum of five years can be restored to the eligible patent. In all cases, the total patent life for the product with the patent extension cannot exceed 14 years from the product's approval date, or in other words, 14 years of potential marketing time. However, an extension might not be granted because of, for example, failing to apply within applicable deadlines, failing to apply prior to expiration of relevant patents or otherwise failing to satisfy applicable requirements. Moreover, the applicable time period or the scope of patent protection afforded could be less than we request. If unable to obtain a patent term extension or the term of any such extension is less

than we request, the duration of patent protection obtained for our product candidates may not provide any meaningful commercial or competitive advantage, competitors may obtain approval of competing products earlier than they would otherwise be able to do so, and our ability to generate revenues could be harmed.

Changes in U.S. patent law could diminish the value of patents in general, thereby impairing our ability to protect our product candidates.

As is the case with other biotechnology companies, our success is heavily dependent on intellectual property, particularly patents. Obtaining and enforcing patents in the biotechnology industry involves both technological and legal complexity, and is therefore costly, time-consuming and inherently uncertain. In addition, the United States has recently enacted and is currently implementing wide-ranging patent reform legislation: the Leahy-Smith America Invents Act, or the America Invents Act. The America Invents Act includes a number of significant changes to U.S. patent law. These provisions affect the way patent applications will be prosecuted and may also affect patent litigation. It is not yet clear what, if any, impact the America Invents Act will have on the operation of our business. However, the America Invents Act and its implementation could increase the uncertainties and costs surrounding the prosecution of our patent applications and the enforcement or defense of any patents that may issue from our patent applications, all of which could have a material adverse effect on our business, prospects, financial condition and results of operations.

In addition to increasing uncertainty with regard to our ability to obtain future patents, this combination of events has created uncertainty with respect to the value of patents once obtained. Depending on these and other decisions by the U.S. Congress, the federal courts and the USPTO, the laws and regulations governing patents could change in unpredictable ways that could weaken our ability to obtain new patents or to enforce any patents that may issue in the future.

We may be subject to damages resulting from claims that we or our employees, consultants or advisors have wrongfully used or disclosed alleged trade secrets of their current or former employers.

Our current employee and any employees we may hire in the future may have been previously employed at other biotechnology or pharmaceutical companies, including our competitors or potential competitors. We also engage and, in the future, intend to engage advisors and consultants who are concurrently employed at universities or who perform services for other entities.

We may be subject to claims that we or our employees, advisors or consultants have inadvertently or otherwise used or disclosed intellectual property, including trade secrets or other proprietary information, of a former employer or other third party. We may be subject to claims that an employee, advisor or consultant performed work for us that conflicts with that person's obligations to a third party, such as an employer, and thus, that the third party has an ownership interest in the intellectual property arising out of work performed for us. Litigation may be necessary to defend against these claims. Even if we are successful in defending against these claims, litigation could result in substantial costs and be a distraction to management. If we fail in defending such claims, in addition to paying money claims, we may lose valuable intellectual property rights or personnel. A loss of key personnel or their work product could hamper or prevent our ability to commercialize our product candidates, which would materially harm our commercial development efforts.

Risks Related to the Future Commercialization of Our Current or Potential Future Product Candidates

The incidence and prevalence for target patient populations of our current and any potential future product candidates we may acquire have not been established with precision. If the market opportunities for our current and potential future product candidates are smaller than we estimate, or if any approval that we obtain is based on a narrower definition of the patient population, our revenue and ability to achieve profitability may be harmed.

The incidence and prevalence for all the conditions we aim to address with our current and any potential future programs vary considerably. Projections of both the number of people who have these diseases, as well as the subset of people with these diseases who have the potential to benefit from treatment with our product candidates,

are based on beliefs and estimates. These estimates have been derived from a variety of sources, including scientific literature, surveys of clinics, patient foundations or market research, and may prove to be incorrect. Further, new trials may change the estimated incidence or prevalence of these diseases. The total addressable market across all of our product candidates will ultimately depend upon, among other things, the diagnosis criteria included in the final label for each of our product candidates, if approved for sale for these indications, acceptance by the medical community and patient access, drug pricing and reimbursement. The number of patients in the United States and other major markets and elsewhere may turn out to be lower than expected, patients may not be otherwise amenable to treatment with our product candidates or new patients may become increasingly difficult to identify or gain access to, all of which would harm our results of operations and our business. Further, even if significant market share for our product candidates is obtained, because the potential target populations are very small, we may never achieve profitability despite obtaining such significant market share.

If we are unable to establish sales and marketing capabilities or enter into agreements with third parties to sell and market any product candidates, if approved, we may not be successful in commercializing those product candidates if and when they are approved.

We do not currently have an infrastructure for the sale, marketing, market access, patient service and distribution of pharmaceutical products. In order to market our product candidates, if approved by the FDA or any other regulatory authority outside the United States, we must build our sales, marketing, managerial and other non-technical capabilities, or arrange with third parties to perform these services. There are risks involved with both establishing our own commercial capabilities and entering into arrangements with third parties to perform these services. For example, recruiting and training a sales force or reimbursement specialists is expensive and time-consuming and could delay any product candidate launch. If commercialization is delayed or does not occur, we would have prematurely or unnecessarily incurred such expenses. This may be costly, and our investment would be lost if we cannot retain or reposition our commercialization personnel.

If we enter into arrangements with third parties to perform sales, marketing, commercial support and distribution services, any product candidate revenue or the profitability of that revenue may be lower than if we were to market and sell any products we may develop ourselves. In addition, we may fail to enter into arrangements with third parties to commercialize our product candidates or may be unable to do so on terms that are favorable to us. We may have little control over such third parties, and any of them may fail to devote the necessary resources and attention to sell and market our product candidates effectively. If we do not establish commercialization capabilities successfully, either on our own or in collaboration with third parties, or if we are unable to do so on commercially reasonable terms, we will not be successful in commercializing our product candidates if approved and our business, prospects, financial condition and results of operations will be materially harmed.

Even if we obtain regulatory approval for our product candidates, our product candidates may not achieve broad market acceptance by patients, physicians, healthcare payors or others in the medical community, which would limit the revenue that we generate from their sales.

The future commercial success of our product candidates, if approved by the FDA or other applicable regulatory authorities outside the United States, will depend upon the awareness and acceptance of our product candidates among the medical community, including patients, physicians and healthcare payors. If any of our product candidates are approved but do not achieve an adequate level of acceptance by patients, physicians, healthcare payors and others in the medical community, we may not generate sufficient revenue to become, or remain, profitable. Market acceptance of our product candidates, if approved, will depend on a number of factors, including, among others:

- the efficacy and safety of our approved product candidates as demonstrated in clinical trials;
- the clinical indications and labeling claims for our product candidates that are approved;
- limitations or warnings contained in the labeling approved for our product candidates by the FDA or other applicable regulatory authorities;
- any restrictions on the use of our product candidates together with other medications or restrictions on the use of our products in certain types of patients;

- the prevalence and severity of any adverse effects associated with our product candidates;
- the size of the target patient population, and the willingness of the target patient population to try new therapies and of physicians to prescribe these therapies;
- the safety, efficacy, cost and other potential advantages of our approved product candidates compared to other available therapies;
- our ability to generate cost effectiveness data that supports a profitable price;
- our ability to obtain sufficient reimbursement and pricing by third-party payors and government authorities;
- the willingness of patients to pay out-of-pocket in the absence of sufficient payor coverage;
- the effectiveness of our sales and marketing strategies; or
- publicity concerning our product candidates or competing products and treatments.

If our product candidates are approved but do not achieve an adequate level of acceptance by patients, physicians and payors, we may not generate sufficient revenue from our product candidates to become or remain profitable. Before granting reimbursement approval, healthcare payors may require us to demonstrate that our product candidates, in addition to treating these target indications, also provide incremental health benefits to patients. Efforts to educate the medical community and third-party payors about the benefits of our product candidates may require significant resources and may never be successful.

Reimbursement may be limited or unavailable in certain market segments for our product candidates, which could make it difficult for us to sell our product candidates profitably. Price controls may be imposed in certain markets, which may harm our future profitability.

Market acceptance and sales of any approved product candidates will depend significantly on the availability of adequate coverage and reimbursement from third-party payors and government authorities and may be affected by existing and future health care reform measures. Government authorities and third-party payors, such as private health insurers and health maintenance organizations, decide which drugs they will pay for and establish reimbursement levels. Reimbursement by a third-party payor may depend upon a number of factors, including the third-party payor's determination that use of a product is: a covered benefit under its health plan; safe, effective and medically necessary; appropriate for the specific patient; cost-effective; and neither experimental nor investigational.

Obtaining coverage and reimbursement approval for a product from a government or other third-party payor is a time consuming and costly process that could require the provision of supporting scientific, clinical and cost-effectiveness data for the use of our product candidates to the payor. We or our partners may not be able to provide data sufficient to gain acceptance with respect to coverage and reimbursement. We cannot be sure that coverage or adequate reimbursement will be available for any of our product candidates. Also, we cannot be sure that reimbursement amounts will not reduce the demand for, or the price of, our product candidates. If reimbursement is not available or is available only to limited levels, we may not be able to commercialize certain of our product candidates. In addition, in the United States, third-party payors are increasingly attempting to contain health care costs by limiting both coverage and the level of reimbursement of new drugs. As a result, significant uncertainty exists as to whether and how much third-party payors will reimburse patients for their use of newly approved drugs, which in turn will put pressure on the pricing of drugs.

In some countries, particularly member states of the European Union, the pricing of prescription drugs is subject to governmental control. In these countries, pricing negotiations with governmental authorities can take considerable time after receipt of marketing approval for a product. In addition, there can be considerable pressure by governments and other stakeholders on prices and reimbursement levels, including as part of cost containment measures. Political, economic and regulatory developments may further complicate pricing negotiations, and pricing negotiations may continue after reimbursement has been obtained. Reference pricing used by various European Union member states and parallel distribution, or arbitrage between low-priced and high-priced member states, can further reduce prices. In some countries, we or our partners may be required to conduct a clinical trial or other

studies that compare the cost-effectiveness of our product candidates to other available therapies in order to obtain or maintain reimbursement or pricing approval. Publication of discounts by third-party payors or authorities may lead to further pressure on the prices or reimbursement levels within the country of publication and other countries. If reimbursement of our product candidates is unavailable or limited in scope or amount, or if pricing is set at unsatisfactory levels, our business could be harmed.

If we fail to comply with healthcare and other regulations, we could face substantial penalties and our business, prospects, financial condition and results of operations could be harmed.

Any product candidates that we may evaluate in clinical studies are subject to certain federal and state healthcare laws and regulations that may affect our business. These laws and regulations include:

- federal healthcare program anti-kickback laws, which prohibit, among other things, persons from offering, soliciting, receiving or providing remuneration, directly or indirectly, as an inducement or reward for their past, current or potential future prescribing, purchase, use, recommending for use, referral, formulary placement, or dispensing of our product candidates;
- the federal Health Insurance Portability and Accountability Act of 1996, or HIPAA, which prohibits executing a scheme to defraud any healthcare benefit program or making false statements relating to healthcare matters and which also imposes certain requirements relating to the privacy, security and transmission of individually identifiable health information;
- the Federal Food, Drug, and Cosmetic Act, which among other things, strictly regulates drug product and medical device research, development, and marketing, prohibits manufacturers from marketing or promoting such products prior to approval; and
- state law equivalents of the above federal laws, such as anti-kickback laws, state transparency laws, state laws limiting interactions between pharmaceutical manufacturers and members of the healthcare industry and state laws governing the privacy and security of health information in certain circumstances, many of which differ from each other in significant ways and often are not preempted by federal laws, thus complicating compliance efforts.

In addition, we may be subject to privacy and security laws in the various jurisdictions in which we operate, obtain or store personally identifiable information. For example, if we conduct clinical studies in any of the member states of the European Union, the processing of personal data in the European Economic Area, or the EEA, is subject to the 1995 Data Protection Directive, imposing strict obligations and restrictions on the ability to collect, analyze and transfer personal data. In May 2018, the General Data Protection Regulation, or the GDPR, took effect, increasing our obligations with respect to clinical studies conducted in the EEA and increasing the scrutiny applied by clinical study sites located in the EEA to transfers of personal data from such sites to countries that are considered by the European Commission to lack an adequate level of data protection, such as the United States. The compliance obligations imposed by the GDPR may increase our cost of doing business. In addition, the GDPR imposes substantial fines for breaches of data protection requirements, and it confers a private right of action on data subjects for breaches of data protection requirements.

If our operations are found to be in violation of any of the laws described above or any other laws, rules or regulations that apply to us, we will be subject to penalties, including civil and criminal penalties, damages, fines and the curtailment or restructuring of our operations. Any penalties, damages, fines, curtailment or restructuring of our operations could impede our ability to operate our business and our financial results. We cannot be certain that compliance programs will address all areas of potential exposure and the risks in this area cannot be entirely eliminated, particularly because the requirements and government interpretations of the requirements in this space are constantly evolving. Any action against us for violation of these laws, rules or regulations, even if we successfully defend against it, could cause us to incur significant legal expenses and divert our management's attention from the operation of our business, as well as damage our business or reputation. Moreover, achieving and sustaining compliance with applicable federal and state privacy, security, fraud and reporting laws may prove costly.

We face significant competition in an environment of rapid technological and scientific change, and our competitors may achieve regulatory approval before us or develop therapies that are safer, more advanced or

more effective than ours, which may harm our ability, or a licensee's ability, to successfully market or commercialize any product candidates we may develop and ultimately harm our financial condition.

Our future success depends on our ability, or a licensee's ability, to demonstrate and maintain a competitive advantage with respect to the design, development and commercialization of our product candidates. In many cases, our product candidates that may be commercialized will compete with existing, market-leading products. The development and commercialization of new drug products is highly competitive. We may face competition with respect to any product candidates that are developed or commercialized in the future from major pharmaceutical companies, specialty pharmaceutical companies and biotechnology companies worldwide. Potential competitors also include academic institutions, government agencies and other public and private research organizations that conduct research, seek patent protection and establish collaborative arrangements for research, development, manufacturing, and commercialization.

Bayer AG and Merck & Co., Inc. ("Bayer/Merck"), have an active collaboration on sGC stimulators including ADEMPAS® (riociguat), which has been approved for the treatment of Pulmonary Arterial Hypertension, (PAH) and Chronic Thromboembolic Pulmonary Hypertension (CTEPH) and Verquvo® (vericiguat), which is approved for the treatment of heart failure with reduced ejection fraction. Such sGC products may compete directly with our own product candidates in our non-CNS target indications. Because Bayer/Merck already have experience conducting successful clinical trials and obtaining regulatory approvals for an sGC product, they may be able to conduct clinical trials and obtain regulatory approvals for additional product candidates and target indications more quickly or efficiently than we or our licensees can.

We believe PTC Therapeutics, Travere Therapeutics, Dimerix Limited, Vertex Pharmaceuticals, Chinook Therapeutics, Boehringer Ingelheim, River 3 Renal Corp, Astellas, Pfizer, Eli Lilly, Novartis, AstraZeneca, Bayer and Merck are our most direct competitors with respect to praliciguat, and olinciguat.

If our product candidates do not obtain regulatory approvals in target indications prior to these or any other competing product candidates, or if our product candidates do not demonstrate superior efficacy, safety or tolerability compared to these and any other approved therapeutics for our target indications, then those product candidates may not be able to compete effectively.

Many of our current or potential competitors, either alone or with their strategic partners, have significantly greater financial resources and expertise in research and development, manufacturing, nonclinical testing, conducting clinical studies, obtaining regulatory approvals and marketing approved products than we do. Mergers and acquisitions in the pharmaceutical and biotechnology industries may result in even more resources being concentrated among a smaller number of our competitors. Our commercial opportunity could be reduced or eliminated if our competitors develop and commercialize products that are safer, more effective, have fewer or less severe side effects, are more convenient or are less expensive than any products that we may develop. Our competitors also may obtain FDA or other regulatory approval for their products more rapidly than we may obtain approval for ours and may obtain orphan product exclusivity from the FDA for indications our product candidates are targeting, which could result in our competitors establishing a strong market position before we are able to enter the market.

In addition, we or our licensees could face litigation or other proceedings with respect to the scope, ownership, validity and/or enforceability of our patents relating to our competitors' products and our competitors may allege that our product candidates infringe, misappropriate or otherwise violate their intellectual property. The availability of our competitors' products could limit the demand, and the price that could be charged, for any of our product candidates that may be developed and commercialized. See "—Risks Related to Our Intellectual Property Rights."

The impact of healthcare reform and other governmental and private payor initiatives, as well as the Inflation Reduction Act of 2022 may harm our business.

Our revenue prospects could be affected by changes in healthcare spending and policy in the United States and abroad. We operate in a highly regulated industry and new laws, regulations or judicial decisions, or new interpretations of existing laws, regulations or decisions, related to health care availability, the method of delivery or

payment for health care products and services could harm our business, operations and financial condition. There is significant interest in promoting health care reform, as evidenced by the enactment in the United States of the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act in 2010 and in reducing the costs of certain prescription drugs as evidenced by the Inflation Reduction Act of 2022. It is likely that federal and state legislatures within the United States and foreign governments will continue to consider changes to existing health care legislation. We cannot predict the reform initiatives that may be adopted in the future or whether initiatives that have been adopted will be repealed or modified. The continuing efforts of the government, insurance companies, managed care organizations and other payors of healthcare services to contain or reduce costs of healthcare may adversely affect: the demand for any drug products for which we may obtain regulatory approval; our ability to set a price that we believe is fair for our product candidates; our ability to obtain coverage and reimbursement approval for a product; our ability to generate revenues and achieve or maintain profitability; and the level of taxes that we are required to pay.

Our future growth may depend, in part, on our, or a licensee's, ability to commercialize any current and potential future product candidates outside the United States, where we would be subject to additional regulatory burdens and other risks and uncertainties.

Our future profitability may depend, in part, on our or a licensee's ability to commercialize our current and any potential future product candidates outside the United States for which we may rely on partnerships with third parties. If we commercialize our product candidates outside the United States, we would be subject to additional risks and uncertainties, including:

- the customers' ability to obtain reimbursement for our product candidates outside the United States;
- the ability to gain reimbursement in foreign markets at a price that is profitable;
- the inability to directly control commercial activities because we are relying on third parties;
- the burden of complying with complex and changing foreign regulatory, tax, accounting and legal requirements;
- different medical practices and customs in foreign countries affecting acceptance in the marketplace;
- import or export licensing requirements;
- longer accounts receivable collection times;
- longer lead times for shipping;
- language barriers for technical training;
- reduced protection of intellectual property rights in some foreign countries;
- the existence of additional potentially relevant third-party intellectual property rights;
- foreign currency exchange rate fluctuations; and
- the interpretation of contractual provisions governed by foreign laws in the event of a contract dispute.

Foreign sales of our product candidates could also be harmed by the imposition of governmental controls, political and economic instability, trade restrictions and changes in tariffs.

Our ability to generate meaningful revenues in jurisdictions outside of the United States may be limited due to the strict price controls and reimbursement limitations imposed by governments outside of the United States.

In some countries, particularly in the European Union, the pricing of prescription pharmaceuticals is subject to governmental control. In these countries, pricing negotiations with governmental authorities can take considerable time after the receipt of marketing approval for a drug. To obtain coverage and reimbursement or pricing approval in some countries, we or our licensees may be required to conduct a clinical trial that compares the cost-effectiveness of our product candidate to other available therapies, or to meet other criteria for pricing approval.

If reimbursement of a product candidate, if approved, is unavailable or limited in scope or amount, or if pricing is set at unsatisfactory levels, our business, prospects, financial condition and results of operations could be harmed.

If any of our product candidates obtain regulatory approval, additional competitors could enter the market with generic versions of such drugs, which may result in a material decline in sales of affected products.

Under the Hatch-Waxman Act, a pharmaceutical manufacturer may file an abbreviated new drug application, or an ANDA, seeking approval of a generic copy of an approved, small-molecule innovator product. Under the Hatch-Waxman Act, a manufacturer may also submit an NDA that references the FDA's prior approval of the small-molecule innovator product. The Hatch-Waxman Act also provides for certain periods of regulatory exclusivity. These include, subject to certain exceptions, the period during which an FDA-approved drug is subject to orphan drug exclusivity. In addition to the benefits of regulatory exclusivity, an innovator NDA holder may have patents claiming the active ingredient, product formulation or an approved use of the drug, which would be listed with the product in the FDA publication, "Approved Drug Products with Therapeutic Equivalence Evaluations," known as the "Orange Book." If there are patents listed in the Orange Book, a generic or NDA applicant that seeks to market its product before expiration of the patents must include in the ANDA a "Paragraph IV certification," challenging the validity or enforceability of, or claiming non-infringement of, the listed patent or patents.

Accordingly, if any of our product candidates are approved, competitors could file ANDAs for generic versions of our small-molecule drug products or NDAs that reference our small-molecule drug products, respectively. If there are patents listed for our small-molecule drug products in the Orange Book, those ANDAs and NDAs would be required to include a certification as to each listed patent indicating whether the ANDA applicant does or does not intend to challenge the patent. We cannot predict which, if any, patents in our current portfolio or patents we may obtain in the future will be eligible for listing in the Orange Book, how any generic competitor would address such patents, whether we would sue on any such patents, or the outcome of any such suit.

We may not be successful in securing or maintaining proprietary patent protection for products and technologies we or our licensees may develop or license. Moreover, if any of our patents that are listed in the Orange Book are successfully challenged by way of a Paragraph IV certification and subsequent litigation, the affected product could immediately face generic competition and its sales would likely decline rapidly and materially.

Risks Related to Our Business Operations

Our prospects for success depend on our ability to retain Regina Graul, our President and in the future to attract, retain and motivate qualified personnel.

We are highly dependent on Regina Graul, Ph.D. who is currently our sole employee. Despite our efforts to retain valuable employees, members of our management, scientific and development teams may terminate their employment with us on short notice. Our success also depends on our ability to in the future attract, retain and motivate highly skilled junior, mid-level and senior managers as well as junior, mid-level and senior scientific and medical personnel.

We may not be able to attract or retain qualified management and scientific personnel in the future due to the competition for a limited number of qualified personnel among biopharmaceutical, biotechnology, pharmaceutical and other businesses. Many of the other pharmaceutical companies that we compete against for qualified personnel have greater financial and other resources, different risk profiles and a longer history in the industry than we do. They also may provide more diverse opportunities and better chances for career advancement. Some of these characteristics may be more appealing to high quality candidates than what we may be able to offer. The failure to succeed in nonclinical or clinical studies may make it more challenging to recruit and retain qualified personnel. In addition, in order to induce employees to continue their employment with us, we have provided equity awards that vest over time and the value to our employees of such equity awards may be significantly affected by movements in our stock price that are beyond our control and may be at any time insufficient to counteract more lucrative offers from other companies. If we are unable to attract and retain high quality personnel, the rate and success at which we can develop and commercialize product candidates will be limited.

We face potential product liability exposure, and, if claims are brought against us, we may incur substantial liability.

The use of our current and any potential future product candidates in clinical studies and any sale thereof, if approved, exposes us to the risk of product liability claims. Product liability claims might be brought against us by patients, healthcare providers or others selling or otherwise coming into contact with our product candidates. For example, we may be sued if any such product candidate we develop allegedly causes injury or is found to be otherwise unsuitable during product testing, manufacturing, marketing or sale. Any such product liability claims may include allegations of defects in manufacturing, defects in design, a failure to warn of dangers inherent in the product, including as a result of interactions with alcohol or other drugs, negligence, strict liability and a breach of warranties. Claims could also be asserted under state consumer protection acts. If we become subject to product liability claims and cannot successfully defend ourselves against them, we could incur substantial liabilities. In addition, regardless of merit or eventual outcome, product liability claims may result in, among other things: withdrawal of subjects from our clinical studies; substantial monetary awards to patients or other claimants; decreased demand for our product candidates or any future product candidates following marketing approval, if obtained; damage to our reputation and exposure to adverse publicity; increased FDA warnings on product labels; litigation costs; distraction of management's attention from our primary business; loss of potential revenue; and the inability to successfully commercialize our product candidates or any potential future product candidates, if approved.

We maintain product liability insurance coverage for our clinical studies through both domestic and international insurance policies, subject to an annual coverage limit. Nevertheless, our insurance coverage may be insufficient to reimburse us for any expenses or losses we may suffer if a judgment or settlement exceeds available insurance proceeds. Moreover, in the future, we may not be able to maintain insurance coverage at a reasonable cost or in sufficient amounts to protect us against losses, including if insurance coverage becomes increasingly expensive. If and when we obtain marketing approval for our product candidates, we intend to expand our insurance coverage to include the sale of commercial products; however, we may not be able to obtain this product liability insurance on commercially reasonable terms. Large judgments have been awarded in class action lawsuits based on drugs that had unanticipated side effects. The cost of any product liability litigation or other proceedings, even if resolved in our favor, could be substantial, particularly in light of the size of our business and financial resources. A product liability claim or series of claims brought against us could cause our stock price to decline and, if we are unsuccessful in defending such a claim or claims and the resulting judgments exceed our insurance coverage, our business, prospects, financial condition and results of operations could be materially harmed.

During the course of treatment, patients may suffer adverse events, including death, for reasons that may or may not be related to our product candidates. Such events could subject us to costly litigation, require us to pay substantial amounts of money to injured patients, delay, negatively impact or end our opportunity to receive or maintain regulatory approval to market our product candidates, if approved, or require us to suspend or abandon our commercialization efforts of any approved product candidates. Even in a circumstance in which we do not believe that an adverse event is related to our product candidates, the investigation into the circumstance may be time-consuming or inconclusive. These investigations may interrupt our sales efforts, delay our regulatory approval process, or impact and limit the type of regulatory approvals our product candidates receive or maintain. As a result of these factors, a product liability claim, even if successfully defended, could have a material adverse effect on our business, prospects, financial condition and results of operations.

If we fail to maintain proper and effective internal controls, our ability to produce accurate and timely financial statements could be impaired, which could result in sanctions or other penalties that would harm our business.

We are subject to the reporting requirements of the Securities Exchange Act of 1934, or The Exchange Act, the Sarbanes-Oxley Act of 2002, or the Sarbanes-Oxley Act, and the rules and regulations of the Nasdaq Capital Market. We are an “emerging growth company” and a “smaller reporting company.” For so long as we remain either an emerging growth company or a smaller reporting company, we will be exempt from Section 404(b) of the Sarbanes-Oxley Act, which requires auditor attestation to the effectiveness of internal control over financial reporting. We will cease to be an emerging growth company on the date that is the earliest of (i) the last day of the fiscal year in which we have total gross annual revenues of $1.07 billion or more; (ii) December 31, 2024, the last day of our fiscal year following the fifth anniversary of the date of the Separation; (iii) the date on which we have

issued more than $1 billion in nonconvertible debt during the previous three years; or (iv) the date on which we are deemed to be a large accelerated filer under the rules of the SEC. Even after we no longer qualify as an emerging growth company, we may still qualify as a smaller reporting company, which would allow us to take advantage of many of the same exemptions from disclosure requirements, including exemption from compliance with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act and reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements. We cannot predict if investors will find our common stock less attractive because we may rely on the exemptions available to us as an emerging growth company and/or smaller reporting company. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our stock price may be more volatile.

We are, however, subject to Section 404(a) of the Sarbanes-Oxley Act. Beginning with our annual report on Form 10-K for the fiscal year ended December 31, 2023, we must include a management assessment of the effectiveness of our internal control over financial reporting. As of the expiration of our emerging growth company status, which status will end on December 31, 2024 and smaller reporting company status, we will be broadly subject to enhanced reporting and other requirements under the Exchange Act and Sarbanes-Oxley Act. We have engaged in a process to document and evaluate our internal control over financial reporting, which is both costly and challenging. In this regard, we will need to continue to dedicate internal resources, engage outside consultants and adopt a detailed work plan to assess and document the adequacy of internal control over financial reporting, continue steps to improve control processes, validate through testing that controls are functioning as documented and implement a continuous reporting and improvement process for internal control over financial reporting. There can be no assurances that in future periods we will be able to timely conclude that our internal control over financial reporting is effective as required by Section 404(a).

We may discover weaknesses in our system of internal financial and accounting controls and procedures that could result in a material misstatement of our financial statements. Our internal control over financial reporting will not prevent or detect all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud will be detected.

If we are not able to comply with the requirements of Section 404 of the Sarbanes-Oxley Act in a timely manner, or if we are unable to maintain proper and effective internal controls over financial reporting, we may not be able to produce timely and accurate financial statements. If that were to happen, our business, prospects, financial condition and results of operations could be harmed, our investors could lose confidence in our reported financial information, the market price of our stock could decline, and we could be subject to sanctions or investigations by the SEC or other regulatory authorities.

Unfavorable global economic conditions could harm our business, prospects, financial condition and results of operations.

Our results of operations could be harmed by general conditions in the global economy and in the global financial markets. A severe or prolonged economic downturn could result in a variety of risks to our business, including weakened demand for our product candidates and our ability to raise additional capital when needed on acceptable terms, if at all. A weak or declining economy could also strain our suppliers, possibly resulting in supply disruption. Any of the foregoing could harm our business, prospects, financial condition and results of operations.

If our information technology systems or data, or those of third parties upon which we rely, are or were compromised, we could experience adverse impacts resulting from such compromise, including, but not limited to, regulatory investigations or actions; litigation; fines and penalties; interruptions to our commercial operations, clinical trials or other operations; harm to our reputation; loss of revenue or profits; loss of sales and other adverse consequences.

In the ordinary course of our business, we and our third-party service providers may process proprietary, confidential, and sensitive data, including personal data (such as health-related data and data related to our clinical trials), intellectual property, and trade secrets (collectively, sensitive information).

Cyberattacks, malicious internet-based activity, and online and offline fraud are prevalent and continue to increase. These threats are becoming increasingly difficult to detect. These threats come from a variety of sources, including traditional computer “hackers,” threat actors, personnel (such as through theft or misuse), "hacktivists", organized criminal threat actors, sophisticated nation-states, and nation-state-supported actors. Some actors now engage and are expected to continue to engage in cyberattacks, including without limitation nation-state actors for geopolitical reasons and in conjunction with military conflicts and defense activities. During times of war and other major conflicts, we and the third parties upon which we rely may be vulnerable to a heightened risk of these attacks, including retaliatory cyberattacks that could materially disrupt our systems and operations, supply chain, and ability to produce, sell and distribute our products. We and the third parties upon which we rely may be subject to a variety of other evolving threats, including, but not limited to, social-engineering attacks (including through deep fakes, which may be increasingly more difficult to identify as fake, and phishing attacks), malicious code (such as viruses and worms), malware (including as a result of advanced persistent threat intrusions), denial-of-service attacks, credential stuffing, credential harvesting, personnel misconduct or error, ransomware attacks, supply-chain attacks, software bugs, server malfunctions, software or hardware failures, loss of data or other information technology assets, adware, telecommunications failures, attacks enhanced or facilitated by artificial intelligence, and other similar threats. In particular, ransomware attacks, including those from organized criminal threat actors, nation-states and nation-state supported actors, are becoming increasingly prevalent and severe and can lead to significant interruptions, delays, or outages in our operations, ability to provide our products, disruption of clinical trials, loss of data (including data related to clinical trials), loss of income, significant extra expenses to restore data or systems, reputational loss and the diversion of funds. To alleviate the financial, operational and reputational impact of a ransomware attack, it may be preferable to make extortion payments, but we may be unwilling or unable to do so (including, for example, if applicable laws prohibit such payments). Additionally, hybrid and remote work has become more common and has increased risks to our information technology systems and data, as more of our employees utilize network connections, computers, and devices outside our premises or network, including working at home, while in transit, and in public locations. Future or past business transactions (such as acquisitions or integrations) could also expose us to additional cybersecurity risks and vulnerabilities, as our systems could be negatively affected by vulnerabilities present in acquired or integrated entities’ systems and technologies. Furthermore, we may discover security issues that were not found during due diligence of such acquired or integrated entities, and it may be difficult to integrate companies into our information technology environment and security program.

We rely upon third parties and technologies to operate critical business systems to process sensitive information in a variety of contexts, including, without limitation, third-party providers of cloud-based infrastructure, encryption and authentication technology, employee email, and other functions. We also rely on third parties to provide certain products, including active pharmaceutical ingredients, to operate our business. Our ability to monitor these third parties’ information security practices is limited, and these third parties may not have adequate information security measures in place. While we may be entitled to damages if the third parties upon which we rely fail to satisfy their privacy or security-related obligations to us, any award may be insufficient to cover our damages, or we may be unable to recover such award. In addition, supply-chain attacks have increased in frequency and severity, and we cannot guarantee that third parties’ infrastructure in our supply chain or our third-party partners’ supply chains have not been compromised. We may share or receive sensitive information with or from third parties.

While we have implemented security measures designed to protect against security incidents, there can be no assurance that these measures will be effective. We take steps designed to detect, mitigate and remediate vulnerabilities in our information security systems (such as our hardware and/or software, including that of third parties upon which we rely), but we may not be able to detect, mitigate, and remediate all such vulnerabilities including on a timely basis. Further, we may experience delays in developing and deploying remedial measures and patches designed to address identified vulnerabilities. Vulnerabilities could be exploited and result in a security incident.

Any of the previously identified or similar threats could cause a security incident or other interruption that could result in unauthorized, unlawful, or accidental acquisition, modification, destruction, loss, alteration, encryption, disclosure of, or access to our sensitive information or our information technology systems, or those of the third parties upon whom we rely. A security incident or other interruption could disrupt our ability (and that of third parties upon whom we rely) to provide our products. We may expend significant resources or modify our

business activities (including our clinical trial activities) to try to protect against security incidents. Certain data privacy and security obligations require us to implement and maintain specific security measures, industry-standard or reasonable security measures to protect our information technology systems and sensitive information.

Applicable data security and public company disclosure obligations may require us to notify relevant stakeholders of certain security incidents, including affected individuals, customers, regulators and investors. Such disclosures are costly, and the disclosures or the failure to comply with such requirements could lead to adverse consequences. If we (or a third party upon whom we rely) experience a security incident or are perceived to have experienced a security incident, we may experience adverse consequences. These consequences may include: government enforcement actions (for example, investigations, fines, penalties, audits, and inspections); additional reporting requirements and/or oversight; restrictions on processing sensitive information (including personal data); litigation (including class claims); indemnification obligations; negative publicity; reputational harm; monetary fund diversions; diversion of management attention; interruptions in our operations (including availability of data); financial loss and other similar harms. For example, the loss of clinical trial data from completed or ongoing clinical trials for any of our product candidates could result in delays in our regulatory approval efforts and significantly increase our costs to recover or reproduce the data.

Whether a cybersecurity incident is reportable to our investors may not be straightforward, may take considerable time to determine, and may be subject to change as the investigation of the incident progresses, including changes that may significantly alter any initial disclosure that we provide. Moreover, experiencing a material cybersecurity incident and any mandatory disclosures could lead to negative publicity, loss of customer, investor or partner confidence in the effectiveness of our cybersecurity measures, diversion of management's attention, governmental investigations, lawsuits, and the expenditure of significant capital and other resources.

Our contracts may not contain limitations of liability, and even where they do, there can be no assurance that limitations of liability in our contracts are sufficient to protect us from liabilities, damages, or claims related to our data privacy and security obligations. In addition, our insurance coverage may not be adequate or sufficient to protect us from or to mitigate liabilities arising out of our privacy and security practices or that such coverage will continue to be available on commercially reasonable terms or at all, or that such coverage will pay future claims.

In addition to experiencing a security incident, third parties may gather, collect, or infer sensitive information about us from public sources, data brokers, or other means that reveals competitively sensitive details about our organization and could be used to undermine our competitive advantage or market position. Sensitive information of us or our customers could also be leaked, disclosed, or revealed as a result of or in connection with our employee's, personnel's, or vendor's use of generative AI technologies.

Our employee or future employees may engage in misconduct or other improper activities, including violating applicable regulatory standards and requirements or engaging in insider trading, which could significantly harm our business.

We are exposed to the risk of employee fraud or other misconduct. Misconduct by employees could include intentional failures to comply with the regulations of the FDA and applicable foreign regulators, provide accurate information to the FDA and applicable foreign regulators, comply with healthcare fraud and abuse laws and regulations in the United States and abroad, report financial information or data accurately and/or disclose unauthorized activities to us. In particular, research and development, commercialization and business arrangements in the healthcare industry are subject to considerable laws and regulations intended to prevent fraud, misconduct, kickbacks, self-dealing and other abusive practices. These laws and regulations restrict, regulate or prohibit a wide range of activities pertaining to clinical trials including the informed consent process, data integrity and conducting the study in accordance with the investigational plan, and for approved products, pricing, discounting, marketing and promotion, sales commission, customer incentive programs and other business arrangements. Employee misconduct could also involve the improper use of, including trading on, information obtained in the course of clinical trials, which could result in regulatory sanctions and serious harm to our reputation. It is not always possible to identify and deter employee misconduct, and the precautions we take to detect and prevent this activity may be ineffective in controlling unknown or unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to comply with these laws or regulations. Additionally, we are subject to the risk that a person could allege such fraud or other misconduct, even if none occurred. If any such actions are

instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could have a significant impact on our business, including the imposition of significant fines or other sanctions, possible exclusions from participation in Medicare, Medicaid and other U.S. federal healthcare programs, contractual damages and reputational harm.

If we or any contract manufacturers and suppliers we engage fail to comply with environmental, health and safety laws and regulations, we could become subject to fines or penalties or incur costs that could have a material adverse effect on the success of our business.

We, and any contract manufacturers and suppliers we engage, are subject to numerous federal, state and local environmental, health and safety laws, regulations and permitting requirements, including those governing laboratory procedures; the generation, handling, use, storage, treatment and disposal of hazardous and regulated materials and wastes; the emission and discharge of hazardous materials into the ground, air and water; and employee health and safety. Under certain environmental laws, we could be held responsible for costs relating to any contamination at our current or past facilities and at third-party facilities. We also could incur significant costs associated with civil or criminal fines and penalties.

We could be adversely affected by violations of the U.S. Foreign Corrupt Practices Act, or the FCPA, and other worldwide anti-bribery laws.

We are subject to the FCPA, which prohibits U.S. corporations and their representatives from offering, promising, authorizing or making payments to any foreign government official, government staff member, political party or political candidate in an attempt to obtain or retain business abroad. The scope of the FCPA includes interactions with certain healthcare professionals in many countries. Other countries have enacted similar anti-corruption laws and/or regulations. In some countries in which we operate, the pharmaceutical and life sciences industries are exposed to a high risk of corruption associated with the conduct of clinical trials and other interactions with healthcare professionals and institutions. Any such activities could expose us to potential liability under the FCPA, which may result in us incurring significant criminal and civil penalties and to potential liability under the anti-corruption laws and regulations of other jurisdictions in which we operate. In addition, the costs we may incur in defending against an FCPA investigation could be significant.

Risks Related to Ownership of Our Common Stock

We could be delisted from Nasdaq, which would seriously harm the liquidity of our stock and ability to raise capital.

On June 1, 2022, the Company received a notice from the Nasdaq Stock Market ("Nasdaq") notifying the Company that the closing bid price for the Company's common stock listed on Nasdaq has been below the minimum $1.00 per share required for continued listing on the Nasdaq Global Select Market pursuant to Nasdaq Listing Rule 5450(a)(1) (the "Bid Price Requirement").

In accordance with Nasdaq Listing Rule 5810(c)(3)(A), the Company was provided a period of 180 calendar days, or until November 28, 2022, to regain compliance with the Bid Price Requirement. The Company did not regain compliance with the Bid Price Requirement by the initial compliance date. On November 29, 2022, however, Nasdaq notified the Company of its eligibility for an additional 180 calendar day period, or until May 29, 2023 (the "Extended Compliance Date"), to regain compliance with the Bid Price Requirement. Nasdaq’s determination was based on the Company meeting the continued listing requirement for market value of publicly held shares and all other applicable requirements for initial listing on the Nasdaq Capital Market with the exception of the Bid Price Requirement, and the Company's written notice of its intention to cure the deficiency during the second compliance period by effecting a reverse stock split, if necessary. Effective November 25, 2022, the Company transferred its listing of the Company's common stock from the Nasdaq Global Market to the Nasdaq Capital Market, a continuous trading market that operates in substantially the same manner as the Nasdaq Global Market. The Company’s common stock continues to trade under the symbol “CYCN”.

We effected a 20:1 reverse stock split in May 2023. As a result, we have regained compliance with the Bid Price Requirement. If the Company does not regain compliance with the Bid Price Requirement in the future, the Company's stock will again be subject to delisting.

The Company intends to monitor the closing bid price of its common stock and may, if appropriate, consider available options to regain compliance with the Bid Price Requirement, including initiating a reverse stock split. However, there can be no assurance that the Company will be able to maintain compliance with the Bid Price Requirement, would receive sufficient shareholder support for a reverse stock split, or will otherwise be in compliance with other Nasdaq Listing Rules.

The market price of our common stock may fluctuate widely and you could lose all or part of your investment in our common stock as a result.

Our common stock has a limited trading history and the market price has fluctuated widely, and may in the future fluctuate widely, depending upon many factors, some of which are beyond our control, including the following:

- a relatively low-volume trading market for our shares of common stock may result, which could cause trades of small blocks of shares to have a significant impact on the price of our shares of common stock;
- results and timing of nonclinical studies and clinical studies of our product candidates;
- the commercial performance of our product candidates, those out-licensed to third parties and the Transferred Assets sold to Tisento, if approved, as well as the costs associated with such activities;
- results of clinical studies of our competitors' products;
- failure to adequately protect our trade secrets;
- our inability to raise additional capital and the terms on which we raise it;
- commencement or termination of any strategic partnership or licensing arrangement;
- regulatory developments with respect to our product candidates or our competitors' products, including any developments, litigation or public concern about the safety of such products;
- announcements concerning product development results, including clinical trial results, the introduction of new products or intellectual property rights of us or others;
- actual or anticipated fluctuations in our financial condition and our quarterly and annual operating results;
- deviations in our operating results from any guidance we may provide or the estimates of securities analysts;
- sufficiency, additions and departures of key personnel;
- the passage of legislation or other regulatory developments affecting us or our industry;
- fluctuations in the valuation of companies perceived by investors to be comparable to us;
- sales of our common stock by us, our insiders or our other shareholders;
- strategic decisions by us or our competitors, such as acquisitions, divestitures, spin-offs, joint ventures, strategic investments or changes in business strategy;
- announcement or expectation of additional financing efforts;
- publication of research reports by securities analysts about us or our competitors or our industry and speculation regarding our company or our stock price in the financial or scientific press or in online investor communities;
- changes in market conditions in the pharmaceutical and biotechnology sector;

- Nasdaq's rules, which impose certain continued listing requirements, including a minimum $1 bid price, such that a failure to meet these requirements would lead Nasdaq to take further steps to delist our common stock; and
- changes in general market and economic conditions.

In addition, if the market for stocks in our industry or industries related to our industry, or the stock market in general, experiences a loss of investor confidence, the trading price of our common stock could decline for reasons unrelated to our business, results of operations, financial condition and prospects. If any of the foregoing occurs, it could cause our stock price to fall and may expose us to lawsuits that, even if unsuccessful, could be costly to defend and a distraction to management.

The market price for our common stock is particularly volatile.

The market for our common stock is characterized by significant price volatility when compared to seasoned issuers, and we expect that our stock price will continue to be more volatile than those of a seasoned issuer. Several factors cause the volatility in our share price. We are a speculative or "risky" investment due to our short operating history, lack of revenues and the uncertain success (including of regulatory approval) of any of our product candidates. As a consequence of this risk, more risk-averse investors may, under the fear of losing all or most of their investment in the event of negative news or lack of progress, be more inclined to sell their shares of our common stock more quickly and at greater discounts than would be the case with the stock of a seasoned issuer. Plaintiffs have, in the past, initiated securities class action litigation against a company following periods of volatility in the market price of its securities. We may in the future be the target of such litigation. Securities litigation could result in substantial costs and liabilities and could divert management's attention and resources.

We run the risk of inadvertently being deemed an investment company required to register under the Investment Company Act of 1940.

We run the risk of inadvertently being deemed an investment company required to register under the Investment Company Act of 1940 (the "Investment Company Act") because a significant portion of our assets consists of investments in companies in which we own less than a majority interest. The risk varies depending on events beyond our control, such as significant appreciation or depreciation in the market value of certain of our publicly traded holdings, adverse developments with respect to our ownership of certain of our subsidiaries, transactions involving the sale of certain assets and our participation in any partnership or other fund established to finance future broadband and real estate projects in which we may engage. If we are deemed to be an inadvertent investment company, we may seek to rely on a safe harbor under the Investment Company Act that would provide us a one-year grace period to take steps to avoid being deemed to be an investment company. In order to ensure we avoid being deemed an investment company, we have taken, and may need to continue to take, steps to reduce the percentage of our assets that constitute investment assets under the Investment Company Act. These steps have included, among others, selling marketable securities that we might otherwise hold for the long term and deploying our cash in non-investment assets. We have recently sold marketable securities, including at times at a loss, and we may be forced to sell our investment assets at unattractive prices or to sell assets that we otherwise believe benefit our business in the future to remain below the requisite threshold. We may also seek to acquire additional non-investment assets to maintain compliance with the Investment Company Act, and we may need to incur debt, issue additional equity or enter into other financing arrangements that are not otherwise attractive to our business. Any of these actions could have a material adverse effect on our results of operations and financial condition. Moreover, we can make no assurance that we would successfully be able to take the necessary steps to avoid being deemed to be an investment company in accordance with the safe harbor. If we were unsuccessful, then we would have to register as an investment company, and we would be unable to operate our business in its current form. We would be subject to extensive, restrictive, and potentially adverse statutory provisions and regulations relating to, among other things, operating methods, management, capital structure, indebtedness, dividends, and transactions with affiliates. If we were deemed to be an investment company and did not register as an investment company when required to do so, there would be a risk, among other material adverse consequences, that we could become subject to monetary penalties or injunctive relief, or both, that we would be unable to enforce contracts with third parties, and/or that third parties could seek to obtain rescission of transactions with us undertaken during the period in which we were an unregistered investment company.

Uncertainties in the interpretation and application of existing, new and proposed tax laws and regulations could materially affect our tax obligations and effective tax rate.

The tax regimes to which we are subject or under which we operate are unsettled and may be subject to significant change. The issuance of additional guidance related to existing or future tax laws, or changes to tax laws or regulations proposed or implemented by the current or a future U.S. presidential administration, Congress, or taxing authorities in other jurisdictions, including jurisdictions outside of the United States, could materially affect our tax obligations and effective tax rate. To the extent that such changes have a negative impact on us, including as a result of related uncertainty, these changes may adversely impact our business, financial condition, results of operations, and cash flows.

The amount of taxes we pay in different jurisdictions depends on the application of the tax laws of various jurisdictions, including the United States, to our international business activities, tax rates, new or revised tax laws, or interpretations of tax laws and policies, and our ability to operate our business in a manner consistent with our corporate structure and intercompany arrangements. The taxing authorities of the jurisdictions in which we operate may challenge our methodologies for pricing intercompany transactions pursuant to our intercompany arrangements or disagree with our determinations as to the income and expenses attributable to specific jurisdictions. If such a challenge or disagreement were to occur, and our position was not sustained, we could be required to pay additional taxes, interest, and penalties, which could result in one-time tax charges, higher effective tax rates, reduced cash flows, and lower overall profitability of our operations. Our financial statements could fail to reflect adequate reserves to cover such a contingency. Similarly, a taxing authority could assert that we are subject to tax in a jurisdiction where we believe we have not established a taxable connection, often referred to as a "permanent establishment" under international tax treaties, and such an assertion, if successful, could increase our expected tax liability in one or more jurisdictions.

Effective January 1, 2022, the Tax Cuts and Jobs Act of 2017 eliminated the option to deduct research and development expenses for tax purposes in the year incurred and requires taxpayers to capitalize and subsequently amortize such expenses over five years for research activities conducted in the United States and over 15 years of research activities conducted outside the United States. Unless the United States Department of the Treasury issues regulations that narrow the application of this provision to a smaller subset of our research and development expenses or the provision is deferred, modified, or repealed by Congress, in future years we may experience a material decrease in our cash flows from operations and an offsetting similarly sized increase in our net deferred tax assets over these amortization periods. The actual impact of this provision will depend on multiple factors, including the amount of research and development expenses we will incur and whether we conduct our research and development activities inside or outside the United States and our overall net operating loss position.

Our ability to use net operating loss carryforwards and certain other tax attributes to offset future taxable income and taxes may be subject to limitations.

Under current law, our federal net operating losses ("NOLs") generated in tax years beginning after December 31, 2017, may be carried forward indefinitely, but the deductibility of such federal NOLs is limited to 80% of taxable income. As of December 31, 2023, we had federal NOLs of $177 million. It is uncertain if and to what extent various states will conform to federal tax laws. In addition, under Sections 382 and 383 of the Internal Revenue Code of 1986, as amended, and corresponding provisions of state law, if a corporation undergoes an "ownership change," which is generally defined as a greater than 50% change, by value, in its equity ownership over a three-year period, the corporation's ability to use its pre-change NOL carryforwards and other pre-change U.S. tax attributes (such as research tax credits) to offset its post-change income or taxes may be limited. We are in the process of updating our analysis of owner shifts to determine whether an ownership change occurred since March 30, 2019. It is possible that we have experienced an ownership change in the past. In addition, we may experience ownership changes in the future as a result of subsequent shifts in our stock ownership, some of which may be outside of our control.

As a result, our federal NOL carryforwards may be subject to a percentage limitation if used to offset income in tax years following an ownership change. In addition, it is possible that we have in the past undergone, and in the future may undergo, additional ownership changes that could limit our ability to use all of our pre-change NOL carryforwards and other pre-change tax attributes (such as research tax credits) to offset our post-change

income or taxes. Similar provisions of state tax law may also apply to limit our use of accumulated state tax attributes. In addition, at the state level, there may be periods during which the use of NOL carryforwards is suspended or otherwise limited, which could accelerate or permanently increase state taxes owed. As a result, we may be unable to use all or a material portion of our NOL carryforwards and other tax attributes, which would harm our future operating results by effectively increasing our future tax obligations.

We maintain our cash at financial institutions, often in balances that exceed federally insured limits.

We maintain the majority of our cash and cash equivalents in accounts at banking institutions in the United States that we believe are of high quality. Cash held in these accounts often exceeds the FDIC insurance limits. If such banking institutions were to fail, we could lose all or a portion of amounts held in excess of such insurance limitations. In the event of failure of any of the financial institutions where we maintain our cash and cash equivalents, there can be no assurance that we would be able to access uninsured funds in a timely manner or at all. Any inability to access or delay in accessing these funds could adversely affect our business and financial position.

If securities or industry analysts fail to initiate or maintain coverage of our stock, publish a negative report or change their recommendations regarding our stock adversely, our stock price and trading volume could decline.

The trading market for our common stock will be influenced by the research and reports that industry or securities analysts publish about us, our business, our market or our competitors. If securities or industry analysts fail to initiate coverage of our stock, the lack of exposure to the market could cause our stock price or trading volume to decline. If any of the analysts who cover us or may cover us in the future publish a negative report or change their recommendation regarding our stock adversely, or provide more favorable relative recommendations about our competitors, our stock price would likely decline. If any analyst who covers us or may cover us in the future were to cease coverage of our company or fail to regularly publish reports on us, we could lose visibility in the financial markets, which in turn could cause our stock price or trading volume to decline.

We do not expect to pay any cash dividends for the foreseeable future.

We have never paid cash dividends and we do not anticipate that we will pay any cash dividends to holders of our common stock in the foreseeable future. Instead, we plan to retain any earnings to maintain and expand our operations. In addition, any future debt financing arrangement may contain terms prohibiting or limiting the amount of dividends that may be declared or paid on our common stock. Accordingly, investors must rely on sales of their common stock after price appreciation, which may never occur, as the only way to realize any return on their investment. As a result, investors seeking cash dividends should not purchase our common stock.

We have anti-takeover provisions in our articles of organization and bylaws and are subject to provisions of Massachusetts law that may frustrate any attempt to remove or replace our current board of directors or to effect a change of control or other business combination involving our company.

Our restated articles of organization and bylaws and certain provisions of Massachusetts law may discourage certain types of transactions involving an actual or potential change of control of our company that might be beneficial to us or our security holders. For example, our bylaws grant our directors the right to adjourn any meetings of shareholders. Our board of directors also may issue shares of any class or series of preferred stock in the future without shareholder approval and upon such terms as our board of directors may determine. The rights of the holders of our common stock will be subject to, and may be harmed by, the rights of the holders of any class or series of preferred stock that may be issued in the future. Massachusetts state law also prohibits us from engaging in specified business combinations unless the combination is approved or consummated in a prescribed manner. These

provisions, alone or together, could delay hostile takeovers and changes in control of our company or changes in our management.

Our articles of organization designate the state and federal courts located within the Commonwealth of Massachusetts as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our shareholders, which could discourage lawsuits against us and our directors and officers.

Our restated articles of organization designate the state and federal courts located within the Commonwealth of Massachusetts as the sole and exclusive forum for any derivative action or proceeding brought on our behalf, any action asserting a claim of breach of a fiduciary duty owed by any of our directors or officers to us or our shareholders, creditors or other constituents, any action asserting a claim arising pursuant to any provision of the Massachusetts Business Corporation Act, or the MBCA, or any action asserting a claim governed by the internal affairs doctrine, in all cases subject to the court's having personal jurisdiction over the indispensable parties named as defendants. In additional, our articles of organization provide that unless our board of directors consents in writing to the selection of an alternative forum, the U.S. federal district courts shall be the exclusive forum for the resolutions of any complaint asserting a cause of action arising under the U.S. federal securities laws. This exclusive forum provision may limit the ability of our shareholders to bring a claim in a judicial forum that such shareholders find favorable for disputes with us or our directors or officers, which may discourage such lawsuits against the company and our directors and officers. Alternatively, if a court outside of Massachusetts were to find this exclusive forum provision inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings described above, we may incur additional costs associated with resolving such matters in other jurisdictions, which could harm our business, prospects, financial condition and results of operations.

Item 1B. Unresolved Staff Comments.

None.

Item 1C. Cybersecurity.

Risk Management and Strategy

We have implemented and maintain various information security processes designed to identify, assess and manage material risks from cybersecurity threats to our critical computer networks, third party hosted services, communications systems, hardware and software, and our critical data, including intellectual property, confidential information that is proprietary, strategic or competitive in nature, and data related to patients and clinical trials (“Information Systems and Data”).

Our officers and our IT vendors help identify, assess and manage our cybersecurity threats and risks. We manage, identify and assess risks from cybersecurity threats by monitoring and evaluating our threat environment and risk profile using various methods including, for example: through the use of automated tools, including but not limited to tools for monitoring, geolocation, remote wiping, threat detection, intrusion detection and prevention (including through the use of machine learning, a form of artificial intelligence), patch management, distributed denial of service (DDoS) protection and forensics; conducting (directly or through third parties) regular audits and threat assessments for internal and external threats; subscribing to reports and services that identify cybersecurity threats; analyzing reports of threats and actors; conducting vulnerability assessments to identify vulnerabilities; evaluating our and our industry’s risk profile; conducting tabletop incident response exercises; and evaluating threats reported to us.

Depending on the environment, we implement and maintain various technical, physical, and organizational measures, processes, standards and policies designed to manage and mitigate material risks from cybersecurity threats to our Information Systems and Data, including, for example: incident response plans and procedures, disaster recovery/business continuity plans, risk assessments, implementation of security standards and certifications, encryption of data, network security controls, data segregation, access controls, physical security, asset management, tracking and disposal, systems monitoring, vendor risk management program, employee training and penetration testing.

Our assessment and management of material risks from cybersecurity threats are integrated into our overall risk management processes. For example, cybersecurity risk is addressed as a component of our enterprise risk management program, and members of our management team and IT consultants work together to prioritize our risk management processes, mitigate cybersecurity threats that are more likely to lead to a material impact to our business, and report regularly to our board of directors on cybersecurity matters.

We use third-party service providers to assist us from time to time to identify, assess, and manage material risks from cybersecurity threats, including for example managed cybersecurity service providers, threat intelligence service providers, dark web monitoring services, and other cybersecurity software providers.

We use third-party service providers to perform a variety of functions throughout our business, including but not limited to application providers, hosting companies, contract manufacturing organizations and contract research organizations. We have a vendor management program to oversee, identify and manage cybersecurity risks associated with our use of these providers. The program includes a risk assessment for vendors that may include, depending on the vendor and nature of services being performed, security questionnaires, review of the vendor's written security program, review of security assessments, audits and reports, vulnerability scans related to the vendor, security assessment calls with the vendor's security personnel, and the imposition of certain contractual obligations on the vendor, among other elements, in accordance with the processes outlined in our internal vendor selection, management, and oversight process policy and other internal guidelines. More specifically, the level of assessment may depend on the following: the nature of the services provided and the data the vendors may collect, retain, and utilize, the sensitivity of the Information Systems and Data at issue, and the identity of the provider.

For a description of the risks from cybersecurity threats that may materially affect us and how they may do so, see our risk factors under Part 1. Item 1A. Risk Factors in this Annual Report on Form 10-K, including the risk factor captioned “If our information technology systems or data, or those of third parties upon which we rely, are or were compromised, we could experience adverse impacts resulting from such compromise, including, but not limited to, regulatory investigations or actions; litigation; fines and penalties; interruptions to our commercial operations, clinical trials or other operations; harm to our reputation; loss of revenue or profits; loss of sales and other adverse consequences.”

Governance

Our board of directors addresses our cybersecurity risk management as part of its general oversight function.

Our cybersecurity risk assessment and management processes are implemented and maintained by various members of our management team and IT consultants, which includes individuals who have a diverse combination of relevant expertise, experience, education and training. Our team includes individuals with relevant experience in enterprise risk management and disclosure controls and procedures. Additionally, certain members of our team have experience managing cybersecurity programs and are specifically assigned cybersecurity oversight.

Certain members of our management team are responsible for hiring appropriate personnel, helping to integrate cybersecurity risk considerations into our overall risk management strategy, communicating key priorities to relevant personnel, approving budgets, helping prepare for cybersecurity incidents, approving cybersecurity processes, and reviewing security assessments and other security-related reports.

Our cybersecurity incident response processes are designed to escalate certain cybersecurity incidents to members of management. Our cybersecurity incident management team, and other individuals as needed, work to help us mitigate and remediate cybersecurity incidents of which we are notified. In addition, our incident response processes include a procedure for reporting certain cybersecurity incidents to the board of directors.

The board of directors receives regular reports from management concerning our cybersecurity risk management program. The board also receives various summaries and/or presentations related to cybersecurity threats, risks and mitigation.

Commencing in 2024, our Audit Committee is taking the lead on behalf of the board of directors on oversight of our cybersecurity risk management program.

Item 2. Properties

In April 2021 we completed our exit from our prior laboratory and office facilities in Cambridge Massachusetts and moved to an operating model under which we outsource our research and development laboratory work, and we are currently leasing office space on an "as-needed" basis.

Item 3. 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 4. Mine Safety Disclosures.

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Market Information for Common Stock

Our common stock is listed on the Nasdaq Capital Market under the symbol "CYCN."

Holders of Record

As of February 29, 2024, we had 57 holders of record of our common stock, which excludes stockholders whose shares were held in nominee or street name by brokers. The actual number of common stockholders is greater than the number of record holders, and includes stockholders who are beneficial owners, but whose shares are held in street name by brokers and other nominees. This number of holders of record also does not include stockholders whose shares may be held in trust by other entities.

Dividend Policy

We have never declared or paid any cash dividends on our capital stock. We currently intend to retain all available funds and any future earnings, if any, to fund the development and expansion of our business and we do not anticipate paying any cash dividends in the foreseeable future. Any future determination to pay dividends will be made at the discretion of our board of directors and will depend on various factors, including applicable laws, our results of operations, financial condition, future prospects and any other factors deemed relevant by our board of directors.

Unregistered Sales of Equity Securities

None.

Purchase of Equity Securities by the Issuer and Affiliated Parties

None.

Item 6. Selected Financial Data.

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information required under this item.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our financial statements and related notes and the related Management's Discussion and Analysis of Financial Condition and Results of Operations included in this Annual Report on Form 10-K.

Forward-Looking Information

The following discussion of our financial condition and results of operations should be read in conjunction with the audited consolidated financial statements and the corresponding notes included in this Annual Report on Form 10-K. 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 Item 1A of this Annual Report on Form 10-K, our actual results may differ materially from those anticipated in these forward-looking statements.

Overview

We operate in one reportable business segment—human therapeutics.

At inception, Cyclerion was a biopharmaceutical company focused on the treatment of serious diseases with novel soluble guanylate cyclase ("sGC") stimulators in both the central nervous system ("CNS") and the periphery. The nitric oxide ("NO") sGC cyclic guanosine monophosphate ("cGMP") signaling pathway is a fundamental mechanism that precisely controls key aspects of physiology throughout the body. The NO-sGC-cGMP pathway regulates diverse and critical biological functions in both the CNS and the periphery and has been successfully targeted with several drugs. Prior to the sale of two assets to Tisento (see below), Cyclerion's portfolio included novel sGC stimulators that modulate signaling networks in both the CNS and the periphery.

On July 28, 2023, we sold two of our CNS assets (zagociguat and CY3018, or the "Transferred Assets") to Tisento in exchange for $8.0 million in cash consideration, $2.4 million as reimbursement for certain operating expenses related to zagociguat and CY3018 for the period between signing and closing of the transaction, and 10% of all of Tisento's parent's outstanding equity securities. The Cyclerion assets that were retained are olinciguat and praliciguat which are not CNS focused and are either currently out-licensed (praliciguat) or management plans to out-license (olinciguat).

We have shifted our strategy to identify non-sGC stimulator assets, within the CNS therapeutic area, to build a new portfolio. If the Company identifies suitable new assets the Company will seek to develop the new assets and retain contract research, development and manufacturing organizations for these specific purposes, as well as seek to raise funds for further research and development activities in a fit for purpose way. The Company's goal is to find the best combination of capital, capabilities, and transactions that will enable the advancement of current and any future assets the Company may acquire for patients in a way that maximizes shareholder value.

Cyclerion continues to evaluate other activities aimed at enhancing shareholder value, which may potentially include collaborations, licenses, mergers, acquisitions and/or other targeted investments.

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 manufacturing, nonclinical studies, clinical trial activities. All research and development expenses are charged to operations as incurred.

Praliciguat is an orally administered, once-daily systemic sGC stimulator. On June 3, 2021, we entered into a license agreement with Akebia relating to the exclusive worldwide license to Akebia of our rights to the development, manufacture, medical affairs and commercialization of pharmaceutical products containing praliciguat

and other related products and forms thereof enumerated in such agreement. Cyclerion is eligible to receive up to $585 million in total potential future development, regulatory, and commercialization milestone payments. Cyclerion is also eligible to receive tiered, sales-based royalties ranging from single-digit to high-teen percentages and subject to reduction upon expiration of patent rights or the launch of a generic product.

Olinciguat is a Phase 2, orally administered, once-daily, vascular sGC stimulator that we are seeking to out-license to an entity with strong cardiovascular and/or cardiopulmonary capabilities.

Zagociguat and CY3018 are orally administered CNS-penetrant sGC stimulators. On July 28, 2023, Tisento purchased zagociguat and CY3018 in exchange for $8.0 million in cash consideration, $2.4 million as reimbursement for certain operating expenses related to zagociguat and CY3018 for the period between signing and closing of the transaction, and 10% of all of Tisento Parent's outstanding equity securities at the time of closing.

Cyclerion continues to evaluate other activities aimed at enhancing shareholder value, which may potentially include collaborations, licenses, mergers, acquisitions, and/or other targeted investments.

The following table summarizes our research and development expenses of continuing operations, employee and facility related costs allocated to research and development expense, and discovery and pre-clinical phase programs, for the years ended December 31, 2023 and 2022. The product pipeline expenses related primarily to external costs associated with nonclinical studies and clinical trial costs.

	Year Ended December 31,	
	2023	2022
	(in thousands)	
Product pipeline external costs	$ 29	$ 654
Personnel and related internal costs	581	3,546
Facilities and other	905	1,779
Total research and development expenses	$ 1,515	$ 5,979

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

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

The successful development of any current or potential future product candidates is highly uncertain and subject to a number of risks. Please refer to Item 1A, *Risk Factors*, in this Annual Report on Form 10-K.

We are unable to determine the duration and costs to complete current or future nonclinical and clinical stages of any current or potential future product candidates, including as licensed to third parties, or when, or to what extent, we may generate revenues from the commercialization and sale of any current or potential future product candidates. Development timelines, probability of success and development costs vary widely. We anticipate that we will make determinations as to which additional programs to pursue and how much funding to direct to each program on an ongoing basis in response to the data from the studies of each product candidate, the competitive landscape and ongoing assessments of such product candidate’s commercial potential.

General and Administrative Expense. General and administrative expenses consist 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 Annual Report on Form 10-K.

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. See Note 2, *Summary of Significant Accounting Policies*, of the consolidated financial statements appearing elsewhere in this Annual Report on Form 10-K.

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

	Year Ended December 31,		Change	
	2023	2022	$	%
	(dollars in thousands)			
Revenues:				
Revenue from development agreement	$ —	$ 297	$ (297)	100 %
Total revenues	—	297	(297)	(100)%
Cost and expenses:				
Research and development	1,515	5,979	(4,464)	(75)%
General and administrative	8,132	12,858	(4,726)	(37)%
Impairment loss	3,304	—	3,304	100 %
Total cost and expenses	12,951	18,837	(5,886)	(31)%
Loss from operations	(12,951)	(18,540)	5,589	(30)%
Interest and other income, net	358	294	64	22 %
Net loss from continuing operations	(12,593)	(18,246)	5,653	(31)%
Discontinued operations:				
Gain (loss) from discontinued operations	7,330	(25,832)	33,162	(128)%
Net loss	$ (5,263)	$ (44,078)	$ 38,815	(88)%

Revenues. The decrease in revenue of approximately $0.3 million for the year ended December 31, 2023 compared to the year ended December 31, 2022 can be attributed to approximately $0.3 million of revenue generated from the Akebia Supply Agreement in the year ended December 31, 2022. There is no revenue recognized related to the Akebia Supply Agreement in the year ended December 31, 2023.

Research and development expenses. The decrease in research and development expenses of approximately $4.5 million for the year ended December 31, 2023 compared to the year ended December 31, 2022 was driven by decreases of approximately $3.0 million in salaries and other employee-related expenses including non-cash stock-based compensation, approximately $0.2 million in information technology services, approximately $0.3 million in consulting and outside service fee and approximately $0.7 million in external research costs related to discovery research.

General and administrative expenses. The decrease in general and administrative expenses of approximately $4.7 million for the year ended December 31, 2023 compared to the year ended December 31, 2022 was primarily driven by decreases of approximately $3.7 million in salaries and other employee-related expenses including non-cash stock-based compensation, approximately $0.4 million in amortization of insurance policies, approximately $0.3 million in board member fees and approximately $0.3 million in rent expenses.

Impairment loss. The impairment loss consists of an impairment loss of operating lease of approximately $3.3 million during the year ended December 31, 2023. There was no impairment loss recognized during the year ended December 31, 2022.

Gain (loss) from discontinued operations. The operations related to the Transferred Assets to Tisento are presented as discontinued operations for all periods presented. The increase in gain from discontinued operations of approximately $33.2 million for the year ended December 31, 2023 compared to the year ended December 31, 2022 was driven by the one-time gain of sale of approximately $15.8 million, and approximately $21.1 million decrease of research and development expense, offset by $2.4 million increase in general and administrative expenses due to closing and transaction costs related to the disposal incurred during the year ended December 31, 2023. The decrease in research and development expense included approximately $14.9 million decrease in external research costs in related to zagociguat clinical trials and CY3018 costs, approximately $4.9 million decrease in salaries and other employee-related expenses and approximately $1.3 million decrease in consulting expense.

Interest and other income, net. Interest and other income increased by approximately $0.1 million for the year ended December 31, 2023 compared to the year ended December 31, 2022 due to an increase of approximately $0.1 million in interest income driven by higher interest rates.

Liquidity and Capital Resources

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. On September 3, 2020, we entered into the Sales Agreement with Jefferies with respect to the ATM Offering under the Shelf. The Shelf expired in July 2023. We did not sell any shares of our common stock under the Shelf in 2022 or 2023.

On May 19, 2023, we sold 225,000 shares of our common stock, pursuant to a Common Stock Purchase Agreement, and 351,037 shares of Series A Preferred Stock, to our former CEO, for total gross proceeds of approximately $5 million. There were no material fees or commissions related to the transaction. Such Series A Convertible Preferred Stock is convertible into shares of our common stock on a one-to-one basis. Our shareholders approved such convertibility on July 19, 2023.

On July 28, 2023, we closed the transactions contemplated by the Asset Purchase Agreement receiving proceeds of $8.0 million as cash consideration, approximately $2.4 million as reimbursement for certain operating expenses related to zagociguat and CY3018 programs for the period between signing and closing of the transaction, and 10% of all of Tisento Parent's outstanding equity securities.

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

On December 31, 2023, we had approximately $7.6 million of unrestricted cash and cash equivalents. Our cash equivalents include amounts held in U.S. government money market funds. We invest cash in excess of immediate requirements in accordance with our investment policy, which requires all investments held by us to be at least "AAA" rated or equivalent, with a remaining final maturity when purchased of less than twelve months, so as to primarily achieve liquidity and capital preservation.

Going Concern

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

We have incurred recurring losses since our inception, including a net loss of $5.3 million for the year ended December 31, 2023. In addition, as of December 31, 2023, we had an accumulated deficit of $264.4 million. We expect that our cash, cash equivalents and marketable securities as of December 31, 2023, will be sufficient to fund operations through the first quarter of 2025, however we will need to obtain additional funding to sustain operations as we expect to continue to generate operating losses for the foreseeable future. Accordingly, we have concluded that substantial doubt exists about our ability to continue as a going concern.

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

Reverse Stock Split

On May 15, 2023, we filed Articles of Amendment to our Restated Articles of Organization with the Secretary of Commonwealth of Massachusetts to effect a 1-for-20 reverse stock split of our issued and outstanding shares of common stock. The reverse stock split was reflected on the Nasdaq Capital Market beginning with the opening of trading on May 16, 2023. All share amounts and per share amounts disclosed in this Annual Report on Form 10-K have been adjusted retroactively to reflect the reverse stock split for all periods presented.

Cash Flows

The following is a summary of cash flows for the years ended December 31, 2023 and 2022:

	Year Ended December 31,		Change	
	2023	2022	$	%
	(dollars in thousands)			
Net cash used in operating activities	$ (21,245)	$ (40,611)	$ 19,366	(48)%
Net cash provided by investing activities	$ 10,402	$ —	$ 10,402	—
Net cash provided by financing activities	$ 5,024	$ 29	$ 4,995	100%

Cash Flows from Operating Activities

Net cash used in operating activities was $21.2 million for the year ended December 31, 2023 compared to $40.6 million for the year ended December 31, 2022. The decrease in net cash used in operations of $19.4 million primarily relates to a decrease of approximately $38.8 million in our net loss, which is in part due to an increase of approximately $15.8 million in gain on disposal of discontinued operations, a reduction of approximately $5.2 million in stock-based compensation and offset by an increase of approximately $3.3 million in impairment loss. Change in working capital accounts resulted in an approximately $1.8 million use of cash.

Cash Flows from Investing Activities

Net cash provided by investing activities for the year ended December 31, 2023 of $10.4 million was due to cash proceeds received from the disposal of discontinued operations of approximately $10.4 million. There was no investing activity incurred during the year ended December 31, 2022.

Cash Flows from Financing Activities

Net cash provided by financing activities for the year ended December 31, 2023 of $5.0 million was due to cash received from the May 2023 stock purchase agreement of $5.0 million. There was a de minimis amount of financing activity in the year ended December 31, 2022.

Funding Requirements

We expect our expenses to fluctuate as we continue to maintain out-license opportunities and seek to broaden our portfolio through in-licensing of complementary CNS assets. We expect that our cash, cash equivalents and marketable securities as of December 31, 2023, will be sufficient to fund operations through the first quarter of 2025, however we will need to obtain additional funding to sustain operations as we expect to continue to generate operating losses for the foreseeable future. Failure to obtain necessary capital when needed may delay development of any current or potential future product candidates, or other operations.

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

- scope, progress, results and costs of researching and developing our current and any potential future product candidates, and any preclinical studies and clinical trials we may conduct;
- costs, timing and outcome of regulatory review of any current and any potential future product candidates;
- costs of future activities, including medical affairs, manufacturing and distribution, of any current or potential future 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 potential future product candidates, if any.

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

Until such time, if ever, as we can generate substantial product revenue, we expect to finance our cash needs through a combination of public or private equity offerings, debt financings, collaborations, strategic alliances

or licensing arrangements with third parties, of which there can be no assurance. 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, as to which raise there can be no assurances, we may have to relinquish 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 funds, we may need to cease operations.

Contractual Commitments and Obligations

Tax-related Obligations

We exclude assets, liabilities or obligations pertaining to uncertain tax positions from our contractual commitments and obligations as we cannot make a reliable estimate of the period of cash settlement with the respective taxing authorities. As of December 31, 2023, we had no uncertain tax positions.

Separation Benefits

As part of the separation benefit of former Chief Financial Officer, we shall pay to our former Chief Financial Officer a payment of $0.1 million on each of the six-month and nine-month anniversaries of November 15, 2023, in the event the former Chief Financial Officer has not secured full-time employment prior to the anniversary date.

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 Annual Report on Form 10-K.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information required under this item.

Item 8. Financial Statements and Supplementary Data.

The information required by this Item 8 is set forth in our financial statements included in Part IV, Item 15 of this Annual Report on Form 10-K.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

None.

Item 9A. Controls and Procedures.

Disclosure Controls and Procedures

We maintain "disclosure controls and procedures," as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, that are designed to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and that such information is accumulated and communicated to our management, including our principal executive and our principal financial officers, as appropriate, to allow timely decisions regarding required disclosure.

With respect to the year ended December 31, 2023, under the supervision and with the participation of our management, we conducted an evaluation of the effectiveness of the design and operations of our disclosure controls and procedures. Based upon this evaluation, our President and Chief Financial Officer have concluded that our disclosure controls and procedures were effective as of December 31, 2023 to provide reasonable assurance that the information required to be disclosed by us in this Annual Report was (a) reported within the time periods specified by SEC rules and regulations and (b) communicated to our management, including our President and Chief Financial Officer, to allow timely decisions regarding any required disclosure.

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) to provide reasonable assurance regarding the reliability of our financial reporting and the preparation of consolidated financial statements for external purposes in accordance with U.S. generally accepted accounting principles ("GAAP"). Internal control over financial reporting is a process designed by, or under the supervision of, our President and Chief Financial Officer, and effected by our Board of Directors, management and other personnel, 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 and includes those policies and procedures that:

- Pertain to the maintenance of records that accurately and fairly reflect in reasonable detail the transactions and dispositions of the assets of our company;
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and
- Provide reasonable assurances regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material adverse effect on our financial statements.

Management assessed our internal control over financial reporting as of December 31, 2023, the end of our fiscal year. Management based its assessment on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework). Management's assessment included evaluation of elements such as the design and operating effectiveness of key financial reporting controls, process documentation, accounting policies, and our overall control environment.

Based on this assessment, management has concluded that our internal controls over financial reporting were effective as of December 31, 2023 and provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes in accordance with GAAP. We reviewed the results of management's assessment with the Audit Committee of our Board of Directors.

Internal control over financial reporting has inherent limitations. Internal control over financial reporting is a process that involves human diligence and compliance and is subject to lapses in judgment and breakdowns resulting from human failures. Internal control over financial reporting also can be circumvented by collusion or improper management override. Because of such limitations, there is a risk that material misstatements will not be prevented or detected on a timely basis by internal control over financial reporting. However, these inherent

limitations are known features of the financial reporting process. Therefore, it is possible to design into the process safeguards to reduce, though not eliminate, this risk.

Attestation Report of the Registered Public Accounting Firm

This Annual Report does not include an attestation report of our independent registered public accounting firm regarding internal control over financial reporting. Our report was not subject to attestation by our independent registered public accounting firm pursuant to the rules of the Securities and Exchange Commission for "emerging growth companies" that permit us to provide only management's report in this report.

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 fiscal year ended December 31, 2023 which have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitations on Effectiveness of Internal Controls

In designing and evaluating the disclosure controls and procedures, management does not expect that our internal control over financial reporting will prevent or detect all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control systems are met. 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. The design of any disclosure controls and procedures also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Our management, including our President and Chief Financial Officer, believes that our disclosure controls and procedures and internal control over financial reporting are designed to provide reasonable assurance of achieving their objectives and are effective at the reasonable assurance level. 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.

Item 9B. Other Information.

(a) None

(b) Director and Officer Trading Arrangements

None of our directors or officers adopted or terminated a Rule 10b5-1 trading arrangement, or adopted or terminated a non-Rule 10b5-1 trading arrangement (as defined in Item 408(c) of Regulation S-K) during the fourth quarter ended December 31, 2023.

Item 9C. Disclosure Regarding Foreign Jurisdictions That Prevent Inspections.

Not applicable.

PART III

We intend to file a definitive Proxy Statement for our 2024 Annual Meeting of Stockholders, or the Proxy Statement, with the SEC, pursuant to Regulation 14A, not later than 120 days after the end of our fiscal year. Accordingly, certain information required by Part III has been omitted under General Instruction G(3) to Form 10-K. Only those sections of the 2024 Proxy Statement that specifically address the items set forth herein are incorporated by reference.

Item 10. Directors, Executive Officers and Corporate Governance.

The information required by this Item 10 will be included in our Proxy Statement under the captions "Information Regarding the Board of Directors and Corporate Governance," "Election of Directors," "Executive Officers" and "Section 16(a) Beneficial Ownership Reporting Compliance" and is incorporated herein by reference.

Item 11. Executive Compensation.

The information required by this Item 11 will be included in our Proxy Statement under the captions "Executive Compensation" and "Director Compensation" and is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

The information required by this Item 12 will be included in our Proxy Statement under the captions "Security Ownership of Certain Beneficial Owners and Management" and "Securities Authorized for Issuance under Equity Compensation Plans" and is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

The information required by this Item 13 will be included in our Proxy Statement under the captions "Transactions with Related Persons" and "Independence of the Board of Directors" and is incorporated herein by reference.

Item 14. Principal Accounting Fees and Services.

The information required by this Item 14 will be included in our Proxy Statement under the caption "Ratification of Selection of Independent Registered Public Accounting Firm" and is incorporated herein by reference.

PART IV

Item 15. Exhibits, Financial Statement Schedules.

(a)(1) Financial Statements

See the Index to Consolidated Financial Statements in the Financial Statements Section beginning on page F-1 of this Annual Report on Form 10-K.

(a)(2) Financial Statement Schedules

All financial statement schedules have been omitted as they are not required, not applicable, or the required information is included in the financial statements or notes to the financial statements.

(a)(3) Exhibits

EXHIBIT INDEX

Exhibit No.	Description
2.1	Separation Agreement, dated March 30, 2019, by and between Ironwood Pharmaceuticals, Inc. and Cyclerion Therapeutics, Inc. (incorporated by reference to Exhibit 2.1 to Current Report on Form 8-K filed on April 2, 2019 (File No. 001-38787))
3.1	Restated Articles of Organization of Cyclerion Therapeutics, Inc. (incorporated by reference to Exhibit 4.1 to Registration Statement on Form S-8 filed on March 29, 2019) (File No. 333-230615))
3.2	Articles of Amendment to Amended and Restated Articles of Incorporation dated May 15, 2023 (incorporated by reference to Exhibit 3.1 to Current Report on Form 8-K filed on May 15, 2023) (File No.001-38787)
3.3	Articles of Amendment to Amended and Restated Articles of Incorporation dated May 19, 2023 (incorporated by reference to Exhibit 3.1 to Current Report on Form 8-K filed on May 25, 2023) (File No. 38787)
3.4	Amended and Restated Bylaws of Cyclerion Therapeutics, Inc. (incorporated by reference to Exhibit 4.2 to Registration Statement on Form S-8 filed on March 29, 2019) (File No. 333-230615))
4.1	Description of Securities Registered pursuant to Section 12 of the Securities Exchange Act of 1934, as amended
10.1	Tax Matters Agreement, dated March 30, 2019, by and between Ironwood Pharmaceuticals, Inc. and Cyclerion Therapeutics, Inc. (incorporated by reference to Exhibit 10.3 to Current Report on Form 8-K filed on April 2, 2019 (File No. 001-38787))
10.2	Employee Matters Agreement, dated March 30, 2019, by and between Ironwood Pharmaceuticals, Inc. and Cyclerion Therapeutics, Inc. (incorporated by reference to Exhibit 10.4 to Current Report on Form 8-K filed on April 2, 2019 (File No. 001-38787))
10.3	Development Agreement, dated April 1, 2019, by and between Ironwood Pharmaceuticals, Inc. and Cyclerion Therapeutics, Inc. (incorporated by reference to Exhibit 10.5 to Current Report on Form 8-K filed on April 2, 2019 (File No. 001-38787))
10.4	Intellectual Property License Agreement, dated April 1, 2019, by and between Ironwood Pharmaceuticals, Inc. and Cyclerion Therapeutics, Inc. (incorporated by reference to Exhibit 10.6 to Current Report on Form 8-K filed on April 2, 2019 (File No. 001-38787))

10.5+	Form of Indemnification Agreement between Cyclerion Therapeutics, Inc. and individual directors and officers (incorporated by reference to Exhibit 10.7 to Form 10 filed on January 28, 2019 (File No. 001-38787))
10.6+	Offer Letter, effective April 1, 2019, by and between Cyclerion Therapeutics, Inc. and Peter M. Hecht, Ph.D. (incorporated by reference to Exhibit 10.11 to Current Report on Form 8-K filed on April 2, 2019 (File No. 001-38787))
10.7+	Offer Letter, effective April 1, 2019, by and between Cyclerion Therapeutics, Inc. and Anjeza Gjino
10.8+	Offer Letter, effective April 1, 2019, by and between Cyclerion Therapeutics, Inc. and Cheryl Gault (incorporated by reference to Exhibit 10.1 to Quarterly Report on Form 10-Q filed on May 4, 2022 (File No. 001-38787))
10.9+	Amended and Restated Recognition Bonus Agreement, dated December 21, 2022, by and between Cyclerion Therapeutics, Inc. and Anjeza Gjino
10.10+	Amended and Restated Recognition Bonus Agreement, dated December 21, 2022, by and between Cyclerion Therapeutics, Inc. and Cheryl Gault
10.11+	Cyclerion Therapeutics, Inc. 2019 Employee Stock Purchase Plan (incorporated by reference to Exhibit 4.3 to Registration Statement on Form S-8 filed on March 29, 2019 (File No. 333-230615))
10.12+	Cyclerion Therapeutics, Inc. 2019 Equity Incentive Plan (incorporated by reference to Exhibit 4.4 to Registration Statement on Form S-8 filed on March 29, 2019 (File No. 333-230615))
10.13+	Form of Stock Option Agreement under the Cyclerion Therapeutics, Inc. 2019 Equity Incentive Plan (incorporated by reference to Exhibit 10.10 to Form 10 filed on March 4, 2019 (File No. 001-38787))
10.14+	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))
10.15+	Form of Restricted Stock Unit Agreement under the Cyclerion Therapeutics, Inc. 2019 Equity Incentive Plan (incorporated by reference to Exhibit 10.12 to Form 10 filed on March 4, 2019 (File No. 001-38787))
10.16+	Cyclerion Therapeutics, Inc. Amended and Restated 2010 Employee, Director and Consultant Equity Incentive Plan and forms of agreement thereunder (incorporated by reference to Exhibit 4.5 to Registration Statement on Form S-8 filed on March 29, 2019 (File No. 333-230615))
10.17+	Cyclerion Therapeutics, Inc. Executive Severance Plan (incorporated by reference to Exhibit 10.1 to Quarterly Report on Form 10-Q filed on August 9, 2022 (File No. 001-38787))
10.18+	Non-Employee Director Compensation Policy (amended and restated as of December 17, 2021) (incorporated by reference to Exhibit 10.6 to Quarterly Report on Form 10-Q filed on May 4, 2022 (File No. 001-38787))
10.19*	License Agreement, dated as of June 3, 2021, by and between Cyclerion Therapeutics, Inc. and Akebia Therapeutics, Inc (incorporated by reference to Exhibit 10.2 to Quarterly Report on Form 10-Q filed on July 29, 2021 (File No. 001-38787))
10.20	Common Stock Purchase Agreement, dated as of June 3, 2021, by and between Cyclerion Therapeutics, Inc. and the Investors named therein (incorporated by reference to Exhibit 10.1 to Registration Statement on Form S-3 filed on June 16, 2021 (File No. 333-257145)).
10.21+	Offer Letter to Regina Graul dated December 1, 2023
10.22+	Consulting Agreement with Peter Hecht dated December 1, 2023
10.23+	Restricted Stock Agreement with Regina Graul dated December 1, 2023.
10.24+	Restricted Stock Agreement with Peter Hecht dated December 1, 2023.

10.25[+]	Restricted Stock Agreement with Regina Graul dated January 1, 2024.
10.26[+]	Restricted Stock Agreement with Peter Hecht dated January 1, 2024.
21.1	List of Subsidiaries
23.1	Consent of Ernst & Young LLP, Independent Registered Public Accounting Firm
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 Executive Officer) pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
97.1[+]	Policy for the Recovery of Erroneously Awarded Compensation adopted November 30, 2023
101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
104	Cover Page Interactive Data File

[+] Indicates a management contract or compensatory plan.
* Certain portions of this exhibit (indicated by asterisks) have been omitted because they are not material and are the type that the Registrant treats as private or confidential.

Item 16. Form 10-K Summary.

Not applicable.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrants have duly caused this report to be signed on their behalf by the undersigned, thereunto duly authorized, on March 5, 2024.

CYCLERION THERAPEUTICS, INC.

By: /s/ Regina Graul
Regina Graul
President

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Regina Graul and Rhonda Chicko, jointly and severally, as his or her true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign this Annual Report on Form 10-K of Cyclerion Therapeutics, Inc., and any or all amendments thereto, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite or necessary to be done in and about the premises hereby ratifying and confirming all that said attorneys-in-fact and agents, or his, her or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated on March 5, 2024.

Signature	Title
/s/ Regina Graul Regina Graul	President (Principal Executive Officer)
/s/ Rhonda Chicko Rhonda Chicko	Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)
/s/ Errol De Souza Errol De Souza	Director
/s/ Peter Hecht Peter Hecht	Director
/s/ Michael Higgins Michael Higgins	Director
/s/ Steven Hyman Steven Hyman	Director
/s/ Dina Katabi Dina Katabi	Director
/s/ Terrance McGuire Terrance McGuire	Director

Index to Consolidated Financial Statements of Cyclerion Therapeutics, Inc.

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Cyclerion Therapeutics, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Cyclerion Therapeutics, Inc. (the Company) as of December 31, 2023 and 2022, the related consolidated statements of operations and comprehensive loss, stockholders' equity and cash flows for each of the two years in the period ended December 31, 2023, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2023, in conformity with U.S. generally accepted accounting principles.

The Company's Ability to Continue as a Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the consolidated financial statements, the Company has suffered recurring losses from operations, has limited financial resources, and has stated that substantial doubt exists about the Company's ability to continue as a going concern. Management's evaluation of the events and conditions and management's plans regarding these matters are also described in Note 1. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

We have served as the Company's auditor since 2018.
Boston, Massachusetts
March 5, 2024
/s/ Ernst & Young LLP

Cyclerion Therapeutics, Inc.
Consolidated Balance Sheets
(In thousands except share and per share data)

	December 31, 2023	December 31, 2022
ASSETS		
Current assets:		
Cash and cash equivalents	$ 7,571	$ 13,382
Accounts receivable	—	96
Prepaid expenses	442	805
Other current assets	11	537
Total current assets	8,024	14,820
Operating lease right-of-use asset	—	1,218
Other investment	5,350	—
Other assets	—	2,041
Total assets	$ 13,374	$ 18,079
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 1,198	$ 2,970
Accrued research and development costs	90	2,275
Accrued expenses and other current liabilities	798	2,382
Total current liabilities	2,086	7,627
Commitments and contingencies (Note 8)	—	—
Stockholders' equity		
Preferred shares, no par value, 500,000 shares authorized and 351,037 series A convertible preferred stock issued and outstanding at December 31, 2023	—	—
Common stock, no par value, 20,000,000 shares authorized at December 31, 2023 and 2022; 2,645,096 and 2,175,936 shares issued at December 31, 2023 and 2022, respectively; 2,474,159 and 2,175,936 shares outstanding at December 31, 2023, and 2022, respectively (*)	—	—
Paid-in capital	275,717	269,626
Accumulated deficit	(264,417)	(259,154)
Accumulated other comprehensive loss	(12)	(20)
Total stockholders' equity	11,288	10,452
Total liabilities and stockholders' equity	$ 13,374	$ 18,079

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

*Adjusted retroactively for reverse stock split - see Note 1

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

	Year Ended December 31,	
	2023	**2022**
Revenues:		
Revenue from development agreement	$ —	$ 297
Total revenues	—	297
Cost and expenses:		
Research and development	1,515	5,979
General and administrative	8,132	12,858
Impairment loss	3,304	—
Total cost and expenses	12,951	18,837
Loss from operations	(12,951)	(18,540)
Interest and other income, net	358	294
Net loss from continuing operations	(12,593)	(18,246)
Discontinued operations:		
Gain (loss) from discontinued operations	7,330	(25,832)
Net loss	$ (5,263)	$ (44,078)
Net income (loss) per share - basic and diluted (*)		
Net loss per share from continuing operations	$ (5.39)	$ (8.40)
Net income (loss) per share from discontinued operations	3.14	(11.89)
Net loss per share (*)	$ (2.25)	$ (20.28)
Weighted average shares used in calculating:		
Basic and diluted shares (*)	2,338	2,173
Other comprehensive loss:		
Net loss	$ (5,263)	$ (44,078)
Other comprehensive loss:		
Foreign currency translation adjustment gain	8	3
Comprehensive loss	$ (5,255)	$ (44,075)

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

*Adjusted retroactively for reverse stock split - see Note 1

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

	Common Stock		Preferred Stock		Paid-in capital	Accumulated deficit	Accumulated other comprehensive loss	Total Stockholders' equity
	Shares (*)	Amount	Shares	Amount				
Balance at December 31, 2021	2,170,509	$ —	—	$ —	$ 263,345	$ (215,076)	$ (23)	$ 48,246
Net loss	—	—	—	—	—	(44,078)	—	(44,078)
Issuance of common stock upon exercise of stock options, RSUs and employee stock purchase plan	5,427	—	—	—	29	—	—	29
Share-based compensation expense related to issuance of stock options and RSUs to employees and employee stock purchase plan	—	—	—	—	5,091	—	—	5,091
Share-based compensation expense related to issuance of stock options to non-employees					1,161			1,161
Foreign currency translation adjustment	—	—	—	—	—	—	3	3
Balance at December 31, 2022	2,175,936	$ —	—	$ —	$ 269,626	$ (259,154)	$ (20)	$ 10,452
Net loss	—	—	—	—	—	(5,263)	—	(5,263)
Issuance of common stock	225,000	—	—	—	1,953	—		1,953
Issuance of preferred stock	—	—	351,037	—	3,047	—		3,047
Issuance of common stock upon exercise of stock options, RSUs and employee stock purchase plan	44,227	—	—	—	24	—	—	24
Vesting of restricted stock awards	29,063	—	—	—	—	—	—	—
Share-based compensation expense related to issuance of stock options and RSUs to employees and employee stock purchase plan	—	—	—	—	1,042	—	—	1,042
Share-based compensation expense related to issuance of stock options to non-employees					25			25
Foreign currency translation adjustment	—	—	—	—	—	—	8	8
Fractional shares issuance	(67)	—	—	—	—	—	—	—
Balance at December 31, 2023	2,474,159	$ —	351,037	$ —	$ 275,717	$ (264,417)	$ (12)	$ 11,288

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

*Adjusted retroactively for reverse stock split - see Note 1

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

	Year Ended December 31,	
	2023	**2022**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (5,263)	$ (44,078)
Adjustments to reconcile net loss to net cash used in operating activities:		
Gain on disposal of discontinued operations	(15,752)	—
Depreciation and amortization	—	65
Impairment loss	3,304	—
Share-based compensation expense	1,067	6,252
Changes in operating assets and liabilities:		
Accounts receivable	96	4
Prepaid expenses	363	123
Other current assets	160	(69)
Operating lease assets	108	184
Other assets	213	366
Accounts payable	(1,772)	1,142
Accrued research and development costs	(2,185)	(4,078)
Accrued expenses and other current liabilities	(1,584)	(522)
Net cash used in operating activities	(21,245)	(40,611)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net proceeds from disposal of discontinued operations	10,402	—
Net cash provided by investing activities	10,402	—
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from stock purchase agreement	5,000	—
Proceeds from exercises of stock options and ESPP	24	29
Net cash provided by financing activities	5,024	29
Effect of exchange rate changes on cash and cash equivalents	8	3
Net decrease in cash and cash equivalents	(5,811)	(40,579)
Cash and cash equivalents, beginning of period	13,382	53,961
Cash and cash equivalents, end of period	$ 7,571	$ 13,382
Supplemental cash flow disclosure:		
Non-cash gain on disposal of discontinued operations	$ 5,350	$ —

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

Cyclerion Therapeutics, Inc.
Notes to the Consolidated Financial Statements

1. Nature of Business

Nature of Operations

Cyclerion Therapeutics, Inc. (“Cyclerion”, the “Company” or “we”) became an independent public company on April 1, 2019 after Ironwood Pharmaceuticals, Inc., or Ironwood, completed a tax-free spin-off of its sGC business, which we refer to herein as the "Separation". Cyclerion has one employee as of December 31, 2023.

At inception, Cyclerion was a biopharmaceutical company focused on the treatment of serious diseases with novel soluble guanylate cyclase ("sGC") stimulators in both the CNS and the periphery. The nitric oxide ("NO") sGC cyclic guanosine monophosphate ("cGMP") signaling pathway is a fundamental mechanism that precisely controls key aspects of physiology throughout the body. The NO-sGC-cGMP pathway regulates diverse and critical biological functions in both the central nervous system ("CNS") and the periphery and has been successfully targeted with several drugs.

Praliciguat is an orally administered, once-daily systemic sGC stimulator. On June 3, 2021, Cyclerion entered into a license agreement (as defined below) with Akebia 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. Cyclerion is eligible to receive up to $585 million in total potential future development, regulatory, and commercialization milestone payments. Cyclerion is also eligible to receive tiered, sales-based royalties ranging from single-digit to high-teen percentages and subject to reduction upon expiration of patent rights or the launch of a generic product.

Olinciguat is a phase 2 an orally administered, once-daily, vascular sGC stimulator that Cyclerion intends to out-license to an entity with strong cardiovascular and/or cardiopulmonary capabilities.

Zagociguat is a clinical-stage CNS-penetrant sGC stimulator that has shown rapid improvement in cerebral blood flow, functional brain connectivity, brain response to visual stimulus, cognitive performance, and biomarkers associated mitochondrial function and inflammation in clinical studies. CY3018 is a CNS-targeted sGC stimulator that preferentially localizes to the brain and has a pharmacology profile that suggests its potential for the treatment of neuropsychiatric diseases and disorders. On July 28, 2023, the Company sold Zagociguat and CY3018 to Tisento Therapeutics, Inc. (“Tisento”), a newly formed private company focused on their development, in exchange for $8.0 million in cash consideration, $2.4 million as reimbursement for certain operating expenses related to zagociguat and CY3018 for the period between signing and closing of the transaction, and 10% of all of Tisento’s parent’s outstanding equity securities. See “Asset Purchase Agreement” and “Note 4” below.

Cyclerion is actively evaluating other activities aimed at enhancing shareholder value, which may potentially include collaborations, licenses, mergers, acquisitions and/or other targeted investments.

The Company has shifted its strategy to identify, non-sGC stimulator assets within the CNS therapeutic area to build a new portfolio. If the Company identifies suitable new assets, they will develop the new assets and retain contract research, development and manufacturing organizations for these specific purposes. Additionally, Cyclerion plans to raise funds for further research and development activities associated with any new assets. The Company’s goal is to find the best combination of capital, capabilities, and transactions that will enable the advancement of current and any future assets the Company may acquire for patients in a way that maximizes shareholder value.

Cyclerion GmbH, a wholly owned subsidiary, was incorporated in Zug, Switzerland on May 3, 2019. The functional currency is the Swiss franc. Subsequent to December 31, 2023, the liquidation process for Cyclerion GmbH has been concluded and the subsidiary is pending deregistration from the commercial registry. Cyclerion GmbH has no employees.

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.

Stock Purchase Agreement

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

Asset Purchase Agreement

On May 11, 2023, the Company entered into an Asset Purchase Agreement (the "Asset Purchase Agreement") with an investor group that included the former CEO, JW Celtics Investment Corp and JW Cycle Inc. which subsequently changed their names to Tisento Therapeutics Holdings Inc. ("Tisento Parent") and Tisento. Upon the closing on July 28, 2023, of the transactions contemplated by the Asset Purchase Agreement, the Company sold to Tisento specified assets relating to the Company's zagociguat and CY3018 programs (the "Transferred Assets") and Tisento assumed certain liabilities relating thereto, including, but not limited to (i) liabilities, costs and expenses arising after the date of the Asset Purchase Agreement relating to the employment of certain Cyclerion employees and the conduct of certain preclinical and clinical trial activities prior to the closing of the transactions contemplated by the Asset Purchase Agreement, and (ii) liabilities relating to such assets to the extent relating to the period after the closing of the transaction. In consideration for such sale and assumption, at such closing the Company received proceeds of $8.0 million as cash consideration, $2.4 million as reimbursement for certain operating expenses related to such assets for the period between signing and closing of the Asset Purchase Agreement, and shares of common stock of Tisento Parent comprising 10% of the then issued and outstanding equity securities of Tisento Parent immediately following such closing, subject to certain protections against dilution.

Reverse Stock Split

On May 15, 2023, the Company filed Articles of Amendment to the Company's Restated Articles of Organization with the Secretary of Commonwealth of Massachusetts to effect a 1-for-20 reverse stock split of the Company's issued and outstanding shares of common stock. The reverse stock split was reflected on the Nasdaq Capital Market beginning with the opening of trading on May 16, 2023. All share amounts and per share amounts disclosed in this Annual Report on Form 10-K have been adjusted retroactively to reflect the reverse stock split for all periods presented.

At-the-Market Offering

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 could 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 agreed to pay Jefferies cash commissions of 3.0 percent of the gross proceeds of sales of common stock which could be sold under the Sales Agreement. Prior to January 1, 2022, the Company sold 3,353,059 shares of its common stock for net proceeds of $12.5 million under the ATM Offering, since entering into the Sales Agreement. No shares of common stock have been issued or sold under the ATM Offering in 2022 or 2023. The Shelf expired in July 31, 2023. Due to the current market value of our publicly traded common stock held by non-affiliates, our ability to raise future funding though a shelf offering will be limited.

Basis of Presentation

The consolidated financial statements and the related disclosures have been prepared in accordance with U.S. generally accepted accounting principles. In the opinion of management, the 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 fiscal years presented.

The 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 consolidated financial statements.

Going Concern

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

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

The Company expects that its cash, cash equivalents and marketable securities as of December 31, 2023, will be sufficient to fund operations through the first quarter of 2025, however the Company will need to obtain additional funding to sustain operations as it expects to continue to generate operating losses for the foreseeable future. The Company's expectation to generate negative operating cash flows in the future and the need for additional funding to support its planned operations, raise substantial doubt regarding the Company's ability to continue as a going concern. Management's plans to alleviate the conditions that raise substantial doubt include reduced spending, and the pursuit of additional capital. Management has concluded the likelihood that its plan to successfully obtain sufficient funding, or adequately reduce expenditures, while reasonably possible, is less than probable. Accordingly, the Company has concluded that substantial doubt exists about the Company's ability to continue as a going concern. The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and satisfaction of liabilities in the ordinary course of business. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might result from the outcome of the uncertainties described above.

2. Summary of Significant Accounting Policies

Segment Information

Operating segments are components of an enterprise for which separate financial information is available and is evaluated regularly by the Company's President who is the chief operating decision maker in deciding how to allocate resources and in assessing performance. The Company currently operates in one reportable business segment - human therapeutics.

Discontinued Operations

In accordance with ASC 205-20 “Presentation of Financial Statements: Discontinued Operations”, a disposal of a component of an entity or a group of components of an entity is required to be reported as discontinued operations if the disposal represents a strategic shift that has (or will have) a major effect on an entity’s operations and financial results. In the period in which the component meets held-for-sale or discontinued operations criteria the major current assets, non-current assets, current liabilities, and non-current liabilities shall be reported as components of total assets and liabilities separate from those balances of the continuing operations and disclosed in the notes to financial statements. At the same time, the results of all discontinued operations, less applicable income taxes, shall be reported as components of net loss separate from the net income (loss) of continuing operations.

The Transferred Assets met the definition of a discontinued operation. Accordingly, the Company has classified the results of the Transferred Assets as discontinued operations in its consolidated statements of operations for all periods presented. All assets and liabilities associated with the Transferred Assets were classified as assets and liabilities of discontinued operations in the Note 4, "Discontinued Operations". All amounts included in the notes to the consolidated financial statements relate to continuing operations unless otherwise noted. For additional information, see Note 4, “Discontinued Operations”.

Variable Interest Entities

The Company reviews each legal entity in which it has a financial interest to determine whether or not the entity is a variable interest entity, or VIE. If the entity is a VIE, the Company assesses whether or not it is the primary beneficiary of that VIE based on a number of factors, including (i) which party has the power to direct the activities that most significantly affect the VIE’s economic performance, (ii) the parties’ contractual rights and responsibilities pursuant to any contractual agreements and (iii) which party has the obligation to absorb losses or the right to receive benefits from the VIE. If the Company determines that it is the primary beneficiary of a VIE, it consolidates the financial statements of the VIE into its consolidated financial statements at the time that determination is made. On a quarterly basis, the Company evaluates whether it continues to be the primary beneficiary of any consolidated VIEs. If the Company determines that it is no longer the primary beneficiary of a consolidated VIE, or no longer has a variable interest in the VIE, the Company deconsolidates the VIE in the period that the determination is made.

Investment

The Company accounts for investments in equity securities without a readily determinable fair value at cost, minus impairment. If the Company identifies observable price changes in orderly transactions for an identical or a similar investment of the same issuer, the Company will measure the equity security at fair value as of the date that the observable transaction occurred in accordance with ASC Topic 321, Investments-Equity Securities.

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, fair value determination of other investment, 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.

Cash and Cash Equivalents

The Company considers all highly liquid investment instruments with a remaining maturity when purchased of three months or less to be cash equivalents. Investments qualifying as cash equivalents may consist of money market funds and overnight repurchase agreements. The carrying amount of cash equivalents approximates fair value.

Property and Equipment

Property and equipment are recorded at cost, and are depreciated when placed into service using the straight-line method based on their estimated useful lives as follows:

Asset Description	Estimated Useful Life (In Years)
Computer equipment	3
Software	3

Software costs incurred during the preliminary project stage are expensed as incurred, while costs incurred during the application development stage are capitalized and amortized over the estimated useful life of the software. The Company also capitalizes costs related to specific upgrades and enhancements when it is probable the expenditures will result in additional functionality. Maintenance and training costs related to software obtained for internal use are expensed as incurred.

Costs for capital assets not yet placed into service have been capitalized as construction in progress and are depreciated in accordance with the above guidelines once placed into service. Maintenance and repair costs are expensed as incurred.

Property and equipment that is no longer required for the business is considered disposed of when it ceases to be used. Disposals are either sold or retired and the net book value is removed from the consolidated balance sheet and a corresponding gain or loss on the sale or disposal is recognized as a component of operating expenses in the consolidated statements of operations and comprehensive loss.

Fair Value of Investment Instruments

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. Financial assets and liabilities carried at fair value are to be classified and disclosed in one of the following three levels of the fair value hierarchy, of which the first two are considered observable and the last is considered unobservable:

- Level 1 — Quoted prices in active markets for identical assets or liabilities.
- Level 2 — Observable inputs (other than Level 1 quoted prices), such as quoted prices in active markets for similar assets or liabilities, quoted prices in markets that are not active for identical or similar assets or liabilities, or other inputs that are observable or can be corroborated by observable market data.

- Level 3 — Unobservable inputs that are supported by little or no market activity and that are significant to determining the fair value of the assets or liabilities, including pricing models, discounted cash flow methodologies and similar techniques.

Foreign Currency Translation Adjustment

The functional currency of the Company's foreign subsidiary is its local currency, the Swiss franc. The assets and liabilities of the Company's foreign subsidiary are translated into U.S. dollars at exchange rates in effect at the balance sheet date. Income and expense items are translated at the average exchange rates prevailing during the period. The cumulative translation effect for the Company's foreign subsidiary is included as a foreign currency translation adjustment in the consolidated statements of stockholders' equity and as a component of comprehensive loss in the consolidated statements of operations and comprehensive loss.

The Company's intercompany accounts are typically denominated in the functional currency of the foreign subsidiary. Gains and losses resulting from the re-measurement of intercompany balances are recorded in the consolidated statements of operations.

Accounts Receivable

The Company makes judgments as to its ability to collect outstanding receivables and provides an allowance for receivables when collection becomes doubtful. Provisions are made based upon a specific review of all significant outstanding invoices. The Company's receivables primarily relate to amounts earned under a development agreement with Ironwood, licensing agreement, and supply agreement. The Company believes that credit risks associated with these agreements are not significant. To date, the Company has not had significant write-offs of bad debt and the Company did not have an allowance for doubtful accounts as of December 31, 2023 or 2022.

Impairment of Long-Lived Assets

The Company regularly reviews the carrying amount of its long-lived assets to determine whether indicators of impairment may exist, which warrant adjustments to carrying values or estimated useful lives. If indications of impairment exist, projected future undiscounted cash flows associated with the asset are compared to the carrying amount to determine whether the asset's value is recoverable. If the carrying value of the asset exceeds such projected undiscounted cash flows, the asset will be written down to its estimated fair value. There were no significant impairments of long-lived assets for the years ended December 31, 2023 or 2022, except for the impairment loss of ROU assets recognized during the year ended December 31, 2023.

Leases

Effective January 1, 2019, the Company adopted Accounting Standards Codification ("ASC") Topic 842, *Leases* ("ASC 842") using the optional transition method. The adoption of ASC 842 represents a change in accounting principle that aims to increase transparency and comparability among organizations by requiring the recognition of right-of-use assets and lease liabilities on the balance sheet for both operating and finance leases. In addition, the standard requires enhanced disclosures that meet the objective of enabling financial statement users to assess the amount, timing, and uncertainty of cash flows arising from leases. The reported results for the years ended December 31, 2023 and 2022 reflect the application of ASC 842 guidance.

The recognition of right-of-use assets and lease liabilities related to the Company's operating leases under ASC 842 has had a material impact on the Company's consolidated financial statements.

As part of the ASC 842 adoption, the Company has used certain practical expedients outlined in the guidance. These practical expedients include:

- Account policy election to use the short-term lease exception by asset class;
- Election of the practical expedient package during transition, which includes:

- An entity need not reassess whether any expired or existing contracts are or contain leases.
- An entity need not reassess the classification for any expired or existing leases. As a result, all leases that were classified as operating leases in accordance with ASC 840 are classified as operating leases under ASC 842, and all leases that were classified as capital leases in accordance with ASC 840 are classified as finance leases under ASC 842.
- An entity need not reassess initial direct costs for any existing leases.

The Company had a property lease for its headquarters location at 301 Binney Street, Cambridge, MA (the "Head Lease"). The Company determined if the arrangement was a lease at the inception of the contract. The asset component of the Company's operating leases was recorded as operating lease right-of-use assets, and the liability component was recorded as current portion of operating lease liabilities and operating lease liabilities, net of current portion, in the Company's consolidated balance sheets.

ROU assets and operating lease liabilities are recognized based on the present value of lease payments over the lease term at the commencement date. The Company uses an incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments if an implicit rate of return is not provided with the lease contract. Operating lease right-of-use assets are adjusted for incentives received.

Lease cost was recognized on a straight-line basis over the lease term, and included amounts related to short-term leases. Variable lease costs that do not depend on an index or rate were recognized as incurred.

ROU assets and operating lease liabilities were remeasured upon certain modifications to leases using the present value of remaining lease payments and estimated incremental borrowing rate upon lease modification. The difference between the remeasured ROU assets and the operating lease liabilities were recognized as a gain or loss in operating expenses. The Company reviewed any changes to its lease agreements for potential modifications and/or indicators of impairment of the respective ROU asset. During the year ended December 31, 2023, the Company recorded $3.3 million for impairment of ROU asset. See Note 9, "Leases," for additional information.

Revenue

Upon executing a revenue generating arrangement, the Company assesses whether it is probable the Company will collect consideration in exchange for the good or service it transfers to the customer. To determine revenue recognition for arrangements that the Company determines are within the scope of ASC Topic 606, *Revenue from Contracts with Customers* ("ASC 606"), it performs the following five steps: (i) identify the contract(s) with a customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize revenue when (or as) the Company satisfies the performance obligations. The Company must develop assumptions that require significant judgment to determine the stand-alone selling price for each performance obligation identified in the contract. The assumptions that are used to determine the stand-alone selling price may include forecasted revenues, development timelines, reimbursement rates for personnel costs, discount rates and probabilities of technical and regulatory success. The Company derives revenue from (1) license agreement and (2) supply agreement which are fully described in Note 15, *License Agreement*.

The Company generates revenue from research and development grants under contracts with third parties that do not create customer-vendor relationships. The Company's research and development grants are non-exchange transactions and are not within the scope of ASC Topic 606, Revenue from Contracts with Customers ("ASC 606"). Contribution revenue earned from activities performed pursuant to research and development grants is reported as grant revenue in the Company's consolidated statements of operations. Revenue from these grants is recognized as the Company incurs qualifying expenses as stipulated by the terms of the respective grant. Cash received from grants in advance of incurring qualifying expenses is recorded as deferred revenue. The Company records revenue and a corresponding receivable when qualifying costs are incurred before receiving payment from the grants.

Research and Development Costs

The Company expenses research and development costs to operations as incurred. The Company defers and capitalizes nonrefundable advance payments made by the Company for research and development activities until the related goods are received or the related services are performed. The Company estimates the period over which such services will be performed and the level of effort to be expended in each period. If actual timing of performance or the level of effort varies from the estimate, the Company will adjust the amounts recorded accordingly. The Company has not experienced any material differences between accrued or prepaid costs and actual costs since inception.

Research and development expenses are comprised of costs incurred in performing research and development activities, which may include salary, benefits and other employee-related expenses; share-based compensation expense; laboratory supplies and other direct expenses; facilities expenses; overhead expenses; third-party contractual costs relating to nonclinical studies and clinical trial activities and related contract manufacturing expenses, development of manufacturing processes and regulatory registration of third-party manufacturing facilities; and other outside expenses.

General and Administrative Expenses

The Company expenses general and administrative costs to operations as incurred. General and administrative expense consists of compensation, share-based compensation, benefits and other employee-related expenses for personnel in the Company's administrative, finance, legal, information technology, business development and human resource functions. Other costs include the legal costs of pursuing patent protection of the Company's intellectual property, general and administrative related facility costs, insurance costs and professional fees for accounting and legal services.

Income taxes

The Company is primarily subject to U.S. Federal and Massachusetts state income taxes. For federal and state income taxes, deferred tax assets and liabilities are recognized based upon temporary differences between the financial statement and the tax basis of assets and liabilities. Deferred income taxes are based upon prescribed rates and enacted laws applicable to periods in which differences are expected to reverse. A valuation allowance is recorded when it is more likely than not that some portion or all of the deferred tax assets will not be realized. Accordingly, the Company provides a valuation allowance, if necessary, to reduce deferred tax assets to amounts that are realizable.

The tax positions taken or expected to be taken in the course of preparing the Company tax returns are required to be evaluated to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. Tax positions not deemed to meet a more-likely-than-not threshold would be recorded as a tax expense in the current year. The determination as to whether the tax benefit will more likely than not be realized is based upon the technical merits of the tax position as well as consideration of the available facts and circumstances. It does not consider the likelihood of whether or not the IRS will review the position. Cyclerion evaluates uncertain tax positions on a quarterly basis and adjusts the level of the liability to reflect any subsequent changes in the relevant facts surrounding the uncertain positions. Any changes to these estimates, based on the actual results obtained and/or a change in assumptions, could affect Cyclerion's income tax provision in future periods. There were no uncertain tax positions that require accrual or disclosure in the consolidated financial statements as of December 31, 2023, and 2022. The Company's policy is to recognize interest and penalties related to income tax, if any, in income tax expense. As of December 31, 2023 and 2022, the Company has no accruals for interest or penalties related to income tax matters.

Patent Costs

Patent fees and patent related costs in connection with filing and prosecuting patent applications are expensed as incurred and are classified as general and administrative expenses in the accompanying consolidated financial statements. The Company incurred and recorded as operating expense legal and other fees related to

patents of approximately $1.1 million and $1.7 million for the years ended December 31, 2023 and 2022, respectively.

Interest and Other Income, Net

For the year ended December 31, 2023 and 2022, interest and other income, net consisted of a $0.4 million and $0.3 million of interest income related to interest generated from the Company's cash and cash equivalents balances, respectively.

Subsequent Events

The Company considers events or transactions that have occurred after the balance sheet date of December 31, 2023, but prior to the filing of the financial statements with the Securities and Exchange Commission, to provide additional evidence relative to certain estimates or to identify matters that require additional recognition or disclosure. Subsequent events have been evaluated through the filing of the financial statements accompanying this Annual Report on Form 10-K. See Note 17, *Subsequent Events*.

Recently Issued 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 years ended December 31, 2023 and 2022, that had a material effect on its consolidated financial statements.

Recently Adopted Accounting Pronouncements

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 became effective for the Company for fiscal years beginning after December 15, 2022. The Company adopted ASU 2016-13 in the first quarter of 2023, and the adoption of this standard did not have any impact on the Company's financial position or results of operations.

No other accounting standards known by the Company to be applicable to it that have been issued by the FASB or other standard-setting bodies and that do not require adoption until a future date are expected to have a material impact on the Company's 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 December 31, 2023 and December 31, 2022 (in thousands):

	Fair Value Measurements as of December 31, 2023:			
	Level 1	Level 2	Level 3	Total
Cash equivalents:				
Money market funds	$ 7,244	$ —	$ —	$ 7,244
Cash equivalents	$ 7,244	$ —	$ —	$ 7,244

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

During the year ended December 31, 2023 and 2022, there were no transfers between levels. The fair value of the Company's cash equivalents, consisting of money market funds, is based on quoted market prices in active markets with no valuation adjustment.

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

4. Discontinued Operations

On May 11, 2023, the Company entered into the Purchase Agreement with Tisento for Tisento's acquisition of substantially all of the assets comprising the Company's zagociguat and CY3018 programs, in exchange for consideration at closing of $8.0 million, the reimbursement of employee expenses or R&D expenses of $2.4 million that Tisento reimbursed the Company for upon closing, and 10% of the issued and outstanding shares of Tisento Parent (Note 5). Upon closing of the transaction, the Company transferred certain fully depreciated software included within property and equipment to Tisento.

The carrying value of the disposal group was lower than its fair value, less costs to sell, and accordingly, a gain on disposal was recorded during the year ended December 31, 2023. The operations of the Transferred Assets are presented as discontinued for all periods presented. The transaction closed on July 28, 2023.

The following table presents the results of the discontinued operations for the year ended December 31, 2023 and 2022 (in thousands):

	Year Ended December 31,	
	2023	2022
Revenues:		
Revenue from grants	$ 50	$ 1,328
Total revenues	50	1,328
Cost and expenses:		
Research and development	4,439	25,514
General and administrative	4,033	1,646
Total cost and expenses	8,472	27,160
Loss from operations	(8,422)	(25,832)
Gain on disposal of discontinued operations	15,752	—
Net gain (loss) from discontinued operations	$ 7,330	$ (25,832)

The following table summarizes the carrying amounts of major classes of assets and liabilities of discontinued operations as of December 31, 2022 (in thousands).

	December 31, 2022
Prepaid expenses	$ 3
Other current assets	20
Total current assets of discontinued operations	23
Total assets of discontinued operations	23
Accounts payable	2,389
Accrued research and development costs	2,233
Accrued expenses and other current liabilities	155
Total current liabilities of discontinued operations	4,777
Total liabilities of discontinued operations	4,777
Net liabilities of discontinued operations	$ (4,754)

The following table presents the significant non-cash item for the discontinued operations that are included in the accompanying consolidated statements of cash flows (in thousands):

	Year Ended December 31,	
	2023	2022
Cash flows from operating activities:		
Share-based compensation expense	$ 505	$ 1,161

The transaction consideration received from the sale of the Transferred Assets were as follows (in thousands):

	Amount
Closing payment	$ 8,000
Expense reimbursement	2,402
Investment in Tisento Parent	5,350
Gross transaction consideration from the sale	15,752
Net assets sold	—
Gain on disposal of discontinued operations	$ 15,752

During the year ended December 31, 2023, the Company incurred $1.3 million in closing costs associated with the sale of the Transferred Assets. The Company also incurred $0.9 million in transaction costs associated with the sale of the Transferred Assets during the year ended December 31, 2023, respectively. All of the closing and transaction costs were recognized as part of discontinued operations - general and administrative.

5. Other Investment

On July 28, 2023, the Company closed the transactions contemplated by the Asset Purchase Agreement receiving proceeds of $8.0 million as cash consideration, approximately $2.4 million as reimbursement for certain operating expenses related to zagociguat and CY3018 programs for the period between signing and closing of the transaction, and 10% of all of Tisento Parent's outstanding equity securities which fair value was determined to be $5.3 million at the time of closing. The Company's investment in Tisento Parent does not provide it with significant influence over Tisento Parent.

The Company has determined that the Company's investment in Tisento Parent is an equity security, whereby such investment does not give the Company a controlling financial interest or significant influence over the investee. Further, the Company assessed the accounting for its investment in Tisento Parent in accordance with ASC 810-10, Consolidation—Overall. After determining that no scope exception applies under the guidance of ASC 810-10-15-12 and ASC 810-10-15-17, the Company concluded that it has a variable interest in Tisento Parent through its investment in Tisento Parent common stock. Tisento Parent does not have sufficient equity to finance its activities without additional subordinated financial support as Tisento Parent is a startup entity in its early

stages of raising funds and will require significant capital to advance its programs to commercial stage. Therefore, the Company concluded that its investment in Tisento Parent is a variable interest entity ("VIE") in accordance with ASC 810-10-15-14(a) and is subject to potential consolidation under the VIE model. However, all activities that most significantly impact Tisento Parent and its subsidiary's economic performance are directed by the Tisento Parent board and the board approves decisions by a simple majority. Based on the board composition, the Company determined that no one party has control over the Tisento Parent board and power is not shared because the activities that most significantly affect Tisento Parent and its subsidiary's economic performance do not require the consent of all of the parties. Rather, all decisions are made by a simple majority vote of the Tisento Parent board. Therefore, because the Company controls no director of Tisento Parent, the Company cannot unilaterally direct any of the activities that most significantly impact Tisento Parent and its subsidiary's economic performance. Accordingly, the Company does not hold a controlling financial interest in Tisento Parent. Because both criteria (a) and (b) above have to be met for the application of the guidance in ASC 810-10-25-44B and criteria (a) has not been met, The Company concluded that it should not consolidate Tisento under the VIE model.

Accordingly, the Company has accounted for the investment as a financial instrument without a readily determinable fair value. Such investment is recorded using the measurement alternative for investments without readily determinable fair values, whereby the investment is measured at cost less any impairment recorded or adjustments for observable price changes. An impairment loss is recognized in the consolidated statements of operations and comprehensive loss equal to the amount by which the carrying value exceeds the fair value of the investment. As of December 31, 2023, no impairment loss was recognized. The Company considers the cost of the investment to be the maximum exposure to loss as a result of its involvement with the non-affiliated entity.

The initial fair value of the investment in Tisento Parent was determined by reference to the risk-adjusted net assets value using the discounted cash flow method. The estimated net assets value of Tisento Parent includes the cash generated/used from the operations and the proceeds from equity financing. Valuations were derived by reference to observable valuation measures for comparable companies or transactions, including weighted average cost of capital (21% to 23%), terminal decline rate (25% to 75%) and the discount rate referenced by a two-year treasury rate of 4.01%.

6. Property and Equipment

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

	December 31, 2023	December 31, 2022
Software	$ 126	$ 2,174
Computer equipment	—	7
Property and equipment, gross	126	2,181
Less: accumulated depreciation and amortization	(126)	(2,181)
Property and equipment, net	$ —	$ —

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

During the year ended December 31, 2023, the Company did not record depreciation and amortization expenses. The Company recorded $0.1 million of depreciation and amortization expenses for the year ended December 31, 2022.

7. Accrued Expenses and Other Current Liabilities

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

	December 31, 2023	December 31, 2022
Accrued incentive compensation	$ —	$ 238
Salaries	11	246
Accrued vacation	—	186
Professional fees	685	835
Accrued severance and benefit costs	—	809
Other	102	68
Accrued expenses and other current liabilities	$ 798	$ 2,382

8. 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 December 31, 2023 or December 31, 2022.

Separation Benefits

As part of the separation benefit of former Chief Financial Officer, the Company shall pay to former Chief Financial Officer a payment of $0.1 million on each of the six-month and nine-month anniversaries of November 15, 2023, in the event the former Chief Financial Officer has not secured full-time employment prior to the anniversary date.

9. Leases

In May 2021 the Company signed a 12-month membership agreement to lease space with WeWork at 501 Boylston Street, Boston, Massachusetts, commencing on August 1, 2021. The agreement was extended for six months on August 1, 2022. The 12-month agreement and 6-month extension are accounted for as short-term leases. The lease agreement was terminated during the year ended December 31, 2023. The Company recorded $0.1 million and $0.1 million, respectively, in lease expense associated with the membership agreement during the years ended December 31, 2023, and 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. During the year ended December 31, 2020, 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 $0.2 million and $0.4 million of lease expense during the years ended December 31, 2023 and 2022, respectively. The Company determined that the licensed services represent a non-lease component, which is recognized separately from the lease component for this asset class. The expense related to the licensed services is recognized on a straight-line basis over the period the services are received. The Company recorded $0.1 million and $0.2 million for the years ended December 31, 2023 and 2022, respectively. Both the lease expense and services expense are recognized as a component of research and development costs in the consolidated statements of operations and comprehensive loss.

After the closing of the Asset Purchase Agreement, the Company had no plans in the foreseeable future to use the licensed rooms and the Company is restricted from subleasing the rooms. In August 2023, the ROU asset and other assets were fully impaired, and the Company recognized a $3.3 million impairment loss during the year ended December 31, 2023.

10. 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, restricted stock awards ("RSAs") and restricted stock units (“RSUs”).

Cyclerion also mirrored two of Ironwood Pharmaceuticals, Inc. ("Ironwood") existing plans, the Amended and Restated 2005 Stock Incentive Plan (“2005 Equity Plan”) and the Amended and Restated 2010 Employee, Director and Consultant Equity Incentive Plan (“2010 Equity Plan"). These mirror plans were adopted to facilitate the exchange of Ironwood equity awards for Cyclerion equity awards upon the 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 consolidated statements of operations and comprehensive loss for the years ended December 31, 2023 and 2022 (in thousands):

	Year Ended December 31,	
	2023	2022
Research and development	$ 421	$ 2,915
General and administrative	646	3,337
	$ 1,067	$ 6,252

Stock Options

Stock options granted under the Company's equity plans generally have a ten-year term and vest over a period of four years, provided the individual continues to serve at the Company through the vesting dates. Options granted under all equity plans are exercisable at a price per share not less than the fair market value of the underlying common stock on the date of grant. The estimated fair value of options, including the effect of estimated forfeitures, is recognized over the requisite service period, which is typically the vesting period of each option.

A summary of stock option activity for the year ended December 31, 2023 is as follows:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (Years)	Average Intrinsic Value (in thousands)
Outstanding as of December 31, 2022	365,216	$ 184.45	5.8	20
Granted	4,000	3.82		
Exercised	—	0.00		
Cancelled or forfeited	(77,848)	157.79		
Outstanding as of December 31, 2023	291,368	$ 189.09	4.6	$ —
Exercisable at December 31, 2023	246,819	$ 214.28	4.1	$ —

During the years ended December 31, 2023 and 2022, the Company granted stock options to purchase an aggregate of 4,000 shares and 84,765 shares, respectively, at weighted average grant fair values per option share of $2.95 and $18.20 respectively.

There were no options exercised during the year ended December 31, 2023 and 2022.

As of December 31, 2023, the unrecognized share-based compensation expense, net of estimated forfeitures, related to all unvested time-based stock options held by the Company's employees is $0.3 million and the weighted average period over which that expense is expected to be recognized is 3.46 years.

The weighted-average Black-Scholes assumptions used in estimating the fair value of the stock options granted by Cyclerion during the years ended December 31, 2023 and 2022 were as follows:

	Year ended December 31, 2023	2022
Weighted average risk-free interest rate	3.47%	1.93%
Expected dividend yield	—	—
Expected option term (in years)	6.0	6.0
Expected stock price volatility	93.19%	98.90%

For the years ended December 31, 2023 and 2022, expected volatility was estimated using an average of the historical volatility of the common stock of a group of similar companies that were publicly traded. The Company will continue to apply this process until a sufficient amount of historical information regarding the volatility of its own stock price becomes available.

The Company has granted certain employees performance-based options to purchase shares of common stock. These options are subject to performance-based milestone vesting. During the year ended December 31, 2023, there were no shares that vested as a result of performance milestone achievements and 2,500 shares vested during the year ended December 31, 2022. The Company recorded a de minimis and no share-based compensation expense related to these performance-based options for the years ended December 31, 2023, and 2022, respectively.

Market-based Stock Options

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. The Company does not reverse expense recognized if the share price target(s) are ultimately not achieved but expense is reversed when a stock award recipient has a break in service prior to the completion of the derived service period. As of December 31, 2023, there were 7,500 outstanding stock options containing market conditions with a weighted average exercise price of $40.20. As of December 31, 2023, there was a de minimis amount of unrecognized compensation costs related to stock options containing market conditions, which is expected to be recognized over a weighted-average period of 0.35 years.

A summary of stock awards containing market conditions activity for the year ended December 31, 2023 is as follows:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (years)	Aggregate Intrinsic Value (in thousands)
Outstanding as of December 31, 2022	15,000	$ 40.20	$ 6.9	$ —
Granted	—	—	—	—
Exercised	—	—	—	—
Cancelled or forfeited	(7,500)	$ 40.20	$ 5.9	$ —
Outstanding as of December 31, 2023	7,500	$ 40.20	5.9	$ —
Exercisable at December 31, 2023	—	$ —	—	$ —

No stock options containing market conditions were granted during the years ended December 31, 2023 and 2022.

Restricted Stock Units

The RSUs generally vest 25% per year on the approximate anniversary of the date of grant until fully vested, provided the employee remains continuously employed with the Company through each vesting date. Shares of the Company's common stock are delivered to the employee upon vesting, subject to payment of applicable withholding taxes. The fair value of all RSUs is based on the market value of the Company's common stock on the date of grant. Compensation expense, including the effect of estimated forfeitures, is recognized over the applicable service period.

A summary of RSU activity for the years ended December 31, 2023 is as follows:

	Number of Shares	Weighted Average Grant Date Fair Value
Unvested as of December 31, 2022	40,772	$ 15.30
Granted	—	—
Vested	(37,675)	15.11
Forfeited	(3,097)	17.50
Unvested as of December 31, 2023	—	$ —

Restricted Stock Awards

The Company granted 200,000 RSAs during the year ended December 31, 2023. 28,750 RSAs vest upon grant. 113,750 RSAs vest ratably over a 42-month period, 2,500 RSAs vest over a 6-month period and 55,000 RSAs vest ratably over a 48-month period, provided the grantee remains continuously as a director or an employee of the Company through each vesting date. Shares of the Company's common stock are delivered to the employee upon vesting, subject to payment of applicable withholding taxes. The fair value of all RSAs is based on the market value

of the Company's common stock on the date of grant. Compensation expense, including the effect of estimated forfeitures, is recognized over the applicable service period.

A summary of RSA activity for the years ended December 31, 2023 is as follows:

	Number of Shares	Weighted Average Grant Date Fair Value
Unvested as of December 31, 2022	—	$ —
Granted	200,000	2.28
Vested	(29,063)	2.29
Forfeited	—	—
Unvested as of December 31, 2023	170,937	$ 2.28

As of December 31, 2023, the unrecognized share-based compensation expense, net of estimated forfeitures, related to all unvested RSAs held by the Company's directors is $0.4 million and the weighted average period over which that expense is expected to be recognized is 3.53 years.

11. 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:

	Year Ended December 31,	
	2023	2022
Numerator:		
Net loss from continuing operations (in thousands)	$ (12,593)	$ (18,246)
Net gain (loss) from discontinued operations (in thousands)	7,330	(25,832)
Total net loss (in thousands)	(5,263)	(44,078)
Denominator:		
Weighted average shares used in calculating net gain (loss) per share — basic and diluted (in thousands) (*)	2,338	2,173
Net gain (loss) per share — basic and diluted		
Net loss per share from continuing operations	$ (5.39)	$ (8.40)
Net gain (loss) per share from discontinued operations	3.14	(11.89)
Total loss per share	$ (2.25)	$ (20.28)

*Adjusted retroactively for reverse stock split - see Note 1

We exclude shares of common stock related to Preferred Stock, stock options, RSUs and RSAs 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 years ended December 31, 2023 and 2022:

	Year Ended December 31,	
	2023	2022
Preferred Stock	351,037	—
Stock Options	298,868	380,595
RSUs	—	40,779
RSAs	170,937	—
	820,842	421,374

12. Income Taxes

There was no provision for income taxes for the years ended December 31, 2023, and 2022, due to the Company's operating losses and a full valuation allowance on deferred tax assets. Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

A reconciliation of income taxes computed using the U.S. federal statutory rate to that reflected in operations follows (in thousands):

	Year Ended December 31,	
	2023	2022
U.S.	$ (5,181)	$ (44,063)
International	(82)	(15)
Loss before benefit from income taxes	$ (5,263)	$ (44,078)
Income tax benefit using U.S. federal statutory rate	$ (1,105)	$ (9,256)
State income taxes, net of federal benefit	(5)	(2,693)
Non-deductible share-based compensation	(9)	266
Share-based compensation - shortfalls/(windfalls)	1,196	833
Permanent differences	1	14
Tax credits	(500)	(1,652)
Other	17	3
Change in valuation allowance	405	12,485
	$ —	$ —

The effective income tax rate is based upon the income for the year, the composition of the income in different countries, and adjustments, if any, for the potential tax consequences, benefits or resolutions of audits or other tax contingencies. Our income tax rate in foreign jurisdictions is lower than our income tax rate in the United States.

Deferred tax assets (liabilities) consist of the following as of December 31, 2023 and 2022 (in thousands):

	Year Ended December 31,	
	2023	2022
Deferred tax assets:		
Net operating loss carryforwards	$ 48,535	$ 47,079
Tax credit carryforwards	10,388	9,848
Share-based compensation	7,071	8,354
Property and equipment	—	1
Capitalized research and development	16,440	17,399
Accruals and reserves	2	340
Total deferred tax assets	$ 82,436	$ 83,021
Deferred tax liabilities:		
Operating lease - right of use asset	$ —	$ (333)
Prepaid sublease termination	—	(658)
Total deferred tax liabilities	—	(991)
Net deferred tax assets	82,436	82,030
Valuation allowance	(82,436)	(82,030)
Net deferred tax assets	$ —	$ —

Management has evaluated the positive and negative evidence bearing upon the possible realization of its deferred tax assets. Management has considered the Company's history of operating losses, in addition to the expected timing of the reversal of existing temporary differences and concluded, in accordance with the applicable accounting standards, that it is more likely than not that the Company will not realize the benefit of its deferred tax assets. Accordingly, the net deferred tax assets have been fully reserved at December 31, 2023 and December 31, 2022. Management reevaluates the positive and negative evidence on a quarterly basis.

The valuation allowance increased by approximately $0.4 million during the year ended December 31, 2023 primarily due to increases in capitalized research and development expenses, net operating losses, tax credit carryforwards and deferred tax assets related to share-based compensation.

The Company did not generate net operating loss carryforwards or tax credit carryforwards available for its use until its inception and operation as a standalone legal entity. At December 31, 2023 and 2022, Cyclerion has federal net operating loss carryforwards of approximately $177 million and $172 million, respectively, to offset future federal taxable income that will be carried forward indefinitely until utilized. As of December 31, 2023, and 2022, Cyclerion had state net operating loss carryforwards of approximately $178 million and $173 million, respectively, to offset future state taxable income, which will begin to expire in 2040 and will continue to expire through 2042. Cyclerion also had tax credit carryforwards of approximately $10.8 million and $10.2 million as of December 31, 2023 and 2022, respectively, to offset future federal and state income taxes. Federal credits begin to expire in 2040 and will continue to expire through 2041. State credits begin to expire in 2022 and continue through 2034.

The Company’s ability to use its operating loss carryforwards and tax credits to offset future taxable income could be subject to restrictions under Section 382 of the U.S. Internal Revenue Code of 1986, as amended (the “Internal Revenue Code”). These potential restrictions may limit the future use of the operating loss carryforwards and tax credits if certain ownership changes described in the Internal Revenue Code occur. Changes in stock ownership may occur that would create these limitations on the Company’s use of the operating loss carryforwards and tax credits. In such a situation, the Company may be required to pay income taxes, even though significant operating loss carryforwards and tax credits exist.

The Company has not as yet conducted a study of its research and development credit carry forwards. This study may result in an adjustment to the Company’s research and development credit carryforwards; however, until a study is completed and any adjustment is known, no amounts are being presented as an uncertain tax position. A full valuation allowance has been provided against the Company’s research and development credits, and if an adjustment is required, this adjustment would be offset by an adjustment to the valuation allowance. Thus, there would be no impact to the consolidated balance sheets or statements of operations if an adjustment were required.

Upon audit, taxing authorities may challenge all or part of an uncertain income tax position. While Cyclerion has no history of tax audits since its inception on a standalone basis, it may be subject to tax audits by federal and state taxing authorities in the future. Accordingly, Cyclerion regularly assesses the outcome of potential examinations in each of the taxing jurisdictions when determining the adequacy of the amount of unrecognized tax benefit recorded. Cyclerion had no unrecognized tax benefits as of December 31, 2023 and 2022. Cyclerion will recognize interest and penalties, if any, related to uncertain tax positions in income tax expense. As of December 31, 2023 and 2022, no interest or penalties have been accrued. There are no current federal or state income tax audits in progress.

13. Defined Contribution Plan

The Company has established a defined contribution 401(k) Savings Plan which allows eligible employees to contribute from 1% to 100% of their compensation, subject to certain IRS limits. The Company's contributions to the plan are at the sole discretion of the board of directors. Currently, the Company provides a matching contribution of 75% of the employee’s contributions, up to $6,000 annually.

Included in compensation expense is approximately $0.1 million and $0.2 million related to the defined contribution 401(k) Savings Plan for the years ended December 31, 2023 and 2022, respectively.

14. Workforce Reduction

Workforce Reductions

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

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

The Company had further reductions of workforce in 2023 in connection with the sale of the Transferred Assets to Tisento and change to the Company's strategy. The Company recorded total costs of approximately $0.6 million related to the reduction in workforce during 2023.

The following table summarizes the accrued liabilities activity recorded in connection with the reduction in workforce for the year ended December 31, 2023 (in thousands):

	Amounts accrued at December 31, 2022	Charges	Amount paid	Adjustments	Amounts accrued at December 31, 2023
Workforce reductions	$ (809)	$ (565)	$ 1,374	$ —	$ —
Total	$ (809)	$ (565)	$ 1,374	$ —	$ —

15. License Agreement

Akebia License Agreement

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

Akebia paid a $3.0 million up-front payment to the Company upon signing of the License Agreement and the Company is eligible to receive additional milestone cash payments of up to $585 million in total potential future development, regulatory, and commercialization milestone payments for praliciguat. In addition to these cash milestone payments, Akebia will pay the Company tiered royalty payments on net sales in certain major markets at percentages ranging from the mid-single digits to the high-teens, subject to certain reductions and offsets.

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

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

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

Akebia Supply Agreement

On August 3, 2021, the Company and Akebia entered into a Supply Agreement (the "Supply Agreement") relating to the manufacturing by the Company of the Initial Supply of the Drug Product and placebo ("Initial Supply") for Akebia's use pursuant to the Akebia License Agreement. Akebia will pay the Company for the manufacturing costs at mutually agreed upon rates.

The Company determined the Supply Agreement has stand-alone value under the scope of ASC 606 and should not be combined with the Akebia License Agreement. Given that the Supply Agreement can be terminated at any time without cause with 30 days' notice, the Company deemed the Supply Agreement to be a month-to-month contract. The manufacturing of the Initial Supply by the Company represents a single performance obligation and consideration related to the manufacturing costs will be recognized over time as costs are incurred. The Company recorded a de minimis amount and approximately $0.3 million, respectively, for the years ended December 31, 2023 and 2022, as revenue from the Supply Agreement.

16. 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 received an award of $2.0 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 $0.1 million and approximately $0.6 million of allowable expenses and recognized a corresponding amount of grant revenue for the years ended December 31, 2023 and 2022.

17. Subsequent Events

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

Exhibit 4.1

DESCRIPTION OF THE REGISTRANT'S SECURITIES
REGISTERED PURSUANT TO SECTION 12 OF THE
SECURITIES EXCHANGE ACT OF 1934

General

The following description of our capital stock is intended as a summary only and is qualified in its entirety by reference to our articles of organization and bylaws, the Annual Report on Form 10-K to which this description is an exhibit, any and all of which may be amended from time to time, and to the applicable provisions of the Massachusetts Business Corporation Act ("MBCA").

Our authorized capital stock consists of 20,000,000 shares of our common stock and 500,000 shares of our preferred stock, all of which preferred stock is undesignated. As of December 31, 2023, there were 2,645,096 shares of common stock outstanding and 351,037 shares of preferred stock outstanding.

Common Stock

Dividend Rights

Subject to preferences that may apply to shares of preferred stock outstanding, holders of outstanding shares of common stock are entitled to receive dividends out of assets legally available at the times and in the amounts as our board of directors may from time to time determine.

Voting Rights

Each outstanding share of common stock is entitled to one vote on all matters submitted to a vote of shareholders. Holders of shares of our common stock have no cumulative voting rights.

Preemptive Rights.

Our common stock is not entitled to preemptive or other similar subscription rights to purchase any of our securities.

Conversion or Redemption Rights

Our common stock is neither convertible nor redeemable.

Liquidation Rights

Upon our liquidation, the holders of our common stock will be entitled to receive pro rata our assets which are legally available for distribution, after payment of all debts and other liabilities and subject to the prior rights of any holders of preferred stock then outstanding.

Listing

Our common stock is listed on the Nasdaq Global Select Market under the trading symbol "CYCN."

Anti-takeover Effects of Our Articles of Organization and Our Bylaws

Our articles of organization and bylaws contain certain provisions that are intended to enhance the likelihood of continuity and stability in the composition of our board of directors but which may have the effect of delaying, deferring or preventing a future takeover or change in control of us unless such takeover or change in control is approved by our board of directors. These provisions include:

Action by Written Consent and Special Meetings of Shareholders

Our articles of organization provide that shareholder action can be taken only at an annual or special meeting of shareholders or by the unanimous written consent of all shareholders in lieu of such a meeting. Our articles of organization and the bylaws also provide that, except as otherwise required by law, special meetings of the shareholders can only be called pursuant to a resolution adopted by a majority of our board of directors or holders of at least 40% of our then outstanding common stock. Except as described above, shareholders are not permitted to call a special meeting or to require our board of directors to call a special meeting.

Advance Notice Procedures

Our bylaws contain an advance notice procedure for shareholder proposals to be brought before an annual meeting of our shareholders, including proposed nominations of persons for election to the board of directors. Shareholders at an annual meeting will only be able to consider proposals or nominations specified in the notice of meeting or brought before the meeting by or at the direction of our board of directors or by a shareholder who was a shareholder of record on the record date for the meeting, who is entitled to vote at the meeting and who has given our Secretary timely written notice, in proper form, of the shareholder's intention to bring that business before the meeting. Although our bylaws do not give our board of directors the power to approve or disapprove shareholder nominations of candidates or proposals regarding other business to be conducted at a special or annual meeting, the bylaws may have the effect of precluding the conduct of certain business at a meeting if the proper procedures are not followed or may discourage or deter a potential acquirer from conducting a solicitation of proxies to elect its own slate of directors or otherwise attempting to obtain control of us.

Proxy Access

Our bylaws provide that a shareholder or a group of shareholders meeting certain conditions may nominate candidates for election as a director at an annual meeting of our shareholders using "proxy access" provisions. These provisions allow one or more shareholders (up to 20, collectively), owning at least 3% of our outstanding common stock continuously for at least three years, to nominate for election to our board of directors and to be included in our proxy materials up to the greater of two individuals or 20% of our board of directors, subject to the provisions included in our bylaws, including the provision of timely written notice to our Secretary.

Number of Directors and Filling Vacancies and Election of Directors

Our articles of organization provide that the number of directors is established by the board of directors. Furthermore, any vacancy on our board of directors, however occurring, including a vacancy resulting from an increase in the size of our board, may only be filled by the affirmative vote of a majority of our directors then in office. The ability of our board of directors to increase the number of directors and fill any vacancies may make it more difficult for our shareholders to change the composition of our board of directors. Our bylaws provide that a majority of the votes properly cast for the election of a director shall effect such election unless there are more nominees than directorships, in which case a plurality standard shall apply.

Authorized and Unissued Shares

Our authorized but unissued shares of common stock and preferred stock are available for future issuance without shareholder approval. These additional shares may be utilized for a variety of corporate purposes, including future public offerings to raise additional capital, corporate acquisitions and employee benefit plans. The existence of authorized but unissued shares of common stock and preferred stock could render more difficult or discourage an attempt to obtain control of a majority of our common stock by means of a proxy contest, tender offer, merger or otherwise.

Exclusive Forum.

Our articles of organization require, to the fullest extent permitted by law, that derivative actions brought in the name of Cyclerion, actions against our directors, officers and employees for breach of a fiduciary duty and other similar actions may be brought only in specified courts in the Commonwealth of Massachusetts. Although we believe this provision benefits us by providing increased consistency in the application of Massachusetts law in the

types of lawsuits to which it applies, the provision may have the effect of discouraging lawsuits against our directors and officers.

Anti-Takeover Provisions under Massachusetts Law

Provisions Regarding Business Combinations

We are subject to the provisions of Chapter 110F of the MBCA. In general, Chapter 110F prohibits a publicly held Massachusetts corporation from engaging in a "business combination" with an "interested stockholder" for a three-year period following the time that this stockholder becomes an interested stockholder, unless the business combination is approved in a prescribed manner. A "business combination" includes, among other things, a merger, asset or stock sale or other transaction resulting in a financial benefit to the interested stockholder. An "interested stockholder" is a person who, together with affiliates and associates, owns, or did own within three years prior to the determination of interested stockholder status, five percent or more of the corporation's voting stock.

Under Chapter 110F, a business combination between a corporation and an interested stockholder is prohibited unless it satisfies one of the following conditions: before the stockholder became interested, our board of directors approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder; upon consummation of the transaction which resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 90% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding for purposes of determining the voting stock outstanding, shares owned by persons who are directors and also officers, and employee stock plans, in some instances; or at or after the time the stockholder became interested, the business combination was approved by our board of directors of the corporation and authorized at an annual or special meeting of the stockholders by the affirmative vote of at least two-thirds of the outstanding voting stock which is not owned by the interested stockholder.

A Massachusetts corporation may "opt out" of these provisions with an express provision in its original articles of organization or an express provision in its articles of organization or bylaws resulting from a stockholders' amendment approved by at least a majority of the outstanding voting shares. We have not opted out of these provisions. As a result, mergers or other takeover or change in control attempts of us may be discouraged or prevented.

Provisions Regarding a Classified Board of Directors

Section 8.06(b) of the MBCA provides that, unless a company opts out of such provision, the terms of directors of a public Massachusetts company shall be staggered by dividing the directors into three groups, as nearly equal in number as possible, with only one group of directors being elected each year. We plan to opt out of this default requirement for a classified board of directors, and expect that all of our directors serve for one-year terms and will be elected annually.

Pursuant to Section 8.06(c)(2) of the MBCA, however, our board of directors may unilaterally opt back into default requirements under Section 8.06(b) of the MBCA and become a classified board of directors without the approval of our stockholders. Sections 8.06(d) and (e) of the MBCA provide that when a board of directors is so classified, (i) stockholders may remove directors only for cause, (ii) the number of directors shall be fixed only by the vote of the board of directors, (iii) vacancies and newly created directorships shall be filled solely by the affirmative vote of a majority of the remaining directors and (iv) a decrease in the number of directors will not shorten the term of any incumbent director. If our board of directors opts into this classified structure in the future, these provisions are likely to increase the time required for stockholders to change the composition of our board of directors. For example, at least two annual meetings would generally be necessary for stockholders to effect a change in a majority of the members of our board of directors. As a result, the ability of our board of directors to adopt a classified structure in the future without the approval of our stockholders could have the effect of discouraging a potential acquirer from making a tender offer for a majority of the outstanding voting interest of our capital stock or otherwise attempting to obtain control of Cyclerion.

Transfer Agent and Registrar

The transfer agent and registrar for our common stock is Computershare Trust Company, N.A.

Indemnification of Directors and Officers

Our articles of organization provide that the liability of our directors for damages for any breach of fiduciary duty shall be limited to the fullest extent permitted by law. Our bylaws also provide that we will indemnify, and advance funds to and reimburse expenses of, our directors and officers that have been appointed by our board of directors to the fullest extent permitted by law, and that we may indemnify, and advance funds to and reimburse expenses of, such other officers and employees as determined by our board of directors. The right of indemnification provided under our bylaws is in addition to and not exclusive of any other rights to which any of our directors, officers or any other persons may otherwise be lawfully entitled. We have also entered, or expect to enter, into indemnification agreements with our directors and officers, and we carry insurance policies insuring our directors and officers against certain liabilities that they may incur in their capacity as directors and officers.

Part 8 of the MBCA authorizes the provisions, described above, that are contained in our articles of organization and bylaws. In addition, Sections 8.30 and 8.42 of the MBCA provide that if an officer or director discharges his or her duties in good faith and with the care that a person in a like position would reasonably exercise under similar circumstances and in a manner the officer or director reasonably believes to be in the best interests of the corporation, he or she will not be liable for such action.

Exhibit 10.7

3/11/19

Re: Offer of Transfer to Cyclerion

Dear Anjeza:

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 VP of Finance, reporting to Bill Huyett. 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 $242,100 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 19 day of March 2019
/s/ Anjeza Gjino
Employee Name

Exhibit 10.9

Cyclerion Therapeutics, Inc.

December 21, 2022

Anjeza Gjino

Re: Amended and Restated Recognition Bonus Agreement

Dear Anjeza:

This letter agreement (this "Agreement") between you and Cyclerion Therapeutics, Inc. (the "Company") amends and restates the prior retention bonus letter agreement, dated October 3, 2022, between you and the Company, with respect to your opportunity to earn a Recognition Bonus (as defined below). The Company is offering you this opportunity in recognition of your importance to the continued success of the Company.

Your opportunity to earn a Recognition Bonus is subject to the terms and conditions contained in this Agreement.

I. Recognition Bonus

1.Subject to the terms and conditions described below, you will be eligible to receive a bonus equal to $163,000.00 (the "Recognition Bonus").

2. The Recognition Bonus will be payable, in cash, in two equal installments, as follows: (a) fifty percent (50%) of the Recognition Bonus will be paid as soon as administratively feasible (but in no event later than thirty (30) days) following December 31, 2022, and (b) fifty percent (50%) of the Recognition Bonus will be paid as soon as administratively feasible (but in no event later than thirty (30) days) following March 31, 2023 (each of the payment events in subclauses (a) and (b), a "Payment Event"), in either case so long as you remain in active employment with the Company or its affiliates until the occurrence of the applicable Payment Event.

3.If your employment terminates for any reason prior to a Payment Event, it will be in the sole discretion of the Compensation Committee to determine whether you are eligible to receive any portion of the Recognition Bonus that has not already been paid, and unless otherwise determined by the Compensation Committee, you will have no entitlement to receive any such unpaid amounts.

4.The Recognition Bonus is subject to all applicable tax withholding requirements, as determined by the Company.

II. Definitions

For purposes of this Agreement, the following terms shall have the following meanings:

1. "Board" means the board of directors of the Company.

2. "Compensation Committee" means the compensation committee of the Board.

III. Assignment

This Agreement is personal to you and may not be assigned by you other than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of, and be enforceable against the Company by, your legal representatives, executors, administrators, successors, heirs, distributes or legatees.

This Agreement shall inure to the benefit of and be binding upon the Company and its successors. The Company shall require any successor to all or substantially all of the business and/or assets of the Company or any division of the Company, whether direct or indirect, by purchase, merger, consolidation, acquisition of stock, or otherwise, to expressly assume and agree to perform this Agreement in the same manner and to the same extent as the Company would be required to perform it if no such succession had taken place. Following such a change in control transaction, references in this Agreement to the Company shall mean the Company or the successor to the business and/or assets of the Company or any division of the Company, as the case may be.

IV. Parachute Payments

If any of the payments or benefits provided or to be provided by the Company or its affiliates to you or for your benefit pursuant to this Agreement or otherwise ("Covered Payments") constitute parachute payments within the meaning of Section 280G of the Internal Revenue Code of 1986, as amended (the "Code") and would, but for this paragraph, be subject to the excise tax imposed under Section 4999 of the Code (or any successor provision thereto) or any similar tax imposed by state or local law or any interest or penalties with respect to such taxes (collectively, the "Excise Tax"), then the Covered Payments shall be payable either (a) in full or (b) reduced to the minimum extent necessary to ensure that no portion of the Covered Payments is subject to the Excise Tax, whichever of the foregoing (a) or (b) results in your receipt on an after-tax basis of the greatest amount of benefits after taking into account the applicable federal, state, local and foreign income, employment and excise taxes (including the Excise Tax).

V. No Employment Rights

Neither this Agreement nor the grant of the Recognition Bonus creates a guarantee of continued employment for any period or a limitation on the Company's or any of its affiliates' right to terminate your employment at any time.

VI. Section 409A

This Agreement shall be interpreted to avoid any penalty or sanction under Section 409A of the Code ("Section 409A"). Any payments to you pursuant to this Agreement are intended to be exempt from Section 409A as short-term deferral pursuant to Treasury Regulation §1.409A-1(b)(4) or under such other exemption(s) as may apply. Notwithstanding the foregoing, the Company makes no representations that the payments provided under this Agreement comply with Section 409A and in no event shall the Company be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by you on account of non-compliance with Section 409A.

VII. Governing Law

This Agreement shall be governed by and construed in accordance with the law of the Commonwealth of Massachusetts without reference to principles of conflict of laws.

VIII. Counterparts

This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

IX. Amendment

No amendment of this Agreement shall be valid unless made in writing and signed by both parties hereto.

X. Entire Agreement

This Agreement contains the entire understanding of the parties and supersedes any prior understanding and agreements between them representing the subject matter hereof, including but not limited to the prior retention bonus letter agreement, dated October 3, 2022, between you and the Company

[Signature page follows]

Please indicate your acceptance of this Agreement by signing on the appropriate space below and returning a signed copy to the Company.

Very truly yours,

CYCLERION THERAPEUTICS, INC.

By: /s/ Peter Hecht
Name: Peter Hecht
Title: CEO

ACCEPTANCE AND AGREEMENT:

I have read, understand, and agree to participate in and comply with the terms and conditions of the Agreement described above. This Agreement constitutes the full and complete understanding between me and the Company regarding the Recognition Bonus and may be amended only in writing signed by both parties.

/s/ Anjeza Gjino
Anjeza Gjino

Date: December 21, 2022

Exhibit 10.10

Cyclerion Therapeutics, Inc.

December 21, 2022

Cheryl Gault

Re: Amended and Restated Recognition Bonus Agreement

Dear Cheryl:

This letter agreement (this "Agreement") between you and Cyclerion Therapeutics, Inc. (the "Company") amends and restates the prior retention bonus letter agreement, dated October 3, 2022, between you and the Company, with respect to your opportunity to earn a Recognition Bonus (as defined below). The Company is offering you this opportunity in recognition of your importance to the continued success of the Company.

Your opportunity to earn a Recognition Bonus is subject to the terms and conditions contained in this Agreement.

I. Recognition Bonus

1.Subject to the terms and conditions described below, you will be eligible to receive a bonus equal to $171,000.00 (the "Recognition Bonus").

2. The Recognition Bonus will be payable, in cash, in two equal installments, as follows: (a) fifty percent (50%) of the Recognition Bonus will be paid as soon as administratively feasible (but in no event later than thirty (30) days) following December 31, 2022, and (b) fifty percent (50%) of the Recognition Bonus will be paid as soon as administratively feasible (but in no event later than thirty (30) days) following March 31, 2023 (each of the payment events in subclauses (a) and (b), a "Payment Event"), in either case so long as you remain in active employment with the Company or its affiliates until the occurrence of the applicable Payment Event.

3.If your employment terminates for any reason prior to a Payment Event, it will be in the sole discretion of the Compensation Committee to determine whether you are eligible to receive any portion of the Recognition Bonus that has not already been paid, and unless otherwise determined by the Compensation Committee, you will have no entitlement to receive any such unpaid amounts.

4.The Recognition Bonus is subject to all applicable tax withholding requirements, as determined by the Company.

II. Definitions

For purposes of this Agreement, the following terms shall have the following meanings:

1. "Board" means the board of directors of the Company.

2. "Compensation Committee" means the compensation committee of the Board.

III. Assignment

This Agreement is personal to you and may not be assigned by you other than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of, and be enforceable against the Company by, your legal representatives, executors, administrators, successors, heirs, distributes or legatees.

This Agreement shall inure to the benefit of and be binding upon the Company and its successors. The Company shall require any successor to all or substantially all of the business and/or assets of the Company or any division of the Company, whether direct or indirect, by purchase, merger, consolidation, acquisition of stock, or otherwise, to expressly assume and agree to perform this Agreement in the same manner and to the same extent as the Company would be required to perform it if no such succession had taken place. Following such a change in control transaction, references in this Agreement to the Company shall mean the Company or the successor to the business and/or assets of the Company or any division of the Company, as the case may be.

IV. Parachute Payments

If any of the payments or benefits provided or to be provided by the Company or its affiliates to you or for your benefit pursuant to this Agreement or otherwise ("Covered Payments") constitute parachute payments within the meaning of Section 280G of the Internal Revenue Code of 1986, as amended (the "Code") and would, but for this paragraph, be subject to the excise tax imposed under Section 4999 of the Code (or any successor provision thereto) or any similar tax imposed by state or local law or any interest or penalties with respect to such taxes (collectively, the "Excise Tax"), then the Covered Payments shall be payable either (a) in full or (b) reduced to the minimum extent necessary to ensure that no portion of the Covered Payments is subject to the Excise Tax, whichever of the foregoing (a) or (b) results in your receipt on an after-tax basis of the greatest amount of benefits after taking into account the applicable federal, state, local and foreign income, employment and excise taxes (including the Excise Tax).

V. No Employment Rights

Neither this Agreement nor the grant of the Recognition Bonus creates a guarantee of continued employment for any period or a limitation on the Company's or any of its affiliates' right to terminate your employment at any time.

VI. Section 409A

This Agreement shall be interpreted to avoid any penalty or sanction under Section 409A of the Code ("Section 409A"). Any payments to you pursuant to this Agreement are intended to be exempt from Section 409A as short-term deferral pursuant to Treasury Regulation §1.409A-1(b)(4) or under such other exemption(s) as may apply. Notwithstanding the foregoing, the Company makes no representations that the payments provided under this Agreement comply with Section 409A and in no event shall the Company be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by you on account of non-compliance with Section 409A.

VII. Governing Law

This Agreement shall be governed by and construed in accordance with the law of the Commonwealth of Massachusetts without reference to principles of conflict of laws.

VIII. Counterparts

This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

IX. Amendment

No amendment of this Agreement shall be valid unless made in writing and signed by both parties hereto.

X. Entire Agreement

This Agreement contains the entire understanding of the parties and supersedes any prior understanding and agreements between them representing the subject matter hereof, including but not limited to the prior retention bonus letter agreement, dated October 3, 2022, between you and the Company

[Signature page follows]

Please indicate your acceptance of this Agreement by signing on the appropriate space below and returning a signed copy to the Company.

Very truly yours,

CYCLERION THERAPEUTICS, INC.

By: /s/ Peter Hecht
Name: Peter Hecht
Title: CEO

ACCEPTANCE AND AGREEMENT:

I have read, understand, and agree to participate in and comply with the terms and conditions of the Agreement described above. This Agreement constitutes the full and complete understanding between me and the Company regarding the Recognition Bonus and may be amended only in writing signed by both parties.

/s/ Cheryl Gault
Cheryl Gault

Date: December 21, 2022

Exhibit 10.21

November 30, 2023

Regina Graul, Ph.D.
c/o Rgraul@cyclerion.com

Re: Offer of Employment

Dear Regina:

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"). This offer and the terms and conditions of the offer are contingent upon, and subject to the approval of, the Board of Directors of the Company (the "Board").

1. Position. Your position will be that of President of the Company, reporting to the Board. In addition to performing duties and responsibilities associated with such position, from time to time the Board 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. If you accept this offer, your employment as President of the Company will start on December 1, 2023 (the "Commencement Date"). No provision of this 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. As consideration for your services, during the term of your employment with the Company:

a) Your initial base salary for this exempt position will be paid $31,000 monthly, equal to $372,000 per year.

b) You will be given a one-time cash payment of $75,000 on January 31, 2024 and a one-time cash payment of $50,000 on the one-year anniversary of the Commencement Date.

c) On the Commencement Date, you will be granted 50,000 shares of restricted stock of the Company under the Company's 2019 Equity Incentive Plan, pursuant to the terms and conditions of the Company's standard form of restricted stock agreement (the "Initial Restricted Stock Grant"). The shares of the Restricted Stock will be subject to vesting based on your continued employment by the Company on each vest date: 10,000 shares of the Initial Restricted Stock Grant shall vest on the Commencement Date, and an additional 833 shares of the Initial Restricted Stock Grant shall vest on the first day of each subsequent month, for forty-seven (47) successive months, and the remaining 849 shares of the Initial Restricted Stock Grant shall vest on December 1, 2027, subject to continued service through each such vesting date.

d) On January 1, 2024, subject to your continued employment by the Company as of such date, you will be granted an additional 50,000 shares of restricted stock of the Company under the Company's 2019 Equity Incentive Plan, pursuant to the terms and conditions of the Company's standard form of restricted stock agreement (the "Second Restricted Stock Grant"). The shares issued under the Second Restricted Stock Grant will be subject to vesting based on your continued employment by the Company on each vest date: 10,000 shares of the Second Restricted Stock Grant shall vest on January 1, 2024, an additional 833 shares of the Second Restricted Stock Grant shall vest on the first day of each subsequent month, for forty-seven (47) successive months, and the remaining 849 shares of the Second Restricted Stock Grant shall vest on January 1, 2028, subject to continued service through each such vesting date.

4. Benefits. You will be entitled as an employee of the Company to receive such benefits as are generally provided its employees in accordance with Company policy as in effect from time to time. The Company retains the right to change, add or cease any particular benefit and will provide reasonable notice of such change. Details about the benefit plans will be made available for your review.

5. Severance. As the Company's President, you will be eligible for severance benefits in certain circumstances. If your employment is terminated by the Company without Cause, then if, and only if, you execute and deliver to the Company a separation and general release agreement prepared by the Company and in a form acceptable to the Company, which will release any and all claims based on your employment with the Company (the "Release"), and (as applicable) without you having revoked the Release, within 60 days following the date on which your employment terminates (the "Termination Date") (the date the Release becomes effective, the "Release Date"), and only so long as you have not breached the provisions of this offer letter, you will be entitled to receive:

a) Three (3) months of your base pay in effect as of the Termination Date (the "Base Salary Severance Payment); and

b) $50,000 cash bonus (in lieu of payment under Section 3(b) above if your employment is terminated prior to payment of the $50,000 payment referenced in Section 3(b) above) (the "Tax Severance Payment).

Any shares of restricted stock granted under Sections 3(c) and 3(d) which would have ordinarily time vested within the three months following your termination. Any payments due under Sections 5(a) and 5(b) (if any) (collectively the "Severance Payments") will be paid by the Company to you on the first regularly scheduled payroll date following the Release Date. The Severance Payments are subject to applicable federal, state, and local tax deductions and withholding. If you are or become eligible for any severance or notice payments or benefits pursuant to any federal, state, or local law, any Severance Payment will be offset by such severance or notice payments or benefits. You will not be entitled to any other salary, compensation, or benefits after the termination of your employment with the Company, except as specifically provided herein or under any option agreements with the Company.

For purposes of the receipt of the Severance Payment, "Cause" shall mean a determination by the Board of Directors of the Company that you:

i. have engaged in gross negligence or willful misconduct in the performance of your duties with respect to the Company or any of its affiliates;

ii. have materially breached any provision of this offer letter, your Proprietary Invention and Assignment Agreement with the Company, or any individual employment or other similar agreement between you, on the one hand, and the Company or any of its affiliates, on the other hand;

iii. have committed an act of theft, fraud, embezzlement, misappropriation, or willful breach of a fiduciary duty with respect to the Company or any of its affiliates; or

iv. have been convicted of, pleaded no contest to, or received adjudicated probation or deferred adjudication in connection with a crime involving fraud, dishonesty, or moral turpitude, or any felony (or a crime of similar import in a foreign jurisdiction).

For the avoidance of doubt, you are not entitled to the Severance Payment if your employment with the Company ends due to retirement, voluntary termination or resignation, termination by the Company for Cause, or elimination or discontinuation of your job or position if you are offered a comparable position by the Company or a subsidiary or a successor to some or all of the Company's or a subsidiary's business (whether or not you accept such position).

c) Confidentiality.

i) Confidentiality Obligations. 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) (the "Restrictive Covenant Agreement"), which will be provided to you for your review and execution prior to the starting date of your employment.

(ii) Defend Trade Secrets Act. You are hereby notified, in accordance with the Defend Trade Secrets Act of 2016, 18 U.S.C. § 1833(b), that: (i) an individual shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, in each case solely for the purpose of reporting or investigating a suspected violation of law; (ii) an individual shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal; and (iii) an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual (A) files any document containing the trade secret under seal and (B) does not disclose the trade secret except pursuant to court order. Notwithstanding anything to the contrary in this letter agreement, or any prior Company policy or action, you shall be free to (i) communicate directly with and provide information (including documents and the Company's confidential and proprietary information) to the Securities and Exchange Commission (the "SEC") regarding possible violations of law or regulation (including a possible securities law violation) and (ii) file a charge or complaint with, or otherwise participate in or fully cooperate with any investigation or proceeding that may be conducted by, the SEC, in each case, without notice to or approval from the Company. The Company shall not retaliate against you, and you shall not be held liable to the Company, for reporting a possible violation to, or raising a concern in good faith with, the SEC. Nothing in this letter agreement, or any prior Company policy or action, shall limit in any way your right to receive any monetary award or bounty from the SEC for information provided to the SEC.

d) Certifications to the Company. By accepting this offer and as a condition to employment, you represent and warrant to the Company that from and after the Commencement Date, 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.

e) General.

i) This letter and the Restrictive Covenant Agreement constitute the entire agreement of the parties with regard to their subject matter, and supersede all previous written or oral agreements, representations, agreements and understandings between the parties on the subject matter, excluding any rights you may have in connection with your service as a non-employee director of the Company prior to the Commencement Date.

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

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

(iv)This letter may be executed in any number of counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

(v) The Company shall immediately enter into its standard officer and director Indemnification Agreement with you as set forth in the Board resolution.

This offer of employment will expire on November 30, 2023, unless accepted by you on or prior to such date. In addition, it is understood and agreed that this letter shall not be effective or binding on either party until the approval noted in the first paragraph hereof has been obtained.

We at Cyclerion are very excited at the prospect of your joining our team, and we look forward to working together with you to build a great entrepreneurial pharmaceutical company.

[Remainder of page intentionally left blank]

Sincerely,

Cyclerion Therapeutics, Inc.

By: __/s/ Errol DeSouza_____
Name: Errol De Souza, Ph.D.
Title: Chairman of the Board

ACCEPTED this 30th day of November, 2023:

/s/ Regina Graul_____
Regina Graul, Ph.D.

[SIGNATURE PAGE TO OFFER LETTER TO REGINA GRAUL, PH.D.]

Exhibit 10.22

CONSULTING AGREEMENT

Cyclerion Contract # _____

THIS CONSULTING AGREEMENT (this "Agreement") made as of December 1, 2023 (the "Effective Date") is between **Cyclerion Therapeutics, Inc.**, a Massachusetts corporation having an address at 245 First Street, 18th Floor, Cambridge, MA 02142 ("Cyclerion"), and Peter Hecht, Ph.D. ("Consultant").

1. **Consulting Services**. Cyclerion retains Consultant and Consultant agrees to provide Consulting Services to Cyclerion (the "Consulting Services") as it may from time to time reasonably request and as specified in the attached work order or, proposal that shall reference this Agreement (each a "Work Order"). To become effective and binding, in addition to referencing this Agreement, a Work Order must be in writing and signed by Consultant and an authorized representative of Cyclerion. The terms and conditions of this Agreement shall apply to any Work Order and shall supersede any inconsistent provision set forth in a Work Order. Any changes to the Consulting Services (and any related compensation adjustments) must be agreed upon in writing between Consultant and Cyclerion prior to commencement of the changes.

1.1. Performance. Consultant agrees to render the Consulting Services to Cyclerion, or to its designee, (a) at such reasonably convenient times and places as Cyclerion may direct, (b) under the general supervision of Cyclerion, and (c) in a professional, diligent, timely and workmanlike manner consistent with the highest industry standards prevailing for comparable services and in accordance with this Agreement and any applicable Work Order. Consultant will comply with all rules, procedures and standards promulgated from time to time by Cyclerion with regard to Consultant's access to and use of Cyclerion's property, information, equipment and facilities, as well as those related to standards of conduct while performing services on behalf of Cyclerion. Consultant agrees to furnish Cyclerion with written reports with respect to the Consulting Services if and when requested by Cyclerion. Cyclerion will have the right to reject, and shall have no obligation to pay for, any Consulting Services or Deliverables that do not meet the requirements or quality criteria set forth in this Agreement or the applicable Work Order.

b. **Third Party Confidential Information**. Consultant agrees not to use any trade secrets or other confidential information of any other person, firm, corporation, institution or other entity in connection with any of the Consulting Services. Consultant shall ensure that the performance of Consulting Services does not and will not breach any agreement which obligates Consultant to keep in confidence any confidential or proprietary information or intellectual property of any third party or to refrain from competing, directly or indirectly, with the business of any third party, and Consultant shall not disclose to Cyclerion any such confidential or proprietary information.

c. **No Conflicts**. Consultant represents, warrants and covenants that it is under no contractual or other obligation or restriction which is inconsistent with Consultant's execution of this Agreement or the performance of the Consulting Services. During the Term (defined below), Consultant will not enter into any agreement, either written or oral, in conflict with Consultant's obligations under this Agreement. Consultant will arrange to provide the Consulting Services in such manner and at such times that the Consulting Services will not conflict with Consultant's responsibilities under any other agreement, arrangement or understanding or pursuant to any employment relationship Consultant has at any time with any third party.

d. **Absence of Debarment**. Consultant represents and warrants that Consultant has not been (a) debarred, convicted, or is not subject to a pending debarment or conviction, pursuant to section 306 of the United States Food Drug and Cosmetic Act, 21 U.S.C. § 335a; (b) listed by any government or regulatory agencies as (i) ineligible to participate in any government healthcare programs or government procurement or non-procurement programs (as that term is defined in 42 U.S.C. 1320a-7b(f)), or excluded, debarred, suspended or otherwise made ineligible to participate in any such program, or (ii) disqualified, restricted, or recommended by such government or regulatory agency to be disqualified or restricted, from receiving investigational products pursuant to the government or regulatory agency's regulations; or (c) convicted of a criminal offense related to the provision of healthcare items or services, or is not subject to any such pending action. Consultant agrees to inform Cyclerion in writing promptly if Consultant is subject to the

foregoing, or if any action, suit, claim, investigation, or proceeding relating to the foregoing is pending, or to the best of Consultant's knowledge, is threatened.

e. **Non-solicitation.** During the Term and for a period of one (1) year thereafter, Consultant shall not (i) solicit any person who is employed by or a consultant to Cyclerion or any affiliate or subsidiary of Cyclerion, to terminate such person's employment by or consultancy to Cyclerion, such affiliate or subsidiary, or (ii) hire such employee. As used herein, the term "solicit" shall include, without limitation, requesting, encouraging, assisting or causing, directly or indirectly, any such employee or consultant to terminate such person's employment by or consultancy to Cyclerion or its affiliate or subsidiary.

Consultant is under no obligation to solicit, refer, or solicit the referral of patients for any Cyclerion business. Consultant will receive no benefit of any kind from Cyclerion for such referrals, nor suffer any detriment for not making such referrals.

f. **FCPA**. In performing the Consulting Services, Consultant will comply with all applicable laws and regulations applicable to its operations, including, but not limited to, the U.S. Foreign Corrupt Practices Act. Consultant agrees not to pay, offer or promise to pay, or authorize the payment directly or indirectly of any monies or anything of value to any government official or employee, or any political party or candidate for political office, for the purpose of influencing any act or decision of the government in connection with the activities of Consultant under a **Work Order**. Consultant warrants that no officer, director, partner, owner, principal, employee or agent of Consultant is an official or employee of a governmental agency or instrumentality or a government owned company in a position to influence action or a decision regarding the activities of Consultant contemplated under a **Work Order**.

2. **Compensation**. In consideration for the Consulting Services rendered by Consultant to Cyclerion, Cyclerion agrees to pay Consultant the fees set forth in the applicable **Work Order**. Unless otherwise specified in the applicable **Work Order**, undisputed payments will be made by Cyclerion within thirty (30) days from Cyclerion's receipt of Consultant's invoice. Invoices will contain such detail as Cyclerion may reasonably require, including Cyclerion's purchase order number, and will be quoted in and payable in U.S. Dollars. Cyclerion will reimburse Consultant for reasonable business expenses incurred by Consultant in the performance of the Consulting Services in accordance with the reimbursement provisions set forth in the applicable **Work Order**. Consultant consents to Cyclerion's disclosure of such fees and expenses from time to time, if and when required by law or government regulation thereunder. Consultant shall provide Cyclerion a completed W-9 form as and when requested by Cyclerion.

3. Materials and Developments.

a. **Materials**. All documentation, information, and biological, chemical and other materials controlled by Cyclerion and furnished to Consultant by or on behalf of Cyclerion ("Materials") and all associated intellectual property rights will remain the exclusive property of Cyclerion. Consultant will use Materials provided by Cyclerion only as necessary to perform the Consulting Services and will treat them in accordance with the requirements of this Section 3.1 and the Agreement. Consultant agrees that it will not use or evaluate those Materials or any portions thereof for any other purpose except as directed or permitted in writing by Cyclerion. Without Cyclerion's prior express written consent, Consultant agrees that it will not analyze the Materials, or transfer or make the Materials available to third parties.

b. **Deliverables**. Consultant assigns and agrees to assign to Cyclerion all rights in the United States and throughout the world to inventions, discoveries, improvements, ideas, designs, processes, formulations, products, computer programs, works of authorship, databases, mask works, trade secrets, know-how, information, data, documentation, reports, research, creations and other products arising from or made in the performance of the Consulting Services (whether or not patentable or subject to copyright or trade secret protection) (collectively, "Deliverables"). For purposes of the copyright laws of the United States, Deliverables will constitute "works made for hire," except to the extent such deliverables cannot by law be "works made for hire." Cyclerion will have the right to use Deliverables for any and all purposes. During and after the term of this Agreement, Consultant will cooperate fully in obtaining patent and other proprietary protection for any patentable Deliverables, all in the name of Cyclerion and at Cyclerion's cost

and expense. Such cooperation will include, without limitation, executing and delivering all requested applications, assignments and other documents, and taking such other measures as Cyclerion may reasonably request in order to perfect and enforce Cyclerion's rights in the Deliverables. Consultant appoints Cyclerion its attorney-in-fact to execute and deliver any such documents on behalf of Consultant if Consultant fails to do so. Consultant will, however, retain full ownership rights in and to all templates, programs and other materials developed by Consultant or obtained or licensed from third parties by Consultant ("Consultant Property") prior to or independent of the Consulting Services, regardless of whether such Consultant Property is used in the performance of the Consulting Services, but excluding any templates, programs and other materials developed by Consultant or obtained or licensed from third parties by Consultant prior to Effective Date while Consultant provided services as an employee to Cyclerion and/or Ironwood Pharmaceuticals, Inc. Consultant hereby grants to Cyclerion a perpetual, non-exclusive, fully paid-up worldwide license to use Consultant Property solely to the extent required for Cyclerion's use of the Deliverables.

c. Work at Third Party Facilities. Consultant will not use any third party intellectual property in performing the Consulting Services without Cyclerion's prior written consent.

d. Records; Records Storage. Consultant will maintain all materials and all other data and documentation obtained or generated by Consultant in the course of preparing for and providing the Consulting Services, including all computerized records and files (the "Records") in a secure area reasonably protected from fire, theft and destruction. These Records will be "Works Made for Hire" and will remain the exclusive property of Cyclerion. Upon written instruction of Cyclerion, all Records will, at Cyclerion's option either be (a) delivered to Cyclerion or to its designee, or (b) disposed of, unless such Records are otherwise required to be stored or maintained by Consultant as a matter of law or regulation. In no event will Consultant dispose of any such Records without first giving Cyclerion sixty (60) days' prior written notice of Consultant's intent to do so. Consultant may, however, retain copies of any Records as are reasonably necessary for regulatory or insurance purposes, subject to Consultant's obligation of confidentiality**.**

4. Confidential Information.

4.1 Definition. "Confidential Information" means all scientific, technical, financial or business information owned, possessed or used by Cyclerion, learned of by Consultant or developed by Consultant in connection with the Consulting Services, whether or not labeled "Confidential", including but not limited to (a) Deliverables, Materials, scientific data and sequence information, (b) marketing plans, business strategies, financial information, forecasts, personnel information and customer lists of Ironwood, and (c) all information of third parties that Cyclerion has an obligation to keep confidential.

4.2 Obligations of Confidentiality. During the Term and thereafter, Consultant will not directly or indirectly publish, disseminate or otherwise disclose, use for Consultant's own benefit or for the benefit of a third party, deliver or make available to any third party, any Confidential Information, other than in furtherance of the purposes of this Agreement, and only then with the prior written consent of Cyclerion. Consultant will exercise all reasonable precautions to physically protect the integrity and confidentiality of the Confidential Information.

4.3 Exceptions. Consultant will have no obligations of confidentiality and non-use with respect to any portion of the Confidential Information which:

(a) is or later becomes generally available to the public by use, publication or the like, through no fault of Consultant;

(b) is obtained from a third party who had the legal right to disclose it to Consultant; or

c) Consultant already possesses, as evidenced by Consultant's written records that predate the receipt thereof.

In the event that Consultant is required by law or court order to disclose any Confidential Information, Consultant will give Cyclerion prompt notice thereof so that Cyclerion may seek an appropriate protective order. Consultant will reasonably cooperate with Cyclerion in its efforts to seek such a protective order.

4.4 Defend Trade Secrets Act. Consultant is hereby notified, in accordance with the Defend Trade Secrets Act of 2016, 18 U.S.C. § 1833(b), that: (i) an individual shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, in each case solely for the purpose of reporting or investigating a suspected violation of law; (ii) an individual shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal; and (iii) an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual (A) files any document containing the trade secret under seal and (B) does not disclose the trade secret except pursuant to court order. Notwithstanding anything to the contrary in this Agreement, or any prior company policy or action of Cyclerion, Consultant shall be free to (i) communicate directly with and provide information (including documents and Cyclerion's confidential and proprietary information) to the Securities and Exchange Commission (the "SEC") regarding possible violations of law or regulation (including a possible securities law violation) and (ii) file a charge or complaint with, or otherwise participate in or fully cooperate with any investigation or proceeding that may be conducted by, the SEC, in each case, without notice to or approval from Cyclerion. Cyclerion shall not retaliate against Consultant, and Consultant shall not be held liable to Cyclerion, for reporting a possible violation to, or raising a concern in good faith with, the SEC. Nothing in this Agreement, or any prior company policy or action of Cyclerion, shall limit in any way Consultant's right to receive any monetary award or bounty from the SEC for information provided to the SEC.

5. Term and Termination.

a. Term. This Agreement will commence on the Effective Date and continue for a period of four (4) years (the "Term"), unless sooner terminated pursuant to the express terms of this Section 5. Notwithstanding the foregoing, this Agreement shall not expire, but shall continue in full force and effect until Consultant's completion of any unperformed obligations under any Work Order executed prior to the date upon which the Agreement would otherwise have expired.

b. Termination for Breach. If either party breaches in any material respect any of its material obligations under this Agreement, in addition to any other right or remedy, the non-breaching party may terminate this Agreement or a Work Order in the event that the breach is not cured within thirty (30) days after receipt by that party of written notice of the breach.

c. Termination by Cyclerion. Cyclerion may terminate this Agreement or a Work Order (a) immediately at any time upon written notice to Consultant in the event of a breach of this Agreement or a Work Order by Consultant which cannot be cured (*i.e.* breach of the confidentiality obligation); (b) immediately, if at any time, Consultant breaches the representation and warranty set forth in Section 1.4 or otherwise becomes subject to any of the actions, suits, claims, investigations, or proceedings set forth in Section 1.4, or if his services are terminated for "Cause." For purposes of this Agreement, "Cause" means, as determined by the Board of Directors in its reasonable discretion, (i) a substantial failure of the Consultant to perform the Consultant's duties and responsibilities to Cyclerion or any of its subsidiaries or substantial negligence in the performance of such duties and responsibilities; (ii) the commission by the Consultant of a felony or a crime involving moral turpitude; (iii) the commission by the Consultant of theft, fraud, embezzlement, breach of trust or any act of dishonesty involving Cyclerion or any of its subsidiaries; (iv) a significant violation by the Consultant of the code of conduct of Cyclerion or any of its subsidiaries of any material policy of Cyclerion or any of its subsidiaries, or of any statutory or common law duty of loyalty to Cyclerion or any of its subsidiaries; (v) breach of the terms of any other agreement between Cyclerion or any of its subsidiaries and the Consultant; or (vi) other conduct by the Consultant that could be expected to be harmful to the business, interests or reputation of Cyclerion

d. Effect of Expiration/Termination. Upon expiration or termination of this Agreement or a Work Order, neither Consultant nor Cyclerion will have any further obligations under this Agreement or the Work Order, except that (a) Consultant will terminate all Consulting Services in progress in an orderly manner as soon

as practical and in accordance with a schedule agreed to by Cyclerion, unless Cyclerion specifies in the notice of termination that Consulting Services in progress should be completed, (b) Consultant will deliver to Cyclerion any Materials in its possession or control and all Deliverables made through expiration or termination, (c) Cyclerion will pay Consultant any monies due and owing Consultant, up to the time of termination or expiration, for Consulting Services actually performed and all authorized expenses actually incurred, (d) Consultant will promptly refund to Cyclerion any monies paid by Cyclerion in advance for Consulting Services not rendered, (e) Consultant will immediately at Cyclerion's option (i) return to Cyclerion all Confidential Information and copies thereof provided to Consultant under this Agreement or a Work Order and/or (ii) dispose of all Confidential Information and copies thereof provided to Consultant under this Agreement or a Work Order unless such Confidential Information is otherwise required to be stored or maintained by Consultant as a matter of law or regulation pursuant to Section 3.4, and (f) the terms, conditions and obligations under Sections 1.4, 1.5, 3, 4, 5.4, 6 and 7 will survive expiration or termination for any reason.

6. INDEMNIFICATION AND LIMITATION OF LIABILITY

a. Consultant Indemnification. Subject to the terms and conditions of this Agreement, Consultant shall protect, defend, indemnify and hold harmless Cyclerion and its present and former affiliates, directors, officers, employees, agents, licensors, successors and assigns from and against any loss, liability or expense incurred in connection with a claim, demand, action, suit or proceeding brought by a third party (a "Claim"), arising from or related to (i) any breach by Consultant of any of its obligations, representations or warranties under this Agreement, (ii) the negligence, willful misconduct or fraud by Consultant in performing its obligations under this Agreement, or (iii) any third party claim that any Deliverable infringes any patent, trade secret, copyright, trademark or any other proprietary right of any person; provided, however, that Consultant shall have no such obligation with respect to any Claim to the extent that such Claim arises from the negligence, willful misconduct or fraud by Cyclerion (or its directors, employees or agents), or the breach by Cyclerion of any of its obligations under this Agreement.

b. Cyclerion Indemnification. Subject to the terms and conditions of this Agreement, Cyclerion shall protect, defend, indemnify and hold harmless Consultant from and against any loss, liability or expense incurred in connection with a Claim, arising from or related to (i) any breach by Cyclerion of any of its obligations, representations or warranties under this Agreement, (ii) the negligence, willful misconduct or fraud by Cyclerion or its affiliates or (iii) any materials Consultant prepares or publishes for Cyclerion to the extent that such materials are based upon information provided by Cyclerion to Consultant prior to their preparation or publication; provided, however that Cyclerion shall have no such obligation with respect to any Claim to the extent that such Claim arises from the negligence, willful misconduct or fraud by Consultant, or the breach by Consultant of any of its obligations under this Agreement.

c. Indemnification Procedure. The indemnification obligations of each party are subject to the following conditions:

(i) The party seeking to be indemnified (the "Indemnified Party") shall have provided prompt written notice of a Claim or events likely to give rise to a Claim to the party with the obligation to indemnify (the "Indemnifying Party") (in any event within sufficient time so as not to prejudice the defense of such Claim); and

(ii) The Indemnifying Party shall be given the opportunity at all times to control the defense of the Claim, with the cooperation and assistance of the Indemnified Party; provided, however, that the Indemnifying Party shall not settle any Claim with an admission of liability or wrongdoing by the Indemnified Party without such party's prior written consent.

D. LIMITATION OF LIABILITY. NOTWITHSTANDING ANYTHING IN THIS AGREEMENT TO THE CONTRARY, IN NO EVENT WILL EITHER PARTY BE LIABLE FOR ANY SPECIAL, INCIDENTAL, CONSEQUENTIAL, INDIRECT OR PUNITIVE DAMAGES (INCLUDING, BUT NOT LIMITED TO, BUSINESS INTERUPTION, LOST PROFITS AND LOST BUSINESS) ARISING OUT OF THIS AGREEMENT OR ANY ORDER, HOWEVER CAUSED AND ON ANY THEORY OF LIABILITY. THIS LIMITATION WILL APPLY EVEN IF THE OTHER PARTY HAS BEEN ADVISED

OF THE POSSIBILITY OF SUCH DAMAGE; PROVIDED, HOWEVER, THAT THIS LIMITATION WILL NOT APPLY TO DAMAGES RESULTING FROM OR RELATING TO (A) BREACH BY A PARTY OF ITS DUTY OF CONFIDENTIALITY AND NON-USE OBLIGATIONS IMPOSED UNDER SECTION 3 OR 4, (B) A PARTY'S INDEMNIFICATION OBLIGATIONS UNDER SECTION 6 OR (C) A PARTY'S GROSS NEGLIGENCE, WILLFUL MISCONDUCT OR FRAUD.

7. Miscellaneous.

a. Independent Contractor. All Consulting Services will be rendered by Consultant as an independent contractor and this Agreement does not create an employer-employee relationship between Cyclerion and Consultant. Consultant will have no rights to receive any employee benefits, such as health and accident insurance, sick leave or vacation which are accorded to regular Cyclerion employees. Consultant will not in any way represent himself to be an employee, partner, joint venturer, or agent of Cyclerion.

b. Taxes. Consultant will pay all required taxes on Consultant's income from Cyclerion under this Agreement. Consultant will provide Cyclerion with Consultant's taxpayer identification number or social security number, as applicable.

c. Use of Name. Consultant consents to the use by Cyclerion of Consultant's name and likeness in written materials and oral presentations to current or prospective customers, partners, investors or others, provided that such materials or presentations accurately describe the nature of Consultant's relationship with or contribution to Cyclerion.

d. Assignability and Binding Effect. The Consulting Services to be rendered by Consultant are personal in nature. Consultant may not assign or transfer this Agreement or any of Consultant's rights or obligations hereunder except to a corporation of which Consultant is the sole stockholder. In no event will Consultant assign or delegate responsibility for actual performance of the Consulting Services to any other natural person. This Agreement will be binding upon and inure to the benefit of the parties and their respective legal representatives, heirs, successors and permitted assigns.

e. **Notices**. All notices required or permitted under this Agreement must be in writing and must be given by addressing the notice to the address for the recipient set forth in this Agreement or at such other address as the recipient may specify in writing under this procedure. Notices to Cyclerion will be marked "Attention: Legal Department." Notices will be deemed to have been given (a) three (3) business days after deposit in the mail with proper postage for first class registered or certified mail prepaid, or (b) one (1) business day after sending by nationally recognized overnight delivery service.

f. **No Modification.** This Agreement may be changed only by a writing signed by Consultant and an authorized representative of Cyclerion.

g. **Remedies.** It is understood and agreed that Cyclerion may be irreparably injured by a breach of this Agreement; that money damages would not be an adequate remedy for any such breach; and that Cyclerion will be entitled to seek equitable relief, including injunctive relief and specific performance, without having to post a bond, as a remedy for any such breach, and such remedy will not be Cyclerion's exclusive remedy for any breach of this Agreement.

h. **Severability; Reformation.** Any of the provisions of this Agreement which are determined to be invalid or unenforceable in any jurisdiction will be ineffective to the extent of such invalidity or unenforceability in such jurisdiction, without rendering invalid or unenforceable the remaining provisions hereof and without affecting the validity or enforceability of any of the other terms of this Agreement in such jurisdiction, or the terms of this Agreement in any other jurisdiction. The parties will substitute for the invalid or unenforceable provision a valid and enforceable provision that conforms as nearly as possible to the original intent of the parties.

i. **Waivers.** No waiver of any term, provision or condition of this Agreement in any one or more instances will be deemed to be or construed as a further or continuing waiver of any other term, provision or condition

of this Agreement. Any such waiver must be evidenced by an instrument in writing executed by Consultant or, in the case of Cyclerion, by an officer authorized to execute waivers.

j. **Entire Agreement.** This Agreement constitutes the entire agreement of the parties with regard to its subject matter, and supersedes all previous written or oral agreements, representations, agreements and understandings between the parties on the subject matter. Notwithstanding the foregoing, Consultant's obligations under the Employee Proprietary Information and Intellectual Property and Noncompetition Agreement, dated April 4, 2019, between Consultant and Cyclerion and any other existing agreement between Consultant and Cyclerion regarding Consultant's use and non-disclosure of Cyclerion confidential information and regarding non-competition, non-solicitation and ownership of intellectual property (as applicable), will continue to apply and such agreements will continue to be enforceable in accordance with their terms.

k. **Governing Law**. This Agreement will be governed by, construed, and interpreted in accordance with the laws of the Commonwealth of Massachusetts, without reference to principles of conflicts of laws. The parties further agree that the venue of any action, injunctive application or dispute determinable by a court of law arising out of this Agreement or any Order shall be the County of Suffolk, Commonwealth of Massachusetts, and that the federal and state courts therein shall have jurisdiction over the subject matter and the parties.

l. **Counterparts**. This Agreement may be executed in any number of counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

m. **Headings**. The section headings are included solely for convenience of reference and will not control or affect the meaning or interpretation of any of the provisions of this Agreement.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date.

CYCLERION THERAPEUTICS, INC.	**CONSULTANT**
By: /s/ Regina Graul	Peter Hecht, Ph.D.
Name: Regina Graul, Ph.D.	Name: Peter Hecht, Ph.D.
Title: President	

Exhibit 10.22

WORK ORDER

Consulting Agreement with Peter Hecht

THIS WORK ORDER, dated December 1, 2023 (the "Work Order") is by and between **Cyclerion Therapeutics, Inc.**("Cyclerion") and **Peter Hecht** ("Consultant"), and upon execution will be incorporated into the Consulting Agreement between Cyclerion and Consultant dated December 1, 2023 (the "Consulting Agreement"). Capitalized terms in this Work Order will have the same meaning as set forth in the Consulting Agreement. Cyclerion hereby engages Consultant to provide Consulting Services, on an as-needed basis, as follows:

1. **Consulting Services:** During the Term, Consultant shall provide the following services:

- Consultant shall assist as requested on future fundraising or business development efforts.
- Consultant shall provide strategic consultation as requested by the Senior Management Team including the CEO and/or President (and other officers and senior managers as requested by the CEO and/or President).
- Consultant shall be reasonably available as necessary to provide such services for up to ten percent of Consultant's business time during the Term, provided that there is no minimum amount of time of such services that Consultant shall (or is expected to) provide.

2. Compensation:

a) As full compensation for the Consulting Services, subject to the approval of the Board of Directors of Cyclerion (the "Board"), Cyclerion will grant to Consultant:

a. 15,000 shares of Restricted Stock under Cyclerion's 2019 Equity Incentive Plan (the "2019 Plan") which shall vest on a monthly basis as follows: 312 shares of Restricted Stock shall vest on December 1, 2023, and an additional 312 shares of Restricted Stock shall vest on the first day of each subsequent month, for forty-six (46) successive months, with the remaining 336 shares of Restricted Stock vesting on November 1, 2027, subject to Consultant's continued service relationship with Cyclerion in Consultant's capacity as a consultant to, or member of the Board of Directors of, Cyclerion through each such vesting date; and

b. an additional 15,000 shares of Restricted Stock shall be issued on January 1, 2024 under Cyclerion's 2019 Plan which shall vest on a monthly basis as follows: 319 shares of Restricted Stock shall vest on January 1, 2024, and an additional 319 shares of Restricted Stock shall vest on the first day of each subsequent month, for forty-five (45) successive months, with the remaining 326 shares of Restricted Stock vesting on November 1, 2027, subject to Consultant's continued service relationship with Cyclerion in Consultant's capacity as a consultant to, or member of the Board of Directors of, Cyclerion through each such vesting date

b) Cyclerion agrees to extend the period in which Consultant may exercise outstanding unexercised stock options issued to Consultant by Cyclerion that have vested as of the last date of service as an employee, director or consultant to the two-year anniversary of such date, provided if the original termination date of a stock option is an earlier date, such original termination date shall continue to apply. Consultant understands and agrees that he will cease vesting in any of his outstanding options granted under Cyclerion's equity incentive plans as of the last date of service as an employee, director or consultant as set forth in the applicable plans.

c) Cyclerion will reimburse Consultant for all reasonable travel and other business expenses incurred by Consultant in rendering the Consulting Services, provided that such expenses are agreed upon in writing in advance and are confirmed by appropriate written expense statements and other supporting documentation.

[Signature page follows]

Exhibit 10.22

THIS WORK ORDER AGREED TO AND ACCEPTED BY:

CYCLERION THERAPEUTICS, INC.	**CONSULTANT**
By: /s/ Reginal Graul, Ph.D.	Regina Graul, Ph.D.
Name: Regina Graul, Ph.D.	Name: Peter Hecht, Ph.D.
Title: President *duly authorized*	

Exhibit 10.23

CYCLERION THERAPEUTICS, INC.

2019 EQUITY INCENTIVE PLAN

RESTRICTED STOCK AGREEMENT

Name:	**Regina Graul**
Number of Shares of Restricted Stock:	**50,000**
Date of Grant:	**December 1, 2023**

This agreement (this "**Agreement**") evidences the grant of shares of restricted Stock by Cyclerion Therapeutics, Inc. (the "**Company**") to the individual named above (the "**Participant**"), pursuant to and subject to the terms of the Cyclerion Therapeutics, Inc. 2019 Equity Incentive Plan (as amended from time to time, the "**Plan**"). Except as otherwise defined herein, all capitalized terms used herein have the same meaning as in the Plan.

1. Grant of Restricted Stock. The Company hereby issues to the Participant on the date of grant set forth above (the "**Date of Grant**"), pursuant to and subject to the terms set forth in this Agreement and in the Plan, the number of shares of restricted Stock set forth above (the "**Restricted Stock**"), subject to adjustment pursuant to Section 7 of the Plan in respect of transactions occurring after the date hereof.

2. Vesting. The term "vest" as used herein with respect to any share of Restricted Stock means the lapsing of the restrictions described herein with respect to such share. Unless earlier terminated, forfeited, relinquished or expired, the Restricted Stock will vest as follows, subject to the Participant remaining in continuous Employment (as defined below) from the Date of Grant through such vesting date: 10,000 shares of Restricted Stock shall vest on the Date of Grant, and an additional 833 shares of Restricted Stock shall vest on the first day of each subsequent month, for forty-seven (47) successive months, and 849 shares of Restricted Stock shall vest on December 1, 2027. For purposes of this Agreement, "**Employment**" shall mean the Participant's employment with the Company or any of its subsidiaries ("**Service Relationship**"); provided, however, that if the Participant's Service Relationship is solely with a subsidiary of the Company, the Participant's Service Relationship shall be deemed to have terminated when such entity ceases to be a subsidiary of the Company.

In the event of a Covered Transaction, the Administrator may require that any amounts delivered, exchanged or otherwise paid in respect of outstanding and then unvested shares of Restricted Stock be placed in escrow or otherwise made subject to such restrictions as the Administrator deems appropriate to carry out the intent of the Plan. References in this Agreement to the shares of Restricted Stock refer, mutatis mutandis, to any such restricted amounts.

3. Forfeiture Risk.

(a) If the Participant's Employment ceases for any reason, including death, any then outstanding and unvested shares of Restricted Stock acquired by the Participant hereunder will be automatically and immediately forfeited. The Participant hereby (i) appoints the Company as his or her attorney-in-fact to take such actions as may be necessary or appropriate to effectuate a transfer of the record ownership of any

such shares that are unvested and forfeited hereunder, (ii) agrees to deliver to the Company, as a precondition to the issuance of any certificate or certificates with respect to unvested shares of Restricted Stock hereunder, one or more stock powers, endorsed in blank, with respect to such shares, and (iii) agrees to sign such other powers and take such other actions as the Company may reasonably request to accomplish the transfer or forfeiture of any unvested shares of Restricted Stock that is forfeited hereunder.

(b) The Administrator may cancel, rescind, withhold or otherwise limit or restrict this Award at any time if the Participant is not in compliance with all applicable provisions of this Agreement and the Plan. By accepting, or being deemed to have accepted, the Restricted Stock, the Participant expressly acknowledges and agrees that his or her rights, and those of any permitted transferee of the Restricted Stock, under this Agreement, including the right to any Shares acquired under this Award or proceeds from the disposition thereof, are subject to Section 6(a)(5) of the Plan (including any successor provision). Nothing in the preceding sentence may be construed as limiting the general application of Section 10 of this Agreement.

4. Retention of Certificates. Any certificates representing unvested shares of Restricted Stock will be held by the Company. If unvested shares of Restricted Stock are held in book entry form, the Participant agrees that the Company may give stop transfer instructions to the depository to ensure compliance with the provisions hereof.

5. Legend. All certificates representing unvested shares of Restricted Stock will contain a legend substantially in the following form:

THE TRANSFERABILITY OF THIS CERTIFICATE AND THE SHARES OF STOCK REPRESENTED HEREBY ARE SUBJECT TO THE TERMS AND CONDITIONS (INCLUDING FORFEITURE) OF THE CYCLERION THERAPEUTICS, INC 2019 EQUITY INCENTIVE PLAN AND A RESTRICTED STOCK AWARD AGREEMENT ENTERED INTO BETWEEN THE REGISTERED OWNER AND CYCLERION THERAPEUTICS, INC. COPIES OF SUCH PLAN AND AGREEMENT ARE ON FILE IN THE OFFICES OF CYCLERION THERAPEUTICS, INC.

As soon as practicable following the vesting of any such shares of Restricted Stock the Company shall cause a certificate or certificates covering such shares, without the aforesaid legend, to be issued and delivered to the Participant. If any shares of Restricted Stock are held in book-entry form, the Company may take such steps as it deems necessary or appropriate to record and manifest the restrictions applicable to such shares.

6. Dividends, etc. The Participant will be entitled to (i) receive any and all dividends or other distributions paid with respect to those shares of Restricted Stock of which he or she is the record owner on the record date for such dividend or other distribution, and (ii) vote any shares of Restricted Stock of which he or she is the record owner on the record date for such vote; *provided, however*, that any property distributed with respect to a share of Restricted Stock (the "associated share") acquired hereunder, including without limitation a distribution of Stock by reason of a stock dividend, stock split or otherwise, or a distribution of other securities with respect to an associated share, will be subject to the restrictions of this Agreement in the same manner and for so long as the associated share remains subject to such restrictions, and will be promptly forfeited if and when the associated share is so forfeited; *and further provided*, that the Administrator may require that any cash distribution with respect to the shares other than a normal cash dividend be placed in escrow or otherwise made subject to such restrictions as the Administrator deems

appropriate to carry out the intent of the Plan. References in this Agreement to Restricted Stock refer, *mutatis mutandis*, to any such restricted amounts.

7. Sale of Vested Shares; Nontransferability of Shares. The Participant understands that he or she will be free to sell any share of Restricted Stock once it has vested, subject to (a) satisfaction of any applicable tax withholding requirements with respect to the vesting or transfer of such share; (b) the completion of any administrative steps (for example, but without limitation, the transfer of certificates) that the Company may reasonably impose; and (c) applicable requirements of federal and state securities laws. The shares of Restricted Stock may not be transferred except as expressly permitted under Section 6(a)(3) of the Plan.

8. Certain Tax Matters.

(a) The Participant has been advised to confer promptly with a professional tax advisor to consider whether the Participant should make a so-called "83(b) election" with respect to the Restricted Stock. Any such election, to be effective, must be made in accordance with applicable regulations and within 30 days following the date of "transfer" of the shares (as determined under Section 83 of the Code). The Company has made no recommendation to the Participant with respect to the advisability of making such an election. If the Participant makes an 83(b) election, the Participant agrees to execute and deliver to the Company a copy of the Acknowledgement and Statement of Decision Regarding Election Pursuant to Section 83(b) of the Code, substantially in the form attached hereto as Exhibit A, together with a copy of the election pursuant to Section 83(b) of the Code (the "Election Form"), substantially in the form attached hereto as Exhibit B. The Election Form must be filed by the Participant with the appropriate Internal Revenue Service office no later than 30 days after the date of the transfer of the shares noted above.

(b) To the extent the Participant is an Employee, the Participant expressly acknowledges that the award or vesting of the shares of Restricted Stock acquired hereunder, and the payment of dividends with respect to such shares, may give rise to "wages" subject to withholding. The Participant expressly acknowledges and agrees that the Participant's rights hereunder are subject to the Participant promptly remitting to the Company in cash or by check (or by such other means as may be acceptable to the Administrator) an amount sufficient to satisfy all taxes required to be withheld in connection with such award, vesting or payment. The Participant authorizes the Company and its subsidiaries to withhold any amounts due in respect of any required tax withholdings or payments from any amounts otherwise owed to the Participant, but nothing in this sentence may be construed as relieving the Participant of any liability for satisfying his or her obligation under the preceding provisions of this Section 8.

(c) To the extent the Participant is not an Employee, the Participant is responsible for satisfying and paying all taxes arising from or due in connection with the award, vesting or payments under this award of Restricted Stock. The Company will have no liability or obligation related to the foregoing.

9. Effect on Employment. Neither the grant of the Restricted Stock, nor the issuance of Shares upon the vesting of any portion of the Restricted Stock, will give the Participant any right to be retained in the employ or service of the Company or any of its subsidiaries, affect the right of the Company

or any of its subsidiaries to discharge the Participant at any time, or affect any right of the Participant to terminate his or her Employment at any time.

10. Provisions of the Plan. This Agreement is subject in its entirety to the provisions of the Plan, which are incorporated herein by reference. A copy of the Plan as in effect on the Date of Grant has been furnished to the Participant. By accepting, or being deemed to have accepted, all or any portion of the Restricted Stock, the Participant agrees to be bound by the terms of the Plan and this Agreement. In the event of any conflict between the terms of this Agreement and the Plan, the terms of the Plan will control.

11. Form S-8 Prospectus. The Participant acknowledges that the Participant has received and reviewed a copy of the prospectus required by Part I of Form S-8 relating to shares of Stock that may be issued under the Plan.

12. Acknowledgements. The Participant acknowledges and agrees that (a) this Agreement may be executed in two or more counterparts, each of which will be an original and all of which together will constitute one and the same instrument, (b) this Agreement may be executed and exchanged using facsimile, portable document format (PDF) or electronic signature, which, in each case, will constitute an original signature for all purposes hereunder, and (c) such signature by the Company will be binding against the Company and will create a legally binding agreement when this Agreement is countersigned by the Participant.

[Signature page follows.]

The Company, by its duly authorized officer, and the Participant have executed this Agreement as of the date first set forth above.

CYCLERION THERAPEUTICS, INC.

By: /s/ Errol De Souza, Ph.D.

Name: Errol De Souza, Ph.D.

Title: Chairman of the Board

Agreed and Accepted:

By /s/ Regina Graul, Ph.D.
Regina Graul, Ph.D.

EXHIBIT A

ACKNOWLEDGMENT AND STATEMENT OF DECISION
REGARDING ELECTION PURSUANT TO SECTION 83(b)
OF THE INTERNAL REVENUE CODE

The undersigned, a grantee of restricted shares of common stock (the "Restricted Stock") of Cyclerion Therapeutics, Inc., a Massachusetts corporation (the "Company"), pursuant to a Restricted Stock Agreement, dated as of December 1, 2023, between the undersigned and the Company (the "Restricted Stock Agreement"), hereby states, as of the date of grant of the Restricted Stock, as follows:

1. The undersigned acknowledges receipt of a copy of the Restricted Stock Agreement. The undersigned has carefully reviewed the Restricted Stock Agreement.

2. The undersigned either [*check as applicable*]:

☐ (a) has consulted, and has been fully advised by, the undersigned's own tax advisor, , whose business address is , regarding the federal, state and local tax consequences of purchasing the Restricted Stock under the Restricted Stock Agreement, and particularly regarding the advisability of making elections pursuant to Section 83(b) of the Internal Revenue Code of 1986, as amended (the "Code"), and pursuant to the corresponding provisions, if any, of applicable state laws; or

☐ (b) has knowingly chosen not to consult such tax advisor.

3. The undersigned hereby states that the undersigned has decided to make an election pursuant to Section 83(b) of the Code and is submitting to the Company together with the undersigned's executed Restricted Stock Agreement, a copy of an executed election form which is attached as Exhibit B to the Restricted Stock Agreement.

4. Neither the Company nor a representative of the Company has made any warranty or representation to the undersigned with respect to the tax consequences of his or her purchasing the Restricted Stock pursuant to the Restricted Stock Agreement or of the making or failure to make an election pursuant to Section 83(b) of the Code or corresponding provisions, if any, of applicable state law.

5. The undersigned is also submitting to the Company, together with the undersigned's executed Restricted Stock Agreement, a copy of an executed election form, if an election is made, by the undersigned pursuant to provisions of state law corresponding to Section 83(b) of the Code, if any, that apply to the purchase of the Restricted Stock by the undersigned.

Date:____ ____
Participant

EXHIBIT B

ELECTION PURSUANT TO SECTION 83(b)
OF THE INTERNAL REVENUE CODE

The undersigned taxpayer hereby elects, pursuant to Section 83(b) of the Internal Revenue Code of 1986, as amended, to include in gross income as compensation for services the excess (if any) of the fair market value of the property described below over the amount paid for such property.

The following information is submitted in accordance with Treas. Regs. § 1.83-2(e):

1. Name of Taxpayer: [*insert name of person making the election*].

Address: [*insert street address, city or town, state and ZIP code of person making the election*].

Taxpayer Identification No.: [*insert Social Security Nu*mber]

2. Property for which election is made: [●] shares (the "Shares") of Common Stock of Cyclerion Therapeutics, Inc. (the "Company").

3. Date of Transfer: [●].

Taxable year for which election is made: calendar year [●].

4. Restrictions to which property is subject: The Shares are subject to forfeiture in the event the Taxpayer's employment terminates prior to the vesting of the Shares.

5. The fair market value of the Shares at the time of their transfer (without regard to restrictions) was $[●] ($[●] per share).

6. Amount paid for the property: $[●].

7. A copy of this election has been furnished to the Company and to each other person, if any, required to receive the election pursuant to Treas. Regs. § 1.83-2(d)

The undersigned taxpayer will file this election with the Internal Revenue Service office with which the taxpayer files his or her annual income tax return not later than 30 days after the date of transfer of the property. The undersigned taxpayer is the person performing the services in connection with which the property was transferred.

Please acknowledge receipt of this election by signing or stamping the enclosed copy of this election and return it in the enclosed, self-addressed, stamped envelope.

Date:____ ____
Taxpayer

Exhibit 10.24

CYCLERION THERAPEUTICS, INC.

2019 EQUITY INCENTIVE PLAN

RESTRICTED STOCK AGREEMENT

Name:	**Peter Hecht**
Number of Shares of Restricted Stock:	**15,000**
Date of Grant:	**December 1, 2023**
Vesting Start Date:	**December 1, 2023**

This agreement (this "**Agreement**") evidences the grant of shares of restricted Stock by Cyclerion Therapeutics, Inc. (the "**Company**") to the individual named above (the "**Participant**"), pursuant to and subject to the terms of the Cyclerion Therapeutics, Inc. 2019 Equity Incentive Plan (as amended from time to time, the "**Plan**"). Except as otherwise defined herein, all capitalized terms used herein have the same meaning as in the Plan.

1. Grant of Restricted Stock. The Company hereby issues to the Participant on the date of grant set forth above (the "**Date of Grant**"), pursuant to and subject to the terms set forth in this Agreement and in the Plan, the number of shares of restricted Stock set forth above (the "**Restricted Stock**"), subject to adjustment pursuant to Section 7 of the Plan in respect of transactions occurring after the date hereof.

2. Vesting. The term "vest" as used herein with respect to any share of Restricted Stock means the lapsing of the restrictions described herein with respect to such share. Unless earlier terminated, forfeited, relinquished or expired, the Restricted Stock will vest as follows, subject to the Participant remaining in continuous Employment (as defined below) from the Date of Grant through such vesting date: 312 shares of Restricted Stock shall vest on the vesting start date set forth above, and an additional 312 shares of Restricted Stock shall vest on the first day of each subsequent month, for forty six (46) successive months, and a final 312 shares of Restricted Stock shall vest on November 1, 2027. For purposes of this Agreement, "**Employment**" shall mean the Participant's service relationship with the Company or any of its subsidiaries in the Participant's capacity as consultant to the Company or any of its subsidiaries or as a director of the Company ("**Service Relationship**"); provided, however, that if the Participant's Service Relationship is solely with a subsidiary of the Company, the Participant's Service Relationship shall be deemed to have terminated when such entity ceases to be a subsidiary of the Company.

In the event of a Covered Transaction, the Administrator may require that any amounts delivered, exchanged or otherwise paid in respect of outstanding and then unvested shares of Restricted Stock be placed in escrow or otherwise made subject to such restrictions as the Administrator deems appropriate to carry out the intent of the Plan. References in this Agreement to the shares of Restricted Stock refer, mutatis mutandis, to any such restricted amounts.

3. Forfeiture Risk.

(a) Subj4ect to the limitations set forth in the Consulting Agreement of even date by and between the Participant and the Company, if the Participant's Employment ceases for any reason, including death, any then outstanding and unvested shares of Restricted Stock acquired by the Participant hereunder will be automatically and immediately forfeited. The Participant hereby (i) appoints the Company as his or her attorney-in-fact to take such actions as may be necessary or appropriate to effectuate a transfer of the record ownership of any such shares that are unvested and forfeited hereunder, (ii) agrees to deliver to the Company, as a precondition to the issuance of any certificate or certificates with respect to unvested shares of Restricted Stock hereunder, one or more stock powers, endorsed in blank, with respect to such shares, and (iii) agrees to sign such other powers and take such other actions as the Company may reasonably request to accomplish the transfer or forfeiture of any unvested shares of Restricted Stock that is forfeited hereunder.

(b) The Administrator may cancel, rescind, withhold or otherwise limit or restrict this Award at any time if the Participant is not in compliance with all applicable provisions of this Agreement and the Plan. By accepting, or being deemed to have accepted, the Restricted Stock, the Participant expressly acknowledges and agrees that his or her rights, and those of any permitted transferee of the Restricted Stock, under this Agreement, including the right to any Shares acquired under this Award or proceeds from the disposition thereof, are subject to Section 6(a)(5) of the Plan (including any successor provision). Nothing in the preceding sentence may be construed as limiting the general application of Section 10 of this Agreement.

4. Retention of Certificates. Any certificates representing unvested shares of Restricted Stock will be held by the Company. If unvested shares of Restricted Stock are held in book entry form, the Participant agrees that the Company may give stop transfer instructions to the depository to ensure compliance with the provisions hereof.

5. Legend. All certificates representing unvested shares of Restricted Stock will contain a legend substantially in the following form:

THE TRANSFERABILITY OF THIS CERTIFICATE AND THE SHARES OF STOCK REPRESENTED HEREBY ARE SUBJECT TO THE TERMS AND CONDITIONS (INCLUDING FORFEITURE) OF THE CYCLERION THERAPEUTICS, INC 2019 EQUITY INCENTIVE PLAN AND A RESTRICTED STOCK AWARD AGREEMENT ENTERED INTO BETWEEN THE REGISTERED OWNER AND CYCLERION THERAPEUTICS, INC. COPIES OF SUCH PLAN AND AGREEMENT ARE ON FILE IN THE OFFICES OF CYCLERION THERAPEUTICS, INC.

As soon as practicable following the vesting of any such shares of Restricted Stock the Company shall cause a certificate or certificates covering such shares, without the aforesaid legend, to be issued and delivered to the Participant. If any shares of Restricted Stock are held in book-entry form, the Company may take such steps as it deems necessary or appropriate to record and manifest the restrictions applicable to such shares.

6. Dividends, etc. The Participant will be entitled to (i) receive any and all dividends or other distributions paid with respect to those shares of Restricted Stock of which he or she is the record owner on the record date for such dividend or other distribution, and (ii) vote any shares of Restricted Stock of which he or she is the record owner on the record date for such vote; *provided, however*, that any property

distributed with respect to a share of Restricted Stock (the "associated share") acquired hereunder, including without limitation a distribution of Stock by reason of a stock dividend, stock split or otherwise, or a distribution of other securities with respect to an associated share, will be subject to the restrictions of this Agreement in the same manner and for so long as the associated share remains subject to such restrictions, and will be promptly forfeited if and when the associated share is so forfeited; *and further provided*, that the Administrator may require that any cash distribution with respect to the shares other than a normal cash dividend be placed in escrow or otherwise made subject to such restrictions as the Administrator deems appropriate to carry out the intent of the Plan. References in this Agreement to Restricted Stock refer, *mutatis mutandis*, to any such restricted amounts.

7. Sale of Vested Shares; Nontransferability of Shares. The Participant understands that he or she will be free to sell any share of Restricted Stock once it has vested, subject to (a) satisfaction of any applicable tax withholding requirements with respect to the vesting or transfer of such share; (b) the completion of any administrative steps (for example, but without limitation, the transfer of certificates) that the Company may reasonably impose; and (c) applicable requirements of federal and state securities laws. The shares of Restricted Stock may not be transferred except as expressly permitted under Section 6(a)(3) of the Plan.

8. Certain Tax Matters.

(a) The Participant has been advised to confer promptly with a professional tax advisor to consider whether the Participant should make a so-called "83(b) election" with respect to the Restricted Stock. Any such election, to be effective, must be made in accordance with applicable regulations and within 30 days following the date of "transfer" of the shares (as determined under Section 83 of the Code). The Company has made no recommendation to the Participant with respect to the advisability of making such an election. If the Participant makes an 83(b) election, the Participant agrees to execute and deliver to the Company a copy of the Acknowledgement and Statement of Decision Regarding Election Pursuant to Section 83(b) of the Code, substantially in the form attached hereto as Exhibit A, together with a copy of the election pursuant to Section 83(b) of the Code (the "Election Form"), substantially in the form attached hereto as Exhibit B. The Election Form must be filed by the Participant with the appropriate Internal Revenue Service office no later than 30 days after the date of the transfer of the shares noted above.

(b) To the extent the Participant is an Employee, the Participant expressly acknowledges that the award or vesting of the shares of Restricted Stock acquired hereunder, and the payment of dividends with respect to such shares, may give rise to "wages" subject to withholding. The Participant expressly acknowledges and agrees that the Participant's rights hereunder are subject to the Participant promptly remitting to the Company in cash or by check (or by such other means as may be acceptable to the Administrator) an amount sufficient to satisfy all taxes required to be withheld in connection with such award, vesting or payment. The Participant authorizes the Company and its subsidiaries to withhold any amounts due in respect of any required tax withholdings or payments from any amounts otherwise owed to the Participant, but nothing in this sentence may be construed as relieving the Participant of any liability for satisfying his or her obligation under the preceding provisions of this Section 8.

(c) To the extent the Participant is not an Employee, the Participant is responsible for satisfying and paying all taxes arising from or due in connection with the award, vesting or payments under this award of Restricted Stock. The Company will have no liability or obligation related to the foregoing.

9. Effect on Employment. Neither the grant of the Restricted Stock, nor the issuance of Shares upon the vesting of any portion of the Restricted Stock, will give the Participant any right to be retained in the employ or service of the Company or any of its subsidiaries, affect the right of the Company or any of its subsidiaries to discharge the Participant at any time, or affect any right of the Participant to terminate his or her Employment at any time.

10. Provisions of the Plan. This Agreement is subject in its entirety to the provisions of the Plan, which are incorporated herein by reference. A copy of the Plan as in effect on the Date of Grant has been furnished to the Participant. By accepting, or being deemed to have accepted, all or any portion of the Restricted Stock, the Participant agrees to be bound by the terms of the Plan and this Agreement. In the event of any conflict between the terms of this Agreement and the Plan, the terms of the Plan will control.

11. Form S-8 Prospectus. The Participant acknowledges that the Participant has received and reviewed a copy of the prospectus required by Part I of Form S-8 relating to shares of Stock that may be issued under the Plan.

12. Acknowledgements. The Participant acknowledges and agrees that (a) this Agreement may be executed in two or more counterparts, each of which will be an original and all of which together will constitute one and the same instrument, (b) this Agreement may be executed and exchanged using facsimile, portable document format (PDF) or electronic signature, which, in each case, will constitute an original signature for all purposes hereunder, and (c) such signature by the Company will be binding against the Company and will create a legally binding agreement when this Agreement is countersigned by the Participant.

[Signature page follows.]

The Company, by its duly authorized officer, and the Participant have executed this Agreement as of the date first set forth above.

CYCLERION THERAPEUTICS, INC.

By: /s/ Regina Graul, Ph.D.

Name: Regina Graul, Ph.D.

Title: President

Agreed and Accepted:

By /s/ Peter Hecht, Ph.D.
Peter Hecht, Ph.D.

EXHIBIT A

ACKNOWLEDGMENT AND STATEMENT OF DECISION
REGARDING ELECTION PURSUANT TO SECTION 83(b)
OF THE INTERNAL REVENUE CODE

The undersigned, a grantee of restricted shares of common stock (the "Restricted Stock") of Cyclerion Therapeutics, Inc., a Massachusetts corporation (the "Company"), pursuant to a Restricted Stock Agreement, dated as of December 1, 2023, between the undersigned and the Company (the "Restricted Stock Agreement"), hereby states, as of the date of grant of the Restricted Stock, as follows:

1. The undersigned acknowledges receipt of a copy of the Restricted Stock Agreement. The undersigned has carefully reviewed the Restricted Stock Agreement.

2. The undersigned either [*check as applicable*]:

☐ (a) has consulted, and has been fully advised by, the undersigned's own tax advisor, [*insert name of tax advisor*], whose business address is [●], regarding the federal, state and local tax consequences of purchasing the Restricted Stock under the Restricted Stock Agreement, and particularly regarding the advisability of making elections pursuant to Section 83(b) of the Internal Revenue Code of 1986, as amended (the "Code"), and pursuant to the corresponding provisions, if any, of applicable state laws; or

☐ (b) has knowingly chosen not to consult such tax advisor.

3. The undersigned hereby states that the undersigned has decided to make an election pursuant to Section 83(b) of the Code and is submitting to the Company together with the undersigned's executed Restricted Stock Agreement, a copy of an executed election form which is attached as Exhibit B to the Restricted Stock Agreement.

4. Neither the Company nor a representative of the Company has made any warranty or representation to the undersigned with respect to the tax consequences of his or her purchasing the Restricted Stock pursuant to the Restricted Stock Agreement or of the making or failure to make an election pursuant to Section 83(b) of the Code or corresponding provisions, if any, of applicable state law.

5. The undersigned is also submitting to the Company, together with the undersigned's executed Restricted Stock Agreement, a copy of an executed election form, if an election is made, by the undersigned pursuant to provisions of state law corresponding to Section 83(b) of the Code, if any, that apply to the purchase of the Restricted Stock by the undersigned.

Date:____ ____
Participant

EXHIBIT B

ELECTION PURSUANT TO SECTION 83(b)
OF THE INTERNAL REVENUE CODE

The undersigned taxpayer hereby elects, pursuant to Section 83(b) of the Internal Revenue Code of 1986, as amended, to include in gross income as compensation for services the excess (if any) of the fair market value of the property described below over the amount paid for such property.

The following information is submitted in accordance with Treas. Regs. § 1.83-2(e):

1. Name of Taxpayer: [*insert name of person making the election*].

Address: [*insert street address, city or town, state and ZIP code of person making the election*].

Taxpayer Identification No.: [*insert Social Security Nu*mber]

2. Property for which election is made: [●] shares (the "Shares") of Common Stock of Cyclerion Therapeutics, Inc. (the "Company").

3. Date of Transfer: [●].

Taxable year for which election is made: calendar year [●].

4. Restrictions to which property is subject: The Shares are subject to forfeiture in the event the Taxpayer's employment terminates prior to the vesting of the Shares.

5. The fair market value of the Shares at the time of their transfer (without regard to restrictions) was $[●] ($[●] per share).

6. Amount paid for the property: $[●].

7. A copy of this election has been furnished to the Company and to each other person, if any, required to receive the election pursuant to Treas. Regs. § 1.83-2(d)

The undersigned taxpayer will file this election with the Internal Revenue Service office with which the taxpayer files his or her annual income tax return not later than 30 days after the date of transfer of the property. The undersigned taxpayer is the person performing the services in connection with which the property was transferred.

Please acknowledge receipt of this election by signing or stamping the enclosed copy of this election and return it in the enclosed, self-addressed, stamped envelope.

Date:____ ____
Taxpayer

Exhibit 10.25

CYCLERION THERAPEUTICS, INC.

2019 EQUITY INCENTIVE PLAN

RESTRICTED STOCK AGREEMENT

Name:	**Regina Graul, Ph.D.**
Number of Shares of Restricted Stock:	**50,000**
Date of Grant:	**January 1, 2024**

This agreement (this "**Agreement**") evidences the grant of shares of restricted Stock by Cyclerion Therapeutics, Inc. (the "**Company**") to the individual named above (the "**Participant**"), pursuant to and subject to the terms of the Cyclerion Therapeutics, Inc. 2019 Equity Incentive Plan (as amended from time to time, the "**Plan**"). Except as otherwise defined herein, all capitalized terms used herein have the same meaning as in the Plan.

1. Grant of Restricted Stock. The Company hereby issues to the Participant on the date of grant set forth above (the "**Date of Grant**"), pursuant to and subject to the terms set forth in this Agreement and in the Plan, the number of shares of restricted Stock set forth above (the "**Restricted Stock**"), subject to adjustment pursuant to Section 7 of the Plan in respect of transactions occurring after the date hereof.

2. Vesting. The term "vest" as used herein with respect to any share of Restricted Stock means the lapsing of the restrictions described herein with respect to such share. Unless earlier terminated, forfeited, relinquished or expired, the Restricted Stock will vest as follows, subject to the Participant remaining in continuous Employment (as defined below) from the Date of Grant through such vesting date: 10,000 shares of Restricted Stock shall vest on the Date of Grant, and an additional 833 shares of Restricted Stock shall vest on the first day of each subsequent month, for forty-seven (47) successive months, and 849 shares of Restricted Stock shall vest on January 1, 2028. For purposes of this Agreement, "**Employment**" shall mean the Participant's employment with the Company or any of its subsidiaries ("**Service Relationship**"); provided, however, that if the Participant's Service Relationship is solely with a subsidiary of the Company, the Participant's Service Relationship shall be deemed to have terminated when such entity ceases to be a subsidiary of the Company.

In the event of a Covered Transaction, the Administrator may require that any amounts delivered, exchanged or otherwise paid in respect of outstanding and then unvested shares of Restricted Stock be placed in escrow or otherwise made subject to such restrictions as the Administrator deems appropriate to carry out the intent of the Plan. References in this Agreement to the shares of Restricted Stock refer, mutatis mutandis, to any such restricted amounts.

3. Forfeiture Risk.

(a) If the Participant's Employment ceases for any reason, including death, any then outstanding and unvested shares of Restricted Stock acquired by the Participant hereunder will be automatically and immediately forfeited. The Participant hereby (i) appoints the Company as his or her attorney-in-fact to take such actions as may be necessary or appropriate to effectuate a transfer of the record ownership of any

such shares that are unvested and forfeited hereunder, (ii) agrees to deliver to the Company, as a precondition to the issuance of any certificate or certificates with respect to unvested shares of Restricted Stock hereunder, one or more stock powers, endorsed in blank, with respect to such shares, and (iii) agrees to sign such other powers and take such other actions as the Company may reasonably request to accomplish the transfer or forfeiture of any unvested shares of Restricted Stock that is forfeited hereunder.

(b) The Administrator may cancel, rescind, withhold or otherwise limit or restrict this Award at any time if the Participant is not in compliance with all applicable provisions of this Agreement and the Plan. By accepting, or being deemed to have accepted, the Restricted Stock, the Participant expressly acknowledges and agrees that his or her rights, and those of any permitted transferee of the Restricted Stock, under this Agreement, including the right to any Shares acquired under this Award or proceeds from the disposition thereof, are subject to Section 6(a)(5) of the Plan (including any successor provision). Nothing in the preceding sentence may be construed as limiting the general application of Section 10 of this Agreement.

4. Retention of Certificates. Any certificates representing unvested shares of Restricted Stock will be held by the Company. If unvested shares of Restricted Stock are held in book entry form, the Participant agrees that the Company may give stop transfer instructions to the depository to ensure compliance with the provisions hereof.

5. Legend. All certificates representing unvested shares of Restricted Stock will contain a legend substantially in the following form:

THE TRANSFERABILITY OF THIS CERTIFICATE AND THE SHARES OF STOCK REPRESENTED HEREBY ARE SUBJECT TO THE TERMS AND CONDITIONS (INCLUDING FORFEITURE) OF THE CYCLERION THERAPEUTICS, INC 2019 EQUITY INCENTIVE PLAN AND A RESTRICTED STOCK AWARD AGREEMENT ENTERED INTO BETWEEN THE REGISTERED OWNER AND CYCLERION THERAPEUTICS, INC. COPIES OF SUCH PLAN AND AGREEMENT ARE ON FILE IN THE OFFICES OF CYCLERION THERAPEUTICS, INC.

As soon as practicable following the vesting of any such shares of Restricted Stock the Company shall cause a certificate or certificates covering such shares, without the aforesaid legend, to be issued and delivered to the Participant. If any shares of Restricted Stock are held in book-entry form, the Company may take such steps as it deems necessary or appropriate to record and manifest the restrictions applicable to such shares.

6. Dividends, etc. The Participant will be entitled to (i) receive any and all dividends or other distributions paid with respect to those shares of Restricted Stock of which he or she is the record owner on the record date for such dividend or other distribution, and (ii) vote any shares of Restricted Stock of which he or she is the record owner on the record date for such vote; *provided, however*, that any property distributed with respect to a share of Restricted Stock (the "associated share") acquired hereunder, including without limitation a distribution of Stock by reason of a stock dividend, stock split or otherwise, or a distribution of other securities with respect to an associated share, will be subject to the restrictions of this Agreement in the same manner and for so long as the associated share remains subject to such restrictions, and will be promptly forfeited if and when the associated share is so forfeited; *and further provided*, that the Administrator may require that any cash distribution with respect to the shares other than a normal cash dividend be placed in escrow or otherwise made subject to such restrictions as the Administrator deems

appropriate to carry out the intent of the Plan. References in this Agreement to Restricted Stock refer, *mutatis mutandis*, to any such restricted amounts.

7. Sale of Vested Shares; Nontransferability of Shares. The Participant understands that he or she will be free to sell any share of Restricted Stock once it has vested, subject to (a) satisfaction of any applicable tax withholding requirements with respect to the vesting or transfer of such share; (b) the completion of any administrative steps (for example, but without limitation, the transfer of certificates) that the Company may reasonably impose; and (c) applicable requirements of federal and state securities laws. The shares of Restricted Stock may not be transferred except as expressly permitted under Section 6(a)(3) of the Plan.

8. Certain Tax Matters.

(a) The Participant has been advised to confer promptly with a professional tax advisor to consider whether the Participant should make a so-called "83(b) election" with respect to the Restricted Stock. Any such election, to be effective, must be made in accordance with applicable regulations and within 30 days following the date of "transfer" of the shares (as determined under Section 83 of the Code). The Company has made no recommendation to the Participant with respect to the advisability of making such an election. If the Participant makes an 83(b) election, the Participant agrees to execute and deliver to the Company a copy of the Acknowledgement and Statement of Decision Regarding Election Pursuant to Section 83(b) of the Code, substantially in the form attached hereto as Exhibit A, together with a copy of the election pursuant to Section 83(b) of the Code (the "Election Form"), substantially in the form attached hereto as Exhibit B. The Election Form must be filed by the Participant with the appropriate Internal Revenue Service office no later than 30 days after the date of the transfer of the shares noted above.

(b) To the extent the Participant is an Employee, the Participant expressly acknowledges that the award or vesting of the shares of Restricted Stock acquired hereunder, and the payment of dividends with respect to such shares, may give rise to "wages" subject to withholding. The Participant expressly acknowledges and agrees that the Participant's rights hereunder are subject to the Participant promptly remitting to the Company in cash or by check (or by such other means as may be acceptable to the Administrator) an amount sufficient to satisfy all taxes required to be withheld in connection with such award, vesting or payment. The Participant authorizes the Company and its subsidiaries to withhold any amounts due in respect of any required tax withholdings or payments from any amounts otherwise owed to the Participant, but nothing in this sentence may be construed as relieving the Participant of any liability for satisfying his or her obligation under the preceding provisions of this Section 8.

(c) To the extent the Participant is not an Employee, the Participant is responsible for satisfying and paying all taxes arising from or due in connection with the award, vesting or payments under this award of Restricted Stock. The Company will have no liability or obligation related to the foregoing.

9. Effect on Employment. Neither the grant of the Restricted Stock, nor the issuance of Shares upon the vesting of any portion of the Restricted Stock, will give the Participant any right to be retained in the employ or service of the Company or any of its subsidiaries, affect the right of the Company

or any of its subsidiaries to discharge the Participant at any time, or affect any right of the Participant to terminate his or her Employment at any time.

10. Provisions of the Plan. This Agreement is subject in its entirety to the provisions of the Plan, which are incorporated herein by reference. A copy of the Plan as in effect on the Date of Grant has been furnished to the Participant. By accepting, or being deemed to have accepted, all or any portion of the Restricted Stock, the Participant agrees to be bound by the terms of the Plan and this Agreement. In the event of any conflict between the terms of this Agreement and the Plan, the terms of the Plan will control.

11. Form S-8 Prospectus. The Participant acknowledges that the Participant has received and reviewed a copy of the prospectus required by Part I of Form S-8 relating to shares of Stock that may be issued under the Plan.

12. Acknowledgements. The Participant acknowledges and agrees that (a) this Agreement may be executed in two or more counterparts, each of which will be an original and all of which together will constitute one and the same instrument, (b) this Agreement may be executed and exchanged using facsimile, portable document format (PDF) or electronic signature, which, in each case, will constitute an original signature for all purposes hereunder, and (c) such signature by the Company will be binding against the Company and will create a legally binding agreement when this Agreement is countersigned by the Participant.

[Signature page follows.]

The Company, by its duly authorized officer, and the Participant have executed this Agreement as of the date first set forth above.

CYCLERION THERAPEUTICS, INC.

By: /s/ Errol De Souza, Ph.D.

Name: Errol De Souza, Ph.D.

Title: Chairman of the Board

Agreed and Accepted:

By /s/ Regina Graul, Ph.D.
Regina Graul, Ph.D.

EXHIBIT A

ACKNOWLEDGMENT AND STATEMENT OF DECISION
REGARDING ELECTION PURSUANT TO SECTION 83(b)
OF THE INTERNAL REVENUE CODE

The undersigned, a grantee of restricted shares of common stock (the "Restricted Stock") of Cyclerion Therapeutics, Inc., a Massachusetts corporation (the "Company"), pursuant to a Restricted Stock Agreement, dated as of January 1, 2024, between the undersigned and the Company (the "Restricted Stock Agreement"), hereby states, as of the date of grant of the Restricted Stock, as follows:

1. The undersigned acknowledges receipt of a copy of the Restricted Stock Agreement. The undersigned has carefully reviewed the Restricted Stock Agreement.

2. The undersigned either [*check as applicable*]:

☐ (a) has consulted, and has been fully advised by, the undersigned's own tax advisor, , whose business address is , regarding the federal, state and local tax consequences of purchasing the Restricted Stock under the Restricted Stock Agreement, and particularly regarding the advisability of making elections pursuant to Section 83(b) of the Internal Revenue Code of 1986, as amended (the "Code"), and pursuant to the corresponding provisions, if any, of applicable state laws; or

☐ (b) has knowingly chosen not to consult such tax advisor.

3. The undersigned hereby states that the undersigned has decided to make an election pursuant to Section 83(b) of the Code and is submitting to the Company together with the undersigned's executed Restricted Stock Agreement, a copy of an executed election form which is attached as Exhibit B to the Restricted Stock Agreement.

4. Neither the Company nor a representative of the Company has made any warranty or representation to the undersigned with respect to the tax consequences of his or her purchasing the Restricted Stock pursuant to the Restricted Stock Agreement or of the making or failure to make an election pursuant to Section 83(b) of the Code or corresponding provisions, if any, of applicable state law.

5. The undersigned is also submitting to the Company, together with the undersigned's executed Restricted Stock Agreement, a copy of an executed election form, if an election is made, by the undersigned pursuant to provisions of state law corresponding to Section 83(b) of the Code, if any, that apply to the purchase of the Restricted Stock by the undersigned.

Date:____ ____
Participant

EXHIBIT B

ELECTION PURSUANT TO SECTION 83(b)
OF THE INTERNAL REVENUE CODE

The undersigned taxpayer hereby elects, pursuant to Section 83(b) of the Internal Revenue Code of 1986, as amended, to include in gross income as compensation for services the excess (if any) of the fair market value of the property described below over the amount paid for such property.

The following information is submitted in accordance with Treas. Regs. § 1.83-2(e):

1. Name of Taxpayer: Regina Graul, Ph.D.

Address:

Taxpayer Identification No.: [*insert Social Security Nu*mber]

2. Property for which election is made: 50,000 shares (the "Shares") of Common Stock of Cyclerion Therapeutics, Inc. (the "Company").

3. Date of Transfer: January 1, 2024.

Taxable year for which election is made: calendar year 2024.

4. Restrictions to which property is subject: The Shares are subject to forfeiture in the event the Taxpayer's employment terminates prior to the vesting of the Shares.

5. The fair market value of the Shares at the time of their transfer (without regard to restrictions) was $167,500.00 ($3.35 per share).

6. Amount paid for the property: $0.

7. A copy of this election has been furnished to the Company and to each other person, if any, required to receive the election pursuant to Treas. Regs. § 1.83-2(d)

The undersigned taxpayer will file this election with the Internal Revenue Service office with which the taxpayer files his or her annual income tax return not later than 30 days after the date of transfer of the property. The undersigned taxpayer is the person performing the services in connection with which the property was transferred.

Please acknowledge receipt of this election by signing or stamping the enclosed copy of this election and return it in the enclosed, self-addressed, stamped envelope.

Date:____ ____
Taxpayer

Exhibit 10.26

CYCLERION THERAPEUTICS, INC.

2019 EQUITY INCENTIVE PLAN

RESTRICTED STOCK AGREEMENT

Name:	**Peter Hecht, Ph.D.**
Number of Shares of Restricted Stock:	**15,000**
Date of Grant:	**January 1, 2024**
Vesting Start Date:	**January 1, 2024**

This agreement (this "**Agreement**") evidences the grant of shares of restricted Stock by Cyclerion Therapeutics, Inc. (the "**Company**") to the individual named above (the "**Participant**"), pursuant to and subject to the terms of the Cyclerion Therapeutics, Inc. 2019 Equity Incentive Plan (as amended from time to time, the "**Plan**"). Except as otherwise defined herein, all capitalized terms used herein have the same meaning as in the Plan.

1. Grant of Restricted Stock. The Company hereby issues to the Participant on the date of grant set forth above (the "**Date of Grant**"), pursuant to and subject to the terms set forth in this Agreement and in the Plan, the number of shares of restricted Stock set forth above (the "**Restricted Stock**"), subject to adjustment pursuant to Section 7 of the Plan in respect of transactions occurring after the date hereof.

2. Vesting. The term "vest" as used herein with respect to any share of Restricted Stock means the lapsing of the restrictions described herein with respect to such share. Unless earlier terminated, forfeited, relinquished or expired, the Restricted Stock will vest as follows, subject to the Participant remaining in continuous Employment (as defined below) from the Date of Grant through such vesting date: 319 shares of Restricted Stock shall vest on January 1, 2024, and an additional 319 shares of Restricted Stock shall vest on the first day of each subsequent month, for forty-five (45) successive months, with the remaining 326 shares of Restricted Stock vesting on November 1, 2027. For purposes of this Agreement, "**Employment**" shall mean the Participant's service relationship with the Company or any of its subsidiaries in the Participant's capacity as consultant to the Company or any of its subsidiaries or as a director of the Company ("**Service Relationship**"); provided, however, that if the Participant's Service Relationship is solely with a subsidiary of the Company, the Participant's Service Relationship shall be deemed to have terminated when such entity ceases to be a subsidiary of the Company.

In the event of a Covered Transaction, the Administrator may require that any amounts delivered, exchanged or otherwise paid in respect of outstanding and then unvested shares of Restricted Stock be placed in escrow or otherwise made subject to such restrictions as the Administrator deems appropriate to carry out the intent of the Plan. References in this Agreement to the shares of Restricted Stock refer, mutatis mutandis, to any such restricted amounts.

3. Forfeiture Risk.

(a) Subject to the limitations set forth in the Consulting Agreement of even date by and between the Participant and the Company, if the Participant's Employment ceases for any reason, including death, any then outstanding and unvested shares of Restricted Stock acquired by the Participant hereunder will be automatically and immediately forfeited. The Participant hereby (i) appoints the Company as his or her attorney-in-fact to take such actions as may be necessary or appropriate to effectuate a transfer of the record ownership of any such shares that are unvested and forfeited hereunder, (ii) agrees to deliver to the Company, as a precondition to the issuance of any certificate or certificates with respect to unvested shares of Restricted Stock hereunder, one or more stock powers, endorsed in blank, with respect to such shares, and (iii) agrees to sign such other powers and take such other actions as the Company may reasonably request to accomplish the transfer or forfeiture of any unvested shares of Restricted Stock that is forfeited hereunder.

(b) The Administrator may cancel, rescind, withhold or otherwise limit or restrict this Award at any time if the Participant is not in compliance with all applicable provisions of this Agreement and the Plan. By accepting, or being deemed to have accepted, the Restricted Stock, the Participant expressly acknowledges and agrees that his or her rights, and those of any permitted transferee of the Restricted Stock, under this Agreement, including the right to any Shares acquired under this Award or proceeds from the disposition thereof, are subject to Section 6(a)(5) of the Plan (including any successor provision). Nothing in the preceding sentence may be construed as limiting the general application of Section 10 of this Agreement.

4. Retention of Certificates. Any certificates representing unvested shares of Restricted Stock will be held by the Company. If unvested shares of Restricted Stock are held in book entry form, the Participant agrees that the Company may give stop transfer instructions to the depository to ensure compliance with the provisions hereof.

5. Legend. All certificates representing unvested shares of Restricted Stock will contain a legend substantially in the following form:

THE TRANSFERABILITY OF THIS CERTIFICATE AND THE SHARES OF STOCK REPRESENTED HEREBY ARE SUBJECT TO THE TERMS AND CONDITIONS (INCLUDING FORFEITURE) OF THE CYCLERION THERAPEUTICS, INC 2019 EQUITY INCENTIVE PLAN AND A RESTRICTED STOCK AWARD AGREEMENT ENTERED INTO BETWEEN THE REGISTERED OWNER AND CYCLERION THERAPEUTICS, INC. COPIES OF SUCH PLAN AND AGREEMENT ARE ON FILE IN THE OFFICES OF CYCLERION THERAPEUTICS, INC.

As soon as practicable following the vesting of any such shares of Restricted Stock the Company shall cause a certificate or certificates covering such shares, without the aforesaid legend, to be issued and delivered to the Participant. If any shares of Restricted Stock are held in book-entry form, the Company may take such steps as it deems necessary or appropriate to record and manifest the restrictions applicable to such shares.

6. Dividends, etc. The Participant will be entitled to (i) receive any and all dividends or other distributions paid with respect to those shares of Restricted Stock of which he or she is the record owner on the record date for such dividend or other distribution, and (ii) vote any shares of Restricted Stock of which he or she is the record owner on the record date for such vote; *provided, however*, that any property

distributed with respect to a share of Restricted Stock (the "associated share") acquired hereunder, including without limitation a distribution of Stock by reason of a stock dividend, stock split or otherwise, or a distribution of other securities with respect to an associated share, will be subject to the restrictions of this Agreement in the same manner and for so long as the associated share remains subject to such restrictions, and will be promptly forfeited if and when the associated share is so forfeited; *and further provided*, that the Administrator may require that any cash distribution with respect to the shares other than a normal cash dividend be placed in escrow or otherwise made subject to such restrictions as the Administrator deems appropriate to carry out the intent of the Plan. References in this Agreement to Restricted Stock refer, *mutatis mutandis*, to any such restricted amounts.

7. Sale of Vested Shares; Nontransferability of Shares. The Participant understands that he or she will be free to sell any share of Restricted Stock once it has vested, subject to (a) satisfaction of any applicable tax withholding requirements with respect to the vesting or transfer of such share; (b) the completion of any administrative steps (for example, but without limitation, the transfer of certificates) that the Company may reasonably impose; and (c) applicable requirements of federal and state securities laws. The shares of Restricted Stock may not be transferred except as expressly permitted under Section 6(a)(3) of the Plan.

8. Certain Tax Matters.

(a) The Participant has been advised to confer promptly with a professional tax advisor to consider whether the Participant should make a so-called "83(b) election" with respect to the Restricted Stock. Any such election, to be effective, must be made in accordance with applicable regulations and within 30 days following the date of "transfer" of the shares (as determined under Section 83 of the Code). The Company has made no recommendation to the Participant with respect to the advisability of making such an election. If the Participant makes an 83(b) election, the Participant agrees to execute and deliver to the Company a copy of the Acknowledgement and Statement of Decision Regarding Election Pursuant to Section 83(b) of the Code, substantially in the form attached hereto as Exhibit A, together with a copy of the election pursuant to Section 83(b) of the Code (the "Election Form"), substantially in the form attached hereto as Exhibit B. The Election Form must be filed by the Participant with the appropriate Internal Revenue Service office no later than 30 days after the date of the transfer of the shares noted above.

(b) To the extent the Participant is an Employee, the Participant expressly acknowledges that the award or vesting of the shares of Restricted Stock acquired hereunder, and the payment of dividends with respect to such shares, may give rise to "wages" subject to withholding. The Participant expressly acknowledges and agrees that the Participant's rights hereunder are subject to the Participant promptly remitting to the Company in cash or by check (or by such other means as may be acceptable to the Administrator) an amount sufficient to satisfy all taxes required to be withheld in connection with such award, vesting or payment. The Participant authorizes the Company and its subsidiaries to withhold any amounts due in respect of any required tax withholdings or payments from any amounts otherwise owed to the Participant, but nothing in this sentence may be construed as relieving the Participant of any liability for satisfying his or her obligation under the preceding provisions of this Section 8.

(c) To the extent the Participant is not an Employee, the Participant is responsible for satisfying and paying all taxes arising from or due in connection with the award, vesting or payments under this award of Restricted Stock. The Company will have no liability or obligation related to the foregoing.

9. Effect on Employment. Neither the grant of the Restricted Stock, nor the issuance of Shares upon the vesting of any portion of the Restricted Stock, will give the Participant any right to be retained in the employ or service of the Company or any of its subsidiaries, affect the right of the Company or any of its subsidiaries to discharge the Participant at any time, or affect any right of the Participant to terminate his or her Employment at any time.

10. Provisions of the Plan. This Agreement is subject in its entirety to the provisions of the Plan, which are incorporated herein by reference. A copy of the Plan as in effect on the Date of Grant has been furnished to the Participant. By accepting, or being deemed to have accepted, all or any portion of the Restricted Stock, the Participant agrees to be bound by the terms of the Plan and this Agreement. In the event of any conflict between the terms of this Agreement and the Plan, the terms of the Plan will control.

11. Form S-8 Prospectus. The Participant acknowledges that the Participant has received and reviewed a copy of the prospectus required by Part I of Form S-8 relating to shares of Stock that may be issued under the Plan.

12. Acknowledgements. The Participant acknowledges and agrees that (a) this Agreement may be executed in two or more counterparts, each of which will be an original and all of which together will constitute one and the same instrument, (b) this Agreement may be executed and exchanged using facsimile, portable document format (PDF) or electronic signature, which, in each case, will constitute an original signature for all purposes hereunder, and (c) such signature by the Company will be binding against the Company and will create a legally binding agreement when this Agreement is countersigned by the Participant.

[Signature page follows.]

The Company, by its duly authorized officer, and the Participant have executed this Agreement as of the date first set forth above.

CYCLERION THERAPEUTICS, INC.

By: /s/ Regina Graul, Ph.D.

Name: Regina Graul, Ph.D.

Title: President

Agreed and Accepted:

By /s/ Peter Hecht, Ph.D.
Peter Hecht, Ph.D.

EXHIBIT A

ACKNOWLEDGMENT AND STATEMENT OF DECISION
REGARDING ELECTION PURSUANT TO SECTION 83(b)
OF THE INTERNAL REVENUE CODE

The undersigned, a grantee of restricted shares of common stock (the "Restricted Stock") of Cyclerion Therapeutics, Inc., a Massachusetts corporation (the "Company"), pursuant to a Restricted Stock Agreement, dated as of January 1, 2024, between the undersigned and the Company (the "Restricted Stock Agreement"), hereby states, as of the date of grant of the Restricted Stock, as follows:

1. The undersigned acknowledges receipt of a copy of the Restricted Stock Agreement. The undersigned has carefully reviewed the Restricted Stock Agreement.

2. The undersigned either [*check as applicable*]:

☐ (a) has consulted, and has been fully advised by, the undersigned's own tax advisor, [*insert name of tax advisor*], whose business address is [●], regarding the federal, state and local tax consequences of purchasing the Restricted Stock under the Restricted Stock Agreement, and particularly regarding the advisability of making elections pursuant to Section 83(b) of the Internal Revenue Code of 1986, as amended (the "Code"), and pursuant to the corresponding provisions, if any, of applicable state laws; or

☐ (b) has knowingly chosen not to consult such tax advisor.

3. The undersigned hereby states that the undersigned has decided to make an election pursuant to Section 83(b) of the Code and is submitting to the Company together with the undersigned's executed Restricted Stock Agreement, a copy of an executed election form which is attached as Exhibit B to the Restricted Stock Agreement.

4. Neither the Company nor a representative of the Company has made any warranty or representation to the undersigned with respect to the tax consequences of his or her purchasing the Restricted Stock pursuant to the Restricted Stock Agreement or of the making or failure to make an election pursuant to Section 83(b) of the Code or corresponding provisions, if any, of applicable state law.

5. The undersigned is also submitting to the Company, together with the undersigned's executed Restricted Stock Agreement, a copy of an executed election form, if an election is made, by the undersigned pursuant to provisions of state law corresponding to Section 83(b) of the Code, if any, that apply to the purchase of the Restricted Stock by the undersigned.

Date:____ ____
Participant

EXHIBIT B

ELECTION PURSUANT TO SECTION 83(b)
OF THE INTERNAL REVENUE CODE

The undersigned taxpayer hereby elects, pursuant to Section 83(b) of the Internal Revenue Code of 1986, as amended, to include in gross income as compensation for services the excess (if any) of the fair market value of the property described below over the amount paid for such property.

The following information is submitted in accordance with Treas. Regs. § 1.83-2(e):

1. Name of Taxpayer: Peter M. Hecht.

Address: [*insert street address, city or town, state and ZIP code of person making the election*].

Taxpayer Identification No.: [*insert Social Security Nu*mber]

2. Property for which election is made: 15,000 shares (the "Shares") of Common Stock of Cyclerion Therapeutics, Inc. (the "Company").

3. Date of Transfer: January 1, 2024.

Taxable year for which election is made: calendar year 2024.

4. Restrictions to which property is subject: The Shares are subject to forfeiture in the event the Taxpayer's employment terminates prior to the vesting of the Shares.

5. The fair market value of the Shares at the time of their transfer (without regard to restrictions) was $50,250.00 ($3.35 per share).

6. Amount paid for the property: $0.00.

7. A copy of this election has been furnished to the Company and to each other person, if any, required to receive the election pursuant to Treas. Regs. § 1.83-2(d)

The undersigned taxpayer will file this election with the Internal Revenue Service office with which the taxpayer files his or her annual income tax return not later than 30 days after the date of transfer of the property. The undersigned taxpayer is the person performing the services in connection with which the property was transferred.

Please acknowledge receipt of this election by signing or stamping the enclosed copy of this election and return it in the enclosed, self-addressed, stamped envelope.

Date:____ ____
Taxpayer

Exhibit 21.1

List of Registrant's Subsidiaries

Cyclerion Securities Corporation, incorporated in Massachusetts, a wholly owned subsidiary.

Cyclerion GmbH, incorporated in Switzerland, a wholly owned subsidiary.

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the following Registration Statements:

(1) Registration Statement (Form S-3 No. 333-257145) of Cyclerion Therapeutics, Inc. and the related Prospectus,

(2) Registration Statement (Form S-3 No. 333-240095) of Cyclerion Therapeutics, Inc. and the related Prospectus,

(3) Registration Statement (Form S-3 No. 333-242334) of Cyclerion Therapeutics, Inc. and the related Prospectus,

(4) Registration Statement (Form S-8 No. 333-248957) pertaining to 2019 Equity Incentive Plan, 2019 Employee Stock Purchase of Cyclerion Therapeutics, Inc.,

(5) Registration Statement (Form S-8 No. 333-258316) pertaining to 2019 Equity Incentive Plan, 2019 Employee Stock Purchase of Cyclerion Therapeutics, Inc.,

(6) Registration Statement (Form S-8 No. 333-230615) pertaining to 2019 Equity Incentive Plan, 2019 Employee Stock Purchase Plan, Amended and Restated 2010 Employee, Director and Consultant Equity Incentive Plan, and Amended and Restated 2005 Stock Incentive Plan of Cyclerion Therapeutics, Inc.;

(7) Registration Statement (Form S-8 No. 333-266739) pertaining to 2019 Equity Incentive Plan, 2019 Employee Stock Purchase of Cyclerion Therapeutics, Inc.

of our report dated March 5, 2024, with respect to the consolidated financial statements of
Cyclerion Therapeutics, Inc. included in this Annual Report (Form 10-K) for the year ended December 31, 2023.

/s/ Ernst & Young LLP

Boston, Massachusetts
March 5, 2024

Exhibit 31.1

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

I, Regina Graul, certify that:

1. I have reviewed this annual report on Form 10-K 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: March 5, 2024

By: /s/ Regina Graul
Name: Regina Graul
Title: President (Principal Executive Officer)

Exhibit 31.2

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

I, Rhonda Chicko, certify that:

1. I have reviewed this annual report on Form 10-K 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 13-a-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: March 5, 2024

By: /s/ Rhonda Chicko

Name: Rhonda Chicko

Title: Chief Financial Officer (Principal Financial and Accounting Officer)

Exhibit 32.1

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

I, Regina Graul, 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 Annual Report on Form 10-K of Cyclerion Therapeutics, Inc. for the period ended December 31, 2023 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and the information contained in such Form 10-K fairly presents, in all material respects, the financial condition and results of operations of Cyclerion Therapeutics, Inc.

Date: March 5, 2024

By: /s/ Regina Graul
Name: Regina Graul
Title: President (Principal Executive Officer)

Exhibit 32.2

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

I, Rhonda Chicko, 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 Annual Report on Form 10-K of Cyclerion Therapeutics, Inc. for the period ended December 31, 2023 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and the information contained in such Form 10-K fairly presents, in all material respects, the financial condition and results of operations of Cyclerion Therapeutics, Inc.

Date: March 5, 2024

By: /s/ Rhonda Chicko

Name: Rhonda Chicko

Title: Chief Financial Officer (Principal Financial and Accounting Officer)

Exhibit 97.1

CYCLERION THERAPEUTICS, INC.

POLICY FOR THE
RECOVERY OF ERRONEOUSLY AWARDED COMPENSATION

1. OVERVIEW

In accordance with the applicable rules of The Nasdaq Stock Market (the "**Nasdaq Rules**"), Section 10D and Rule 10D-1 of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**") ("**Rule 10D-1**"), the Board of Directors (the "**Board**") of Cyclerion Therapeutics, Inc. (the "**Company**") has adopted this Policy (the "**Policy**") to provide for the recovery of erroneously awarded Incentive-based Compensation from Executive Officers. All capitalized terms used and not otherwise defined herein shall have the meanings set forth in Section 8, below.

2. RECOVERY OF ERRONEOUSLY AWARDED COMPENSATION

a) In the event of an Accounting Restatement, the Company will reasonably promptly recover the Erroneously Awarded Compensation Received in accordance with Nasdaq Rules and Rule 10D-1 as follows:

a. After an Accounting Restatement, the Compensation Committee (if composed entirely of independent directors, or in the absence of such a committee, a majority of independent directors serving on the Board) (the "**Committee**") shall determine the amount of any Erroneously Awarded Compensation Received by each Executive Officer and shall promptly notify each Executive Officer with a written notice containing the amount of any Erroneously Awarded Compensation and a demand for repayment or return of such compensation, as applicable.

i. For Incentive-based Compensation based on (or derived from) the Company's stock price or total shareholder return, where the amount of Erroneously Awarded Compensation is not subject to mathematical recalculation directly from the information in the applicable Accounting Restatement:

a) The amount to be repaid or returned shall be determined by the Committee based on a reasonable estimate of the effect of the Accounting Restatement on the Company's stock price or total shareholder return upon which the Incentive-based Compensation was Received; and

b) The Company shall maintain documentation of the determination of such reasonable estimate and provide the relevant documentation as required to Nasdaq.

ii. The Committee shall have discretion to determine the appropriate means of recovering Erroneously Awarded Compensation based on the particular facts and circumstances. Notwithstanding the foregoing, except as set forth in Section 2(b) below, in no event may the Company accept an amount that is less than the amount of Erroneously Awarded Compensation in satisfaction of an Executive Officer's obligations hereunder.

iii. To the extent that the Executive Officer has already reimbursed the Company for any Erroneously Awarded Compensation Received under any duplicative recovery obligations established by the Company or applicable law, it shall be appropriate for any such reimbursed amount to be credited to the amount of Erroneously Awarded Compensation that is subject to recovery under this Policy.

iv. To the extent that an Executive Officer fails to repay all Erroneously Awarded Compensation to the Company when due, the Company shall take all actions reasonable and appropriate to recover such Erroneously Awarded Compensation from the applicable Executive Officer. The applicable Executive Officer shall be required to reimburse the Company for any and all expenses reasonably incurred (including legal fees) by the Company in recovering such Erroneously Awarded Compensation in accordance with the immediately preceding sentence.

b) Notwithstanding anything herein to the contrary, the Company shall not be required to take the actions contemplated by Section2(a) above if the Committee(which, as specified above, is composed entirely of independent directors or in the absence of such a committee, a majority of the independent directors serving on the Board) determines that recovery would be impracticable *and* any of the following two conditions are met:

i. The Committee has determined that the direct expenses paid to a third party to assist in enforcing the Policy would exceed the amount to be recovered. Before making this determination, the Company must make a reasonable attempt to recover the Erroneously Awarded Compensation, documented such attempt(s) and provided such documentation to Nasdaq; or

ii. Recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the requirements of Section 401(a)(13) or Section 411(a) of the Internal Revenue Code of 1986, as amended, and regulations thereunder.

3. DISCLOSURE REQUIREMENTS

The Company shall file all disclosures with respect to this Policy required by applicable U.S. Securities and Exchange Commission ("**SEC**") filings and rules.

4. PROHIBITION OF INDEMNIFICATION

The Company shall not be permitted to insure or indemnify any Executive Officer against (i) the loss of any Erroneously Awarded Compensation that is repaid, returned or recovered pursuant to the terms of this Policy, or (ii) any claims relating to the Company's enforcement of its rights under this Policy. Further, the Company shall not enter into any agreement that exempts any Incentive-based Compensation that is granted, paid or awarded to an Executive Officer from the application of this Policy or that waives the Company's right to recovery of any Erroneously Awarded Compensation, and this Policy shall supersede any such agreement(whether entered into before, on or after the Effective Date of this Policy).

5. ADMINISTRATION AND INTERPRETATION

This Policy shall be administered by the Committee, and any determinations made by the Committee shall be final and binding on all affected individuals.

The Committee is authorized to interpret and construe this Policy and to make all determinations necessary, appropriate, or advisable for the administration of this Policy and for the Company's compliance with Nasdaq Rules, Section 10D, Rule 10D-1 and any other applicable law, regulation, rule or interpretation of the SEC or Nasdaq promulgated or issued in connection therewith.

6. AMENDMENT; TERMINATION

The Committee may amend this Policy from time to time in its discretion and shall amend this Policy as it deems necessary. Notwithstanding anything in this Section 6 to the contrary, no amendment or termination of this Policy shall be effective if such amendment or termination would (after taking into account any actions taken by the Company contemporaneously with such amendment or termination) cause the Company to violate any federal securities laws, SEC rule or Nasdaq rule.

7. OTHER RECOVERY RIGHTS

This Policy shall be binding and enforceable against all Executive Officers and, to the extent required by applicable law or guidance from the SEC or Nasdaq, their beneficiaries, heirs, executors, administrators or other legal representatives. The Committee intends that this Policy will be applied to the fullest extent required by applicable law. Any employment agreement, equity award agreement, compensatory plan or any other agreement or arrangement with an Executive Officer shall be deemed to include, as a condition to the grant of any benefit thereunder, an agreement by the Executive Officer to

abide by the terms of this Policy. Any right of recovery under this Policy is in addition to, and not in lieu of, any other remedies or rights of recovery that may be available to the Company under applicable law, regulation or rule or pursuant to the terms of any policy of the Company or any provision in any employment agreement, equity award agreement, compensatory plan, agreement or other arrangement.

8. **DEFINITIONS**

For purposes of this Policy, the following capitalized terms shall have the meanings set forth below.

a) "**Accounting Restatement**" means an accounting restatement due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements (a "Big R" restatement), or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period (a "little r" restatement).

b) "**Clawback Eligible Incentive Compensation**" means all Incentive-based Compensation Received by an Executive Officer(i) on or after the effective date of the applicable Nasdaq rules, (ii) after beginning service as an Executive Officer, (iii) who served as an Executive Officer at any time during the applicable performance period relating to any Incentive-based Compensation (whether or not such Executive Officer is serving at the time the Erroneously Awarded Compensation is required to be repaid to the Company), (iv) while the Company has a class of securities listed on a national securities exchange or a national securities association, and (v) during the applicable Clawback Period (as defined below).

c) "**Clawback Period**" means, with respect to any Accounting Restatement, the three completed fiscal years of the Company immediately preceding the Restatement Date (as defined below), and if the Company changes its fiscal year, any transition period of less than nine months within or immediately following those three completed fiscal years.

d) "**Erroneously Awarded Compensation**" means, with respect to each Executive Officer in connection with an Accounting Restatement, the amount of Clawback Eligible Incentive Compensation that exceeds the amount of Incentive-based Compensation that otherwise would have been Received had it been determined based on the restated amounts, computed without regard to any taxes paid.

e) "**Executive Officer**" means each individual who is currently or was previously designated as an "officer" of the Company as defined in Rule 16a-1(f) under the Exchange Act. For the avoidance of doubt, the identification of an executive officer for purposes of this Policy shall include each executive officer who is or was identified pursuant to Item 401(b)of Regulation S-K or Item 6.A of Form 20-F, as applicable, as well as the principal financial officer and principal accounting officer (or, if there is no principal accounting officer, the controller).

f) "**Financial Reporting Measures**" means measures that are determined and presented in accordance with the accounting principles used in preparing the Company's financial statements, and all other measures that are derived wholly or in part from such measures. Stock price and total shareholder return (and any measures that are derived wholly or in part from stock price or total shareholder return)shall, for purposes of this Policy, be considered Financial Reporting Measures. For the avoidance of doubt, a Financial Reporting Measure need not be presented in the Company's financial statements or included in a filing with the SEC.

g) "**Incentive-based Compensation**" means any compensation that is granted, earned or vested based wholly or in part upon the attainment of a Financial Reporting Measure.

h) "**Nasdaq**" means The Nasdaq Stock Market.

i) "**Received**" means, with respect to any Incentive-based Compensation, actual or deemed receipt, and Incentive-based Compensation shall be deemed received in the Company's fiscal period during which the Financial Reporting Measure specified in the Incentive-based Compensation award is attained, even if the payment or grant of the Incentive-based Compensation to the Executive Officer occurs after the end of that period.

j) "**Restatement Date**" means the earlier to occur of (i) the date the Board, a committee of the Board or the officers of the Company authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare an Accounting Restatement, or (ii) the date a court, regulator or other legally authorized body directs the Company to prepare an Accounting Restatement.

Effective as of October 2, 2023 (Board approved on November 30, 2023).

Exhibit A

ATTESTATION AND ACKNOWLEDGEMENT OF POLICY FOR THE RECOVERYOF ERRONEOUSLY AWARDED COMPENSATION

By my signature below, I acknowledge and agree that:

- I have received and read the attached Policy for the Recovery of Erroneously Awarded Compensation (this "**Policy**").
- I hereby agree to abide by all of the terms of this Policy both during and after my employment with the Company, including, without limitation, by promptly repaying or returning any Erroneously Awarded Compensation to the Company as determined in accordance with this Policy.

Signature: ____

Name: ___

Date: ____