
**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, 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 000-15327

LadRx Corporation

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)

58-1642740
(I.R.S. Employer Identification No.)

11726 San Vicente Blvd., Suite 650
Los Angeles, CA
(Address of principal executive offices)

90049
(Zip Code)

(310) 826-5648
(Registrant's telephone number, including area code)

N/A
(Former name, former address and former fiscal year, if changed since last report)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
None	None	None

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 the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

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

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

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

Number of shares of common stock of LadRx Corporation, \$0.001 par value, outstanding as of August 14, 2024:
495,092 shares.

LADRX CORPORATION

FORM 10-Q

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Forward Looking Statements

All statements in this Quarterly Report on Form 10Q (this “Quarterly Report”), including statements in this section, other than statements of historical fact are forward-looking statements, including statements of our current views with respect to the recent developments regarding our business strategy, business plan and research and development activities, our future financial results, and other future events. These statements include forward-looking statements both with respect to us, specifically, and the biotechnology industry, in general. In some cases, forward-looking statements can be identified by the use of terminology such as “may,” “will,” “expects,” “plans,” “anticipates,” “estimates,” “potential” or “could” or the negative thereof or other comparable terminology. Although we believe that the expectations reflected in the forward-looking statements contained herein are reasonable, there can be no assurance that such expectations or any of the forward-looking statements will prove to be correct, and actual results could differ materially from those projected or assumed in the forward-looking statements.

All forward-looking statements involve inherent risks and uncertainties, and there are or will be important factors that could cause actual results to differ materially from those indicated in these statements. We believe that these factors include, but are not limited to, the factors discussed in this section and under the caption “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2023 (the “2023 Annual Report”), which should be reviewed carefully. If one or more of these or other risks or uncertainties materialize, or if our underlying assumptions prove to be incorrect, actual results may vary materially from what we anticipate. Please consider our forward-looking statements in light of those risks as you read this Quarterly Report. We undertake no obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise.

Note Regarding Company References

References throughout this Quarterly Report, the “Company”, “LadRx”, “we”, “us”, and “our”, except where the context requires otherwise, refer to LadRx Corporation.

PART I — FINANCIAL INFORMATION

Item 1. — Condensed Financial Statements

LADR X CORPORATION CONDENSED BALANCE SHEETS

	June 30, 2024	December 31,
	(Unaudited)	2023
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 816,568	\$ 2,070,075
Prepaid expenses and other current assets	72,616	191,783
Total current assets	889,184	2,261,858
Equipment and furnishings, net	3,250	6,711
Other assets	1,475	7,703
Operating lease right-of-use assets	—	31,610
Total assets	\$ 893,909	\$ 2,307,882

LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)

Current liabilities:

Accounts payable	\$	833,272	\$	1,202,689
Accrued expenses and other current liabilities		994,488		964,233
Current portion of operating lease liabilities		—		33,606
Total current liabilities		<u>1,827,760</u>		<u>2,200,528</u>

Commitments and contingencies

Stockholders' equity (deficit):

Preferred Stock, \$0.01 par value, 833,333 shares authorized, including 50,000 shares of Series B Junior Participating Preferred Stock; no shares issued and outstanding		—		—
Common stock, \$0.001 par value, 62,393,940 shares authorized 495,092 shares issued and outstanding at June 30, 2024 and December 31, 2023, respectively		495		495
Additional paid-in capital		488,667,937		488,612,890
Accumulated deficit		(489,602,283)		(488,506,031)
Total stockholders' equity (deficit)		<u>(933,851)</u>		<u>107,354</u>
Total liabilities and stockholders' equity (deficit)	\$	<u>893,909</u>	\$	<u>2,307,882</u>

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

LADRX CORPORATION
CONDENSED STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Revenue:				
Licensing revenue	\$ —	\$ —	\$ —	\$ —
Expenses:				
Research and development	593,784	—	624,080	—
General and administrative	700,784	1,021,166	1,502,386	2,101,204
Loss from operations	(1,294,568)	(1,021,166)	(2,126,466)	(2,101,204)
Other income:				
Interest income	11,581	2,831	30,213	7,098
Sale of royalty and milestone rights, net of transaction costs	—	4,167,219	1,000,000	4,167,219
Other income, net	—	82	—	1,355
Net income (loss)	\$ (1,282,987)	\$ 3,148,966	\$ (1,096,253)	\$ 2,074,468
Dividends paid on preferred shares	—	—	—	(68,809)

Net income (loss) attributable to common stockholders	\$ (1,282,987)	\$ 3,148,966	\$ (1,096,253)	\$ 2,005,659
Total basic and diluted income (loss) per share	\$ (2.59)	\$ 6.45	\$ (2.21)	\$ 4.31
Basic and diluted weighted-average shares outstanding	495,092	488,398	495,092	481,142

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

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LADRX CORPORATION
CONDENSED STATEMENTS OF CASH FLOWS
(Unaudited)

	Six Months Ended June 30,	
	2024	2023
Cash flows from operating activities:		
Net Income (loss)	\$ (1,096,253)	\$ 2,074,468
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Depreciation and amortization	3,461	5,918
Stock-based compensation expense	55,047	—
Changes in assets and liabilities:		
Prepaid expenses and other current assets	119,167	395,154
Other assets	6,228	—
Amortization of right-of-use asset	31,610	91,730
Accounts payable	(369,418)	74,742
Decrease in lease liabilities	(33,605)	(96,588)
Accrued expenses and other current liabilities	30,256	1,700
Net cash provided by (used in) operating activities	<u>(1,253,507)</u>	<u>2,547,124</u>
Cash flows from financing activities		
Preferred stock dividend	—	(68,809)
Purchase of preferred investment option	—	(250,000)
Net cash used in financing activities	—	(318,809)
Net increase (decrease) in cash and cash equivalents	(1,253,507)	2,228,315
Cash and cash equivalents at beginning of period	2,070,075	1,374,992
Cash and cash equivalents at end of period	<u>\$ 816,568</u>	<u>\$ 3,603,307</u>
Supplemental disclosure of Cash Flow Information:		
Conversion of Series C 10% Convertible Preferred Stock to Common Stock	<u>\$ —</u>	<u>\$ 1,343,684</u>

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

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LADRX CORPORATION
CONDENSED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)
(Unaudited)

For the Six Month Period Ended June 30, 2024

	Series B Preferred Shares Issued	Common Shares Issued	Common Stock Amount	Additional Paid-in Capital	Accumulated Deficit	Total
Balance at January 1, 2024	—	495,092	\$ 495	\$488,612,890	\$(488,506,031)	\$ 107,354
Stock compensation on vested options				51,119		51,119
Net income					186,735	186,735
Balance at March 31, 2024	—	495,092	\$ 495	\$488,664,009	\$(488,319,296)	\$ 345,208
Stock compensation on vested options				3,928		3,928
Net loss					(1,282,987)	(1,282,987)
Balance at June 30, 2024		495,092	\$ 495	\$488,667,937	\$(489,602,283)	(933,851)

For the Six Month Period Ended June 30, 2023

	Series B Preferred Shares Issued	Common Shares Issued	Common Stock Amount	Additional Paid-in Capital	Accumulated Deficit	Total
Balance at January 1, 2023	—	450,374	\$ 450	\$487,519,251	\$ (488,837,665)	\$(1,317,964)
1 for 100 reverse stock split fractional shares		13,191	13	(13)		—
Conversion of Series C Convertible Preferred Stock		15,250	15	655,139		655,154
Preferred dividend					(68,809)	(68,809)
Issuance of common stock		250	1	(1)		—
Net loss					(1,074,498)	(1,074,498)
Balance at March 31, 2023	—	479,065	\$ 479	\$488,174,376	(\$ 489,980,972)	\$(1,806,117)
Conversion of Series C Convertible Preferred Stock		16,027	16	688,514		688,530
Payment to redeem investment option				(250,000)		(250,000)
Net income					3,148,966	3,148,966
Balance at June 30, 2023	—	495,092	\$ 495	\$488,612,890	\$ (486,832,006)	\$ 1,781,379

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LADRX CORPORATION
NOTES TO CONDENSED FINANCIAL STATEMENTS
For the Six-Months Period Ended June 30, 2024 and 2023
(Unaudited)

1. Basis of Presentation and Significant Accounting Policies

Basis of Presentation

The accompanying condensed financial statements at June 30, 2024 and for the three-month and six-month periods ended June 30, 2024 and 2023, respectively, are unaudited, but include all adjustments, consisting of normal recurring entries, that management believes to be necessary for a fair presentation of the periods presented. Interim results are not necessarily indicative of results for a full year. Balance sheet amounts as of December 31, 2023 were derived from our audited financial statements as of that date.

The financial statements included herein have been prepared by us pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”). Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted pursuant to such rules and regulations. The financial statements should be read in conjunction with our audited financial statements contained in the 2023 Annual Report.

2023 Reverse Stock Split

The Company effected a 1-for-100 reverse stock split (the “Reverse Stock Split”) of its issued and outstanding shares of common stock on May 17, 2023, pursuant to which every 100 shares of the Company’s issued and outstanding shares of common stock were converted into one share of common stock without any change in the par value per share. Any fraction of a share of common stock that would otherwise have resulted from the Reverse Stock Split was rounded up to the nearest whole share. All share and per share amounts in this Quarterly Report and the accompanying financial statements and the notes thereto have been adjusted to reflect the Reverse Stock Split as if it had occurred at the beginning of the earliest period presented.

Going Concern

The Company’s condensed financial statements have been presented on the basis that it will continue as a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. During the six-month period ended June 30, 2024, we incurred a net loss of \$1.1 million and had total stockholders’ deficit as of June 30, 2024 of \$0.9 million. The Company has no recurring revenue, and we are likely to continue to incur losses unless and until we conclude a successful strategic partnership or financing for our LADR™ technology. As a result, management has concluded that there is substantial doubt about the Company’s ability to continue as a going concern. The Company’s financial statements do not include any adjustments that might result from the outcome of this uncertainty. The Company’s independent registered public accounting firm, in its report on the Company’s consolidated financial statements for the year ended December 31, 2023, has also expressed doubt about the Company’s ability to continue as a going concern.

At June 30, 2024, we had cash and cash equivalents and short-term investments of approximately \$0.8 million. The continuation of the Company as a going concern is dependent upon its ability to obtain necessary debt or equity financing to continue operations until it begins generating positive cash flow. No assurance can be given that any future financing will be available or, if available, that it will be on terms that are satisfactory to the Company. Even if the Company is able to obtain additional financing, it may contain undue restrictions on our operations, in the case of debt financing or cause substantial dilution for our stockholders, in case of equity financing.

Use of Estimates

Preparation of the Company’s condensed financial statements in conformance with U.S. GAAP requires the Company’s management to make estimates and assumptions that impact the reported amounts of assets, liabilities, revenues and expenses, and the disclosure of contingent assets and liabilities in the Company’s condensed financial statements and accompanying notes. The significant estimates in the Company’s condensed financial statements relate to the valuation of equity awards, recoverability of deferred tax assets, and estimated useful lives of fixed assets. The Company bases estimates and assumptions on historical experience, when available, and on various factors that it believes to be reasonable under the circumstances. The Company evaluates its estimates and assumptions on an ongoing basis, and its actual results may differ from estimates made under different assumptions or conditions.

Stock Compensation

The Company accounts for share-based awards to employees and non-employee directors and consultants in accordance with the provisions of ASC 718, *Compensation—Stock Compensation*, and under the recently issued guidance following FASB’s pronouncement, ASU 2018-07, *Compensation—Stock Compensation (Topic 718): Improvements to Nonemployee Share-Based Payment Accounting*. Under ASC 718, and applicable updates adopted, share-based awards are valued at fair value on the date of grant and that fair value is recognized over the requisite service, or vesting, period. The Company values its equity awards using the Black-Scholes option pricing model, and accounts for forfeitures when they occur.

Basic and Diluted Net Income (Loss) Per Common Share

Basic and diluted net loss per common share is computed based on the weighted-average number of common shares outstanding for the period. Diluted net income (loss) per share is computed by dividing the net income (loss) applicable to common stockholders by the weighted average number of common shares outstanding plus the number of additional common shares that would have been outstanding if all dilutive potential common shares had been issued using the treasury stock method. Potential common shares are excluded from the computation when their effect is antidilutive. Common share equivalents that could potentially dilute net loss per share in the future, and which were excluded from the computation of diluted loss per share, were as follows:

	As of June 30,	
	2024	2023
Options to acquire common stock	68,997	15,647
Warrants to acquire common stock	—	42
	<u>68,997</u>	<u>163,433</u>

Recently Issued Accounting Pronouncements

Recent authoritative guidance issued by the FASB (including technical corrections to the ASC), the American Institute of Certified Public Accountants, and the SEC did not, or are not expected to, have a material impact on the Company’s condensed financial statements and related disclosures.

2. Financing Under Securities Purchase Agreement

On July 13, 2021, the Company entered into a Securities Purchase Agreement (the “Purchase Agreement”) with a single institutional investor (the “Investor”) for aggregate gross proceeds of \$10 million and net proceeds of approximately \$9.2 million. The transaction closed on July 16, 2021. Under the Purchase Agreement, the Company sold and issued (i) 20,000 shares of its common stock at a purchase price of \$88.00 per share for total gross proceeds of approximately \$1.76 million in a registered direct offering (the “Registered Direct Offering”) and (ii) 8,240 shares of Series C 10.00% Convertible Preferred Stock (the “Series C Preferred Stock”) at a purchase price of \$1,000 per share, for aggregate gross proceeds of approximately \$8.24 million, in a concurrent private placement (the “Private Placement”) and, together with the Registered Direct Offering, the “July 2021 Offerings”). The shares of the Series C Preferred Stock were convertible, upon shareholder approval as described below, into an aggregate of up to 93,637 shares of common stock at a conversion price of \$88.00 per share. Holders of the Series C Preferred Stock were entitled to receive, cumulative dividends at the rate per share (as a percentage of the stated value per share) of 10.00% per annum, payable quarterly on January 1, April 1, July 1 and October 1, beginning on the first such date after the date of issuance. The terms of the Series C Preferred Stock included beneficial ownership limitations that preclude conversion that would result in the Investor owning in excess of 9.99% of the Company’s outstanding shares of common stock. LadRx also issued to the Investor an unregistered Preferred Investment Option (“PIO”) that prior to redemption and cancelation of the PIO on June 29, 2023 (as described herein) allowed for the purchase of up to 113,637 shares of common stock for additional gross proceeds of approximately \$10 million if the PIO was exercised

in full. The exercise price for the PIO was \$88.00 per share. The PIO had a term equal to five and one-half years commencing upon the Company increasing its authorized common stock following shareholder approval.

In 2022, the Company paid the following dividends: on January 1, 2022, \$206,000, on April 1, 2022, \$202,567, on July 1, 2022, \$84,005 and on October 1, 2022, \$68,809 for a total of \$561,381. On January 3, 2023, the Company paid a dividend of \$68,809.

At December 31, 2022, the Company had 2,752 shares of Series C Preferred Stock outstanding. On January 31, 2023, the Investor converted a further 1,342 shares of Series C Preferred Stock for 15,250 shares of common stock and on May 8, 2023, the Investor converted its remaining shares of Series C Preferred Shares for 16,027 shares of common stock. As of June 30, 2024 and December 31, 2023, there were no shares of Series C Preferred Stock issued and outstanding.

3. XOMA

Royalty Purchase Agreement with XOMA

On June 21, 2023, the Company, entered into (i) a Royalty Purchase Agreement (the “Royalty Agreement”) with XOMA (US) LLC (“XOMA”), for the sale, transfer, assignment and conveyance of the Company’s right, title and interest in and to certain royalty payments and milestone payments with respect to aldoxorubicin, and (ii) an Assignment and Assumption Agreement (the “Assignment Agreement”) with XOMA for the sale, transfer, assignment and conveyance of the Company’s right, title and interest in the Asset Purchase Agreement (the “2011 Arimoclomol Agreement”) between the Company and Orphazyme ApS (“Orphazyme”), dated as of May 13, 2011, and assigned to Zevra Denmark A/S (“Zevra Denmark”), effective as of June 1, 2022, which includes certain royalty and milestone payments with respect to arimoclomol. The combined aggregate purchase price paid to the Company for the sale, transfer, assignment and conveyance of the Company’s right, title and interest in and to aldoxorubicin and arimoclomol was \$5 million, less certain transaction fees and expenses.

The Royalty Agreement and the Assignment Agreement also provided for up to an additional \$6 million based on regulatory and commercial milestones related to the development of arimoclomol and aldoxorubicin by their respective sponsors, Zevra, Inc. and Immunity Bio. The \$6 million in potential post-closing payments was comprised of \$1 million upon acceptance by the FDA of the arimoclomol New Drug Application (“NDA”), \$1 million upon first commercial sale of arimoclomol, and \$4 million upon FDA approval of aldoxorubicin. All royalty and milestone payments made to XOMA were net of the existing licensing and milestone obligations owed by LadRx related to arimoclomol and aldoxorubicin.

Pursuant to the Royalty Agreement, the Company agreed to sell, transfer, assign and convey to XOMA, among other payments, all royalty payments and regulatory and commercial milestone payments payable to the Company pursuant to the worldwide license agreement (the “License Agreement”), dated July 27, 2017, by and between the Company and ImmunityBio, Inc (“ImmunityBio”). The Royalty Agreement also provides for the sharing of certain rights with XOMA to bring any action, demand, proceeding or claim as related to receiving such payments.

Management determined that the Royalty Agreement is not considered to be with a customer, and it does not fall within the scope of ASC 606. Instead, the Royalty Agreement represents an in-substance sale of nonfinancial assets, and, therefore, should be accounted for within the scope of ASC 610-20.

First Amendment to Royalty Purchase Agreement

On June 3, 2024, in consideration for the termination of the License Agreement pursuant to the Termination Agreement (as defined below), the Company and XOMA entered into the First Amendment to the Royalty Agreement (the “First Amendment”).

Pursuant to the First Amendment, if the Company decides to commercialize aldoxorubicin itself, prior to the first commercial sale of aldoxorubicin, the Company and XOMA shall enter into a synthetic royalty purchase agreement, pursuant to which the Company shall agree to make quarterly royalty payments to XOMA equal to the amount of all aggregate net sales of aldoxorubicin during each calendar quarter multiplied by 1.5%. If the Company decides not to commercialize aldoxorubicin itself and instead licenses aldoxorubicin to a third party, upon entry of such a new license agreement, XOMA shall be entitled to receive (i) royalty payments with respect to net sales of aldoxorubicin payable to the Company multiplied by 7.5% and (ii) milestone payments of 7.5% of any milestone payable to the Company pursuant to the License Agreement. The First Amendment contains customary covenants and other provisions customary for transactions of this nature.

Mutual Termination and Release Agreement

On June 3, 2024, pursuant to a Mutual Termination and Release Agreement (the “Termination Agreement”), the Company, NantCell, Inc., a Delaware corporation (“NantCell, Inc.,” and together with ImmunityBio “NantCell”), and its parent company, ImmunityBio, and XOMA agreed to a mutual termination of the License Agreement, effective as of the same date (the “Effective Date”). Neither the Company nor NantCell will have any continuing obligations to each other than as described in the Termination Agreement. Additionally, except that during the 30 day period following the Effective Date (the “Discussion Period”), the Company and NantCell shall engage in good faith discussions regarding the terms of an agreement pursuant to which the Company would have the right to purchase the inventory of aldoxorubicin (including, without limitation, active pharmaceutical ingredient, WPI and finished dose, the “Inventory”) and all other materials necessary for the research, development and commercialization, among others, worldwide as of the Effective Date, at the Company’s expense. Subsequently, the Company and NantCell have agreed that the disposition of the Inventory shall be at NantCell’s sole discretion.

The Termination Agreement additionally provides for the release of the Company and NantCell from claims, demands and liabilities, among others, and customary representations and warranties, covenants, and other provisions customary for transactions of this nature.

Assignment and Assumption Agreement with XOMA

On June 21, 2023, the Company entered into the Assignment Agreement with XOMA, pursuant to which, among others, the Company agreed to sell, transfer and assign to XOMA the Company’s right, title and interest in the arimoclomol pursuant to the 2011 Arimoclomol Agreement, including the right to receive certain milestone, royalty and other payments from Zevra Denmark.

Pursuant to the Assignment Agreement, the Company is entitled to receive (i) a one-time payment of \$1 million upon acceptance of a re-submission of an NDA to the FDA for arimoclomol, and (ii) a one-time payment of \$1 million upon the first invoiced sale in certain territories of a pharmaceutical product derived from arimoclomol as an active pharmaceutical ingredient, subject to the receipt of the applicable regulatory approval required to sell such a product in such countries. In January 2024, Zevra announced the FDA had accepted the NDA for arimoclomol and the Company received the one-time payment of \$1 million in February 2024 recognized such net proceeds of \$1.0 million as other income in the statement of operations for the period ended March 31, 2024

4. Stock Based Compensation

The Company has the 2008 Stock Incentive Plan (the “2008 Plan”) under which 50,000 shares of common stock are reserved for issuance. As of June 30, 2024, there were 13,982 shares subject to outstanding stock options and approximately 8,000 shares outstanding related to restricted stock grants issued from the 2008 Plan. This plan expired on November 20, 2018 and thus no further shares are available for future grant under this plan.

In November 2019, the Company adopted the 2019 Stock Incentive Plan (the “2019 Plan”) under which 54,000 shares of common stock are reserved for issuance. As of June 30, 2024, there were 3,500 shares subject to

outstanding stock options and 250 shares outstanding related to restricted stock grants from the 2019 Plan. This Plan expires on November 14, 2029.

On September 7, 2023, the Board approved the first amendment (the “Plan Amendment”) to the 2019 Plan, effective as of the same date. The Plan Amendment amends the 2019 Plan to (i) reflect the Company’s recent name change from CytRx Corporation to LadRx Corporation, and (ii) increase the aggregate number of shares of common stock that may be issued under the 2019 Plan, as set forth in Section 4(a) of the 2019 Plan, by an additional 75,000 shares of common stock. On September 7, 2023, the Board additionally approved and set January 16, 2024, as the grant date for certain stock options to purchase shares of common stock to certain directors and officers of the Company, which such options to purchase up to a total of 55,000 shares of common stock were granted to employees and directors. Fifty percent of these options were immediately vested, and the remaining balance will vest in equal installments on a monthly basis over three years. There were no options issued in the period ended June 30, 2023.

The fair value of the stock options at the date of grant was estimated using the Black-Scholes option-pricing model, based on the following assumptions:

	2024	2023
Risk-free interest rate	3.52%	2.42%
Expected volatility	134%	92%
Expected lives (years)	6	6
Expected dividend yield	0.00%	0.00%

The Company’s computation of expected volatility is based on the historical daily volatility of its publicly traded stock. For option grants issued during years ended December 31, 2024, the Company used a calculated volatility for each grant. The Company lacks adequate information about the exercise behavior at this time and has determined the expected term assumption under the simplified method provided for under ASC 718, which averages the contractual term of the Company’s options of ten years with the average vesting term of three years for an average of six years. In 2024, the Company used the average term of six years. The dividend yield assumption of zero is based upon the fact the Company has never paid cash dividends on common stock and presently has no intention of paying cash dividends. The risk-free interest rate used for each grant is equal to the U.S. Treasury rates in effect at the time of the grant for instruments with a similar expected life. The Company accounts for forfeitures as they occur. No amounts relating to stock-based compensation have been capitalized. No amounts relating to employee stock-based compensation have been capitalized.

During the six months ended June 30, 2024 and June 30, 2023, no options were exercised.

Presented below is our stock option activity:

	Six-Months Ended June 30, 2024			
	Number of Options (Employees)	Number of Options (Non- Employees)	Total Number of Options	Weighted- Average Exercise Price
Outstanding at January 1, 2024	10,350	3,650	14,000	\$ 501.70
Issued	55,000	—	55,000	1.83
Exercised, forfeited or expired	—	—	—	—
Outstanding at June 30, 2024	65,350	3,650	69,000	\$ 103.24
Exercisable at June 30, 2024	41,666	3,650	45,316	\$ 155.67

The following table summarizes significant ranges of outstanding stock options under the 2008 Plan and the 2019 Plan at June 30, 2024:

Range of Exercise Prices	Number of Options	Weighted-Average Contractual Life (years)	Weighted-Average Exercise Price	Number of Options Exercisable	Weighted-Average Contractual Life (years)	Weighted-Average Exercise Price
\$1.83 - \$25.99	55,000	9.55	\$ 1.83	29,044	9.55	\$ 1.83
\$26.00 –\$100.00	3,500	5.45	\$ 26.00	3,500	5.45	\$ 26.00
\$100.01 – \$300.00	6,066	3.21	\$ 195.29	6,066	3.21	\$ 195.29
\$300.01 – \$4,146.00	4,434	1.12	\$ 1,296.92	4,431	1.12	\$ 1,296.92
	<u>69,000</u>	8.24	\$ 103.24	<u>43,041</u>	8.24	\$ 155.67

The Company recorded \$55,047 of stock compensation costs in the period ended June 30, 2024 and no costs in the period ended June 30, 2023. At June 30, 2024, there was \$39,278 of unrecognized compensation expense related to unvested stock options.

The aggregate intrinsic value of the outstanding options as of June 30, 2024 was approximately \$41,250.

At December 31, 2023, the Company had warrants to purchase up to 42 shares of common stock outstanding at a weighted average exercise price of \$1,044.00 per share, which expired in 2024, and as such, the Company had no outstanding warrants at June 30, 2024.

5. Commitments and Contingencies

Commitments

Aldoxorubicin

The Company has an agreement (the “Vergell Agreement”) with Vergell Medical (formerly with KTB Tumorforschungs GmbH) (“Vergell”) for the exclusive license of patent rights held by Vergell for the worldwide development and commercialization of aldoxorubicin. Under the agreement, we had to make payments to Vergell upon meeting certain clinical and regulatory milestones up to and including the product’s second final marketing approval. However, those payments are no longer required since the intellectual property acquired under the Vergell Agreement has now expired. The Company accrued \$316,000 that we believe is owed prior to the expiry of the intellectual property. This amount was outstanding both for the six-month periods ended June 30, 2024 and June 30, 2023 and is included in accrued expenses and other current liabilities on the condensed balance sheets.

As discussed in Note 3, pursuant to the First Amendment to the Royalty Agreement, the Company and XOMA have amended the Royalty Agreement to provide XOMA with a low single-digit synthetic royalty on aldoxorubicin and a mid-single digit percentage of any economics derived by LadRx from future out-license agreements related to aldoxorubicin.

Arimoclomol

The agreement relating to our worldwide rights to arimoclomol provides for our payment of up to an aggregate of \$3.65 million upon receipt of milestone payments from Orphazyme A/S. On May 31, 2022, Orphazyme announced that it had completed the sale of substantially all of its assets and business activities for cash consideration of \$12.8

million and assumption of liabilities estimated to equal approximately \$5.2 million to KemPharm (the “KemPharm Transaction”). KemPharm is a specialty biopharmaceutical company focused on the discovery and development of novel treatments for rare central nervous system (“CNS”) diseases. As part of the KemPharm Transaction, all of Orphazyme’s obligations to LadRx under the 2011 Arimocloamol Agreement, including with regard to milestone payments and royalties on sales, were assumed by KemPharm. KemPharm re-branded to Zevra Therapeutics, Inc. in February 2023.

As disclosed in Note 3, Assignment Agreement with XOMA, pursuant to the Assignment Agreement, although all the liabilities and obligations related to arimocloamol remain the responsibility of the Company, XOMA will direct an escrow agent appointed by them to pay on behalf of LadRx up to an aggregate of \$3.25 million reflected in the preceding paragraph, as well as all future obligations related to Steven A. Kriegsman, pursuant to the Amended and Restated Employment Agreement, as amended by and between the Company and Mr. Kriegsman, dated March 26, 2019.

Innovive

Under the merger agreement by which the Company acquired Innovive, the Company agreed to pay the former Innovive stockholders a total of up to approximately \$18.3 million of future earnout merger consideration, subject to our achievement of specified net sales under the Innovive license agreements. As of June 30, 2024, there are no longer any further obligations due under this agreement, since the licensed intellectual property rights have expired.

Contingencies

We apply the disclosure provisions of ASC 460, *Guarantees* (“ASC 460”) to its agreements that contain guarantees or indemnities by the Company. We provide (i) indemnifications of varying scope and size to certain investors and other parties for certain losses suffered or incurred by the indemnified party in connection with various types of third-party claims; and (ii) indemnifications of varying scope and size to officers and directors against third party claims arising from the services they provide to the Company.

The Company is occasionally involved in legal proceedings and other matters arising from the normal course of business. On November 30, 2022, Jerald Hammann (“Hammann”) filed a complaint (the “Complaint”) against the Company, Mr. Caloz, and Mr. Kriegsman (together, “Defendants”) in the Court of Chancery of the State of Delaware, alleging various violations of a Cooperation Agreement, dated August 21, 2020, by and between the Company and Hammann. The Complaint alleges breaches of a provision limiting the Board’s ability to effect discretionary compensation and a non-disparagement provision. The Complaint further alleges a breach of a purported implied obligation that the Company disclose various internal records to Hammann. Defendants moved to dismiss the Complaint in its entirety. As a result, the Court subsequently dismissed the claims against Mr. Caloz and Mr. Kriegsman and also dismissed one of the claims against the Company. The Company intends to litigate vigorously against Hammann’s claims.

The Company evaluates developments in legal proceedings and other matters on a quarterly basis. The Company records accruals for loss contingencies to the extent that the Company concludes that it is probable that a liability has been incurred and the amount of the related loss can be reasonably estimated.

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

Overview

LadRx Corporation (“LadRx,” the “Company,” “we,” “us,” or “our”) is a biopharmaceutical research and development company specializing in oncology. The Company’s focus is on the discovery, research and clinical development of novel anti-cancer drug candidates that employ novel technologies that target chemotherapeutic drugs to solid tumors and reduce off-target toxicities. During 2017, LadRx’s discovery laboratory in Freiburg, Germany,

synthesized and tested over 75 rationally designed drug conjugates with highly potent anti-cancer payloads, culminating in the creation of two distinct classes of compounds. Four lead candidates (LADR-7 through LADR-10) were selected based on *in vitro* and animal studies in several different cancer models, stability, and manufacturing feasibility. In addition, a novel companion diagnostic, ACDx™, was developed to identify patients with cancer who are most likely to benefit from treatment with these drug candidates.

On June 1, 2018, LadRx launched Centurion BioPharma Corporation (“Centurion”), a wholly-owned subsidiary, and transferred into Centurion all of its assets, liabilities and personnel associated with the laboratory operations in Freiburg, Germany. In connection with said transfer, the Company and Centurion entered into a Management Services Agreement whereby the Company agreed to render advisory, consulting, financial and administrative services to Centurion, for which Centurion shall reimburse the Company for the cost of such services plus a 5% service charge. On December 21, 2018, LadRx announced that Centurion had concluded the pre-clinical phase of development for its four LADR™ (Linker Activated Drug Release) drug candidates, and of its albumin companion diagnostic (ACDx™). As a result of completing this work, operations taking place at the pre-clinical laboratory in Freiburg, Germany were no longer needed and the lab was closed at the end of January 2019.

On March 9, 2022, Centurion merged with and into LadRx, with LadRx absorbing all of Centurion’s assets and continuing after the merger as the surviving entity (the “Merger”). The Merger was implemented through an agreement and plan of merger pursuant to Section 253 of the General Corporation Law of the State of Delaware and did not require approval from either our or Centurion’s stockholders. The Certificate of Ownership merging Centurion into LadRx was filed with the Secretary of State of Delaware on March 9, 2022.

Effective September 26, 2022, we changed our name from CytRx Corporation to LadRx Corporation pursuant to a Certificate of Amendment to our Certificate of Incorporation filed with the Secretary of State of Delaware. In accordance with the General Corporation Law of the State of Delaware (the “DGCL”), our board of directors approved the name change and the Certificate of Amendment. Pursuant to Section 242(b)(1) of the DGCL, stockholder approval was not required for the name change or the Certificate of Amendment.

2023 Reverse Stock Split

The Company effected a 1-for-100 reverse stock split (the “Reverse Stock Split”) of its issued and outstanding shares of common stock on May 17, 2023, pursuant to which every 100 shares of the Company’s issued and outstanding shares of common stock were converted into one share of common stock without any change in the par value per share. Any fraction of a share of common stock that would otherwise have resulted from the Reverse Stock Split was rounded up to the nearest whole share. All share and per share amounts in this Quarterly Report on Form 10-Q and the accompanying financial statements and notes thereto have been adjusted to reflect the Reverse Stock Split as if it had occurred at the beginning of the earliest period presented.

Corporate Information

We are a Delaware corporation, incorporated in 1985. Our corporate offices are located at 11726 San Vicente Boulevard, Suite 650, Los Angeles, California 90049, and our telephone number is (310) 826-5648. Our web site is located at <http://www.ladrxcorp.com>. We do not incorporate by reference into this Quarterly Report on Form 10-Q the information on, or accessible through, our website, and you should not consider it as part of this report.

LADR Drug Discovery Platform

We believe that the LADR™ technology offers the opportunity for multiple pipeline drugs. The Company’s LADR™ technology platform consists of an organic backbone that is attached to a chemotoxic agent. The purpose of the LADR™ backbone is to first target and deliver the chemotoxic agent to the tumor environment, and then to release the chemotoxic agent within the tumor. By delivering, concentrating, and releasing the chemotoxic agent within the tumor, one expects to reduce the off-target side-effects of the chemotherapeutic, which in turn allows for several-fold higher dosing of the chemotherapeutic to the patient. Being small organic molecules, the Company expects LADR-based drugs to offer the benefits of targeting the tumor without the complexity, side effects, and expense inherent in macromolecules such as antibodies and nanoparticles.

The Company's LADR-based drugs use circulating albumin as the binding target and as the trojan horse to deliver the LADR™ drugs to the tumor. Albumin is the most abundant protein in plasma and accumulates inside tumors due to the aberrant vascular structure that exists within solid tumors. Tumors use albumin as a nutritional source and for transport of signaling and other molecules that are important to the maintenance and growth of the tumor, which makes albumin an excellent target for drugs that are intended for solid tumors.

The first LADR-based drug is aldoxorubicin. Aldoxorubicin consists of the widely used chemotoxin doxorubicin attached to a LADR backbone that targets the drug to the tumor, and releases the active drug once inside the tumor. Aldoxorubicin has been administered to hundreds of patients in clinical trials in soft tissue sarcoma and glioblastoma. As expected for a LADR-based drug, aldoxorubicin is typically dosed at a level that provides 3-4 times the amount of doxorubicin that can be safely delivered to a patient. In a large Phase II study in advanced soft tissue sarcomas, aldoxorubicin met its primary endpoint in extending progression-free survival (PFS). This Phase II study also resulted in preliminary data suggestive of aldoxorubicin having an improved cardiotoxicity profile relative to doxorubicin, one of the major issues with the use of doxorubicin. This preliminary data suggesting a possible advantage in cardiotoxicity offered by aldoxorubicin over doxorubicin was also shown in a subsequent Phase III trial in soft tissue sarcoma. The primary PFS endpoint was not met in this Phase III trial, in which 2/3 of the patients in the aldoxorubicin group were known to have already progressed after treatment with doxorubicin, making efficacy results difficult to interpret in this Phase III trial. Aldoxorubicin is currently licensed to ImmunityBio, Inc. (as defined below). See “-Partnering of Aldoxorubicin”.

The Company's efforts at furthering LADR™ development are focused on two classes of ultra-high potency albumin-binding drugs. These LADR-based drugs, LADR7, 8, 9, and 10, combine the proprietary LADR™ backbone with novel derivatives of the auristatin and maytansinoid drug classes. Auristatin and maytansinoid are highly potent chemotoxins, and require targeting to the tumor for safe administration to humans, as is the case for the U.S. Food and Drug Administration (“FDA”)-approved drugs Adcetris (auristatin antibody-drug-conjugate manufactured by Seagen, Inc.) and Kadcyca (maytansine antibody-drug-conjugate manufactured by Genentech, Inc.). We believe that LADR-based drugs offer the benefits of tumor targeting without the disadvantages of antibodies and other macromolecules, which include expense, complexity, and negative side effects. Additionally, albumin is a very well-characterized drug target, which we believe will reduce clinical and regulatory costs and risks.

The Company's postulated mechanism of action for LADR-based drugs is as follows:

- after administration, the linker portion of the drug conjugate forms a rapid and specific covalent bond to the cysteine-34 position of circulating albumin;
- circulating albumin preferentially accumulates in tumors due to a mechanism called “Enhanced Permeability and Retention”, which results in lower exposure to the drug in noncancerous tissues of the heart, liver, and other organs;
- once localized at the tumor, the acid-sensitive linker of the LADR™ backbone is cleaved due to the specific conditions within the tumor and in the tumor microenvironment; and
- free active drug is then released within the tumor, causing tumor cell death.

The first-generation LADR-based drug is called Aldoxorubicin. Aldoxorubicin is the well-known drug doxorubicin attached to the first generation LADR™ backbone (LADRs 7-10 employ a next generation LADR™ backbone). Aldoxorubicin has been administered to over 600 human subjects in human clinical trials and has proven the concept of LADR™ in that several-fold more doxorubicin can be safely administered to patients when the doxorubicin is attached to LADR™ than when administered as native doxorubicin.

The next generation LADR™ drugs are termed LADR7, 8, 9, and 10. A great deal of Investigational New Drug (“IND”) enabling work has already been accomplished on LADR7-10, including in-silico modeling, in-vitro

efficacy testing in several different cancer models, in-vivo dosing, safety, and efficacy testing in several different cancer models in animals. We have also developed and proven manufacturability, an important step prior to beginning human clinical trials.

The IND-enabling work that remains prior to applying to the FDA for first-in-human studies for LADR 7-10 is limited due to the extensive experimentation already completed. In the case of LADR 7, a manufacturing run under Good Manufacturing Practices (GMP) has been completed.

The final toxicology studies required for the IND for LADR 7 have been completed, and we expect to be ready to file an IND with the FDA, or an international equivalent, in 4Q2024. If the application is successful, we expect to be in position to initiate the Phase 1A trial with a first human dose at the end of 2024, or early 2025. If the Company fails to meet the FDA's requirements for the IND application, the first-patient dosing could be substantially delayed.

Because the LADR™ backbone in future products would be the same as the LADR™ backbone in current product candidates, (i.e. the chemotoxin can be changed without changing the LADR™ backbone), management anticipates that future product candidates beyond LADR7-10 may enjoy abbreviated pre-clinical pathways to first-in-human. Such abbreviated pathways would be subject to FDA review and agreement.

The Company's novel companion diagnostic, ACDx™ (albumin companion diagnostic) was developed to identify patients with cancer who are most likely to benefit from treatment with the four LADR™ lead assets. We have not yet determined whether the use of a companion diagnostic will be necessary or helpful, and plan to continue to investigate this question in parallel to the pre-clinical and clinical development of LADRs 7-10.

The LADR™ backbone and drugs that employ LADR™ are protected by domestic and international patents, and additional patents are pending.

Business Strategy for LADR™ Platform

With the non-dilutive financing concluded with XOMA (as defined below) in June 2023, the Company is focused on the work necessary to receive approval to initiate human clinical trials of LADR7 in the United States or another regulatory jurisdiction. The Company completed the production of approximately 100 grams of LADR7 under GMP, which is sufficient to carry out final toxicology studies, and to conduct Phase IA studies in human subjects.

The Company has also completed the Good Laboratory Practices ("GLP") toxicology program that is expected to form the foundation of the regulatory applications necessary to initiate human clinical studies of LADR7. Management expects to apply for first-in-human approval with the FDA or an international equivalent by the end of 2024, and expects to achieve first-in-human dosing of LADR-7 at the end of 2024 or early 2025. If the Company fails to meet the FDA's regulatory requirements for the first-in-human dosing, the first-patient dosing could be substantially delayed.

Management will continue to explore in parallel both partnered and non-partnered funding and development strategies for LADR™ with a goal of obtaining the least costly capital possible to enable value inflection milestones.

Partnering of Aldoxorubicin

On July 27, 2017, the Company entered into an exclusive worldwide license agreement (the "License Agreement") with ImmunityBio, Inc. (formerly known as NantCell, Inc. ("NantCell, Inc."), and which merged with NantKwest Inc. in March 2021 ("ImmunityBio" and together with NantCell, Inc., "NantCell")), granting to ImmunityBio the exclusive rights to develop, manufacture and commercialize aldoxorubicin in all indications. As a result, we are no longer directly working on the development of aldoxorubicin. As part of the License Agreement, ImmunityBio made a strategic investment of \$13 million in LadRx's common stock at \$660.00 per share (adjusted to

reflect the 2017 reverse stock split), a premium of 92% to the market price on that date. The Company also issued ImmunityBio a warrant to purchase up to 5,000 shares of common stock at \$660.00 per share, which such warrant expired on January 26, 2019.

ImmunityBio conducted an open-label, randomized, Phase 2 study of a combination of immunotherapy, aldoxorubicin, and standard-of-care chemotherapy versus standard-of-care chemotherapy alone for the treatment of locally advanced or metastatic pancreatic cancer in patients who have had 1 or 2 lines of treatment (Cohorts A and B) or 3 or greater lines of treatment (Cohort C). In June 2022, Immunity Bio presented data at the American Society of Clinical Oncology meeting showing that patients receiving combination immunotherapy with aldoxorubicin plus standard-of-care chemotherapy experienced overall survival of 5.8 months, compared to 3 months for historical control patients that had received only the standard-of-care chemotherapy (n=78, 95% confidence interval of 4 to 6.9 months). An additional 25 patients in the experimental group remain in the study. As of the date of this Quarterly Report, there have been no treatment-related deaths, and serious adverse events have been uncommon (6%).

Aldoxorubicin has received Orphan Drug Designation (ODD) by the FDA for the treatment of soft tissue sarcoma (“STS”). ODD provides several benefits including seven years of market exclusivity after approval, certain R&D related tax credits, and protocol assistance by the FDA. European regulators granted aldoxorubicin Orphan designation for STS which confers ten years of market exclusivity among other benefits.

Mutual Termination and Release Agreement

On June 3, 2024 (the “Effective Date”), we entered into a Mutual Termination and Release Agreement (the “Termination Agreement”) with NantCell and its parent company, ImmunityBio and XOMA (as defined below). Pursuant to the Termination Agreement, the License Agreement will terminate automatically on the Effective Date, and neither the Company nor NantCell will have any continuing obligations to each other than as described in the Termination Agreement. Additionally, except that during the 30 day period following the Effective Date (the “Discussion Period”), the Company and NantCell shall engage in good faith discussions regarding the terms of an agreement pursuant to which the Company would have the right to purchase the inventory of aldoxorubicin (including, without limitation, active pharmaceutical ingredient, WPI and finished dose, the “Inventory”) and all other materials necessary for the research, development and commercialization, among others, worldwide as of the Effective Date, at the Company’s expense. Subsequently, the Company and NantCell have agreed the disposition of the Inventory shall be at NantCell’s sole discretion.

The Termination Agreement additionally provides for the release of the Company and NantCell from claims, demands and liabilities, among others, and customary representations and warranties, covenants, and other provisions customary for transactions of this nature.

Royalty Purchase Agreement with XOMA

On June 21, 2023, the Company, entered into (i) a Royalty Purchase Agreement (the “Royalty Agreement”) with XOMA (US) LLC (“XOMA”), for the sale, transfer, assignment and conveyance of the Company’s right, title and interest in and to certain royalty payments and milestone payments with respect to aldoxorubicin, and (ii) an Assignment and Assumption Agreement (the “Assignment Agreement”) with XOMA for the sale, transfer, assignment and conveyance of the Company’s right, title and interest in the 2011 Arimoclomol Agreement (as defined herein) between the Company and Orphazyme ApS (“Orphazyme”), dated as of May 13, 2011, and assigned to Zevra Denmark A/S (“Zevra”), effective as of June 1, 2022, which includes certain royalty and milestone payments with respect to arimoclomol. The combined aggregate purchase price paid to the Company for the sale, transfer, assignment and conveyance of the Company’s right, title and interest in and to aldoxorubicin and arimoclomol was \$5 million, less certain transaction fees and expenses.

The Royalty Agreement and the Assignment Agreement also provide for up to an additional \$6 million based on regulatory and commercial milestones related to the development of arimoclomol and aldoxorubicin by their

respective sponsors, Zevra, Inc. and Immunity Bio. The \$6 million in potential post-closing payments is comprised of \$1 million upon acceptance by the FDA of the arimoclomol New Drug Application (“NDA”), \$1 million upon first commercial sale of arimoclomol, and \$4 million upon FDA approval of aldoxorubicin. All royalty and milestone payments made to XOMA will be net of the existing licensing and milestone obligations owed by LadRx related to arimoclomol and aldoxorubicin. In January 2024, the Company recognized the \$1 million milestone relating to the acceptance by the FDA of the arimoclomol NDA.

Pursuant to the Royalty Agreement, the Company agreed to sell, transfer, assign and convey to XOMA, among other payments, all royalty payments and regulatory and commercial milestone payments payable to the Company pursuant to the worldwide license agreement, dated July 27, 2017, by and between the Company and Immunity Bio. The Royalty Agreement also provides for the sharing of certain rights with XOMA to bring any action, demand, proceeding or claim as related to receiving such payments.

First Amendment to Royalty Purchase Agreement

On June 3, 2024, in consideration for the termination of the License Agreement pursuant to the Termination Agreement, the Company and XOMA entered into the First Amendment to the Royalty Agreement (the “First Amendment”). Pursuant to the First Amendment, if the Company decides to commercialize aldoxorubicin itself, prior to the first commercial sale of aldoxorubicin, the Company and XOMA shall enter into a synthetic royalty purchase agreement, pursuant to which the Company shall agree to make quarterly royalty payments to XOMA equal to the amount of all aggregate net sales of aldoxorubicin during each calendar quarter multiplied by 1.5%. If the Company decides not to commercialize aldoxorubicin itself and instead licenses aldoxorubicin to a third party, upon entry of such a new license agreement, XOMA shall be entitled to receive (i) royalty payments with respect to net sales of aldoxorubicin payable to the Company multiplied by 7.5% and (ii) milestone payments of 7.5% of any milestone payable to the Company pursuant to the License Agreement. The First Amendment contains customary covenants and other provisions customary for transactions of this nature.

Transfer of Rights to Molecular Chaperone Assets

On May 13, 2011, pursuant to the Asset Purchase Agreement by and between the Company and Orphazyme A/S (“Orphazyme”, formerly Orphazyme ApS), LadRx sold the rights to arimoclomol and irovanadine, based on molecular chaperone regulation technology, in exchange for a one-time, upfront payment and the right to receive up to a total of \$120 million in milestone payments upon the achievement of certain pre-specified regulatory and business milestones, as well as royalty payments based on a specified percentage of any net sales of products derived from arimoclomol (the “2011 Arimoclomol Agreement”). Orphazyme transferred its rights and obligations under the 2011 Arimoclomol Agreement to KemPharm Denmark A/S (“KemPharm”), a wholly owned subsidiary of KemPharm Inc., in May 2022.

In May 2021, Orphazyme announced that the pivotal phase 3 clinical trial for arimoclomol in Amyotrophic Lateral Sclerosis did not meet its primary and secondary endpoints, reducing the maximum amount that LadRx currently has the right to receive under the 2011 Arimoclomol Agreement to approximately \$100 million. Orphazyme also tested arimoclomol in Niemann-Pick disease Type C (“NPC”) and Gaucher disease, and following a Phase II/III trial submitted to the FDA a New Drug Application for the treatment of NPC with arimoclomol. On June 18, 2021, Orphazyme announced it had received a complete response letter (the “Complete Response Letter”) from the FDA indicating the need for additional data. In late October 2021, Orphazyme announced it held a Type A meeting with the FDA, at which the FDA recommended that Orphazyme submit additional data, information and analyses to address certain topics in the Complete Response Letter and engage in further interactions with the FDA to identify a pathway to resubmission. The FDA concurred with Orphazyme’s proposal to remove the cognition domain from the NPC Clinical Severity Scale (“NPCCSS”) endpoint, with the result that the primary endpoint is permitted to be recalculated using the 4- domain NPCCSS, subject to the submission of additional requested information which Orphazyme had publicly indicated that it intended to provide. To bolster the confirmatory evidence already submitted, the FDA affirmed that it would require additional in vivo or pharmacodynamic (PD)/pharmacokinetic (PK) data.

Orphazyme had also submitted a Marketing Authorization Application (“MAA”) with the European Medicines Agency (the “EMA”). In February 2022, Orphazyme announced that although they had received positive feedback from the Committee for Medicinal Products for Human Use (“CHMP”) of the EMA, they were notified by the CHMP of a negative trend vote on the MAA for arimoclochol for NPC following an oral explanation.

On May 31, 2022, Orphazyme announced that it had completed the sale of substantially all of its assets and business activities for cash consideration of \$12.8 million and assumption of liabilities estimated to equal approximately \$5.2 million to KemPharm (the “KemPharm Transaction”). KemPharm is a specialty biopharmaceutical company focused on the discovery and development of novel treatments for rare CNS diseases. As part of the KemPharm Transaction, all of Orphazyme’s obligations to LadRx under the 2011 Arimoclochol Agreement, including with regard to milestone payments and royalties on sales, were assumed by KemPharm. KemPharm is expected to continue the early access programs with arimoclochol, and to continue to pursue the potential approval of arimoclochol as a treatment option for NPC. In January 2024, the FDA accepted KemPharm’s NDA for arimoclochol. KemPharm re-branded to Zevra Therapeutics, Inc. in February 2023.

Assignment and Assumption Agreement with XOMA

On June 21, 2023, the Company entered into the Assignment Agreement with XOMA, pursuant to which, among others, the Company agreed to sell, transfer and assign to XOMA the Company’s right, title and interest in the arimoclochol pursuant to the 2011 Arimoclochol Agreement, including the right to receive certain milestone, royalty and other payments from Zevra.

Pursuant to the Assignment Agreement, the Company is entitled to receive (i) a one-time payment of \$1 million upon acceptance of a re-submission of a NDA to the FDA for arimoclochol, which the Company received in February 2024, and (ii) a one-time payment of \$1 million upon the first invoiced sale in certain territories of a pharmaceutical product derived from arimoclochol as an active pharmaceutical ingredient, subject to the receipt of the applicable regulatory approval required to sell such a product in such countries.

Critical Accounting Policies and Estimates

Management’s discussion and analysis of our financial condition and results of operations are based on our financial statements, which have been prepared in accordance with accounting principles generally accepted in the U.S. The preparation of these financial statements requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenue and expenses, and related disclosure of contingent assets and liabilities. On an ongoing basis, management evaluates its estimates, including those related to revenue recognition, impairment of long-lived assets, including finite-lived intangible assets, research and development expenses and clinical trial expenses and stock-based compensation expense.

We base our estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ materially from these estimates under different assumptions or conditions.

Our significant accounting policies are summarized in Note 2 to our audited financial statements contained in the 2023 Annual Report.

We believe the following critical accounting policies affect our more significant judgments and estimates used in the preparation of our financial statements.

Stock-Based Compensation

The Company accounts for share-based awards to employees and nonemployees directors and consultants in accordance with the provisions of ASC 718, *Compensation—Stock Compensation*, and under the recently issued guidance following FASB’s pronouncement, ASU 2018-07, *Compensation—Stock Compensation (Topic 718): Improvements to Nonemployee Share-Based Payment Accounting*. Under ASC 718, and applicable updates adopted,

share-based awards are valued at fair value on the date of grant and that fair value is recognized over the requisite service, or vesting, period. The Company values its equity awards using the Black-Scholes option pricing model, and accounts for forfeitures when they occur.

Known Trends, Events, and Uncertainties

The Company does not believe that inflation has had a material effect on its operations to date, other than the impact of inflation on the general economy. However, there is a risk that the Company's operating costs could become subject to inflationary pressures in the future, which would have the effect of increasing the Company's operating costs, and which would put additional stress on the Company's working capital resources.

Additionally, the consequences of the ongoing conflict between Russia and Ukraine, and the ongoing conflict between Israel and Hamas, including related sanctions and countermeasures, are difficult to predict, and could adversely impact geopolitical and macroeconomic conditions, the global economy, and contribute to increased market volatility, which may in turn adversely affect our business and operations. Furthermore, other than as discussed in this Quarterly Report, we have no committed source of financing and may not be able to raise money as and when we need it to continue our operations. If we cannot raise funds as and when we need them, we may be required to severely curtail, or even to cease, our operations. Other than as discussed above and elsewhere in this report, we are not aware of any trends, events or uncertainties that are likely to have a material effect on our financial condition.

Liquidity and Capital Resources

Going Concern

The Company's condensed financial statements have been presented on the basis that it will continue as a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. During the six-month period ended June 30, 2024, we realized a net loss of \$1.1 million and had total stockholders' deficit as of June 30, 2024 of \$0.9 million. The Company has no recurring revenue, and we are likely to continue to incur losses unless and until we conclude a successful strategic partnership or financing for our LADR™ technology. As a result, management has concluded that there is substantial doubt about the Company's ability to continue as a going concern. The Company's financial statements do not include any adjustments that might result from the outcome of this uncertainty. The Company's independent registered public accounting firm, in its report on the Company's consolidated financial statements for the year ended December 31, 2023, has also expressed doubt about the Company's ability to continue as a going concern.

At June 30, 2024, we had cash and cash equivalents and short-term investments of approximately \$0.8 million. The continuation of the Company as a going concern is dependent upon its ability to obtain necessary debt or equity financing to continue operations until it begins generating positive cash flow. No assurance can be given that any future financing will be available or, if available, that it will be on terms that are satisfactory to the Company. Even if the Company is able to obtain additional financing, it may contain undue restrictions on our operations, in the case of debt financing or cause substantial dilution for our stockholders, in case of equity financing.

Net cash used in operating activities for the six months ended June 30, 2024 was \$1.3 million, which was primarily the result of a net loss from operations \$1.1 million, and \$0.2 million in net cash outflows associated with changes in assets and liabilities.

Net cash used in operating activities for the six months ended June 30, 2023 was \$2.5 million, which was primarily the result of the sale of royalty and milestone rights, net of transaction costs of \$4.2 million less a net loss from operations of \$2.1 million, and \$0.4 million in net cash inflows associated with changes in assets and liabilities.

There were no investing activities in either of the three-month periods ended June 30, 2024 and 2023, and we do not expect any significant capital spending during the next 12 months.

There were no financing activities in the six-month period ended June 30, 2024, whereas we purchase the preferred investment option for \$250,000 and paid dividends on the shares of Series C 10.00% Convertible Preferred Stock of \$0.1 million in the six-month period ended June 30, 2023.

We continue to evaluate potential future sources of capital, as we do not currently have commitments from any third parties to provide us with additional capital and we may not be able to obtain future financing on favorable terms, or at all. The results of our technology licensing efforts and the actual proceeds of any fund-raising activities will determine our ongoing ability to operate as a going concern. Our ability to obtain future financings through joint ventures, product licensing arrangements, royalty sales, equity financings, grants or otherwise is subject to market conditions and our ability to identify parties that are willing and able to enter into such arrangements on terms that are satisfactory to us. Depending upon the outcome of our fundraising efforts, the accompanying financial information may not necessarily be indicative of our future financial condition. Failure to obtain adequate financing would adversely affect our ability to operate as a going concern.

We do not have any off-balance sheet arrangements.

There can be no assurance that we will be able to generate revenues from our product candidates and become profitable. Even if we become profitable, we may not be able to sustain that profitability.

Results of Operations

We recorded a net loss of approximately \$1.3 million and \$1.1 million for the three-month and six-month periods ended June 30, 2024, respectively, as compared to a net income of approximately \$3.1 million and \$2.0 million for the three-month and six-month periods ended June 30, 2023, respectively.

We recognized no licensing revenue in the six-month periods ended June 30, 2024 and 2023. We will no longer be entitled to future licensing revenues from our current licensing agreements, since we transferred the royalty and milestone rights associated with arimoclomol and aldoxorubicin to XOMA, pursuant to the Royalty Agreement, as amended, and the Assignment Agreement for net proceeds of approximately \$4.2 million, along with \$6 million in potential post-closing payments, based on achievement of certain future milestones. For the three and six-month periods ended June 30, 2023, we recognized those net proceeds of \$4.2 million as Other Income on our statement of operations, and for the three and six-month periods ended June 30, 2024, we recognized a \$1.0 million post-closing as Other Income on our statement of operations.

General and Administrative Expenses

	Three-Month Period Ended June 30,		Six-Month Period Ended June 30,	
	2024	2023	2024	2023
	(In thousands)		(In thousands)	
General and administrative expenses	\$ 695	\$ 1,018	\$ 1,444	\$ 2,095
Amortization of stock awards	4	—	55	—
Depreciation and amortization	1	3	3	6
	<u>\$ 700</u>	<u>\$ 1,021</u>	<u>\$ 1,502</u>	<u>\$ 2,101</u>

General and administrative expenses include all administrative salaries and general corporate expenses, including legal expenses. Our general and administrative expenses, excluding stock expense, non-cash expenses and depreciation and amortization, were \$0.7 million and \$1.4 million for the three and six-month periods ended June 30, 2024, respectively, and \$1.0 million and \$2.1 million, respectively, for the same periods in 2023. Our general and administrative expenses in the comparative periods excluding amortization of stock awards, non-cash expenses and

depreciation and amortization, decreased primarily due to a decrease in professional fees, insurance costs and salaries, offset by an increase in franchise taxes.

Research and Development

Research expenses are incurred by us in the discovery of new information that will assist us in the development of LADR-7. We did not have the resources to incur these expenses for the three and six-month periods ended June 30, 2023, whereas for the three and six-month period ended June 30, 2024, we incurred \$30,000 and \$624,000 respectively in research and development expenses.

Depreciation and Amortization

Depreciation expense reflects the depreciation of our equipment and furnishings.

Interest Income

Interest income was approximately \$12,000 and \$30,000 for the three-month and six-month periods ended June 30, 2024, respectively, as compared to \$3,000 and \$7,000, respectively, for the same periods in 2023.

Item 3. — Quantitative and Qualitative Disclosures About Market Risk

Our exposure to market risk is limited primarily to interest income sensitivity, which is affected by changes in the general level of U.S. interest rates, particularly because a significant portion of our investments are in short-term debt securities issued by the U.S. government and institutional money market funds. The primary objective of our investment activities is to preserve principal. Due to the nature of our short-term investments, we believe that we are not subject to any material market risk exposure. We do not have any speculative or hedging derivative financial instruments or foreign currency instruments. If interest rates had varied by 10% in the three-month period ended June 30, 2024, it would not have had a material effect on our results of operations or cash flows for that period.

Item 4. — Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and our Chief Financial Officer, performed an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Securities Exchange Act Rule 13a-15(e)) as of the end of the quarterly period covered by this Quarterly Report on Form 10-Q. Based on that evaluation, our Chief Executive Officer and our Chief Financial Officer concluded that our disclosure controls and procedures were effective to ensure that information required to be disclosed by us in reports that we file or submit under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC.

Our disclosure controls and procedures are designed to provide reasonable assurance of achieving their objectives as specified above. Management does not expect, however, that our disclosure controls and procedures will prevent or detect all errors and fraud. Any control system, no matter how well designed and operated, is based upon certain assumptions and can provide only reasonable, not absolute, assurance that its objectives will be met. Further, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, within the Company have been detected.

Changes in Controls over Financial Reporting

There was no change in our internal control over financial reporting that occurred during the quarter ended June 30, 2024 that materially affected, or is reasonably likely to materially affect, our internal control over financial

reporting. We continually seek to assure that all of our controls and procedures are adequate and effective. Any failure to implement and maintain improvements in the controls over our financial reporting could cause us to fail to meet our reporting obligations under the SEC’s rules and regulations. Any failure to improve our internal controls to address the weaknesses we have identified could also cause investors to lose confidence in our reported financial information, which could have a negative impact on the trading price of our common stock.

PART II — OTHER INFORMATION

Item 1. — Legal Proceedings

None.

Item 1A. — Risk Factors

You should carefully consider and evaluate the information in this Quarterly Report and the risk factors set forth under the caption “Item 1A. Risk Factors” in our 2023 Annual Report, which was filed with the SEC on March 16, 2023. The risk factors associated with our business have not materially changed compared to the risk factors disclosed in the 2023 Annual Report.

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

None.

Item 3. — Defaults Upon Senior Securities

None.

Item 4. — Mine Safety Disclosure

Not applicable.

Item 5. — Other Information

None.

Item 6. — Exhibits

The exhibits listed in the accompanying Index to Exhibits are filed or furnished as part of this Quarterly Report on Form 10-Q and incorporated herein by reference.

SIGNATURES

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

LadRx Corporation

Date: August 14, 2024

By: /s/ JOHN Y. CALOZ

John Y. Caloz
Chief Financial Officer

INDEX TO EXHIBITS

Exhibit Number	Description
10.1	<u>Mutual Termination and Release Agreement, dated as of June 3, 2024, by and among LadRx Corporation, NantCell, Inc., ImmunityBio, Inc. and XOMA (US) LLC (incorporated by reference to Exhibit 10.1 to the Company's Form 8-K filed with the SEC on June 6, 2024).</u>
10.2	<u>First Amendment of Royalty Purchase Agreement, dated as of June 3, 2024, by and between LadRx Corporation and XOMA (US) LLC (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed with the SEC on June 6, 2024).</u>
31.1*	<u>Certification of Chief Executive Officer pursuant to Rule 13A-14(a) or 15D-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u>
31.2*	<u>Certification of Chief Financial Officer pursuant to Rule 13A-14(a) or 15D-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u>
32.1**	<u>Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</u>
32.2**	<u>Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</u>
101.INS*	Inline XBRL Instance Document
101.SCH*	Inline XBRL Schema Document
101.CAL*	Inline XBRL Calculation Linkbase Document
101.DEF*	Inline XBRL Definition Linkbase Document
101.LAB*	Inline XBRL Label Linkbase Document
101.PRE*	Inline XBRL Presentation Linkbase Document
104*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Filed herewith.

** Furnished herewith.

Exhibit 31.1
CERTIFICATIONS

I, Stephen Snowdy, Chief Executive Officer of LadRx Corporation, certify that:

1. I have reviewed this quarterly report on Form 10-Q of LadRx Corporation;
2. Based on my knowledge, this quarterly 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 quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly 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 quarterly 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 subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

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

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

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

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

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

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

Date: August 14, 2024

By: /s/ STEPHEN SNOWDY

Stephen Snowdy
Chief Executive Officer

Exhibit 31.2

CERTIFICATIONS

I, John Y. Caloz, Chief Financial Officer of LadRx Corporation, certify that:

1. I have reviewed this quarterly report on Form 10-Q of LadRx Corporation;

2. Based on my knowledge, this quarterly 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 quarterly 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 quarterly report;

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

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

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

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

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

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

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

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

Date: August 14, 2024

By: /s/ JOHN Y. CALOZ

John Y. Caloz
Chief Financial Officer

Exhibit 32.1

Certification of Chief Executive Officer

Pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned Chief Executive Officer of LadRx Corporation (the "Company") hereby certifies that to his knowledge:

(i) the accompanying Quarterly Report on Form 10-Q of the Company for the period ended June 30, 2024 as filed with the Securities and Exchange Commission on the date hereof (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 as of and for the periods covered in the Report.

Date: August 14, 2024

By: /s/ STEPHEN SNOWDY

Stephen Snowdy
Chief Executive Officer

A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002 (Section 906), or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to LadRx Corporation and will be retained by LadRx Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

The foregoing certification is being furnished to the Securities and Exchange Commission as an Exhibit to the Form 10-Q and shall not be considered filed as part of the Form 10-Q.

Exhibit 32.2

Certification of Chief Financial Officer

Pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned Chief Financial Officer of LadRx Corporation (the "Company") hereby certifies that to his knowledge:

(i) the accompanying Quarterly Report on Form 10-Q of the Company for the period ended June 30, 2024 as filed with the Securities and Exchange Commission on the date hereof (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 as of and for the periods covered in the Report.

Date: August 14, 2024

By: /s/ JOHN Y. CALOZ

John Y. Caloz
Chief Financial Officer

A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002 (Section 906), or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to LadRx Corporation and will be retained by LadRx Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

The foregoing certification is being furnished to the Securities and Exchange Commission as an Exhibit to the Form 10-Q and shall not be considered filed as part of the Form 10-Q.
