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

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2022
or

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

For the transition period from to

Commission File Number 001-38787

CYCLERION THERAPEUTICS, INC.

(Exact Name of Registrant as Specified in its Charter)

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

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

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

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

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

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

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

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

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

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

As of August 5, 2022, the registrant had 43,479,835 shares of common stock, no par value, outstanding.

CYCLERION PHARMACEUTICALS, INC.
QUARTERLY REPORT ON FORM 10-Q
FOR THE QUARTER ENDED JUNE 30, 2022
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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

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

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

- we could be delisted from Nasdaq;
- there is substantial doubt regarding our ability to continue as a going concern;
- the timing, investment and associated activities involved in developing, obtaining regulatory approval for, launching and commercializing our product candidates, including CY6463;
- the coronavirus ("COVID-19") pandemic and related constraints on supply chains and human resource availability affecting our clinical trials and other operating activities;
- our relationships with third parties, collaborators and our employees;
- our ability to execute our strategic priorities;
- our ability to finance our operations and business initiatives;
- the success of collaboration or license agreements of our product candidates;
- whether the praliciguat out-license will result in the creation of any therapies;
- whether any development, regulatory, and commercialization milestones or royalty payments provided for in the agreement with Akebia (as defined below) will be achieved;
- the impact on our business of workforce and expense reduction initiatives;
- our plans with respect to the development, manufacture or sale of our product candidates and the associated timing thereof, including the design and results of pre-clinical and clinical studies;
- the safety profile and related adverse events of our product candidates;
- the efficacy and perceived therapeutic benefits of our product candidates, their potential indications and their market potential;
- U.S. and non-U.S. regulatory requirements for our product candidates, including any post-approval development and regulatory requirements, and the ability of our product candidates to meet such requirements;
- our ability to attract and retain employees needed to execute our business plans and strategies and our ability to manage the impact of any loss of key employees;

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

See the "Risk Factors" section in Part I, Item 1A of our Annual Report on Form 10-K for the fiscal year ended December 31, 2021, and elsewhere in this Quarterly Report on Form 10-Q for a further description of these and other factors. We caution you that the risks, uncertainties, and other factors referenced above may not contain all of the risks, uncertainties and other factors that are important to you. In addition, we cannot assure you that we will realize the results, benefits, or developments that we expect or anticipate or, even if substantially realized, that they will result in the consequences or affect us or our business in the way expected. There can be no assurance that (i) we have correctly measured or identified all of the factors affecting our business or the extent of these factors' likely impact, (ii) the available information with respect to these factors on which such analysis is based is complete or accurate, (iii) such analysis is correct or (iv) our strategy, which is based in part on this analysis, will be successful. All forward-looking statements in this report apply only as of the date of this report or as of the date they were made and, except as required by applicable law, we undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future developments or otherwise.

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

	June 30, 2022	December 31, 2021
ASSETS		
Current assets:		
Cash and cash equivalents	$ 30,323	$ 53,961
Accounts receivable	227	100
Prepaid expenses	647	928
Other current assets	482	468
Total current assets	31,679	55,457
Property and equipment, net	—	65
Operating lease right-of-use asset	1,310	1,402
Other assets	2,224	2,407
Total assets	$ 35,213	$ 59,331
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 2,767	$ 1,828
Accrued research and development costs	4,759	6,353
Accrued expenses and other current liabilities	2,326	2,904
Total current liabilities	9,852	11,085
Commitments and contingencies (Note 6)	—	—
Stockholders' equity		
Common stock, no par value, 400,000,000 shares authorized and 43,479,835 issued and outstanding at June 30, 2022 and 400,000,000 shares authorized and 43,410,185 issued and outstanding at December 31, 2021	—	—
Accumulated deficit	(241,442)	(215,076)
Paid-in capital	266,828	263,345
Accumulated other comprehensive loss	(25)	(23)
Total stockholders' equity	25,361	48,246
Total liabilities and stockholders' equity	$ 35,213	$ 59,331

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

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Revenues:				
Revenue from license agreement	$ —	$ 3,000	$ —	$ 3,000
Revenue from development agreement	72	—	297	62
Revenue from grants	234	—	720	—
Total revenues	306	3,000	1,017	3,062
Cost and expenses:				
Research and development	10,218	12,054	19,961	20,146
General and administrative	3,521	6,241	7,473	11,606
Loss on lease termination	—	881	—	881
Total cost and expenses	13,739	19,176	27,434	32,633
Loss from operations	(13,433)	(16,176)	(26,417)	(29,571)
Interest and other income (expenses), net	45	(6)	51	(10)
Net loss	$ (13,388)	$ (16,182)	$ (26,366)	$ (29,581)
Net loss per share:				
Basic and diluted net loss per share	$ (0.31)	$ (0.45)	$ (0.61)	$ (0.85)
Weighted average shares used in calculating:				
Basic and diluted net loss per share	43,459	35,707	43,442	34,899
Other comprehensive loss:				
Net loss	$ (13,388)	$ (16,182)	$ (26,366)	$ (29,581)
Other comprehensive loss:				
Foreign currency translation adjustment (loss) gain	(1)	1	(2)	1
Comprehensive loss	$ (13,389)	$ (16,181)	$ (26,368)	$ (29,580)

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

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

	Common Stock		Paid-in capital	Accumulated deficit	Accumulated other comprehensive loss	Total Stockholders' equity
	Shares	Amount				
Balance at December 31, 2020	34,047,300	$ —	$ 222,949	$ (163,429)	$ (27)	$ 59,493
Net loss	—	—	—	(13,399)	—	(13,399)
Issuance of common stock upon exercise of stock options, RSUs and employee stock purchase plan	82,625	—	27	—	—	27
Share-based compensation expense related to issuance of stock options and RSUs to employees and employee stock purchase plan	—	—	1,921	—	—	1,921
Share-based compensation expense related to issuance of stock options and RSUs to non-employees	—	—	391	—	—	391
Foreign currency translation adjustment	—	—	—	—	—	—
Balance at March 31, 2021	34,129,925	$ —	$ 225,288	$ (176,828)	$ (27)	$ 48,433
Net loss	—	—	—	(16,182)	—	(16,182)
Issuance of common stock - June 2021 equity private placement and ATM	9,087,547		30,497			30,497
Issuance of common stock upon exercise of stock options, RSUs and employee stock purchase plan	57,777	—	133	—	—	133
Share-based compensation expense related to issuance of stock options and RSUs to employees and employee stock purchase plan	—	—	1,942	—	—	1,942
Share-based compensation expense related to issuance of stock options and RSUs to non-employees	—	—	398	—	—	398
Foreign currency translation adjustment	—	—	—	—	1	1
Balance at June 30, 2021	43,275,249	$ —	$ 258,258	$ (193,010)	$ (26)	$ 65,222

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

	Common Stock		Paid-in capital	Accumulated deficit	Accumulated other comprehensive loss	Total Stockholders' equity
	Shares	Amount				
Balance at December 31, 2021	43,410,185	$ —	$ 263,345	$ (215,076)	$ (23)	$ 48,246
Net loss	—	—	—	(12,978)	—	(12,978)
Issuance of common stock upon exercise of stock options, RSUs and employee stock purchase plan	38,175	—	—	—	—	—
Share-based compensation expense related to issuance of stock options and RSUs to employees and employee stock purchase plan	—	—	1,476	—	—	1,476
Share-based compensation expense related to issuance of stock options to non-employees	—	—	291	—	—	291
Foreign currency translation adjustment	—	—	—	—	(1)	(1)
Balance at March 31, 2022	43,448,360	$ —	$ 265,112	$ (228,054)	$ (24)	$ 37,034
Net loss	—	—	—	(13,388)	—	(13,388)
Issuance of common stock upon exercise of stock options, RSUs and employee stock purchase plan	31,475	—	17	—	—	17
Share-based compensation expense related to issuance of stock options and RSUs to employees and employee stock purchase plan	—	—	1,410	—	—	1,410
Share-based compensation expense related to issuance of stock options and RSUs to non-employees	—	—	289	—	—	289
Foreign currency translation adjustment	—	—	—	—	(1)	(1)
Balance at June 30, 2022	43,479,835	$ —	$ 266,828	$ (241,442)	$ (25)	$ 25,361

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

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

	Six Months Ended June 30,	
	2022	**2021**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (26,366)	$ (29,581)
Adjustments to reconcile net loss to net cash (used in) operating activities:		
Depreciation and amortization	65	376
Net loss on disposal of property and equipment	—	6,322
Loss on lease termination	—	881
Share-based compensation expense	3,466	4,652
Changes in operating assets and liabilities:		
Accounts receivable	(127)	—
Related party accounts receivable	—	127
Prepaid expenses	281	50
Other current assets	(14)	(121)
Operating lease assets	92	1,344
Other assets	183	183
Accounts payable	939	237
Related party accounts payable	—	(286)
Accrued research and development costs	(1,594)	819
Operating lease liabilities	—	(1,048)
Accrued expenses and other current liabilities	(578)	(3,919)
Net cash (used in) operating activities	(23,653)	(19,964)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of property and equipment	—	1,464
Net cash provided by investing activities	—	1,464
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from equity private placement and ATM	—	30,497
Proceeds from exercises of stock options and ESPP	17	160
Net cash provided by financing activities	17	30,657
Effect of exchange rate changes on cash and cash equivalents	(2)	1
Net decrease in cash, cash equivalents and restricted cash	(23,638)	12,158
Cash, cash equivalents and restricted cash, beginning of period	53,961	58,232
Cash, cash equivalents and restricted cash, end of period	$ 30,323	$ 70,390
Supplemental cash flow disclosure:		
Cash and cash equivalents	$ 30,323	$ 70,390
Total cash, cash equivalents and restricted cash	$ 30,323	$ 70,390

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

1. Nature of Business

Nature of Operations

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

Cyclerion GmbH, a wholly owned subsidiary, was incorporated in Zug, Switzerland on May 3, 2019. Cyclerion GmbH is an operational entity with one employee who is the Company’s Chief Scientific Officer. The functional currency is the Swiss franc.

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

Company Overview

The Company’s mission is to develop treatments that restore cognitive function. Its priorities are advancing its ongoing CY6463 clinical programs and next generation compound, CY3018.

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

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

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

On June 10, 2022, we announced positive topline clinical data for CY6463 in our signal-seeking clinical study for the potential treatment of MELAS. In this open-label, single-arm study of the oral, once-daily sGC

stimulator in eight adults aged 18 or older with MELAS, improvements were seen across a range of assessments, including mitochondrial disease-associated biomarker such as lactate and GDF-15, a broad panel of inflammatory biomarkers, cerebral blood flow, and functional connectivity between neural networks. These positive effects after 29 days of dosing were supported by correlations across several endpoints. CY6463 was well tolerated with no adverse events and pharmacokinetics were consistent with the Phase 1 study in healthy volunteers. The positive data from this study further support the potential of CY6463 to provide therapeutic benefit to people living with MELAS.

On July 28, 2022, we announced positive topline data from our signal-seeking clinical study of CY6463 for the potential treatment of CIAS in individuals with stable schizophrenia on a stable, single, atypical antipsychotic regimen. Data from the 14-day, double blind, randomized, placebo-controlled, multiple-ascending-dose study in 48 adults aged 18-50 demonstrate that once-daily CY6463 was safe and well tolerated, with no reports of serious adverse events ("SAEs"), severe adverse events ("AEs"), or treatment discontinuation due to AEs. Study data demonstrate a strong effect on cognitive performance after two weeks of 15mg once-daily dosing. Positive movement on inflammatory biomarkers was also observed. These signals on exploratory endpoints provide further evidence of the pro-cognitive and anti-inflammatory effects of CY6463 observed in preclinical studies and prior clinical trials. Study data demonstrate the translation of sGC multi-dimensional pharmacology and the therapeutic potential of amplifying sGC signaling in the CNS and support the further development of oral, once-daily CY6463.

We have an ongoing signal-seeking clinical study of CY6463 for the potential treatment of ADv. The ADv study is supported in part by a grant from the Alzheimer's Association's Part the Cloud-Gates Partnership Grant Program (the "PTC Grant"), which provides Cyclerion with $2 million of funding over two years.

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

Non-CNS assets. We have other assets that are outside of our current strategic focus. These non-core assets are not being internally developed at this time. *Praliciguat* is an orally administered, once-daily systemic sGC stimulator. On June 3, 2021, we entered into the License Agreement (as defined below) with Akebia Therapeutics, Inc. ("Akebia") relating to the exclusive worldwide license to Akebia of our rights to the development, manufacture, medical affairs and commercialization of pharmaceutical products containing praliciguat and other related products and forms thereof enumerated in such agreement. *Olinciguat* is an orally administered, once-daily, vascular sGC stimulator that was evaluated in a Phase 2 study of participants with sickle cell disease. We released topline results from this study in October 2020. Olinciguat is available for licensing to a third-party partner.

2021 Equity Private Placement

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

At-the-Market Offering

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

Basis of Presentation

The condensed consolidated financial statements and the related disclosures are unaudited and have been prepared in accordance with accounting principles generally accepted in the U.S. Additionally, certain information and footnote disclosures normally included in the Company's annual financial statements have been condensed or omitted. Accordingly, these interim condensed consolidated financial statements should be read in conjunction with the condensed consolidated financial statements and notes thereto contained in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2021, which was filed with the Securities and Exchange Commission on February 24, 2022.

In the opinion of management, the unaudited interim condensed consolidated financial statements reflect all normal recurring adjustments considered necessary for a fair presentation of the Company's financial position and the results of its operations for the interim periods presented. The results of operations for the three and six months ended June 30, 2022 and 2021 are not necessarily indicative of the results that may be expected for the full year or any other subsequent interim period.

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

Going Concern

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

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

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

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

Notice of Delisting or Failure to Satisfy a Continued Listing Rule or Standard

On June 1, 2022, the Company received a notice from the Nasdaq Stock Market ("Nasdaq") notifying the Company that, for the last 30 consecutive business days, 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”). The Nasdaq deficiency letter has no immediate effect on the listing of the Company’s common stock, and its common stock will continue to trade on The Nasdaq Global Select Market under the symbol “CYCN” at this time.

In accordance with Nasdaq Listing Rule 5810(c)(3)(A), the Company has been provided a period of 180 calendar days, or until November 28, 2022, to regain compliance with the Bid Price Requirement. If at any time before November 28, 2022, the bid price of the Company’s common stock closes at a $1.00 per share or more for a minimum of 10 consecutive business days, Nasdaq will provide written notification to the Company that it has regained compliance with the Bid Price Requirement. In the event the Company does not regain compliance with the Bid Price Requirement by November 28, 2022, the Company may be afforded an additional 180-day compliance period, provided it demonstrates that it meets all other applicable standards for initial listing on the Nasdaq Capital Market, except the Bid Price Requirement. If the Company does not regain compliance with the Bid Price Requirement by the end of the second compliance period, the Company's stock will 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 regain compliance with the Bid Price Requirement or will otherwise be in compliance with other Nasdaq Listing Rules.

2. Summary of Significant Accounting Policies

The accounting policies of the Company are set forth in Note 2. *Summary of Significant Accounting Policies* to the consolidated financial statements contained in the Company’s 2021 Annual Report on Form 10-K for the fiscal year ended December 31, 2021.

Use of Estimates

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

New Accounting Pronouncements

From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board (“FASB”) or other standard setting bodies that are adopted by the Company as of the specified effective date. Except as discussed elsewhere in the notes to the consolidated financial statements, the Company did not adopt any new accounting pronouncements during the six months ended June 30, 2022 that had a material effect on its condensed consolidated financial statements.

In June 2016 the FASB issued ASU 2016-13, Financial Instruments-Credit Losses. This standard requires entities to measure all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. As a smaller reporting company, ASU 2016-13 will become effective for the Company for fiscal years beginning after December 15, 2022, and early adoption is permitted. The Company is currently evaluating the impact that ASU 2016-13 will have on its financial statements and related disclosures.

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

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

3. Fair Value of Financial Instruments

The Company's cash equivalents are generally classified within Level 1 of the fair value hierarchy. The following tables present information about the Company's financial assets measured at fair value on a recurring basis and indicate the level of the fair value hierarchy used to determine such fair values as of June 30, 2022, and December 31, 2021 (in thousands):

	Fair Value Measurements as of June 30, 2022:			
	Level 1	Level 2	Level 3	Total
Cash equivalents:				
Money market funds	$ 29,540	$ —	$ —	$ 29,540
Cash equivalents	$ 29,540	$ —	$ —	$ 29,540

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

During the six months ended June 30, 2022 and 2021, there were no transfers between levels. The fair value of the Company's cash equivalents, consisting of money market funds, is based on quoted market prices in active markets with no valuation adjustment.

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

4. Property and Equipment

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

	June 30, 2022	December 31, 2021
Software	$ 2,214	$ 2,214
Computer equipment	51	51
Property and equipment, gross	2,265	2,265
Less: accumulated depreciation and amortization	(2,265)	(2,200)
Property and equipment, net	$ —	$ 65

As of June 30, 2022, and December 31, 2021, the Company's property and equipment was primarily located in Boston, Massachusetts.

Depreciation and amortization expense of the Company's property and equipment was a de minimis amount and $0.1 million for the three and six months ended June 30, 2022 and 2021, respectively.

5. Accrued Expenses and Other Current Liabilities

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

	June 30, 2022	December 31, 2021
Accrued incentive compensation	$ 914	$ 1,369
Salaries	312	266
Accrued vacation	349	345
Professional fees	556	398
Other	195	526
Accrued expenses and other current liabilities	$ 2,326	$ 2,904

6. Commitments and Contingencies

Other Funding Commitments

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

Guarantees

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

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

obligations is minimal. Accordingly, the Company did not have any liabilities recorded for these obligations as of June 30, 2022 and December 31, 2021.

7. Leases

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

Lease cost was recognized on a straight-line basis over the lease term. For the three and six months ended June 30, 2021, the Company recognized approximately $0.6 million and $2.2 million, respectively, of total lease costs and $0.2 million and $0.7 million, respectively, of variable lease costs, related to the Head Lease. The Company did not record any lease costs related to the Head Lease during the six months ended June 30, 2022. For the three and six months ended June 30, 2021, the Company paid $0.5 million and $1.9 million, respectively, related to its lease liability.

In May 2021 the Company signed a membership agreement to lease space with WeWork at 501 Boylston Street, Boston, Massachusetts. The lease commenced on August 1, 2021 and was accounted for as a short term lease. The Company recorded $0.1 million and $0.2 million of lease expense associated with the membership agreement during the three and six months ended June 30, 2022, respectively.

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

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

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

8. Share-based Compensation Plans

In 2019, Cyclerion adopted share-based compensation plans. Specifically, Cyclerion adopted the 2019 Employee Stock Purchase Plan ("2019 ESPP") and the 2019 Equity Incentive Plan ("2019 Equity Plan"). Under the

2019 ESPP, eligible employees may use payroll deductions to purchase shares of stock in offerings under the plan, and thereby acquire an interest in the future of the Company. The 2019 Equity Plan provides for stock options and restricted stock units ("RSUs").

Cyclerion 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 condensed consolidated statements of operations and comprehensive loss for the three and six months ended June 30, 2022 and 2021 (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Research and development	$ 793	$ 935	$ 1,623	$ 1,917
General and administrative	906	1,405	1,843	2,735
	$ 1,699	$ 2,340	$ 3,466	$ 4,652

A summary of stock option activity for the six months ended June 30, 2022, is as follows:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (Years)	Average Intrinsic Value (in thousands)
Outstanding as of December 31, 2021	7,080,426	$ 10.73	6.9	—
Granted	1,637,550	1.17		
Cancelled or forfeited	(304,661)	(11.83)		
Outstanding as of June 30, 2022	8,413,315	$ 8.83	7.2	$ —
Exercisable at June 30, 2022	5,021,661	$ 12.50	6.1	$ —

As of June 30, 2022, the unrecognized share-based compensation expense, net of estimated forfeitures, related to all unvested time-based stock options held by the Company's employees is $6.4 million and the weighted average period over which that expense is expected to be recognized is 3.3 years.

A summary of RSU activity for the six months ended June 30, 2022 is as follows:

	Number of Shares	Weighted Average Grant Date Fair Value
Unvested as of December 31, 2021	92,804	$ 13.70
Vested	(39,650)	15.03
Forfeited	(681)	14.20
Unvested as of June 30, 2022	52,473	$ 12.68

As of June 30, 2022, the unrecognized share-based compensation expense, net of estimated forfeitures, related to all unvested restricted stock units by the Company's employees is $0.4 million and the weighted-average period over which that expense is expected to be recognized is 0.9 years.

The Company has granted to certain employees performance-based options to purchase shares of common stock. These options are subject to performance-based milestone vesting. During the three and six months ended June 30, 2022 and 2021 there were no shares that vested as a result of performance milestone achievements. The

Company recorded no share-based compensation expense related to these performance-based options for the three and six months ended June 30, 2022 and 2021.

The Company also has granted to certain employees stock options containing market conditions that vest upon the achievement of specified price targets of the Company's share price for a period through December 31, 2024. Vesting is measured based upon the average closing price of the Company's share price for any thirty consecutive trading days, subject to certain service requirements. Stock compensation cost is expensed on a straight-line basis over the derived service period for each stock price target within the award, ranging from approximately 4.0 to 4.6 years. The Company accelerates expense when a stock price target is achieved prior to the derived service period. As of June 30, 2022, there were 450,000 outstanding stock options containing market conditions with a weighted average exercise price of $2.01. As of June 30, 2022, there was $0.1 million of unrecognized compensation costs related to stock options containing market conditions, which is expected to be recognized over a weighted-average period of 1.69 years.

9. Loss per share

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Numerator:				
Net loss (in thousands)	$ (13,388)	$ (16,182)	$ (26,366)	$ (29,581)
Denominator:				
Weighted average shares used in calculating net loss per share — basic and diluted (in thousands)	43,459	35,707	43,442	34,899
Net loss per share — basic and diluted	$ (0.31)	$ (0.45)	$ (0.61)	$ (0.85)

We exclude shares of common stock related to stock options and RSUs from the calculation of diluted net loss per share since the inclusion of such shares would be anti-dilutive. The following table sets forth potential shares that were considered anti-dilutive for the three and six months ended June 30, 2022 and 2021:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Stock Options	8,413,315	6,720,598	8,413,315	6,720,598
RSUs	52,473	125,355	52,473	125,355
	8,465,788	6,845,953	8,465,788	6,845,953

10. 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 a de minimis amount and approximately $0.2 million related to the defined contribution 401(k) Savings Plan for the three and six months ended June 30, 2022, respectively, and a de minimis amount, and approximately $0.2 million for the three and six months ended June 30, 2021, respectively.

11. License Agreement

Akebia License Agreement

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

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

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

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

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

Akebia Supply Agreement

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

The Company determined the Supply Agreement has stand-alone value under the scope of ASC 606 and should not be combined with the License Agreement. Given that the Supply Agreement can be terminated at any time without cause with 30 days notice, the Company deemed the Supply Agreement to be a month-to-month contract. The manufacturing of the Initial Supply by the Company represents a single performance obligation and consideration related to the manufacturing costs will be recognized over time as costs are incurred. The Company recorded $0.1 million, and $0.3 million, as revenue from the Supply Agreement in the three and six months ended June 30, 2022, respectively.

12. Grant Revenue

In August 2021, the Company was approved to receive funding from the PTC Grant for the Phase 2 study of CNS sGC stimulation in AD with vascular features. The granting period is July 1, 2021, to December 31, 2022, and the Company will receive an award of up to $2 million. The Company determined that this transaction is non-reciprocal as there is not considered to be a commensurate value exchanged with the Alzheimer's Association as the

funding provider. Where commensurate value is not exchanged for goods and services provided, a recipient assesses whether the grant is conditional or unconditional. The Company considered all conditions and barriers associated with this grant and determined the grant is conditional and revenue will be recognized upon achieving certain milestones and incurring internal costs specifically covered by this grant. Under ASC 958-605, revenues will be recognized as the Company incurs expenses related to the PTC Grant. The Company recorded approximately $0.2 million and approximately $0.7 million of allowable expenses as grant revenue for the three and six months ended June 30, 2022, respectively.

13. Employee Retention Credit

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") was enacted into law providing an employee retention credit ("ERC"), which is a refundable tax credit against certain employment taxes. The Taxpayer Certainty and Disaster Tax Relief Act of 2020 and the American Rescue Plan Act of 2021 extended and expanded the availability of the ERC. The ERC was available through December 31, 2021 and is equal to 70% of qualified wages paid to employees. During each quarter in 2021, a maximum of $10,000 in qualified wages for each employee is eligible for the ERC. Therefore, the maximum tax credit that can be claimed by an eligible employer in 2021 is $7,000 per employee per calendar quarter. The Company qualified for the ERC for the first three quarters of 2021 because it averaged less than 500 full-time employees in 2019 and had a gross receipts decrease of more than 20% from respective or alternative (comparing gross receipts for the immediately preceding calendar quarter with those for the corresponding calendar quarter in 2019) quarters of 2019, the relevant criteria for the ERC.

During the six months ended June 30, 2022, the Company recorded $0.2 million in the consolidated statement of operations and comprehensive loss as an offset to payroll costs in their respective expense lines.

14. Subsequent Events

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

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

Forward-Looking Information

The following discussion of our financial condition and results of operations should be read in conjunction with the unaudited condensed consolidated financial statements and the corresponding notes included in this Quarterly Report on Form 10-Q, as well as the audited condensed consolidated financial statements and notes thereto included in our Annual Report on Form 10-K, for the fiscal year ended December 31, 2021. This discussion contains forward-looking statements that involve significant risks and uncertainties. As a result of many factors, such as those referenced or set forth under "Cautionary Note Regarding Forward-Looking Statements" and "Risk Factors" in Part II, Item 1A of this Quarterly Report on Form 10-Q, our actual results may differ materially from those anticipated in these forward-looking statements.

Overview

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

We operate in one reportable business segment—human therapeutics.

Financial Overview

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

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

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

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

In June 2022, we announced positive topline clinical data for CY6463 in our signal-seeking clinical study for the potential treatment of MELAS. In this open-label, single-arm study of the oral, once-daily sGC stimulator in eight adults aged 18 or older, improvements were seen across a range of assessments, including mitochondrial disease-associated biomarker such as lactate and GDF-15, a broad panel of inflammatory biomarkers, cerebral blood flow, and functional connectivity between neural networks. These positive effects after 29 days of dosing were supported by correlations across several endpoints. CY6463 was well tolerated with no adverse events and pharmacokinetics were consistent with the Phase 1 study in healthy volunteers. The positive data from this study further support the potential of CY6463 to provide therapeutic benefit to people living with MELAS.

In July 2022, we announced positive topline data from our signal-seeking clinical study of CY6463 for the treatment of CIAS in individuals with stable schizophrenia on a stable, single, atypical antipsychotic regimen. Data from the 14-day, double blind, randomized, placebo-controlled, multiple-ascending-dose study in 48 adults aged 18-50 demonstrate that once-daily CY6463 was safe and well tolerated, with no reports of serious adverse events ("SAEs"), severe adverse events ("AEs"), or treatment discontinuation due to AEs. Study data demonstrate a strong effect on cognitive performance after two weeks of 15mg once-daily dosing. Positive movement on inflammatory biomarkers was also observed. These signals on exploratory endpoints provide further evidence of the pro-cognitive and anti-inflammatory effects of CY6463 observed in preclinical studies and prior clinical trials. Study data demonstrate the translation of sGC multi-dimensional pharmacology and the therapeutic potential of amplifying sGC signaling in the CNS and support the further development of oral, once-daily CY6463.

We have an ongoing signal-seeking clinical study of CY6463 for the potential treatment of ADv. The ADv study will be supported in part by a grant from the Alzheimer's Association's Part the Cloud-Gates Partnership Grant Program, which provides Cyclerion with $2 million of funding over two years.

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

Non-CNS assets. We have other assets that are outside of our current strategic focus. These non-core assets are not being internally developed at this time. *Praliciguat* is an orally administered, once-daily systemic sGC stimulator. On June 3, 2021, we entered into the License Agreement with Akebia relating to the exclusive worldwide license to Akebia of our rights to the development, manufacture, medical affairs and commercialization of pharmaceutical products containing the pharmaceutical compound praliciguat and other related products and forms thereof enumerated in such agreement. *Olinciguat* is an orally administered, once-daily, vascular sGC stimulator that was evaluated in a Phase 2 study of participants with sickle cell disease. We released topline results from this study in October 2020. Olinciguat is available for licensing to a third-party partner.

The following table summarizes our research and development expenses, employee and facility related costs allocated to research and development expense, and discovery and pre-clinical phase programs, for the three and six months ended June 30, 2022 and 2021. The product pipeline expenses relate primarily to external costs associated with nonclinical studies and clinical trial costs, which are presented by development candidates.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
	(in thousands)		(in thousands)	
Product pipeline external costs:				
CY6463	$ 5,047	$ 3,012	$ 9,532	$ 3,876
CY3018	1,463	606	2,396	606
Discovery research	220	—	366	700
Total product pipeline external costs	6,730	3,618	12,294	5,182
Personnel and related internal costs	2,703	2,488	5,987	6,312
Facilities and other	785	5,948	1,680	8,652
Total research and development expenses	$ 10,218	$ 12,054	$ 19,961	$ 20,146

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

Given the inherent uncertainties of pharmaceutical product development, we cannot estimate with any degree of certainty how our programs will evolve, and therefore the amount of time or money that would be required to obtain regulatory approval to market them. As a result of these uncertainties surrounding the timing and outcome of any approvals, we are currently unable to estimate precisely when, if ever, our discovery and development candidates will be approved. We invest carefully in our pipeline, and the commitment of funding for each subsequent stage of our development programs is dependent upon the receipt of clear, supportive data.

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

- The full impact of COVID-19 pandemic continues to develop and could continue to adversely affect our programs and operations, including our clinical trials, corporate development, and other activities. Cyclerion works closely with its clinical trial sites and investigators to deliver trials in a manner consistent with the safety of study participants and healthcare professionals.
- The duration of clinical trials may vary substantially according to the type and complexity of the product candidate and may take longer than expected.
- There is substantial doubt regarding our ability to continue as a going concern. We will need to raise additional financing in upcoming periods, which may not be available on acceptable terms, or at all. Failure to obtain necessary capital when needed may force us to delay, limit or terminate our development efforts or other operations.
- The United States FDA and comparable agencies outside the United States. impose substantial and varying requirements on the introduction of therapeutic pharmaceutical products, which typically require lengthy and detailed laboratory and clinical testing procedures, sampling activities and other costly and time-consuming procedures.
- Data obtained from nonclinical and clinical activities at any step in the testing process may be adverse and lead to discontinuation or redirection of development activity. Data obtained from these activities also are susceptible to varying interpretations, which could delay, limit or prevent regulatory approval.
- The duration and cost of discovery, nonclinical studies and clinical trials may vary significantly over the life of a product candidate and are difficult to predict.
- The costs, timing and outcome of regulatory review of a product candidate may not be favorable, and, even if approved, a product may face post-approval development and regulatory requirements.
- The emergence of competing technologies and products and other adverse market developments may reduce or eliminate the potential value of our pipeline.

As a result of the factors listed in the “Risk Factors” section in Part I, Item 1A of our Annual Report on Form 10-K for the fiscal year ended December 31, 2021, and elsewhere in this Quarterly Report on Form 10-Q, we are unable to determine the duration and costs to complete current or future nonclinical and clinical stages of our product candidates or when, or to what extent, we will generate revenues from the commercialization and sale of our product candidates. Development timelines, probability of success and development costs vary widely. We anticipate that we will make determinations as to which additional programs to pursue and how much funding to direct to each program on an ongoing basis in response to the data from the studies of each product candidate, the competitive landscape and ongoing assessments of such product candidate’s commercial potential.

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

Critical Accounting Policies and Estimates

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

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

All research and development expenses are expensed as incurred. We defer and capitalize nonrefundable advance payments we make for research and development activities until the related goods are received or the related services are performed. A discussion of our critical accounting policies and estimates may be found in our Annual Report on Form 10-K for the fiscal year ended December 31, 2021, in Item 7. *Management's Discussion and Analysis of Financial Condition and Results of Operations* under the heading *Critical Accounting Policies and Estimates.*

Results of Operations

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

Revenues and Expenses

	Three Months Ended June 30,		Change		Six Months Ended June 30,		Change	
	2022	2021	$	%	2022	2021	$	%
	(dollars in thousands)				(dollars in thousands)			
Revenues:								
Revenue from license agreement	$ —	$ 3,000	$ (3,000)	(100)%	$ —	$ 3,000	$ (3,000)	(100)%
Revenue from development agreement	72	—	72	100%	297	62	235	379%
Revenue from grants	234	—	234	100%	720	—	720	100%
Total revenues	306	3,000	(2,694)	(90)%	1,017	3,062	(2,045)	(67)%
Cost and expenses:								
Research and development	10,218	12,054	(1,836)	(15)%	19,961	20,146	(185)	(1)%
General and administrative	3,521	6,241	(2,720)	(44)%	7,473	11,606	(4,133)	(36)%
Loss on lease termination	—	881	(881)	(100)%	—	881	(881)	(100)%
Total cost and expenses	13,739	19,176	(5,437)	(28)%	27,434	32,633	(5,199)	(16)%
Loss from operations	(13,433)	(16,176)	2,743	(17)%	(26,417)	(29,571)	3,154	(11)%
Interest and other income (expenses), net	45	(6)	51	(850)%	51	(10)	61	(610)%
Net loss	$ (13,388)	$ (16,182)	$ 2,794	(17)%	$ (26,366)	$ (29,581)	$ 3,215	(11)%

Revenues. The decrease in revenue of approximately $2.7 million for the three months ended June 30, 2022, compared to the three months ended June 30, 2021, can be attributed primarily to $3.0 million up-front payment from the License Agreement received in the three months ended June 30, 2021, offset by approximately $0.2 million associated with the PTC Grant and approximately $0.1 million of revenue generated from the Akebia Supply Agreement in the three months ended June 30, 2022.

The decrease in revenue of approximately $2.0 million for the six months ended June 30, 2022 compared to the six months ended June 30, 2021 can be attributed to $3.0 million up-front payment from the License Agreement in the six months ended June 30, 2021, offset by approximately $0.7 million associated with the PTC Grant and approximately $0.3 million of revenue generated from the Akebia Supply Agreement in the six months ended June 30, 2022.

Research and development expense. The decrease in research and development expense of approximately $1.8 million for the three months ended June 30, 2022 compared to the three months ended June 30, 2021 was driven by a decrease of approximately $5.1 million in facilities and operating costs allocated to research and development primarily related to approximately $4.2 million of non-cash write-off of leasehold improvements related to the Termination Agreement, and approximately $0.9 million reduction in the Company's total leased premises cost, offset by an increase of $0.2 million in salaries, stock-based compensation and other employee-related expenses, and by a net increase of approximately $3.1 million in external research costs which was driven by an increase of approximately $2.0 million associated with the CIAS and ADv clinical trials, and approximately $1.3 million for CY3018 costs, offset by a decrease of approximately $0.2 million in discovery research.

The decrease in research and development expense of approximately $0.2 million for the six months ended June 30, 2022 compared to the six months ended June 30, 2021 was driven by a decrease of approximately $7.0 million in facilities and operating costs allocated to research and development primarily due to approximately $4.2 million of non-cash write-off of leasehold improvements related to the Termination Agreement, approximately $2.8 million reduction in the Company's total leased premises cost, and a decrease of approximately $0.3 million in salaries, stock-based compensation and other employee-related expenses, offset by a net increase of approximately $7.1 million in external research costs. The increase in external research costs was primarily due to approximately $5.6 million associated with the CIAS and ADv clinical trials, and approximately $2.2 million for CY3018 costs, offset by a decrease of approximately $0.7 million in discovery research.

General and administrative expense. The decrease in general and administrative expenses of approximately $2.7 million for the three months ended June 30, 2022 compared to the three months ended June 30, 2021 was primarily driven by a decrease of approximately $2.1 million in facilities and operating costs, primarily due to $2.1 million of non-cash write off of leasehold improvements in 2021 related to the Termination Agreement, a decrease of approximately $0.5 million in stock-based compensation, and approximately $0.1 million related to salary expense.

The decrease in general and administrative expenses of approximately $4.1 million for the six months ended June 30, 2022 compared to the six months ended June 30, 2021 was primarily driven by a decrease of approximately $2.5 million in facilities and operating costs, primarily due to $2.1 million of non-cash write off of leasehold improvements in 2021 related to the Termination Agreement and $0.4 million reduction in the Company's total leased premises costs, a decrease of approximately $0.9 million in stock-based compensation, and approximately $0.7 million in salaries and other employee-related costs.

Loss on lease termination. No loss was recorded in the three months ended June 30, 2022, compared to a loss on lease modification of $0.9 million recorded in the three months ended June 30, 2021 related to the Termination Agreement to the Head Lease of 301 Binney Street in Cambridge, Massachusetts that was executed on April 30, 2021.

Interest and other income (expenses), net. Interest and other income increased by approximately $0.1 million for the three months ended June 30, 2022 compared to the three months ended June 30, 2021 due to an increase in interest rates.

Interest and other income increased by approximately $0.1 million for the six months ended June 30, 2022 compared to the six months ended June 30, 2021 due to an increase of approximately $0.1 million in interest income driven by higher interest rates.

Liquidity and Capital Resources

Cyclerion has raised approximately $189.3 million net of direct financing expenses with the closing of the 2019 Equity Private Placement on April 2, 2019 and 2020 Equity Private Placement on July, 29, 2020.

On September 3, 2020, the Company entered into the Sales Agreement with Jefferies with respect to the ATM Offering under the Shelf. Under the ATM Offering, the Company may offer and sell, from time to time at its sole discretion, shares of its common stock, having an aggregate offering price of up to $50.0 million through Jefferies as its sales agent. The Company will pay to Jefferies cash commissions of 3.0 percent of the gross proceeds of sales of common stock under the Sales Agreement. The Company has sold 3,353,059 shares of its common stock for net proceeds of $12.5 million under the ATM Offering since entering into the Sales Agreement, with no shares of common stock issued or sold under the ATM Offering during the six months ended June 30, 2022.

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

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

On June 30, 2022, we had approximately $30.3 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.

Continued Nasdaq Listing

On June 1, 2022, the Company received a notice from the Nasdaq Stock Market ("Nasdaq") notifying the Company that, for the last 30 consecutive business days, 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”). The Nasdaq deficiency letter has no immediate effect on the listing of the Company’s common stock, and its common stock will continue to trade on The Nasdaq Global Select Market under the symbol “CYCN” at this time.

In accordance with Nasdaq Listing Rule 5810(c)(3)(A), the Company has been provided a period of 180 calendar days, or until November 28, 2022, to regain compliance with the Bid Price Requirement. If at any time before November 28, 2022, the bid price of the Company’s common stock closes at a $1.00 per share or more for a minimum of 10 consecutive business days, Nasdaq will provide written notification to the Company that it has regained compliance with the Bid Price Requirement. In the event the Company does not regain compliance with the Bid Price Requirement by November 28, 2022, the Company may be afforded an additional 180-day compliance period, provided it demonstrates that it meets all other applicable standards for initial listing on the Nasdaq Capital Market, except the Bid Price Requirement. If the Company does not regain compliance with the Bid Price Requirement by the end of the second compliance period, the Company's stock will 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 regain compliance with the Bid Price Requirement or will otherwise be in compliance with other Nasdaq Listing Rules.

Going Concern

The Company evaluated whether there are conditions and events, considered in the aggregate, that raise substantial doubt about its ability to continue as a going concern within one year after the date that these consolidated financial statements are issued. This evaluation initially does not take into consideration the potential mitigating effect of management’s plans that have not been fully implemented as of the date the financial statements are issued. When substantial doubt exists under this methodology, management evaluates whether the mitigating effect of its plans sufficiently alleviates substantial doubt about the Company’s ability to continue as a going concern. The mitigating effect of management’s plans, however, is only considered if both (1) it is probable that the plans will be effectively implemented within one year after the date that the financial statements are issued, and (2)

it is probable that the plans, when implemented, will mitigate the relevant conditions or events that raise substantial doubt about the entity's ability to continue as a going concern within one year after the date that these consolidated financial statements are issued. In performing its analysis, management excluded certain elements of its operating plan that cannot be considered probable. Under ASC 205-40, the future receipt of potential funding from future partnerships, equity or debt issuances, the potential milestones from the Akebia agreement and reductions in force cannot be considered probable at this time because these plans are not entirely within the Company's control and/or have not been approved by the Board of Directors as of the date of these consolidated financial statements.

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

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

Cash Flows

The following is a summary of cash flows for the years ended June 30, 2022 and 2021:

	Six Months Ended June 30,		Change	
	2022	2021	$	%
	(dollars in thousands)			
Net cash used in operating activities	$ (23,653)	$ (19,964)	$ (3,689)	18%
Net cash provided by investing activities	$ —	$ 1,464	$ (1,464)	(100)%
Net cash provided by financing activities	$ 17	$ 30,657	$ (30,640)	(100)%

Cash Flows from Operating Activities

Net cash used in operating activities was $23.7 million for the six months ended June 30, 2022 compared to $20.0 million for the six months ended June 30, 2021. The increase in net cash used in operations of $3.7 million primarily relates to the non-cash leasehold improvement write off of $6.3 million in the prior year, the recording of non-cash loss on lease termination of $0.9 million in the prior year, and a decrease of stock-based compensation and other non-cash items of $1.5 million, offset by a decrease in our net loss of $3.2 million and an increase in working capital accounts of $1.8 million.

Cash Flows from Investing Activities

Net cash provided by investing activities was $1.5 million for the six months ended June 30, 2021 was primarily related to the cash received from sale of lab equipment in 2021. There was no investing activity in the six months ended June 30, 2022.

Cash Flows from Financing Activities

Net cash provided by financing activities for the six months ended June 30, 2021 of $30.6 million was due to cash received from the June 2021 Equity Private Placement of $18 million, net proceeds from the ATM Offering of $12.5 million, and proceeds from the purchases of shares under the 2019 ESPP. There was no financing activity in the six months ended June 30, 2022.

Debt – Paycheck Protection Program

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

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

Funding Requirements

We expect our expenses to fluctuate as we advance the preclinical activities and clinical trials of our product candidates. Based on our cash and cash equivalents position as of June 30, 2022 and our planned operating expenses and capital expenditure requirements there is substantial doubt regarding our ability to continue as a going concern for a period of one year after the date of this Quarterly Report on Form 10-Q. We will need to raise additional capital in upcoming periods, which may not be available on acceptable terms, or at all. Failure to obtain necessary capital when needed may delay current development of our product candidates, halt new development phases, or other operations.

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

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

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

Until such time, if ever, as we can generate substantial product revenue, we expect to finance our cash needs through a combination of public or private equity offerings, debt financings, collaborations, strategic alliances or licensing arrangements with third parties. To the extent that we raise additional capital through the sale of equity or convertible debt securities, outstanding equity ownership may be materially diluted, and the terms of securities sold in such transactions could include liquidation or other preferences that adversely affect the rights of holders of common stock. Debt financing and preferred equity financing, if available, may involve agreements that include

restrictive covenants that limit our ability to take specified actions, such as incurring additional debt, making capital expenditures or declaring dividends. In addition, debt financing would result in increased fixed payment obligations.

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

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

Contractual Commitments and Obligations

Tax-related Obligations

We exclude assets, liabilities or obligations pertaining to uncertain tax positions from our summary of contractual commitments and obligations as we cannot make a reliable estimate of the period of cash settlement with the respective taxing authorities. As of June 30, 2022, we had no uncertain tax positions.

Other Funding Commitments

As of June 30, 2022, we had, and continue to have, several ongoing studies in various clinical trial stages. Our most significant clinical trial spending is with clinical research organizations, or CROs. The contracts with CROs generally are cancellable, with notice, at our option and do not have any significant cancellation penalties.

Off-Balance Sheet Arrangements

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

New Accounting Pronouncements

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

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

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

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

The term "disclosure controls and procedures," as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act refers to controls and procedures that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. Because there are inherent limitations in all control systems, a control system, no matter how well conceived and operated, can provide only reasonable, as opposed to absolute, assurance that the objectives of the control system are met. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur

because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the control. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Our management, with the participation of our chief executive officer and chief financial officer, evaluated the effectiveness of our disclosure controls and procedures as of the end of the period covered by this report. Based on that evaluation, our chief executive officer and chief financial officer concluded that our disclosure controls and procedures were effective, at the reasonable assurance level, as of the end of the period covered by this report. However, our management does not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent all errors and all fraud.

Changes in Internal Control over Financial Reporting

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

PART II

Item 1. ***Legal Proceedings***

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

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

You should carefully review and consider the information regarding certain factors which could materially affect our business, financial condition or future results set forth under the heading "Risk Factors" in Part I, Item 1A of our Annual Report on Form 10-K for the fiscal year ended December 31, 2021. There have been no material changes from the risk factors previously disclosed in Part I, Item 1A of our Annual Report on Form 10-K, except as set forth below:

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

On June 1, 2022, the Company received a notice from the Nasdaq Stock Market ("Nasdaq") notifying the Company that, for the last 30 consecutive business days, 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"). The Nasdaq deficiency letter has no immediate effect on the listing of the Company's common stock, and its common stock will continue to trade on The Nasdaq Global Select Market under the symbol "CYCN" at this time.

In accordance with Nasdaq Listing Rule 5810(c)(3)(A), the Company has been provided a period of 180 calendar days, or until November 28, 2022, to regain compliance with the Bid Price Requirement. If at any time before November 28, 2022, the bid price of the Company's common stock closes at a $1.00 per share or more for a minimum of 10 consecutive business days, Nasdaq will provide written notification to the Company that it has regained compliance with the Bid Price Requirement. In the event the Company does not regain compliance with the Bid Price Requirement by November 28, 2022, the Company may be afforded an additional 180-day compliance period, provided it demonstrates that it meets all other applicable standards for initial listing on the Nasdaq Capital Market, except the Bid Price Requirement. If the Company does not regain compliance with the Bid Price Requirement by the end of the second compliance period, the Company's stock will 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 regain compliance with the Bid Price Requirement or will otherwise be in compliance with other Nasdaq Listing Rules.

There is substantial doubt regarding our ability to continue as a going concern. We will need to raise substantial additional funding, which may not be available on acceptable terms, if at all, to be able to continue as a going concern and advance any 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. Our continued existence is dependent upon our ability to obtain additional capital. As of December 31, 2021, and June 30, 2022, we had unrestricted cash and cash equivalents of approximately $54.0 million and $30.3 million, respectively. 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 that the financial statements are issued, whether or not we curtail efforts with respect to certain of our product candidates. We will require significant additional funding to advance any of our product candidates beyond the short term.

We are seeking funds through collaborations, strategic alliances, or licensing arrangements with third parties, and such agreements may impact rights to our product candidates or technologies, future revenue streams, research programs or products candidates or to grant licenses on terms that may not be favorable to us. Such

arrangements will limit our participation in the success of any of our product candidates 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 is challenging and financing may not be available in sufficient amounts or on acceptable terms, if at all. 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.

Item 5. ***Other Information***

Not applicable.

Item 6. ***Exhibits***

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

EXHIBIT INDEX

Exhibit No.	Description
10.1	Cyclerion Therapeutics, Inc. Executive Severance Plan
31.1	Certificate of Chief Executive Officer (Principal Executive Officer) pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certificate of Chief Financial Officer (Principal Financial Officer) pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certificate of Chief Executive Officer (Principal Executive Officer) pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certificate of Chief Financial Officer (Principal Financial Officer) pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	Inline XBRL Instance Document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document.
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File.

SIGNATURES

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

CYCLERION THERAPEUTICS, INC.

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

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

Date: August 9, 2022

Exhibit 10.1

CYCLERION THERAPEUTICS, INC.

EXECUTIVE SEVERANCE PLAN

(As Amended and Restated as of April 19, 2022)

Cyclerion Therapeutics, Inc. has adopted this Executive Severance Plan for the benefit of certain senior executive employees of the Company and its subsidiaries, on the terms and conditions hereinafter stated. All capitalized terms used herein are defined in Section 1 hereof. The Plan, as set forth herein, is intended to help retain qualified employees, maintain a stable work environment and provide economic security to eligible employees in the event of certain qualifying terminations of employment. The Plan was originally established effective as of October 1, 2019 and is hereby amended and restated effective as of April 19, 2022.

The benefits under the Plan are not intended as deferred compensation and no individual shall have a vested right in such benefits. The Plan is not intended to be an "employee pension benefit plan" or "pension plan" within the meaning of Section 3(2) of ERISA. Rather, this Plan is unfunded, has no trustee and is administered by the Plan Administrator. This Plan is intended to be a "welfare benefit plan" within the meaning of Section 3(1) of ERISA and to meet the descriptive requirements of a plan constituting a "severance pay plan" within the meaning of regulations published by the Secretary of Labor at Title 29, Code of Federal Regulations, Section 2510.2(b) and is to be administered as a "top-hat" welfare plan exempt from the substantive requirements of ERISA. In addition, the Plan is intended to be a "separation pay plan" under Section 409A, in accordance with the regulations issued thereunder, to the extent applicable.

1.DEFINITIONS. As hereinafter used:

1.1. "Benefit Continuation Period" means (i) in the case of the Tier I Executives, twelve (12) months, provided that if the Chief Executive Officer incurs a Qualifying Termination during the Change in Control Protection Period, the Benefit Continuation Period applicable to the Chief Executive Officer shall be eighteen (18) months, (ii) in the case of the Tier II Executives, six (6) months, provided that if the Tier II Executive incurs a Qualifying Termination during the Change in Control Protection Period, the Benefit Continuation Period applicable to the Tier II Executive shall be nine (9) months, and (iii) in the case of the Tier III Executives, five (5) months, provided that if the Tier III Executive incurs a Qualifying Termination during the Change in Control Protection Period, the Benefit Continuation Period applicable to the Tier III Executive shall be six (6) months.

1.2. "Board" means the Board of Directors of the Company.

1.3. "Cause" has the same definition as is set forth in the Company's 2019 Equity Incentive Plan, as in effect at the time of the Eligible Employee's employment termination; if such plan is no longer in effect at the time of such termination, Cause shall have the same definition as is set forth in the last version of such plan in effect prior to such termination.

1.4. "Change in Control" means:

(i) any "person" (as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended), becomes the "Beneficial Owner" (as defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended), directly or indirectly, of securities of the Company representing more than 50% of the total voting power represented by the Company's then outstanding voting securities (excluding for this purpose any such voting securities held by the Company, or any affiliate, parent or subsidiary of the Company or any employee benefit plan of the Company) pursuant to a transaction or a series of transactions which the Board does not approve;

(ii) a merger or consolidation of the Company, whether or not approved by the Board, which results in the securities of the Company outstanding immediately prior thereto failing to continue to represent (either by remaining outstanding or by being converted into securities of the surviving entity) at least 50% of either (a) the combined voting power of the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation or (b) the total fair market value of the securities of the Company or such surviving entity outstanding immediately after such merger or consolidation;

(iii) the sale or disposition of all or substantially all of the Company's assets (or consummation of any transaction having similar effect) provided that the sale or disposition is of more than two-thirds (2/3) of the assets of the Company; or

(iv) the date a majority of the members of the Board is replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of the members of the Board before the date of the appointment or election; provided, however, that no individual initially appointed or elected to the Board as a result of an actual or threatened election contest with respect to the Company's Board of Directors or as a result of any other actual or threatened solicitation of proxies by or on behalf of any person other than the Board shall be deemed to be endorsed by a majority of the members of the Board.

1.5. "Change in Control Protection Period" means the period commencing three (3) months prior to the earlier of (a) the date that the Company first publicly announces it is conducting negotiations leading to a Change in Control (a "Public Announcement"), or (b) the date that the Company enters into a definitive agreement that would result in a Change in Control (even though still subject to approval by the Company's stockholders and other conditions and contingencies (a "Definitive Agreement"); and ending on the earlier of (i) the date on which the Company announces that the Definitive Agreement described in clause (b) above has been terminated or that the Company's efforts to consummate the Change in Control contemplated by

the Public Announcement or the Definitive Agreement have been abandoned or (ii) the date which is twelve (12) months after the Change in Control.

1.6. "CIC Multiplier" means (i) one and one-half (1.5) for the Chief Executive Officer and one (1) for all other Tier I Executives, (ii) three-quarters (0.75) for the Tier II Executives, and (iii) one-half (0.5) for the Tier III Executives.

1.7. "Code" means the Internal Revenue Code of 1986, as amended.

1.8. "Committee" means the Compensation Committee of the Board.

1.9. "Company" means the Company and its subsidiaries, and any successors thereto.

1.10. "Disability" means an Eligible Employee becoming eligible to receive disability benefits under the Company's long-term disability plan.

1.11. "Effective Date" means April 19, 2022.

1.12. "Effective Date of Termination" means (a) the Eligible Employee's date of death, (b) in the case of a termination of employment by the Company other than for Cause or on account of the Eligible Employee's Disability, the date on which the Eligible Employee's employment actually terminates, as set forth in the notice of termination given by the Company to the Eligible Employee, which date shall be on or within thirty (30) days after the giving of such notice of termination, (c) in the case of termination of employment by an Eligible Employee for Good Reason, the date on which the Eligible Employee's employment actually terminates, as specified in such Eligible Employee's notice of termination given to the Company in accordance with the requirements set forth in Section 1.15 below, (d) in the case of a termination of employment by the Company for Cause, the date on which the Eligible Employee's employment actually terminates as determined by the Company in its sole discretion, or (e) in the case of a termination of employment by an Eligible Employee without Good Reason, the date on which the Eligible Employee's employment actually terminates as set forth in the notice of termination given by the Eligible Employee to the Company, subject to approval by the Company, or as mutually agreed between the Eligible Employee and the Company.

1.13. "Eligible Employee" means any employee of the Company who is at the level of Vice President or above.

1.14. "ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

1.15. "Good Reason" means the occurrence of any of the following conditions without the Eligible Employee's express consent: (a) a material diminution in the Eligible Employee's authority, duties or responsibilities, (b) a material diminution in the Eligible Employee's total target cash compensation, unless such material diminution is in connection with a proportional reduction in compensation for all or substantially all of the Company's officers, (c) the failure by the Company to obtain an agreement from any successor to the business of the Company to

assume and agree to continue the Plan; or (d) the relocation of the Eligible Employee's work place for the Company to a location more than twenty-five (25) miles from the location of the work place effective immediately prior to the relocation request. The Eligible Employee may terminate his or her employment hereunder for Good Reason by (i) providing notice to the Company, specifying in reasonable detail the condition giving rise to the Good Reason, no later than the sixtieth (60th) day following the date that the Eligible Employee knew or should have known (after reasonable inquiry) of the occurrence of that condition, (ii) providing the Company a period of sixty (60) days to remedy the condition so specified in the notice, and (iii) terminating his or her employment for Good Reason within thirty (30) days following the expiration of the period to remedy if the Company fails to remedy the condition.

1.16. "Person" shall mean any individual, corporation, partnership, limited liability company, association, joint-stock company, trust, unincorporated organization, government or political subdivision thereof or other entity.

1.17. "Plan" means this Executive Severance Plan, as set forth herein, as it may be amended and/or restated from time to time.

1.18. "Plan Administrator" means the Committee or such other person or persons appointed from time to time by the Committee to administer the Plan.

1.19. "Pro-Rata Annual Cash Incentive" means an Eligible Employee's annual cash incentive for the year of the Effective Date of Termination, which shall be determined based on the Eligible Employee's annual cash incentive that would have been payable to the Eligible Employee had the Eligible Employee remained employed for the full year in which Effective Date of Termination occurs, based on actual performance, multiplied by a fraction, the numerator of which is the number of days in which the Eligible Employee was employed by Company during the year in which the Effective Date of Termination occurs, and the denominator of which is three hundred sixty-five (365). If the Eligible Employee's Effective Date of Termination occurs before the terms of the Eligible Employee's annual cash incentive are determined for the year in which the Effective Date of Termination occurs, the Pro-Rata Annual Cash Incentive shall be determined based on the Eligible Employee's target annual cash incentive for the calendar year immediately preceding the calendar year in which the Effective Date of Termination occurs, multiplied by a fraction, the numerator of which is the number of days in which the Eligible Employee was employed by Company during the year in which the Effective Date of Termination occurs, and the denominator of which is three hundred sixty-five (365).

1.20. "Qualifying Termination" means (a) the involuntary termination of an Eligible Employee's employment by the Company, other than for Cause, death or Disability or (b) a termination of employment with the Company as a result of a resignation by an Eligible Employee for Good Reason; provided that, in any case, such termination of employment constitutes a "separation from service" within the meaning of Section 409A.

1.21. "Section 409A" means Section 409A of the Code and the regulations and other guidance issued thereunder.

1.22. "Severance Period" means (i) in the case of the Tier I Executives, the twelve (12)-month period following the Tier I Executive's Effective Date of Termination, (ii) in the case of the Tier II Executives, the six (6)-month period following the Tier II Executive's Effective Date of Termination, and (iii) in the case of the Tier III Executive's, the five (5)-month period following the Tier III Executive's Effective Date of Termination.

1.23. "Subsidiary" shall mean any Person of which a majority of its voting power or its equity securities or equity interest is owned directly or indirectly by Cyclerion Therapeutics, Inc.

1.24. "Tier I Executives" means the Eligible Employees who are above the Senior Vice President level.

1.25. "Tier II Executives" means the Eligible Employees who are at the Senior Vice President level.

1.26. "Tier III Executives" means the Eligible Employees who are at the Vice President level.

2.SEVERANCE BENEFITS.

2.1. Generally. Subject to Sections 2.7, 2.9 and 4, each Eligible Employee shall be entitled to severance payments and benefits pursuant to applicable provisions of this Section 2 if the Eligible Employee incurs a Qualifying Termination, or a termination of employment on account of death or Disability.

2.2. Payment of Accrued Obligations. The Company shall pay to each Eligible Employee (or the Eligible Employee's estate in the event of the Eligible Employee's death) who incurs a Qualifying Termination or a termination on account of death or Disability a lump sum payment in cash, paid as soon as practicable but no later than ten business (10) days after the Effective Date of Termination, equal to the sum of (a) the Eligible Employee's accrued but previously unpaid annual base salary, (b) the Eligible Employee's annual cash incentive earned for the fiscal year immediately preceding the fiscal year in which the Effective Date of Termination occurs (if such annual cash incentive has not been paid as of the Effective Date of Termination), (c) the Eligible Employee's accrued but unused paid time off, and (d) reimbursement of reasonable business expenses incurred by the Eligible Employee in accordance with the Company's applicable business expense policy but not yet paid prior to the Effective Date of Termination (provided receipts are submitted on or within five (5) days after the Effective Date of Termination). In addition, the Eligible Employee shall be eligible to receive any other vested benefits under any other employee benefit plan or program of the Company in which such Eligible Employee participated immediately prior to the Effective Date of Termination in accordance with the terms of such plan or program.

2.3. Severance Benefits upon a Qualifying Termination other than during the Change in Control Protection Period. Subject to Sections 2.7, 2.9 and 4, an Eligible Employee who incurs a Qualifying Termination other than during the Change in Control Protection Period will be entitled to the following payments and benefits:

(a) Severance Payment. A payment in cash equal to such Eligible Employee's annual rate of base salary at the rate in effect immediately prior to the Effective Date of Termination, which will be paid in installments in accordance with the Company's normal payroll practices over the Severance Period; provided that if the Eligible Employee's Qualifying Termination is a result of a termination of employment by the Eligible Employee on account of a material reduction in the Eligible Employee's total target cash compensation as set forth in Section 1.15(b) such that the Eligible Employee's base salary has been reduced in connection with such material reduction in total target cash compensation, such Eligible Employee's annual rate of base salary shall be calculated at the rate in effect immediately prior to such reduction.

(b) Pro-Rata Annual Cash Incentive. A lump sum payment in cash equal to the Eligible Employee's Pro-Rata Annual Cash Incentive.

(c) Health Insurance Benefits. If such Eligible Employee is eligible for and timely elects to receive continuation coverage under the Company's group health plan pursuant to Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA") and pays the full COBRA premiums due, the Company will reimburse the premiums paid by the Eligible Employee for the Benefit Continuation Period, less the amount that the Eligible Employee would be required to contribute for group health coverage for the Eligible Employee (and his/her eligible dependents, as applicable) under the Company's group health plan if the Eligible Employee were an active employee of the Company, provided that the obligations of the Company to reimburse the Eligible Employee for benefits described in this Section 2.3(c) shall terminate on the first to occur of any of the following, if any of the following should occur prior to the end of the Benefit Continuation Period: (i) the date of commencement of eligibility of the Eligible Employee under the group health plan of any other employer or (ii) the date of commencement of eligibility of the Eligible Employee for Medicare benefits. The Eligible Employee agrees to notify the Company in writing immediately if during the Benefit Continuation Period the Eligible Employee (x) accepts employment with a subsequent employer who sponsors a group health plan in which the Eligible Employee is eligible to participate or (y) becomes eligible for Medicare, and the Eligible Employee agrees to repay to the Company any COBRA reimbursements for any period during which the Eligible Employee was eligible for benefits under the group health plan of a subsequent employer or eligible for Medicare, as applicable. After the end of the Benefit Continuation Period, the Eligible Employee may continue COBRA coverage, subject to applicable law, at the Eligible Employee's sole expense.

(d) Equity Awards. The treatment of any outstanding equity awards shall be determined in accordance with the terms of the Company equity plan or plans under which they were granted and any applicable award agreements.

2.4. Severance Benefits upon a Qualifying Termination during the Change in Control Protection Period. Subject to Sections 2.7, 2.9 and 4, an Eligible Employee who incurs a Qualifying Termination during the Change in Control Protection Period will be entitled to the following payments and benefits:

(a) Severance Payment. A lump sum payment in cash equal to the product of the applicable CIC Multiplier times the sum of (i) such Eligible Employee's annual rate of base salary at the rate in effect immediately prior Effective Date of Termination; provided that if the Eligible Employee's Qualifying Termination is a result of a termination of employment by the Eligible Employee on account of a material reduction in the Eligible Employee's total target cash compensation as set forth in Section 1.15(b) such that the Eligible Employee's base salary has been reduced in connection with such material reduction in total target cash compensation, such Eligible Employee's annual rate of base salary at the rate in effect immediately prior to such reduction; plus (ii) the Eligible Employee's target annual cash incentive for the year of the Effective Date of Termination; provided that if the Eligible Employee's Qualifying Termination is a result of a termination of employment by the Eligible Employee on account of a material reduction in the Eligible Employee's total target cash compensation as set forth in Section 1.15(b) such that the Eligible Employee's target annual cash incentive has been reduced in connection with such material reduction in total target cash compensation, such Eligible Employee's target annual cash incentive shall be calculated at the rate in effect immediately prior to such reduction.

(b) Pro-Rata Annual Cash Incentive. A lump sum payment in cash equal to the Eligible Employee's Pro-Rata Annual Cash Incentive.

(c) Health Insurance Benefits. If such Eligible Employee is eligible for and timely elects to receive continuation coverage under the Company's group health plan pursuant to COBRA and pays the full COBRA premiums due, the Company will reimburse the premiums paid by the Eligible Employee for the Benefit Continuation Period following the Effective Date of Termination, less the amount that the Eligible Employee would be required to contribute for group health coverage for the Eligible Employee (and his/her eligible dependents, as applicable) under the Company's group health plan if the Eligible Employee were an active employee of the Company, provided that the obligations of the Company to reimburse the Eligible Employee for benefits described in this Section 2.4(c) shall terminate on the first to occur of any of the following, if any of the following should occur prior to the end of the Benefit Continuation Period: (i) the date of commencement of eligibility of the Eligible Employee under the group health plan of any other employer or (ii) the date of commencement of eligibility of the Eligible Employee for Medicare benefits. The Eligible Employee agrees to notify the Company in writing immediately if during the Benefit Continuation Period the Eligible Employee (x) accepts employment with a subsequent employer who sponsors a group health plan in which the Eligible Employee is eligible to participate or (y) becomes eligible for Medicare, and the Eligible Employee agrees to repay to the Company any COBRA reimbursements for any period during which the Eligible Employee was eligible for benefits under the group health plan of a subsequent employer or eligible for Medicare, as applicable. After the end of the Benefit Continuation Period, the Eligible Employee may continue COBRA coverage, subject to applicable law, at the Eligible Employee's sole expense.

(d) Equity Awards. Equity awards that vest based upon the Eligible Employee's continued service over time shall accelerate, become fully vested and/or exercisable, as applicable, as of the later to occur of the Effective Date of Termination and the Change in Control. Equity awards that vest based upon attainment of performance criteria shall vest in

accordance with the terms of the plan and award agreement under which such awards were issued.

2.5. Benefits upon Death or Disability. Subject to Sections 2.9 and 4, an Eligible Employee who incurs a termination of employment on account of the Eligible Employee's death or Disability will be entitled to the following payments and benefits:

(a) Pro-Rata Annual Cash Incentive. A lump sum payment in cash equal to the Eligible Employee's Pro-Rata Annual Cash Incentive.

(b) Equity Awards. The treatment of any outstanding equity awards shall be determined in accordance with the terms of the Company equity plan or plans under which they were granted and any applicable award agreements.

(c) Health Insurance Benefits.

(i) In the event the Eligible Employee's employment is terminated on account the Eligible Employee's death, if the Eligible Employee's eligible dependents are eligible for and timely elect to receive continuation coverage under the Company's group health plan pursuant to COBRA following the Eligible Employee's death and pay the full COBRA premiums due, the Company will reimburse the premiums paid by the eligible dependents for the Benefit Continuation Period following the Effective Date of Termination, less the amount that the Eligible Employee would be required to contribute for group health coverage for the Eligible Employee and his/her eligible dependents under the Company's group health plan if the Eligible Employee were an active employee of the Company, provided that the obligations of the Company to reimburse any eligible dependent for benefits described in this Section 2.5(c) shall terminate on the date of commencement of eligibility of the eligible dependent for Medicare, if such event should occur prior to the end of the Benefit Continuation Period. The eligible dependents agree to notify the Company in writing immediately if eligibility for Medicare occurs prior to the end of the Benefit Continuation Period and the eligible dependents agree to repay to the Company any COBRA reimbursement for any period during which the eligible dependent is eligible for Medicare. After the end of the Benefit Continuation Period, the eligible dependents may continue COBRA coverage, subject to applicable law, at the eligible dependents' sole expense.

(ii) In the event the Eligible Employee's employment is terminated on account of the Eligible Employee's Disability, if such Eligible Employee is eligible for and timely elects to receive continuation coverage under the Company's group health plan pursuant to COBRA and pays the full COBRA premiums due, the Company will reimburse the premiums paid by the Eligible Employee for the Benefit Continuation Period following the Effective Date of Termination, less the amount that the Eligible Employee would be required to contribute for group health coverage for the Eligible Employee (and his/her eligible dependents, as applicable) under the Company's group health plan if the Eligible Employee were an active employee of the Company, provided that the obligations of the Company to reimburse the Eligible Employee for benefits

described in this Section 2.5(c)(ii) shall terminate on the first to occur of any of the following, if any of the following should occur prior to the end of the Benefit Continuation Period: (x) the date of commencement of eligibility of the Eligible Employee under the group health plan of any other employer or (y) the date of commencement of eligibility of the Eligible Employee for Medicare benefits. The Eligible Employee agrees to notify the Company in writing immediately if during the Benefit Continuation Period the Eligible Employee (A) accepts employment with a subsequent employer who sponsors a group health plan in which the Eligible Employee is eligible to participate or (B) becomes eligible for Medicare, and the Eligible Employee agrees to repay to the Company any COBRA reimbursements for any period during which the Eligible Employee was eligible for benefits under the group health plan of a subsequent employer or eligible for Medicare, as applicable. After the end of the Benefit Continuation Period, the Eligible Employee may continue COBRA coverage, subject to applicable law, at the Eligible Employee's sole expense.

2.6. Termination for Cause or without Good Reason. An Eligible Employee whose employment is terminated by the Company for Cause or by the Eligible Employee without Good Reason will be entitled to a lump sum payment in cash, paid as soon as practicable but no later than ten (10) days after the Effective Date of Termination, equal to the sum of (a) the Eligible Employee's accrued but previously unpaid annual base salary, (b) the Eligible Employee's accrued but unused paid time off and (c) reimbursement of reasonable business expenses incurred by the Eligible Employee in accordance with the Company's applicable business expense policy but not yet paid prior to the Effective Date of Termination (provided receipts are submitted on or within five (5) days after the Effective Date of Termination). In addition, the Eligible Employee shall be eligible to receive any other vested benefits under any other employee benefit plan or program of the Company in which such Eligible Employee participated immediately prior to the Effective Date of Termination in accordance with the terms of such plan or program.

2.7. Release. No Eligible Employee who incurs a Qualifying Termination shall be eligible to receive any payments or other benefits under the Plan (other than payment of accrued obligations under Section 2.2 hereof) unless such Eligible Employee is fully in compliance with all confidentiality obligations to the Company and all restrictive covenants, and the Eligible Employee first executes and delivers to the Company a general release in favor of the Company, its affiliates and their respective officers and directors, in a form provided by the Company (the "Release"), which Release shall also contain non-competition provisions no more restrictive than those set forth in Exhibit A hereto, and all applicable statutory revocation periods related to such Release shall expire within sixty (60) days following such Eligible Employee's Effective Date of Termination.

2.8. Timing of Payment. Subject to Section 2.9 below, (a) the payments and benefits described in (i) Sections 2.3(a) and (c), (ii) except as set forth below in Sections 2.8(b) and (c), 2.4(a) and (c), and (iii) 2.5(a) and (c) will be paid or provided (or begin to be paid or provided, as applicable) within sixty (60) days following the Effective Date of Termination and as soon as administratively practicable following the date the Release becomes irrevocable, provided that if the sixty (60)-day period begins in one taxable year and ends in a second taxable year such

payments or benefits shall not commence until the second taxable year and, provided further that any installments not paid between the Effective Date of Termination and the date of the first payment will be paid with the first payment, (b) if the Qualifying Termination occurs during the Change in Control Protection Period and during the period prior to the occurrence of the Change in Control, and the Change in Control is a "change in control event" under Section 409A, the amount determined under Section 2.4(a) (less the amount already paid under Section 2.3(a)) shall be paid in a lump sum within sixty (60) days following the Change in Control, (c) if the Qualifying Termination occurs during the Change in Control Protection Period and during the period prior to the occurrence of the Change in Control, and if the Change in Control is not a "change in control event" under Section 409A, then the payments under Section 2.3(a) shall continue to be paid in installments over the Severance Period and the additional amount determined under Section 2.4(a) (less the amount determined under Section 2.3(a)) shall be paid in a lump sum within sixty (60) days following the Change in Control, (d) if the Qualifying Termination occurs during the Change in Control Protection Period and after the occurrence of the Change in Control, and if the Change in Control is not a "change in control event" under Section 409A, then the payment under 2.4(a) shall be paid in installments over the Severance Period and (e) the payments described in Section 2.3(b), 2.4(b) and 2.5(b) will be paid at the same time and under the same terms and conditions as annual cash incentives are paid to other senior employees of the Company, on or after January 1 but not later than March 15 of the calendar year following the calendar year in which the Eligible Employee's Effective Date of Termination occurs.

2.9. Section 409A. It is intended that payments and benefits under this Plan will not subject Eligible Employees to taxation under Section 409A and, accordingly, this Plan shall be interpreted and administered to be in compliance therewith or an exception thereto. Notwithstanding anything to the contrary, no portion of the benefits or payments to be made under the Plan will be payable until the applicable Eligible Employee has a "separation from service" from the Company within the meaning of Section 409A. In addition, to the extent compliance with the requirements of Treas. Reg. § 1.409A-3(i)(2) (or any successor provision) is necessary to avoid the application of an additional tax under Section 409A to payments and benefits due to the Eligible Employee upon or following his "separation from service", then notwithstanding any other provision of this Agreement (or any otherwise applicable plan, policy, agreement or arrangement), any such payments and benefits that are otherwise due within six (6) months following the Eligible Employee's "separation from service" will be deferred without interest and paid to the Eligible Employee in a lump sum immediately following that six(6)-month period (or upon the Eligible Employee's death, if earlier). For purposes of the application of Section 409A, each payment will be deemed a separate payment and each payment in a series of payments pursuant to the Plan will be deemed a separate payment. Notwithstanding anything herein to the contrary or otherwise, except to the extent any expense, reimbursement or in-kind benefit provided to an Eligible Employee does not constitute a "deferral of compensation" within the meaning of Section 409A, (i) the amount of expenses eligible for reimbursement or in-kind benefits provided to the Eligible Employee during any calendar year will not affect the amount of expenses eligible for reimbursement or in-kind benefits provided to the Eligible Employee in any other calendar year, (ii) the reimbursements for expenses for which the Eligible Employee is entitled to be reimbursed shall be made on or before the last day of the calendar year following the calendar year in which the applicable expense is incurred and (iii) the right to payment or

reimbursement or in-kind benefits hereunder may not be liquidated or exchanged for any other benefit. In no event shall the Eligible Employee designate the year of payment hereunder.

2.10. Nonduplication. With respect to each Eligible Employee, this Plan supersedes all severance, separation, notice, or termination benefits under any other employment, severance or change in control policy, plan, agreement or practice of the Company, including, without limitation, any previously executed employment, severance, or change in control severance agreements, or the Company's Change of Control Severance Benefit Plan, effective April 1, 2019, as amended from time to time. Nothing in this Section 2.10 shall affect an Eligible Employee's vested benefits under any employee benefit plan or program of the Company in which such Eligible Employee participated immediately prior to the Effective Date of Termination in accordance with the terms of such plan or program.

3. PLAN ADMINISTRATION.

3.1. The Plan Administrator shall administer the Plan and may interpret the Plan, prescribe, amend and rescind rules and regulations under the Plan and make all other determinations necessary or advisable for the administration of the Plan, subject to all the provisions of the Plan. All decisions made by the Plan Administrator pursuant to the Plan shall be made in its sole and absolute discretion and shall be final and binding on the Eligible Employees and their beneficiaries and the Company. By accepting payments under this Plan, the Eligible Employee agrees that all decisions made by the Plan Administrator shall be final and binding on the Eligible Employee, the Eligible Employees beneficiaries and any other person having or claiming an interest under the Plan.

3.2. The Plan Administrator may delegate any of its duties hereunder to such person or persons from time to time as it may designate.

3.3. The Plan Administrator is empowered, on behalf of the Plan, to engage accountants, legal counsel and such other personnel as it deems necessary or advisable to assist it in the performance of its duties under the Plan. The functions of any such persons engaged by the Plan Administrator shall be limited to the specified services and duties for which they are engaged, and such persons shall have no other duties, obligations or responsibilities under the Plan. Such persons shall exercise no discretionary authority or discretionary control respecting the management of the Plan. All reasonable expenses thereof shall be borne by the Company.

4. EXCISE TAX.

Unless a more favorable treatment is otherwise provided in an individual agreement with an Eligible Employee, if any of the payments or benefits provided or to be provided by the Company or its affiliates to an Eligible Employee or for the benefit of an Eligible Employee pursuant to this Plan or otherwise ("Covered Payments") constitute parachute payments within the meaning of Section 280G of the Code and would, but for this Section 4 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 the Eligible Employee's 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).

5.PLAN MODIFICATION OR TERMINATION.

The Plan may be terminated or amended by the Board or the Committee at any time. Notwithstanding the foregoing, in no event shall any termination of the Plan or any amendment of the Plan that reduces benefits or excludes Eligible Employees be effective during the period commencing three months prior to the earlier of (a) a Public Announcement or (b) the date the Company enters into a Definitive Agreement and ending on the date that is twelve (12)-months following the Change in Control, unless otherwise required by law.

6.TAXES.

6.1. All benefits hereunder shall be reduced by applicable withholding and shall be subject to applicable tax reporting, as determined by the Plan Administrator.

6.2. In the event that, in the determination of the Company, the Company's reimbursement of COBRA premiums as described in Sections 2.3(c), 2.4(c) or 2.5(c) above could reasonably be expected to subject the Company to liability for any tax or penalty under the Patient Protection and Affordable Care Act (as amended from time to time, the "ACA") or could reasonably be expected to subject any highly compensated individual employed or formerly employed by the Company to adverse tax consequences under Section 105(h) of the Code, or applicable regulations or guidance issued under the ACA or Section 105(h) of the Code, the Company and the Eligible Employee will work together in good faith, consistent with the requirements for compliance with, or exemption from, Section 409A, to restructure such benefit in a manner intended to result in a benefit that is or remains exempt from Section 409A.

7.GENERAL PROVISIONS.

7.1. Except as otherwise provided herein or by law, no right or interest of any Eligible Employee under the Plan shall be assignable or transferable, in whole or in part, either directly or by operation of law or otherwise, including without limitation by execution, levy, garnishment, attachment, pledge or in any manner; no attempted assignment or transfer thereof shall be effective; and no right or interest of any Eligible Employee under the Plan shall be liable for, or subject to, any obligation or liability of such Eligible Employee. When a payment is due under this Plan to a severed employee who is unable to care for his or her affairs, payment may be made directly to his or her legal guardian or personal representative.

7.2. Neither the establishment of the Plan, nor any modification thereof, nor the creation of any fund, trust or account, nor the payment of any benefits shall be construed as giving any Eligible Employee, or any person whomsoever, the right to be retained in the service of the Company or any Subsidiary, and all Eligible Employees shall remain subject to discharge

to the same extent as if the Plan had never been adopted. Nothing herein shall alter the status of each Eligible Employee as an at-will employee of the Company and the Company's right to terminate the employment of any Eligible Employee at any time, with or without Cause, is specifically reserved.

7.3. If any provision of this Plan shall be held invalid or unenforceable, such invalidity or unenforceability shall not affect any other provisions hereof, and this Plan shall be construed and enforced as if such provisions had not been included.

7.4. This Plan shall inure to the benefit of and be binding upon the heirs, executors, administrators, successors and assigns of the parties, including each Eligible Employee and any successor to the Company. If a severed employee shall die while any amount would still be payable to such severed employee hereunder if the severed employee had continued to live, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Plan to the executor, personal representative or administrators of the severed employee's estate.

7.5. The headings and captions herein are provided for reference and convenience only, shall not be considered part of the Plan, and shall not be employed in the construction of the Plan.

7.6. The Plan shall not be required to be funded. Regardless of whether the Plan is funded, no Eligible Employee shall have any right to, or interest in, any assets of any Company which may be applied by the Company to the payment of benefits or other rights under this Plan.

7.7. Any notice or other communication required or permitted pursuant to the terms hereof shall have been duly given when delivered or mailed by United States Mail, first class, postage prepaid, addressed to the intended recipient at his, her or its last known address.

7.8. To the extent not pre-empted by federal law, the Plan shall be construed in accordance with and governed by the laws of Massachusetts without regard to conflicts of law principles. Subject to Section 8.1, any action or proceeding to enforce the provisions of the Plan will be brought only in a state or federal court located in the state of Massachusetts, county of Suffolk, and each party consents to the venue and jurisdiction of such court. The parties hereby irrevocably submit to the exclusive jurisdiction of such courts and waive the defense of inconvenient forum to the maintenance of any such action or proceeding in such venue.

8.DISPUTES.

8.1. Claim. In the event of a claim by any person, including but not limited to any Eligible Employee (the "Claimant"), as to whether such person is entitled to any benefit under the Plan, the amount of any distribution or its method of payment, such Claimant shall present the reason for his or her claim in writing to the Plan Administrator. Such claim must be filed within ninety (90) days following the date upon which the Claimant first learns of his or her claim. All claims shall be in writing, signed and dated and shall briefly explain the basis for the claim. The claim shall be mailed to the Plan Administrator by certified mail at the following address:

Executive Severance Plan Administrator
c/o Chief Financial Officer
Cyclerion Therapeutics, Inc.
245 First Street
Riverview II, 18th Floor
Cambridge, MA 02142

The Plan Administrator shall, within ninety (90) days after receipt of such written claim, decide the claim and send written notification to the Claimant as to its disposition; provided that the Plan Administrator may elect to extend such period for an additional ninety (90) days if special circumstances so warrant and the Claimant is so notified in writing prior to the expiration of the original ninety (90)-day period. In the event the claim is wholly or partially denied, such written notification shall (a) state the specific reason or reasons for the denial; (b) make specific reference to pertinent Plan provisions on which the denial is based; (c) provide a description of any additional material or information necessary for the Claimant to perfect the claim and an explanation of why such material or information is necessary; and (d) set forth the procedure by which the Claimant may appeal the denial of his or her claim. The Claimant may request a review of such denial by making application in writing to the Plan Administrator within sixty (60) days after receipt of such denial. Such application must be via certified mail. The named appeals fiduciary is the Plan Administrator or the person(s) named by the Plan Administrator to review the Claimant's appeal. Such Claimant (or his or her duly authorized representative) may, upon written request to the Plan Administrator, review any documents pertinent to his or her claim, and submit in writing issues and comments in support of his or her claim or position. Within sixty (60) days after receipt of a written appeal, the named appeals fiduciary shall decide the appeal and notify the Claimant of the final decision; provided that the named appeals fiduciary may elect to extend such for an additional sixty (60) days if special circumstances so warrant and the Claimant is so notified in writing prior to the expiration of the original sixty (60)-day period. The final decision shall be in writing and shall include specific reasons for the decision, written in a manner calculated to be understood by the Claimant, and specific references to the pertinent Plan provisions on which the decision is based. The decision of the Plan Administrator shall be final and conclusive on all persons claiming benefits under the Plan, subject to applicable law.

8.2. Exhaustion and Time Limit to Arbitrate. A claim or action (a) to recover benefits allegedly due under the Plan or by reason of any law, (b) to enforce rights under the Plan, (c) to clarify rights to future benefits under the Plan, or (d) that relates to the Plan and seeks a remedy, ruling or decision of any kind against the Plan or a Plan fiduciary or party in interest (collectively, a "Arbitration Claim"), must be made only and exclusively by submitting the matter to arbitration and may not be arbitrated until after the Claimant has exhausted the Plan's claims and appeals procedures set forth in Section 7.1 above (an "Administrative Claim"). In such event, the Claimant and the Plan Administrator shall select an arbitrator from a list of names supplied by JAMS, Inc. ("JAMS") in accordance with JAMS' procedures for selection of arbitrators, and the arbitration shall be conducted in accordance with the JAMS Employment Arbitration Rules and Procedures and subject to the JAMS Policy on Employment Arbitration Minimum Standards of Procedural Fairness. The arbitrator's authority shall be limited to the

affirmation or reversal of the Plan Administrator's denial on appeal, and the arbitrator shall have no power (a) to alter, add to or subtract from any provision of this Plan, or (b) to reverse the Plan Administrator's denial on appeal unless he or she determines, based on the administrative record before the Plan Administrator, that such denial on appeal was unreasonable. Any Arbitration Claim must be commenced no later than two (2) years from the earliest of (i) the date the first benefit payment was made or allegedly due; or (ii) the date the Plan Administrator or its delegate first denied the Claimant's request; provided, however, that, if the Claimant commences an Administrative Claim before the expiration of such two (2)-year period, the period for commencing an Arbitration Claim shall expire on the later of the end of the two (2)-year period and the date that is three (3) months after the Claimant's appeal of the initial denial of his Administrative Claim is finally denied, such that the Claimant has exhausted the Plan's claims and appeals procedures. Any claim or action that is commenced, filed or raised, whether an Arbitration Claim or an Administrative Claim, after expiration of such two (2)-year period (or, if applicable, expiration of the three (3)-month period following exhaustion of the Plan's claims and appeals procedures) shall be time-barred.

8.3. Payment of Fees. All reasonable legal fees and expenses of the Claimant incurred in pursuing a claim in accordance with Section 8.1 shall be reimbursed to such Claimant by the Company, but only if the Claimant substantially prevails with respect to such claim.

9. RECOUPMENT POLICY.

Eligible Employees and any severance benefits to which Eligible Employees shall be entitled to under the Plan shall be subject to any compensation, clawback and recoupment policies as required by the Dodd-Frank Act or otherwise that may be applicable to the Eligible Employee as an employee of the Company, as in effect from time to time and as approved by the Board, the Committee or a duly authorized committee thereof, whether or not such policies are approved before or after the Effective Date.

Exhibit A

Non-competition Provision

During the one (1) year period following termination of the Eligible Employee's employment with the Company, the Eligible Employee shall not, directly or indirectly, alone or as a partner, officer, director, employee, stockholder or in any other position on behalf of any entity, engage in any business activity anywhere in the world, which is in competition with the products or services being developed, manufactured, promoted, marketed or sold by the Company, that such Eligible Employee worked on and/or learned confidential information about during his or her employment with the Company.

Exhibit 31.1

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

I, Peter M. Hecht, certify that:

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

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

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

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

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

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

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

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

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

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

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

Date: August 9, 2022

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

Exhibit 31.2

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

I, Anjeza Gjino, certify that:

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

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

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

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

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

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

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

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

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

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

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

Date: August 9, 2022

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

Exhibit 32.1

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

I, Peter M. Hecht, certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge, the Quarterly Report on Form 10-Q of Cyclerion Therapeutics, Inc. for the period ended June 30, 2022 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and the information contained in such Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of Cyclerion Therapeutics, Inc.

Date: August 9, 2022

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

Exhibit 32.2

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

I, Peter M. Hecht, certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge, the Quarterly Report on Form 10-Q of Cyclerion Therapeutics, Inc. for the period ended June 30, 2022 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and the information contained in such Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of Cyclerion Therapeutics, Inc.

Date: August 9, 2022

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