

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended **March 31, 2024**

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 **000-50626**

CYCLACEL PHARMACEUTICALS, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or Other Jurisdiction
of Incorporation or Organization)

91-1707622
(I.R.S. Employer
Identification No.)

200 Connell Drive, Suite 1500
Berkeley Heights, New Jersey
(Address of principal executive offices)

07922
(Zip Code)

Registrant's telephone number, including area code: **(908) 517-7330**

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

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock, par value \$0.001 per share	CYCC	The Nasdaq Stock Market LLC
Preferred Stock, \$0.001 par value	CYCCP	The Nasdaq Stock Market LLC

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

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See 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
Non-accelerated filer

Accelerated filer
Smaller reporting filer
Emerging growth company

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

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

As of May 9, 2024 there were 1,463,259 shares of the registrant's common stock outstanding.

CYCLACEL PHARMACEUTICALS, INC.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

**CYCLACEL PHARMACEUTICALS, INC.
CONSOLIDATED BALANCE SHEETS**

(In \$000s, except share, per share, and liquidation preference amounts)
(Unaudited)

	March 31, 2024	December 31, 2023
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 2,798	\$ 3,378
Prepaid expenses and other current assets	2,037	4,066
Total current assets	4,835	7,444
Property and equipment, net	7	9
Right-of-use lease asset	79	93
Non-current deposits	1,244	1,259
Total assets	<u>\$ 6,165</u>	<u>\$ 8,805</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 5,200	\$ 3,543
Accrued and other current liabilities	3,150	4,618
Total current liabilities	8,350	8,161
Lease liability	21	37
Total liabilities	8,371	8,198
Stockholders' equity:		
Preferred stock, \$0.001 par value; 5,000,000 shares authorized at March 31, 2024 and December 31, 2023;		
6% Convertible Exchangeable preferred stock; 335,273 shares issued and outstanding at March 31, 2024 and December 31, 2023. Aggregate preference in liquidation of \$4,056,803 as of March 31, 2024 and \$4,006,512 as of December 31, 2023	—	—
Series A convertible preferred stock, \$0.001 par value; 264 shares issued and outstanding at March 31, 2024 and December 31, 2023	—	—
Series B convertible preferred stock, \$0.001 par value; 0 shares issued and outstanding at March 31, 2024 and 119,000 shares issued and outstanding at December 31, 2023	—	—
Common stock, \$0.001 par value; 100,000,000 shares authorized at March 31, 2024 and December 31, 2023; 1,318,259 shares issued and outstanding at March 31, 2024 and 1,058,892 shares issued and outstanding at December 31, 2023	1	1
Additional paid-in capital	429,919	429,796
Accumulated other comprehensive loss	(898)	(908)
Accumulated deficit	(431,228)	(428,282)
Total stockholders' equity	(2,206)	607
Total liabilities and stockholders' equity	<u>\$ 6,165</u>	<u>\$ 8,805</u>

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

CYCLACEL PHARMACEUTICALS, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS

(In \$000s, except share and per share amounts)
(Unaudited)

	Three Months Ended	
	March 31,	
	2024	2023
Revenues:		
Clinical trial supply	\$ 29	\$ —
Revenues	\$ 29	\$ —
Operating expenses:		
Research and development	2,802	5,674
General and administrative	1,582	1,645
Total operating expenses	4,384	7,319
Operating loss	(4,355)	(7,319)
Other income:		
Foreign exchange gains (losses)	1	(87)
Interest income	2	116
Other income, net	52	166
Total other income, net	55	195
Loss before taxes	(4,300)	(7,124)
Income tax benefit	1,354	1,320
Net loss	(2,946)	(5,804)
Dividend on convertible exchangeable preferred shares	—	(50)
Net loss applicable to common shareholders	\$ (2,946)	\$ (5,854)
Basic and diluted earnings per common share:		
Net loss per share – basic and diluted (common shareholders)	\$ (2.27)	\$ (7.00)
Net loss per share – basic and diluted (redeemable common shareholders)	\$ —	\$ (7.00)

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

CYCLACEL PHARMACEUTICALS, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

(In \$000s)
(Unaudited)

	Three Months Ended	
	March 31,	
	2024	2023
Net loss	\$ (2,946)	\$ (5,804)
Translation adjustment	2,140	(5,171)
Unrealized foreign exchange gain (loss) on intercompany loans	(2,130)	5,263
Comprehensive loss	\$ (2,936)	\$ (5,712)

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

CYCLACEL PHARMACEUTICALS, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(In \$000s, except share amounts)
(Unaudited)

	Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount	Shares	Amount				
Balances at December 31, 2022	573,282	\$ —	628,139	\$ 1	\$ 422,981	\$ (1,316)	\$ (405,727)	\$ 15,939
Stock-based compensation	—	—	—	—	401	—	—	401
Preferred stock dividends	—	—	—	—	(50)	—	—	(50)
Unrealized foreign exchange on intercompany loans	—	—	—	—	—	5,263	—	5,263
Translation adjustment	—	—	—	—	—	(5,171)	—	(5,171)
Loss for the period	—	—	—	—	—	—	(5,804)	(5,804)
Balances at March 31, 2023	573,282	\$ —	628,139	\$ 1	\$ 423,332	\$ (1,224)	\$ (411,531)	\$ 10,578
Balances at December 31, 2023	454,537	\$ —	1,058,892	\$ 1	\$ 429,796	\$ (908)	\$ (428,282)	\$ 607
Issue of common stock upon conversion of pre-funded warrants in underwritten offering net of issuance costs	—	—	219,700	—	(80)	—	—	(80)
Series B Preferred stock conversions	(119,000)	—	39,667	—	—	—	—	—
Stock-based compensation	—	—	—	—	203	—	—	203
Preferred stock dividends	—	—	—	—	—	—	—	—
Unrealized foreign exchange on intercompany loans	—	—	—	—	—	(2,130)	—	(2,130)
Translation adjustment	—	—	—	—	—	2,140	—	2,140
Loss for the period	—	—	—	—	—	—	(2,946)	(2,946)
Balances at March 31, 2024	335,537	\$ —	1,318,259	\$ 1	\$ 429,919	\$ (898)	\$ (431,228)	\$ (2,206)

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

CYCLACEL PHARMACEUTICALS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

(In \$000s)
(Unaudited)

	Three Months Ended	
	March 31,	
	2024	2023
Operating activities:		
Net loss	\$ (2,946)	\$ (5,804)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	2	8
Stock-based compensation	203	401
Changes in lease liability	(16)	(26)
Changes in operating assets and liabilities:		
Prepaid expenses and other assets	2,020	(1,234)
Accounts payable, accrued and other current liabilities	254	(206)
Net cash used in operating activities	<u>(483)</u>	<u>(6,861)</u>
Investing activities:		
Purchase of property, plant and equipment	—	(6)
Net cash used in investing activities	<u>—</u>	<u>(6)</u>
Financing activities:		
Costs from issuing common stock and pre-funded warrants	(79)	—
Payment of preferred stock dividend	—	(50)
Net cash used in financing activities	<u>(79)</u>	<u>(50)</u>
Effect of exchange rate changes on cash and cash equivalents	(18)	7
Net (decrease) in cash and cash equivalents	(580)	(6,910)
Cash and cash equivalents, beginning of period	3,378	18,345
Cash and cash equivalents, end of period	<u>\$ 2,798</u>	<u>\$ 11,435</u>
Supplemental cash flow information:		
Cash received during the period for:		
Interest	\$ 1	\$ 116
Research & development tax credits	\$ 2,925	\$ —
Cash paid during the period for:		
Taxes	\$ 2	\$ 2
Non cash financing activities:		
Accrual of preferred stock dividends	\$ —	\$ 50

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

CYCLACEL PHARMACEUTICALS, INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

1. Company Overview

Nature of Operations

Cyclacel Pharmaceuticals, Inc. (“Cyclacel” or the “Company”) is a clinical-stage biopharmaceutical company developing innovative cancer medicines based on cell cycle, transcriptional regulation, epigenetics and mitosis control biology. Cyclacel is a pioneer company in the field of cancer cell cycle biology with a vision to improve patient healthcare by translating insights in cancer biology into medicines that can overcome resistance and ultimately increase a patient’s overall survival.

Through March 31, 2024, substantially all efforts of the Company to date have been devoted to performing research and development, conducting clinical trials, developing and acquiring intellectual property, raising capital and recruiting and training personnel.

2. Summary of Significant Accounting Policies

Basis of Presentation

The consolidated balance sheet as of March 31, 2024, the consolidated statements of operations, comprehensive loss, stockholders’ equity, and cash flows for the three months ended March 31, 2024 and 2023, and all related disclosures contained in the accompanying notes, are unaudited. The consolidated balance sheet as of December 31, 2023 is derived from the audited consolidated financial statements included in the Annual Report on Form 10-K for the fiscal year ended December 31, 2023 filed with the Securities and Exchange Commission (the “SEC”) on March 21, 2024. The consolidated financial statements are presented on the basis of accounting principles that are generally accepted in the United States (“GAAP”) for interim financial information and in accordance with the rules and regulations of the SEC. Accordingly, they do not include all the information and footnotes required by accounting principles generally accepted in the United States for a complete set of financial statements. In the opinion of management, all adjustments, which include only normal recurring adjustments necessary to present fairly the consolidated balance sheet as of March 31, 2024, and the results of operations, comprehensive loss, and cash flows for the three months ended March 31, 2024 and 2023, have been made. The interim results for the three months ended March 31, 2024 are not necessarily indicative of the results to be expected for the year ending December 31, 2024 or for any other reporting period. The consolidated financial statements should be read in conjunction with the audited consolidated financial statements and the accompanying notes for the year ended December 31, 2023 that are included in the Company’s Annual Report on Form 10-K filed with the SEC on March 21, 2024.

Going Concern

Pursuant to the requirements of Accounting Standard Codification (“ASC”) 205-40, *Presentation of Financial Statements-Going Concern*, management is required at each reporting period to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about an entity’s ability to continue as a going concern within one year after the date that the 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 effects of its plans sufficiently alleviate the 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 for one year after the date that these 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 receipts of potential funding from future equity or debt issuances or by entering into partnership agreements cannot be considered probable at this time because these plans are not entirely

within the Company's control nor have they been approved by the Board of Directors as of the date of these consolidated financial statements.

Based on the Company's current operating plan, it is anticipated that cash and cash equivalents of \$2.8 million as of March 31, 2024, together with the \$8.0 million gross proceeds from equity financing received in May 2024 will allow it to meet its liquidity requirements into the fourth quarter of 2024. The Company's history of losses, negative cash flows from operations, potential rescission rights, liquidity resources currently on hand, and its dependence on the ability to obtain additional financing to fund its operations after the current resources are exhausted, about which there can be no certainty, have resulted in the assessment that there is substantial doubt about the Company's ability to continue as a going concern for a period of at least twelve months from the issuance date of these financial statements. While the Company has plans in place to mitigate this risk, which primarily consist of raising additional capital through a combination of public or private equity or debt financings or by entering into partnership agreements for further development of our drug candidates, there is no guarantee that it will be successful in these mitigation efforts. The accompanying consolidated financial statements have been prepared on a going concern basis, which contemplates realization of assets and the satisfaction of liabilities in the normal course of business.

Recently Issued Accounting Pronouncements

The Financial Accounting Standards Board ("FASB") has issued Accounting Standards Update ("ASU") 2020-04, "Reference Rate Reform (Topic 848)". This standard provides optional expedients and exceptions for applying GAAP to contracts, hedging relationships, and other transactions affected by reference rate reform initiatives that would replace interbank offered rates, including the London Interbank Offered Rate (LIBOR). For example, modifications of lease contracts within the scope of ASC 842 solely for changes in reference rates would be accounted for as a continuation of the existing contracts with no reassessments of the lease classification and the discount rate. Following the issuance of ASU 2022-06, "Reference Rate Reform (Topic 848): Deferral of the Sunset Date of Topic 848", the relief remains effective for all entities as of March 12, 2020 through December 31, 2024. The Company does not currently have any contracts affected by this guidance.

The FASB has issued ASU 2023-07, "Segment Reporting (Topic 280)". This standard will require all public entities – even those like the Company that have a single reportable segment – to disclose additional information about the title and position of the Chief Operating Decision Maker ("CODM"), the measure or measures of segment profit and loss used by the CODM in assessing segment performance and deciding how to allocate resources, an explanation of how the CODM uses the reported measure(s) in assessing segment performance, significant segment expenses that are regularly provided to the CODM, and a reconciliation of segment profit and loss to the closest consolidated totals prepared under United States GAAP. The amendments in ASU 2023-07 are effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. ASU 2023-07 will not change the way in which reportable segments are determined. However, the Company is currently evaluating the effects of ASU 2023-07 on its financial statement presentation and disclosures.

The FASB has issued ASU 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures". This standard will require all entities to disclose the amount of income taxes paid (net of refunds received) disaggregated by federal (national), state, and foreign for each annual reporting period. The guidance in ASU 2023-09 becomes effective for annual periods beginning after December 15, 2024. The Company does not anticipate that ASU 2023-09 will require significant adjustments to the presentation of that information.

Fair Value of Financial Instruments

Financial instruments consist of cash equivalents, accounts payable and accrued liabilities. The carrying amounts of cash equivalents, accounts payable and accrued liabilities approximate their respective fair values due to the nature of the accounts, notably their short maturities.

Comprehensive Income (Loss)

All components of comprehensive income (loss), including net income (loss), are reported in the financial statements in the period in which they are recognized. Comprehensive income (loss) is defined as the change in equity during a period from transactions and other events and circumstances from non-owner sources. Net income (loss) and other comprehensive income (loss), including foreign currency translation adjustments, are reported, net of any related tax effect, to arrive at comprehensive income (loss). No taxes were recorded on items of other comprehensive income (loss). There were no reclassifications out of other comprehensive income (loss) during the three months ended March 31, 2024 and 2023.

Foreign Currency and Currency Translation

Transactions that are denominated in a foreign currency are remeasured into the functional currency at the current exchange rate on the date of the transaction. Any foreign currency-denominated monetary assets and liabilities are subsequently remeasured at current exchange rates, with gains or losses recognized as foreign exchange (losses) gains in the statement of operations. This accounting policy is also applied to intercompany payables or receivables for which settlement is planned or anticipated in the foreseeable future.

The assets and liabilities of the Company's international subsidiary are translated from its functional currency into United States dollars at exchange rates prevailing at the balance sheet date. Average rates of exchange during the period are used to translate the statement of operations, while historical rates of exchange are used to translate any equity transactions. Translation adjustments arising on consolidation due to differences between average rates and balance sheet rates, as well as unrealized foreign exchange gains or losses arising from translation of intercompany loans for which settlement is not planned or anticipated in the foreseeable future and that are of a long-term-investment nature, are recorded in other comprehensive loss.

Leases

The Company accounts for lease contracts in accordance with ASC 842. As of March 31, 2024, the Company's outstanding leases are classified as operating leases.

The Company recognizes an asset for the right to use an underlying leased asset for the lease term and records lease liabilities based on the present value of the Company's obligation to make lease payments under the lease. As the Company's leases do not indicate an implicit rate, the Company uses a best estimate of its incremental borrowing rate to discount the future lease payments. The Company estimates its incremental borrowing rate based on observable information about risk-free interest rates that are the same tenure as the lease term, adjusted for various factors, including the effects of assumed collateral, the nature of how the loan is repaid (e.g., amortizing versus bullet), and the Company's credit risk.

The Company evaluates options included in its lease agreements to extend or terminate the lease. The Company will reflect the effects of exercising those options in the lease term when it is reasonably certain that the Company will exercise that option. In assessing whether it is reasonably certain that the Company will exercise an option, the Company considers factors such as:

- The lease payments due in any optional period;
- Penalties for failure to exercise (or not exercise) the option;
- Market factors, such as the availability of similar assets and current rental rates for such assets;
- The nature of the underlying leased asset and its importance to the Company's operations; and
- The remaining useful lives of any related leasehold improvements.

Lease expense for operating leases is recognized on a straight-line basis over the lease term. Variable lease payments, if any, are recognized in the period when the obligation to make those payments is incurred. Lease incentives received prior to lease commencement are recorded as a reduction in the right-of-use asset. Fixed lease incentives received after lease commencement reduce both the lease liability and the right-of-use asset.

The Company has elected an accounting policy to account for the lease and non-lease components as a single lease component.

Revenue Recognition

When the Company enters into contracts with customers, the Company recognizes revenue using the five step-model provided in ASC 606, *Revenue from Contracts with Customers* (“ASC 606”):

- (1) identify the contract with a customer;
- (2) identify the performance obligations in the contract;
- (3) determine the transaction price;
- (4) allocate the transaction price to the performance obligations in the contract; and
- (5) recognize revenue when, or as, the Company satisfies a performance obligation.

The transaction price includes fixed payments and an estimate of variable consideration, including milestone payments. The Company determines the variable consideration to be included in the transaction price by estimating the most likely amount that will be received and then applies a constraint to reduce the consideration to the amount which is probable of being received. When applying the constraint, the Company considers:

- Whether achievement of a development milestone is highly susceptible to factors outside the entity’s influence, such as milestones involving the judgment or actions of third parties, including regulatory bodies;
- Whether the uncertainty about the achievement of the milestone is not expected to be resolved for a long period of time;
- Whether the Company can reasonably predict that a milestone will be achieved based on previous experience; and
- The complexity and inherent uncertainty underlying the achievement of the milestone.

The transaction price is allocated to each performance obligation based on the relative selling price of each performance obligation. The best estimate of the selling price is determined after considering all reasonably available information, including market data and conditions, entity-specific factors such as the cost structure of the deliverable and internal profit and pricing objectives.

The revenue allocated to each performance obligation is recognized as or when the Company satisfies the performance obligation.

The Company recognizes a contract asset, when the value of satisfied (or part satisfied) performance obligations is in excess of the payment due to the Company, and deferred revenue when the amount of unconditional consideration is in excess of the value of satisfied (or part satisfied) performance obligations. Once a right to receive consideration is unconditional, that amount is presented as a receivable.

Grant revenue received from organizations that are not the Company’s customers, such as charitable foundations or government agencies, is presented as a reduction against the related research and development expenses.

3. Revenue

The Company recognized \$29,000 of revenue for the three months ended March 31, 2024, relating to recovery of clinical manufacturing costs associated with an investigator sponsored. There were no revenues recognized for the comparative period in 2023.

4. Net Loss per Common Share

The Company calculates net loss per common share in accordance with ASC 260 “Earnings Per Share” (“ASC 260”). Basic and diluted net loss per common share was determined by dividing net loss applicable to common stockholders by the weighted average number of shares of common stock outstanding during the period.

The following potentially dilutive securities have not been included in the computation of diluted net loss per share for the three months ended March 31, 2024 and 2023, as the result would be anti-dilutive:

	March 31, 2024	March 31, 2023
Stock options	148,578	106,922
Restricted Stock Units	44,918	26,310
6% convertible exchangeable preferred stock	6	6
Series A preferred stock	440	440
Series B preferred stock	—	79,248
Common stock warrants	635,550	215,625
Total shares excluded from calculation	<u>829,492</u>	<u>428,551</u>

5. Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consisted of the following (in \$000s):

	March 31, 2024	December 31, 2023
Research and development tax credit receivable	\$ 1,343	\$ 2,933
Prepayments and VAT receivable	329	792
Other current assets	365	341
	<u>\$ 2,037</u>	<u>\$ 4,066</u>

6. Non-Current Assets

As of March 31, 2024, the Company had non-current assets of \$1.2 million, which comprised of clinical trial deposits held by a contract research organization in relation to the Company’s Phase 1/2 clinical trials.

7. Accrued and Other Liabilities

Accrued and other current liabilities consisted of the following (in \$000s):

	March 31, 2024	December 31, 2023
Accrued research and development	\$ 2,531	\$ 3,668
Accrued legal and professional fees	323	570
Other current liabilities	296	380
	<u>\$ 3,150</u>	<u>\$ 4,618</u>

8. Leases

The Company currently has an operating lease relating to its facilities in Berkeley Heights, New Jersey.

For the three months ended March 31, 2024 and 2023, the Company recognized operating lease expenses of \$19,039 and \$17,949, respectively, including \$3,011 and \$1,945 respectively relating to a short term lease for offices in

Dundee, Scotland. Cash payments made during the three months ended March 31, 2024 and 2023 totaled \$19,037 and \$17,634, respectively, and were presented within cash outflows from operating activities. The remaining lease term as of March 31, 2024 is approximately 1.3 years for the Berkeley Heights facility. The discount rate used by the Company in determining the lease liability was 12%.

Remaining lease payments for both facilities are as follows (in \$000s):

2024	\$	49
2025		38
Thereafter		—
Total future minimum lease obligation	\$	87
Less imputed interest		(8)
Total	\$	79

9. Stock Based Compensation

ASC 718 requires compensation expense associated with share-based awards to be recognized over the requisite service period which, for the Company, is the period between the grant date and the date the award vests or becomes exercisable. Most of the awards granted by the Company (and still outstanding) vest ratably over one to four years. The Company recognizes all share-based awards under the straight-line attribution method, assuming that all granted awards will vest. Forfeitures are recognized in the periods when they occur.

Stock based compensation has been reported within expense line items on the consolidated statement of operations for the three months ended March 31, 2024 and 2023 as shown in the following table (in \$000s):

	Three Months Ended March 31,	
	2024	2023
General and administrative	\$ 149	\$ 279
Research and development	54	122
Stock-based compensation costs	\$ 203	\$ 401

2018 Plan

In May 2018, the Company's stockholders approved the 2018 Equity Incentive Plan (the "2018 Plan"), under which Cyclacel may make equity incentive grants to its officers, employees, directors and consultants. The 2018 Plan replaced the 2015 Equity Incentive Plan (the "2015 Plan").

The 2018 Plan allows for various types of award grants, including stock options and restricted stock units.

On June 13, 2023, the Company's stockholders approved an additional 60,000 shares of common stock that may be issued under the 2018 Plan. As of March 31, 2024, the Company has reserved 9,213 shares of the Company's common stock under the 2018 Plan for future issuances. Stock option awards granted under the Company's equity incentive plans have a maximum life of 10 years and generally vest over a one to four-year period from the date of grant.

2020 Inducement Equity Incentive Plan

In October 2020, the Inducement Equity Incentive Plan (the "Inducement Plan"), became effective. Under the Inducement Plan, Cyclacel may make equity incentive grants to new senior level Employees (persons to whom the Company may issue securities without stockholder approval). The Inducement Plan allows for the issuance of up to 13,333 shares of the Company's common stock (or the equivalent of such number). As of March 31, 2024, 8,000 shares under the Inducement Plan have been issued, leaving a remaining reserve of 5,333 shares.

Option Grants and Exercises

There were 12,500 options granted during the quarter ended March 31, 2024, all issued under the 2018 Plan. These options had a grant date fair value of \$1.77 per option. There were 733 options granted during the three months ended March 31, 2023. These options had a grant date fair value ranging between \$7.56-\$10.98 per option.

All of the options granted during the quarter ended March 31, 2024 shall vest six months from their date of grant. All of the options granted in the quarter ended March 31, 2023 will vest in monthly installments over three years from the date of grant.

The fair value of the stock options granted is calculated using the Black-Scholes option-pricing model as prescribed by ASC 718 using the following assumptions:

	Three months ended March 31, 2024	Three months ended March 31, 2023
Expected term (years)	6	5
Risk free interest rate	3.995%	3.660% – 4.160%
Volatility	93%	89% – 90%
Expected dividend yield over expected term	0.00%	0.00%
Resulting weighted average grant date fair value	\$1.77	\$8.49

There were no stock options exercised during each of the three months ended March 31, 2024 and 2023, respectively. The Company does not expect to be able to benefit from the deduction for stock option exercises that may occur because the company has tax loss carryforwards from prior periods that would be expected to offset any potential taxable income.

As of March 31, 2024, the total remaining unrecognized compensation cost related to the non-vested stock options with service conditions amounted to approximately \$0.7 million, which will be amortized over the weighted-average remaining requisite service period of 1.1 years.

Outstanding Options

A summary of the share option activity and related information is as follows:

	Number of Options Outstanding	Weighted Average Exercise Price Per Share	Weighted Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value (\$000)
Options outstanding at December 31, 2023	142,796	\$ 50.20	7.96	\$ —
Granted	12,500	\$ 2.28	—	\$ —
Exercised	—	\$ —	—	\$ —
Cancelled/forfeited	(6,718)	\$ 21.78	—	\$ —
Options outstanding at March 31, 2024	<u>148,578</u>	\$ 47.46	7.25	\$ —
Unvested at March 31, 2024	<u>57,232</u>	\$ 15.10	9.06	\$ —
Vested and exercisable at March 31, 2024	<u>91,346</u>	\$ 67.73	6.12	\$ —

Restricted Stock Units

The Company issued 12,500 restricted stock units during the three months ended March 31, 2024. These restricted stock units vest monthly over a six-month service period. These restricted stock units were valued at \$2.28 at the date of grant, which was equivalent to the market price of a share of the Company's common stock on that date.

Exactly 17,133 restricted stock units issued in January 2023 vest on the third anniversary of their date of grant, or earlier if certain defined clinical trial related performance targets are met. A three-year vesting assumption was applied to these restricted stock units as satisfaction of the performance conditions is not probable at this time. Each restricted stock unit was valued at \$13.50 at the date of grant, which was equivalent to the market price of a share of the Company’s common stock on that date. During 2023, 300 of these restricted stock units were forfeited as the recipient voluntarily terminated employment with the Company. As of March 31, 2024, an additional 2,080 of these restricted stock units have been forfeited due to the holders termination of employment with the Company.

Summarized information for restricted stock units as of March 31, 2024 is as follows:

	Restricted Stock Units	Weighted Average Grant Date Value Per Share	Weighted Average Remaining Term
Restricted Stock Units outstanding at December 31, 2023	34,498	\$ 16.26	8.96 years
Granted	12,500	2.28	
Cancelled/forfeited	(2,080)	13.50	
Restricted Stock Units outstanding at March 31, 2024	44,918	\$ 12.50	9.00 years
Unvested at March 31, 2024	32,682	\$ 9.67	9.17 years
Vested at March 31, 2024	12,236	\$ 20.06	8.56 years

10. Stockholders Equity

December 2023 Registered Direct Offering Securities Purchase Agreement

On December 21, 2023, the Company entered into a securities purchase agreement (the “Securities Purchase Agreement”) with certain institutional investors (“Purchasers”). Pursuant to the Securities Purchase Agreement, the Company agreed to sell in a registered direct offering (“Registered Direct Offering”) 168,500 shares (“Shares”) of the Company’s common stock, \$0.001 par value per share (“Common Stock”), and pre-funded warrants (“Pre-Funded Warrants”) to purchase up to 219,700 shares of Common Stock. The Pre-Funded Warrants have an exercise price of \$0.001 per share and can be exercised at any time after their original issuance until such Pre-Funded Warrants are exercised in full. Each Share is being sold at an offering price of \$3.315 and each Pre-Funded Warrant is being sold at an offering price of \$3.314 (equal to the purchase price per Share minus the exercise price of the Pre-Funded Warrant). The Pre-Funded Warrants have been included in the calculation of basic and diluted loss per share for all periods outstanding.

Pursuant to the Securities Purchase Agreement, in a concurrent private placement (together with the Registered Direct Offering, the “Offerings”), the Company also agreed to issue to the Purchasers unregistered warrants (“Common Warrants”) to purchase up to 388,200 shares of Common Stock. Each Common Warrant has an exercise price of \$3.19 per share, is exercisable immediately following their original issuance and will expire seven years from the original issuance date. The closing of the offering occurred on December 26, 2023, and the net proceeds to the Company were approximately \$1.0 million, after deducting placement agent fees and other offering expenses payable by the Company.

On December 21, 2023, in a separate concurrent insider private placement (the “Insider Private Placement”), the Company also entered into a Securities Purchase Agreement with certain of its executive officers (the “Insider Securities Purchase Agreement”) pursuant to which the Company agreed to sell in a private placement (i) 6,070 shares of Common Stock and warrants to purchase 6,070 shares of Common Stock on the same terms as the Common Warrants issued to the Purchasers in the Offerings to Spiro Rombotis, the Company’s Chief Executive Officer, and (ii) 1,886 shares of Common Stock and warrants to purchase 1,886 shares of Common Stock on the same terms as the Common Warrants issued to the Purchasers in the Offerings to Paul McBarron, the Company’s Executive Vice President-Finance, Chief Financial Officer and Chief Operating Officer. Each such share of Common Stock and accompanying warrant was sold at a purchase price of \$3.315, which was the same purchase price for the Shares sold in the Registered Direct Offering.

Ladenburg Thalmann & Co. Inc. (the “Placement Agent”) acted as the exclusive placement agent for the Offerings, pursuant to a placement agency agreement (the “Placement Agency Agreement”), dated December 21, 2023, by and between the Company and the Placement Agent.

Pursuant to the Placement Agency Agreement, the Company paid the Placement Agent a cash placement fee equal to 8.0% of the aggregate gross proceeds raised in the Offerings from sales arranged for by the Placement Agent. Subject to certain conditions, the Company also agreed to reimburse all reasonable travel and other out-of-pocket expenses of the Placement Agent in connection with the Offerings, including but not limited to legal fees, up to a maximum of \$85,000. In addition, the Placement Agent also received warrants that have substantially the same terms as the Warrants issued in the concurrent private placement to the Purchasers in the Offerings to purchase that number of shares of Common Stock equal to 6.0% of the aggregate number of shares of Common Stock and Prefunded Warrants sold in the Offerings, or an aggregate of 23,769 shares of Common Stock, at an exercise price of \$4.14375 per share (the “Placement Agent Warrants”). The Placement Agent Warrants will be exercisable immediately following the date of issuance and will expire five years from issuance. The Placement Agency Agreement contains customary representations, warranties and agreements by the Company and customary conditions to closing. The Company has agreed to indemnify the Placement Agent against certain liabilities, including liabilities under the Securities Act, and liabilities arising from breaches of representations and warranties contained in the Placement Agency Agreement, or to contribute to payments that the Placement Agent may be required to make in respect of those liabilities.

Each of the instruments issued in the Offerings and the Insider Private Placement have been classified and recorded as part of shareholders’ equity. The amounts allocated to each issued security were based on their relative fair values, resulting in initial carrying values of the respective instruments as follows:

	Allocated Amount
Common Shares	\$258,000
Pre-Funded Warrants	\$321,000
Regular Warrants	\$470,000
Net Proceeds	\$1,049,000

The aggregate fair value of the Placement Agent Warrants was \$47,000. These have been accounted for as a direct cost of the Offerings and Inside Private Placement, resulting in no net effect to overall shareholders’ equity.

In determining the fair values of the Pre-Funded Warrants, Regular Warrants, and Placement Agent Warrants, the Company used a Black-Scholes Option Pricing model with the following assumptions:

	Pre-Funded Warrants	Regular Warrants	Placement Agent Warrants
Expected volatility	134%	96%	99%
Contractual/expected term	1 month	7 years	5 years
Risk-free interest rate	5.53%	3.91%	3.89%
Expected dividend yield	0%	0%	0%

The fair value of the common shares was determined using the closing price of the Company’s common stock as of December 26, 2023, which is the date that the Offerings and the Insider Private Placement closed.

August 2021 Controlled Equity Offering Sales Agreement

On August 12, 2021, the Company entered into a Controlled Equity Offering Sales Agreement (the “Sales Agreement”) with Cantor Fitzgerald & Co. (“Cantor”), pursuant to which the Company could issue and sell, from time to time, shares of its common stock having an aggregate offering price of up to \$50.0 million through Cantor as the sales agent. Cantor could sell the Company’s common stock by any method permitted by law deemed to be an “at the market offering” as defined in Rule 415(a)(4) of the Securities Act.

On August 12, 2022, the Company became aware that the shelf registration statement on Form S-3 (file number 333-231923) (the “Registration Statement”) associated with this Sales Agreement had expired on June 21, 2022. Prior to becoming aware of the expiration, the Company sold an aggregate of 132,473 shares of its common stock at the market price, following the expiration of the Registration Statement and through August 12, 2022, for aggregate proceeds of approximately \$2,721,187. There was no sale of shares post August 12, 2022. The sale of these shares was subject to potential rescission rights by certain shareholders. As a result of these potential rescission rights, the Company reclassified 207,807 shares (including 75,333 shares sold for which the Company did not receive any proceeds), with an aggregate purchase price of \$4,494,496 of its common as stock outside stockholders’ equity through the expiration date of those rescission rights in August 2023. These shares were treated as issued and outstanding for purposes of calculating basic and diluted loss per share in the three months ended March 31, 2023. The rescission rights for these shares have lapsed and the shares were reclassified back to permanent equity. There have been no claims or demands to exercise such rights.

On August 15, 2022, due to expiry of the Registration Statement, the Sales Agreement was mutually terminated. A total of 218,738 shares, for gross proceeds of approximately \$7.6 million, had been sold pursuant to the Sales Agreement.

Warrants

December 2023 Warrants

As of March 31, 2024, warrants to purchase a total of 419,925 shares of common stock issued pursuant to a securities purchase agreement in a December 2023 financing transaction remained outstanding. A total of 396,156 warrants, including 7,956 warrants issued in a concurrent private placement, are exercisable immediately from the date of issuance for a period of seven years after the date of issuance, at an exercise price of \$3.19 per warrant share. A further 23,769 warrants issued in a concurrent placement agency agreement, are exercisable immediately from the date of issuance for a period of five years after the date of issuance, at an exercise price of \$4.14375 per warrant share.

There were no exercises of these warrants during the three months ended March 31, 2024.

December 2020 Warrants

As of March 31, 2024, warrants to purchase 44,657 shares of common stock issued pursuant to a securities purchase agreement in a December 2020 financing transaction remained outstanding. Each warrant shall be exercisable beginning on the 12-month anniversary of the date of issuance for a period of five years after the date of issuance, at an exercise price of \$61.95 per warrant share. The exercise price of the warrants will be subject to adjustment in the event of any stock dividends and splits, reverse stock split, recapitalization, reorganization or similar transaction, as described in the warrants. The warrants may be exercised on a “cashless” basis.

There were no exercises of these warrants during the three months ended March 31, 2024 or March 31, 2023.

April 2020 Warrants

As of March 31, 2024, 146,000 warrants issued pursuant to a securities purchase agreement in connection with an April 2020 equity financing remained outstanding, each with an exercise price of \$75.00. The common warrants are immediately exercisable and will expire on the fifth anniversary of the original issuance date. The exercise price and number of shares of common stock issuable upon exercise is subject to appropriate adjustment in the event of stock dividends, stock splits, reorganizations or similar events affecting the Company’s common stock. The common warrants were issued separately from the common stock and were eligible for transfer immediately after issuance. A common warrant to purchase one share of common stock was issued for every share of common stock purchased in this offering.

The common warrants are exercisable, at the option of each holder, in whole or in part, by delivering to the Company a duly executed exercise notice accompanied by payment in full for the number of shares of the

Company's common stock purchased upon such exercise (except in the case of a cashless exercise). A holder (together with its affiliates) may not exercise any portion of the common warrant to the extent that the holder would own more than 4.99% of the outstanding common stock immediately after exercise, except that upon at least 61 days prior notice from the holder to the Company, the holder may increase the amount of ownership of outstanding stock after exercising the holder's common warrants up to 9.99% of the number of shares of the Company's common stock outstanding immediately after giving effect to the exercise, as such percentage ownership is determined in accordance with the terms of the common warrants. No fractional shares of common stock will be issued in connection with the exercise of a common warrant. In lieu of fractional shares, the Company will round down to the next whole share.

There were no warrants exercised during the three months ended March 31, 2024 or March 31, 2023.

July 2017 Warrants

As of March 31, 2024, 24,968 warrants issued in connection with the July 2017 underwritten public offering remained outstanding, each with an exercise price of \$600.00. All such warrants were issued in connection with the July 2017 underwritten public offering and are immediately exercisable. The warrants expire in 2024. Subject to limited exceptions, a holder of warrants will not have the right to exercise any portion of its warrants if the holder (together with such holder's affiliates, and any persons acting as a group together with such holder or any of such holder's affiliates) would beneficially own a number of shares of common stock in excess of 4.99% (or, at the election of the purchaser, 9.99%) of the shares of our Common Stock then outstanding after giving effect to such exercise.

The exercise price and the number of shares issuable upon exercise of the warrants is subject to appropriate adjustment in the event of recapitalization events, stock dividends, stock splits, stock combinations, reclassifications, reorganizations or similar events affecting the Company's common stock. The warrant holders must pay the exercise price in cash upon exercise of the warrants unless such warrant holders are utilizing the cashless exercise provision of the warrants. On the expiration date, unexercised warrants will automatically be exercised via the "cashless" exercise provision.

Prior to the exercise of any warrants to purchase common stock, holders of the warrants will not have any of the rights of holders of the common stock purchasable upon exercise, including the right to vote, except as set forth therein.

There were no exercises of these warrants during the three months ended March 31, 2024 or March 31, 2023.

Series B Preferred Stock

237,745 shares of the Company's Series B Preferred Stock were issued in a December 2020 Securities Purchase Agreement. Each share of Series B Preferred Stock were initially convertible into one third (1/3) share of Common Stock (the "Conversion Shares"), subject to adjustment in accordance with the Certificate of Designation.

Holders of Series B Preferred Stock are entitled to receive dividends on shares of Series B Preferred Stock equal, on an as-if-converted-to-Common-Stock basis, and in the same form as dividends actually paid on shares of the Common Stock. Except as otherwise required by law, the Series B Preferred Stock does not have voting rights. However, as long as any shares of Series B Preferred Stock are outstanding, the Company will not, without the affirmative vote of the holders of a majority of the then outstanding shares of the Series B Preferred Stock, (a) alter or change adversely the powers, preferences or rights given to the Series B Preferred Stock, (b) alter or amend the Certificate of Designation, (c) amend its certificate of incorporation or other charter documents in any manner that adversely affects any rights of the holders of Series B Preferred Stock, (d) increase the number of authorized shares of Series B Preferred Stock, (e) pay certain dividends or (f) enter into any agreement with respect to any of the foregoing. The Series B Preferred Stock does not have a preference upon any liquidation, dissolution or winding-up of the Company. The Purchaser may convert shares of Series B Preferred Stock through a conversion into shares of Common Stock if and solely to the extent that such conversion would not result in the Purchaser beneficially owning in excess of 9.99% of then-outstanding Common Stock or aggregate voting power of the Company (such limitation, the "Ownership Limitation") and any portion in excess of such limitation will remain outstanding as Series B Preferred Stock.

During the year ended December 31, 2023, 118,745 shares of Series B Preferred Stock were converted, at the option of the holder, into 39,582 shares of Common Stock. During the three months ended March 31, 2024, the remaining 119,000 shares of Series B Preferred Stock were converted, at the option of the holder, into 39,667 shares of Common Stock.

Series A Preferred Stock

8,872 shares of the Company's Series A Preferred Stock were issued in a July 2017 Underwritten Public Offering. Each share of Series A Preferred Stock is convertible at any time at the option of the holder thereof, into a number of shares of common stock determined by dividing \$1,000 by the initial conversion price of \$600.00 per share, subject to a 4.99% blocker provision, or, upon election by a holder prior to the issuance of shares of Series A Preferred Stock, 9.99%, and is subject to adjustment for stock splits, stock dividends, distributions, subdivisions and combinations.

As of March 31, 2024 and 2023, 264 shares of the Series A Preferred Stock remain issued and outstanding. The 264 shares of Series A Preferred Stock issued and outstanding at March 31, 2024, are convertible into 440 shares of common stock.

In the event of a liquidation, the holders of shares of the Series A Preferred Stock may participate on an as-converted-to-common-stock basis in any distribution of assets of the Company. The Company shall not pay any dividends on shares of common stock (other than dividends in the form of common stock) unless and until such time as dividends on each share of Series A Preferred Stock are paid on an as-converted basis. There is no restriction on the Company's ability to repurchase shares of Series A Preferred Stock while there is any arrearage in the payment of dividends on such shares, and there are no sinking fund provisions applicable to Series A Preferred Stock.

Subject to certain conditions, at any time following the issuance of the Series A Preferred Stock, the Company has the right to cause each holder of the Series A Preferred Stock to convert all or part of such holder's Series A Preferred Stock in the event that (i) the volume weighted average price of our common stock for 30 consecutive trading days, or Measurement Period exceeds 300% of the initial conversion price of the Series A Preferred Stock (subject to adjustment for forward and reverse stock splits, recapitalizations, stock dividends and similar transactions), (ii) the daily trading volume on each Trading Day during such Measurement Period exceeds \$500,000 per trading day and (iii) the holder is not in possession of any information that constitutes or might constitute, material non-public information which was provided by the Company. The right to cause each holder of Series A Preferred Stock to convert all or part of such holder's Series A Preferred Stock shall be exercised ratably among the holders of the then outstanding preferred stock.

The Series A Preferred Stock has no maturity date, will carry the same dividend rights as the common stock, and with certain exceptions contains no voting rights. In the event of any liquidation or dissolution of the Company, the Series A Preferred Stock ranks senior to the common stock in the distribution of assets, to the extent legally available for distribution.

6% Convertible Exchangeable Preferred Stock

As of March 31, 2024, there were 335,273 shares of the Company's 6% Convertible Exchangeable Preferred Stock (the "6% Preferred Stock") issued and outstanding at an issue price of \$10.00 per share. Dividends on the 6% Preferred Stock are cumulative from the date of original issuance at the annual rate of 6% of the liquidation preference of the 6% Preferred Stock, payable quarterly on the first day of February, May, August and November, commencing February 1, 2005. Any dividends must be declared by the Company's board of directors and must come from funds that are legally available for dividend payments. The 6% Preferred Stock has a liquidation preference of \$10.00 per share, plus accrued and unpaid dividends. As of March 31, 2024, there were no accrued and unpaid dividends.

The Company may automatically convert the 6% Preferred Stock into common stock if the per share closing price of the Company's common stock has exceeded \$888,300, which is 150% of the conversion price of the 6% Preferred Stock, for at least 20 trading days during any 30 day trading period, ending within five trading days prior to notice of automatic conversion.

The 6% Preferred Stock has no maturity date and no voting rights prior to conversion into common stock, except under limited circumstances.

The Company may, at its option, redeem the 6% Preferred Stock in whole or in part, out of funds legally available at the redemption price of \$10.00 per share.

The 6% Preferred Stock is exchangeable, in whole but not in part, at the option of the Company on any dividend payment date beginning on November 1, 2005 (the "Exchange Date") for the Company's 6% Convertible Subordinated Debentures (the "Debentures") at the rate of \$10.00 principal amount of Debentures for each share of 6% Preferred Stock. The Debentures, if issued, will mature 25 years after the Exchange Date and have substantially similar terms to those of the 6% Preferred Stock. No such exchanges have taken place to date.

11. Subsequent Events

Dividends on 6% Preferred Stock

On April 25, 2024, the Board of Directors of Cyclacel Pharmaceuticals, Inc. (the "Company") passed a resolution to suspend payment of the quarterly cash dividend on the Company's 6% Convertible Exchangeable Preferred Stock (the "Preferred Stock") scheduled for May 1, 2024. The Board of Directors will continue to evaluate the payment of a quarterly cash dividend on a quarterly basis.

Securities Purchase Agreement

On April 30, 2024, the Company entered into a securities purchase agreement with an institutional investor for the issuance and sale in a private placement of (i) 145,000 shares of the Company's common stock, (ii) pre-funded warrants to purchase up to 4,823,945 shares of Common Stock, (iii) series A warrants to purchase up to 4,968,945 shares of Common Stock, and (iv) series B warrants to purchase up to 4,968,945 shares of Common Stock, for gross proceeds of \$8.0 million.

Nasdaq Listing Rule 5550(b)(1)

As a result of the above-mentioned private placement and as of the date of this filing, the Company believes it has stockholders' equity of at least \$2.5 million as required for continued listing on The Nasdaq Capital Market under Nasdaq Listing Rule 5550(b)(1).

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

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q, including, without limitation, Management's Discussion and Analysis of Financial Condition and Results of Operations, contains "forward-looking statements" within the meaning of Section 27A of the Securities Exchange Act of 1933 as amended and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). We intend that the forward-looking statements be covered by the safe harbor for forward-looking statements in the Exchange Act. The forward-looking information is based on various factors and was derived using numerous assumptions. All statements, other than statements of historical fact, that address activities, events or developments that we intend, expect, project, believe or anticipate will or may occur in the future are forward-looking statements. Such statements are based upon certain assumptions and assessments made by our management in light of their experience and their perception of historical trends, current conditions, expected future developments and other factors they believe to be appropriate. These forward-looking statements are usually accompanied by words such as "believe," "anticipate," "plan," "seek," "expect," "intend" and similar expressions.

Forward-looking statements necessarily involve risks and uncertainties, and our actual results could differ materially from those anticipated in the forward looking statements due to a number of factors, including those set forth in Part I, Item 1A, entitled "Risk Factors," of our Annual Report on Form 10-K for the year ended December 31, 2023, as updated and supplemented by Part II, Item 1A, entitled "Risk Factors," of our Quarterly Reports on Form 10-Q, and elsewhere in this report. These factors as well as other cautionary statements made in this Quarterly Report on Form 10-Q, should be read and understood as being applicable to all related forward-looking statements wherever they appear herein. The forward-looking statements contained in this Quarterly Report on Form 10-Q represent our judgment as of the date hereof. We encourage you to read those descriptions carefully. We caution you not to place undue reliance on the forward-looking statements contained in this report. These statements, like all statements in this report, speak only as of the date of this report (unless an earlier date is indicated) and we undertake no obligation to update or revise the statements except as required by law. Such forward-looking statements are not guarantees of future performance and actual results will likely differ, perhaps materially, from those suggested by such forward-looking statements. In this report, "Cyclacel," the "Company," "we," "us," and "our" refer to Cyclacel Pharmaceuticals, Inc.

Overview

We are a clinical-stage biopharmaceutical company developing innovative cancer medicines based on cell cycle, transcriptional regulation, epigenetics and mitosis control biology. We reported revenue of \$29,000 for the three months ended March 31, 2024 and no revenues for the comparable quarter ended March 31, 2023. We do not expect to report a significant amount of revenue for the foreseeable future.

Our primary focus has been on our transcriptional regulation program, which is evaluating fadraciclib, a CDK2/9 inhibitor, in solid tumors and hematological malignancies. The epigenetic/anti-mitotic program is evaluating plogosertib, a PLK1 inhibitor, in advanced cancers.

We currently retain all marketing rights worldwide to the compounds associated with our drug programs.

Fadraciclib Phase 1/2 Study in Advanced Solid Tumors and Lymphoma (065-101; NCT#04983810)

In this ongoing study, a total of 47 patients have been dosed to date in the 065-101 study through eight dose levels, of which 33 are evaluable for efficacy. Dose limiting toxicities of nausea and hyperglycemia were observed, which were controlled after dose interruption, with blood glucose levels returning to normal range. Dose level 5 (100mg twice daily for 5 days per week, 4 out of 4 weeks) has been determined as the recommended Phase 2 dose.

To date, single agent activity, including complete response, partial response and stable disease, has been observed in certain patients with advanced endometrial, squamous non-small cell lung cancer and T-cell lymphoma. Several pretreated patients who benefitted from fadraciclib monotherapy, were retrospectively found to harbor

CDKN2A/CDKN2B alterations, including loss of function or deep deletion. These included patients with T-cell lymphoma and also gynecological, hepatobiliary, lung, pancreatic and testicular cancers.

We plan to enroll patients in the Phase 2 proof-of-concept stage beginning with the basket cohort which will enroll patients with mechanistically relevant biomarkers, including CDKN2A and/or CDKN2B mutation or deletion. Additional cohorts will be enrolled as resources allow. The proof-of-concept stage includes seven histologically defined cohorts thought to be sensitive to the drug's mechanism: breast, colorectal (including KRAS mutant), endometrial/uterine, hepatobiliary, ovarian cancers and lymphomas. The basket cohort will enroll patients regardless of histology with biomarkers relevant to the drug's mechanism, including CDKN2A/B, MCL1, MYC and/or cyclin E amplified.

Fadraciclib tablets can be given orally with repeat dosing which has led to transient suppression of anti-apoptosis proteins with generally good tolerability and no Grade 3 or higher hematological toxicity in the first cycle. We believe that fadraciclib's inhibition of CDK2 and CDK9 may be superior to inhibiting either CDK2 or CDK9 alone.

Plogosertib Phase 1/2 Study in Advanced Solid Tumors and Lymphoma (140-101; NCT#05358379)

This ongoing open-label Phase 1/2 registration-directed study uses a streamlined design and initially seeks to determine the RP2D for single-agent oral plogosertib in a dose escalation stage. Once RP2D has been established, the study will enter into proof-of-concept, cohort stage, using a Simon 2-stage design. In this stage plogosertib will be administered to patients in up to seven mechanistically relevant cohorts including patients with bladder, breast, colorectal (including KRAS mutant), hepatocellular and biliary tract, and lung cancers (both small cell and non-small cell), as well as lymphomas. An additional basket cohort will enroll patients with biomarkers relevant to the drug's mechanism, including MYC amplified tumors. The protocol allows for expansion of individual cohorts based on response which may allow acceleration of the clinical development and registration plan for plogosertib.

Fifteen patients have been treated at the first five dose escalation levels with no dose limiting toxicities observed. Stable disease has been observed in pretreated patients with gastrointestinal, lung, and ovarian cancers. A new, alternative salt, oral formulation of plogosertib with improved bioavailability is under development. We plan to recruit further patients to the 140-101 study after the new formulation becomes available.

Going Concern

For the three months ended March 31, 2024, we used net cash of \$0.6 million to fund our operating activities. We have cash and cash equivalents of \$2.8 million as of March 31, 2024, which together with the \$8.0 million gross proceeds from equity financing received in May 2024 will allow it to meet our liquidity requirements into the fourth quarter of 2024. However, there remains substantial doubt about our ability to continue as a going concern. We are currently investigating ways to raise additional capital through a combination of public or private equity, debt financing or by entering into partnership agreements for further development of our drug candidates. Please refer to the following *Liquidity and Capital Resources* section for additional information.

Liquidity and Capital Resources

The following is a summary of our key liquidity measures as of March 31, 2024 and 2023 (in \$000s):

	March 31,	
	2024	2023
Cash and cash equivalents	\$ 2,798	\$ 11,435
Working capital:		
Current assets	\$ 4,835	\$ 19,676
Current liabilities	(8,350)	(8,040)
Total working capital	\$ (3,515)	\$ 11,636

Since our inception, we have relied primarily on the proceeds from sales of common and preferred equity securities to finance our operations and internal growth. Additional funding has come through research and development tax credits, government grants, the sale of product rights, interest on investments and licensing revenue. We have incurred significant losses since our inception. As of March 31, 2024, we had an accumulated deficit of \$431.2 million.

Cash Flows

Cash used in operating, investing and financing activities for the three months ended March 31, 2024 and 2023 is summarized as follows (in \$000s):

	Three Months Ended March 31,	
	2024	2023
Net cash used in operating activities	\$ (483)	\$ (6,861)
Net cash used in investing activities	—	(6)
Net cash provided by financing activities	(79)	(50)

Operating activities

Net cash used in operating activities decreased by \$6.4 million, from \$6.9 million for the three months ended March 31, 2023 to \$0.5 million for the three months ended March 31, 2024. The decrease in cash used by operating activities was primarily the result of a decrease in net loss of \$2.9 million, brought about by a reduction in manufacturing and non-clinical activities, and a change in working capital of \$3.5 million, due mainly to the receipt of research and development tax credits of \$2.9 million during the three months ended March 31, 2024.

Investing activities

Net cash used in investing activities remained relatively small for each of the three months ended March 31, 2024 and 2023 and consisted of IT-related capital expenditure in 2023.

Financing activities

Net cash from financing activities remained relatively flat for each of the three months ended March 31, 2024 and 2023, consisting of the payment of the preferred stock dividend and costs associated with a securities purchase agreement in December 2023.

Funding Requirements and Going Concern

We do not currently have sufficient funds to complete development and commercialization of any of our drug candidates. Current business and capital market risks could have a detrimental effect on the availability of sources of funding and our ability to access them in the future, which may delay or impede our progress of advancing our drugs currently in the clinical pipeline to approval by the Food and Drug Administration (“FDA”) or European Medicines Agency (“EMA”) for commercialization. Additionally, we plan to continue to evaluate in-licensing and acquisition opportunities to gain access to new drugs or drug targets that would fit with our strategy. Any such transaction would likely increase our funding needs in the future.

Our future funding requirements will depend on many factors, including but not limited to:

- the rate of progress and cost of our clinical trials, preclinical studies and other discovery and research and development activities;
- the costs associated with establishing manufacturing and commercialization capabilities;
- the costs of acquiring or investing in businesses, product candidates and technologies;
- the costs of filing, prosecuting, defending and enforcing any patent claims and other intellectual property rights;
- the costs and timing of seeking and obtaining FDA and EMA approvals;
- the effect of competing technological and market developments; and
- the economic and other terms and timing of any collaboration, licensing or other arrangements into which we may enter.

Until we can generate a sufficient amount of product revenue to finance our cash requirements, which we may never do, we expect to finance future cash needs primarily through public or private equity offerings, debt financings or strategic collaborations. Although we are not reliant on institutional credit finance and therefore not subject to debt covenant compliance requirements or potential withdrawal of credit by banks, we are reliant on the availability of funds and activity in equity markets. We do not know whether additional funding will be available on acceptable terms, or at all. If we are not able to secure additional funding when needed, we may have to delay, reduce the scope of or eliminate one or more of our clinical trials or research and development programs or make changes to our operating plan. In addition, we may have to partner one or more of our product candidate programs at an earlier stage of development, which would lower the economic value of those programs to us.

Since our inception, we have relied primarily on the proceeds from sales of common and preferred equity securities to finance our operations and internal growth. Additional funding has come through research and development tax credits, government grants, the sale of product rights, interest on investments, licensing revenue, royalty income, and a limited amount of product revenue from operations discontinued in September 2012.

As discussed in Note 2 of the Notes to the Consolidated Financial Statements accompanying this Quarterly Report on Form 10-Q, under ASC Topic 205-40, *Presentation of Financial Statements - Going Concern*, management is required at each reporting period to evaluate whether there are conditions and events, considered in the aggregate, that raise substantial doubt about an entity's ability to continue as a going concern within one year after the date that the 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.

Our history of losses, our negative cash flows from operations, our liquidity resources currently on hand, and our dependence on the ability to obtain additional financing to fund our operations after the current resources are exhausted, about which there can be no certainty, have resulted in our assessment that there is substantial doubt about our ability to continue as a going concern for a period of at least twelve months from the issuance date of this Quarterly Report on Form 10-Q. While we have plans in place to mitigate this risk, which primarily consist of raising additional capital through a combination of public or private equity or debt financings or by entering into partnership agreements for further development of our drug candidates, there is no guarantee that we will be successful in these mitigation efforts.

Results of Operations

Three Months Ended March 31, 2024 and 2023

Revenues

The Company recognized \$29,000 of revenue for the three months ended March 31, 2024, relating to recovery of clinical manufacturing costs associated with an investigator sponsored. There were no revenues recognized for the comparative period in 2023.

The future

We expect to completely fulfill our obligations under this agreement by the second quarter of 2024 and further recognize a small amount of revenues at that time. The associated clinical manufacturing costs are presented as a component of research & development.

Research and Development Expenses

From our inception, we have focused on drug discovery and development programs, with a particular emphasis on orally available anticancer agents, and our research and development expenses have represented costs incurred to discover and develop novel small molecule therapeutics, including clinical trial costs for fadraciclib and plogosertib. We have also incurred costs in the advancement of product candidates toward clinical and preclinical trials and the development of in-house research to advance our biomarker program and technology platforms. We expense all research and development costs as they are incurred. Research and development expenses primarily include:

- Clinical trial and regulatory-related costs;
- Payroll and personnel-related expenses, including consultants and contract research organizations;
- Preclinical studies, supplies and materials;
- Technology license costs;
- Stock-based compensation; and
- Rent and facility expenses for our offices.

The following table provides information with respect to our research and development expenditures for the three months ended March 31, 2024 and 2023 (in \$000s except percentages):

	Three Months Ended		Difference	
	March 31, 2024	2023	\$	%
Transcriptional Regulation (fadraciclib)	\$ 1,752	\$ 4,087	\$ (2,335)	(57)
Epigenetic/anti-mitotic (plogosertib)	963	1,351	(388)	(29)
Other research and development expenses	87	236	(149)	(63)
Total research and development expenses	<u>\$ 2,802</u>	<u>\$ 5,674</u>	<u>\$ (2,872)</u>	<u>(51)</u>

Total research and development expenses represented 64% and 78% of our operating expenses for the three months ended March 31, 2024 and 2023, respectively.

Research and development expenses decreased by \$2.9 million from \$5.7 million for the three months ended March 31, 2023 to \$2.8 million for the three months ended March 31, 2024. Expenditure for the transcriptional regulation program decreased by \$2.2 million relative to the respective comparative period, primarily due to decreases in manufacturing and non-clinical expenditure. Research and development expenses relating to plogosertib decreased by \$0.4 million relative to the respective comparative period due to decreases in manufacturing and non-clinical expenditure.

The future

We anticipate that overall research and development expenses for the year ended December 31, 2024 will decrease compared to the year ended December 31, 2023 as we focus on our Phase 1/2 programs in advanced solid tumors and lymphomas.

General and Administrative Expenses

General and administrative expenses include costs for administrative personnel, legal and other professional expenses and general corporate expenses. The following table summarizes the general and administrative expenses for the three months ended March 31, 2024 and 2023 (in \$000s except percentages):

	Three Months Ended		Difference	
	March 31,		\$	%
	2024	2023		
Total general and administrative expenses	\$ 1,582	\$ 1,645	\$ (63)	(4)

Total general and administrative expenses represented 36% and 22% of our operating expenses for the three months ended March 31, 2024 and 2023, respectively. General and administrative expenses decreased by \$0.1 million relative to the respective comparative period due mainly to reduction in stock compensation costs.

The future

We expect general and administrative expenditures for the year ended December 31, 2024 to remain relatively flat compared to the year ended December 31, 2023.

Other income (expense), net

The following table summarizes other income for the three months ended March 31, 2024 and 2023 (in \$000 except percentages):

	Three Months Ended		Difference	
	March 31,		\$	%
	2024	2023		
Foreign exchange gains (losses)	\$ 1	\$ (87)	\$ 88	(101)
Interest income	2	116	(114)	(98)
Other income (expense), net	52	166	(114)	(69)
Total other income (expense), net	\$ 55	\$ 195	\$ (140)	(72)

Total other income decreased by \$0.1 million from \$0.2 million for the three months ended March 31, 2023 to \$0.1 million for the three months ended March 31, 2024. Other income relates to royalties receivable under a December 2005 Asset Purchase Agreement, or APA, whereby Xcyte Therapies, Inc., or Xcyte (a business acquired by us in March 2006) sold certain assets and intellectual property to ThermoFisher Scientific Company, or TSC (formerly Invitrogen Corporation) through the APA and other related agreements. The assets and technology were not part of our product development plan following the transaction between Xcyte and Cyclacel in March 2006. Accordingly, we

presented \$52,000 and \$0 as other income arising from royalties from the APA during the three months ended March 31, 2024 and 2023 respectively.

Foreign exchange gains (losses)

Foreign exchange gains increased by \$88,000, from a loss of \$87,000 for the three months ended March 31, 2023, to a gain of \$1,000 for the three months ended March 31, 2024.

The future

Other income (expense), net for the year ended December 31, 2024, will continue to be impacted by changes in foreign exchange rates and the receipt of income under the APA. As we are not in control of sales made by TSC, we are unable to estimate the level and timing of income under the APA, if any.

Because the nature of funding advanced through intercompany loans is that of a long-term investment, unrealized foreign exchange gains and losses on such funding will be recognized in other comprehensive income until repayment of the intercompany loan becomes foreseeable. Foreign exchange gains and losses relating to intercompany operating expenditure, which is expected to be settled in the foreseeable future, will be recognized within the statement of operations.

Income Tax Benefit

Credit is taken for research and development tax credits, which are claimed from the United Kingdom's revenue and customs authority, or HMRC, in respect of qualifying research and development costs incurred.

The following table summarizes total income tax benefit for the three months ended March 31, 2024 and 2023 (in \$000s except percentages):

	Three Months Ended		Difference	
	March 31, 2024	2023	\$	%
Total income tax benefit	\$ 1,354	\$ 1,320	\$ 34	3

The total income tax benefit, which comprised of research and development tax credits recoverable, remained flat at approximately \$1.3 million for each of the three months ended March 31, 2024 and 2023. The level of tax credits recoverable is linked directly to qualifying research and development expenditure incurred in any one year and the availability of trading losses.

The future

We expect to continue to be eligible to receive United Kingdom research and development tax credits for the year ended December 31, 2024 and will continue to elect to receive payment of the tax credit. The amount of tax credits we will receive is entirely dependent on the amount of eligible expenses we incur and could be restricted by any future cap introduced by HMRC. Beyond 2024, we cannot be certain of our eligibility to receive this tax credit or if eligible, the amount that may be received, due to proposed changes by HMRC to the eligibility criteria.

Critical Accounting Policies and Estimates

Our critical accounting policies are those policies which require the most significant judgments and estimates in the preparation of our consolidated financial statements. We evaluate our estimates, judgments, and assumptions on an ongoing basis. Actual results may differ from these estimates under different assumptions or conditions. A summary of our critical accounting policies is presented in Part II, Item 7, of our Annual Report on Form 10-K for the year ended December 31, 2023 and Note 2 to our unaudited consolidated financial statements included elsewhere in this Quarterly

Report on Form 10-Q. There have been no material changes to our critical accounting policies during the three months ended March 31, 2024.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

As a smaller reporting company, we are not required to provide information in response to this item.

Item 4. Controls and Procedures

Under the supervision and with the participation of our management, including our chief executive officer and principal financial and accounting officer, we conducted an evaluation of the effectiveness, as of March 31, 2024, of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended, or the Exchange Act. Based upon such evaluation, our chief executive officer and principal financial and accounting officer have concluded that, as of March 31, 2024, our disclosure controls and procedures to ensure that information required to be disclosed by us in reports we file or submit under the Exchange Act is (i) recorded, processed, summarized, evaluated and reported, as applicable, within the time periods specified in the SEC's rules and forms and (ii) accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosures were not effective at the reasonable assurance level due to the material weakness in internal control over financial reporting.

Our remediation process is ongoing and cannot be considered complete at this time. There can be no assurance that we will be successful in remediating the material weaknesses. We plan to continue to assess internal controls and procedures and intend to take further action as necessary or appropriate to address any other matters as they are identified. Notwithstanding the identified material weakness in internal control over financial reporting, we have concluded that the consolidated financial statements in this Quarterly Report on Form 10-Q present fairly, in all material respects, our financial position, results of operations and cash flows as of the dates, and for the periods, presented, in conformity with GAAP.

Changes in Internal Control over Financial Reporting

There were no significant changes made in our internal controls over financial reporting.

Inherent Limitation on the Effectiveness of Internal Controls

The effectiveness of any system of internal control over financial reporting, including ours, is subject to inherent limitations, including the exercise of judgment in designing, implementing, operating, and evaluating the controls and procedures, and the inability to eliminate misconduct completely. Accordingly, any system of internal control over financial reporting, including ours, no matter how well designed and operated, can only provide reasonable, not absolute, assurances. In addition, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. We intend to continue to monitor and upgrade our internal controls as necessary or appropriate for our business but cannot ensure that such improvements will be sufficient to provide us with effective internal control over financial reporting.

PART II. Other Information

Item 1. Legal Proceedings

None.

Item 1A. Risk Factors

Except as set forth below, there have been no material changes to our risk factors contained in our Annual Report on Form 10-K for the year ended December 31, 2023. For a further discussion of our Risk Factors, refer to Part I, Item 1A, “Risk Factors,” of our Annual Report on Form 10-K for the year ended December 31, 2023.

If we fail to comply with the continued listing requirements of the Nasdaq Capital Market, our common stock may be delisted and the price of our common stock and our ability to access the capital markets could be negatively impacted.

On March 27, 2024, we received a written notice (the “Notice”) from The Nasdaq Stock Market LLC (“Nasdaq”) indicating that we are not in compliance with Nasdaq Listing Rule 5550(b)(1), which requires companies listed on The Nasdaq Capital Market to maintain a minimum of \$2,500,000 in stockholders’ equity for continued listing (the “Stockholders’ Equity Requirement”). Our stockholders’ equity was \$607,000 as of December 31, 2023 and, as a result, we do not currently satisfy Listing Rule 5550(b)(1).

We have submitted a plan to Nasdaq’s Listing Qualifications Staff (“Staff”) by the required date advising of actions we have taken or will take to regain compliance with Nasdaq Listing Rule 5550(b)(1). If the Staff determines to accept the plan, the Staff can grant us an extension of up to 180 calendar days from the date of the Notice to regain compliance. If the Staff does not approve the plan, we may appeal that decision to a Nasdaq hearings panel.

The Notice has no immediate effect on our Nasdaq listing, and our common stock will continue to be listed under the symbol “CYCC.” However, if we fail to timely regain compliance with the Nasdaq Listing Rule 5550(b)(1), then our common stock will be subject to delisting from Nasdaq.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

Exhibit Number	Description
31.1*	Certification of Principal Executive Officer Pursuant to Securities Exchange Act Rule 13a-14(a) As Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Principal Financial Officer Pursuant to Securities Exchange Act Rule 13a-14(a) As Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certification of Principal Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2*	Certification of Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101	The following materials from Cyclacel Pharmaceuticals, Inc.'s Quarterly Report on Form 10-Q for the period ended March 31, 2024, formatted in iXBRL (Inline eXtensible Business Reporting Language): (i) the Consolidated Statements of Income, (ii) the Consolidated Balance Sheets, (iii) the Consolidated Statements of Cash Flows, and (iv) Notes to Consolidated Financial Statements.
104	The cover page from the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2024, formatted in Inline eXtensible Business Reporting Language (included with Exhibit 101).

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned.

CYCLACEL PHARMACEUTICALS, INC.

Date: May 14, 2024

By: /s/ Paul McBarron
Paul McBarron
Chief Operating Officer, Chief Financial Officer
and Executive Vice President, Finance

**Certification of Principal Executive Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Spiro Rombotis, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the three months ended March 31, 2024 of Cyclacel Pharmaceuticals, 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(s) 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(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 14, 2024

/s/ Spiro Rombotis

Spiro Rombotis

President & Chief Executive Officer

(Principal Executive Officer)

**Certification of Principal Financial Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Paul McBarron, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the three months ended March 31, 2024 of Cyclacel Pharmaceuticals, 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(s) 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(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 14, 2024

/s/ Paul McBarron

Paul McBarron

Chief Operating Officer, Chief Financial Officer

and Executive Vice President, Finance

(Principal Financial Officer)

**Certification of Principal Executive Officer
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

Pursuant to 18 U.S.C. s 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Cyclacel Pharmaceuticals, Inc. (the "Company") hereby certifies, to such officer's knowledge, that:

- (i) the Quarterly Report on Form10-Q of the Company for the three months ended March 31, 2024 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and
- (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 14, 2024

/s/ Spiro Rombotis

Spiro Rombotis

President & Chief Executive Officer

**Certification of Principal Financial Officer
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

Pursuant to 18 U.S.C. s 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Cyclacel Pharmaceuticals, Inc. (the "Company") hereby certifies, to such officer's knowledge, that:

- (i) the Quarterly Report on Form10-Q of the Company for the three months ended March 31, 2024 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and
- (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 14, 2024

/s/ Paul McBarron

Paul McBarron
Chief Operating Officer, Chief Financial Officer and
Executive Vice President, Finance
