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# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION

**Washington, D.C. 20549**

# FORM 10-Q

**(Mark One)**

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

**For the quarterly period ended June 30, 2023**

**OR**

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

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

**Commission file number 000-50626**

# CYCLACEL PHARMACEUTICALS, INC.

(Exact name of registrant as specified in its charter)

| **Delaware** | **91-1707622** |
|---|---|
| (State or Other Jurisdiction of Incorporation or Organization) | (I.R.S. Employer Identification No.) |
| **200 Connell Drive, Suite 1500 Berkeley Heights, New Jersey** | **07922** |
| (Address of principal executive offices) | (Zip Code) |

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

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

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|---|---|---|
| Common Stock, 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 ☐ | Accelerated filer ☐ |
| Non-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 August 9, 2023 there were 12,642,822 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)**

| | June 30, 2023 | December 31, 2022 |
|---|---|---|
| **ASSETS** | | |
| Current assets: | | |
| Cash and cash equivalents | $ 10,164 | $ 18,345 |
| Prepaid expenses and other current assets | 5,130 | 6,066 |
| Total current assets | 15,294 | 24,411 |
| Property and equipment, net | 24 | 32 |
| Right-of-use lease asset | 124 | 142 |
| Non-current deposits | 1,000 | 2,916 |
| Total assets | $ 16,442 | $ 27,501 |
| **LIABILITIES AND STOCKHOLDERS' EQUITY** | | |
| Current liabilities: | | |
| Accounts payable | $ 2,169 | $ 2,561 |
| Accrued and other current liabilities | 4,577 | 4,831 |
| Total current liabilities | 6,746 | 7,392 |
| Lease liability | 66 | 106 |
| | 6,812 | 7,498 |
| | | |
| Redeemable common stock, $0.001 par value; | | |
| 3,117,100 shares issued and outstanding at June 30, 2023 and December 31, 2022 (Note 10) | 4,494 | 4,494 |
| | | |
| Stockholders' equity: | | |
| | | |
| Preferred stock, $0.001 par value; 5,000,000 shares authorized at June 30, 2023 and December 31, 2022; | | |
| 6% Convertible Exchangeable preferred stock; 335,273 shares issued and outstanding at June 30, 2023 and December 31, 2022. Aggregate preference in liquidation of $4,006,512 as of June 30, 2023 and December 31, 2022. | — | — |
| Series A convertible preferred stock, $0.001 par value; 264 shares issued and outstanding at June 30, 2023 and December 31, 2022. | — | — |
| Series B convertible preferred stock, $0.001 par value; 237,745 shares issued and outstanding at June 30, 2023 and December 31, 2022. | — | — |
| Common stock, $0.001 par value; 100,000,000 shares authorized at June 30, 2023 and December 31, 2022; 12,642,822 shares issued and outstanding at June 30, 2023 and 12,539,189 shares issued and outstanding at December 31, 2022 | 9 | 9 |
| Additional paid-in capital | 423,633 | 422,973 |
| Accumulated other comprehensive loss | (1,097) | (1,316) |
| Accumulated deficit | (417,409) | (406,157) |
| Total stockholders' equity | 5,136 | 15,509 |
| Total liabilities and stockholders' equity | $ 16,442 | $ 27,501 |

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 June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| **Revenues:** | | | | |
| Clinical trial supply | 373 | — | 373 | — |
| **Revenues** | $ 373 | $ — | 373 | — |
| **Operating expenses:** | | | | |
| Research and development | 4,727 | 4,205 | 10,401 | 9,159 |
| General and administrative | 1,575 | 1,580 | 3,220 | 3,185 |
| **Total operating expenses** | 6,302 | 5,785 | 13,621 | 12,344 |
| **Operating loss** | (5,929) | (5,785) | (13,248) | (12,344) |
| Other income (expense): | | | | |
| Foreign exchange gains (losses) | (76) | 209 | (161) | 238 |
| Interest income | 77 | 17 | 193 | 21 |
| Other income (expense), net | (106) | — | 58 | 1,280 |
| Total other income (expense), net | (105) | 226 | 90 | 1,539 |
| **Loss before taxes** | (6,034) | (5,559) | (13,158) | (10,805) |
| Income tax benefit | 586 | 984 | 1,906 | 2,122 |
| **Net loss** | (5,448) | (4,575) | (11,252) | (8,683) |
| Dividend on convertible exchangeable preferred shares | (50) | (50) | (101) | (101) |
| **Net loss applicable to common shareholders** | $ (5,498) | $ (4,625) | $ (11,353) | $ (8,784) |
| **Basic and diluted earnings per common share:** | | | | |
| Net loss per share – basic and diluted | $ (0.44) | $ (0.46) | $ (0.91) | $ (0.87) |
| Weighted average common shares outstanding | 12,551,794 | 10,136,089 | 12,545,526 | 10,065,007 |

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 June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| Net loss | $ (5,448) | $ (4,575) | $ (11,252) | $ (8,683) |
| Translation adjustment | (5,450) | 15,715 | (10,621) | 21,518 |
| Unrealized foreign exchange gain (loss) on intercompany loans | 5,577 | (16,168) | 10,840 | (22,046) |
| **Comprehensive loss** | $ (5,321) | $ (5,028) | $ (11,033) | $ (9,211) |

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, 2021** | **573,282** | **$ —** | **9,993,135** | **$ 10** | **$ 422,960** | **$ (748)** | **$ (384,959)** | **$ 37,263** |
| Stock-based compensation | — | — | — | — | 380 | — | — | 380 |
| Preferred stock dividends | — | — | — | — | (50) | — | — | (50) |
| Unrealized foreign exchange on intercompany loans | — | — | — | — | — | (5,878) | — | (5,878) |
| Translation adjustment | — | — | — | — | — | 5,803 | — | 5,803 |
| Loss for the period | — | — | — | — | — | — | (4,108) | (4,108) |
| **Balances at March 31, 2022** | **573,282** | **$ —** | **9,993,135** | **$ 10** | **$ 423,290** | **$ (823)** | **$ (389,067)** | **$ 33,410** |
| Issue of common stock on At Market issuance sales agreement, net of expenses | — | — | 1,339,742 | 1 | 1,524 | — | — | 1,525 |
| Stock-based compensation | — | — | 17,412 | — | 350 | — | — | 350 |
| Preferred stock dividends | — | — | — | — | (50) | — | — | (50) |
| Unrealized foreign exchange on intercompany loans | — | — | — | — | — | (16,168) | — | (16,168) |
| Translation adjustment | — | — | — | — | — | 15,715 | — | 15,715 |
| Loss for the period | — | — | — | — | — | — | (4,575) | (4,575) |
| **Balances at June 30, 2022** | **573,282** | **$ —** | **11,350,289** | **$ 11** | **$ 425,114** | **$ (1,276)** | **$ (393,642)** | **$ 30,207** |
| **Balances at December 31, 2022** | **573,282** | **$ —** | **9,422,089** | **$ 9** | **$ 422,973** | **$ (1,316)** | **$ (406,157)** | **$ 15,509** |
| 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** | **$ —** | **9,422,089** | **$ 9** | **$ 423,324** | **$ (1,224)** | **$ (411,961)** | **$ 10,148** |
| Stock-based compensation | — | — | — | — | 359 | — | — | 359 |
| Preferred stock dividends | — | — | — | — | (50) | — | — | (50) |
| Unrealized foreign exchange on intercompany loans | — | — | — | — | — | 5,577 | — | 5,577 |
| Translation adjustment | — | — | — | — | — | (5,450) | — | (5,450) |
| Loss for the period | — | — | — | — | — | — | (5,448) | (5,448) |
| **Balances at June 30, 2023** | **573,282** | **$ —** | **9,422,089** | **$ 9** | **$ 423,633** | **$ (1,097)** | **$ (417,409)** | **$ 5,136** |

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

**CYCLACEL PHARMACEUTICALS, INC.**
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

**(In $000s)**
**(Unaudited)**

| | Six Months Ended June 30, | |
|---|---|---|
| | **2023** | **2022** |
| **Operating activities:** | | |
| Net loss | $ (11,252) | $ (8,683) |
| Adjustments to reconcile net loss to net cash used in operating activities: | | |
| Depreciation | 16 | 17 |
| Stock-based compensation | 760 | 730 |
| Changes in lease liability | (40) | — |
| Changes in operating assets and liabilities: | | |
| Prepaid expenses and other assets | 3,289 | (926) |
| Accounts payable, accrued and other current liabilities | (939) | 172 |
| Net cash used in operating activities | (8,166) | (8,690) |
| **Investing activities:** | | |
| Purchase of property, plant and equipment | (6) | (7) |
| Net cash used in investing activities | (6) | (7) |
| **Financing activities:** | | |
| Proceeds, net of issuance costs, from issuing common stock and warrants | — | 1,525 |
| Payment of preferred stock dividend | (101) | (101) |
| Net cash (used in) provided by financing activities | (101) | 1,424 |
| | | |
| Effect of exchange rate changes on cash and cash equivalents | 92 | (209) |
| Net (decrease) increase in cash and cash equivalents | (8,181) | (7,482) |
| Cash and cash equivalents, beginning of period | 18,345 | 36,559 |
| Cash and cash equivalents, end of period | $ 10,164 | $ 29,077 |
| **Supplemental cash flow information:** | | |
| Cash received during the period for: | | |
| Interest | 193 | 21 |
| Research & Development Tax Credits | 4,846 | 3,328 |
| | | |
| Cash paid during the period for: | | |
| Taxes | 2 | 2 |
| | | |
| **Non cash financing activities:** | | |
| Accrual of preferred stock dividends | 50 | 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 June 30, 2023, 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 June 30, 2023, the consolidated statements of operations, comprehensive loss, and stockholders' equity for the three and six months ended June 30, 2023 and 2022 and the consolidated statements of cash flows for the six months ended June 30, 2023 and 2022, and all related disclosures contained in the accompanying notes, are unaudited. The consolidated balance sheet as of December 31, 2022 is derived from the audited consolidated financial statements included in the Annual Report on Form 10-K for the fiscal year ended December 31, 2022 filed with the Securities and Exchange Commission (the "SEC") on March 8, 2023. 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 June 30, 2023, and the results of operations and, comprehensive loss for the three and six months ended June 30, 2023, and cash flows for the six months ended June 30, 2023, have been made. The interim results for the three and six months ended June 30, 2023 are not necessarily indicative of the results to be expected for the year ending December 31, 2023 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, 2022 that are included in the Company's Annual Report on Form 10-K filed with the SEC on March 8, 2023.

***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 $10.2 million as of June 30, 2023, will allow it to meet liquidity requirements through the end of 2023. However, the current operating plan includes discretionary expenditures, which if not incurred could extend liquidity requirements into the second 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.

***Accounting Standards Adopted in the Period***

In November 2021, the Financial Accounting Standards Board ("FASB") issued ASU No. 2021-10, *Government Assistance (Topic 832): Disclosures by Business Entities about Government Assistance*. This Accounting Standards Update ("ASU") requires business entities to make annual disclosures about transactions with a government they account for by analogizing to a grant or contribution accounting model under ASC 958-605 or based on International Accounting Standard No. 20. ASU 2021-10 became effective on January 1, 2022. The adoption of this guidance had no material effect on the Company's Consolidated Financial Statements.

In May 2021, the FASB issued ASU 2021-04, *Earnings Per Share (Topic 260), Debt-Modifications and Extinguishments (Subtopic 470-50), Compensation-Stock Compensation (Topic 718), and Derivatives and Hedging-Contracts in Entity's Own Equity (Subtopic 815-40)*. The new ASU addresses issuer's accounting for certain modifications or exchanges of freestanding equity-classified written call options. This amendment became effective on January 1, 2022. The adoption of this new guidance did not have a material impact on our financial statements for any past transactions, but it could change the way that the Company accounts for subsequent amendments to its outstanding warrants, if any.

***Recently Issued Accounting Pronouncements***

The FASB has issued 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.

***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 six months ended June 30, 2022 and 2023.

***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.

***Leases***

The Company accounts for lease contracts in accordance with ASC 842. As of June 30, 2023, 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.

## 3. Revenue

The Company recognized $373,000 of revenue for the three and six months ended June 30, 2023. This related to recovery of clinical manufacturing costs associated with an investigator sponsored study managed by Cedar-Sinai Medical Center. There were no revenues recognized for the comparative periods in 2022.

## 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 June 30, 2023 and 2022, as the result would be anti-dilutive:

| | June 30, 2023 | June 30, 2022 |
|---|---|---|
| Stock options | 2,195,346 | 1,610,588 |
| Restricted Stock Units | 521,971 | 137,657 |
| 6% convertible exchangeable preferred stock | 85 | 85 |
| Series A preferred stock | 6,600 | 6,600 |
| Series B preferred stock | 1,188,725 | 1,188,725 |
| Common stock warrants | 3,234,379 | 3,234,379 |
| Total shares excluded from calculation | 7,147,106 | 6,178,034 |

## 5. Prepaid Expenses and Other Current Assets

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

| | June 30, 2023 | December 31, 2022 |
|---|---|---|
| Research and development tax credit receivable | $ 1,953 | $ 4,664 |
| Prepayments and VAT receivable | 991 | 976 |
| Other current assets | 2,186 | 426 |
| | $ 5,130 | $ 6,066 |

Other current assets as of June 30, 2023 include reclassification of approximately $1.5 million of clinical trial deposits previously recognized as long term but now expected to be consumed within one year as of June 30, 2023.

## 6. Non-Current Assets

As of June 30, 2023, the Company had non-current assets of $1.0 million, which is primarily 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):

| | June 30, 2023 | December 31, 2022 |
|---|---|---|
| Accrued research and development | $ 4,095 | $ 3,611 |
| Accrued legal and professional fees | 248 | 333 |
| Other current liabilities | 234 | 887 |
| | $ 4,577 | $ 4,831 |

Other current liabilities for the year ended December 31, 2022 were largely attributed to accrued payroll costs.

## 8. Leases

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

For the six months ended June 30, 2023 and 2022, the Company recognized operating lease expenses of $36,949 and $30,470 respectively, including $4,896 in 2023 relating to a short term lease for offices in Dundee, Scotland. Cash payments made during the six months ended June 30, 2023 and 2022 totaled $36,318 and $30,870, respectively, and were presented within cash outflows from operating activities. The remaining lease term as of June 30,

2023 is approximately 2.1 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):

| | |
|---|---|
| 2023 | $ 38 |
| 2024 | 66 |
| 2025 | 38 |
| Thereafter | — |
| | $ 142 |

## 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. 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 and six months ended June 30, 2023 and 2022 as shown in the following table (in $000s):

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| General and administrative | $ 243 | $ 216 | $ 522 | $ 469 |
| Research and development | 116 | $ 134 | $ 238 | $ 262 |
| Stock-based compensation costs before income taxes | $ 359 | $ 350 | $ 760 | $ 731 |

***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 amendment of the 2018 Plan to increase the number of shares of Common Stock available for issuance under the 2018 Plan by 900,000 shares. As of June 30, 2023, the Company has reserved 323,326 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 200,000 shares of the Company's common stock (or the equivalent of such number). As of June 30, 2023, 120,000 shares under the Inducement Plan have been issued, leaving 80,000 shares in reserve.

***Option Grants and Exercises***

There were 650,128 options granted during the six months ended June 30, 2023. These options had a grant date fair value ranging between $0.42-$0.73 per option. There were 517,337 options granted during the six months ended June 30, 2022. These options had a grant date fair value ranging between $0.86-$2.90 per option.

Of the options granted during the six months ended June 30, 2023, 384,500 shall vest on the third anniversary of their date of grant, or earlier if either of the certain performance conditions are met relating to enrollment goals for various clinical studies. For purposes of the below calculations, the Company has assumed that these awards will vest after three years as satisfaction of the performance conditions is not probable at this time.

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:

| | Six months ended June 30, 2023 | Six months ended June 30, 2022 |
|---|---|---|
| Expected term (years) | 5-6 | 5-6 |
| Risk free interest rate | 3.660% – 4.050% | 1.370% – 3.605% |
| Volatility | 89% – 92% | 87% – 93% |
| Expected dividend yield over expected term | 0.00% | 0.00% |

There were no stock options exercised during each of the six months ended June 30, 2023 and 2022, 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.

*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, 2022 | 1,610,590 | $ 5.85 | 8.34 | $ — |
| Granted | 650,128 | $ 0.59 | — | — |
| Cancelled/forfeited | (65,372) | $ 15.53 | — | — |
| Options outstanding at June 30, 2023 | 2,195,346 | $ 4.00 | 8.41 | $ 3 |
| Unvested at June 30, 2023 | 1,097,852 | $ 1.80 | 9.32 | $ 3 |
| Vested and exercisable at June 30, 2023 | 1,097,494 | $ 6.21 | 7.50 | $ — |

*Restricted Stock Units*

The Company issued 384,314 restricted stock units during the six months ended June 30, 2023.

The 127,314 restricted stock units issued in June 2023 vest on the first anniversary of the date of grant. Each of these restricted stock units were valued at $0.59 at the date of grant, which was equivalent to the market price of a share of the Company’s common stock on that date.

The 257,000 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 $0.90 at the date of grant, which was equivalent to the market price of a share of the Company’s common stock on that date.

The Company issued 118,665 restricted stock units during the year ended December 31, 2022. These restricted stock units vest over a period of one year for awards granted to directors and three years for grants to employees. Each restricted stock unit was valued at $1.11 based on their fair value at the date of grant, which is equivalent to the market price of a share of the Company's common stock.

Summarized information for restricted stock units as of June 30, 2023 is as follows:

| | Restricted Stock Units | Weighted Average Grant Date Value Per Share | Weighted Average Remaining Term |
|---|---|---|---|
| Restricted Stock Units outstanding at June 30, 2023 | 521,971 | $ 1.08 | 9.46 years |
| Unvested at June 30, 2023 | 400,927 | $ 0.82 | 9.70 years |
| Vested and exercisable at June 30, 2023 | 121,044 | $ 1.95 | 8.68 years |

## 10. Stockholders Equity

*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 $10.0 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 3,117,100 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 $4,494,496. There was no sale of shares after August 12, 2022. The sale of these shares may be subject to potential rescission rights by certain shareholders. As of June 30, 2023, there have been no claims or demands to exercise such rights. As a result of these potential rescission rights, the Company reclassified 3,117,100 shares, with an aggregate purchase price of $4,494,496 of its common stock as outside stockholders' equity. The reclassification of these shares shall remain for a period of one year from the applicable transaction date. These shares have been treated as issued and outstanding for financial reporting purposes.

On August 15, 2022, due to expiry of the Registration Statement, the Sales Agreement was mutually terminated. Since the start of the agreement on August 12, 2021, a total of 3,281,067 shares, for gross proceeds of approximately $7.6 million, had been sold pursuant to the Sales Agreement.

Warrants

*December 2020 Warrants*

As of June 30, 2023, warrants to purchase 669,854 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 $4.13 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 six months ended June 30, 2023 or June 30, 2022.

*April 2020 Warrants*

As of June 30, 2023, 2,190,000 warrants issued pursuant to a securities purchase agreement in connection with an April 2020 equity financing remained outstanding, each with an exercise price of $5.00. 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 exercises of these warrants during the six months ended June 30, 2023 or June 30, 2022.

*July 2017 Warrants*

As of June 30, 2023, 374,525 warrants issued in connection with the July 2017 underwritten public offering remained outstanding, each with an exercise price of $40.00. 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 six months ended June 30, 2023 or June 30, 2022.

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 shall initially be convertible into five shares of Common Stock, subject to adjustment in accordance with the Certificate of Designation. As of June 30, 2023, 237,745 shares of the Series B Preferred Stock remained issued and outstanding.

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 Company's 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 Series B Preferred Stock may be converted into shares of common stock if and solely to the extent that such conversion would not result in the holder beneficially owning in excess of 9.99% of then-outstanding common stock or aggregate voting power of the Company and any portion in excess of such limitation will remain outstanding as Series B Preferred Stock.

Series A Preferred Stock

8,872 shares of the Company's Series A Preferred Stock were issued in the July 2017 underwritten public offering. During the year ended December 31, 2017, 8,608 shares of the Series A Preferred Stock were converted into 215,200 shares of common stock. As of June 30, 2023, 264 shares of the Series A Preferred Stock remained issued and outstanding.

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 $40.00 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. The 264 shares of Series A Preferred Stock issued and outstanding at June 30, 2023 are convertible into 6,600 shares of common stock.

In the event of a liquidation, the holders of shares of the Series A Preferred Stock shall be permitted to 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 the 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 (the "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 the 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 June 30, 2023, 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 June 30, 2023, accrued and unpaid dividends amounted to $50,291.

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 $59,220, 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 June 13, 2023, the board of directors declared a quarterly cash dividend in the amount of $0.15 per share on the Company's 6% Preferred Stock. The cash dividend was paid on August 1, 2023 to the holders of record of the 6% Preferred Stock as of the close of business on July 21, 2023.

**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, 2022, 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 and mitosis control biology. We are 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. Our primary focus has been on our transcriptional regulation program, which is evaluating fadraciclib, a CDK2/9 inhibitor, in solid tumors and hematological malignancies. Separately, our epigenetic/anti-mitotic program is evaluating plogosertib, a PLK1 inhibitor, in solid tumors and lymphoma.

We are evaluating oral fadraciclib and plogosertib in our Phase1/2 streamlined studies the aim of which is to assess safety and identify signals of clinical activity which may lead to registration-enabling outcomes.

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

In this ongoing study, twenty-eight patients have been treated in six dose escalation levels so far. 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. An additional basket cohort will enroll patients regardless of histology with biomarkers relevant to the drug's mechanism, including MCL1, MYC and/or cyclin E amplified.

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

In this ongoing study, fourteen patients have been treated at the five dose escalation levels with no dose limiting toxicities observed. The proof-of-concept stage includes 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.

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

**Going Concern**

For the three months ended June 30, 2023, we used net cash of $1.8 million to fund our operating activities. We have cash and cash equivalents of $10.2 million as of June 30, 2023, which will allow us to meet our liquidity requirements through the remainder of 2023. However, the current operating plan includes discretionary expenditures, which if not incurred could extend liquidity requirements into the second quarter of 2024. These factors raise 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 *Liquidity and Capital Resources* section for additional information.

***Liquidity and Capital Resources***

The following is a summary of our key liquidity measures as of June 30, 2023 and 2022 (in $000s):

| | June 30, | |
|---|---|---|
| | 2023 | 2022 |
| Cash and cash equivalents | $ 10,164 | $ 29,077 |
| Working capital: | | |
| Current assets | $ 15,294 | $ 32,077 |
| Current liabilities | (6,746) | (5,026) |
| Total working capital | $ 8,548 | $ 27,051 |

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 June 30, 2023, we had an accumulated deficit of $417.4 million.

***Cash Flows***

Cash from operating, investing and financing activities for the six months ended June 30, 2023 and 2022 is summarized as follows (in $000s):

| | Six Months Ended June 30, | |
|---|---|---|
| | 2023 | 2022 |
| Net cash used in operating activities | $ (8,166) | $ (8,690) |
| Net cash used in investing activities | (6) | (7) |
| Net cash (used in) provided by financing activities | (101) | 1,424 |

*Operating activities*

Net cash used in operating activities decreased by $0.5 million, from $8.7 million for the six months ended June 30, 2022 to $8.2 million for the six months ended June 30, 2023. The decrease in cash used by operating activities was

primarily the result of a change in working capital of $3.1 million, offset by an increase in net loss of $2.6 million. The $3.1 million change in working capital was due to increased balances in clinical trial deposits and research and development tax credits. The cash receipt of approximately $4.8 million in research and development tax credit was received during the six months ended June 30, 2023.

*Investing activities*

Net cash used by investing activities decreased by $1,000 for the six months ended June 30, 2023 due to slightly higher capital expenditures on information technology (IT) during the respective comparative period.

*Financing activities*

Net cash used in financing activities was $0.1 million for the six months ended June 30, 2023 as a result of dividend payments of approximately $0.1 million to the holders of our 6% Preferred Stock.

Net cash provided by financing activities was $1.4 million for the six months ended June 30, 2022 as a direct result of receiving approximately $1.5 million, net of expenses, from the issuance of common stock under the Sales Agreement with Cantor Fitzgerald & Co., offset by dividend payments of approximately $0.1 million to the holders of our 6% Preferred Stock.

***Funding Requirements and Going Concern***

As of June 30, 2023, we had cash and cash equivalents of $10.2 million. We have incurred losses since our inception and as of June 30, 2023, we had an accumulated deficit of $417.5 million. We expect to continue to incur substantial operating losses in the future.

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 FDA or 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.

Based on our current operating plan, we anticipate that our cash and cash equivalents of $10.2 million as of June 30, 2023 will allow us to meet our liquidity requirements through the end of 2023. However, the current operating plan includes discretionary expenditures, which if not incurred could extend liquidity requirements into the second quarter of 2024. 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 and Six Months Ended June 30, 2023 and 2022***

***Revenues***

We recognized $373,000 of revenue for the three and six months ended June 30, 2023. This related to recovery of clinical manufacturing costs associated with an investigator sponsored study managed by Cedar-Sinai Medical Center. There were no revenues recognized for the comparative periods in 2022.

*The future*

We expect to completely fulfill our obligations under this agreement by the fourth quarter of 2023. 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 and six months ended June 30, 2023 and 2022 (in $000s except percentages):

| | Three Months Ended June 30, | | Difference | | Six Months Ended June 30, | | Difference | |
|---|---|---|---|---|---|---|---|---|
| | 2023 | 2022 | $ | % | 2023 | 2022 | $ | % |
| Transcriptional Regulation (fadraciclib) | $ 3,043 | $ 2,583 | $ 460 | 18 | $ 7,130 | $ 6,228 | $ 902 | 14 |
| Epigenetic/anti-mitotic (plogosertib) | 1,357 | 1,459 | (102) | (7) | 2,708 | 2,581 | 127 | 5 |
| Other research and development expenses | 327 | 163 | 164 | 101 | 563 | 350 | 213 | 61 |
| Total research and development expenses | $ 4,727 | $ 4,205 | $ 522 | 12 | $ 10,401 | $ 9,159 | $ 1,242 | 14 |

Total research and development expenses represented 75% and 76% of our operating expenses for the three and six months ended June 30, 2023 respectively.

Research and development expenses increased by approximately $1.2 million from $9.2 million for the six months ended June 30, 2022 to $10.4 million for the six months ended June 30, 2023. Expenditure for the transcriptional regulation program increased by $0.9 million for the six months ended June 30, 2023, relative to the respective comparative period. This was due to an increase in non-clinical expenditure of $1.9 million, offset by reduction in clinical trial costs of $1.0 million associated with the progression of clinical trials for the evaluation of fadraciclib in Phase 1/2 studies. Research and development expenses relating to plogosertib increased by $0.1 million for the six months ended June 30, 2023, relative to the respective comparative period, due to an increase in non-clinical expenditure.

*The future*

We continue to anticipate that overall research and development expenses for the year ended December 31, 2023 will decrease compared to the year ended December 31, 2022 as we temporarily halt our Phase 1/2 study in hematological malignancies and progress clinical development of our Phase 1/2 studies 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 and six months ended June 30, 2023 and 2022 (in $000s except percentages):

| | Three Months Ended June 30, | | Difference | | Six Months Ended June 30, | | Difference | |
|---|---|---|---|---|---|---|---|---|
| | 2023 | 2022 | $ | % | 2023 | 2022 | $ | % |
| Total general and administrative expenses | $ 1,575 | $ 1,580 | $ (5) | (0) | $ 3,220 | $ 3,185 | $ 35 | 1 |

Total general and administrative expenses represented 25% and 24% of our operating expenses for the three and six months ended June 30, 2023 respectively.

General and administrative expenses remained relatively consistent at $1.6 million for each of the three months ended June 30, 2023 and 2022 and $3.2 million for each of the six months ended June 30, 2023 and 2022.

*The future*

We expect general and administrative expenditures for the year ended December 31, 2023 to be lower than our expenditures for the year ended December 31, 2022, due to management efforts to lower professional costs.

***Other income (expense), net***

The following table summarizes other income for the three and six months ended June 30, 2023 and 2022 (in $000 except percentages):

| | Three Months Ended June 30, | | Difference | | Six Months Ended June 30, | | Difference | |
|---|---|---|---|---|---|---|---|---|
| | 2023 | 2022 | $ | % | 2023 | 2022 | $ | % |
| Foreign exchange gains (losses) | $ (76) | $ 209 | $ (285) | (136) | $ (161) | $ 238 | $ (399) | (168) |
| Interest income | 77 | 17 | 60 | 353 | 193 | 21 | 172 | 819 |
| Other income (expense), net | (106) | — | (106) | — | 58 | 1,280 | (1,222) | (95) |
| Total other income (expense), net | $ (105) | 226 | $ (331) | (146) | $ 90 | 1,539 | $ (1,449) | (94) |

Total other income decreased by approximately $1.4 million from $1.5 million for the six months ended June 30, 2022 to $0.1 million for the six months ended June 30, 2023. Other income for the six months ended June 30, 2022 relates largely 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 $0.1 million and $1.3 million as other income arising from sales related to this transaction during the six months ended June 30, 2023 and 2022 respectively.

*Foreign exchange gains (losses)*

Foreign exchange gains decreased by $0.4 million, from a gain of $0.2 million for the six months ended June 30, 2022, to a loss of $0.2 million for the six months ended June 30, 2023.

*The future*

Other income (expense), net for the year ended December 31, 2023, 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 any intercompany loan becomes foreseeable.

***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 and six months ended June 30, 2023 and 2022 (in $000s except percentages):

| | Three Months Ended June 30, | | Difference | | Six Months Ended June 30, | | Difference | |
|---|---|---|---|---|---|---|---|---|
| | 2023 | 2022 | $ | % | 2023 | 2022 | $ | % |
| Total income tax benefit | $ 586 | $ 984 | $ (398) | (40) | $ 1,906 | $ 2,122 | $ (216) | (10) |

The total income tax benefit, which comprised of research and development tax credits recoverable, decreased by approximately $0.2 million from $2.1 million for the six months ended June 30, 2022 to $1.9 million for the six months ended June 30, 2023 due to legislative changes that took effect in April 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, 2023 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 2023, 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.

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**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, 2022 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 June 30, 2023.

**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 June 30, 2023, 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 June 30, 2023, our disclosure controls and procedures were effective to provide reasonable assurance that the information we are required to disclose in our filings with the Securities and Exchange Commission, or SEC, under the Exchange Act (i) is recorded, processed, summarized and reported 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 principal financial and accounting officer, as appropriate to allow timely decisions regarding required disclosure.

**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

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, 2022. 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, 2022.

### 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 |
|---|---|
| 10.1# | Employment Agreement between Cyclacel Pharmaceuticals, Inc. and Spiro Rombotis (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K (File No. 000-50626) filed with the SEC on May 4, 2023). |
| 10.2# | Employment Agreement between Cyclacel Pharmaceuticals, Inc. and Paul McBarron (incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K (File No. 000-50626) filed with the SEC on May 4, 2023). |
| 10.3# | Cyclacel Pharmaceuticals, Inc. Amended and Restated 2018 Equity Incentive Plan (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K (File No. 000-50626) filed with the SEC on June 14, 2023). |
| 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 June 30, 2023, 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 June 30, 2023, formatted in Inline eXtensible Business Reporting Language (included with Exhibit 101). |

* Filed herewith.
\# Management contract or compensatory plans or agreements.

**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: August 10, 2023

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

**EXHIBIT 31.1**

**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 June 30, 2023 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: August 10, 2023

/s/ Spiro Rombotis
Spiro Rombotis
President & Chief Executive Officer
*(Principal Executive Officer)*

**EXHIBIT 31.2**

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

I, Paul McBarron, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the three months ended June 30, 2023 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: August 10, 2023

/s/ Paul McBarron
Paul McBarron
Chief Operating Officer, Chief Financial Officer
and Executive Vice President, Finance
*(Principal Financial Officer)*

**EXHIBIT 32.1**

**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 June 30, 2023 (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: August 10, 2023

/s/ Spiro Rombotis
Spiro Rombotis
President & Chief Executive Officer

**EXHIBIT 32.2**

**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 June 30, 2023 (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: August 10, 2023

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