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

Form 10-Q

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

For the quarterly period ended March 31, 2025

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	**58-1642740**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
11726 San Vicente Blvd., Suite 650 Los Angeles, CA	**90049**
(Address of principal executive offices)	(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
Common Stock, $0.001 par value per share Series B Junior Participating Preferred Stock Purchase Rights	**LADX**	**OTC Markets**

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. Yes ☐ No ☐

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 May 14, 2025: 495,092 shares.

LADRX CORPORATION

FORM 10-Q

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Forward Looking Statements

All statements in this Quarterly Report on Form 10-Q (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, 2024 (the "2024 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

LADRX CORPORATION
CONDENSED BALANCE SHEETS

	March 31, 2025 (Unaudited)	December 31, 2024
ASSETS		
Current assets:		
Cash and cash equivalents	$ 206,948	$ 759,742
Prepaid expenses and other current assets	51,296	77,296
Total current assets	258,244	837,038
Equipment and furnishings, net	354	999
Other assets	1,475	1,475
Total assets	$ 260,073	$ 839,512
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 1,101,488	$ 1,056,662
Accrued expenses and other current liabilities	1,293,377	1,202,279
Total current liabilities	2,394,865	2,258,941
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 March 31, 2025 and December 31, 2024, respectively	495	495
Additional paid-in capital	488,679,720	488,675,792
Accumulated deficit	(490,815,007)	(490,095,716)
Total stockholders' equity (deficit)	(2,134,792)	(1,419,429)
Total liabilities and stockholders' equity (deficit)	$ 260,073	$ 839,512

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

LADRX CORPORATION
CONDENSED STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended March 31,	
	2025	**2024**
Revenue:		
Licensing revenue	$ —	$ —
Expenses:		
Research and development	28,808	30,296
General and administrative	690,852	801,601
Loss from operations	(719,660)	(831,897)
Other income:		
Interest income	369	18,632
Royalty and milestone rights	—	1,000,000
Net income (loss)	$ (719,291)	$ 186,735
Total basic and diluted income (loss) per share	$ (1.45)	$ 0.38
Basic and diluted weighted-average shares outstanding	495,092	495,092

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

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

For the Three-Month Period Ended March 31, 2025

	Common Shares Issued	Common Stock Amount	Additional Paid-in Capital	Accumulated Deficit	Total
Balance at January 1, 2025	495,092	$ 495	$ 488,675,792	$ (490,095,716)	$ (1,419,429)
Issuance of stock options for compensation			3,928		3,928
Net loss				(719,291)	(719,291)
Balance at March 31, 2025	495,092	$ 495	$ 488,679,720	$ (490,815,007)	$ (2,134,792)

For the Three-Month Period Ended March 31, 2024

	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
Issuance of stock options for compensation			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

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

LADRX CORPORATION
CONDENSED STATEMENTS OF CASH FLOWS
(Unaudited)

	Three Months Ended March 31,	
	2025	**2024**
Cash flows from operating activities:		
Net income (loss)	$ (719,291)	$ 186,735
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Depreciation and amortization	639	2,060
Stock-based compensation expense	3,928	51,119
Changes in assets and liabilities:		
Prepaid expenses and other current assets	26,003	40,825
Other assets	—	6,228
Right-of-use asset	—	31,610
Accounts payable	44,828	(310,497)
Decrease in lease liabilities	—	(33,605)
Accrued expenses and other current liabilities	91,099	19,641
Net cash used in operating activities	(552,794)	(5,884)
Net decrease in cash and cash equivalents	(552,794)	(5,884)
Cash and cash equivalents at beginning of period	759,742	2,070,075
Cash and cash equivalents at end of period	$ 206,948	$ 2,064,191

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

LADRX CORPORATION
NOTES TO CONDENSED FINANCIAL STATEMENTS
For the Three-Months Period Ended March 31, 2025 and 2024
(Unaudited)

1. Basis of Presentation and Significant Accounting Policies

Basis of Presentation

The accompanying condensed financial statements of LadRx Corporation (the "Company") at March 31, 2025 and for the three-month periods ended March 31, 2025 and 2024, 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, 2024 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 2024 Annual Report.

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 three-month period ended March 31, 2025, the Company incurred a net loss of $0.7 million and had total stockholders' deficit as of March 31, 2025 of $2.1 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, 2024, has also expressed doubt about the Company's ability to continue as a going concern.

At March 31, 2025, we had cash and cash equivalents of approximately $0.2 million and a working capital deficit of $2.1 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. We have no commitments from third parties to provide us with any additional financing, and we may not be able to obtain future financing on favorable terms, or at all. Failure to obtain adequate financing would adversely affect our ability to operate as a going concern. 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.

Fair Value Measurements

The Company measures the fair value of financial instruments using a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

Level 1—Inputs used to measure fair value are unadjusted quoted prices that are available in active markets for the identical assets or liabilities as of the reporting date.

Level 2— Other significant observable inputs for the assets or liabilities through corroboration with market data at the measurement date.

Level 3—Unobservable inputs that are supported by little or no market activity and reflect the use of significant management judgment are used to measure fair value. These values are generally determined using pricing models for which the assumptions utilize management's estimates of market participant assumptions. The determination of fair value for Level 3 investments and other financial instruments involves the most management judgment and subjectivity.

The carrying amounts of financial assets and liabilities, such as cash, other current assets, accounts payable, and accrued expenses, approximate their fair values because of the short maturity of these instruments.

Research and Development Expenses

Research and development expenses consist of costs incurred for direct and overhead-related research expenses and are expensed as incurred. Costs to acquire technologies, including licenses and drugs, that are utilized in research and development and that have no alternative future use are expensed when incurred. Technology developed for use in its products is expensed as incurred until technological feasibility has been established.

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 income (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 March 31,	
	2025	**2024**
Options to acquire common stock	66,814	68,997

Recently Issued Accounting Pronouncements

In November 2024, the FASB issued ASU No. 2024-03 "Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses." This ASU requires public business entities to disclose, for interim and annual reporting periods, additional information about certain income statement expense categories. The requirements are effective for fiscal years beginning after December 15, 2026, and for interim periods beginning after December 15, 2027. Entities are permitted to apply either the prospective or retrospective transition methods. The Company is currently evaluating the impact that the adoption of this ASU will have on its financial statements.

2. 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 March 31, 2025, there were 8,300 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 March 31, 2025, 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.

In December 2023, the Compensation Committee awarded stock option grants to purchase an aggregate of 55,000 shares of common stock to the Company's Named Executive Officers and directors, effective January 15, 2024. No stock options or restricted stock were granted in the current period ended March 31, 2025.

During the three months ended March 31, 2025 and March 31, 2024, no options were exercised.

Presented below is our stock option activity:

	Three-Months Ended March 31, 2025			
	Number of Options (Employees)	Number of Options (Non-Employees)	Total Number of Options	Weighted-Average Exercise Price
Outstanding at January 1, 2025	64,084	2,733	66,817	$ 59.27
Issued	—	—	—	—
Exercised, forfeited or expired	—	—	—	—
Outstanding at March 31, 2025	64,084	2,733	66,817	$ 59.27
Exercisable at March 31, 2025	47,289	2,733	50,022	$ 78.78

The following table summarizes significant ranges of outstanding stock options under the 2008 Plan and the 2019 Plan at March 31, 2025:

Range of Exercise Prices	Number of Options	Weighted-Average Remaining Contractual Life (years)	Weighted-Average Exercise Price	Number of Options Exercisable	Weighted-Average Remaining Contractual Life (years)	Weighted-Average Exercise Price
$1.83 - $25.99	55,000	8.80	$ 1.83	38,205	8.80	$ 1.83
$26.00 –$100.00	3,500	4.70	$ 26.00	3,500	4.70	$ 26.00
$100.01 – $300.00	6,066	2.46	$ 195.29	6,066	2.46	$ 195.29
$300.01 –$4,146.00	2,251	1.07	$ 1,154.35	2,251	1.07	$ 1,154.35
	66,817	8.49	$ 103.24	50,022	7.75	$ 78.78

The Company recorded $3,928 of stock compensation costs in the period ended March 31, 2025 and $51,119 in the period ended March 31, 2024. At March 31, 2025, there was $31,423 of unrecognized compensation expense related to unvested stock options.

There was no aggregate intrinsic value of the outstanding options and options vested as of March 31, 2025, as compared to $32,000 for the period ended March 31, 2024.

3. XOMA

During the three-month periods ended March 31, 2025 and 2024, we recognized no service revenue. We will no longer be entitled to future licensing revenues from our current licensing agreements.

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 provides 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.

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, Inc.. 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. As such, the Company recognized such net proceeds of $1.0 million as other income in the accompanying statement of operations for the period ended March 31, 2024. No such income was recognized for the period ended March 31, 2025.

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, the Company received a payment of $1 million in connection with achieving the milestone relating to the acceptance by the FDA of the arimoclomol NDA, and in November 2024, the Company received $1 million in connection with achieving the milestone relating to the first commercial sale of arimoclomol.

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.

4. 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 expired. We accrued $316,000 that we believe was owed prior to the expiry of the intellectual property. This amount was outstanding at each of March 31, 2025 and December 31, 2024.

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 Orphayzme 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 Arimoclomol 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 discussed in Note 3, pursuant to the Assignment Agreement, although all the liabilities and obligations related to arimoclomol remain the responsibility of the Company, XOMA directed an escrow agent appointed by them to pay on behalf of LadRx $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 Pharmaceuticals, Inc. ("Innovive"), we 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 March 31, 2025, 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 believe the Complaint is wholly without merit and 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.

We have directors' and officers' liability insurance, which will be utilized, after the deductible, in the defense of any matter involving our directors or officers.

The Company evaluates developments in legal proceedings and other matters on a quarterly basis. If an unfavorable outcome becomes probable and reasonably estimable, we could incur charges that could have a material adverse impact on our financial condition and results of operations for the period in which the outcome becomes probable and reasonably estimable.

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

The Management's Discussion and Analysis of Financial Condition and Results of Operations is intended to provide a reader of our financial statements with a narrative from the perspective of our management on our financial condition, results of operations, liquidity, and certain other factors that may affect our future results. The information set forth below should be read in conjunction with the condensed consolidated financial statements and the notes thereto included elsewhere in this Quarterly Report on Form 10-Q (this "Quarterly Report") as well as the audited consolidated financial statements and the notes thereto contained in our Annual Report on Form 10-K filed with the SEC on March 28, 2025 (the "2024 Annual Report"). Unless stated otherwise, references in this Quarterly Report on Form 10-Q to "us," "we," "our," or our "Company" and similar terms refer to LadRx Corporation, a Delaware corporation.

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, the Company's discovery laboratory in Freiburg, Germany synthesized and tested over 75 rationally designed drug candidates 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, and based on 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, the Company 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 for its 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.

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 www.ladrxcorp.com. We do not incorporate by reference into this Quarterly Report the information on, or accessible through, our website, and you should not consider it as part of this Quarterly Report.

LADR-Based Drugs

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 Company's LADR™ development efforts are focused on three classes of ultra-high potency albumin-binding drugs. These LADR-based drugs, aldoxorubicin, and LADRs 7, 8, 9, and 10, combine the proprietary LADR™ backbone with novel derivatives of the commonly used chemotherapeutic doxorubicin, in the case of aldoxorubicin, and the auristatin and maytansinoid drug classes, in the cases of LADRs 7-10. Doxorubicin is the most prescribed chemotherapeutic small molecule, but suffers from serious side effects. 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 Kadcyla (maytansine antibody-drug-conjugate manufactured by Genentech, Inc.). We believe that LADR-based drugs may 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, resulting in circulating but inactive drug;
- circulating albumin preferentially accumulates in tumors due to the tumor using albumin as food for growth, and 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.

Our 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 administered to patients when the doxorubicin is attached to LADR™ than when administered as native doxorubicin. Aldoxorubicin has received Orphan Drug Designation (ODD) by the FDA for the treatment of soft tissue sarcoma ("STS"), ovarian cancer, pancreatic cancer, and non-small cell lung cancer. 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 also granted orphan designation for aldoxorubicin which confers ten years of market exclusivity among other benefits. LadRx plans to submit aldoxorubicin to the US FDA for marketing approval approximately 3Q 2026 following a small number of simple non-clinical studies (plan subject to agreement by the FDA, which is not guaranteed).

In December 2024, the Company announced that it is restarting a process to seek marketing approval of aldoxorubicin under the provisions of the FDA's Section 505(b)(2). The 505(b)(2) pathway is designed for a new drug composition whose active ingredient is the same active ingredient as a drug previously approved by the FDA. Given that the active component of the tumor-targeted drug aldoxorubicin is the already-marketed drug doxorubicin, the 505(b)(2) pathway is available for aldoxorubicin, and greatly reduces the regulatory burden of getting aldoxorubicin to the market by relying on the non-clinical and clinical data history of doxorubicin and aldoxorubicin to demonstrate equivalence of efficacy and safety. Additionally, the market exclusivity awarded to drugs that have received orphan designation for certain rare diseases, as is the case for aldoxorubicin, is available for drugs approved through the 505(b)(2) process for new drugs. Based on prior discussions with the FDA and input from regulatory experts, the Company does not expect that additional human trials will be necessary to gain approval of aldoxorubicin under Section 505(b)(2)). It should be noted that clinical data requirements for cancer drugs has evolved since our last communications with the FDA regarding the 505(b)(2) pathway, and the FDA may not agree that the historical aldoxorubicin data is sufficient to demonstrate equivalence in efficacy to doxorubicin. LadRx plans to submit a pre-NDA to the FDA within 3 months of receiving additional funding, and upon agreement with the FDA on a non-clinical path to approval, LadRx plans to submit a full NDA to the FDA upon completion of some non-clinical studies. The Company estimates that aldoxorubicin will be ready for submission to the FDA for marketing approval approximately 12 months from receiving additional funding. LadRx expects the capital needed to reach the pre-NDA meeting to be approximately $1.5 million, and the capital needed to reach NDA marketing approval to be an additional $4 million. There can be no certainty that the Company will be successful in its approach to the FDA regarding a non-clinical pathway to NDA, or in its raising additional capital.

The next generation LADR™ drugs are termed LADR 7, 8, 9, and 10. A great deal of Investigational New Drug ("IND") enabling work has already been accomplished on LADR 7-10, 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 final toxicology studies required for the IND for LADR-7 have been completed. Prior to initiating the first-in-human Phase I studies of LADR-7, LADR-7 must be packaged into clinical trial containers, and the relevant regulatory agencies must be notified. We expect these activities to require approximately six months to complete, once funding has been secured. If the Company fails to meet regulatory agencies' requirements for initiating the first-in-human studies of LADR-7, dosing of the first human patients 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 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.

Partnering History 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). Immunity Bio submitted the results of the Phase 2 study to the FDA for registration. The FDA denied the request and asked for a very large clinical trial with cohorts for each of the combination therapies alone, and in permutative combination with the other combination therapies. Immunity Bio chose not to proceed with the FDA's recommended trial, and aldoxorubicin has been returned to LadRx (see below "Mutual Termination and Release Agreement").

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.

In December 2024, the Company announced it is restarting a process to seek marketing approval of aldoxorubicin under the provisions of the FDA's Section 505(b)(2). The 505(b)(2) pathway is designed for a new drug composition whose active ingredient is the same active ingredient as a drug previously approved by the US Food and Drug Administration (FDA). Given that the active component of the tumor-targeted drug aldoxorubicin is the already-marketed drug doxorubicin, the 505(b)(2) pathway is available for aldoxorubicin, and greatly reduces the regulatory burden of getting aldoxorubicin to the market by relying on the non-clinical and clinical data history of doxorubicin to demonstrate efficacy and safety. Additionally, the market exclusivity awarded to drugs that have received orphan designation for certain rare diseases, as is the case for aldoxorubicin, is available for drugs approved through the 505(b)(2) process for new drugs.

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 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.

Management has 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 non-financial assets, and, therefore, should be accounted for within the scope of ASC 610-20. As such, the Company recognized such net proceeds as other income in the accompanying statement of operations.

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 (Orphazyme)

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 iroxanadine, 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 NDA 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 arimoclomol 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 Arimoclomol 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 arimoclomol, and to continue to pursue the potential approval of arimoclomol as a treatment option for NPC. KemPharm resubmitted the NDA for arimoclomol in 2023, and in January 2024, the FDA accepted KenPharm's NDA. KenPharm is also identifying a regulatory path forward with the EMA. KemPharm re-branded to Zevra Therapeutics, Inc. in February 2023. In January 2024, the FDA accepted Zevra's NDA for arimoclomol and in September, the FDA approved arimoclomol as an orally-delivered treatment for NPC. In September 2024, Zevra additionally announced that MIPLYFFA™ (arimoclomol) would be commercially available in the United States towards the end of 2024 and in November achieved its first commercial sale.

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.

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 arimoclomol, 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 arimoclomol 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 United States. 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 our 2024 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. Additionally, recent changes to U.S. policy implemented by the U.S. Congress, the Trump administration or any new administration have impacted and may in the future impact, among other things, the U.S. and global economy, tariffs, international trade relations, unemployment, immigration, healthcare, taxation, the U.S. regulatory environment, inflation and other areas. Although we cannot predict the impact, if any, of these changes to our business, they could adversely affect our business. 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 three-month period ended March 31, 2025, the Company incurred a net loss of $0.7 million and had total stockholders' deficit as of March 31, 2025 of $2.1 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, 2024, has also expressed doubt about the Company's ability to continue as a going concern.

At March 31, 2025, we had cash and cash equivalents of approximately $0.2 million and a working capital deficit of $2.1 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. We have no commitments from third parties to provide us with any additional financing, and we may not be able to obtain future financing on favorable terms, or at all. Failure to obtain adequate financing would adversely affect our ability to operate as a going concern. 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 three months ended March 31, 2025 was $0.6 million, which was primarily the result of a net loss from operations of $0.7 million, and a small increase in accounts payable of $0.1 million.

There were no investing activities in either of the three-month periods ended March 31, 2025 and 2024, and we do not expect any significant capital spending during the next 12 months.

There were no financing activities in either the three-month periods ended March 31, 2025 and 2024.

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 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 from operations of approximately $0.7 million for the three-month period ended March 31, 2025, as compared to a net loss of approximately $0.8 million for the three-month period ended March 31, 2024.

During the three-month periods ended March 31, 2025 and 2024, we recognized no service revenue. We will no longer be entitled to future licensing revenues from our current licensing agreements. We received a gross payment of $1 million milestone from the Royalty Agreement and the Assignment Agreement we signed with XOMA in the period ended March 31, 2024, which we recognized as Other Income on our statement of operations.

General and Administrative Expenses

	Three-Month Period Ended March 31,	
	2025	2024
	(In thousands)	
General and administrative expenses	$ 686	$ 749
Amortization of stock awards	4	51
Depreciation and amortization	1	2
	$ 691	$ 802

General and administrative expenses include all administrative salaries and general corporate expenses, including legal expenses. Our general and administrative expenses, excluding stock expenses, non-cash expenses and depreciation and amortization, were $0.7 million for the three-month period ended March 31, 2025, and $0.8 million for the same period in 2024.

Depreciation and Amortization

Depreciation expense reflects the depreciation of our equipment and furnishings.

Interest Income

We earned marginal interest income in the three-month period ended March 31, 2025 as compared to approximately $18,600 for the three-month period ended March 31, 2024.

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 March 31, 2025, 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, as amended, 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 March 31, 2025 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 2024 Annual Report, which was filed with the SEC on March 28, 2025. The risk factors associated with our business have not materially changed compared to the risk factors disclosed in the 2024 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 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: May 14, 2025

By: */s/ JOHN Y. CALOZ*

John Y. Caloz
Chief Financial Officer
(Principal Financial and Accounting Officer)

INDEX TO EXHIBITS

Exhibit Number	Description
31.1*	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
31.2*	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
32.1**	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2**	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
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 periods 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 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 Rules713a-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 periods 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: May 14, 2025

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 periods 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 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 periods 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: May 14, 2025

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 officer of LadRx Corporation (the "Company") hereby certifies based on his knowledge that:

(i) the accompanying Quarterly Report on Form 10-Q of the Company for the period ended March 31, 2025 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: May 14, 2025

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 officer of LadRx Corporation (the "Company") hereby certifies based on his knowledge that:

(i) the accompanying Quarterly Report on Form 10-Q of the Company for the period ended March 31, 2025 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: May 14, 2025

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.