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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 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**

Commission file number: 001-36020

Traws Pharma, Inc.
(Exact name of registrant as specified in its charter)

Delaware	**22-3627252**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
12 Penns Trail, Newtown, PA	**18940**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: **(267) 759-3680**

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 Act). ☐ Yes ☒ No

The number of outstanding shares of the registrant's Common Stock, par value $0.01 per share, as of August 1, 2024 was 25,306,509.

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $.01 per share	TRAW	The Nasdaq Stock Market LLC

TRAWS PHARMA, INC.

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FOR THE QUARTER ENDED JUNE 30, 2024

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PART I — FINANCIAL INFORMATION

Item 1. Financial Statements

Traws Pharma, Inc.
Condensed Consolidated Balance Sheets
(unaudited)

	June 30, 2024	December 31, 2023
Assets		
Current assets:		
Cash and cash equivalents	$ 16,886,000	$ 20,821,000
Receivables	18,000	18,000
Prepaid expenses and other current assets	1,767,000	1,821,000
Total current assets	18,671,000	22,660,000
Property and equipment, net	14,000	22,000
Other non-current assets	1,000	1,000
Total assets	$ 18,686,000	$ 22,683,000
Liabilities, redeemable convertible preferred stock and stockholders' (deficit) equity		
Current liabilities:		
Accounts payable	$ 6,174,000	$ 5,619,000
Accrued expenses and other current liabilities	3,509,000	3,375,000
Deferred revenue	227,000	226,000
Total current liabilities	9,910,000	9,220,000
Deferred revenue, non-current	2,677,000	2,791,000
Total liabilities	12,587,000	12,011,000
Commitments and contingencies		
Series C redeemable convertible preferred stock; $ 0.01 par value, 5,000,000 shares authorized; 12,472 and zero shares issued and outstanding at June 30, 2024 and December 31, 2023, respectively	111,619,000	—
Stockholders' (deficit) equity:		
Common stock, $0.01 par value, 125,000,000 shares authorized, 25,306,509 and 21,003,409 shares issued and outstanding at June 30, 2024 and December 31, 2023, respectively	253,000	210,000
Additional paid in capital	505,017,000	493,116,000
Accumulated deficit	(610,757,000)	(482,631,000)
Accumulated other comprehensive loss	(33,000)	(23,000)
Total stockholders' (deficit) equity	(105,520,000)	10,672,000
Total liabilities, redeemable convertible preferred stock and stockholders' (deficit) equity	$ 18,686,000	$ 22,683,000

See accompanying notes to condensed consolidated financial statements.

Traws Pharma, Inc.
Condensed Consolidated Statements of Operations (unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Revenue	$ 57,000	$ 57,000	$ 113,000	$ 113,000
Operating expenses:				
Acquired in-process research and development	117,464,000	—	117,464,000	—
Research and development	3,964,000	2,456,000	5,876,000	6,536,000
General and administrative	1,977,000	2,211,000	5,333,000	4,324,000
Total operating expenses	123,405,000	4,667,000	128,673,000	10,860,000
Loss from operations	(123,348,000)	(4,610,000)	(128,560,000)	(10,747,000)
Other income, net	205,000	360,000	434,000	722,000
Net loss	$ (123,143,000)	$ (4,250,000)	$ (128,126,000)	$ (10,025,000)
Net loss per share, basic and diluted	$ (4.87)	$ (0.20)	$ (5.53)	$ (0.48)
Basic and diluted weighted average shares outstanding	25,310,774	20,979,766	23,177,117	20,970,022

See accompanying notes to condensed consolidated financial statements.

Traws Pharma, Inc.
Condensed Consolidated Statements of Comprehensive Loss
(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net loss	$ (123,143,000)	$ (4,250,000)	$ (128,126,000)	$ (10,025,000)
Other comprehensive (loss) income				
Foreign currency translation adjustments	(3,000)	(1,000)	(10,000)	5,000
Other comprehensive (loss) income	(3,000)	(1,000)	(10,000)	5,000
Comprehensive loss	$ (123,146,000)	$ (4,251,000)	$ (128,136,000)	$ (10,020,000)

See accompanying notes to condensed consolidated financial statements.

Traws Pharma, Inc.
Consolidated Statement of Redeemable Convertible Preferred Stock and Stockholders' (Deficit) Equity (unaudited)

	Three Month Periods Ended June 30, 2024 and 2023							
	Redeemable Convertible Preferred Stock		Common Stock		Additional Paid in Capital	Accumulated deficit	Accumulated other comprehensive (loss) income	Total
	Shares	Amount	Shares	Amount				
Balance at March 31, 2024	—	$ —	21,085,935	$211,000	$493,448,000	$(487,614,000)	$ (30,000)	$ 6,015,000
Issuance of stock in connection with the asset acquisition of Trawsfynydd	10,359.00	93,232,000	3,549,538	35,000	3,515,000	—	—	3,550,000
Transaction costs paid through the issuance of stock	535.00	4,815,000	168,601	2,000	167,000	—	—	169,000
Issuance of stock in connection with the private placement, net of expenses	1,578.21	13,572,000	496,935	5,000	422,000	—	—	427,000
Exchange of Trawsfynydd stock options for options of the Company	—	—	—	—	7,085,000	—	—	7,085,000
Stock-based compensation	—	—	—	—	380,000	—	—	380,000
Shares issued for vested restricted stock units	—	—	5,500	—	—	—	—	—
Other comprehensive loss	—	—	—	—	—	—	(3,000)	(3,000)
Net loss	—	—	—	—	—	(123,143,000)	—	(123,143,000)
Balance at June 30, 2024	12,472.21	$111,619,000	25,306,509	$253,000	$505,017,000	$(610,757,000)	$ (33,000)	$ (105,520,000)
Balance at March 31, 2023	—	$ —	20,969,559	$210,000	$492,151,000	$(469,458,000)	$ (27,000)	$ 22,876,000
Net loss	—	—	—	—	—	(4,250,000)	—	(4,250,000)
Other comprehensive loss	—	—	—	—	—	—	(1,000)	(1,000)
Stock-based compensation	—	—	—	—	273,000	—	—	273,000
Shares issued for vested restricted stock units	—	—	8,066	—	—	—	—	—
Balance at June 30, 2023	—	$ —	20,977,625	$210,000	$492,424,000	$(473,708,000)	$ (28,000)	$ 18,898,000

Traws Pharma, Inc.
Consolidated Statement of Redeemable Convertible Preferred Stock and Stockholders' (Deficit) Equity (unaudited)

	Six Month Periods Ended June 30, 2024 and 2023							
	Redeemable Convertible Preferred Stock		Common Stock		Additional Paid in Capital	Accumulated deficit	Accumulated other comprehensive income (loss)	Total
	Shares	Amount	Shares	Amount				
Balance at December 31, 2023	—	$ —	21,003,409	$ 210,000	$ 493,116,000	$ (482,631,000)	$ (23,000)	$ 10,672,000
Issuance of stock in connection with the asset acquisition of Trawsfynydd	10,359.00	93,232,000	3,549,538	35,000	3,515,000	—	—	3,550,000
Transaction costs paid through the issuance of stock	535.00	4,815,000	168,601	2,000	167,000	—	—	169,000
Issuance of stock in connection with the private placement, net of expenses	1,578.21	13,572,000	496,935	5,000	422,000	—	—	427,000
Exchange of Trawsfynydd stock options for options of the Company	—	—	—	—	7,085,000	—	—	7,085,000
Stock-based compensation	—	—	—	—	713,000	—	—	713,000
Shares issued for vested restricted stock units	—	—	88,026	1,000	(1,000)	—	—	—
Other comprehensive income	—	—	—	—	—	—	(10,000)	(10,000)
Net loss	—	—	—	—	—	(128,126,000)	—	(128,126,000)
Balance at June 30, 2024	12,472.21	$111,619,000	25,306,509	$253,000	$505,017,000	$(610,757,000)	$ (33,000)	$(105,520,000)
Balance at December 31, 2022	—	$ —	20,925,992	$ 209,000	$ 491,816,000	$ (463,683,000)	$ (33,000)	$ 28,309,000
Net loss	—	—	—	—	—	(10,025,000)	—	(10,025,000)
Other comprehensive loss	—	—	—	—	—	—	5,000	5,000
Stock-based compensation	—	—	—	—	609,000	—	—	609,000
Shares issued for vested restricted stock units	—	—	51,633	1,000	(1,000)	—	—	—
Balance at June 30, 2023	—	$ —	20,977,625	$210,000	$492,424,000	$(473,708,000)	$ (28,000)	$ 18,898,000

See accompanying notes to condensed consolidated financial statements.

Traws Pharma, Inc.
Condensed Consolidated Statements of Cash Flows
(unaudited)

	Six Months Ended June 30,	
	2024	**2023**
Operating activities:		
Net loss	$ (128,126,000)	$ (10,025,000)
Adjustment to reconcile net loss to net cash used in operating activities:		
Acquired in-process research and development	117,464,000	—
Depreciation and amortization	8,000	7,000
Stock compensation	713,000	609,000
Changes in assets and liabilities:		
Receivables	—	12,000
Prepaid expenses and other current assets	54,000	(143,000)
Accounts payable	555,000	1,211,000
Accrued expenses and other current liabilities	(4,831,000)	(591,000)
Deferred revenue	(113,000)	(113,000)
Net cash used in operating activities	(14,276,000)	(9,033,000)
Investing activities:		
Cash paid for acquisition. net of cash acquired	(3,648,000)	—
Net cash used in investing activities	(3,648,000)	—
Financing activities:		
Proceeds from sale of common stock in connection with the private placement, net of expenses	13,999,000	—
Net cash provided by financing activities	13,999,000	—
Effect of foreign currency translation on cash	(10,000)	5,000
Net decrease in cash and cash equivalents	(3,935,000)	(9,028,000)
Cash and cash equivalents at beginning of period	20,821,000	38,757,000
Cash and cash equivalents at end of period	$ 16,886,000	$ 29,729,000
Supplemental disclosure of cash flow information:		
Shares issued for vested restricted stock units	$ 1,000	$ —
Common stock issued in connection with acquisition of Trawsfynydd	$ 3,719,000	$ —
Preferred stock issued in connection with acquisition of Trawsfynydd	$ 98,047,000	$ —

See accompanying notes to condensed consolidated financial statements.

Traws Pharma, Inc.
Notes to Condensed Consolidated Financial Statements
(Unaudited)

1. Nature of Business

The Company

Traws Pharma, Inc. (“Traws Pharma”), formerly known as Onconova Therapeutics, Inc. (the “Company”), was incorporated in the State of Delaware on December 22, 1998 and commenced operations on January 1, 1999. The Company's headquarters are located in Newtown, Pennsylvania. On April 1, 2024, the Company acquired Trawsfynydd Therapeutics, Inc., a Delaware corporation (“Trawsfynydd”), and the name change to Traws Pharma was effected. The Company accounted for the transaction as an asset acquisition as substantially all of the fair value of the gross assets acquired was concentrated in two programs that were grouped as a single identifiable in-process research & development (“IPR&D”) asset. Traws Pharma is a clinical stage biopharmaceutical company aiming to address unmet medical needs in respiratory viral diseases and cancer. The viral respiratory disease program includes an oral inhibitor drug candidate of the SARS-CoV-2 Mpro (3CL protease) and an oral antiviral drug candidate for influenza. In the cancer program, Traws Pharma is developing the novel, proprietary multi-kinase CDK2/4/6 inhibitor narazaciclib for refractory endometrial cancer and potentially for other cancers.

Liquidity

The Company has incurred recurring operating losses since inception. For the six months ended June 30, 2024, the Company incurred a net loss of $128,126,000 and as of June 30, 2024 the Company had generated an accumulated deficit of $610,757,000. Traws Pharma anticipates that operating losses will continue for the foreseeable future due to, among other things, costs related to research, development of its product candidates and its preclinical programs, strategic alliances and its administrative organization. At June 30, 2024, the Company had cash and cash equivalents of $16,886,000. Based on current projections, Traws Pharma believes that its cash and cash equivalents will be sufficient to fund its ongoing trials and operations into the fourth quarter of 2024; therefore, it does not have sufficient cash and cash equivalents to support its operations for at least the 12 months following the date that these financial statements are issued. These conditions raise substantial doubt about Traws Pharma’s ability to continue as a going concern through the one-year period after the date that the financial statements are issued. Due to the inherent uncertainty involved in making estimates and the risks associated with the research, development, and commercialization of biotechnology products, Traws Pharma may have based this estimate on assumptions that may prove to be wrong, and Traws Pharma's operating plan may change as a result of many factors currently unknown to Traws Pharma.

Traws Pharma will require substantial additional financing to fund its ongoing clinical trials and operations, and to continue to execute its strategy. To alleviate the conditions that raise substantial doubt about Traws Pharma’s ability to continue as a going concern, management plans to explore various dilutive and non-dilutive sources of funding, including equity financings, strategic alliances, business development and other sources. The future success of Traws Pharma is dependent upon its ability to obtain additional funding. There can be no assurance, however, that Traws Pharma will be successful in obtaining such funding in sufficient amounts, on terms acceptable to Traws Pharma, or at all. The failure to obtain sufficient capital on acceptable terms when needed would have a material adverse effect on Traws Pharma’s business, results of operations and financial condition. Accordingly, management has concluded that substantial doubt exists with respect to Traws Pharma's ability to continue as a going concern within one year after the date that these financial statements are issued.

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business, and do not include any adjustments relating to recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should Traws Pharma be unable to continue as a going concern.

Traws Pharma, Inc.
Notes to Condensed Consolidated Financial Statements (Continued)
(Unaudited)

2. Summary of Significant Accounting Policies

Basis of Presentation

The condensed consolidated financial statements are prepared in conformity with accounting principles generally accepted in the United States ("GAAP") for interim financial information. Certain information and footnotes normally included in financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC"). The financial statements include the consolidated accounts of the Company and its wholly-owned subsidiaries, Trawsfynydd Therapeutics LLC, Trawsfynydd Therapeutics AU Ltd, Throxavir Therapeutics AU Pty Ltd and Onconova Europe GmbH, as of June 30, 2024. All significant intercompany transactions have been eliminated.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the condensed consolidated financial statements and accompanying notes. Management bases its estimates on historical experience and on various other market-specific and relevant assumptions that management believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets, liabilities, and equity and the amount of revenues and expenses. Actual results could differ significantly from those estimates. The most significant estimates and assumptions that management considers in the preparation of the Company's financial statements relate to accrued research and development costs; the valuation of consideration transferred in acquiring the assts of Trawsfnydd; inputs used in the Black-Scholes model for stock-based compensation expense; and estimated cost to complete performance obligations related to revenue recognition.

Unaudited Interim Financial Information

The accompanying condensed consolidated balance sheet as of June 30, 2024, the condensed consolidated statements of operations and comprehensive loss for the three and six months ended June 30, 2024 and 2023, the consolidated statements of redeemable convertible preferred stock and stockholders' (deficit) equity for the three and six months ended June 30, 2024 and 2023 and the condensed consolidated statements of cash flows for the six months ended June 30, 2024 and 2023 are unaudited. The interim unaudited condensed consolidated financial statements have been prepared on the same basis as the annual audited consolidated financial statements and, in the opinion of management, reflect all adjustments, which include only normal recurring adjustments, necessary for the fair statement of the Company's financial position as of June 30, 2024, the results of its operations for the three and six months ended June 30, 2024 and 2023, and its cash flows for the six months ended June 30, 2024 and 2023. The financial data and other information disclosed in these notes related to the three and six months ended June 30, 2024 and 2023 are unaudited. The results for the three and six months ended June 30, 2024 are not necessarily indicative of results to be expected for the year ending December 31, 2024, any other interim periods, or any future year or period. These unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and the notes thereto for the year ended December 31, 2023 included in the Company's annual report on Form 10-K for the fiscal year ended December 31, 2023, filed with the SEC on April 1, 2024.

Segment Information

Operating segments are defined as components of an enterprise about which separate discrete information is available for evaluation by the chief operating decision maker, or decision-making group, in deciding how to allocate resources and in assessing performance. The Company views its operations and manages its business in one segment, which is the identification and development of therapeutic drug candidates.

Traws Pharma, Inc.
Notes to Condensed Consolidated Financial Statements (Continued)
(Unaudited)

Concentrations of Credit Risk and Off-Balance Sheet Risk

Financial instruments that potentially subject the Company to concentrations of credit risk are primarily cash and cash equivalents. The Company maintains a portion of its cash and cash equivalent balances in the form of money market accounts with financial institutions that management believes are creditworthy. The Company has no financial instruments with off-balance sheet risk of loss.

At June 30, 2024 the Company had $ 8,694,000 of its cash and cash equivalents in a Morgan Stanley Institutional Liquidity Fund. The fund is a AAA rated money market fund that invests in a portfolio of liquid, high-quality debt securities issued by the U.S. government. The fund resides in a custodial account held by U.S. Bank for which SVB Asset Management is the advisor.

Significant Accounting Policies

These interim condensed consolidated financial statements have been prepared in accordance with U.S. GAAP and SEC instructions for interim financial information, and should be read in conjunction with the Company's Annual Report. Significant accounting policies and other disclosures normally provided have been omitted since such items are disclosed in the Company's Annual Report. The Company uses the same accounting policies in preparing quarterly and annual financial statements.

Asset Acquisitions

Acquisitions of assets or a group of assets that do not meet the definition of a business are accounted for as asset acquisitions, with a cost accumulation model used to determine the cost of the acquisition. Common stock issued as consideration in an acquisition of assets is generally measured based on the acquisition date fair value of the equity interests issued. Direct transaction costs are recognized as part of the cost of an acquisition of assets. Intangible assets that are acquired in an asset acquisition for use in research and development activities that have an alternative future use are capitalized as in-process research and development, or IPR&D. Acquired IPR&D that has no alternative future use is expensed immediately in the consolidated statements of operations and comprehensive loss.

Australian Tax Incentive

The Company is eligible to receive a cash refund from the Australian Taxation Office for eligible research and development (“R&D”) expenditures under the Australian R&D Tax Incentive Program (the “Australian Tax Incentive”). The Australian Tax Incentive is recognized as a reduction to R&D expense when there is reasonable assurance that the relevant expenditure has been incurred, the amount can be reliably measured and that the Australian Tax Incentive will be received. As the Company’s Australian subsidiaries began operations in the second quarter of 2024, the Company has not recognized reductions to R&D expense for the three and six months ended June 30, 2024 and 2023, respectively.

Redeemable Convertible Preferred Stock

The Company records shares of redeemable convertible preferred stock at their respective fair values on the dates of issuance, net of issuance costs. The Company has applied the guidance in ASC 480-10-S99-3A, SEC Staff Announcement: Classification and Measurement of Redeemable Securities, and has therefore classified the redeemable convertible preferred stock outside of stockholders’ (deficit) equity because, if conversion to common stock is not approved by the stockholders, the redeemable convertible preferred stock will be redeemable at the option of the holders for cash equal to the closing price of the common stock on the last trading day prior to the holder’s redemption request. The Company determined that the conversion and redemption are outside of the Company’s control. Additionally, the Company determined the conversion and redemption features did not require bifurcation as derivatives.

Traws Pharma, Inc.
Notes to Condensed Consolidated Financial Statements (Continued)
(Unaudited)

Fair Value Measurements

At both June 30, 2024 and December 31, 2023, the Company had no financial assets and liabilities measured at fair value on a recurring basis. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

The Company utilizes a valuation hierarchy for disclosure of the inputs to the valuations used to measure fair value. This hierarchy prioritizes the inputs into three broad levels as follows. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are quoted prices for similar assets and liabilities in active markets or inputs that are observable for the asset or liability, either directly or indirectly through market corroboration, for substantially the full term of the financial instrument. Level 3 inputs are unobservable inputs based on the Company's own assumptions used to measure assets and liabilities at fair value. A financial asset or liability's classification within the hierarchy is determined based on the lowest level input that is significant to the fair value measurement.

The carrying amounts reported in the accompanying consolidated financial statements for cash and cash equivalents, accounts payable, and accrued liabilities approximate their respective fair values because of the short-term nature of these accounts.

Revenues and Deferred Revenues

The Company's revenue during the three and six months ended June 30, 2024 and 2023 was from its license and collaboration agreement with SymBio.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Symbio				
Upfront license fee recognition over time	$ 57,000	$ 57,000	$ 113,000	$ 113,000

Deferred revenue is as follows:

	Symbio Upfront Payment
Deferred balance at December 31, 2023	$ 3,017,000
Recognition to revenue	(113,000)
Deferred balance at June 30, 2024	$ 2,904,000

Research and Development Expenses

Research and development costs are charged to expense as incurred. These costs include, but are not limited to, license fees related to the acquisition of in-licensed products; employee-related expenses, including salaries, benefits and travel; expenses incurred under agreements with contract research organizations and investigative sites that conduct clinical trials and preclinical studies; the cost of acquiring, developing and manufacturing clinical trial materials; facilities, depreciation and other expenses, which include direct and allocated expenses for rent and maintenance of facilities, insurance and other supplies; and costs associated with preclinical activities and regulatory operations.

Costs for certain development activities, such as clinical trials, are recognized based on an evaluation of the progress to completion of specific tasks using data such as patient enrollment, clinical site activations, or information

Traws Pharma, Inc.
Notes to Condensed Consolidated Financial Statements (Continued)
(Unaudited)

provided to the Company by its vendors with respect to their actual costs incurred. Payments for these activities are based on the terms of the individual arrangements, which may differ from the pattern of costs incurred, and are reflected in the consolidated financial statements as prepaid or accrued research and development expense, as the case may be.

Net loss per share

Basic loss per share of common stock is computed by dividing net loss attributable to common stockholders by the weighted-average number of shares of common stock outstanding during each period and inclusive of prefunded warrants outstanding. Diluted loss per share of common stock includes the effect, if any, from the potential exercise or conversion of securities, such as redeemable convertible preferred stock, stock options and unvested restricted stock units, which would result in the issuance of incremental shares of common stock. For diluted net loss per share, the weighted-average number of shares of common stock is the same for basic net loss per share due to the fact that when a net loss exists, dilutive securities are not included in the calculation as the impact is anti-dilutive.

The following potentially dilutive securities have been excluded from the computation of diluted weighted-average shares of common stock outstanding, as they would be anti-dilutive:

	June 30,	
	2024	2023
Redeemable convertible preferred stock (common stock equivalents)	124,726,751	—
Warrants	307,716	344,990
Stock Options	11,073,148	1,711,797
Unvested restricted stock units	565,485	—
	136,673,100	2,056,787

Recently Issued Accounting Pronouncement

We adopted the Financial Accounting Standards Board's Accounting Standards Update 2020-06, "Accounting for Convertible Instruments and Contracts in an Entity's Own Equity" ("ASU 2020-06"), effective as of January 1, 2024 using the modified retrospective method. Among other amendments, ASU 2020-06 eliminates the cash conversion and beneficial conversion feature models in ASC 470-20 that require an issuer of certain convertible debt and preferred stock to separately account for embedded conversion features as a component of equity, as well as changed the accounting for diluted earnings-per-share for convertible instruments and contracts that may be settled in cash or stock. Additionally, ASU 2020-06 requires that the if-converted method, which is more dilutive than the treasury stock method, be used for all convertible instruments. We applied ASU 2020-06 to all redeemable convertible preferred stock during 2024, accordingly the Company did not apply the cash conversion or beneficial conversion feature models in its analysis of the redeemable convertible preferred stock.

In November 2023, the FASB issued ASU 2023-07, Improvements to Reportable Segment Disclosures ("ASU 2023-07"), which requires public companies to disclose for each reportable segment the significant expense categories and amounts for such expenses. ASU 2023-07 is effective for annual periods beginning December 15, 2023, and for interim periods within fiscal years beginning after December 15, 2024. This ASU will be effective for our annual period ended December 31, 2024. The Company is currently evaluating the impacts of ASU 2023-07 on its disclosures.

Traws Pharma, Inc.
Notes to Condensed Consolidated Financial Statements (Continued)
(Unaudited)

3. Asset Acquisition

On April 1, 2024, the Company acquired Trawsfynydd, in accordance with the terms of an Agreement and Plan of Merger, dated April 1, 2024 (the "Merger Agreement), pursuant to which the Company acquired Trawsfynydd's TRX100 and TRX01 programs and assumed certain liabilities associated with the acquired assets. The upfront consideration included (i) the issuance of 3,549,538 shares of common stock of the Company at an aggregate fair value of $ 3,550,000, (ii) the issuance of 10,359 shares of Series C Preferred Stock at an aggregate fair value of $ 93,232,000, and (iii) the assumption of all Trawsfynydd stock options (the "assumed options") immediately outstanding prior to the transaction at an aggregated fair value of $7,085,000.

Each share of Series C Preferred Stock is convertible into 10,000 shares of common stock, subject to shareholder approval and beneficial ownership limitations. The fair value of the shares issued to Trawsfynydd and options assumed was based on the closing stock price of the Company's common stock on April 1, 2024 of $1.00, less a discount 10.0% related to unregistered share restrictions of the preferred shares.

The Company accounted for the transaction as an asset acquisition as the Company acquired inputs and no substantive processes or outputs. The assets acquired in the transaction were measured based on the estimated fair value of the consideration paid of $112,543,000, which included direct transactions costs of $ 8,676,000. Tungsten Partners LLC ("Tungsten") acted as financial advisor to the Company in connection with the Merger. As partial compensation for services rendered by Tungsten, the Company issued to Tungsten and its affiliates and designees an aggregate of 168,601 shares of Common Stock and 535 shares of Series C Preferred Stock.

The consideration paid and the relative fair values of the assets acquired and liabilities assumed were as follows (in thousands):

Consideration transferred:		
Common stock	$	3,550,000
Series C Preferred stock		93,232,000
Assumed options		7,085,000
Company transaction costs settled in equity		4,984,000
Company transaction costs paid in cash		3,692,000
Total consideration transferred	$	112,543,000
Assets acquired:		
Cash and cash equivalents	$	44,000
Total assets acquired		44,000
Liabilities assumed:		
Accrued expenses and other current liablities		4,965,000
Total liabilities assumed		4,965,000
Net assets acquired		(4,921,000)
In-process research and development		117,464,000
Net assets acquired	$	112,543,000

Under the asset acquisition model, an entity that acquires IPR&D assets follows the guidance in ASC 730, Research and Development, which requires that both tangible and intangible identifiable research and development assets with no alternative future use be initially allocated a portion of the consideration transferred and then charged to expense at the acquisition date. As the Trawsfynydd IPR&D assets acquired have no alternative future use to the Company, the Company charged $117,464,000 to expense within its consolidated statement of operations and comprehensive loss for three and six months ended June 30, 2024.

Traws Pharma, Inc.
Notes to Condensed Consolidated Financial Statements (Continued)
(Unaudited)

Pursuant to the Merger Agreement, the Company agreed to hold a stockholders' meeting to submit the following matters to its stockholders for their consideration: (i) the approval of the conversion of shares of Series C Preferred Stock into shares of Common Stock in accordance with the rules of the Nasdaq Stock Market LLC (the "Conversion Proposal") and (ii) if deemed necessary or appropriate by the Company or as otherwise required by applicable law or contract, the approval of an amendment to the Company's certificate of incorporation, as amended (the "Charter"), to authorize sufficient shares of Common Stock for the conversion of Series C Preferred Stock issued pursuant to the Merger Agreement (the "Share Increase Proposal" and together with the Conversion Proposal, the "Meeting Proposals"). In connection with these matters, the Company agreed to file a proxy statement on Schedule 14A with the SEC.

The Board of Directors of the Company (the "Board") approved the Merger Agreement and the related transactions, and the consummation of the Merger was not subject to approval of Company stockholders. In accordance with the Merger Agreement, three directors were appointed to the Board of Directors of the Company and there were several changes to management, each effective as of the Closing.

Concurrently with the Closing of the Merger, the Company entered into a contingent value rights agreement (the "CVR Agreement") with a rights agent (the "Rights Agent"), pursuant to which each holder of Common Stock as of the applicable record date (April 15, 2024), including those holders receiving shares of Common Stock in connection with the Merger, is entitled to one contractual contingent value right (each, a "CVR") entitling the holder to certain distributions of net proceeds and net sales of Traws Pharma's two leading cancer candidates, subject to and in accordance with the terms and conditions of the CVR Agreement, for each share of Common Stock held by such holder as of the applicable record time.

The distributions in respect of the CVRs will be made on a quarterly basis, and will be subject to a number of deductions, subject to certain exceptions or limitations, including but not limited to for certain taxes and certain out-of-pocket expenses incurred by Traws Pharma. At the time of Merger and again at June 30, 2024, the value ascribed to the CVR liability was de minimis given the uncertainty related to the success of the underlying oncology programs.

4. Balance Sheet Detail

Prepaid expenses and other current assets:

	June 30, 2024	December 31, 2023
Research and development	$ 1,001,000	$ 1,060,000
Manufacturing	—	186,000
Insurance	183,000	174,000
Other	583,000	401,000
	$ 1,767,000	$ 1,821,000

Property and equipment:

	June 30, 2024	December 31, 2023
Property and equipment	$ 84,000	$ 84,000
Accumulated depreciation	(70,000)	(62,000)
	$ 14,000	$ 22,000

Traws Pharma, Inc.
Notes to Condensed Consolidated Financial Statements (Continued)
(Unaudited)

Accrued expenses and other current liabilities:

	June 30, 2024	December 31, 2023
Research and development	$ 2,569,000	$ 2,196,000
Employee compensation	390,000	1,002,000
Professional fees	46,000	177,000
Accrued severance	504,000	—
	$ 3,509,000	$ 3,375,000

5. Commitments and Contingencies

Litigation

In the normal course of business, the Company from time to time is named as a party to legal claims and actions. The Company records a loss contingency reserve for a legal proceeding when the potential loss is considered probable and can be reasonably estimated. The Company has not recorded any amounts for loss contingencies as of June 30, 2024.

On June 17, 2024, Steven M. Fruchtman informed the Company's board of directors (the "Board") of his intent to resign from his positions of President and Chief Scientific Officer, Oncology and indicated to the Company that Dr. Fruchtman believes his resignation to be for "good reason" under the terms of his employment agreement and his expectation of severance compensation commensurate therewith and in connection with a change in control. The Board has accepted Dr. Fruchtman's resignation effective immediately but disagrees with the characterization of the events set forth in the letter. The Company believes that no severance payments are due to Dr. Fruchtman under the terms of his employment agreement as it pertains to termination for good reason events. At June 30, 2024, the Company determined a range of possible loss associated with Dr. Fruchtman's claim to be zero to $1.5 million. While the Company intends to defend itself against these claims, and believes it has strong arguments to prevail in the litigation, there can be no assurance that the Company will prevail on its claims.

Contingent Value Rights

The Company issued CVRs to common stockholders as of April 15, 2024 and may be obligated to make future distributions to such CVR holders in connection with entering into strategic arrangements related to its oncology programs and/or future royalty payments related to the successful commercialization of such programs. Refer to discussion of Contingent Value Rights within Note 4.

6. Redeemable Convertible Preferred Stock Stockholders' (Deficit) Equity

In connection with the Acquisition of Trawsfynydd and the private placement of securities (see Note 3), the Company issued 12,473 shares of Series C Preferred Stock (the "Series C"). Series C shares have no voting rights. Certain provisions of the outstanding Series C are as follows:

Conversion: Upon obtaining stockholder approval, each share of Series C will automatically convert into 10,000 shares of Common Stock.

Dividends: Series C participates in any dividends with common stockholders on an as-converted basis

Traws Pharma, Inc.
Notes to Condensed Consolidated Financial Statements (Continued)
(Unaudited)

Liquidation: In the event of the liquidation, dissolution, or winding up of the affairs of the Company, whether voluntary or involuntary (a "Liquidation"), the holders of Series C shall rank on parity with common stockholders as to the distributions of assets.

Redemption: In the event the Company is unable to obtain an affirmative stockholder vote to permit conversion within six months after the initial issuance of the Series C Preferred Stock, each holder of Series C may elect, at the holder's option, to have the shares of Series C be redeemed by the Company at an amount equal to the last reported closing trading price of the common stock at such time on an as-converted to common stock basis, as further described in the Certificate of Designation relating to the Series C Preferred Stock. Due to this redemption feature, the Series C has been classified within temporary equity on the consolidated balance sheet at June 30, 2024.

Securities Purchase Agreement

On April 1, 2024, the Company entered into a Securities Purchase Agreement (the "Securities Purchase Agreement") with TPAV, LLC, an affiliate of Torrey Pines, and OrbiMed Private Investments VIII, LP, an affiliate of OrbiMed Advisors (the "Investors"). Pursuant to the Securities Purchase Agreement, the Company issued and sold an aggregate of (i) 496,935 shares of Common Stock and (ii) 1,578 shares of Series C Preferred Stock (the "PIPE Securities") for an aggregate purchase price of approximately $13,999,000 (collectively, the "Financing"). Each share of Series C Preferred Stock is convertible into 10,000 shares of Common Stock upon stockholder approval. The powers, preferences, rights, qualifications, limitations and restrictions applicable to the Series C Preferred Stock are set forth in the Certificate of Designation. If Traws Pharma's stockholders do not approve the conversion of the Series C Preferred Stock within six months after the initial issuance of the Series C Preferred Stock, then the holders of Series C Preferred Stock will be entitled to elect to have their shares of Series C Preferred Stock redeemed for cash at a price per share equal to the last reported closing trading price of the common stock at such time on an as-converted to common stock basis, as further described in the Certificate of Designation relating to the Series C Preferred Stock. The closing of the Financing occurred concurrently with the closing of the Merger on April 1, 2024 (the "Financing Closing Date").

Registration Rights Agreement

On April 1, 2024, in connection with the Securities Purchase Agreement, the Company entered into a Registration Rights Agreement (the "Registration Rights Agreement") with the holders of Common Stock and Series C Preferred Stock signatory thereto. Pursuant to the Registration Rights Agreement, Traws Pharma is required to prepare and file a resale registration statement with the SEC within 90 calendar days following the Financing Closing Date (the "Filing Deadline"), with respect to the shares of Common Stock underlying the PIPE Securities and the Common Stock and Series C Preferred Stock issued to the signatories to the Registration Rights Agreement in the Merger. The Company filed such registration statement on July 1, 2024 and will use its commercially reasonable efforts to cause such registration statement to be declared effective by the SEC within 60 calendar days of the July 1, 2024 filing date.

7. Warrants

Common Stock warrants are accounted for in accordance with applicable accounting guidance provided in ASC Topic 815, *Derivatives and Hedging - Contracts in Entity's Own Equity* (ASC Topic 815), as either derivative liabilities or as equity instruments depending on the specific terms of the warrant agreement.

Traws Pharma, Inc.
Notes to Condensed Consolidated Financial Statements (Continued)
(Unaudited)

Warrants outstanding and warrant activity (reflects the number of common shares as if the warrants were converted to common stock) for the six months ended June 30, 2024 is as follows:

Description	Classification	Exercise Price	Expiration Date	Balance December 31, 2023	Warrants Issued	Warrants Exercised	Warrants Expired	Balance June 30, 2024
Non-tradable pre-funded warrants	Equity	$ 2.25	none	3,522	—	—	—	3,522
Non-tradable pre-funded warrants	Equity	$ 2.25	none	4,974	—	—	—	4,974
Non-tradable warrants	Equity	$ 3.00	November 2024	244,500	—	—	—	244,500
Non-tradable warrants	Equity	$ 6.54375	December 2024	16,953	—	—	—	16,953
Non-tradable warrants	Equity	$ 6.75450	December 2024	46,263	—	—	—	46,263
				316,212	—	—	—	316,212

8. Stock-Based Compensation

The 2018 Omnibus Incentive Compensation Plan (the “2018 Plan”) was unanimously approved by the Company’s Board of Directors on May 24, 2018 and was approved by the Company’s stockholders on June 27, 2018.

In connection with the Acquisition of Trawsfynydd in April 2024, the Company assumed all Trawsfynydd stock options outstanding, each becoming an option to purchase shares of the Company’s common stock.

Under the 2018 Plan, the Company may grant incentive stock options, non-qualified stock options, stock awards, stock units, stock appreciation rights and other stock-based awards to employees, non-employee directors and consultants, and advisors. The maximum aggregate number of shares of the Company’s common stock that may be issued under the 2018 Plan is 26,823.

The 2018 Plan was amended and restated following unanimous approval of the Company’s Board of Directors on April 24, 2019 and was approved by the Company’s stockholders on June 17, 2019. The amended 2018 Plan (the “Amended Plan”) allowed for an additional 39,300 shares of the Company’s common stock that may be issued under the Amended Plan with respect to awards made on and after June 17, 2019.

The 2021 Incentive Compensation Plan (the “2021 Plan”) was unanimously approved by the Company’s stockholders on July 30, 2021. Upon stockholders’ approval of the 2021 Plan, no further awards will be made under the amended 2018 Plan. Under the 2021 Plan, the Company may grant incentive stock options, non-qualified stock options, stock awards, stock units, stock appreciation rights and other stock-based awards to employees, non-employee directors and consultants, and advisors.

The 2021 Plan was amended and restated following unanimous approval of the Company’s Board of Directors on May 23, 2022 and was approved by the Company’s stockholders on August 18, 2022. The amended 2021 Plan (the “Amended 2021 Plan”) allowed for an additional 2,000,000 shares of the Company’s common stock that may be issued with respect to awards made on and after August 18, 2022. At June 30, 2024, there were 930,283 shares available for future issuance.

Stock-based compensation expense includes stock options granted to employees and non-employees and has been reported in the Company’s statements of operations and comprehensive loss in either research and development expenses or general and administrative expenses depending on the function performed by the optionee. No net tax benefits related to the stock-based compensation costs have been recognized since the Company’s inception. The Company recognized stock-based compensation expense related to stock options and restricted stock units as follows for the three and six months ended June 30, 2024 and 2023:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Research and development	$ (4,000)	$ 105,000	$ 147,000	$ 334,000
General and administrative	384,000	168,000	566,000	275,000

Traws Pharma, Inc.
Notes to Condensed Consolidated Financial Statements (Continued)
(Unaudited)

Total stock-based compensation expense	$ 380,000	$ 273,000	$ 713,000	$ 609,000

A summary of stock option activity for the six months ended June 30, 2024 is as follows:

	Options Outstanding			
	Number of Shares	Weighted-Average Exercise Price	Weighted Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value
Balance, December 31, 2023	2,311,011	$ 3.04	8.53	$ 20,814
Trawsfynydd options exchanged in connection with acquisition	9,138,611	$ 0.06	9.37	—
Granted	—	$ —	—	—
Exercised	—	$ —	—	$ —
Forfeitures/adjustments	(307,334)	$ 1.17	—	—
Expired	(69,140)	$ 1.17	—	—
Balance, June 30, 2024	11,073,148	$ 3.11	6.35	$ —
Exercisable at June 30, 2024	1,130,759	$ 4.65	4.50	$ —

The Company accounts for all stock-based payments made to employees, non-employees and directors using an option pricing model for estimating fair value. Accordingly, stock-based compensation expense is measured based on the estimated fair value of the awards on the date of grant, net of forfeitures. Compensation expense is recognized for the portion that is ultimately expected to vest over the period during which the recipient renders the required services to the Company using the straight-line single option method.

The Company uses the Black-Scholes option-pricing model to estimate the fair value of stock options at the grant date. The Black-Scholes model requires the Company to make certain estimates and assumptions, assumptions related to the expected price volatility of the Common Stock, the period during which the options will be outstanding, the rate of return on risk-free investments and the expected dividend yield for the Company's stock.

As of June 30, 2024, there was $242,000 of unrecognized compensation expense related to the unvested stock options which is expected to be recognized over a weighted-average period of approximately 1.57 years.

The weighted-average assumptions underlying the Black-Scholes calculation of grant date fair value of stock options include the following:

	Six months ended June 30,	
	2024	2023
Risk-free interest rate	— %	3.63 %
Expected volatility	— %	121.00 %
Expected term	— years	5.85 years
Expected dividend yield	— %	0 %
Weighted average grant date fair value	$ —	$ 0.64

The weighted-average valuation assumptions were determined as follows:

- Risk-free interest rate: The Company based the risk-free interest rate on the interest rate payable on U.S. Treasury securities in effect at the time of grant for a period that is commensurate with the assumed expected option term.
- Expected term of options: Due to its lack of sufficient historical data, the Company estimates the expected life of its employee stock options using the "simplified" method, as prescribed in Staff Accounting Bulletin (SAB)

Traws Pharma, Inc.
Notes to Condensed Consolidated Financial Statements (Continued)
(Unaudited)

No. 107, whereby the expected life equals the arithmetic average of the vesting term and the original contractual term of the option.

- Expected stock price volatility: Expected volatility is based on the historical volatility of the Company's Common Stock.
- Expected annual dividend yield: The Company has never paid, and does not expect to pay, dividends in the foreseeable future. Accordingly, the Company assumed an expected dividend yield of 0.0%.

On August 2, 2021, the compensation committee of the board of directors approved restricted stock unit grants to the Company's employees (2021 RSU). An aggregate of 104,700 service-based RSUs were issued at a grant date fair value of $5.19. The 2021 RSU awards will be settled in stock, vest 33% on each of the first and second anniversary of the date of grant, and vest 34% on the third anniversary of the date of grant. The 2021 RSU awards were granted under the 2021 Plan.

On February 7, 2022, the compensation committee of the board of directors approved restricted stock unit grants to the Company's employees (2022 RSU). An aggregate of 148,343 service-based RSUs were issued at a grant date fair value of $1.82. The 2022 RSU awards will be settled in stock, vest 33% on each of the first and second anniversary of the date of grant, and vest 34% on the third anniversary of the date of grant. The 2022 RSU awards were granted under the 2021 Plan.

On June 10, 2022, the compensation committee of the board of directors approved restricted stock unit grants to certain of the Company's employees (2022 RSU2). An aggregate of 24,200 service-based RSUs were issued at a grant date fair value of $1.33. The 2022 RSU2 awards will be settled in stock, vest 33% on each of the first and second anniversary of the date of grant, and vest 34% on the third anniversary of the date of grant.

On March 13, 2023, the compensation committee of the Board of Directors approved restricted stock unit grants to the Companies employees (2023 RSU). An aggregate of 169,217 service-based RSUs were issued at a grant date fair value of $0.73. The 2023 RSU awards will be settled in stock, vest 33% on each of the first and second anniversary of the date of grant, and vest 34% on the third anniversary of the date of grant.

A summary of RSU activity for the six months ended June 30, 2024 is as follows:

	2021 RSU	2022 RSU	2022 RSU2	2023 RSU	2024 RSU
Outstanding and unvested January 1, 2024	25,787	74,476	11,000	135,883	-
Granted	-	-	-	-	530,000
Vested	-	(37,236)	(5,500)	(45,290)	-
Forfeited/Cancelled	(20,803)	(30,173)	-	(72,659)	-
Outstanding and unvested June 30, 2024	4,984	7,067	5,500	17,934	530,000

At June 30, 2024, the unrecognized compensation cost related to unvested service-based RSUs was $525,000, which will be recognized over the remaining service period of 2.41 years.

Grants of PSUs and SARs

During 2020 and 2021, the compensation committee of the Board of Directors and the board approved a cash bonus program of cash-settled stock appreciation right (SAR) awards to the Company's employees and non-employee directors, and cash-settled performance stock unit (PSU) awards to the Company's employees. These awards were granted outside of the 2018 Plan and the 2021 Plan. As the Company's stock price has decreased since these awards

Traws Pharma, Inc.
Notes to Condensed Consolidated Financial Statements (Continued)
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were issued, their impact on the results of operations and balance sheet of the Company are not material during 2024 or 2023.

9. Restructuring

On April 8, 2024, Traws Pharma terminated 11 of its 17 employees, some of whom have been retained as consultants. The associated severance costs of $884,000 were expensed in the second quarter of 2024 and are being paid according to Traws Pharma's regular payroll schedule. The Company recorded these restructuring charges based on each employee's role to the respective research and development and general and administrative operating expense categories on its condensed consolidated statements of operations and comprehensive loss. At June 30, 2024, accrued severance of $504,000 is included in accrued expenses and other current liabilities in the Condensed Consolidated Balance Sheet.

10. Research and Development Arrangements and Related Party Transactions

Research and development arrangements with unrelated parties

The Company has entered into various licensing and right-to-sublicense agreements with educational institutions for the exclusive use of patents and patent applications, as well as any patents that may develop from research being conducted by such educational institutions in the field of anticancer therapy, genes and proteins. Results from this research have been licensed to the Company pursuant to these agreements. Under one of these agreements with Temple University ("Temple"), the Company is required to make annual maintenance payments to Temple and royalty payments based upon a percentage of sales generated from any products covered by the licensed patents, with minimum specified royalty payments. As no sales had been generated through June 30, 2024 under the licensed patents, the Company has not incurred any royalty expenses related to this agreement. In addition, the Company is required to pay Temple a percentage of any sublicensing fees received by the Company.

Research and development arrangements with related parties

Prior to acquiring Trawsfynydd in April 2024, Trawsfynydd entered into a Master Research and Development Agreement ("Agreement") with ChemDiv, Inc. ("ChemDiv"), pursuant to which ChemDiv provided services related to preclinical drug discovery to Trawsfynydd prior to the Merger and continues to provide services to the Company post-Merger. Dr. Nikolay Savchuk, COO of the Company, is a stockholder of ChemDiv and a member of its board of directors. Subsequent to the acquisition and through June 30, 2024, the Company made payments to ChemDiv of $5,024,000 which primarily relate to services completed prior the acquisition. During the three and six months ended June 30, 2024, zero and $5,024,000, respectively, was expensed as research and development cost in the Company's condensed statements of operations related to ChemDiv services.

At June 30, 2024, the Company had recorded no amounts payable to ChemDiv in its condensed balance sheets.

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

The following Management's Discussion and Analysis of Financial Condition and Results of Operations should be read in conjunction with interim unaudited condensed consolidated financial statements contained in Part I, Item 1 of this quarterly report, and the audited consolidated financial statements and notes thereto for the year ended December 31, 2023 and the related Management's Discussion and Analysis of Financial Condition and Results of Operations, both of which are contained in our annual report on Form 10-K for the year ended December 31,2023, filed with the SEC on April 1, 2024 ("Annual Report"). As used in this report, unless the context suggests otherwise, the "Company" refers to Onconova Therapeutics, Inc. as of June 30, 2023 and its consolidated subsidiaries. As used in this report, unless the context suggests otherwise, "we," "us," "our," "Traws" or "Traws Pharma" refer to the Company after the effective time of the Merger.

Cautionary Note Regarding Forward-Looking Statements

This quarterly report on Form 10-Q includes forward-looking statements. We may, in some cases, use terms such as "believes," "estimates," "anticipates," "expects," "plans," "intends," "may," "could," "might," "will," "should," "approximately" or other words that convey uncertainty of future events or outcomes to identify these forward-looking statements. Forward-looking statements appear in a number of places throughout this report and include statements regarding our intentions, beliefs, projections, outlook, analyses or current expectations concerning, among other things, our ongoing and planned preclinical development and clinical trials, the timing of and our ability to make regulatory filings and obtain and maintain regulatory approvals for our product candidates, protection of our intellectual property portfolio, the degree of clinical utility of our products, particularly in specific patient populations, our ability to develop commercial and manufacturing functions, expectations regarding clinical trial data, our results of operations, cash needs, financial condition, liquidity, collaborations, partnerships, prospects, growth and strategies, the industry in which we operate and the trends that may affect the industry or us.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events, competitive dynamics and industry change, and depend on the economic circumstances that may or may not occur in the future or may occur on longer or shorter timelines than anticipated. Although we believe that we have a reasonable basis for each forward-looking statement contained in this report, we caution you that forward-looking statements are not guarantees of future performance and that our actual results of operations, financial condition and liquidity, and the development of the industry in which we operate may differ materially from the forward-looking statements contained in this report. In addition, even if our results of operations, financial condition and liquidity, and events in the industry in which we operate are consistent with the forward-looking statements contained in this report, they may not be predictive of results or developments in future periods.

Actual results could differ materially from our forward-looking statements due to a number of factors, including risks related to:

- any future payouts under the contingent value right, or CVR, issued to our holders of record as of the close of business on April 15, 2024;
- any expected or unexpected transaction costs or expenses resulting from the Merger;
- problems that may arise in successfully integrating the business of Trawsfynydd, which may result in us not operating as effectively and efficiently as expected;
- our ability to achieve the expected benefits or opportunities and related timing with respect to the Merger (as defined below) or to monetize any of our legacy assets;
- our need for additional financing for our clinical-stage programs, continued product development and other operations, and our ability to obtain sufficient funds on acceptable terms when needed, and our plans and future needs to scale back operations if adequate financing is not obtained;

- our ability to continue as a going concern;
- our estimates regarding expenses, future revenues, capital requirements and needs for additional financing;
- the success and timing of our preclinical studies and clinical trials, including site initiation and patient enrollment, and regulatory approval of protocols for future clinical trials;
- our ability to enter into, maintain and perform collaboration agreements with other pharmaceutical companies, for funding and commercialization of our clinical product candidates or preclinical compounds, and our ability to achieve certain milestones under those agreements;
- the difficulties in obtaining and maintaining regulatory approval of our product candidates, and the labeling under any approval we may obtain;
- our plans and ability to develop, manufacture and commercialize our product candidates;
- our failure to recruit or retain key scientific or management personnel or to retain our executive officers;
- the size and growth of the potential markets for our product candidates and our ability to serve those markets;
- regulatory developments in the United States and foreign countries;
- the rate and degree of market acceptance of any of our product candidates;
- obtaining and maintaining intellectual property protection for our product candidates and our proprietary technology;
- the successful development of our commercialization capabilities, including sales and marketing capabilities;
- recently enacted and future legislation and regulation regarding the healthcare system;
- the success of competing therapies and products that are or become available;
- our ability to maintain the listing of our securities on a national securities exchange;
- the potential for third party disputes and litigation; and
- the performance of third parties, including contract research organizations (“CROs”) and third-party manufacturers.

Any forward-looking statements that we make in this report speak only as of the date of such statement, and we undertake no obligation to update such statements to reflect events or circumstances after the date of this report or to reflect the occurrence of unanticipated events. Comparisons of results for current and any prior periods are not intended to express any future trends or indications of future performance, unless expressed as such, and should only be viewed as historical data.

You should also read carefully the factors described in the “Risk Factors” in this quarterly report on Form 10-Q and our most recent Annual Report, to better understand significant risks and uncertainties inherent in our business and underlying any forward-looking statements. As a result of these factors, actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements in this report and you should not place undue reliance on any forward-looking statements.

Overview

The Company's net losses were $128.1 million and $10.0 million for the six months ended June 30, 2024 and 2023, respectively. As of June 30, 2024, The Company had an accumulated deficit of $610.8 million. We expect to incur significant expenses and operating losses for the foreseeable future as we continue the development of, and seek regulatory approval for, our product candidates, even if milestones under our license and collaboration agreements may be met.

As of June 30, 2024, the Company had $16.9 million in cash and cash equivalents. On April 1, 2024, in connection with the Merger described below, the Company entered into a Securities Purchase Agreement for the sale of common and preferred stock to TPAV, LLC, an affiliate of Torrey Pines, and OrbiMed Private Investments VIII, LP, an affiliate of OrbiMed Advisors and raised gross proceeds of $14 million. Based on current projections, we do not have sufficient cash and cash equivalents as of the date of this report to support our operations for at least the 12 months following the date that these financial statements are issued. Accordingly, substantial doubt exists with respect to our ability to continue as a going concern within one year after the date that these financial statements are issued.

We are exploring various sources of funding for development and applying for regulatory approval of our research compounds as well as for our ongoing operations. If we raise additional funds through strategic collaborations and alliances or licensing arrangements with third parties, which may include existing collaboration partners, we may have to relinquish valuable rights to our technologies or product candidates or grant licenses on terms that are not favorable to us. There can be no assurance, however, that we will be successful in obtaining such financing in sufficient amounts, on terms acceptable to us, or at all. In addition, there can be no assurance that we will obtain approvals necessary to market our product candidates or achieve profitability or sustainable, positive cash flow. If we are unable to successfully raise sufficient additional capital, through future financings or through strategic and collaborative arrangements, we will not have sufficient cash to fund our ongoing trials and operations.

Our Portfolio/ Product Candidates/ Compounds

We are a clinical-stage biopharmaceutical company aiming to address unmet medical needs in respiratory viral diseases and cancer. Following the closing of the Merger described below in which we acquired Trawsfynydd Therapeutics, Inc. on April 1, 2024, we are advancing the development of four clinical programs:

- Tivoxavir marboxil (TRX100), which we acquired as part of the Merger, is a small molecule cap-dependent endonuclease inhibitor. Cap-dependent endonuclease (CEN) is an enzyme that is important for viral replication. TRX100 is intended to inhibit CEN and, thus, is intended to impede influenza virus replication including, the influenza A and B viral strains and bird flu viral strains. It is Traws Pharma's intention to develop TRX100 as a single oral dose for treatment and prophylaxis of seasonal influenza and bird flu.

  The first-in-man clinical study of TRX100 (designated AV5124 in a previous study) was performed from May to September of 2023 in Russia. The study sponsor was Pharmasyntez, JSC. Traws Pharma has the right to use the data resulting from the study outside of Russia and the Eurasian Economic Community countries. The trial was a single ascending dose study, and, as such, each study participant only received one dose of TRX100. The study consisted of four dose cohorts that received 20, 40, 80 or 120 mg TRX100 delivered as 20 mg strength tablets, or placebo. The study enrolled 28 healthy males ages 18-45 years who received either the study drug or placebo. The primary study endpoint was measurement of the safety and tolerability of single drug doses in healthy volunteers. The secondary endpoint was the measurement of pharmacokinetic parameters of single drug doses in healthy volunteers on an empty stomach or after a meal. In the study, one subject who received a single 40 mg dose of the study drug, experienced two adverse events (AEs). This subject experienced hyperglycemia, which was deemed to be mild and we believe probably related to TRX100, and erosive gastritis with complications in the form of severe iron deficiency

anemia, which was considered to be a serious adverse event (SAE) and we believe unlikely to be related (doubtful per the protocol) to the study drug.

There were no other AEs in the trial, including at higher doses. The pharmacokinetic measurements indicated a food effect for TRX100, with increased exposure when drug was taken after a meal, but otherwise showed increasing exposure with increasing dose.

Traws Pharma is further advancing the development of TRX100 with a Traws Pharma sponsored Phase 1 randomized, blinded, and placebo controlled study in Australia that was approved by the Human Research Ethics Committee. This study is intended to enroll three cohorts of 8 participants, with 6 participants randomized to receive study drug and 2 participants assigned to receive placebo in each cohort. Participants are required to be healthy males or females ages 18-45 years. Participants will take either one dose of the study drug or one dose of placebo, depending on the group they are assigned to. The dose levels that will be investigated are 80, 120, and 240 mg, taken via oral capsules. The primary endpoint is the measurement of safety and tolerability and the secondary and other endpoints includes the determination of the drug pharmacokinetic profile. Traws Pharma expects that the first cohort will commence dosing in mid August 2024.

- Ratutrelvir (TRX01), which we acquired as part of the Merger and is an inhibitor of the main protease (also known as 3CL protease) of the SAR-CoV-2 virus, the virus that causes COVID19. The main protease is an essential component in the mechanism for SARS-CoV-2 replication. TRX01 is intended to inhibit this protease and, thus SAR-CoV-2 viral replication. In vitro laboratory tests that measured the impact of TRX01 on SARS-CoV-2 replication, demonstrated that TRX01 inhibited the replication of viral isolates of the original delta, and omicron SARS-CoV-2 viral variants. Based on preclinical animal studies, we intend to develop TRX01 without co-administration with a human cytochrome P450 (CYP) inhibitor such as ritonavir.

  TRX-01 is currently being studied in a Phase 1 clinical trial that includes single and multiple ascending dose phases. Participants are required to be healthy males or females ages 18-45 years. The primary endpoint of the study is the measurement of safety and tolerability and the secondary endpoint includes the determination of the drug pharmacokinetic profile. The Phase 1 trial is ongoing, having been initiated in May 2024, in Australia. It is being sponsored by Traws Pharma and was approved by the Human Research Ethics Committee. The trial has enrolled and administered either the study drug or placebo to 40 participants in the single ascending dose phase, which included 5 cohorts with 8 participants in each cohort (6 receiving study drug and two receiving placebo). Subjects in the single ascending dose phase received one dose of the study drug or placebo, depending on their assigned group. The single ascending dose portion of the study assessed oral TRX01 15, 50, 150, 300 and 600 mg doses. The dosing in the single ascending dose portion of the study is complete and the results are under analysis. The Phase 1 multiple ascending dose phase of the study is ongoing. In this portion of the study, 16 participates are being enrolled into 2 cohorts of 8 participants in each cohort (6 receiving study drug and two receiving placebo). Subjects in the multiple ascending dose portion of the study receive one dose a day for ten days of either 150 or 600 mg TRX01 or placebo, depending on their group assignment. The multiple ascending dose portion of the study is ongoing.

- Narazaciclib, is our CDK4-plus inhibitor intended initially to treat, low grade endometriod endometrial cancer, breast and other cancers. Narazaciclib is a multi-targeted kinase inhibitor targeting multiple cyclin- dependent kinases (CDK's), AMP-activated protein kinase (AMPK), related protein kinase 5 (ARK5), and colony-stimulating factor 1 receptor (CSF1R) at low nM concentrations, as well as other tyrosine kinases believed to drive tumor cell proliferation, survival and metastasis. We initiated a multi-center Phase 1/2a trial evaluating narazaciclib in combination with letrozole as a second or third-line therapy for recurrent metastatic low-grade endometrioid endometrial cancer in the first calendar quarter of 2023. In this study, both narazaciclib and letrozole are administered orally in the ongoing Phase 1 dose escalation phase before potentially moving to a

Phase 2 expansion cohort designed to enroll approximately 30 patients with low grade endometrioid endometrial cancer. For the Phase 1 portion patients with endometrial cancer and other gynecological malignancies that are amenable to treatment with hormonal therapy were included. Patients received escalating doses of narazaciclib given once daily continuously. The objectives of this study were to identify the recommended Phase 2 dose (RP2D) of the combination for future studies and characterize the safety profile of the combination treatment. Analysis of this study is ongoing.

Another Phase 1 study of narazaciclib as a monotherapy has also been conducted in patients with relapsed and/or refractory advanced cancer. The objectives of this study are to assess the safety and tolerability of repeated daily dosing of narazaciclib in these patients. The analysis of this study is ongoing.

Two investigator-initiated studies are planned to start in the USA, one in patients with refractory breast cancer and one in patients with multiple myeloma. Narazaciclib is also being developed in greater China, under a 2017 license agreement between our company and HanX Biopharmaceuticals Inc. (HanX) The development in greater China is entirely sponsored by HanX. The compound is being studied in China in a clinical trial of patients with advanced breast cancer and other tumors.

- Rigosertib is our second asset in oncology. It has been studied both alone and in combination with other therapeutics in various cancers. Rigosertib is currently being studied in investigator initiated trials for epidermolysis bullosa-associated squamous cell carcinoma. The Company is also making rigosertib available to patients under country specific compassionate use regulations. We are currently pursuing orphan drug designation for rigosertib for epidermolysis bullosa-associated squamous cell carcinoma with the FDA. Our objective for this program is to establish partnerships for rigosertib.

Merger

On April 1, 2024, the Company acquired Trawsfynydd Therapeutics, Inc., a Delaware corporation (“Trawsfynydd”), in accordance with the terms of an Agreement and Plan of Merger, dated April 1, 2024 (the “Merger Agreement”), by and among the Company, Traws Merger Sub I, Inc., a Delaware corporation (“First Merger Sub”), Traws Merger Sub II, LLC, a Delaware limited liability company (“Second Merger Sub”), and Trawsfynydd. Pursuant to the Merger Agreement, First Merger Sub merged with and into Trawsfynydd, pursuant to which Trawsfynydd was the surviving corporation (the “First Merger”). Immediately following the First Merger, Trawsfynydd merged with and into Second Merger Sub, pursuant to which Second Merger Sub was the surviving entity and a wholly owned subsidiary of the Company (the “Second Merger” and together with the First Merger, the “Merger”). The Merger is intended to qualify as a tax-free reorganization for U.S. federal income tax purposes.

Under the terms of the Merger Agreement, upon the consummation of the Merger on April 1, 2024 (the “Closing”), in exchange for the outstanding shares of capital stock of Trawsfynydd immediately prior to the effective time of the First Merger, the Company issued to the stockholders of Trawsfynydd an aggregate of (A) 3,549,538 shares of common stock of the Company, par value $0.01 per share (the “Common Stock”) and (B) 10,359.0916 shares of Series C Preferred Stock (as defined and described below). Each share of Series C Preferred Stock is convertible into 10,000 shares of Common Stock, subject to certain conditions described below. In addition, the Company assumed all Trawsfynydd stock options immediately outstanding prior to the First Merger, each becoming an option to purchase Common Stock subject to adjustment pursuant to the terms of the Merger Agreement (the “Assumed Options”). No portion of the Assumed Options will be exercisable unless and until the Meeting Proposals (as defined below) are approved by our stockholders. Once exercisable, the Assumed Options will be exercisable for an aggregate of 454,000 shares of Common Stock. Following the effective time of the Second Merger, the Company changed its name to “Traws Pharma, Inc.”

Pursuant to the Merger Agreement, the Company agreed to hold a stockholders’ meeting to submit the following matters to its stockholders for their consideration: (i) the approval of the conversion of shares of Series C Preferred Stock into shares of Common Stock in accordance with the rules of the Nasdaq Stock Market LLC (the “Conversion Proposal”) and (ii) if deemed necessary or appropriate by the Company or as otherwise required by

applicable law or contract, the approval of an amendment to the Company's certificate of incorporation, as amended (the "Charter"), to authorize sufficient shares of Common Stock for the conversion of Series C Preferred Stock issued pursuant to the Merger Agreement (the "Share Increase Proposal" and together with the Conversion Proposal, the "Meeting Proposals"). In connection with these matters, the Company agreed to file a proxy statement on Schedule 14A with the Securities and Exchange Commission (the "SEC"). Such proxy statement was filed on August 9, 2024.

The Board of Directors of the Company (the "Board") approved the Merger Agreement and the related transactions, and the consummation of the Merger was not subject to approval of Company stockholders.

In accordance with the Merger Agreement, each of Werner Cautreels, Iain Dukes, and Nikolay Savchuk were appointed to the Board of Directors of the Company effective as of the Closing. In accordance with the Merger Agreement, Werner Cautreels was appointed as Chief Executive Officer of the Company, Iain Dukes was appointed as Executive Chairman of the Company, and Nikolay Savchuk was appointed as Chief Operating Officer of the Company effective as of the Closing.

Support Agreements

In connection with the execution of the Merger Agreement, the Company and Trawsfynydd entered into stockholder support agreements (the "Company Stockholder Support Agreements") with certain of the Company's stockholders (solely in their capacity as stockholders of the Company). Pursuant to the Support Agreements, among other things, each of the Company stockholder parties thereto agreed to vote or cause to be voted all of the shares of Common Stock owned by such stockholder in favor of the Meeting Proposals.

In connection with the execution of the Merger Agreement, the Company and Trawsfynydd entered into stockholder support agreements (the "Trawsfynydd Stockholder Support Agreements") with all of Trawsfynydd's stockholders (solely in their capacity as stockholders of the Company). Pursuant to the Trawsfynydd Stockholder Support Agreements, among other things, each of the Trawsfynydd stockholders agreed to the terms and conditions of the Merger Agreement, to waive any dissenters rights and to release claims such stockholder may have against the Company and Trawsfynydd.

Lock-up Agreements

Concurrently and in connection with the execution of the Merger Agreement, certain Trawsfynydd stockholders as of immediately prior to the Closing, and certain directors, officers, and stockholders of the Company as of immediately prior to the Closing entered into lock-up agreements with the Company and Trawsfynydd, pursuant to which each such stockholder agreed to be subject to a 180-day lockup on the sale or transfer of shares of the Company held by each such stockholder at the Closing, including those shares of Common Stock and Series C Preferred Stock (including the shares of Common Stock into which such Series C Preferred Stock is convertible) received by each such stockholder in the Merger (the "Lock-up Agreements").

Contingent Value Rights Agreement

Concurrently with the Closing of the Merger, the Company entered into a contingent value rights agreement (the "CVR Agreement") with a rights agent (the "Rights Agent"), pursuant to which each holder of Common Stock as of the applicable record date (April 15, 2024), including those holders receiving shares of Common Stock in connection with the Merger, is entitled to one contractual contingent value right (each, a "CVR"), subject to and in accordance with the terms and conditions of the CVR Agreement, for each share of Common Stock held by such holder as of the applicable record time (5:00 p.m. ET on April 15, 2024).

When issued, each contingent value right will entitle the holder (the "Holder") thereof to distributions of the following, pro-rated on a per-CVR basis, during the CVR Term (as defined in the CVR Agreement):

- 43.7% of the Net Proceeds (as defined in the CVR Agreement) received by us in a given calendar quarter in the event of the sale, license, transfer or disposition of rights to our two leading cancer drug candidates, Narazaciclib and Rigosertib (including any such sale or disposition of equity securities in any subsidiary established by us to hold any right, title or interest in or to Rigosertib or Narazaciclib); or

- 6.24% of any Net Sales (as defined in the CVR Agreement) for our two leading cancer drug candidates, Narazaciclib and Rigosertib, by us or any of our affiliates in a given calendar quarter.

The distributions in respect of the CVRs will be made on a quarterly basis, and will be subject to a number of deductions, subject to certain exceptions or limitations, including but not limited to for certain taxes and certain out-of-pocket expenses incurred by us.

Under the CVR Agreement, the Rights Agent has, and Holders of at least 30% of the CVRs then-outstanding have, certain rights to audit and enforcement on behalf of all Holders of the CVRs.

Private Placement and Securities Purchase Agreement

On April 1, 2024, the Company entered into a Securities Purchase Agreement (the "Securities Purchase Agreement") with TPAV, LLC, an affiliate of Torrey Pines, and OrbiMed Private Investments VIII, LP, an affiliate of OrbiMed Advisors (the "Investors"). Pursuant to the Securities Purchase Agreement, the Company issued and sold an aggregate of (i) 496,935 shares of Common Stock and (ii) 1,578.2120 shares of Series C Preferred Stock (the "PIPE Securities") for an aggregate purchase price of approximately $14 million (collectively, the "Financing"). Each share of Series C Preferred Stock is convertible into 10,000 shares of Common Stock, as described below. The powers, preferences, rights, qualifications, limitations and restrictions applicable to the Series C Preferred Stock are set forth in the Certificate of Designation (as defined and described below). The closing of the Financing occurred concurrently with the closing of the Merger on April 1, 2024 (the "Financing Closing Date").

Registration Rights Agreement

On April 1, 2024, in connection with the Securities Purchase Agreement, the Company entered into a Registration Rights Agreement (the "Registration Rights Agreement") with the holders of Common Stock and Series C Preferred Stock signatory thereto. Pursuant to the Registration Rights Agreement, we are required to prepare and file a resale registration statement with the SEC within 90 calendar days following the Financing Closing Date (the "Filing Deadline"), with respect to the shares of Common Stock underlying the PIPE Securities and the Common Stock and Series C Preferred Stock issued to the signatories to the Registration Rights Agreement in the Merger . The Company filed such registration statement on July 1, 2024 and will use commercially reasonable efforts to cause such registration statement to be declared effective by the SEC within 60 calendar days of the July 1, 2024 filing date.

Certificate of Designation

On April 1, 2024, the Company filed a Certificate of Designation of Preferences, Rights and Limitations of the Series C Non-Voting Convertible Preferred Stock (the "Certificate of Designation") with the Secretary of State of the State of Delaware in connection with the Merger. The Certificate of Designation provides for the designation of shares of the Company's Series C Non-Voting Convertible Preferred Stock, par value $0.01 per share (the "Series C Preferred Stock"). Holders of Series C Preferred Stock are entitled to receive dividends on shares of Series C Preferred Stock equal to, on an as-if-converted-to-Common-Stock basis, and in the same form as dividends actually paid on shares of the Common Stock.

Except as otherwise required by law, the Series C Preferred Stock does not have voting rights. However, as long as any shares of Series C Preferred Stock are outstanding, we will not, without the affirmative vote of the holders of a majority of the then-outstanding shares of the Series C Preferred Stock, (i) alter or change adversely the powers, preferences or rights given to the Series C Preferred Stock or alter or amend the Certificate of Designation, amend or repeal any provision of, or add any provision to, the Charter or our bylaws, or file any articles of amendment, certificate of designations, preferences, limitations and relative rights of any series of preferred stock, in each case if any such action would adversely alter or change the preferences, rights, privileges or powers of, or restrictions provided for the benefit of the Series C Preferred Stock, regardless of whether any of the foregoing actions shall be by means of amendment to the Charter or by merger, consolidation, recapitalization, reclassification, conversion or otherwise, (ii) issue further shares of Series C Preferred Stock, (iii) prior to the earlier of stockholder approval of the Conversion or the six-month anniversary of the Closing, consummate either: (A) any Fundamental Transaction (as in the Certificate of

Designation) or (B) any stock sale to, or any merger, consolidation or other business combination with or into, another entity in which our stockholders immediately before such transaction do not hold at least a majority of the capital stock immediately after such transaction, or (iv) enter into any agreement with respect to any of the foregoing.

The Series C Preferred Stock does not have a preference upon any liquidation, dissolution or winding-up of Traws Pharma. Following stockholder approval of the Conversion Proposal, each share of Series C Preferred Stock will automatically convert into 10,000 shares of Common Stock, subject to certain limitations, including that a holder of Series C Preferred Stock is prohibited from converting shares of Series C Preferred Stock into shares of Common Stock if, as a result of such conversion, such holder, together with its affiliates, would beneficially own more than a specified percentage (to be established by the holder between 4.9% and 19.9%) of the total number of shares of Common Stock issued and outstanding immediately after giving effect to such conversion. The Series C Preferred Stock is redeemable for cash at the option of the holder thereof at any time following the date that is six months after the initial issuance of the Series C Preferred Stock or following any failure to deliver shares of Common Stock in accordance with the terms of the Series C Preferred Stock, at a price per share equal to the then-current fair value of the Series C Preferred Stock on an as-converted basis, as described in the Certificate of Designation.

Certificate of Amendment

On April 2, 2024, the Company changed its name to Traws Pharma, Inc. pursuant to a certificate of amendment to its Tenth Amended and Restated Certificate of Incorporation filed with the Secretary of State of the State of Delaware (the "Name Change"). Pursuant to the Delaware General Corporation Law, a stockholder vote was not necessary to effectuate the Name Change and it does not affect the rights of the Company's stockholders. In addition, effective at the open of market trading on April 3, 2024, our Common Stock ceased trading under the ticker symbol "ONTX" and began trading on the Nasdaq Stock Market under the ticker symbol "TRAW".

Transaction Costs

In connection with the planned Merger, the Company incurred transaction costs of approximately $8.7 million during the six months ended June 30, 2024. The transaction costs were included in the consideration paid to acquire Trawsfynydd and immediately expensed as a component of in-process research and development expense in the statement of operations for the six months ended June 30, 2024.

Tungsten Partners LLC ("Tungsten") acted as financial advisor to the Company in connection with the Merger. As compensation for services rendered by Tungsten, the Company issued to Tungsten and its affiliates and designees an aggregate of 168,601 shares of Common Stock and 535 shares of Series C Preferred Stock with an aggregated estimated fair value of $5.0 million and paid approximately $1.0 million in cash in April 2024. All of the compensation to Tungsten was contingent on the closing of the Merger and therefore was expensed in the second quarter of 2024.

Additional costs will continue to be incurred as Traws Pharma seeks to satisfy the obligations under the Merger Agreement, Stock Purchase Agreement and related agreements.

Employment and Severance Agreements

In accordance with the Merger Agreement, three directors were appointed to the Board of Directors of the Company and there were several changes to management, each effective as of the Closing.

On April 8, 2024, the Company terminated 11 of its 17 employees, some of whom have been retained as consultants. Severance costs of $0.9 million were expensed in the second quarter of 2024 and paid according to the Company's regular payroll schedule.

The foregoing summaries of the Merger Agreement, Company Stockholder Support Agreements, Trawsfynydd Stockholder Support Agreements, Lock-Up Agreements, CVR Agreement, Certificate of Designation, Certificate of Amendment, Securities Purchase Agreement, Registration Rights Agreement, Employment Agreement of Werner Cautreels and Form of Offer Letter are not complete and are qualified in their entirety by reference to the full texts of the each, copies of which are incorporated by reference as Exhibits 2.1 (including the exhibits thereto), 3.1, 3.2, 10.1, 10.2,

10.3 and 10.4 to our Quarterly Report on Form 10-Q for the period ending March 31, 2024, filed with the SEC on May 15, 2024.

Critical Accounting Policies and Estimates

This management's discussion and analysis of our financial condition and results of operations is based on our interim unaudited consolidated financial statements, which have been prepared in accordance with GAAP. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosure of contingent assets and liabilities in our consolidated financial statements. On an ongoing basis, we evaluate our estimates and judgments, including those related to accrued expenses, revenue recognition, deferred revenue, stock-based compensation, acquired in-process research and development and the contingent value rights. We base our estimates on historical experience, known trends and events and various other factors that we believe 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 from these estimates under different assumptions or conditions. As of June 30, 2024, there have been no significant changes in the Company's critical accounting policies and estimates as discussed in the Company's Annual Report. Accounting policies and estimates related to the merger are discussed in this report.

Results of Operations

Comparison of the Three Months Ended June 30, 2024 and 2023

	Three Months Ended June 30,		
	2024	2023	Change
Revenue	$ 57,000	$ 57,000	$ —
Operating expenses:			
In-process research and development	117,464,000	—	(117,464,000)
Research and development	3,964,000	2,456,000	(1,508,000)
General and administrative	1,977,000	2,211,000	234,000
Total operating expenses	123,405,000	4,667,000	(118,738,000)
Loss from operations	(123,348,000)	(4,610,000)	(118,738,000)
Other income, net	205,000	360,000	(155,000)
Net loss	$ (123,143,000)	$ (4,250,000)	$ (118,893,000)

Revenues

Revenues for the three months ended June 30, 2024 were consistent with the three months ended June 30, 2023, and were due to the recognition of deferred revenue from our collaboration with SymBio.

Acquired in-process research and development

In connection with the acquisition of Trawsfynydd, we recognized a non-cash in-process research and development expense of $117.5 million related to the acquired virology programs that had no alternative future use at the time of acquisition which requires immediate expense recognition.

Research and development expenses

Research and development expenses increased by $1.5 million, to $4.0 million for the three months ended June 30, 2024 from $2.5 million for the three months ended June 30, 2023. This increase was caused primarily by the $0.9 million increase in personnel costs associated with our restructuring activities in April and the $1.1 million increase in consulting fees associated with the development of our virology programs acquired in April 2024. These increases were offset by decreases in preclinical and clinical development $0.5 million related to related to narazaciclib.

General and administrative expenses

General and administrative expenses decreased $0.2 million, or 11%, to $2.0 million for the three months ended June 30, 2024 from $2.2 million for the three months ended June 30, 2023. This decrease was primarily attributable to a professional and consulting fees in connection with the acquisition of Trawsfynydd in April 2024 and included within the consideration paid and lower public company costs. These decreases were offset by increases in stock-based compensation expense and increases in personnel related expenses associated with the restructuring activities that occurred in April 2024.

Other income, net

Other income, net, was income of $0.2 million for the three months ended June 30, 2024 compared to $0.4 million for the three months ended June 30, 2023. The change was caused by lower interest income in the 2024 period due to lower cash balances.

Comparison of the Six Months Ended June 30, 2024 and 2023

	Six Months Ended June 30,		
	2024	2023	Change
Revenue	$ 113,000	$ 113,000	$ —
Operating expenses:			
In-process research and development	117,464,000	—	(117,464,000)
Research and development	5,876,000	6,536,000	660,000
General and administrative	5,333,000	4,324,000	(1,009,000)
Total operating expenses	128,673,000	10,860,000	(117,813,000)
Loss from operations	(128,560,000)	(10,747,000)	(117,813,000)
Other income, net	434,000	722,000	(288,000)
Net loss	$ (128,126,000)	$ (10,025,000)	$ (118,101,000)

Revenues

Revenues for the six months ended June 30, 2024 were consistent with the six months ended June 30, 2023, and were due to the recognition of deferred revenue from our collaboration with SymBio.

Acquired in-process research and development

In connection with the acquisition of Trawsfynydd, we recognized a non-cash in-process research and development expense of $117.5 million related to the acquired virology programs that had no alternative future use at the time of acquisition which requires immediate expense recognition.

Research and development expenses

Research and development expenses decreased by $0.7 million, or 10%, to $5.9 million for the six months ended June 30, 2024 from $6.5 million for the six months ended June 30, 2023. This decrease was primarily related to decreases in clinical, preclinical, and manufacturing costs related to narazaciclib offset by increases in consulting fees associated with our acquired virology programs, personnel related expenses attributable the restructuring activities and higher stock-based compensation expense.

General and administrative expenses

General and administrative expenses increased $1.0 million, or 23%, to $5.3 million for the six months ended June 30, 2024 from $4.3 million for the six months ended June 30, 2023. This increase was attributable to additional consulting fees in connection with seeking strategic alternatives for our investors and increases personnel related expenses attributable to our restructuring activities in April 2024. These increases were offset by lower public company costs and insurance costs.

Other income, net

Other income, net, was income of $0.4 million for the six months ended June 30, 2024 compared to $0.7 million for the six months ended June 30, 2023. The change was caused by lower interest income in the 2024 period due to lower cash balances.

Liquidity and Capital Resources

Since inception, the Company has incurred net losses and experienced negative cash flows from our operations. The Company incurred net losses of $128.1 million for the six months ended June 30, 2024 of which $117.5 million was attributable to non-cash expense recognition associated with the acquired in-process research and development from Trawsfynydd in April 2024. The Company's operating activities used $14.3 million and $9.0 million of net cash during the six months ended June 30, 2024 and 2023, respectively. At June 30, 2024, the Company had an accumulated deficit of $610.8 million, working capital of $8.8 million, and cash and cash equivalents of $16.9 million. On April 1, 2024, in connection with the Merger described above, the Company entered into a Securities Purchase Agreement for the sale of common and preferred stock to TPAV, LLC, an affiliate of Torrey Pines, and OrbiMed Private Investments VIII, LP, an affiliate of OrbiMed Advisors and raised gross proceeds of $14 million. Based on current projections, and including the proceeds received in the private placement, we do not have sufficient cash and cash equivalents as of the date of this report to support our operations for at least the 12 months following the date that these financial statements are issued. Accordingly, substantial doubt exists with respect to our ability to continue as a going concern within one year after the date that these financial statements are issued. Due to the inherent uncertainty involved in making estimates and the risks associated with the research, development, and commercialization of biotechnology products, we may have based this estimate on assumptions that may prove to be wrong, and our operating plan may change as a result of many factors currently unknown to us.

We will require substantial additional financing to fund our ongoing clinical trials and operations, and to continue to execute our strategy. To alleviate the conditions that raise substantial doubt about our ability to continue as a going concern, we plan to explore various dilutive and non-dilutive sources of funding, including equity financings, strategic alliances, business development and other sources. The future success of the Company is dependent upon our ability to obtain additional funding. There can be no assurance, however, that we will be successful in obtaining such funding in sufficient amounts, on terms acceptable to us, or at all. The failure to obtain sufficient capital on acceptable terms when needed would have a material adverse effect on our business, results of operations and financial condition. Accordingly, we have concluded that substantial doubt exists with respect to our ability to continue as a going concern within one year after the date that these financial statements are issued.

In addition, our future capital requirements will depend on many factors, including, without limitation, the timing for the stockholder approval of the conversion of our Series C Preferred Stock into Common Stock and the amount of any associated redemptions if the stockholder approval is not obtained. The Certificate of Designation of Preferences, Rights and Limitations of the Series C Non-Voting Convertible Preferred Stock (the "Certificate of Designation"), contains a provision granting each holder of the Series C Preferred Stock the option to require us to redeem the Series C Preferred Stock for cash at any time following the date that is six months after the initial issuance of the Series C Preferred Stock or following any failure to deliver shares of Common Stock in accordance with the terms of the Series C Preferred Stock, at a price per share equal to the then-current fair value of the Series C Preferred Stock on an as-converted basis. The "fair value" of shares for this purpose would be the last reported closing sale price of TRAW common stock as of a specific day depending on the circumstances of the redemption, as described more

fully in the Certificate of Designation. We could be required to use a significant amount of our cash resources on hand to satisfy this redemption obligation, particularly if holders of Series C Preferred Stock exercise their redemption right with respect to a significant number of shares of Series C Preferred Stock or at a time when the trading price of our common stock is elevated. Further, in the event that we do not have sufficient cash on hand to satisfy our redemption obligations, we may need to raise additional capital to satisfy these potential obligations. Any redemption payments could materially limit the amount of cash we have available to fund our operations.

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business, and do not include any adjustments relating to recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should we be unable to continue as a going concern.

Cash Flows

The following table summarizes the Company's cash flows for the six months ended June 30, 2024 and 2023:

	Six Months Ended June 30,	
	2024	**2023**
Net cash (used in) provided by:		
Operating activities	$ (14,276,000)	$ (9,033,000)
Investing activities	(3,648,000)	—
Financing activities	13,999,000	—
Effect of foreign currency translation	(10,000)	5,000
Net decrease in cash and cash equivalents	$ (3,935,000)	$ (9,028,000)

Operating Activities

Net cash used in operating activities was $14.3 million for the six months ended June 30, 2024 and consisted primarily of a net loss of $128.1 million and $4.3 million change in operating assets and liabilities. Significant changes in operating assets and liabilities included a net decrease increase in accounts payable and accrued expenses of $4.3 million due to timing of invoices and payments to our vendors. These operating uses of cash were offset by $118.2 million in non-cash charges primarily attributable to the immediate expensing of in-process research and development acquired in connection with the acquisition of Trawsfynydd of $117.5 million and $0.7 million related to stock-based compensation expense.

Net cash used in operating activities was $9.0 million for the six months ended June 30, 2023 and consisted primarily of a net loss of $10.0 million, including $0.6 million of non-cash stock-based compensation expense. Changes in operating assets and liabilities resulted in a net increase in cash of $0.4 million. Significant changes in operating assets and liabilities included an increase in accounts payable of $1.2 million and a decrease in accrued liabilities of $0.6 million due to timing of invoices and payments to our vendors, an increase in prepaid expenses and other current assets of $0.1 million, and a decrease in deferred revenue of $0.1 million due to recognition of the unamortized portion of the upfront payment under our collaboration agreement with SymBio.

Investing Activities

Net cashed used in investing activities was $3.6 million for the six months ended June 30, 2024 and primarily related to the transaction costs paid in cash of $3.6 million in connection with the acquisition of Trawsfynydd. There were no investing activities during the six months ended June 30, 2023.

Financing Activities

Net cashed provided by financing activities was $14.0 million for the six months ended June 30, 2024 and attributable to the net proceeds received from the private placement of our common stock. There were no financing activities during the six months ended June 30, 2023.

Material Cash Requirements

We have not achieved profitability since our inception, and we expect to continue to incur net losses for the foreseeable future. We expect net cash expended in 2024 to be higher than 2023 due to the advancement of our clinical trials for narazaciclib and our new clinical-stage anti-viral compounds acquired in the Merger, as well as the significant transaction-related costs and acquired liabilities associated with the Merger. We enter into contracts in the normal course of business with third-party contract organizations for clinical trials, preclinical studies, manufacturing and other services and products for operating purposes. These contracts generally provide for termination following a certain period after notice and therefore we believe that, currently, our non-cancelable obligations under these agreements are not material. We believe that our cash and cash equivalents will be sufficient to fund our ongoing trials and operations into the fourth quarter of 2024; therefore, based on current projections, we do not have sufficient cash and cash equivalents to support our operations for at least the 12 months following the date that these financial statements are issued. These conditions raise substantial doubt about our ability to continue as a going concern through the one-year period after the date that the financial statements are issued.

We are exploring various sources of funding for continued development of our product candidates, as well as our ongoing operations. We expect to incur significant expenses and operating losses for the foreseeable future as we continue the development and clinical trials of, and seek regulatory approval for, our product candidates. If we obtain regulatory approval for any of our product candidates, we expect to incur significant NDA preparation and commercialization expenses. We do not currently have an organization for the sales, marketing, and distribution of pharmaceutical products. We may rely on licensing and co-promotion agreements with strategic or collaborative partners for the commercialization of our products in the United States and other territories. If we choose to build a commercial infrastructure to support marketing in the United States for any of our product candidates that achieve regulatory approval, such commercial infrastructure could be expected to include a targeted oncology sales force supported by sales management, internal sales support, an internal marketing group and distribution support. To develop the appropriate commercial infrastructure internally, we would have to invest financial and management resources, some of which would have to be deployed prior to having any certainty about marketing approval. Furthermore, we have and expect to continue to incur additional costs associated with operating as a public company and to satisfy the obligations under the Merger Agreement, Stock Purchase Agreement and related agreements.

For additional risks, please see “Risk Factors” in Part II of this report and previously disclosed in our Annual Report.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

As a smaller reporting company, the Company is not required to provide the information otherwise required by this Item.

Item 4. Controls and Procedures

Managements’ Evaluation of our Disclosure Controls and Procedures

Our management, with the participation of our principal executive and principal financial officers, evaluated the effectiveness of our disclosure controls and procedures as of June 30, 2024. The term “disclosure controls and procedures,” as defined in Rules 13a-15(e) and 15d-15(e) promulgated under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company’s management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure. Based on the evaluation of our disclosure

controls and procedures as of June 30, 2024, our principal executive and principal financial officers concluded that, as of such date, our disclosure controls and procedures were effective.

Changes in Internal Control Over Financial Reporting

Our management, with the participation of our principal executive and principal financial officers, evaluated any changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during our most recently completed fiscal quarter. Based on that evaluation, our principal executive and principal financial officers concluded that no change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) occurred during the fiscal quarter ended June 30, 2024 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION

Item 1. Legal Proceedings

We are not party to any pending material legal proceedings and are not aware of any such proceedings contemplated by governmental authorities.

Item 1A. Risk Factors

In addition to the other information set forth in this report, you should carefully consider the risk factors discussed in Part I, “Item 1A. Risk Factors” in our Annual Report and in other reports filed with the SEC, which could materially affect our business, financial condition or future results. The following risk factors and the risks described in our Annual Report are not the only risks we face. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and/or operating results.

Risk Related to Our Business and Industry

The oncology and virology product candidates under development by Traws Pharma will be subject to the same risks with respect to the Company’s business and industry, dependence on third parties, product development, regulatory compliance, and, if approved, product commercialization as those described in the Annual Report.

As a result of the combination of Onconova Therapeutics and Trawsfynydd Therapeutics, the newly formed Traws Pharma has a diversified product pipeline consisting of both virology and oncology development programs. Specifically, we are developing TRX01 (ratutrelvir) for COVID19, TRX100 (tivoxavir marboxil) for Wseasonal or pandemic influence, Narazaciclib for solid tumors, Narazaciclib combined with Letrozole for second/third line low grade endometrioid endometrial cancer, and Rigosertib for epidermolysis bullosa-associated squamous cell carcinoma. These product candidates and our activities associated with them will be subject to the same risks as those that were previously described in the Onconova Therapeutics 10-K. It is also possible that some of these risks may be greater with respect to the virology products based on FDA’s prior experience with products intended for influenza and COVID19. Notably, in recent years FDA has published guidance on the development of products for both influenza and COVID19 treatment.

Clinical and non-clinical development is expensive, time-consuming, and uncertain as to the outcome. A failure of one or more preclinical tests or clinical trials can occur at any stage of testing, and encouraging results in preclinical testing and earlier clinical studies do not ensure that later clinical trials will generate adequate data to demonstrate the efficacy and safety of an investigational drug. There is also no guaranty that we will be able to commence or successfully and timely complete clinical studies. Even if our clinical development programs are successful, we may not be able to successfully commercialize any product and if we or our third-party contractors, including clinical sites, preclinical laboratories, contract research organizations, manufacturers and suppliers, and other vendors are not able to follow the applicable regulatory requirements, meet the applicable contractual requirements, and comply with the applicable study plans and product requirements, we may face enforcement actions, may not be able to

commence studies or may be delayed in commencing studies, may not receive marketing approval, or may need to repeat studies, any of which would materially harm our business.

Risk Factors Relating to the Merger

There is no guarantee that the Merger will increase stockholder value.

In April 2024, we merged with Trawsfynydd. We cannot guarantee that implementing the Merger and related transactions will not impair stockholder value or otherwise adversely affect our business. The Merger poses significant integration challenges between our businesses and management teams which could result in management and business disruptions, any of which could harm our results of operation, business prospects, and impair the value of the Merger to our stockholders.

Pursuant to the terms of the Merger Agreement, we are required to recommend that our stockholders approve the conversion of all outstanding shares of our Series C Preferred Stock into shares of our common stock. We cannot guarantee that our stockholders will approve this matter, and if they fail to do so we may be required to settle such shares in cash and our operations may be materially harmed.

Under the terms of the Merger Agreement, we agreed to call and hold a meeting of our stockholders to obtain the requisite approvals for the conversion of all outstanding shares of Series C Preferred Stock to be issued in the Merger and Financing into shares of our common stock, as required by the Nasdaq Stock Market LLC listing rules, and, if such approval is not obtained at that meeting, to seek to obtain such approvals at an annual or special stockholders meeting to be held at least every six months thereafter until such approval is obtained, which would be time consuming and costly. Additionally, if our stockholders do not approve the conversion of our Series C Preferred Stock within six months after the initial issuance of the Series C Preferred Stock, then the holders of our Series C Preferred Stock will be entitled to elect to have their shares of Series C Preferred Stock redeemed for cash at a price per share equal to the last reported closing trading price of the common stock at such time on an as-converted to common stock basis (each share of Series C Preferred Stock is convertible into 10,000 shares of Common Stock), as further described in our Certificate of Designation relating to the Series C Preferred Stock. If we are forced to cash settle a significant amount of the Series C Preferred Stock, it would materially affect our results of operations.

Stockholders may not realize a benefit from the Merger commensurate with the ownership dilution they will experience in connection with the Merger, including the issuance of our common stock upon conversion of all outstanding shares of Series C Preferred Stock to be issued in the Merger and Financing.

If we are unable to realize the full strategic and financial benefits currently anticipated from the Merger, stockholders will have experienced substantial dilution of their ownership interests without receiving any commensurate benefit, or only receiving part of the commensurate benefit to the extent we are able to realize only part of the strategic and financial benefits currently anticipated from the Merger.

The failure to successfully integrate the businesses of Onconova and Trawsfynydd in the expected timeframe would adversely affect Traws Pharma's future results.

Our ability to successfully integrate the operations of Onconova and Trawsfynydd will depend, in part, on our ability to realize the anticipated benefits from the Merger. If we are not able to achieve these objectives within the anticipated time frame, or at all, the anticipated benefits of the Merger may not be realized fully, or at all, or may take longer to realize than expected, and the value of our common shares may be adversely affected. In addition, the integration of the Company's and Trawsfynydd's respective businesses will be a time-consuming and expensive process. Proper planning and effective and timely implementation will be critical to avoid any significant disruption to Traws Pharma's operations. It is possible that the integration process could result in the loss of key employees, the disruption of its ongoing business or the identification of inconsistencies in standards, controls, procedures and policies that adversely affect its ability to maintain relationships with customers, suppliers, distributors, creditors, lessors, clinical trial

investigators or managers or to achieve the anticipated benefits of the Merger. Delays encountered in the integration process could have a material adverse effect on Traws Pharma's revenues, expenses, operating results and financial condition, including the value of its common shares.

The termination of employees undertaken to extend our cash runway and focus more of our capital resources on our prioritized research and development programs might not achieve our intended outcome.

In April 2024, we terminated 11 of our 17 employees in order to conserve cash, after payment of severance benefits, for continued development of our product candidates. The terminations may result in unintended consequences and costs, such as the loss of institutional knowledge and expertise, attrition beyond the intended number of employees, decreased morale among our remaining employees and consultants, increased reliance on third parties and the risk that we may not achieve the anticipated benefits of the terminations. In addition, while positions have been eliminated, certain functions necessary to our operations remain, and we might not successfully distribute the duties and obligations of our terminated employees among our remaining employees and consultants. The reduction in workforce could also make it difficult for us to pursue, or prevent us from pursuing, new opportunities and initiatives due to insufficient personnel, or require us to incur additional and unanticipated costs to hire new personnel to pursue such opportunities or initiatives. If we are unable to realize the anticipated benefits from the terminations, or if we experience significant adverse consequences therefrom, our business, financial condition and results of operations may be materially adversely affected.

Our future results will suffer if we do not effectively manage its expanded operations.

As a result of the Merger, we will become a more diversified company and our business will become more complex. There can be no assurance that we will effectively manage the increased complexity without experiencing operating inefficiencies or control deficiencies. Significant management time and effort is required to effectively manage our increased complexity and our failure to successfully do so could have a material adverse effect on our business, financial condition, results of operations and growth prospects. In addition, as a result of the Merger, our financial statements and results of operations for periods prior to April 1, 2024 may not provide meaningful guidance to form an assessment of the prospects or potential success of our future business operations.

We expect to incur substantial expenses related to the integration of Trawsfynydd.

We have incurred, and expect to continue to incur, substantial expenses in connection with the Merger and the integration of Trawsfynydd. There are a large number of processes, policies, procedures, operations, technologies and systems that must be integrated, including purchasing, accounting and finance, billing, payroll, research and development, marketing and benefits. Both the Company and Trawsfynydd have incurred significant transaction expenses in connection with the drafting and negotiation of the Merger Agreement, the Stock Purchase Agreement and the related ancillary agreements and significant severance expenses in connection with the reduction of employees in April. While we have assumed that a certain level of expenses will be incurred, there are many factors beyond our control that could affect the total amount or the timing of the integration expenses. Moreover, many of the expenses that will be incurred are, by their nature, difficult to estimate accurately. These integration expenses likely will result in our taking significant charges against earnings following the completion of the Merger, and the amount and timing of such charges are uncertain at present.

Risks Related to Ownership of Our Common Stock

We may not comply with the Nasdaq continued listing requirements. If we are unable to comply with the continued listing requirements of the Nasdaq Capital Market, our Common Stock could be delisted, which could affect our common stock's market price and liquidity and reduce our ability to raise capital.

We are required to meet certain qualitative and financial tests to maintain the listing of our securities on the Nasdaq Capital Market (Nasdaq). As of August 14, 2024, we were not in compliance with the Nasdaq continued listing requirements related to minimum bid price.

On September 25, 2023, we received a letter from Nasdaq indicating that we failed to comply with the minimum bid price requirement of Nasdaq Listing Rule 5550(a)(2), which requires that companies listed on Nasdaq maintain a minimum closing bid price of at least $1.00 per share.

Under Nasdaq Listing Rule 5810(c)(3)(A), we had a 180 calendar day grace period, or until March 25, 2024, to regain compliance by meeting the continued listing standard. The continued listing standard will be met if the Company's common stock has a minimum closing bid price of at least $1.00 per share for a minimum of ten consecutive business days during the 180-calendar day grace period.

We did not regain compliance with the minimum bid price requirement by March 25, 2024. On March 27, 2024, we received a letter from Nasdaq granting the Company a second 180 calendar day period to regain compliance under Nasdaq Listing Rule 5810(c)(3)(A), or until September 23, 2024. Their determination to grant the second compliance period was based on our meeting the continued listing requirement for market value of publicly held shares and all other initial listing standards for The Nasdaq Capital Market, except for the minimum bid price requirement, and our notification to Nasdaq of its intention to cure the minimum bid price deficiency during the second compliance period, by effecting a reverse stock split, if necessary.

If we do not regain compliance by September 23, 2024, Nasdaq will provide notice that the Company's common stock will be delisted. At that time, we may appeal the Nasdaq staff's determination to a Nasdaq Hearings Panel.

We intend to monitor the closing bid price of the Company's common stock and continue to consider our available options to resolve the noncompliance with the minimum bid price requirement. On August 9, 2024, we filed a proxy for shareholder approval to effect a reverse stock split.

There can be no assurance that we will be able to regain compliance with the minimum bid price requirement or will otherwise be in compliance with other Nasdaq listing criteria.

If we are unable to maintain compliance with the continued listing requirements of Nasdaq, our common stock could be delisted, making it could be more difficult to buy or sell our securities and to obtain accurate quotations, and the price of our securities could suffer a material decline. Delisting could also impair our ability to raise capital.

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

Not applicable.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

During the three months ended June 30, 2024, none of our directors or officers adopted, modified, or terminated any contract, instruction, or written plan for the purchase or sale of our securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) (a "Rule 10b5-1 trading arrangement") or any "non-Rule 10b5-1 trading arrangement" (as defined in Item 408(c) of Regulation S-K).

Item 6. Exhibits

EXHIBIT INDEX

Exhibit Number		Description
2.1		Agreement and Plan of Merger, dated April 1, 2024, by and among the Onconova Therapeutics, Inc., Traws Merger Sub I, Inc., Traws Merger Sub II, LLC, and Trawsfynydd Therapeutics, Inc. (*Incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K filed on April 4, 2024*).
3.1		Certificate of Designation of Series C Non-Voting Convertible Preferred Stock of Onconova Therapeutics, Inc., dated April 1, 2024 (*Incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on April 4, 2024*).
3.2		Certificate of Amendment to Tenth Amended and Restated Certificate of Incorporation of Onconova Therapeutics, Inc., as amended, dated April 2, 2024 (*Incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K filed on April 4, 2024*).
3.3		Amendment to Amended and Restated Bylaws of Traws Pharma, Inc., effective as of June 26, 2024 *(Incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on June 28, 2024).*
10.1	+	Securities Purchase Agreement, dated April 1, 2024, by and among the Onconova Therapeutics, Inc., OrbiMed and TorreyPines (*Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on April 4, 2024*).
10.2		Registration Rights Agreement, dated April 1, 2024, by and among the Onconova Therapeutics, Inc., OrbiMed and TorreyPines (*Incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on April 4, 2024*).
10.3		Employment Agreement, dated April 1, 2024, by and between Onconova Therapeutics, Inc. and Werner Cautreels (*Incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed on April 4, 2024*).
10.4		Form of Offer Letter (*Incorporated by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K filed on April 4, 2024*).
10.5	+	Employment Agreement, dated April 12, 2024, by and between Traws Pharma, Inc. and Victor Mandla Moyo, MBChB. *(Incorporated by reference to Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q filed on May 15, 2024)*
31.1	*	Rule 13a-14(a)/15d-14(a) Certifications of Principal Executive Officer
31.2	*	Rule 13a-14(a)/15d-14(a) Certifications of Principal Financial Officer
32.1	**	Section 1350 Certifications of Principal Executive Officer
32.2	**	Section 1350 Certifications of Principal Financial Officer
101.INS		XBRL Instance – The instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH		XBRL Taxonomy Extension Schema Document
101.CAL		XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF		XBRL Taxonomy Extension Definition Linkbase Document
101.LAB		XBRL Taxonomy Extension Labels Linkbase Document
101.PRE		XBRL Taxonomy Extension Presentation Linkbase Document
104		Cover Page Interactive Data File -The cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document

* Filed herewith
** Furnished herewith
+ Certain annexes, schedules and exhibits have been omitted pursuant to Item 601(a)(5) of Regulation S-K. The registrant agrees to furnish supplementally a copy of any omitted attachment to the SEC on a confidential basis upon request.

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.

TRAWS PHARMA, INC.

Dated: August 14, 2024

/s/ WERNER CAUTREELS, PH.D.
Werner Cautreels, Ph.D.
Chief Executive Officer
(*Principal Executive Officer*)

Dated: August 14, 2024

/s/ MARK GUERIN
Mark Guerin
Chief Financial Officer
(*Principal Financial Officer*)

Exhibit 31.1

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

I, Werner Cautreels, certify that:

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

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

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

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

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

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

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

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

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

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

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

Dated: August 14, 2024

/s/ Werner Cautreels
Werner Cautreels
Chief Executive Officer
(*Principal Executive Officer*)

Exhibit 31.2

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

I, Mark Guerin, certify that:

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

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

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

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

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

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

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

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

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

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

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

Dated: August 14, 2024

/s/ Mark Guerin
Mark Guerin
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

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

In connection with the Quarterly Report of Traws Pharma, Inc. (the "Company") on Form 10-Q for the period ended June 30, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Werner Cautreels, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. That information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 14, 2024

/s/ Werner Cautreels
Werner Cautreels
Chief Executive Officer
(*Principal Executive Officer*)

The foregoing certification is being furnished solely to accompany the Report pursuant to 18 U.S.C. § 1350, and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

Exhibit 32.2

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

In connection with the Quarterly Report of Traws Pharma, Inc. (the "Company") on Form 10-Q for the period ended June 30, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Mark Guerin, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. That information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 14, 2024

/s/ Mark Guerin
Mark Guerin
Chief Financial Officer
(Principal Financial Officer)

The foregoing certification is being furnished solely to accompany the Report pursuant to 18 U.S.C. § 1350, and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.